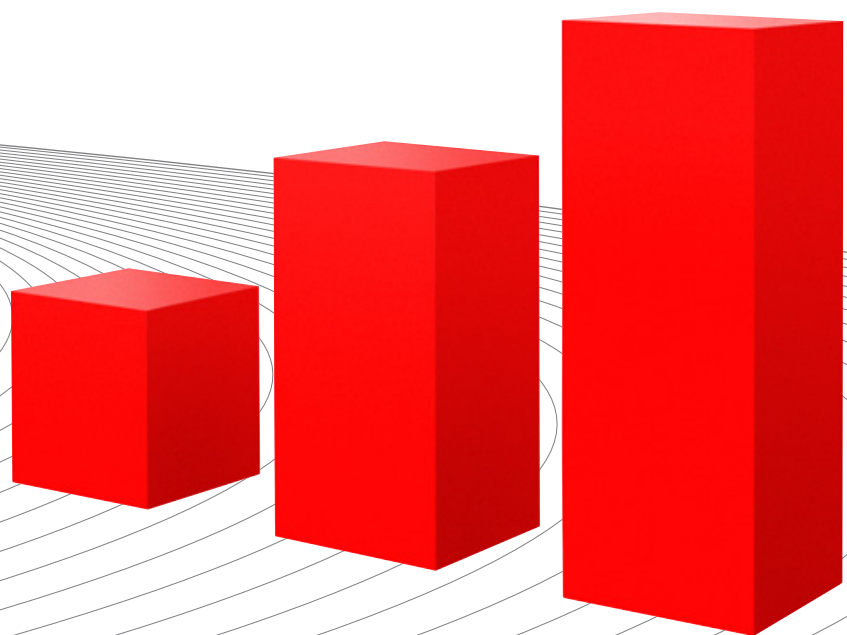


# Annual Report 2004

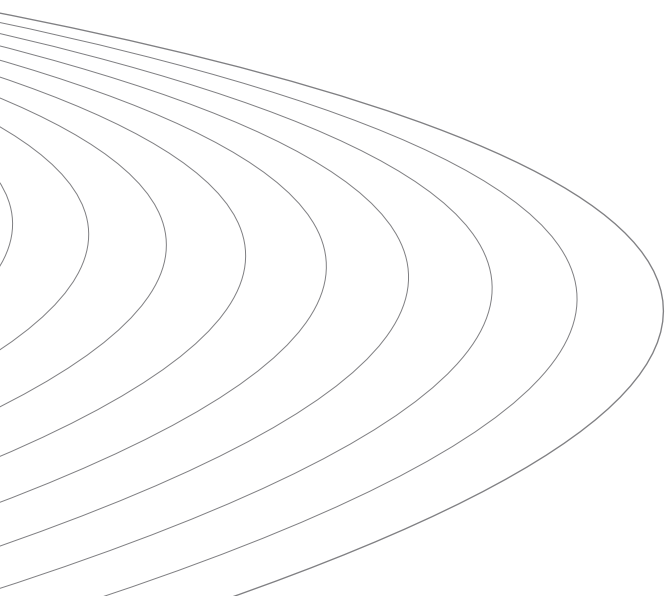
**DekaBank**  
**Deutsche Girozentrale**  
≡ Finanzgruppe



**„DekaBank**

# Annual Report 2004

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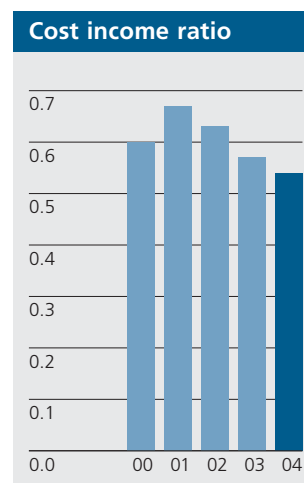
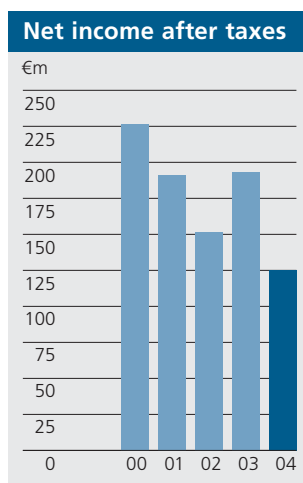
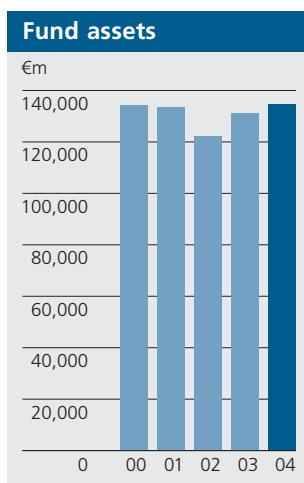
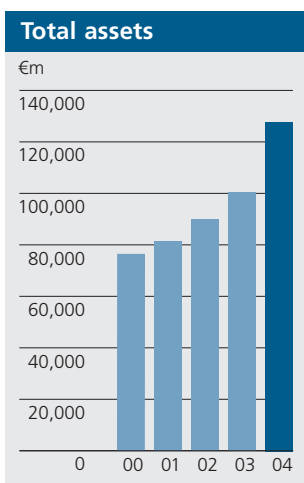
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# DekaBank Deutsche Girozentrale

## Annual Report 2004

Overview of DekaBank Group					
€m	2000	2001	2002	2003	2004
<b>Total assets</b>	76,680	81,371	90,059	100,504	<b>127,918</b>
<b>Liable equity capital</b>	2,039	2,093	3,116	3,244	<b>3,583</b>
<b>Due to</b>					
banks	34,525	31,732	31,102	28,852	<b>38,129</b>
customers	13,885	19,144	20,481	25,916	<b>30,847</b>
<b>Due from</b>					
banks	34,287	33,584	39,922	42,034	<b>52,687</b>
customers	18,864	21,926	21,550	21,953	<b>22,543</b>
<b>Fund assets</b>	134,319	133,499	122,153	131,184	<b>134,841</b>
<b>Net inflows</b>	22,889	12,476	7,504	4,949	<b>-4,016</b>
<b>Custodial account volume</b>	52,657	53,836	50,268	60,155	<b>63,258</b>
<b>Income before risk provisions</b>	421	348	407	482	<b>539</b>
<b>Net income before taxes</b>	381	342	366	374	<b>344</b>
<b>Net income after taxes</b>	227	191	152	193	<b>125</b>
<b>Cost income ratio</b>	0.60	0.67	0.63	0.57	<b>0.54</b>
<b>Staff</b>	2,899	3,199	3,219	3,180	<b>3,365</b>



## Ladies and gentlemen,

We are pleased to present our annual report for 2004.

The previous business year was unusual in several ways. With income before risk provisions at €539 million, 2004 was the most successful year in the history of DekaBank Group. And yet it was also a year in which the Bank and above all its subsidiary Deka Immobilien Investment GmbH was at the centre of negative reports and criticism.

The liquidity and confidence crisis facing Deka-ImmobilienFonds in the autumn of 2004 was effectively met not least thanks to the strength and stability of DekaBank, which the above result reflects. The Bank's promise to buy back an unlimited number of investors' shares has guaranteed the fund's liquidity on a permanent and unqualified basis. This is something investors can rely on.

We owe our strength to many factors. One of the most important is our firm integration within the German Savings Banks Financial Group. Along with savings banks, landesbanks, public sector insurers, landesbausparkassen (state building societies) and numerous other partners, DekaBank Group is part of Germany's strongest financial network. As a central service provider, we profit from the marketing strength of our decentralized network partners who in return benefit from the expertise of our product specialists. The close collaboration benefits both sides, especially in view of the imminent changes to the guarantee and maintenance obligation.

In the 2004 business year, we achieved much of what we set out to do. In the capital-based asset management segment, the measures intended to lead to a steady improvement in rankings and ratings are beginning to show results. The launch of Deka Fund-Master, the first Master KAG to be licensed according to new investment legislation, has set the stage for a successful positioning in the future. A package of measures was drawn up and finalised for Deka Immobilien

Investment which will place our property-based asset management on a sustainable foundation.

But DekaBank also has a tradition of looking beyond its immediate business interests: in 2004, we again committed ourselves to cultural and social activities. Just one of our many projects was the successful effort to keep the painting 'Der Watzmann' by Caspar David Friedrich in Germany. This outstanding work of the German Romantic period is an invaluable part of Germany's cultural heritage.

Our achievements are largely due to the dedication and performance of our staff but also to the responsible boards and committees of the Bank and its subsidiaries. We are confident of their commitment for the tasks that lie ahead in 2005.

Sincerely



Axel Weber  
Chairman of the Board of Management

## In the spotlight 2004: open-ended property funds

During the years of the equity boom, open-ended property funds were not at the centre of investor interest. Although they registered steady growth and yielded solid returns, investors showed a preference for other asset classes as performance played an increasingly important role. After the collapse of the technology bubble, investor behaviour changed radically and led to relatively high inflows into open-ended property funds. The trend was reversed in 2004, however, above all for property funds investing primarily in Germany. This also affected Deka-ImmobilienFonds, one of the country's biggest open-ended property funds with assets of around €6 billion.

### Large outflows trigger need to act

At first, Deka-ImmobilienFonds registered moderate net outflows which then rose significantly in 2004. The main reasons were as follows:

### **Recession makes itself felt on property market too**

The fund's performance no longer met the expectations of investors. In previous years, open-ended property funds had convinced investors by their attractive and solid performance. In the light of languishing equity markets, this turned them into highly sought after investment alternatives, fuelling high expectations among many investors. Economic stagnation, which has had and continues to have a structural impact on Germany in particular, increasingly affected property markets too. The result for open-ended property funds with a German investment focus was growing vacancy rates and poorer rental prospects for a number of the fund's properties, which in turn necessitated value adjustments. This lowered the valuation yield, a key component of fund performance.

The investment horizons of many investors have become shorter. Well into the 1990s, buyers of open-ended property fund units followed a 'buy and hold' strategy. Sustainable but in comparison with higher-risk products only moderate yields meant that this asset class was no longer attractive for short term investors. This changed after the end of the equity market boom of 2000. Open-ended property funds saw record inflows in the following years, much of it from disappointed shareholders and equity fund investors. These customers had a far more short term and procyclical approach than the traditional clientele of open-ended property funds and to a certain extent viewed these investment vehicles as a place to park the funds they had temporarily withdrawn from equities.

At the end of August 2004, Deka Immobilien Investment dismissed one of its managing directors as a result of irregularities. Although the prosecutors' investigations focused on several suspects across the entire property sector, press reports concentrated on Deka Immobilien Investment as the market leader in open-ended property funds. This resulted in a significant increase in outflows in September and October 2004.

A debate in October on the apparent necessity of value adjustments at Deka-ImmobilienFonds caused further confusion. This was triggered by reports submitted by external auditors that revealed valuation differences of hundreds of millions of euros in Deka-ImmobilienFonds compared with the assessments of independent experts charged with valuing the fund's properties.

The problems at Deka-ImmobilienFonds consequently had no single cause.

### **Clear decisions stabilise Deka-ImmobilienFonds**

In autumn 2004, the Board of Management of DekaBank and the Supervisory Board of Deka Immobilien took far-reaching decisions intended to stabilise the fund and regain investor confidence.

Of crucial importance was DekaBank's promise to buy back Deka-ImmobilienFonds units from investors, a measure that guaranteed the fund's liquidity.

**Deka-ImmobilienFonds liquidity  
guaranteed over the long term**

The entire management of Deka Immobilien Investment resigned in October 2004 as there was no further basis for constructive cooperation with the Supervisory Board. Rainer Mach, Managing Director of DekaBank Deutsche Girozentrale Luxembourg S.A., and Fritz Oelrich, Member of the Board of Management of DekaBank and Chairman of the Supervisory Board of Deka Immobilien Investment were appointed acting managing directors of Deka Immobilien Investment. Fritz Oelrich did not carry out his duties as Chairman of the Supervisory Board during this period.

The new Board of Management was charged with drawing up and implementing a package of measures to stabilise and reposition Deka-ImmobilienFonds over the long term. The package presented by the new Board covers a whole series of measures and focuses on the issues of transparency, performance, investment process and communication.

### **Transparency offensive launched**

Improving and increasing transparency plays a crucial role since it is an important prerequisite for gaining investor trust. For this reason, Deka Immobilien Investment will be voluntarily publishing – starting with the statements of accounts for the 2003/04 business year – additional data for all three open-ended property funds. This means market values for individual fund properties and property companies will be published, as will sustainable rents calculated by the panel of independent experts. Sale and acquisition prices will be stated gross. Buyers and sellers of properties will be named where this has not been prohibited by contractual agreement or by the customs of the country in question. Any existing currency risks at fund level will be explicitly described. Detailed information on cash investments in special investor securities funds will also be provided.

With effect from 31 March 2005, half-yearly and yearly statements of accounts will list actual rents, rental ratios, rental periods, property yields, utilisation structures plus an overview of valuation increases and decreases compared over several years and at country level. In the case of borrowed funds, maturities and average interest rates will be published. Moreover, both the maturities of hedged currency

### Additional data for ratings agencies

positions and the total costs involved will be published. In addition, income-reducing taxes and provisions for deferred taxes will be stated from spring 2005.

The transparency offensive will be rounded off by providing additional data to ratings agencies. These will include for example weekly updates on the movement of funds, monthly data on own account investments and on the structure of the liquidity portfolio as well as other data of relevance to the ratings agencies.

### Measures to improve performance

Good performance is the most convincing argument for investors and the most effective way to prevent them from returning shares. This is why DekaBank has adopted a variety of measures intended to have a positive impact on the performance of Deka-ImmobilienFonds:

Since October 2004, Deka Immobilien Investment has waived management fees until further notice. The same applies to safekeeping charges.

In 2005, DekaBank plans to acquire the office property SKYPER located in Frankfurt's banking district, providing the fund with a cash injection of around €500 million. In addition, planned devaluations in Deka-ImmobilienFonds are to be avoided and any provisions already made will be dissolved.

The third step is the acquisition from the fund of a partial portfolio worth several hundred million euros at the prices determined by the panel of independent experts. This will eliminate the depreciation risks faced by the fund inherent in these properties.

