

director's report
and financial statements

2004

DEPFA ACS BANK

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Directors and other information

Board of Directors

Mr. D. M. Cahillane (Chairman)
Dr. T. P. Carey
Mr. M. Deeny (appointed 14 June 2004)
Mr. B. Farrell
Ms. W. Höfer-Neder (resigned 15 Dec. 2004)
Ms. J. Hoggett (appointed 16 September 2004)
Prof. Dr. F. Ruane

Solicitors

McCann Fitzgerald
2 Harbourmaster Place
Custom House Dock
Dublin 1
Ireland

Audit Committee

Prof. Dr. F. Ruane (Chairperson)
Mr. D. M. Cahillane
Dr. T. P. Carey

Secretary & Registered Office

Mr. N. J. Kavanagh
1 Commons Street
Dublin 1
Ireland

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
George's Quay
Dublin 2
Ireland

Cover Assets Monitor

AIB International Financial Services
AIB International Centre
Dublin 1
Ireland

Directors' Report

The directors present herewith the audited financial statements for the year ended 31 December 2004.

Statement of Directors' Responsibilities

Irish company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of DEPFA ACS BANK ("the Bank") and of the profit or loss of the Bank for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Bank will continue in business.

The directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Bank, and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland, and comply with the Irish Companies Acts, 1963 to 2003, and the European Communities (Credit Institutions: Accounts) Regulations, 1992. The measures taken by directors to secure compliance with the Bank's obligation to keep proper books of account are the use of appropriate systems and procedures, and through the employment of competent staff. The books of account are kept at the following address: 1 Commons Street, Dublin 1. The directors are also responsible for safeguarding the assets of the Bank, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Furthermore the directors are responsible for the maintenance and integrity of any information relating to the Bank contained in the DEPFA BANK plc Group ("the Group") website; the work carried out by the auditors does not involve consideration of these matters.

Principal Activities

The Bank's primary activity is the issuance of covered bonds under the Asset Covered Securities Act ("the Legislation") enacted in 2001. These fixed or floating rate instruments are covered by a pool of assets, which include mandatory over-collateralisation assets, all of which are public sector and primarily located in member countries of the European Economic Association (EEA), and relevant derivatives. The Bank generates public sector assets primarily through its parent to support these activities. The Bank has a full banking licence and is a designated credit institution (DCI) as defined in the Legislation.

The Bank is regulated by the Irish Financial Services Regulatory Authority (IFSRA).

Review of Business and Future Development

The aim of the directors in 2004 was to build on the momentum established during the Bank's first year of issuance in 2003. The growth of the Bank's funding operations in 2004 reflects the achievement of this goal.

The Bank maintained and reinforced its position at the forefront of the growing Irish Asset Covered Securities ("ACS") market in 2004. Underpinned by DEPFA's Benchmark Programme – an annual commitment to issuance in the ACS market, the Bank issued a further EUR8 billion of benchmark

transactions in 2004. The year was started with an oversubscribed EUR4 billion 3-year transaction. The issue was subsequently tapped for a further EUR1 billion to create an outstanding issue of EUR5bn. In July 2004, the Bank issued a further EUR3 billion 10-year benchmark with a January 2015 maturity. Both of these transactions are traded on the EuroMTS trading platform alongside the most liquid European Agency and Supranational issuers, reflecting the Bank's commitment to ensuring genuine secondary market liquidity in its benchmarks.

In the 2003 and 2004 benchmark transactions, the Bank received orders from more than 340 different investors. These accounts include Central Banks, Pension Funds, Insurance Companies, Asset Managers and Banks from Europe, the US and Asia. This reflects the increasing recognition of DEPFA ACS BANK across a global investor base and the success the Bank has enjoyed in fostering a greater understanding of the ACS product throughout the international capital markets.

The Bank has been an active participant in the Euro Medium Term Note ("EMTN") market since its addition to the Group's EMTN Programme in August 2003. This funding source has provided EUR4.5 billion of funding since the inception of the Bank's MTN activities. The Bank expects to further expand its market share in the EMTN market in 2005; however, the strength of the Bank's franchise in this market is already impressive given its relatively recent entry into the market. The MTN markets provide the Bank with particularly attractive funding levels.

In addition, in April 2004 the Bank developed documentation to be able to issue in registered format. These transactions are most commonly placed with German Insurance Companies and are typically attractively priced long-term issues which enhance the Bank's access to the 15- to 30-year maturities.

The Bank continued to develop its reputation in the international Money Markets in 2004, through its wholesale deposit activities, bilateral repurchase operations with active counterparties in the market, and central bank activities with the European Central Bank. The Bank's profile is actively marketed in the western European financial markets, as well as in the UK & the Nordic region. A number of ISDA Master Agreements have been completed with some of the world's leading financial institutions, in order to enable derivative and foreign exchange transactions to take place.

In 2005 it is intended that the Bank be included on a number of the short term debt issuance programmes which are currently available to the Group, in order to further enhance the highly regarded franchise the Group has created as one of the premier European issuers of short term securities. This year it is our aim for the Bank to avail of the highest possible short term ratings from the three main rating agencies, to become a recognised issuer in the international ECP and CD markets, as well as to take advantage of opportunities in both the Canadian and Swedish Domestic Commercial Paper markets.

The Bank experienced significant growth on the asset side of its balance sheet in 2004, mainly driven by the need to source suitable assets to cover the asset covered bond activity of approximately Euro 11 billion. Asset generation is driven by the requirement that the cover asset pool reflects a highly-diversified pool of eligible countries and a balanced weighting to underpin the AAA rating attached to

the covered bonds. These assets are primarily sourced directly by business development teams based in the branches and representative offices of the Group.

In conclusion, the Bank has continued to develop an impressive business model in 2004, maintaining its position at the forefront of the Irish ACS market. With the growth of the global covered bond market, we expect to continue to generate a diversified and global investor base in the years to come, expanding considerably the Bank's benchmark issuance.

