DEPFA FUNDING II LP

Condensed Unaudited Interim Financial Statements as at 30 June 2009

CONTENTS

General Partner and other information

Manager and General Partner

DEPFA BANK Plc,
1 Commons Street,
Dublin 1.
Ireland

Directors of the Manager and General Partner

Board of Directors

- Dr. A. Wieandt* (German) (Chairman) (appointed 5 February 2009)
- Ms. M. Better (German)
- Dr. J. Bourke*
- Mr. J. Campbell (British) (resigned 27 April 2009)
- Mr. C. Dunne (Chief Executive)
- Mr. T. Glynn
- Mr. D. Grehan* (appointed 12 June 2009)
- Dr. M. Fell* (German) (resigned 20 January 2009)
- Dr. K. Franzmeyer* (German) (appointed 24 February 2009)
- Mr. F. Krings* (German) (appointed 5 February 2009)
- Mr. S. Rio (French) (appointed 6 February 2009)
- Mr. P. Ryan*

* Non-Executive

Auditors

KPMG
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

General Partner's Statement

Introduction

DEPFA Funding II LP ("the Partnership") is a United Kingdom Limited Partnership established by a Limited Partnership Agreement dated 23 October 2003 ("the Partnership Agreement"). DEPFA BANK plc, a company registered in Ireland, is the General Partner.

The purpose of the Partnership is to raise and provide finance and financial support to DEPFA BANK plc ("the Guarantor and General Partner") and other subsidiaries of Hypo Real Estate Holding AG (together, "the HRE Group"). The business of the partnership, as administered by, or on behalf of, the General Partner will include the following:

- Acquiring and holding the Partnership's assets;
- Monitoring the Partnership's assets and determining whether they continue to be suitable; and
- Functions necessary or incidental thereto.

Summary of the Partnership's activities

The Partnership has issued €400,000,000 6.5% Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities. The Preferred Securities entitle holders to receive non-cumulative preferential cash distributions subject to certain conditions including the discretion of the Board of Directors of the Guarantor and General Partner. The proceeds of these securities have been lent to DEPFA Finance NV, a HRE Group company.

On 27 March 2009, the Board of Directors of the Guarantor and General Partner passed a resolution not to pay distributions under the Preferred Securities issued by DEPFA Funding II LP, which are due to be paid on 30 October 2009.

Forecast Report

Partnership-specific conditions:

The Partnership is part of the DEPFA Group ("the Group") which comprises DEPFA BANK plc and its subsidiaries. In 2007 the entire ordinary share capital of DEPFA BANK plc, the parent of the Partnership, was acquired by Hypo Real Estate Holding AG ("HRE Holding"), the parent entity of the Hypo Real Estate Group ("the HRE Group"). There has been no change in ownership of the Partnership in 2008 and 2009.

Access to the liquidity support and to additional capital by the Partnership can only be made through the Partnership's ultimate parent company, HRE Holding. In the absence of this continuing support from the parent company, for both current and future funding requirements, the Partnership would not be in a position to continue in operational existence as a going concern.

The forecasts relating to the future development of the HRE Group are estimates which have been made on the basis of all information available at present. If the assumptions underlying these forecasts fail to materialise, or if risks (such as those addressed in the risk report) occur to an extent which has not been calculated, the actual results may differ considerably from the results which are currently expected.

The existence of most companies in the HRE Group continued to be threatened in the first half of 2009.

General Partner's Statement – continued

The HRE Group assumes that it is a going concern and will continue in operation under the following described conditions (external factors / internal factors). Based on present information, the Management Board considers it currently as predominantly probable that these conditions are in existence or will occur.

External factors:

- The HRE Group will receive further essential liquidity support from SoFFin in respect of terms and total volume. Moreover, the HRE Group will receive necessary capital support from SoFFin to strengthen its capital base. These supports will be granted under reasonable conditions.
- The capital market environment will begin to stabilise from 2010 to 2012, particularly if there is no further serious deterioration of the financial market crisis from unforeseeable consequences, for instance triggered by external shocks such as the collapse of numerous major states or major banks and the crisis of the real estate markets does not result in defaults of loans and securities to an extent which would poses a threat to existence of the Group.
- The interbank market and other short-term unsecured refinancing markets as well as the long-term secured and unsecured refinancing markets will start to recover from 2010. The ratings of the companies in the HRE Group will stabilise or slightly increase. The support by the syndicate from the German financial sector and the Deutsche Bundesbank with the involvement of the German Federal Government as well as SoFFin can be covered by own funding in the following years.