### Optimising the investment process

In order to achieve a stable performance in the long term, it is necessary to have a clearly structured investment process. In line with an already conducted review, the company is seeking a market leading position in shaping its processes and structures. This means that property acquisition, portfolio oversight, fund management and fund control will in future be documented according to an optimised process. A project team has been established and charged with drawing up a conceptual basis – with external support – in the first quarter of 2005. Implementation is planned for the second quarter of 2005.

### Comprehensive risk management and internal control system developed

Implementing a new investment process will also involve developing a comprehensive system of risk management and risk control for the property-based asset management segment. This includes the research-backed identification and documentation of all key risk types at fund level. The intra-annual valuation of the property portfolio will be refined to become an efficient tool for optimising the customer-focused management of the funds. In addition, the ongoing sustainability of fund performance will be assured and a management report detailing the key financial control systems drawn up.

### Enhancing communication

The above measures will introduce a variety of changes for the Bank's different target groups: for investors, savings banks advisers, savings banks associations and landesbanks as information multipliers, ratings agencies and analysts.



Dedicated communication channels for each group have been set up to ensure that all those involved have access as swiftly as possible to the information they need for decision-making.

### **Special audit to investigate property valuation**

The special audit ordered by German banking regulator BaFin in line with § 44 of the German Banking Act was initially restricted to discovering whether and to what extent investors had been damaged by the irregularities leading to the dismissal of Deka Immobilien Investment's managing director in August 2004. DekaBank, in agreement with BaFin, decided to extend the remit of the enquiry with the aim of examining whether the property values determined by the panel of independent experts were comprehensible and justifiable.

### **Debate on valuations**

In view of the development on German property markets and the numerous adjustments made to market values in the Deka-ImmobilienFonds portfolio, a detailed debate on the fund's property valuations has already taken place. A number of expert opinions submitted by external auditors concluded that an immediate revaluation of Deka-ImmobilienFonds properties would yield an up to €710 million valuation gap compared with the values published by the independent experts. In contrast with the assumptions of the independent experts, this is based on lower useful life periods, upward-trending property interest rates, a greater risk of rent default as well as higher maintenance and administrative costs.

By changing the valuation parameters, the auditing firms are challenging the statutory guidelines for the assessments conducted by independent experts and initiating a debate on valuations for open-ended property funds. The objective of this valuation debate can only be to identify and end inadequate valuations for properties in all open-ended property funds.

Whether the valuation parameters set by the auditing firms are more appropriate than the assessments of independent experts for achieving this objective is not clear from the latest property sales made by Deka-ImmobilienFonds. At the beginning of 2005, for example, the sale prices for individual properties in Deka-ImmobilienFonds' portfolio were higher than the values calculated by the panel of independent experts and considerably higher than the auditors' valuations.

### **On the right path**

The decisions DekaBank has taken together with its shareholders and marketing partners, the savings banks and landesbanks, have turned out to be the right ones and are beginning to have the desired effect. The public debate has become objective and calmer. Outflows have declined.

At the same time, the measures will ensure a high and lasting product quality. Deka-ImmobilienFonds is well positioned and will remain a suitable building block for a diversified investment portfolio. We believe in the product and remain convinced that open-ended property funds have a successful future.

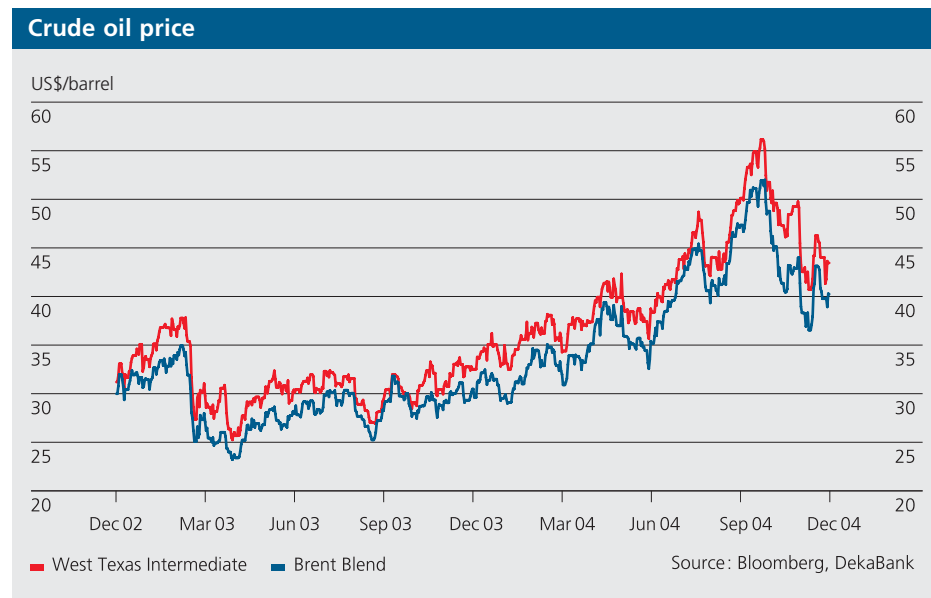
**Package of measures sets  
a signal**

## Essay: Capital markets under the spell of oil prices

The global economy proved to be extremely resilient in 2004. One would have to search hard to find years in which gross domestic product (GDP) showed such high growth: close to 5 per cent. It could have been a really good year for equities if we list all the favourable conditions: the global economy grew vigorously, corporate earnings showed impressive growth and there was no bad news on the interest rate front. The only thing that spoilt the party and kept equity markets guessing were oil prices.

### Oil market reaction patterns no longer typical

Oil market reaction patterns we had grown used to over the last few decades suddenly aren't working anymore. The fact that there is virtually no more spare capacity allowing suppliers to react swiftly to rising demand is leading to upward trending prices. After all, we have to assume that demand will continue to rise in the future. At the same time, there are well justified fears that the growth in supply will not be able to keep pace with rising demand and this insecurity is reflected in higher prices. As long as both problems – capacity shortages and low inventories – remain, we will have to get used to high prices in tandem with high volatility.



### New wave of globalisation in sight

However, this year other aspects have also emerged more clearly than before. Although the international division of labour is not a totally new phenomenon, it has gained a new quality over recent years – we could call it a new wave of globalisation. Inseparably linked to this are the new players on the global

economic stage, first and foremost China, plus the new communications technologies. It is becoming increasingly obvious that companies are permanently seeking to improve their competitiveness by increasing productivity, restructuring and shifting production and these effects are playing an increasing role in the public perception. Market competitiveness is intense, one result of which is wage moderation accompanied by lower distributive capacities due to a shift from productivity to competition-oriented wage bargaining. Job competition between countries has become tougher. At the same time, the prices for goods are being kept in check by new technologies. What individual economies need to do is pursue a sustainable economic policy that will equip them to ride the globalisation wave rather than wait passively until it overwhelms them.

### **Large economies burdened by deficits**

The globalisation wave is also creating an environment that places economic decision makers in a dilemma: how far can they push the consolidation of public sector budgets and meet their stability pledge, and how high can they turn the interest rate screw without stifling growth? Unfortunately it is evident that financial policymakers in industrialised countries do not take the stability pledge very seriously. The big economies are in deficit situations along with a rapidly growing need for consolidation over the medium term – due to demographic changes this is particularly true for their social security systems. With regard to the stability pledge, monetary policy clearly deserves praise. The uncertainties about the duration of the current phase of low inflation and low interest rates also however contain a dilemma: the existing policy of monetary expansion notwithstanding, the absence of second round effects from higher oil prices and the absence of wage pressures may make the expectations of inflation seem benign, but central bank interest rates need to be brought to more “normal” levels.

**Monetary policy ensures stability**

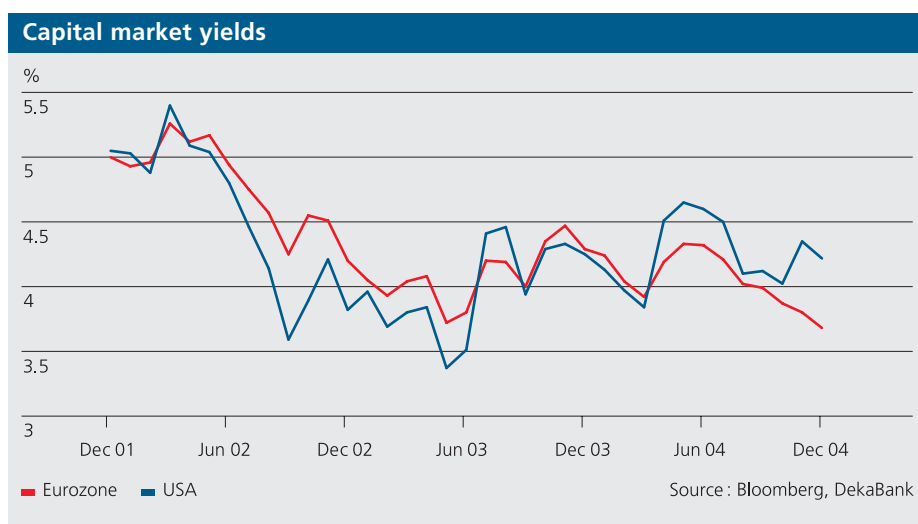
Even if the prospects for consumer price inflation remain good due to the credibility of the central banks in fighting inflation, an expansive monetary policy could be reflected in overheated capital goods markets. In the long term, this would endanger financial stability and stimulate consumer price inflation. The cycle of interest rate increases will however be “measured” because on the one hand higher variable debt levels mean even small interest rate rises will have the desired restrictive effects; and on the other, supply-side reforms, in Germany for example, have been introduced that will curb demand in the short term. This will allow central banks to pursue a policy of relatively moderate interest rate rises on a historical comparison with a clear conscience.

### **Unusual developments on bond markets**

2004 was therefore an unusual year in many respects. The bond market was certainly the most unusual of all markets. Robust economic growth, rising oil prices and higher central bank rates should normally lead to rising expectations of inflation and higher real interest rates and hence to higher yield levels and falling prices on bond markets. But the exact opposite happened. To be sure, capital markets rarely act as investors and analysts want or forecast. But this is

usually due to unexpected changes in the economic environment. In 2004, it was precisely these accurate economic forecasts that led to strong growth and interest rate hikes in the United States being priced in. Most bond market investors had thus already taken defensive positions and protected themselves against a fall in prices by opting for shorter maturities. As a result, in early 2004 safe money market and property funds were popular.

However, what was unexpected last year was how generously the risks of equities, longdated bonds and spread products were rewarded. The higher coupons for longdated bonds were not narrowed by price losses but increased by price rises. In this way, ten-year German government bonds generated a significantly higher overall yield at around 10 per cent than money market investments at around 2 per cent. This was only possible because initially many institutional investors had been caught unawares by their defensive portfolio strategies.



Asian central banks had bought a far greater volume of US bonds than expected with the intention of counteracting a further depreciation of the dollar. The effect was to prevent a yield rise. The longer the Asian banks' bond buying spree lasted, the lower the bond market risk appeared. This apparent security encouraged many investors to take on risks and to accept below-average risk premiums on bond markets.

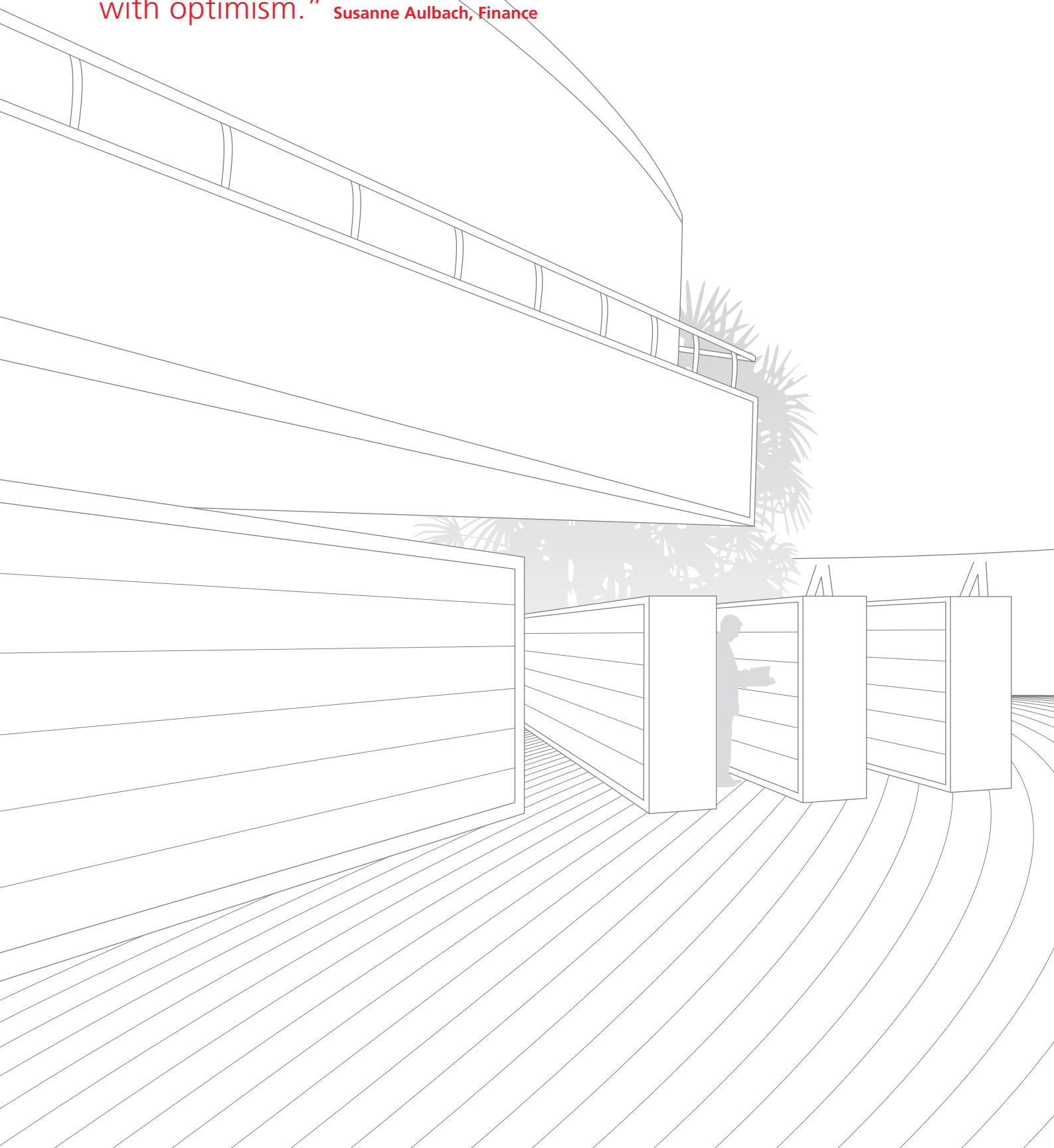
But the size of risk premiums cannot be fundamentally explained. Every investor may have a different attitude towards risk and demand a different premium. What is important is that investors are aware that the fixed income boom that started in 2000 only means that no cases of risk have occurred and not that these have become less likely. One also needs to be aware that prices can fall when many other investors suddenly become more risk-averse and demand higher premiums. The collapse of the equity bubble in 2000 is a case in point. Today, risk premiums on equity markets seem very high – a sign that investors on various markets are showing differing attitudes to risk.