Results

The profit for the year, and the appropriation thereof, are set out in the profit and loss account on page 14.

Dividends

The directors propose a dividend of €49,912,823 in respect of the year ended 31 December 2004.

Directors

The names of the persons who were directors at any time during the year ended 31 December 2004 are listed on page 2.

The interests of the directors and secretary, in office as at 31 December 2004, and of their spouses and minor children in the shares of the Bank or Group undertakings are set out in the table below.

The Group established an Incentive Compensation Programme in 2002 under which the Group Compensation Committee is entitled to pay an annual cash bonus and to make awards of restricted shares to employees and directors of the Group.

In conjunction with the formation of the Incentive Compensation Programme the Group established a Trust that is used to purchase shares of DEPFA BANK plc with funds provided by the Group.

The programme authorises the granting of restricted shares to be held by the Trust until vesting conditions specified by the Group are satisfied. The restricted shares carry no voting rights but are entitled to receive dividends as and when declared. Restricted shares are awarded for no consideration and are subject only to continued employment over the three year vesting period. Dividends declared during the vesting period will be used to purchase additional shares in DEPFA BANK plc which will vest three years from the date of the award.

On 16th February 2003 and 31 January 2004, the Group awarded a total of 142,000 shares to the directors of the Bank under the Incentive Compensation Programme. These shares vest over a three year period. 47,330 shares vested on 15th February 2005.

Shares in DEPFA BANK plc

	As at 28 February 2005 Shares	As at 31 December 2004 Shares	As at 31 December 2003 Shares
Directors:			
Mr. D. M. Cahillane	6,241	3,000	–
Dr. T. P. Carey	–	–	–
Mr. M. Deeny	5,031	4,301	1,530
Mr. B. Farrell	22,940	22,940	22,940
Ms. J. Hoggett	–	–	–
Prof. Dr. F. Ruane	–	–	500
Secretary:			
Mr. N. J. Kavanagh	2,405	1,000	–

There were no contracts of any significance in relation to the business of DEPFA BANK plc, or any of its subsidiaries, in which the directors had any interest as defined in the Companies Act 1990, at any time during the year ended 31 December 2004.

Measurement and Management of the Various Types of Risk

In accordance with Group requirements, the Bank applies Group policies and procedures to the management of credit risk, market risk, operational risk and liquidity risk. The following is an overview of these policies and procedures.

Credit Risk

Credit Risk is defined as the risk of impairment and partial or total loss of a receivable due to deterioration of credit quality on the part of a business partner. The relevant receivable may be based on traditional on-balance sheet lending business or off-balance sheet business, e.g. counterparty risk arising from derivative financial instruments.

Assessing Credit Risk – the internal rating system in the DEPFA Group

The credit scoring of counterparties is critical to DEPFA's business. The scoring model of the Group is reviewed continuously. In recent years, DEPFA moved to a unitary scoring system for its four main credit risk pools (sovereign, sub-sovereign, financial institutions and infrastructure finance). Originally the unitary scoring model had 12 rating grades, but this has now been extended to 22 grades. This change introduced a more accurate risk evaluation and was designed specifically to prepare for the implementation of the new capital adequacy framework issued by the Bank for International Settlements ("BIS") in June 2004, commonly known as Basel II ("Basel II").

DEPFA's 22-grade internal rating system is similar to the grading system used by External Credit Assessment Institutions ("ECAI"), as defined under Basel II.

All counterparties across all risk groups are graded in accordance with this system. The steps to assign and test the robustness of the internal rating involve:

- Grading individual counterparties through the analysis of balance sheet strength, the historic and budgeted relationship of direct tax and central allocation (grant) revenues with expenses, the relationship of debt to operating surpluses, indebtedness per capita, political stability and the structure of any guarantees.
- The analysis of the sub-sovereign legal framework including the delegation of powers from the sovereign and financial and regulatory support of its activities.
- Mapping internally derived ratings against ECAI ratings for externally rated borrowers.

The rated clients and counterparties account for a very high proportion of the Bank's assets (84.56%). 28.32% of the portfolio of on-balance sheet interest earning assets relates to counterparties with triple-A ratings by ECAs while a further 46.66% of assets relate to double-A ratings. Of the 15.44% unrated assets, 5.47% are guaranteed by sovereigns whilst the remainder are obligations of

or guaranteed by public sector entities. In this analysis, the rating is taken as the lowest awarded by the three major ECAs.

The Credit Approval Process

DEPFA Group operates an independent credit approval process, which includes assessments by and formal limit recommendations from personnel not involved in the business areas.

The credit process centres on an independent Credit Committee which presides over three counterparty risk pools (sovereign, sub-sovereign and financial institutions), and which is provided with both rating and limit recommendations from dedicated independent risk teams.

The allocation of an internal rating determines both the pricing and the potential exposure amount. The Credit Committee is empowered to set limits up to prudent levels taking into account large exposure parameters.

DEPFA ACS BANK's Counterparty Risk Pools:

1. Sovereign/Country Risks

Sovereign/Country risks are managed by the Group Country Risk Committee. Reviews of sovereign risks are carried out at least annually, with detailed reports on the social, political and economic situation of all countries presented to the Group Credit Committee for approval. All sovereign/country risks are rated in accordance with the Group internal rating grades.

2. Sub-Sovereign Risk

The analysis of sub-sovereign risks is carried out by the Group Credit Risk Unit, a specialised team based in Dublin. This team is independent from business origination/relationship management, and is responsible for assessing and rating (in accordance with the DEPFA internal grading system) the credit risk for all sub-sovereign entities in the OECD, EEA and converging countries, excluding emerging markets.

The unit assesses the distinct characteristics of the country in which the sub-sovereign is located, especially those characteristics related to intergovernmental arrangements. The unit also assesses political, demographic, economic, fiscal and financial factors. To date, the unit has analysed and rated 4,200 sub-sovereign counterparties across 77 Countries.