Internal factors:

- The HRE Group succeeds in regaining the confidence of customers and successfully writes new business subject to adequate volumes and adequate margins.
- There are no delays or obstructions of the implementation of the restructuring of the HRE Group that aims to improve efficiency, profitability and streamlining of business processes.
- Work-out or restructuring of non-performing loans throughout the HRE Group can be implemented as currently scheduled.

On 28 March 2009, SoFFin confirmed to HRE Holding and to Deutsche Pfandbriefbank AG (formerly Hypo Real Estate Bank AG) that it intends to stabilise the HRE Holding in a sustainable manner by way of adequate recapitalization and Deutsche Pfandbriefbank AG by further extensions of guarantees.

The precondition for the intended recapitalization of the HRE Group by SoFFin is the acquisition of complete control (100%) over HRE Holding by SoFFin or the German Federal Government.

As the first step towards recapitalising the HRE Group, SoFFin took up 20 million HRE Holding shares on 28 March 2009 for a price of € 3.00 per share, with shareholders' subscription rights excluded. As the second step of recapitalization of the HRE Group, the shareholders adopted a resolution regarding a capital increase of around € 2.96 billion in return for a cash contribution at the extraordinary general meeting held on 2 June 2009. The shares were issued at the nominal value of € 3.00 specified in the articles of incorporation. Only SoFFin was permitted to take up the new shares out of the capital increase, and the statutory shareholders' subscription rights were excluded. After taking up all shares out of the capital increase on 5 June 2009, SoFFin now holds 90% of the Company's share capital, and will initiate a squeeze-out procedure under the German Law on Stock Companies (Aktienrecht) in order to be able to press on ahead with the restructuring process of the HRE Group after acquiring 100% of all shares.

The Management Board of HRE Holding has provided a commitment to SoFFin that it will take the steps necessary for implementing the recapitalisation process. HRE Group is also assessing whether to transfer loans from its real estate business, which are either non-performing or no longer consistent with overall strategy, as well as significant parts of its asset portfolio and the structured security portfolio to a work-out entity.

Risks posing a threat to the continued existence of the Group as a going concern

The future existence of HRE Group is contingent upon the provision of equity to HRE Group and its subsidiaries sufficient to fulfil the supervisory regulations for own funds and sufficient to avoid a situation of insolvency. External liquidity support is necessary to avert insolvency due to illiquidity of the significant subsidiaries of HRE Group or HRE Holding itself. These liquidity supports must be available until HRE Holding and its subsidiaries raise sufficient liquidity on the money and capital markets by themselves and the described restructuring arrangements are implemented as scheduled.

General Partner’s Statement - continued

To ensure the future existence of HRE Group it is particularly necessary that:

- SoFFin continues to provide sufficient support in the form of equity capital
- SoFFin and the Deutsche Bundesbank maintain their liquidity support and, if necessary, provide further liquidity assistance until such time as the HRE Group and principal subsidiaries raise liquidity in the capital markets themselves
- increased refinancing with sustainable conditions on the money and capital markets is possible
- the restructuring arrangements are implemented as scheduled
- the appropriate authorities do not take supervisory actions which are unforeseen and which would not permit the HRE Group to fully implement its recovery plan, as well as
- no legal reservations (especially EU-action) will be successfully enforced.

If some of the above criteria are not met, in particular if a crisis situation should occur, whose occurrence based on present information is currently not probable, there will be a negative effect on the net assets, financial position and results of the HRE Group and there will be doubts as to whether some or all companies in the HRE Group will be able to continue in operation as going concerns.

Regulation 8 (3) of the Transparency (Directive 2004/10/EC) Regulations 2007

In accordance with Regulation 8 (3) of the Transparency (Directive 2004/10/EC) Regulations 2007 the related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Bank are noted in note 7 on page 17.