## The Financial Year 2004

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“In many respects, the past year was an exciting one with big challenges. It is all the more satisfying that we can prove our reliability and competence with a successful statement of accounts – that for me is the best motivation to look ahead with optimism.” **Susanne Aulbach, Finance**





# Group Management Report and Management Report of DekaBank Deutsche Girozentrale for 2004

The world economy showed extremely robust growth in 2004, despite a few disruptions: financial markets were above all unsettled by the unexpectedly sharp rise in oil prices. This was the main reason why markets did not perform as well as strong global economic expansion would otherwise have indicated. High oil prices led to a dampening of economic prospects, which put pressure on equity markets and also pushed capital market yields down. Nevertheless, the economic upturn has definitely strengthened: the US labour market has picked up, which ensures that private consumption will thanks to higher incomes continue to be a key pillar of the US economy. From a European perspective, the strong global economy was good for export growth without however having had a decisive impact on the domestic economy. This factor has meant that economic growth in Germany in particular remained below expectations and below that of many other eurozone countries. Things could have turned out even worse if one takes into account the strains arising from the significant appreciation of the euro. It is thanks to external demand that, in the face of an appreciably stronger euro, these strains did not lead to even weaker German growth. Germany's European neighbours in particular rewarded the country's – on a global comparison – stable price growth, the quality of its exports and its product-based services. Private consumption, on the other hand, showed a slight decline despite tax relief measures. The insecurity of recent years is deep-seated and will only dissipate gradually when employment has stabilised. This will present opportunities since three years of consumer restraint should unleash pent-up demand.

## Group direction

DekaBank is the leading asset manager and central investment fund provider for the German Savings Banks Financial Group. Its balanced portfolio of business segments spanning asset management and wholesale banking play an important role in the Bank's long-term business growth and is confirmed by good shadow ratings from rating agencies Standard & Poor's (A) und Fitch (A). The strict implementation of a margin concept in future will, along with an unchanged conservative risk profile, lead to moderate growth in the wholesale banking segment's contribution to earnings.

DekaBank intends to further expand its position as the German Savings Banks Financial Group's central investment fund provider by systematically enhancing quality and service, the central element of which will be a stronger focus by the Group on the needs of our marketing partners in the German savings banks organisation. Concentrating on our core competencies as a fund provider, expan-

**Business portfolio ensures  
long term profitable growth**



ding our network-partner strategy plus improving product quality even further will additionally allow DekaBank to even more successfully exploit the potential of the German Savings Banks Financial Group with the aim of significantly increasing market share in the German investment fund industry.

This will be boosted by the acquisition of WestInvest Gesellschaft für Investmentfonds mbH as of 1 January 2004, to be included in the Group accounts at year-end for the first time.

### **Deka-ImmobilienFonds**

Due to the persistent weakness of Germany's commercial property market and the resulting overall underperformance, Deka-ImmobilienFonds saw high net outflows totalling €1.7 billion in the 2003/2004 investment year (to 30 September 2004). The outflow situation was additionally exacerbated by the so-called Frankfurt property affair. The extreme market situation meant that the fund was unable to divest properties acquired on a long term basis fast enough so that despite its well performing portfolio it encountered liquidity problems.

### **Package of measures for Deka-ImmobilienFonds**

As a result, the Supervisory Board drew up a package of measures that include buying back fund shares to guarantee the fund's liquidity and a series of steps to enhance the fund's performance. The measures will impact DekaBank as follows: the buyback of fund units will increase its property exposure; the waiving of safekeeping and management fees will lead to lower earnings for both DekaBank and its property subsidiary Deka Immobilien Investment GmbH; and special incentives for the Bank's marketing partners will lift DekaBank's marketing costs. The financial consequences have already been adequately recognized in the 2004 financial statements. The depreciation risks arising from the acquisition of individual properties or the disposal of a partial portfolio have been accounted for by a provision made in accordance with § 340f of the German Commercial Code (HGB). The Board of Management expects that the measures adopted will stabilise its property-based asset management segment in the long term.

### **Ownership structure of DekaBank**

Since 2002, the German Savings Banks and Giro Association (DSGV) with 50 per cent, GLB GmbH & Co. OHG, jointly owned by the landesbanks with the exception of LandesBank Berlin -Girozentrale-, with 49.17 per cent and the Niedersächsische Bank GmbH with 0.83 per cent are the direct shareholders of DekaBank. Niedersächsische Bank GmbH is a wholly owned subsidiary of NORD/LB. Through this model, German landesbanks and regional savings banks associations hold an indirect and equal share in DekaBank.

### **Guarantors**

In the wake of the understanding reached between the German Savings Banks Financial Group and the EU Commission on 17 July 2001, Germany undertook to abolish after an interim period the guarantee obligation to savings banks and landesbanks and to fundamentally modify the maintenance obligation assumed

by the public sector for public sector banking institutions. Liabilities agreed between 19 July 2001 and 18 July 2005 will be covered insofar as they do not mature after 31 December 2015. The necessary statutory changes were implemented on 1 July 2002 through the Fourth Financial Markets Promotion Act. The statutes of DekaBank were adjusted accordingly at the same time. The changes will become effective from 19 July 2005. We do not anticipate funding costs to rise in the secured segment. For unsecured issuance, we expect higher funding costs and potentially lower volumes. Overall, we expect this to have only a marginal impact on the Bank's profits.

## Business review

### Overview

#### Business volume grows significantly

In 2004, business volume for DekaBank Group was up €29.1 billion (27.8 per cent) over the previous year to €133.9 billion. The Group balance sheet total rose by €27.5 billion (27.4 per cent) to €128 billion, of which €121.8 billion was derived from DekaBank (previous year: €93.1bn).

There was little change in the Group's asset structure. An increase in short-term lending lifted loans to banks to €52.7 billion or 41.2 per cent (previous year: 41.8 per cent) of total Group assets. Loans to customers rose €0.6 billion to €22.5 billion, amounting to 17.6 per cent of assets (previous year: 21.8 per cent). On the liabilities side, increased volume was accounted for by the rise in securitised liabilities, up €12.5 billion to €53.2 billion, a 41.6 per cent share of total Group assets. Liabilities to banks and to customers rose to €38.1 billion (previous year: €28.9bn) and €30.8 billion (previous year: €25.9bn) respectively. Shareholders' equity amounted to €1.9 billion or 1.5 per cent of total Group assets (previous year: 2.0 per cent).

Despite further muted growth on financial markets, Group fund assets rose 2.7 per cent to €134.8 billion (previous year: €131.2bn), largely due to volume growth in mutual and special investor property funds. The biggest increase derived from property mutual funds and was largely due to the funds of WestInvest Gesellschaft für Investmentfonds GmbH, which has been operating as a subsidiary of DekaBank since 1 January 2004.

DekaBank and DekaBank Group reporting is carried out on a Group basis only as developments in the previous business year were identical, likewise the anticipated risks.

### Lending volume

Lending operations focused mainly on loans to banks. These amounted to €31.1 billion (previous year: €30bn) and accounted for 63.7 per cent of the total lending volume of €48.8 billion. Loans to customers were down €0.5 billion over the previous year, at €17.7 billion. Contingent liabilities declined by €0.1 billion to €2.0 billion, while irrevocable lending commitments were up 85.7 per cent to €3.9 billion. Group lending operations were mainly accounted for by DekaBank

Frankfurt and to a smaller extent by DekaBank Deutsche Girozentrale Luxembourg S.A.

### Money market activities

Money market activities were largely accounted for by domestic and international banks. The volume of call and time deposits as well as securities lending and repurchase agreements totalled €26.4 billion at year-end 2004 (previous year: €15.8bn).

### Securities portfolio

On 31 December 2004, the asset item bonds and other fixed-income securities amounted to €43.9 billion, a year-on-year increase of 32.2 per cent largely due to the purchase of public sector debt. The item equities and other non-fixed-income securities rose €4.4 billion to €6.2 billion, mainly due to the transfer of Deka-ImmobilienFonds units worth €1.7 billion and borrowed equity positions for trading operations amounting to €2.3 billion.

85.2 per cent (€50.1 billion) of the securities portfolio was allocated to the liquidity reserve and 14.8 per cent to the trading portfolio.

### Funding

Lending activities funded by deposits from banks amounted to €38.1 billion or 29.8 per cent (previous year: 28.7%) of total Group assets. A further €30.8 billion was accounted for by customer deposits. Securitised liabilities once again rose sharply, by 30.7 per cent to €53.2 billion.

The debt issuance programme launched in December 2002 was increased in 2004 for the second time. The programme, which was assigned an AA rating by Standard & Poor's and an Aaa by Moody's and has a volume of €30 billion, was 80 per cent sold at year-end. Total proprietary issuance (including our commercial paper programme, registered debentures and promissory note bonds) amounted to €79.5 billion at year-end. Sales in the year under review totalled €40.2 billion, up €3.5 billion over the previous year. Redemptions amounted to €22.4 billion (previous year: €27bn).

**Debt issuance programme  
enjoys broad market  
acceptance**

### Investment fund business

DekaBank Group managed assets worth €134.8 billion at year-end 2004, around €3.6 billion more than at year-end 2003. Along with the integration of WestInvest in 2004, overall positive performance was responsible for the rise. In contrast to the previous year's net inflows of €4.9 billion, 2004 saw net outflows totalling around €4.0 billion. Alongside outflows from Deka-ImmobilienFonds, these also included net outflows from special investor funds, some of which however remained under DekaBank Group administration in the form of advisory mandates. In non-property mutual funds, active asset management-based reallocations in structured products led to net outflows from equity funds vis-à-vis bond funds, which posted net inflows. Money market funds registered net outflows in line with the sector trend.

Net inflows	
	Jan. to Dec. 2004
	€m
Retail mutual funds	-1,937
Special mutual funds	-2,346
Retail property funds	+182
Special property funds	+85
<b>Net inflows according to BVI</b>	<b>-4,016</b>
Funds of funds	+753
Structured asset management	+2,663
Advisory and management mandates *	+913
* Net inflows and performance	

Structured products such as funds of funds and fund-based asset management were particularly popular with investors in 2004, together attracting net inflows in excess of €3.4 billion and enabling DekaBank Group to further strengthen its position as market leader by volume.

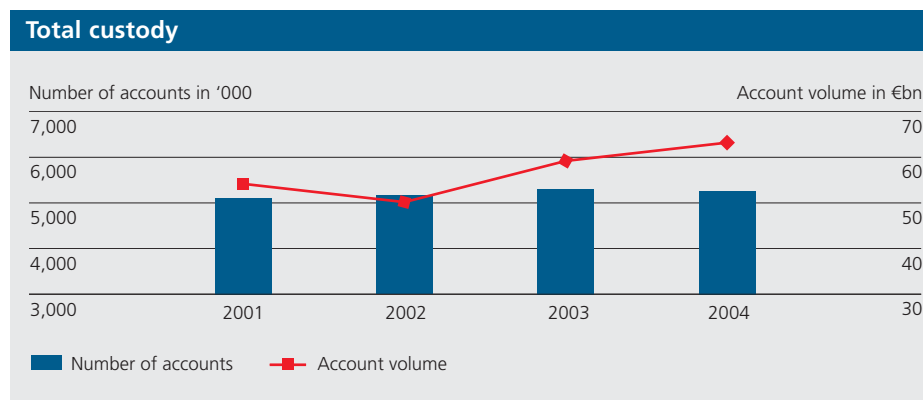
Changes in fund assets within the individual asset classes also reflected net inflow growth through active asset management-driven reallocations. Equity fund assets declined to €30.2 billion whereas bond funds in particular recorded strong growth. Open-ended property funds grew mainly as a result of the incorporation of WestInvest funds.

**Investors focus on  
structured products**

Fund assets*				
	2004	2003	Change	
	€m	€m	€m	%
<b>Retail funds</b>	<b>89,998</b>	<b>85,158</b>	<b>+4,840</b>	<b>+6</b>
Mutual funds	66,692	66,958	-266	-0
Equity funds	30,168	31,194	-1,026	-3
Bond funds	23,551	21,457	+2,094	+10
Money market funds	11,974	13,342	-1,368	-10
Other	999	965	+34	+4
Property funds**	23,306	18,200	+5,106	+28
<b>Special funds</b>	<b>44,843</b>	<b>46,026</b>	<b>-1,183</b>	<b>-3</b>
Mutual funds	43,885	45,211	-1,326	-3
Property funds**	958	815	+143	+18
<b>Total</b>	<b>134,841</b>	<b>131,184</b>	<b>+3,657</b>	<b>+3</b>
*excluding deposits and borrowed funds and liquidity portion of funds of funds as well as fund-based asset management				
**from 2004 incl. WestInvest GmbH				

## Custody

The volume of DekaBank Group-managed assets rose €3.1 billion to €63.3 billion, up 5 per cent over the previous year, largely due to growth in our fund-based asset management segment, which was responsible for an increase of approximately 346,000 (+27%) accounts. This was mainly thanks to positive growth in the custody business of our Luxembourg subsidiary. Overall, DekaBank manages around 5.2 million accounts Group-wide.



## Capital and reserves

In 2004, we further strengthened our core capital base at Bank and at Group level, once again through the appropriation of earnings from the fund for general banking risks set up in 2003 in accordance with Section 340g of the German Commercial Code.