3. Financial Institution Risk

The Group Credit Risk Unit also carries out assessment of DEPFA's exposure to financial institutions. Specialised Group personnel work with Group front office personnel to evaluate the credit risks involved in these counterparties. The approval process applied is the same as for sub-sovereign counterparties. All counterparties must have pre-approval limits in place as a prerequisite to conducting transactions with DEPFA.

Limit Monitoring

The monitoring of country limits or cross border exposures is carried out on a daily basis by a dedicated Group team based in Dublin. Limit monitoring is performed on both a Group-wide basis as well as on a local entity basis. These exposure reports are made available to management and all business sectors of the Group.

Market Risk

Market risk refers to the risk of potential loss arising from changes in interest rates, foreign currency exchange rates, equity prices, price or rate volatilities and other relevant market rates and prices such as commodity prices. The Group defines its market risk as the potential for changes to the fair value of financial instruments as a result of rate, price and volatility movements.

The Group's market risk policies and procedures follow three core principles:

- A Policy framework for all key market risk activities has been approved.
- Market risk management is centralised in the Group Asset & Liability Committee and the Group Treasury units, managed by specialised personnel and monitored using appropriate systems and controls.
- The Group Market risk control function measures and monitors the risks independently of the risk-taking units.

These Group policies and procedures are applied to the Bank.

The market risk control function has sub-categorised market risk into risk factors. The relevant risk factors for the Bank are interest rate, and foreign exchange risk. As a Bank focusing on the issuance of asset covered bonds, it is not generally exposed to equity or commodity risk. With regard to foreign exchange risk, the Group has a strict policy that Group Treasury must match all foreign currency assets with liabilities in the same currency or swap out the foreign exchange exposure. Hence, the primary risk factor for the Bank is interest rate risk.

For the quantification and control of this risk, the Bank determines daily Value at Risk (VaR) figures in line with industry wide practice using the variance/co-variance methodology. A ten-day holding period with a 99% confidence interval is used to derive the calculation.

The correlation and volatility frequencies for the calculation are annualised to 250 trading days.

The choice of a ten-day holding period was selected to give a conservative VaR measure in relation to hedging the risk of the portfolio's positions. Senior management recognises that VaR has certain inherent limitations. The past may not always provide a reliable indicator of future market movements and the statistical assumptions employed may understate the probability of

very large market moves. For this reason additional management tools such as sensitivity measures, back-testing and stress testing are used to supplement VaR.

Operational Risk

The Group has adopted the BIS definition of Operational Risk: “the risk of losses resulting from inadequate or failed internal processes and systems, or from external events.” The Bank applies Group policies and procedures in relation to the management of operational risk.

The objectives of the operational risk processes in the Group are to minimise operational risk by:

- Documentation of all relevant policies, procedures and processes and keeping them under constant supervision;
- Identification and rectification of sources of errors and weaknesses;
- Employing suitably qualified and experienced personnel;
- The annual appraisal process and regular review of goals and objectives;
- Application of a robust and reliable system environment;
- Maintaining and further developing business continuity plans and procedures;
- Sound control systems.

Management of operational risk is the responsibility of all operational units. The Group’s operational risk function assists management and staff in the assessment and prioritisation of risks through the provision of tools and methodologies, and reports to senior management on the operational risk profile of the Bank. Group Internal Audit validates the process for management of operational risk, and provides independent assurance to the Bank that the system of internal control is adequate and assesses the effectiveness of controls implemented to mitigate risks.

All major system components, such as computer hardware, communication links or trading sites are duplicated, synchronised and hosted in different locations. This is an integral part of the Group Business Continuity Plan, protecting the Group, and the Bank in particular, from an externally caused major disaster.

The Group’s control system relies on strict organisational independence of the monitoring and control functions, detailed segregation of functions and duties and the application of the four-eyes principle to all relevant actions and decision processes. The risk monitoring functions for credit, market and operational risk and the Compliance and Internal Audit functions are the major pillars of the Bank’s control system.

Liquidity Risk

Liquidity risk is defined as the risk of being unable to fulfil current or future payment obligations in full on or at the due date.

The Bank's liquidity management controls monitor the cash flow of the business in such a manner as to ensure that efficient use of cash flows is maintained. To this extent, the Bank primarily funds its assets through the issuance of asset covered securities. The Bank has agreed to over-collateralisation of the cover pool with respect to the securities issued at a minimum level of 5%. The Bank is also obliged to ensure that the interest payable in a given period of 12 months in respect of the issued securities is less than the total amount of interest receivable on the cover pool.

Assets held outside the cover pool prior to future covered bond issuance either pay a floating rate return or are swapped to a floating return through the use of derivative transactions. These assets are in turn primarily financed through inter-company loans.

Hedging

The Bank's policy is to hedge the following exposures:

- Interest rate risk – using interest rate swaps.
- Currency exposures – using cross-currency swaps and forward foreign exchange.

The following table provides examples of certain activities undertaken by the Bank, the related risks associated with such activities and the types of derivatives used in managing such risks. Such risks may also be managed by using on-balance sheet instruments as part of an integrated approach to risk management.

Activity	Risk	Type of hedge
Fixed rate lending/borrowing	Sensitivity to increases/decreases in interest rates	Pay/receive fixed interest rate swaps Purchase/sell FRAs
Investment in foreign currency assets/liabilities	Sensitivity to strengthening/weakening of Euro against other currencies	Cross-currency swaps Foreign exchange swaps Foreign currency funding

Derivatives, all of which are used for hedging purposes, are measured on an accruals basis consistent with the assets, liabilities or positions being hedged. The gains and losses on these instruments (arising from changes in fair value) are not recognised in the profit and loss account.

Internal Audit and Compliance

The Group Internal Audit function, located in both Dublin and Frankfurt, is an independent unit established to audit and evaluate all Group activities including the Bank and to add value and improve operations and procedures. Group Internal Audit reports directly to the Group Audit Committee.

Group Internal Audit supports the organisational units of the Group in accomplishing their objectives by bringing a systematic and disciplined approach to the evaluation of the effectiveness of risk management, internal control, procedures and governance processes.