Statement of the General Partner in respect of the condensed unaudited interim financial statements

The General Partner, whose name is listed on page 2, confirms to the best of its knowledge:

(a) the condensed interim financial statements comprising the unaudited condensed income statement, the unaudited condensed statement of comprehensive income, the unaudited condensed statement of financial position, the unaudited condensed statement of changes in General Partner's Funds, the unaudited condensed cash flow statement and related notes 1 to 10 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

(b) the interim general partner's statement discussion includes a fair review of the information required by:

   (i) Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

   (ii) Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of DEPFA BANK plc:

C. Dunne **T.Glynn**

26 August 2009

Independent Review Report to DEPFA Funding II LP ("the Partnership")

Introduction

We have been engaged by the Partnership to review the unaudited condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the Unaudited Condensed Income Statement, Unaudited Condensed Statement of Comprehensive Income, Unaudited Condensed Statement of Financial Position, Unaudited Condensed Statement of Changes In General Partner's Funds, Unaudited Condensed Cash Flow Statement and the related explanatory notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited condensed interim financial statements.

This report is made solely to the Partnership in accordance with the terms of our engagement to assist the Partnership in meeting the requirements of the Transparency (Directive 2004/109/EC) Regulations 2007 ("the TD Regulations") and the Transparency Rules of the Republic of Ireland's Financial Regulator. Our review has been undertaken so that we might state to the Partnership those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership for our review work, for this report, or for the conclusions we have reached.

General Partner's responsibilities

The half-yearly financial report is the responsibility of, and has been approved by the General Partner. The General Partner is responsible for preparing the half-yearly financial report in accordance with the TD Regulations and the Transparency Rules of the Republic of Ireland's Financial Regulator.

As disclosed on page 14, the annual financial statements of the Partnership are prepared in accordance with IFRS as adopted by the EU. The General Partner is responsible for ensuring that the unaudited condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the Partnership a conclusion on the unaudited condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed set of financial statements in the half-yearly report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU, the TD Regulations and the Transparency Rules of the Republic of Ireland's Financial Regulator.

Emphasis of matter – Going Concern Basis of Accounting

In performing our review, we have considered the adequacy of the disclosures in the General Partner's Statement on pages 4 and 5 concerning the appropriateness of the going concern basis of accounting in the preparation of the unaudited condensed interim financial statements of the Partnership for the period ended 30 June 2009.

The unaudited condensed interim financial statements have been prepared on a going concern basis which assumes that the Partnership will continue in operation and meet its debts as they fall due for a minimum period of 12 months from the date of this report. Given its significance, we wish to draw the readers' attention to the underlying assumptions underpinning the application of the going concern basis of accounting to the Partnership's unaudited condensed interim financial statements for the period ended 30 June 2009. Set-out below in our view are the key assumptions.

Independent Review Report to DEPFA Funding II LP ("the Partnership") - continued

- The future existence of the Hypo Real Estate Group ("HREG") is contingent on the provision of equity to HREG and its significant subsidiaries sufficient to fulfil the supervisory regulations for own funds and sufficient to avoid a situation of insolvency. External liquidity support is necessary to avert insolvency due to illiquidity of the significant subsidiaries of the HREG or Hypo Real Estate Holding AG ("HRE AG") itself. These liquidity supports must be available until the HREG and its significant subsidiaries raise sufficient liquidity on the money and capital market by themselves and the agreed restructuring arrangements are implemented and until the equity capital increase is performed as scheduled.

- To ensure the future existence of the HREG and its significant subsidiaries it is particularly necessary that:
  - the Financial Markets Stabilisation Fund ("SoFFin") provides sufficient equity capital.
  - SoFFin and the Deutsche Bundesbank maintain their liquidity support and, if necessary, provide further liquidity assistance until such time as HREG and principal subsidiaries raise liquidity in the capital markets themselves.
  - increased refinancing with sustainable conditions in the money and capital markets is possible
  - the restructuring arrangements are implemented as scheduled
  - the appropriate authorities do not take supervisory actions which are unforeseen and which would not permit the HREG to fully implement its recovery plan, as well as
  - no legal reservations (especially EU-action) will be successfully enforced.

- If some of the above criteria are not met, in particular if a crisis situation should occur, whose occurrence based on present information is currently not probable, there will be a negative effect on the net assets, financial position and results of the HREG and there will be doubt as to whether some or all companies in the HREG will be able to continue in operation as going concerns.