In addition, the increase in liable capital was due to the issue in January 2004 of €300 million of subordinated debt eligible as supplementary capital.

In 2004, the capital adequacy regulations on capital and liquidity and the requirements of the Basle capital accord were complied with at all times by DekaBank and the Group.

Capital and reserves				
	Group		Bank	
	2004	2003	2004	2003
	€m	€m	€m	€m
Core capital	2,029	1,919	1,851	1,749
Supplementary capital	1,590	1,325	1,431	1,198
Tier III funds	–	–	22	–
<b>Capital and reserves</b>	<b>3,583</b>	<b>3,244</b>	<b>3,269</b>	<b>2,947</b>
<b>Capital ratio according to Principle I (in %)</b>	<b>14.3</b>	<b>14.8</b>	<b>13.7</b>	<b>15.0</b>
<b>Core capital ratio according to Principle I (in %)</b>	<b>8.1</b>	<b>8.8</b>	<b>7.8</b>	<b>8.9</b>
<b>Total ratio according to Principle I (in %)</b>	<b>13.1</b>	<b>14.0</b>	<b>12.9</b>	<b>14.2</b>

### Ordinary income up again

## Earnings

DekaBank Group once again achieved an increase in ordinary income in 2004. The sum of interest income and commission income, trading income and other operating income rose over the previous year by almost 3.5 per cent to €1,165 million.

Net interest income rose by 13 per cent to €352 million, continuing the positive trend of the previous three years and largely due to a more successful disposition of funds. In spite of the difficult market environment, commission income was up 8 per cent to €744 million. The main reason was higher commissions as a result of the successful expansion of structured asset management and of the majority stake in WestInvest. A positive trading income of €4 million was posted in 2004 again. The decline over the previous year was mainly due to the switch in the valuation of the bond trading portfolio to portfolio accounting in 2003.

Operating expenses were down for the third year in succession, declining to around €626 million. The success of cost management measures were reflected in particular in lower general and administrative expenses which, taking depreciation into account, were €17 million (5%) below the previous year's amount. Staff costs, at €287 million, remained at the previous year's level due above all to lower pension plan contributions arising from interest rate-related adjustments made in the previous year.

Operating income before risk, at €539 million, again topped the previous year's high level. The cost-income ratio improved long term to 54 per cent.

### Long term improvement in cost-income ratio

The net valuation result in the lending, securities and holding business as well as risk provisions totalled €-131 million (previous year: €-44m) in 2004. Approximately half of the negative net result resulted from restructuring expenses in connection with stabilisation measures taken for Deka-ImmobilienFonds. Adequate provisions for latent risks in connection with Deka-ImmobilienFonds have been made in the 2004 financial statements. Group operating income of €408 million was €30 million below the previous year's high level. Operating income without the special expense item would amount to around €473 million.

After deducting interest payments on subordinated liabilities and income taxes, Group net income after taxes amounted to €125 million.

Earnings				
	2004	2003	Change	
	€m	€m	€m	%
Net interest income	352	311	+ 41	+ 13
Net commission income	744	690	+ 54	+ 8
Trading income	4	71	- 67	- 94
Administrative expenses	569	571	- 2	- 0
Provision for risk/valuation	- 131	- 44	- 87	+ 198
Income taxes	219	181	+ 38	+ 21
Net income after taxes	125	193	- 68	- 35

## Risk Report 2004

### 1. Risk management principles

The professional management and timely monitoring of all risks are the key conditions for controlled risk-taking within our corporate strategy.

**Controlled risk-taking**

We take this challenge into account through the ongoing review and development of our risk management policies. DekaBank's goal is to generate an appropriate return on equity on the basis of a risk management policy that recognises risks at an early stage and provides the necessary information promptly to those responsible for risk management.

#### 1.1 Organisation of risk management

Risk management – the active management of an organisation's risk position – is the responsibility of the Board of Management, the Asset and Liability Management Committee, the Corporate Banking division and the Trading/Treasury division.

Alongside business policy, the Board sets overall risk limits at Group level, allocates risks according to credit and market risks, and within market risks to trading book and strategic positions.

Within the framework laid down for the Group by the Board, the heads of all Group units are responsible for managing the operational risks of their respective organisational units.

Default risk is managed by the Corporate Banking and Trading/Treasury divisions.

The Asset and Liability Management Committee lays down guidelines for the management of the strategic market risk position within the limits determined by the Board. Implementation is then carried out independently by Trading/Treasury.

#### 1.2 Risk control

The core task of our risk control department is to develop a standardised and closed system to measure and monitor market, default and liquidity risks as well as operational risks associated with the Group's business activities. The unit analyses and quantifies the Bank's risks, monitors the limits approved by the Board and is responsible for reporting the risk ratios to the Board and the relevant operating divisions. The department is both organisationally and procedurally fully independent from position-taking functions and policy-making divisions.

#### 1.3 Capacity to sustain risk

Analysing the capacity to sustain risk is a key element in the management of DekaBank's liable capital. In addition, it is also a formal requirement of German banking regulations. We track at regular intervals the Group's risk cover funds needed to cover potential losses. These provide information about the extent of the risks we can and wish to take within the framework of our business policy. Our Group risk is also tracked regularly across all income-impacting risk types. By comparing Group risk with risk cover funds, we ensure our ongoing capacity to sustain risk.

### 1.4 Internal audit

As an independent unit, the internal audit department is responsible for assisting the Board of Management and other executive levels in their oversight function. This is performed by using a scoring model to draw up a risk oriented Board-authorised assessment plan. The internal audit department uses this to monitor and evaluate all operational and business processes objectively and independently. The most important areas of assessment include risk management, risk control, internal reporting and compliance with internal and external regulations. Particular focus is placed on processes and methods taking into account the principles of safety, propriety as well as profitability and usefulness.

## 2. Risk categories – individual risks

### 2.1 Default risk

#### Definition

Default risk arises if a borrower defaults, i.e. if a counterparty is unable to meet his contractually agreed commitments. DekaBank uses its own internally defined risk concepts above and beyond those laid down by the regulatory authorities in order to ensure that all the different risk types are covered. Default risk breaks down into replacement risk, credit risk and holding risk. Credit risk breaks down further into borrower risk, issuer risk and advance performance risk.

#### Organisation of lending business

In order to take into account both the changing market environment and new regulatory requirements, we optimise the organisation of our lending business and risk management on an ongoing basis. The year under review was marked in particular by intensive preparations for Basle II and by the implementation of the Minimum Requirements for the Credit Business of Credit Institutions (MaK). In the wake of a reorganisation, the lending process was also modified with regard to the new regulatory requirements.

The Corporate Banking division is responsible for drawing up and implementing a uniform default risk policy and for managing the Group's default risks. This includes analysing risks, fixing rating grades, drawing up decision-making models, assigning first-vote status for counterparties as well as evaluating credit or trading products for risk exposure. As a result, portfolio management for counterparty risk is also handled here.

As a 'market' segment, the Corporate Banking division is integrated into the process chain of the lending and trading business. In accordance with MaK requirements, certain functions must be segregated from the 'market' or front office segment. These back office or 'market consequence' functions cover, in the risk office department within the general secretariat division, the allocation of the market-independent second vote for lending decisions, the monitoring of certain MaK-specific guarantees, the monitoring of intensified and problem loan processing as a permanent member of the monitoring committee as well as responsibility



for the development and quality assurance of credit processes. The monitoring committee, established in 2004, is responsible for controlling and tracking the processing of significant exposures and consists of representatives of the corporate banking, legal and tax divisions as well as the general secretariat's risk office department.

**Monitoring committee  
established**

Along with the risk office, the finance division's risk control department assumes back office functions. It monitors default risks at portfolio level and also at borrower unit level and is responsible for drawing up risk reports on default risks. In addition, it is in charge of methodological development, quality assurance and the monitoring of risk classification procedures.

The functional and organisational separation of risk control and the risk office from the Corporate Banking division's operational responsibilities guarantees independent risk assessment and risk management.

### Assessing creditworthiness

Assessing creditworthiness is a key element in monitoring default risk. The Bank uses a proprietary rating system to grade risk. The system allocates every borrower to a rating class once the initial or annual credit rating analysis has been performed and on a situation-specific basis. In the run-up to Basle II, we are currently working on a joint project together with other landesbanks to develop new rating procedures covering a total of eleven rating modules. The project's technical objectives are above all raising selectivity between risk classes and calibrating ratings to default probabilities.

**New rating procedures  
developed**

Seven of the eleven modules were introduced by the end of 2004 and put into production. Implementation of the new rating procedure for the remaining modules will be completed in 2005. The new rating modules will then cover virtually all risk segments.

In December 2003, seven landesbanks, Bankgesellschaft Berlin and DekaBank founded RSU Rating Service Unit GmbH & Co. KG. RSU will continue the landesbanks' rating project as an independent company, maintain its procedures and manage its professional and technical development. Its task is to guarantee standardised evaluation procedures and compliance with regulatory quality benchmarks in the long term.

### Monitoring default risk

Our exposure to all default risks is monitored Group-wide on a daily basis. The exposure limits managed centrally by our risk control department are adjusted according to key exposures on securitised and non-securitised loans as well as derivatives. Our exposure reports are drawn up at the maximum risk level of the respective borrower, taking into account all business types.

### Portfolio analysis

Alongside the daily calculation of our default risk position, we also regularly analyse and assess the credit portfolio. This is done using the Credit Portfolio View model and based on value at risk, which identifies the maximum negative

deviation from the expected loss for a holding period of one year and a 99 per cent probability level. The portfolio assessment calculates the average default ratio per rating class as well as the migration probabilities. We additionally apply Monte Carlo simulations to assess sector-specific risk factors.

### Lending liability

The Bank's cautious business policy is reflected in its continued low default ratio of 0.08 per cent on a five-year average (previous year: 0.06 per cent). Risk provisions in the form of individual value adjustments and specific provisions amounted to €287.9 million (previous year: €306.9m) for the Group as at 31 December 2004, equivalent to 0.54 per cent (previous year: 0.58 per cent) of total lending volume.

Lending liability and risk provision		
	Liability	Risk provision *
	€m	€m
Due from banks	31,128	8
Due from customers	17,911	269
Contingent liabilities	2,000	39
Irrevocable lending commitments	2,594	14
<b>Total</b>	<b>53,632</b>	<b>330</b>
* incl. individual, country and general value adjustments		

Latent default risks are covered by additional general value adjustments of 0.3 per cent of the assessment criteria recognised by the tax authorities. General value adjustments totalled €25.3 million (previous year: €13.4m). In addition, precautionary reserves are held in accordance with Section 340f of the German Commercial Code (HGB); reserves are also held in the investment portfolio and as shares held in Treasury.

The Group's lending liability for traditional loans breaks down by sector as follows:

Lending liability by sector (lending business)	
	€m
Domestic public-sector banks	25,403
Federal government, states and municipalities	11,700
Domestic private banks	2,847
Foreign banks	2,515
Construction/commercial real estate	1,586
Financial institutions/insurance	2,619
Services/health	1,670
Aviation/shipping/transport	1,529
Utilities (energy and water)	496
Private individuals	1,729
Other*	1,537
* all sectors with a lending liability below €500m	

## Country exposure

Country exposure is the risk that a cross-border borrower is unable to meet his payment commitments in time due to country-specific events (cross border transfer and conversion risk).

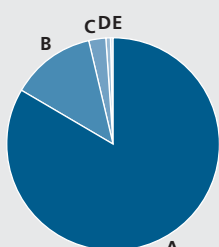
The system deployed by DekaBank to quantify and manage country exposure is based on an internal risk assessment of the countries in question. The key criteria for determining country exposure are the economic and political situation of the country and its business potential.

The allocation of individual country exposure positions is based on the borrower's domicile but may be modified for economic reasons. Under certain conditions, exposure may be reallocated to the domicile of the parent company, of the lessee or, for cash flow constructions and taking into account guarantees, to the country in which the ultimate guarantor of a financial claim resides (ultimate risk).

The Group's total country risk (total lending liability minus first-class guarantees such as federal government guarantees and export credit guarantees) amounted to €25.2 billion at year-end 2004 (previous year: €17.2bn). The increased country exposure compared with the previous year is largely due to money transactions with EU countries.

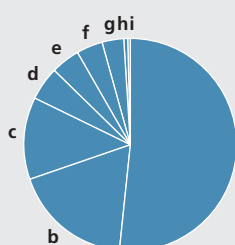
The following charts illustrate dispersion according to country categories and individual countries:

**Distribution of country risk by category**



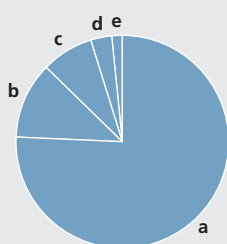
<b>A</b>	EU countries	83.7 %
<b>B</b>	Industrialised countries	12.9 %
<b>C</b>	Developing countries	2.6 %
<b>D</b>	Reform countries	0.7 %
<b>E</b>	International organisations	0.1 %

**Breakdown of risk in industrialised countries**



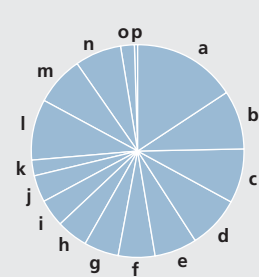
<b>a</b>	USA	51.7 %
<b>b</b>	Norway	18.1 %
<b>c</b>	Switzerland	12.5 %
<b>d</b>	Canada	5.1 %
<b>e</b>	Australia	4.4 %
<b>f</b>	Guernsey	4.0 %
<b>g</b>	Japan	3.3 %
<b>h</b>	Jersey	0.6 %
<b>i</b>	Other	0.4 %

### Breakdown of risk in reform countries



<b>a</b>	Russia	75.7 %
<b>b</b>	Bulgaria	11.6 %
<b>c</b>	Croatia	7.9 %
<b>d</b>	China	3.2 %
<b>e</b>	Other	1.6 %

### Breakdown of risk in developing countries



<b>a</b>	Republic of Korea (formerly South Korea)	15.8 %	<b>j</b>	Netherlands Antilles	4.1 %
<b>b</b>	United Arab Emirates	9.0 %	<b>k</b>	Israel	2.4 %
<b>c</b>	Iran	8.3 %	<b>l</b>	Middle East	9.3 %
<b>d</b>	South Africa	8.0 %	<b>m</b>	South America	7.5 %
<b>e</b>	Cayman Islands	6.5 %	<b>n</b>	Africa	7.1 %
<b>f</b>	Thailand	5.6 %	<b>o</b>	Asia	2.1 %
<b>g</b>	Singapore	5.3 %	<b>p</b>	Australia/Oceania	0.2 %
<b>h</b>	Mexico	4.8 %			
<b>i</b>	Ghana	4.2 %			

All countries with considerable country risk belong to the group of reform and developing nations, with the exception of the industrialised country of Turkey. To take account of our exposure in risk countries, we made the following country value adjustments amounting to €16.9 million at year-end 2004 (previous year: €26.5m):

### Country exposure and value adjustments

	Country exposure	Value adjustment
	€m	€m
Russia	143.5	8.1
South Africa	52.9	2.6
Thailand	36.7	2.9
Brazil	19.4	0.1
Argentina	8.6	0.6
Turkey	1.9	0.4
Nigeria	1.4	1.4
Algeria	1.0	0.8
<b>Total</b>	<b>265.4</b>	<b>16.9</b>

## 2.2 Liquidity risk

### Definition

Liquidity risk in the narrow sense refers to the Bank's insolvency and describes the risk of being unable to meet payment obligations when they are due. A broader definition covers market liquidity risk and funding risk. The latter describes the risk of not being able to obtain sufficient liquidity at the expected conditions when needed while market liquidity risk is the risk of being unable to liquidate or offset positions as a result of insufficient visibility or market disruptions.