Compliance Officers located in each of DEPFA's legal entities report directly to the Group Compliance Officer located in Dublin. The Compliance function oversees the adherence to the principles set out by the Irish Financial Services Regulatory Authority (IFSRA) and any other relevant Regulatory Authorities.

Safety, Health and Welfare at Work Act, 1989

The directors have prepared the necessary safety statement required by the Safety, Health and Welfare at Work Act, 1989.

Auditors

PricewaterhouseCoopers will continue in office in accordance with the provisions of Section 160 of the Companies Act 1963.

On behalf of the Board

Mr. D. M. Cahillane
Director

Dr. T. P. Carey
Director

Mr. M. Deeny
Director

Mr. N. J. Kavanagh
Secretary

28 February 2005

Independent Auditors' Report

To the members of DEPFA ACS BANK

We have audited the financial statements on pages 14 to 32.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Irish law and Accounting Standards generally accepted in Ireland are set out on page 3 in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and auditing standards issued by the Auditing Practices Board applicable in Ireland. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2003 and the European Communities (Credit Institutions: Accounts) Regulations, 1992. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to hold an extraordinary general meeting; such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2003, and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 3 to 11 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 15, are more than half the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2004 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

28 February 2005

Profit and Loss Account

Year ended 31 December 2004

	Notes	2004 € '000	2003 € '000
Interest receivable and similar income	2	925,759	509,643
Interest payable and similar charges	3	(878,871)	(485,820)
Net interest income		46,888	23,823
Fees and commissions payable		(2,483)	(394)
Gains on sale of investments		951	-
Other operating income / (expenses)	4	1,007	(88)
Other expenses		(525)	(482)
Operating income		46,363	23,341
Administrative expenses	5	(9,489)	(6,179)
Provision for bad and doubtful debts		-	-
Operating profit / profit on ordinary activities before taxation	6	36,874	17,162
Taxation on profit on ordinary activities	7	(3,687)	(1,716)
Profit on ordinary activities after taxation		33,187	15,446
Dividends proposed		(49,913)	-
(Loss) / Profit retained for the year		(16,726)	15,446

Statement of movement in retained profits

	2004 € '000	2003 € '000
Opening balance	16,726	1,280
Profit retained for the year	(16,726)	15,446
Closing balance	-	16,726

The Bank has no recognised gains and losses other than those included in the profit and loss account above and, therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation (all of which relates to continuing activities) or the retained profit for the period stated above, and their historical cost equivalents.

On behalf of the Board

Mr. D. M. Cahillane
Director

Dr. T. P. Carey
Director

Mr. M. Deeny
Director

Mr. N. J. Kavanagh
Secretary

Balance Sheet

As at 31 December 2004

	Notes	2004 € '000	2003 € '000
Assets			
Cash and balances at the Central Bank of Ireland		2,817	3,258
Loans and advances to banks	8	9,006,607	7,383,041
Loans and advances to customers	9	18,180,277	10,388,263
Debt securities & other fixed income securities	10	10,098,944	7,070,515
Other assets	11	113	249
Prepayments and accrued income		941,453	584,891
Total assets		38,230,211	25,430,217
Liabilities			
Deposits by banks	12	14,616,265	14,066,868
Customer accounts	13	69,208	65,003
Debt securities in issue	14	21,907,000	10,302,972
Other liabilities	15	127,278	65,465
Accruals and deferred income	16	909,833	563,183
Subordinated liabilities	17	205,627	115,000
		37,835,211	25,178,491
Called-up share capital	18	395,000	235,000
Profit and loss account		-	16,726
Equity shareholders' funds	19	395,000	251,726
Total liabilities		38,230,211	25,430,217
Memorandum items			
Contingent liabilities		-	-
Commitments	23	1,031,700	66,233

On behalf of the Board

Mr. D. M. Cahillane
Director

Dr. T. P. Carey
Director

Mr. M. Deeny
Director

Mr. N. J. Kavanagh
Secretary

Notes to the Financial Statements

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the provisions of the Companies Acts, 1963 to 2003; the European Communities (Credit Institutions: Accounts) Regulations, 1992; accounting standards generally accepted in Ireland and BBA Statements of Recommended Accounting Practice.

Provisions for Bad and Doubtful Debts

Provisions for bad and doubtful debts are based on the year-end appraisal of loans and advances. Specific provisions are made in respect of any identified impaired advances. In addition, general provisions are made to cover losses, if any, which, although not specifically identified, are present in the portfolio of loans at the year-end.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Euro at the exchange rate ruling at the balance sheet date or forward rates. Differences arising on translation are recognised in the profit and loss account.

Pension benefits

The Bank provides a non-contributory defined contribution scheme. Payments to the scheme are charged to the profit and loss account in the period to which they relate.

Income and expense recognition

Interest income and expense are recognised in the profit and loss account on an accruals basis. Fees which, in effect, increase the yield on transactions are spread over the lives of the underlying transactions.

Derivatives

Transactions are undertaken in derivative financial instruments, which include interest rate swaps, cross-currency swaps, futures, options and similar instruments, for non-trading purposes. Derivatives classified as non-trading are those entered into for the purpose of matching or eliminating (i.e. hedging) risk from potential movements in foreign exchange rates or interest rates inherent in the Bank's non-trading assets. Non-trading assets, liabilities and positions are those intended for use on a continuing basis in the activities of the Bank. Income and expenses on non-trading derivatives are recognised as they accrue over the life of the instruments as an adjustment to interest receivable and/ or interest payable. Non-trading derivatives are reviewed regularly for their effectiveness as hedges. Where an underlying asset, liability or position is unwound it is policy to simultaneously unwind the corresponding derivative position.

Deferred taxation

Deferred taxation is provided on all timing differences between the profit as stated in the financial statements and the profit as calculated for tax purposes.