Access to the liquidity support and to additional capital by the Partnership can only be made through the Partnership's ultimate parent company, HRE Holding AG. In the absence of this continuing support from the parent company for both current and future funding requirements the Partnership would not be in a position to continue in operational existence as a going concern. The unaudited condensed interim financial statements do not include the adjustments that would result if the Partnership was unable to continue as a going concern.

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2 Harbourmaster Place
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Dublin 1

Condensed Income statement - unaudited

	Note	01 Jan – 30 Jun 2009	01 Jan – 30 Jun 2008
		€	€
Interest and similar income	3	12,857,926	12,893,543
Interest expense and similar charges	3	-	(12,893,543)
Net interest income	3	**12,857,926**	**-**
Profit for the period		**12,857,926**	**-**

The notes on pages 14 to 17 are an integral part of these accounts.

The results above all relate to continuing operations.

Signed on behalf of DEPFA BANK plc:

C. Dunne **T.Glynn**

26 August 2009

Condensed statement of comprehensive income for the period from 1 January to 30 June – unaudited

	01 Jan – 30 Jun 2009			01 Jan – 30 Jun 2008		
	Before tax	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Net income/loss	12,857,926	-	12,857,926	-	-	-
AFS reserve	-	-	-	-	-	-
Total	**12,857,926**	**-**	**12,857,926**	**-**	**-**	**-**
Attributable to the equity holders	12,857,926	-	12,857,926	-	-	-

Disclosure of components of comprehensive income – unaudited

	01 Jan – 30 Jun 2009	01 Jan – 30 Jun 2008
Net income/Loss	12,857,926	-
AFS reserve	**-**	**-**
Gains/(losses) arising in the period	-	-
Reclassification adjustments for gains/losses included in profit or loss	**-**	**-**
Cash flow hedge reserve	**-**	**-**
Gains/(losses) arising in the period	-	-
Reclassification adjustments for gains/losses included in profit or loss	-	-
Total	**12,857,926**	**-**

Condensed statement of financial position - Unaudited

	Note	Unaudited 30 Jun 2009 €	Audited 31 Dec 2008 €
ASSETS			
Loans and advances to customers	4	420,247,633	407,389,707
Other receivables		1	1
Total assets		**420,247,634**	**407,389,708**
LIABILITIES			
Preferred securities issued	5	-	402,902,036
Total liabilities		**-**	**402,902,036**
GENERAL PARTNER'S FUNDS			
Capital contribution account		1	1
Preferred securities issued	5	402,902,036	-
Income account		17,345,597	4,487,671
Total equity	6	**420,247,634**	**4,487,672**
Total liabilities and general partner's funds		**420,247,634**	**407,389,708**

The notes on pages 14 to 17 are an integral part of these accounts.

Signed on behalf of DEPFA BANK plc:

C. Dunne **T.Glynn**

26 August 2009

Condensed statement of changes in General Partner's funds - Unaudited

€	Capital Contribution	Preferred securities issued	Income Account	Total General Partner's funds
Balance at 1 January 2008	**1**	**-**	**-**	**1**
Income for the period	-	-	-	-
Balance at 30 June 2008	**1**	**-**	**-**	**1**

€	Capital Contribution	Preferred securities issued	Income Account	Total General Partner's funds
Balance at 1 January 2009	**1**	**-**	**4,487,671**	**4,487,672**
Income for the period	-	-	12,857,926	12,857,926
Reclassification of hybrid capital	-	402,902,036	-	402,902,036
Balance at 30 June 2009	**1**	**402,902,036**	**17,345,597**	**420,247,634**

The notes on pages 14 to 17 are an integral part of these accounts.

Condensed Cash Flow Statement - Unaudited

	Note	1 Jan – 30 Jun 2009 €	1 Jan – 30 Jun 2008 €
Cash flows from operating activities			
Profit on ordinary activities before taxation		12,857,926	-
Adjustments for non-cash movements:			
Net increase in accrued interest income		(12,857,926)	(12,928,962)
Net increase in accrued interest expense		-	12,928,962
Tax paid		-	-
Net cash from operating activities		**-**	**-**
Cash and cash equivalents at the beginning of the year		**-**	**-**
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		**-**	**-**

Included in the cash flows for the period are the following amounts:

	Unaudited 1 Jan – 30 Jun 2009 €	Unaudited 1 Jan – 30 Jun 2008 €
Interest income received	-	-
Interest expense paid	-	-

The notes on pages 14 to 17 are an integral part of these accounts.