### Internal management of liquidity risk

The Bank's liquidity status and liquidity balance form the basis of liquidity planning and liquidity management.

The current liquidity status of DekaBank is measured on a daily basis by the Trading/Treasury division and is used for allocating daily liquidity.

In contrast, the liquidity balance drawn up by the risk control department is based on the reporting date-specific, cross-portfolio documentation of future payment flows which form the basis for calculating the liquidity requirements or surplus for each maturity period.

For longer-term liquidity reserve measurement and limits, DekaBank additionally applies the liquidity requirements of Principle II of the German Banking Act.

### Current risk situation

DekaBank has an extremely strong liquidity position overall, not least due to its portfolio of highly liquid securities. The requirements of Principle II were clearly exceeded at all times. The relevant liquidity ratio was between 1.72 and 2.22 and was 1.77 at year-end 2004.

**Strong liquidity position**

## 2.3 Market risk

### Definition

Market risk is understood to mean any economic loss arising from future market price fluctuations. DekaBank undertakes interest rate, share price and exchange rate risks as well as the respective option risks these involve.

DekaBank Group's most important market risk is that of interest rate changes arising from both our strategic positions (Treasury) and our trading positions. Particular importance is attached to the development and finessing of our measurement and monitoring techniques according to the extent of our interest rate sensitive transactions, their complexity and risk component. Share price risks are undertaken by Treasury exclusively through special fund mandates or short term start financing for mutual funds. The share price risks in trading operations are traditionally extremely low.

### Internal market risk calculation

DekaBank calculates risk figures using scenario analyses, the scenario matrix method and value at risk (VAR). In addition to limiting risk positions, stop-loss limits at portfolio level are established to effectively limit losses. Limit levels are calculated on the basis of the accumulated operating result for the year.

### Scenario analysis

Standard scenarios are defined according to the various risk factors for interest rate, exchange rate and share price movements respectively. They are used for the operational management and limiting of linear risks in both trading book and non-trading book positions.

In order to assess the risks of extreme market events, we additionally, alongside scenario analyses, carry out stress testing for the regular analysis of our interest rate position. The tests are currency and segment-specific and are sub-classified into market and portfolio-oriented variations. Market-oriented stress tests are based on historical interest rate movements. In addition to analysing the effects of classic parallel shifts, the tests include an inversion of the yield curve as well as tilts and twists. Portfolio-oriented stress tests, in contrast, focus more on the current positioning in the analysed portfolio.

In co-operation with the economics department, we additionally analyse the concrete impact on results given the current positioning and based on current interest rate expectations.

### Scenario matrix procedure

DekaBank uses option risks to a very limited extent only. Active option positions are held regularly in the trading portfolio only. The scenario matrix method is used to calculate options-related non-linear risks. This involves a scenario analysis to calculate changes in the key risk-determining parameters for the relevant option type. The matrix boundaries are regularly adjusted to the current fluctuation intensities of the underlying parameters.

### Value at risk

Value at risk (VAR) for linear risks is calculated daily at Group level on a variance/covariance basis and uses exponentially weighted historical movements in market rates and prices, taking account of volatilities and correlations between different markets and rates.

In accordance with the different risk categories, VAR is calculated for interest rate, share price and exchange rate risks respectively and contrasted with portfolio-specific limits. The overall risk is assessed worst-case, i.e. correlations of different risk categories are not taken into account when calculating overall risk.

Depending on the different liquidation or decision periods, Treasury VAR is calculated for a 10-day holding period, Trading VAR for a one-day holding period and both for a 95 per cent confidence level. VAR calculated on this basis identifies the potential loss on a risk position that will not be exceeded with a probability of 95 per cent over a time horizon of 1 or 10 trading days.

## Market risk developments 2004

### Overall outlook

The following chart shows current VAR for the Group according to interest rate, share price and currency risk:

Value at risk of DekaBank Group*					
	Holding period	Year-end	Average	Year-end	Average
		2004	2004	2003	2003
		€m	€m	€m	€m
<b>Interest rate risk</b>					
Trading	1 day	0.31	0.92	1.03	1.59
Treasury	10 days	28.14	24.30	22.18	36.36
DekaBank Group	10 days	28.63	26.68	24.93	41.22
<b>Share price risk</b>					
Trading	1 day	0.61	0.64	0.32	0.92
Treasury	10 days	10.17	11.98	12.83	14.35
DekaBank Group	10 days	11.26	13.20	13.19	15.13
<b>Currency risk</b>					
Trading	1 day	0.29	0.21	0.11	0.23
Treasury	10 days	0.17	0.41	0.20	0.50
DekaBank Group	10 days	1.02	0.78	0.31	0.69

\* all VAR was calculated on the basis of parameters used for internal risk calculation

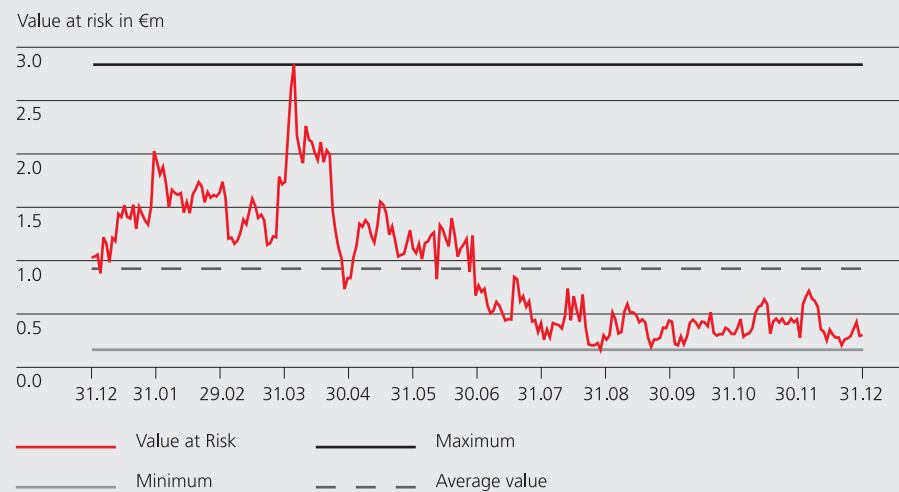
Broken down by risk type, 70 per cent (at a holding period of 10 days) of Group-wide market risk (€28.63m) at year-end 2004 was accounted for by interest rate risks, primarily due to the risk of short-dated yields. Share price risks, at €11.26 million, accounted for 27.5 per cent and currency risks, at €1.02 million, for the remaining 2.5 per cent. Share price risks resulted largely from special investor fund investments and to a smaller extent from start-up financing activities.

### Interest rate risk

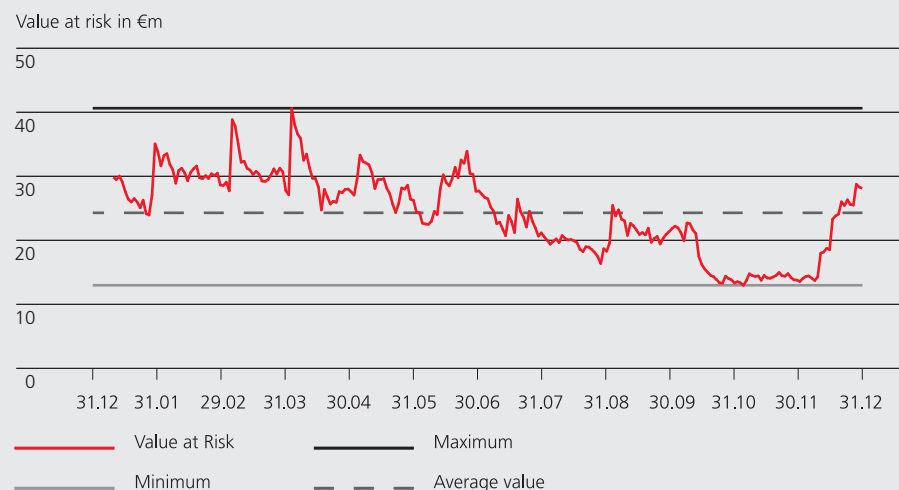
Compared with year-end 2003, interest rate risks increased by €3.7 million Group-wide. With volatilities only marginally changed, the risk-enhancing position effect was dominant. In the final quarter in particular, active positions at the short end were built up.

The following two charts show the interest rate risk for trading operations and for Treasury during 2004:

### Interest rate risk: Trading – 2004



### Interest rate risk: Treasury – 2004



The interest rate risk on trading positions based on VAR lay between €0.16 million and €2.84 million, and on Treasury positions between €12.98 million and €40.64 million.

### Share price risk

Our share price risks fell by a total of €1.93 million compared with year-end 2003. With further declining volatilities during the course of the year, share positions were increased moderately, with the risk-lowering volatility effect outweighing the risk-enhancing position effect.

### Exchange rate risk

The exchange rate risk remained at an extremely low level throughout the past year, standing at €1.02 million at year-end, only €0.71 million higher than at year-end 2003.



## 2.4 Investment and property risk

### Definition

Investment (or shareholder) risk is the risk of financial losses resulting from the decreased value of our portfolio of equity investments. Likewise, DekaBank defines property risk as the risk of a decreased value of properties owned by DekaBank Group.

### Quantifying investment and property risk

Risk measurement is performed on the basis of the volatilities of historical yields. For investment risk, we use historical data from equity market benchmark indices. For property risk, we use the volatilities of rental yields for top commercial properties at the site of our offices in Frankfurt.

## 2.5 Property fund risk

### Definition

DekaBank has taken over shares in Deka-ImmobilienFonds into its own portfolio. By property fund risk, we mean the risk of financial loss due to the decreased value of these shares.

### Quantifying property fund risk

Property fund risk is measured by using volatilities of historical change-in-value yields of the properties in the Deka-ImmobilienFonds portfolio. The change-in-value yields are drawn up separately according to location and utilisation type and weighted with the corresponding property values. This supplies the aggregated volatility of the change-in-value yields of the property portfolio.

## 2.6 Operational risks

### Definition

Operational risks are all risks involving general business operations arising from external events, defective processes or human and technical failure.

### Organisation of the management and control of operational risks

The Board of Management is ultimately responsible for the adequate handling of operational risks. Among its most important duties are establishing, regularly monitoring and guaranteeing the necessary framework for handling operational risks Group-wide.

Our risk control department is responsible for all operational risks. These include the harmonisation and appropriateness of Group-wide terminology and procedures and for reporting regularly to the Board and senior management.

The risk control department is also in charge of implementing the supervisory and statutory requirements for the management and control of operational risks.

Group audit is responsible for independently monitoring the correct implementation and execution of methods and procedures within the Group as well as compliance with supervisory and statutory requirements.

### Classification and differentiation

To identify, evaluate and manage operational risks, DekaBank uses the following cause-based risk categories:

Operational risks by class		
Risk	Risk category	Risk sub-category
Operationale Risiken	Technology	IT applications
		IT infrastructure
		Other infrastructure
	Staff	Human capital
		Unauthorised acts
		Processing errors
	Internal procedures	Processes
		Organisational structure
		Methods and models
		Internal service providers and suppliers
		Projects
	External factors	Disasters
		Criminal acts
		Service providers and suppliers
		Political/legal framework

### Methods used to manage operational risks

In order to create the necessary conditions for complying with future statutory and regulatory requirements with regard to the management and control of operational risks as well as the management of operational risks from a business point of view, DekaBank uses the following methods:

#### Self Assessment

Process-based self assessment involves the detailed, regular and structured identification and assessment of operational risks in the form of damage scenarios by special employees (assessors) for their respective identification units. The risk assessment is performed by assessing the potential loss frequency and extent of the relevant risk scenarios. This then yields the annual loss potential. The main objective of process-based self-assessment is to construct a Group-consistent risk inventory that will allow us to draw up and prioritise action plans for reducing operational risk ex ante.

#### Loss documentation

A central loss database compiles and analyses any losses that have occurred through operational risks. All losses in excess of €5,000 are recorded Group-wide. This generates the data needed to draw up distribution assumptions for the

extent and frequency of losses, which form the main basis for the deployment of quantitative models to identify capital requirements. In addition, DekaBank is a member of the BVI's (German association of fund managers) loss consortium in order to benchmark itself against other market players.

## Outlook

In order to supplement the methods deployed to manage and control operational risks, DekaBank will additionally be introducing scenario analysis in 2005 in view of the possible application of the Advanced Measurement Approach (AMA) for equity capital. The scenario analysis will investigate potentially severe loss events.

DekaBank intends to make a decision in 2005 on which equity capital approach (standard or AMA) to adopt for operational risk according to Basle II. The compulsory capital coverage for operational risks for Basle II's standard approach is expected to amount to around €150 million.