Debt Securities

Debt securities intended for use on a continuing basis in the Bank's activities are classified as investment securities and are stated at cost less provision for any permanent diminution in value. The cost of investment securities in dated stocks is adjusted for the amortisation of premiums and discounts over the period to maturity. The amortisation of premiums or discounts is included in interest income.

Capital Instruments

Issue expenses of capital instruments are deducted from the proceeds of issue and, where appropriate, are amortised to profit and loss account so that the finance costs are allocated to accounting periods at a constant rate based on the carrying amount of the instrument.

Notes to the Financial Statements

2 Interest receivable and similar income

	2004 € '000	2003 € '000
Interest receivable and similar income arising from loans	532,450	323,035
Interest receivable and similar income arising from securities	388,927	186,602
Other interest receivable and similar income	4,382	6
	925,759	509,643
Amounts include:		
Receivable from Group undertakings	69,548	50,327

3 Interest payable and similar charges

	2004 € '000	2003 € '000
Interest expenditure on debt securities in issue	615,955	223,146
Interest expenditure on subordinated liabilities	6,965	2,286
Interest expenditure on other banking transactions	255,951	260,388
	878,871	485,820
Amounts include:		
Payable to Group undertakings	232,773	240,474

4 Other operating income / (expenses)

	2004 € '000	2003 € '000
Gains on buy-backs of debt securities	507	-
Re-charge income from Group companies	604	-
Foreign currency losses	(104)	(88)
	1,007	(88)

5 Administrative expenses

	2004 € '000	2003 € '000
Staff costs		
wages and salaries	1,111	950
social security costs	105	36
pension costs	65	39
	1,281	1,025
Other administrative expenses	8,208	5,154
	9,489	6,179

<i>6 Operating profit/profit on ordinary activities before taxation</i>	2004 € '000	2003 € '000
This is arrived at after charging:		
Auditors' remuneration (including VAT)	120	106

<i>7 Taxation on profit on ordinary activities</i>	2004 € '000	2003 € '000
(a) Analysis of current tax charge		
Republic of Ireland corporation tax on profits for the year	3,687	1,716
(b) Factors affecting tax charge for the year		
The reconciliation of current tax on ordinary activities at the standard Irish corporation tax rate to the Bank's actual current tax charge for the years ended 31 December 2004 and 2003 is as follows:		

	2004 € '000	2003 € '000
Profit on ordinary activities before tax	36,874	17,162
Profit on ordinary activities multiplied by the rate of Irish corporation tax for the year of 12.5% (2003: 12.5%)	4,609	2,145
Effects of:		
Section 446 TCA 1997 Relief	(922)	(429)
Current tax charge for the year	3,687	1,716

The Bank has received a certificate from the Minister for Finance in Ireland confirming that all qualifying income on financial services activities is taxed at 10% until 31 December 2005.

<i>8 Loans and advances to banks</i>	2004 € '000	2003 € '000
Repayable on demand	26,012	2,955
Other loans and advances to banks		
Remaining maturity		
- 3 months or less	5,635,080	4,079,818
- 1 year or less but over 3 months	330,035	1,637,455
- 5 years or less but over 1 year	279,460	25,843
- over 5 years	2,736,020	1,636,970
	9,006,607	7,383,041
Amounts include:		
Due from Group undertakings	5,525,245	5,713,669
The maturity analysis above relates to capital repayments and not to interest rate re-set dates		

<i>9 Loans and advances to customers</i>	2004 € '000	2003 € '000
Remaining maturity		
- 3 months or less	785,943	184,396
- 1 year or less but over 3 months	951,574	78,340
- 5 years or less but over 1 year	4,783,655	2,448,632
- over 5 years	11,659,105	7,676,895
	18,180,277	10,388,263
Provisions for bad and doubtful debts	-	-
	18,180,277	10,388,263
The maturity analysis above relates to capital repayments and not to interest rate re-set dates		

<i>10 Debt securities & other fixed income securities</i>	2004 € '000	2003 € '000
Investment securities:		
Government and other public sector bonds	5,187,509	3,151,064
Local government bonds	4,911,435	3,919,451
Corporate bonds	-	-
Other bonds and notes	-	-
	10,098,944	7,070,515
Analysed by remaining maturity:		
- 3 months or less	106,839	17,128
- 1 year or less but over 3 months	65,863	-
- 5 years or less but over 1 year	1,953,468	1,043,283
- over 5 years	7,972,774	6,010,104
	10,098,944	7,070,515

	Book Value 2004 € '000	Market Value 2004 € '000	Book Value 2003 € '000	Market Value 2003 € '000
Analysed by listing status:				
listed	6,287,057	6,687,895	5,637,381	5,876,458
unlisted	3,811,887	3,920,179	1,433,134	1,542,397
	10,098,944	10,608,074	7,070,515	7,418,855

	2004 € '000	2003 € '000
Analysis of movements in debt securities held as investment securities:		
At 1 January	7,070,515	-
Purchases	4,024,902	7,391,515
Repayments	(794,866)	(319,900)
Amortisation of discounts net of premiums	(3,388)	(1,100)
Foreign exchange revaluation	(198,219)	-
At 31 December	10,098,944	7,070,515
Amounts include:		
Debt securities and other fixed income securities in which the DEPF A Group has a participating interest	-	-

<i>11 Other assets</i>	2004 € '000	2003 € '000
Other assets	113	249
	113	249

<i>12 Deposits by banks</i>	2004 € '000	2003 € '000
(a) Repayable on demand	-	-
(b) With agreed maturity dates or periods of notice	14,187,105	13,559,018
(c) Sale and repurchase agreements	429,160	507,850
	14,616,265	14,066,868
(a) Repayable on demand	-	-
(b) With agreed maturity dates or periods of notice:		
- 3 months or less	12,106,137	9,958,621
- 1 year or less but over 3 months	1,848,789	3,600,397
- 5 years or less but over 1 year	155,698	-
- over 5 years	76,481	-
	14,187,105	13,559,018
Amounts include:		
Due to group undertakings	13,585,805	11,496,911
(c) Sale and repurchase agreements		
- 3 months or less	429,160	507,850
The maturity analysis above relates to capital repayments and not to interest rate re-set dates		