Notes to the condensed interim financial statements - unaudited

1. The Partnership

(a) Establishment of the Partnership

DEPFA Funding II LP Limited Partnership ("the Partnership") is a United Kingdom Limited Partnership, established by a Limited Partnership Agreement dated 23 October 2003 ("the Partnership Agreement"). The Preferred Securities Issued of the Partnership are listed on the Luxembourg Stock Exchange and the Official Segment of the stock market of Euronext Amsterdam N.V.

The General Partner, Manager and Guarantor of the Partnership is DEPFA BANK plc, which is responsible for the management, operation and administration of the affairs of the Partnership in accordance with the Partnership Agreement.

The Limited Partner as at 30 June 2009 is The Bank of New York Depository (Nominees) Limited.

(b) Business of the Partnership

The business of the Partnership is as set out in the General Partner's Statement on page 2.

(c) Duration of the Partnership

The Partnership has no specific duration.

(d) Condensed interim financial statements

The condensed interim financial statements for the six months ended 30 June 2009 are unaudited but have been reviewed by the auditor whose report is set out on pages 7 and 8.

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The financial information contained in the condensed interim financial statements has been prepared in accordance with the accounting policies set out in the last annual financial statements except for the adoption of:

- IAS 1 (Amendment) – Presentation of financial statements

  As a result, the Partnership now presents in the condensed statement of changes in equity, only all owner changes in equity. All non-owner changes in equity are now presented in the new primary statement, the condensed statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the 6 month period ended 30 June 2009.

  Comparative information has been re-presented so that it also is in conformity with the revised standard. The change in accounting policy only impacts on presentation.

The following are the other new standards that are effective for the financial year of the Partnership ending on 31 December 2009 and that had no impact on the results or financial position of the Partnership:

- IFRS 8 – Operating segments which has resulted in a change to the reporting segments of the Bank
- IAS 23 (Amendment) – Borrowing costs
- IFRS 2 (Amended) – Share based payments: Vesting conditions and cancellations
- Amendments to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments (not yet endorsed by the EU)
- IAS 27 (Amendment) – Cost of an investment in a subsidiary, jointly controlled entity or associate
- IAS 32 (Amendment) – Puttable financial instruments and obligations arising on liquidation
- Improvements to IFRS 2008
- IFRIC 12 – Service concession arrangements
- IFRIC 13 – Customer loyalty programmes
- IFRIC 15 – Construction of real estate
- IFRIC 16 – Hedges of a net investment in a foreign operation

Notes to the condensed interim financial statements – unaudited (continued)

The financial statements are prepared on a going concern basis as the General Partner has assumed that the Partnership will continue in operation under the conditions described as external and internal factors below. This assumption is predicated on the fact that the HRE Group Management Board considers it highly probable that the conditions outlined below are in existence or will occur as expected. The forecast of the future development of the HRE Group is based on the strategic refocusing and restructuring adopted by the HRE Group Management Board in December 2008 which is described on pages 3 to 5.

External factors:

- The HRE Group will receive further essential liquidity support from SoFFin in respect of terms and total volume. Moreover, the HRE Group will receive necessary capital support from SoFFin to strengthen its capital base. These supports will be granted under reasonable conditions.
- The capital market environment will begin to stabilise from 2010 to 2012, particularly if there is no further serious deterioration of the financial market crisis from unforeseeable consequences, for instance triggered by external shocks such as the collapse of numerous major states or major banks and the crisis of the real estate markets does not result in defaults of loans and securities to an extent which would poses a threat to existence of the Group.
- The interbank market and other short-term unsecured refinancing markets as well as the long-term secured and unsecured refinancing markets will start to recover from 2010. The ratings of the companies in the HRE Group will stabilise or slightly increase. The support by the syndicate from the German financial sector and the Deutsche Bundesbank with the involvement of the German Federal Government as well as SoFFin can be covered by own funding in the following years.