**Enlarged analysis  
instruments**

## 2.7 Business risk

### Definition

Business risk is the risk of financial losses due to volume or margin changes arising from changes in client behaviour or in the economic environment. Business risk plays a particularly large role in asset management.

### Quantifying business risk

Business risks in the asset management segment are calculated by using scenarios that simulate the reduction in key success parameters such as fund volume, administrative commissions and the ratio of individual fund categories to total volume. The scenario analyses are performed separately for the Asset Management Capital Markets and Asset Management Property divisions.

In all other divisions, business risks are assessed according to fixed sector-typical benchmarks.

## 2.8 Contingency planning/business continuity planning (BCP)

DekaBank has a Group-wide framework structure at its disposal, along with organisational and technical regulations, to assure a standard contingency response in the event of an emergency.

### *Premises-related failure or loss*

To ensure against the loss or failure of premises, DekaBank has opted for a domestic and overseas internal recovery strategy, in which Group-owned property and infrastructure are utilised. In Germany, this means, for example, that our three Rhine Main sites – Frankfurt city centre, Frankfurt-Niederrad and Offenbach – have a shared back-up function due to their geographical proximity. The procedure provides for the affected technical units to have at their emergency work site all the data and equipment they need to ensure that operations can continue.

*IT failure*

We have a series of organisational and technical guidelines in place to ensure the immediate recovery of failed IT systems. Comprehensive and practice-based tests are carried out on a regular basis to monitor whether our recovery measures are successful.

*Organisation – business continuity planning*

To be able to respond appropriately in an emergency situation, we have developed a highly flexible business continuity planning (BCP) system. This involves organisational counter-measures to deal with a wide range of service disruptions in a precisely defined escalation procedure. Depending on their scope and extent, emergencies are reported directly to a crisis management team, to which the Board of Management also belongs.

To assure the continued emergency operation or re-establishment of critical business processes, we have dedicated re-establishment teams consisting of employees from all technical units. The teams are responsible for restoring all business processes disrupted by a contingency and for ensuring the continued smooth functioning of operational processes.

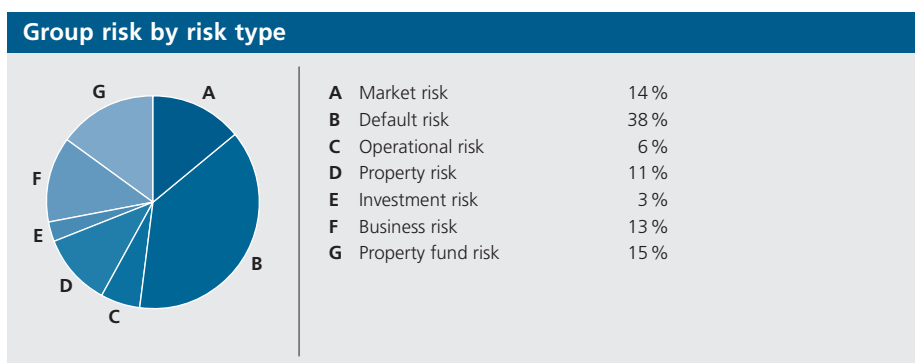
**3. Total integrated risk management****Risk capacity concept refined**

In the year under review, the Bank further refined its risk capacity concept. The concept provides for quantifying the capacity to sustain risk using graded risk cover funds. DekaBank differentiates between primary and secondary risk cover funds: primary cover funds are composed of equity capital as defined by International Financial Reporting Standards (IFRS) and current income; secondary cover funds contain positions that feature hybrid capital. Both risk cover funds can be used to cover losses without putting a strain on DekaBank's senior creditors. While the use of primary cover funds exclusively affects DekaBank's shareholders, using secondary risk cover funds would also affect silent partners, owners of dividend-right certificates and subordinated creditors of DekaBank.

The risk cover funds are offset by the Group risk comprising the sum of the Bank's income-impacting risk types, whereby individual risks are pooled into a single VAR indicator for a one-year holding period. The overall Group risk is assessed worst-case, i.e. correlations of different risk categories are not taken into account when calculating overall risk.

As part of a formal risk capacity analysis, we calculate Group risk for a 99.9 per cent confidence level. The economic analysis additionally covers the calculation of Group risk for a 99.97 per cent confidence level. Risk capacity analysis is thus regularly performed both on a formal and an economic basis.

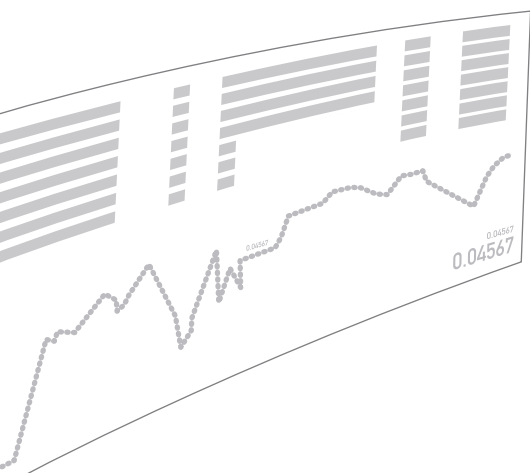
At year-end 2004, Group risk at a 99.9 per cent confidence level was €2,508 million. As the following chart shows, default risk is DekaBank's main single risk.



## Outlook

For 2005, we assume that our broad based asset management activities and increased diversification resulting from our wholesale banking operations will again lead to sustained positive earnings growth. Based on our position as the central investment fund provider of the German Savings Banks Financial Group, we expect ordinary earnings to reach a satisfactory level despite the persistently difficult market situation and the loss of the guarantee and maintenance obligations in July 2005.

Aided by our successful cost and process optimisation measures, we are confident of again meeting our cost targets in 2005. And thanks to the stabilisation measures introduced in 2004, we do not anticipate any major negative impact on profits in connection with Deka-ImmobilienFonds in 2005. We intend to further expand profitable business segments in order to continue to sustain Group profits at a high level in the future.



“Our recipe for success is no secret: short decision-making routes and an extremely flexible product offering. Our different issuance programmes make it particularly clear how this benefits our business partners – a plus for all sides.”

**Birgit Claret, Silvio Bardeschi, Frank Schuster, Trading/Treasury**





## Capital Markets

In its Capital Markets business sector, DekaBank Group focuses on selected market segments with a service offering tailored to the needs of big customers. A high level of flexibility and customised capital market products were the main reasons for the popularity of our services among commercial and savings banks, institutional investors, domestic and overseas local authorities as well as international organisations in 2004.

The internal presentation of the Capital Markets segment was analysed and partially adjusted in the course of a project on our Group-wide internal control system. This led in particular to the optimisation of interfaces with other business segments.

In 2004, the strategic direction of the Trading/Treasury segment was largely implemented through a number of projects that also included settlement systems. After completing work in the segments equities, bonds and repo/securities trading, we are currently focusing on OTC derivatives and credits.

### Money market and foreign exchange trading

In the year under review, we again raised short-term funds largely through a euro commercial paper (ECP) programme. The programme is highly flexible with regard to timeframe, volume and currency. Around €9.3 billion was sold in 2004.

In line with our philosophy, all our counterparties had impeccable credit ratings. As in previous years, our money market operations focused on domestic and overseas banks.

Short-term lending amounted to around €26 billion Group-wide at year-end, a year-on-year increase of 67 per cent. €13.6 billion was accounted for by loans to overseas business partners.

In foreign exchange trading, our currency exposure was negligible and was hedged by means of derivatives, currency options and forward exchange transactions. Outstanding currency positions were negligible. Thanks to our market assessment and our risk-conscious and customer-oriented approach, our money market and currency trading operations once again contributed positively to our operating result in 2004.

In view of the impending abolition of the state's guarantee obligation and the modification of the maintenance obligation, liquidity management will play an even greater role. DekaBank made the necessary adjustments early on and has a liquidity position that will allow potential price rises in short term funding to be comfortably pre-empted. The shadow ratings allocated to DekaBank by ratings agencies in 2004 also form a satisfactory and promising basis.

**€9.3 billion sold in ECP  
programme**

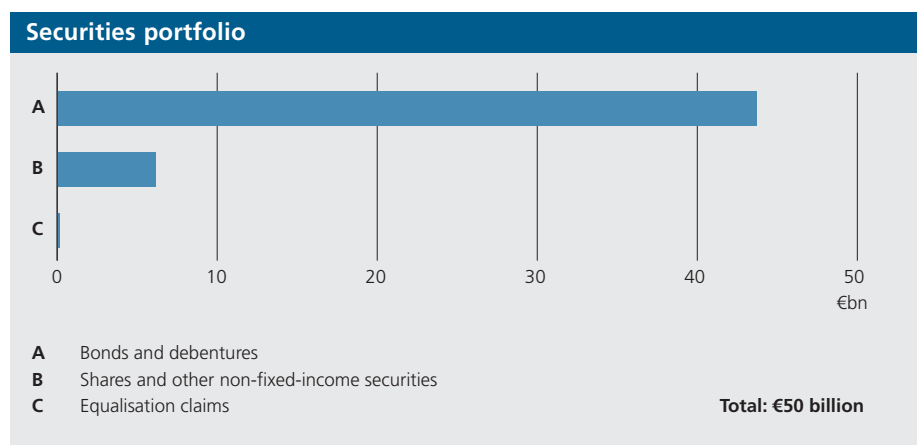


### Securities trading/operational treasury

In spite of a few uncertainties – in particular strong oil price movements – most equity markets grew positively in the year under review. This was reflected by a significant increase in our trading operations. Bond market prices rose again in spite of already low yield levels, a factor that stimulated business in this segment too.

Securites trading again made a very satisfactory contribution to income. Our securities lending and repurchase business showed extremely strong earnings growth, and also profited from the introduction of a new settlement system.

DekaBank Group's securities portfolio grew by around €15 billion to €50 billion, of which traditionally the largest share (€44bn) was accounted for by bonds and notes, including equalisation claims. Shares and other non-fixed income securities amounted to €6.2 billion.



### Funding/underwriting business

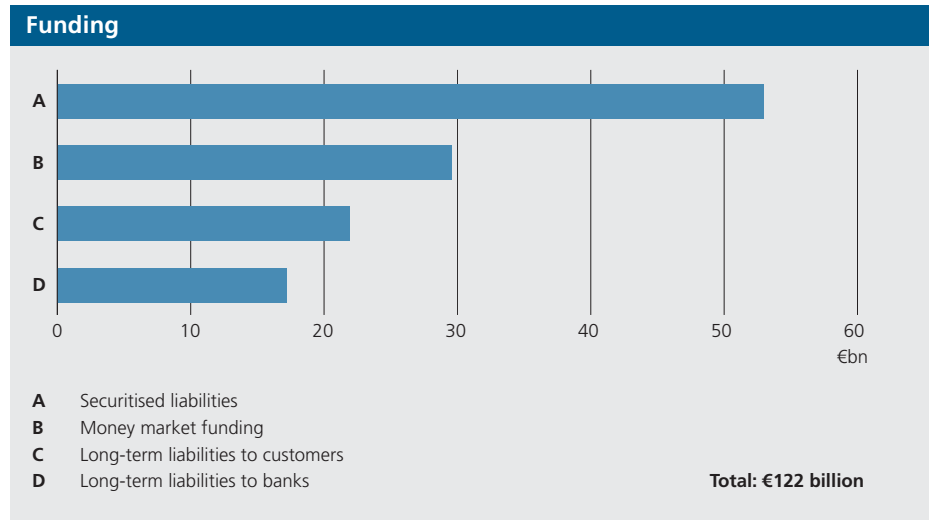
In view of the impending modification of the guarantee obligations for public sector banking, DekaBank's medium and long term funding was further optimised in 2004. This included, alongside the growing internationalisation of our funding activities – an increase in the European medium term note programme (EMTN) launched in 2002 by a further €10 billion. At year-end 2004, the EMTN programme had a total volume of €30 billion.

Our issuance business again grew extremely positively in 2004, with gross sales of around €40.2 billion marking another record. This was due in part to the speed and flexibility of our issuance operations but also to the steadily growing investor base.

**Record sales in issuance business**

Dekabank Group is well equipped for the coming changes in the banking environment. These include, along with the above-mentioned reorganisation of the guarantee obligations, impending changes in pfandbrief legislation in mid-2005.

DekaBank warmly welcomes the extension of the collateral framework of the Eurosystem and the efforts of the European Central Bank to establish a 'Single List'. The Single List will replace the current two-tier system of eligible collateral and will be introduced gradually.



### Public sector finance

Our product offering in the Capital Markets segment also covers domestic public sector finance activities which are comparable with trading operations due to their attractive risk profile. At year-end 2004, loans to public sector banks, the federal government, its special funds, the federal states and other public sector borrowers totalled around €31.6 billion, a year-on-year increase of around 3.5 per cent. Our municipal loan business remained at strong levels.

# Financial Services

The Financial Services business segment covers all Group activities in the custody business, fund services, sales and banking-related settlement services.

## Deka FundMaster launched

Deka FundMaster Investmentgesellschaft mbH began operating on 1 December 2004. Created out of Deka FondsSupport GmbH, it is the first Master KAG in Germany to be established according to new investment legislation. The wholly owned subsidiary of DekaBank follows a neutral business policy, which means it can offer the entire range of services as a Master KAG and fund administrator for external investment companies. Along with the master KAG, Deka FundMaster also offers institutional investors a platform for launching securities funds administered by external asset managers and additionally fund administration insourcing for other investment companies.

**First Master KAG according to new investment legislation**

Deka FundMaster is an administrator and service provider but not an asset manager. Since the operational basis of fund administration and master fund solutions are largely identical, it has made use of synergies above all in the areas of staff and IT systems. This means that from the very beginning, Deka FundMaster has attained a scale as a service provider for external investment companies and as a Master KAG for institutional investors that allows it to translate economies of scale into competitive prices without neglecting the necessary investments in staff and IT infrastructure.

The volume of funds administered by Deka FundMaster totalled approximately €100 billion at year-end 2004, and consisted of 260 retail funds and 700 special investor funds. Deka FundMaster also managed four Master KAG mandates in the same period.

## Sales activities expanded

Positive developments on capital markets in 2004 led to a significant increase in our securities commission business. DekaBank operates in this segment mainly as a service provider for the retail and special investor funds launched by its subsidiaries.