<i>13 Customer accounts</i>	2004 € '000	2003 € '000
Remaining maturity		
- 3 months or less	-	28,377
- 1 year or less but over 3 months	69,208	-
- over 5 years	-	36,626
	69,208	65,003
The maturity analysis above relates to capital repayments and not to interest rate re-set dates		

<i>14 Debt securities in issue</i>	2004 € '000	2003 € '000
Asset covered bonds	21,907,000	10,302,972
Remaining maturity		
- 5 years or less but over 1 year	12,256,034	6,651,325
- over 5 years	9,650,966	3,651,647
	21,907,000	10,302,972
The maturity analysis above relates to capital repayments and not to interest rate re-set dates		

<i>15 Other liabilities</i>	2004 € '000	2003 € '000
Corporation tax	1,386	799
Derivatives	63,112	57,314
Intra-group liabilities	11,484	5,566
Dividends proposed	49,913	-
Other liabilities	1,383	1,786
	127,278	65,465
The derivatives balance above consists of the un-amortised fees on derivatives and the revaluation reserve arising on cross-currency swaps		

<i>16 Accruals and deferred income</i>	2004 € '000	2003 € '000
Interest payable	909,758	563,183
Other accruals and deferred income	75	-
	909,833	563,183

<i>17 Subordinated liabilities</i>	2004 € '000	2003 € '000
Remaining maturity		
- over 5 years	205,627	115,000
	205,627	115,000
Amounts include:		
Due to group undertakings	205,627	115,000
The maturity analysis above relates to capital repayments and not to interest rate re-set dates		

Subordinated liabilities consist of the following:

€ 75m floating rate loan from DEPFA Finance NV, maturity 2025

€ 40m fixed rate loan (6.54%) from DEPFA Finance NV, maturity 2028

€ 70m floating rate loan from DEPFA Bank Plc, maturity 2029

€ 20.627m fixed rate loan (6.54%) from DEPFA Finance NV, maturity 2028

<i>18 Share capital</i>	2004 Number of shares '000	2003 Number of shares '000
Authorised:		
1,000,000,000 Ordinary shares of €1 each	1,000,000	1,000,000
	2004 € '000	2003 € '000
Allotted and fully paid:		
395,000,000 Ordinary shares of €1 each	395,000	235,000

The Bank issued 160,000,000 ordinary shares at par during the year.

<i>19 Reconciliation of movements in equity shareholders' funds</i>	2004 € '000	2003 € '000
(Loss) / Profit retained for the year	(16,726)	15,446
Share capital issued	160,000	135,000
	143,724	150,446
Opening shareholders' funds	251,726	101,280
Closing shareholders' funds	395,000	251,726

20 Retirement benefits

Employees of the Bank are members of the DEPFA BANK plc pension scheme, which is a defined contribution scheme. The pension cost charge includes contributions to the fund and amounted to € 64,761 (2003: € 39,351). The accrual at the end of the year was nil.

<i>21 Employees</i>	2004	2003
The average number of employees during the year was:		
Senior management	2	1
Management	3	2
Other staff	3	2
	8	5
The actual number of employees as at 31 December was:		
Senior management	2	1
Management	3	3
Other staff	5	2
	10	6

<i>22 Directors' information</i>	2004 €	2003 €
Emoluments		
For services as a director	10,000	10,000
Salaries and other emoluments	3,433,496	1,283,648
Pensions to former directors	-	-
	3,443,496	1,293,648

Directors' emoluments shown comprise all fees, salaries, pension contributions, shares vested on 15 February 2005 and other benefits and emoluments paid to directors. The interests of the directors in the shares of the Bank or Group undertakings are set out on page 5 of the Directors' Report.

23 Derivatives and other financial instruments

The Bank's objectives and policies in managing the risks that arise in connection with the use of financial instruments are set out in the directors' report on pages 3 to 9.

Interest rate sensitivity gap analysis as at 31 December 2004

The table below summarises the re-pricing mismatches on the Bank's book as at 31 December 2004.

Items have been allocated to bands by reference to the earlier of the next contractual interest rate re-pricing date or the maturity date.

Interest rate re-pricing	Up to 3 months € '000	3 months to 6 months € '000	6 months to 1 year € '000	1 year to 5 years € '000	More than 5 years € '000	Non interest bearing € '000	Total € '000
Assets							
Cash and balances at the Central Bank of Ireland	2,817	-	-	-	-	-	2,817
Loans & advances to banks	6,049,985	3,005	-	200,000	2,526,020	227,597	9,006,607
Loans & advances to customers	4,749,942	3,122,178	1,447,139	2,370,107	6,339,287	151,624	18,180,277
Debt securities and other fixed income securities	2,982,362	1,619,819	207,485	1,326,914	3,997,817	(35,453)	10,098,944
Other assets	-	-	-	-	-	113	113
Prepayment and accrued income						941,453	941,453
Total assets	13,785,106	4,745,002	1,654,624	3,897,021	12,863,124	1,285,334	38,230,211
Liabilities							
Deposits by banks	(12,690,417)	(1,609,669)	(229,700)	-	-	(86,479)	(14,616,265)
Customer accounts	(69,258)	-	-	-	-	50	(69,208)
Debt securities in Issue	(168,857)	(429,864)		(12,300,591)	(9,090,374)	82,686	(21,907,000)
Subordinated liabilities	(145,000)	-	-	-	(60,000)	(627)	(205,627)
Other liabilities	-	-	-	-	-	(77,365)	(77,365)
Accruals and deferred income	-	-	-	-	-	(909,833)	(909,833)
Called up share capital	-	-	-	-	-	(395,000)	(395,000)
Profit and loss account	-	-	-	-	-	(49,913)	(49,913)
Total liabilities	(13,073,532)	(2,039,533)	(229,700)	(12,300,591)	(9,150,374)	(1,436,481)	(38,230,211)
Gap before derivatives	711,574	2,705,469	1,424,924	(8,403,570)	3,712,750	(151,147)	-
Off balance sheet items	(2,713,493)	(862,858)	(945,952)	8,381,922	(3,726,623)	(132,996)	-
Gap after derivatives	(2,001,919)	1,842,611	478,972	(21,648)	(13,873)	(284,143)	-
Cumulative gap	(2,001,919)	(159,308)	319,664	298,016	284,143	-	-

23 Derivatives and other financial instruments – continued

Interest rate sensitivity gap analysis as at 31 December 2003

The table below summarises the re-pricing mismatches on the Bank's book as at 31 December 2003.