Internal factors:

- The HRE Group succeeds in regaining the confidence of customers and successfully writes new business subject to adequate volumes and adequate margins.
- There are no delays or obstructions of the implementation of the restructuring of the HRE Group that aims to improve efficiency, profitability and streamlining of business processes.
- Work-out or restructuring of non-performing loans throughout the HRE Group can be implemented as currently scheduled.

If some of the above criteria are not met, in particular if a crisis situation should occur, whose occurrence based on present information is currently not probable, there will be a negative effect on the net assets, financial position and results of the HRE Group and there will be doubt as to whether some or all companies in the HRE Group will be able to continue in operation as going concerns.

Significant judgements made by management in applying the Partnership's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2008. The Partnership's financial and risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2008.

3. Net interest income

	1 Jan – 30 June	
	2009	**2008**
	€	**€**
Interest income		
Financial assets of the category loans and receivables	12,857,926	12,893,543
Total interest income for items not at fair value	**12,857,926**	**12,893,543**
Interest expense		
Other financial liabilities measured at amortised cost	-	(12,893,543)
Total interest expense for items not at fair value	**-**	**(12,893,543)**

Interest income on impaired loans amounted to nil (2008: nil).

The Guarantor and General Partner do not expect that distributions will be made on the Preferred Securities during 2009. Therefore no interest on the Preferred Securities has been accrued at 30 June 2009.
As described in Note 5, the Preferred Securities issued have been reclassified to equity from subordinated capital in 2009.

Notes to the condensed interim financial statements – unaudited (continued)

4. Loans and advances to customers

	30 Jun 2009	31 Dec 2008
	€	€
Other loans and advances to customers	402,866,811	402,902,036
Accrued interest receivable on loans and advances	17,380,822	4,487,671
	420,247,633	**407,389,707**

All of the above relates to amounts due from other HRE Group undertakings.

The average effective interest rate for the above transaction is 6.43%.

Loans and advances to customers are broken down by maturity as follows:

	30 Jun 2009	31 Dec 2008
	€	€
from 5 years and over	420,247,633	407,389,707
	420,247,633	**407,389,707**

5. Preferred securities issued

	30 Jun 2009	31 Dec 2008
	€	€
Preferred securities issued	-	402,902,036
Accrued interest payable	-	-
	-	**402,902,036**

The partnership has issued €400,000,000 6.5% Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities. The Preferred Securities will entitle holders to receive non-cumulative preferential cash distributions, subject to certain conditions including the discretion of the Board of Directors of the Guarantor and General Partner. Payment under this hybrid capital instrument is only contractually required if creditors of an equal ranking receive interest payments. During 2009 the last equal ranking liability was repaid by the Group and accordingly the Group no longer has a contractual obligation to make interest payments under the hybrid capital instrument. Accordingly the carrying amount of this instrument has been reclassified to equity from subordinated capital.

Preferred securities issued are broken down by maturity as follows:

	30 Jun 2009	31 Dec 2008
	€	€
No stated maturity	-	402,902,036
	-	**402,902,036**

6. General Partner's Funds

	30 Jun 2009	31 Dec 2008
	€	€
Capital contribution	1	1
Retained income	4,487,671	-
Preferred securities issued	402,902,036	-
Income for the period	12,857,926	4,487,671
	420,247,634	**4,487,672**

Notes to the condensed interim financial statements – unaudited (continued)

7. Related party transactions

Balances due to and from related parties are disclosed in the notes to the balance sheet. DEPFA BANK plc, the General Partner and Guarantor, is a related party of the Partnership.

The key management of the Partnership received no remuneration from the Partnership during the period (2008: nil).

Transactions with related parties consist of:

	30 Jun 2009	30 Jun 2008
	€	€
Interest and similar income – DEPFA Finance NV	12,857,926	12,893,543

8. Events after the balance sheet date

Other than those outlined in the General Partner's Statement on pages 3 to 5, there have been no significant events after the balance sheet date which require disclosure.

9. Commitments

The Partnership had no commitments as at 30 June 2009 (2008: nil).

10. Approval of interim report and accounts

The Interim Report and Accounts were approved by the General Partner on 26 August 2009.