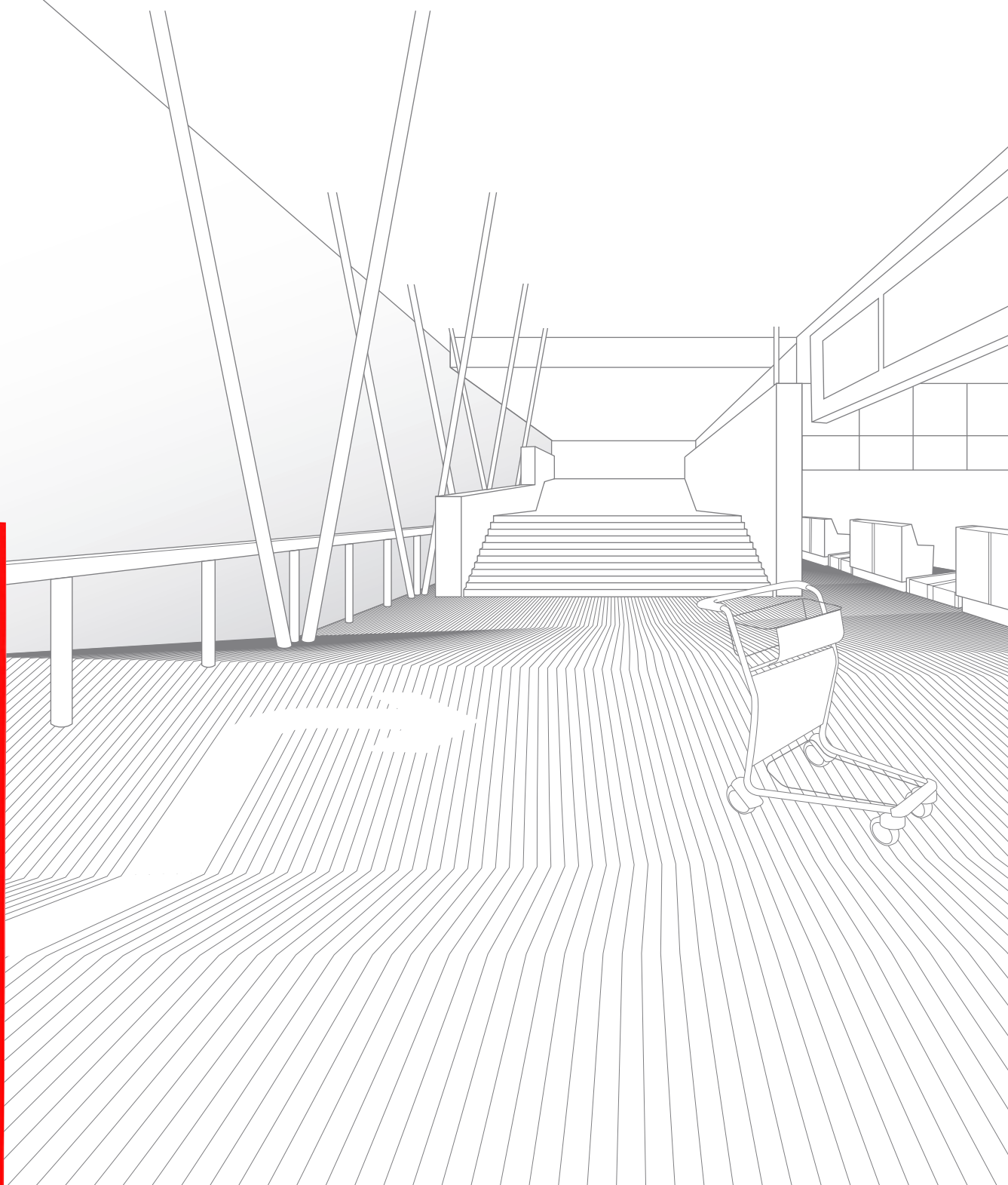
## Custody: further growth

DekaBank Group registered steady growth in its custody business in 2004. The volume of funds under management rose to €63.3 billion, of which around one-fifth (€12.9 billion) was accounted for by its fund-based asset management segment.



"There are no benchmarks for individual concepts. They will always be something special. The decades of experience we have working on solutions tailored precisely to customer needs, and on complex projects too, benefits us again and again – we have a tradition of innovation."

**Silvia Fehlinger, Heinz-Peter Hoffmann, Corporate Banking**



# Corporate Banking

The Corporate Banking segment continued to grow positively. As in previous years, DekaBank Group focused on national and international large-scale lending with preference once again placed on qualitative rather than volume growth. Risk concentrations were avoided, and risk and earnings adjusted management techniques refined.

## Selective growth

With an increase of €1.0 billion over the previous year, the segment's lending volume amounted to €20.3 billion. Loans to non-banks made up the largest share, at €8.6 billion, with loans to banks totalling €4.5 billion. Contingent liabilities amounted to €1.6 billion and irrevocable lending commitments €3.1 billion. The volume of credit-based capital market products totalled €2.5 billion.

## Portfolio further diversified

The Corporate Banking segment's portfolio is broadly diversified according to loan segments and regions and this factor was taken into particular account for new business in 2004. The noticeably narrower margins in certain loan segments also necessitated a selective approach.

## Quality of credit portfolio further enhanced

Among the loan segments that were further enlarged in 2004 were the financing of M&A transactions, corporate projects, the public sector overseas and international properties mainly in North America.

In the transport sector financing segment, we have come closer to our goal of broader diversification through further ship financing activities as a syndicated partner. The Bank, on the other hand, has sold its portfolios and withdrawn from the financing of property companies in eastern Germany. After clarifying banking, insolvency and data protection issues, we also disposed of portfolios of non and sub performing loans. The move further improved the quality of our overall credit portfolio.

## Production and sales under the same management

The growing complexity of our transactions, especially in new business, makes it necessary to closely align our production and sales functions. In 2004, we implemented this by integrating both functions into the Corporate Banking segment.

Corporate Banking is not only responsible for the product result but also for servicing clients and new business. This means we can offer clients a greater availability of expertise and swifter decision making. As part of our overall management, we use the market access routes direct business, syndicated business and credit-based capital market products for the non-trading book.

**Greater diversification in  
transport sector financing**

In view of our additional requirements, a new marketing management concept was developed in 2004 for the Corporate Banking segment, which will be deployed in early 2005. It contains a target system based on the segment's financial control systems that integrates indicators for managing the marketing performance of individual teams.

In the year under review, we also added additional credit-based capital market products to our product portfolio, in which we act as investors or undertake selected credit hedging transactions.

**Deployment of new  
marketing management  
concept from 2005**

Key business segments Corporate Banking	
Corporate Financing	Export and Trade Financing
Structured Corporate Financing (M&A transactions, corporate and infrastructure projects)	Domestic Property Financing
	Global Property Financing
Financial Institutions	Financing for open-ended property funds
Public Finance (overseas)	Retail Portfolios
Transport Financing (in particular aviation and shipping)	Pre-financing for municipal construction projects





"Accurately forecasting financial market developments is a challenge and individual investors are soon overwhelmed. Real expertise is the ideal prerequisite for navigating securities funds through rough market phases – that's when our customers rightly trust professionals."

Marion Feisthammel, Dr Thorsten Neumann, Deka Investment GmbH





# Capital markets-based asset management

In 2004, developments on capital markets were influenced by renewed fears of terror attacks, soaring oil prices and the rapid fall of the dollar against the euro. Because, however, the global economy showed satisfactory to good growth overall in spite of temporary disturbances, all in all equity and bond markets but also commodity markets received positive momentum.

Because economic momentum above all in the United States and Asia persisted and prices rose only moderately, bond markets, which had been underestimated at the beginning of the year, performed extremely well overall – government bonds from industrialised and emerging economies as well as corporate bonds, both investment grade and high yield. Equity markets performed well, in particular at the start and end of the year, so that on balance all major markets finished higher. In between, there were a few nerve-wracking phases. While the terror attack on Madrid in March unsettled markets, rising oil prices later on in the year prompted several bouts of anxiety.

## Normalisation of fund business

All these factors explain why investors showed so much interest in bond funds. Almost the entire net inflows of the German investment industry went into this category in 2004 – a clear sign that investors remained highly risk averse. Compared with the excitement of the previous year, new business for members of Germany's fund management association (BVI) was quiet.

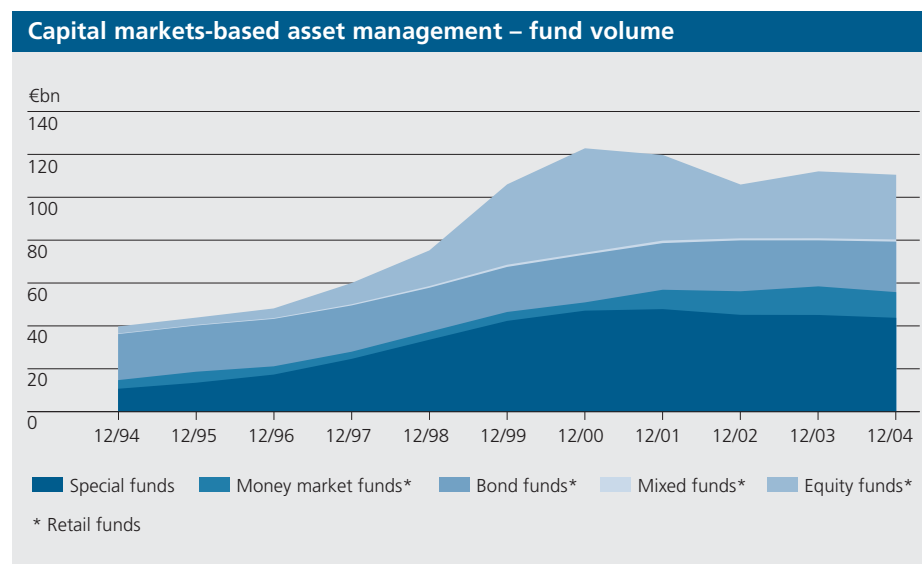
Developments in DekaBank Group's capital markets-based asset management segment were largely in line with the sector trend. Net inflows into bond funds of €1,355 million were offset by equity fund outflows of €1,842 million. The result was that, at €110.6 billion, there was little change in the volume of funds under management in retail and special investor funds compared with 2004 (€112.2bn) after taking price appreciation into account.

## Safety-oriented products in demand

In 2004, Deka Investmentfonds investors focused again on safety-oriented products that at the same time offered attractive yields. The more recently launched guarantee products in the Deka-WorldGarant series take this objective into account – they participate in developments on major equity markets and at the same time include a capital guarantee. Another innovation is Deka-Euroland Premium, launched in November 2004. The fund invests in standard eurozone equities combined with an option strategy that offers an advantage above all for sideways equity market movements. In bonds, Deka-RentenReal, launched in December 2004, invests mainly in inflation-indexed bonds, in this way protecting

**Investors' risk aversion persists**

investors from inflation-linked losses. Launched in the spring, Deka-EuroRenten 11/2005 supplements the product range for safety-oriented investors. The fund's concept is based on investments in eurozone bonds with a maximum maturity of two years, which minimises interest rate risks and virtually rules out currency exposure.



### New Investment Modernisation Act

The Investment Modernisation Act that came into effect on 1 January 2004 radically changed the legal framework for Germany's asset management industry. The legislation paved the way for hedge funds, the amalgamation of special funds and the establishment of different investment unit classes within a fund. For DekaBank Group, this will particularly affect the development and licensing of new fund products, the cross-border marketing of funds and product design.

### Good ratings

It's not just the need for safety on the part of investors that is growing continuously but their quality awareness too. This is why ongoing product enhancement is a top priority for us. In order to monitor the efficiency of the measures taken to ensure this, Deka Investment GmbH was assessed by the prestigious independent ratings agency RCP & Partners for the first time. The assessment covered the entire company including management and investment process. On the product side, this included the key asset classes European equities (large caps), eurozone bonds and quant products.

Deka Investment was assigned an overall rating of 'very good', the second best category on a six-category scale. What was particularly gratifying was the well-balanced result across all criteria. The assessment also emphasised the broad product range compared with other companies.

**RCP assigns overall 'very good' rating**

For the first time, Deka Investment retail funds were also assessed by Standard & Poor's (S&P) in 2004. The four funds – DekaFonds, RenditDeka, Deka-EuropaBond TF and Deka-ConvergenceRenten – received an A rating, an extremely good result. S&P's ratings assess more than pure fund performance and include the fund's management approach with regard to the prospects for above-average performance.

### **Securities special funds show little change**

DekaBank Group's special investor fund assets showed two opposing and to a certain extent compensatory trends: in the light of more upward-trending capital markets, the funds grew appreciably. This almost offset outflows resulting from fund liquidations. There were 18 new launches and 77 liquidations, thus reducing the number of securities special funds during the course of year from 700 to 641. Funds under management totalled €43.9 billion (previous year: €45.2bn).

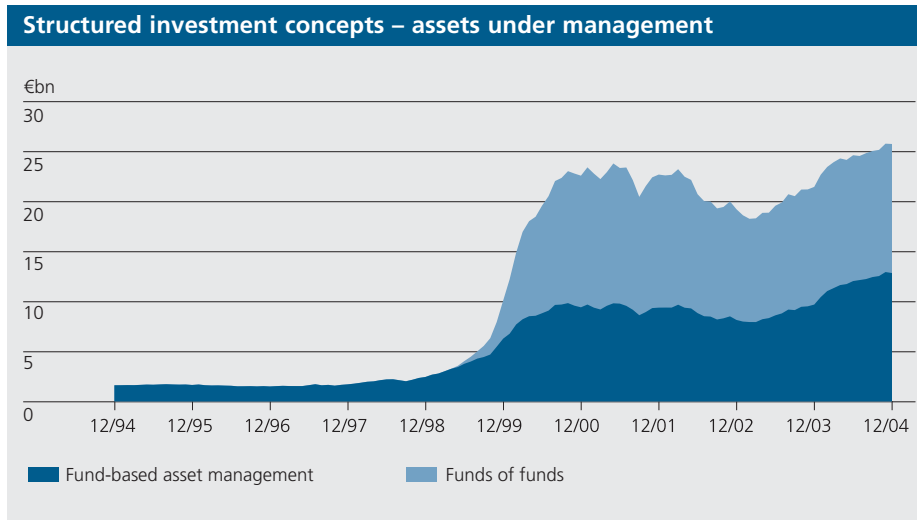
### **Steady growth in structured investment concepts**

Structured investment concepts with investment funds continued to grow positively in 2004, although many investors showed greater caution after the experiences of the preceding years. Once again, it paid not to put everything into one market but to choose broadly diversified products. To do this, DekaBank Group offers suitable investment concepts that allow investor assets to be actively managed using a clear opportunity/risk profile.