Items have been allocated to bands by reference to the earlier of the next contractual interest rate re-pricing date or the maturity date.

Interest rate re-pricing	Up to 3 months € '000	3 months to 6 months € '000	6 months to 1 year € '000	1 year to 5 years € '000	More than 5 years € '000	Non interest bearing € '000	Total € '000
Assets							
Cash and balances at the Central Bank of Ireland	3,258	-	-	-	-	-	3,258
Loans & advances to banks	4,107,562	3,005	-	-	-	3,272,474	7,383,041
Loans & advances to customers	3,512,292	1,943,456	334,353	1,361,237	3,166,748	70,177	10,388,263
Debt securities and other fixed income securities	1,279,756	816,177	-	825,076	4,181,453	(31,947)	7,070,515
Other Assets	-	-	-	-	-	249	249
Prepayment and accrued income	-	-	-	-	-	584,891	584,891
Total assets	8,902,868	2,762,638	334,353	2,186,313	7,348,201	3,895,844	25,430,217
Liabilities							
Deposits by banks	8,965,944	1,726,589	65,000	-	-	3,309,335	14,066,868
Customer accounts	65,003	-	-	-	-	-	65,003
Debt securities in Issue	316,706	17,989	-	6,359,940	3,703,596	(95,259)	10,302,972
Subordinated liabilities	75,000	-	-	-	40,000	-	115,000
Other liabilities	-	-	-	-	-	65,465	65,465
Accruals and deferred income	-	-	-	-	-	563,183	563,183
Called up share capital	-	-	-	-	-	235,000	235,000
Profit and loss account	-	-	-	-	-	16,726	16,726
Total liabilities	9,422,653	1,744,578	65,000	6,359,940	3,743,596	4,094,450	25,430,217
Gap before derivatives	(519,785)	1,018,060	269,353	(4,173,627)	3,604,605	(198,606)	-
Off balance sheet items	(136,966)	(572,560)	(37,350)	4,220,724	(3,379,214)	(94,634)	-
Gap after derivatives	(656,751)	445,500	232,003	47,097	225,391	(293,240)	-
Cumulative gap	(656,751)	(211,251)	20,752	67,849	293,240	-	-

23 Derivatives and other financial instruments – continued

Fair value

The table below compares the book and fair values of some of the Bank's financial instruments by category as at 31 December 2004. Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting cash flows at prevailing interest and exchange rates.

<i>Non trading financial instruments</i>	Carry amount 2004 € '000	Fair value 2004 € '000	Carry amount 2003 € '000	Fair value 2003 € '000
Assets				
Cash and balances at the Central Bank of Ireland	2,817	2,817	3,258	3,258
Loans and advances to banks	9,006,607	9,099,733	7,380,086	7,380,283
Loans and advances to customers	18,180,277	18,738,228	10,388,263	10,808,745
Debt securities & other fixed income securities	10,098,944	10,608,074	7,070,515	7,418,855
Liabilities				
Deposits by banks	14,616,265	14,616,238	14,066,868	14,065,593
Customer accounts	69,208	69,208	65,003	64,986
Subordinated liabilities	205,627	233,641	115,000	130,443
Debt securities in issue	21,907,000	22,418,548	10,302,972	10,139,545
Off-balance sheet				
Interest rate swaps	(189,711)	(735,675)	(144,704)	(939,694)
Cross-currency swaps	129,280	67,115	93,788	8,073
Forward foreign exchange	(2,697)	(2,600)	(6,355)	(6,341)

23 Net unrecognised and deferred gains/losses on hedging instruments

Unrecognised gains and losses on derivative hedges

Gains and losses on derivatives used for hedging are recognised in line with the underlying items, which are being hedged. The table below summarises the unrecognised gains and losses on hedges at 31 December 2004 and movements therein during the year.

<i>Unrecognised gains/losses</i>	2004 Gains € '000's	2004 Losses € '000's
Unrecognised gains/losses at at 31 December 2003	66,545	(947,233)
of which recognised in this year	25,507	(278,544)
Gains/losses arising before 31 December 2003 that were not recognised in the year to 31 December 2004	41,048	(668,689)
Gains/losses arising in the year to 31 December 2004 that were not recognised in that year	512,629	(493,020)
Unrecognised gains/losses on hedges at 31 December 2004	553,677	(1,161,709)
Of which:		
Gains/losses to be included in the year to 31 December 2005	3,577	(4,867)

23 Derivatives and other financial instruments – continued

Currency Risk Disclosures

The Bank hedges its currency positions using cross currency swaps and forward foreign exchange. When these swaps are taken into account, the Bank does not have any material unmatched currency positions.

The following table summarises the notional principal amounts, fair values and book values of derivative instruments.

<i>31 December 2004</i>	Notional Principal amount € '000's	Year end Positive Fair value amount € '000's	Year end Positive Book value amount € '000's	Year end Negative Fair value amount € '000's	Year end Negative Book value amount € '000's
Interest rate derivatives					
Interest rate swaps	56,422,281	465,612	2,757	(1,201,287)	(192,468)
Foreign exchange derivatives					
Cross-currency swaps	2,591,009	268,623	273,746	(201,508)	(144,466)
Forward foreign exchange	154,964	85	119	(2,685)	(2,816)
Total	59,168,254	734,320	276,622	(1,405,480)	(339,750)

<i>31 December 2003</i>	Notional Principal amount € '000's	Year end Positive Fair value amount € '000's	Year end Positive Book value amount € '000's	Year end Negative Fair value amount € '000's	Year end Negative Book value amount € '000's
Interest rate derivatives					
Interest rate swaps	28,471,388	43,318	1,946	(983,012)	(146,650)
Foreign exchange derivatives					
Cross-currency swaps	2,429,563	181,808	188,752	(173,735)	(94,965)
Forward foreign exchange	276,801	860	852	(7,201)	(7,207)
Total	31,177,752	225,986	191,550	(1,163,948)	(248,822)

23 Derivatives and other financial instruments – continued

The following table analyses the notional principal amounts and the gross replacement cost of derivative instruments by residual maturity.

<i>31 December 2004</i>	Total EUR '000's	< 1 Year EUR '000's	1–5 Years EUR '000's	> 5 Years EUR '000's
Interest rate derivatives				
Notional principal amount	56,422,281	18,017,514	16,378,952	22,025,814
Gross replacement cost	465,612	3,252	83,238	379,122
Foreign exchange derivatives				
Notional principal amount – cross currency swaps	2,591,009	425,282	663,784	1,501,943
Gross replacement cost – cross currency swaps	268,623	98,090	2,476	168,057
Notional principal amount – forward foreign exchange	154,964	154,964	-	-
Gross replacement cost – forward foreign exchange	85	85	-	-

<i>31 December 2003</i>	Total EUR '000's	< 1 Year EUR '000's	1–5 Years EUR '000's	> 5 Years EUR '000's
Interest rate derivatives				
Notional principal amount	28,471,388	7,563,062	8,297,546	12,610,780
Gross replacement cost	43,318	140	1,674	41,504
Foreign exchange derivatives				
Notional principal amount – cross currency swaps	2,429,563	36,031	1,217,970	1,175,562
Gross replacement cost – cross currency swaps	181,808	–	71,289	110,519
Notional principal amount – forward foreign exchange	276,801	276,801	–	–
Gross replacement cost – forward foreign exchange	860	860	–	–

Gross replacement cost is defined as the fair value of derivatives at year end.

23 Derivatives and other financial instruments – continued

The following table gives the contract amounts and risk-weighted amounts of off-balance sheet transactions. The contract amounts indicate the volume of business outstanding at the balance sheet date and do not represent amounts at risk. The risk-weighted amounts have been calculated in accordance with the Irish Financial Services Regulatory Authority (IFSRA) guidelines implementing the Basle agreement on capital adequacy.

	2004 Contract amount € '000	2004 Risk weighted amount € '000	2003 Contract amount € '000	2003 Risk weighted amount € '000
Undrawn formal standby facilities, credit lines and other commitments to lend				
1 year and over	-	-	-	-
Less than 1 year	1,031,700	88,439	66,233	7,826
Foreign exchange derivatives				
Hedging	2,745,973	12,221	2,706,364	15,444
Interest rate derivatives				
Hedging	56,422,281	33,026	28,471,388	17,561

24 Cash flow statement

A cash flow statement has not been prepared, as the Bank, being a qualifying subsidiary of DEPFA BANK plc, which prepares consolidated financial statements including the Bank, is exempt from doing so under Financial Reporting Standard No. 1.

25 Characteristics of the Asset Pool as at 31 December 2004

The following table analyses the countries where the public credit assets included in the pool are located, the number of public credit assets located in these countries, the nominal amount of the public credit assets in Euro and, based on the amount of those assets outstanding, the percentage of public credit assets located in those countries.

The amount is the nominal amount of the asset adjusted for any un-amortised premium/discount.

Country	Number of Assets	€ '000 Amount	Percentage
Austria	2	703,207	2.9%
Belgium	16	1,334,491	5.6%
Canada	10	438,617	1.8%
Denmark	3	14,721	0.1%
Finland	50	1,494,072	6.2%
France	68	1,849,342	7.7%
Germany	36	3,802,738	15.9%
Greece	5	1,222,298	5.1%
Iceland	8	134,622	0.6%
Ireland	10	62,672	0.3%
Italy	50	4,404,183	18.4%
Japan	4	211,103	0.9%
Netherlands	52	336,347	1.4%
Portugal	11	780,878	3.2%
Spain	106	4,640,893	19.4%
Sweden	10	398,929	1.7%
Switzerland	11	704,853	2.9%
UK	9	374,461	1.6%
USA	37	1,037,395	4.3%
Total	498	23,945,822	100%

26 Currency denomination of assets and liabilities

	2004 € '000	2003 € '000
Assets:		
Denominated in Euro	32,304,630	19,729,921
Denominated in currencies other than Euro	5,925,581	5,700,296
Total assets	38,230,211	25,430,217
Liabilities:		
Denominated in Euro	32,309,643	19,732,543
Denominated in currencies other than Euro	5,920,568	5,697,674
Total liabilities	38,230,211	25,430,217

27 Reporting currency

The reporting currency used in these financial statements is the Euro, which is denoted by the symbol "€".

28 Related party transactions

The Bank has availed itself of the exemption contained in Financial Reporting Standard No. 8 in respect of subsidiary undertakings, 90% or more of whose voting rights are contained within a group. Consequently, the financial statements do not contain disclosure of transactions with entities within the DEPFA BANK plc Group.

29 Ultimate parent company

The directors regard DEPFA BANK plc, a company registered in the Republic of Ireland, as the ultimate parent company. The largest and smallest group into which the results of the Bank are consolidated is that headed by DEPFA BANK plc.

30 Segmental reporting

The Bank's income and assets are entirely attributable to banking activities in the Republic of Ireland.

31 Comparative figures

In order to conform with the current year's presentation, certain reclassification have been made to the comparative figures.

32 Approval of financial statements

The directors approved the financial statements on 28 February 2005.

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