Many investors again put their confidence in our broad-based offering in 2004 and placed a net €3.4 billion in funds of funds and in our fund-based asset management. The volume of assets managed in structured products totalled €25.8 billion at year-end, of which €12.9 billion was accounted for by funds of funds and another €12.9 billion by fund-based asset management. Account numbers for fund-based asset management topped the 300,000 mark in 2004. The increase mainly benefited  DynamikDepot which today manages more than €10 billion in assets.

**More than €25 billion in structured products for the first time**

In January 2004, DekaBank Group launched its Swiss Vermögensmanagement line in its private banking client segment – an exclusive wealth management product that alongside the conventional building blocks of equities, bonds and property also invests in alternative vehicles such as hedge funds and private equity groups. Thanks to a Net-based reporting tool, Swiss Vermögensmanagement clients can check how their investments are performing around the clock.



### Moving into the new year with renewed strength

The price increases on equity markets and thus in equity funds are not a coincidence but the result of the huge efforts and resulting success of numerous and in particular European companies that today operate far more productively and efficiently than a decade ago. The rationalisation pressures triggered by increasing globalisation and heightened by the strong euro have had an effect. Because profits, overall, rose much more sharply than prices in 2004, valuations are lower today than they were a year ago and form, in view of expected continued profits growth, a solid basis for further potential price rises. As a result, we are optimistic about equities for 2005. Global bond markets do not seem to have such good prospects. However, this very fact may mean – as in the case of 2004 – that 2005 will turn out to be a good year for bonds despite the widespread scepticism.



“There’s no way you can avoid property if you’re counting on long term investment success. After all, every well structured portfolio needs stable building blocks. Our property funds are a good foundation – a solid basis for investors.”

**Iris Schneider, Nina Stapf, Sven Rein, Deka Immobilien Investment GmbH**

# Property-based asset management

Developments in the property-based asset management segment operated by our subsidiaries Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH varied in 2004. Most of DekaBank Group's open-ended property funds continued to post net inflows, although at lower levels than in the previous years. Through the constellation of several negative factors, however, Deka-ImmobilienFonds, which invests largely in Germany, registered substantial outflows.

## **Property markets reflect different trends**

As in the preceding year, property market performance differed considerably from region to region in 2004. Germany's unfavourable economic performance precluded a strong recovery in the domestic market. Demand for office space was muted and many new contracts were the result of exchanging premises. Rents were slightly down while vacancy rates rose further as a result of the oversupply of new properties.

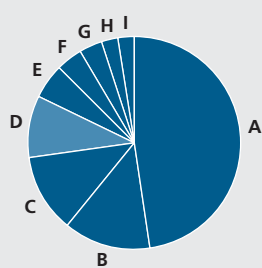
European property markets outside Germany showed positive growth overall. Demand for office space in certain key locations, especially in our favoured markets London and Paris, was up. Rents were largely stable. Certain locations, in London's West End for example, recorded increases.

In the United States, overall growth in employment led to increasing demand for office space. Although vacancy rates are falling countrywide, rents have not yet risen substantially. In Asia-Pacific, the Hong Kong property market in particular registered dynamic growth while Seoul profited from South Korean prosperity. The Tokyo market was boosted by a significant rise in demand, and even Sydney's stable market offered good investment opportunities.

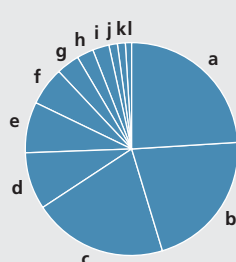
## **New investments: focusing on overseas properties**

New investments by Deka Immobilien Investment and WestInvest in the year under review amounted to around €2 billion. In line with the market situation, investments overseas were favoured.



**Property portfolio region (% of market value)\***


<b>A</b>	Germany	47.6 %
<b>B</b>	UK	13.2 %
<b>C</b>	France	11.9 %
<b>D</b>	Other (a–l)	9.4 %
<b>E</b>	Netherlands	5.4 %
<b>F</b>	Spain	4.0 %
<b>G</b>	Belgium	3.5 %
<b>H</b>	Italy	2.5 %
<b>I</b>	Austria	2.5 %



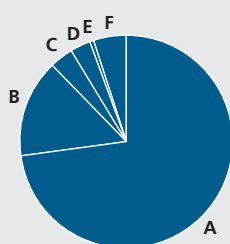
<b>a</b>	Australia	2.2 %	<b>g</b>	South Korea	0.3 %
<b>b</b>	USA	2.0 %	<b>h</b>	Denmark	0.2 %
<b>c</b>	Sweden	1.9 %	<b>i</b>	Hungary	0.2 %
<b>d</b>	Luxembourg	0.8 %	<b>j</b>	Poland	0.1 %
<b>e</b>	Japan	0.7 %	<b>k</b>	Portugal	0.1 %
<b>f</b>	Ireland	0.5 %	<b>l</b>	Czech Republic	0.1 %

\* including properties under construction;  
Reference basis: segment asset management – property

Overseas acquisitions totalled approximately €1.5 billion and consisted of 28 properties and projects in 14 countries. First-time acquisitions in South Korea, Portugal and Poland increased our investment universe by three countries, bringing to twenty the total number of countries in which DekaBank Group funds have investments. Five properties and projects worth around €70 million were added in Germany.

Efforts were stepped up to broaden the property utilisation spectrum. Around 11.7 per cent of the previous year's investments flowed into hotels, 7.4 per cent into retail or mixed-use properties with a high retail ratio and 3.3 per cent into logistics centres.

Eight properties worth around €180 million were completely or partially sold. Four acquisitions and four sales were finalised in 2004 but have not yet been transferred. The acquisitions totalled around €95 million and the disposals some €735 million.

**Property utilisation spectrum by net target rent\***


<b>A</b>	Office/surgery	73.0 %
<b>B</b>	Commercial	14.9 %
<b>C</b>	Warehouse/service	3.6 %
<b>D</b>	Hotel	3.1 %
<b>E</b>	Residential	0.5 %
<b>F</b>	Other	5.0 %

\* excluding properties under construction;  
Reference basis: segment asset management – property

### Focusing on globally investing products

#### Mutual fund growth

While the open-ended property funds Deka-ImmobilienEuropa, Deka-ImmobilienGlobal, WestInvest 1 and WestInvest InterSelect registered net inflows totalling €1.1 billion, Deka-ImmobilienFonds saw net outflows of €971 million. There are many reasons for such unusually high outflows: more information on this subject is available in a special chapter on page four of this report.

Products with a global investment focus performed relatively well. Deka-ImmobilienGlobal, which invests worldwide, was up 2.8 per cent and registered net inflows of around €259 million. Inflow allocation again proved to be a successful management tool. Performance was also boosted by the fact that 98.2 per cent of the fund's properties are rented. Fund volume totalled around €2 billion at year-end.

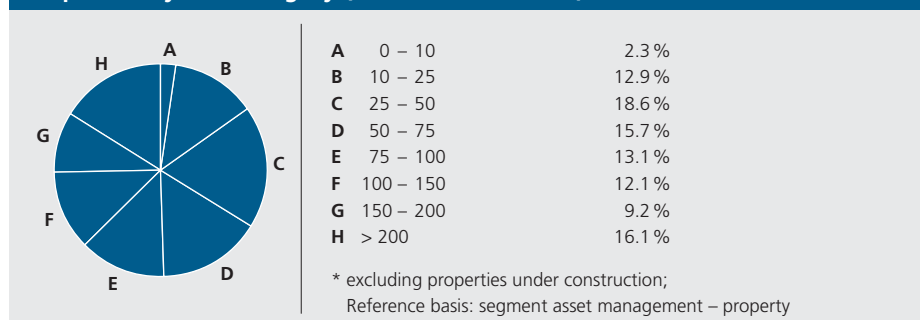
Deka-ImmobilienEuropa posted net inflows of €360 million; it also posted a performance of 2.8 per cent. Fund volume was approximately €9.5 billion at year-end.

Value adjustments on properties and in some cases rising vacancy rates hurt the performance of the domestic-focused Deka-ImmobilienFonds, which grew by 0.6 per cent. Fund volume was just under €6.1 billion at year-end.

WestInvest 1 attained a performance of 2.7 per cent in 2004. The fund, which invests mainly in Germany, was unable to escape the outflow trend in this segment and posted net outflows of €122 million. Fund volume was around €3.2 billion at year-end.

WestInvest InterSelect posted net inflows of €574 million. The fund again benefited from its global investment focus, with performance up by 4.3 per cent. Fund volume was around €2.2 billion at year-end.

**Properties by size category (market value in €m)\***



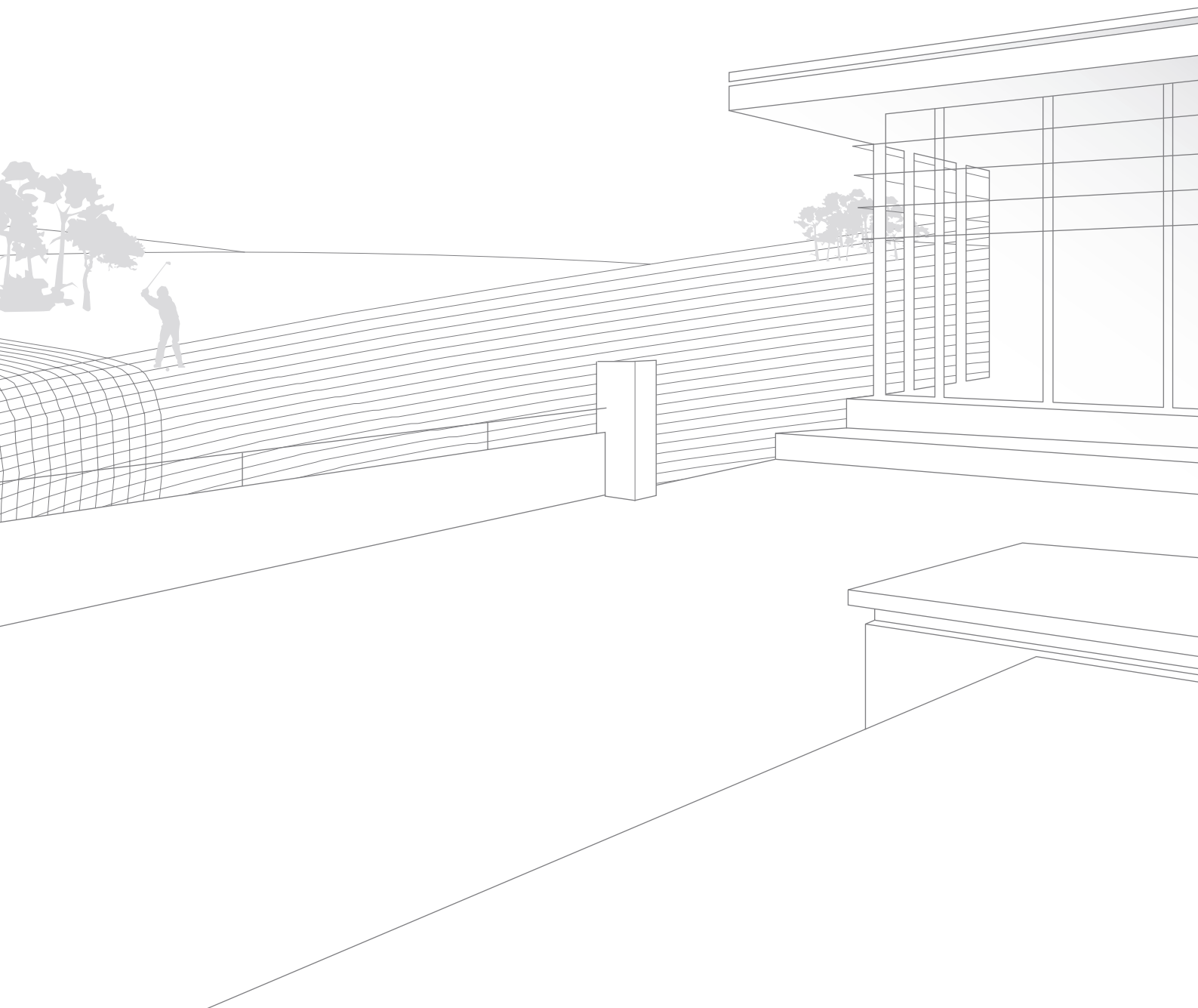
#### Special investor funds and customised property funds

DekaBank Group's open-ended special property funds grew positively in 2004. The property portfolio in the seven funds managed by Deka Immobilien Investment and one WestInvest-managed fund grew to around €958 million. Six properties were acquired, two of them overseas.

Customised property funds (Individuelle Immobilienfonds), which are not subject to the provisions of the German Investment Act, met with strong interest from potential investors. Deka-S-PropertyFund No. 1, the first product in this series, acquired five properties in five countries with a total worth of approximately €140 million in 2004. A second customised property fund was in preparation in 2004.



“The advantages of our solutions for occupational and private pension provision are simply convincing. With our expertise as the central investment fund provider of the German Savings Banks Financial Group and as a leading asset manager, we offer holistic solutions – naturally all under one roof.” **Angelika Roitzheim, Oliver Nickel, Pension Management**




## Pension management

The German Retirement Income Act (AltEinkG) that was passed in June 2004 further improved the environment for funded pension provision. As the central investment fund provider of the German Savings Banks Financial Group, DekaBank Group positioned itself in this segment early on and offers products covering company-based and private, government assisted and non-government assisted pension provision.

Full responsibility for all occupational pensions-related issues rests with DekaBank's expertise centre for occupational pensions. This guarantees that employers receive a fully integrated and personalised advisory service on pension-related issues. The expertise centre has also developed fund and insurance based products in collaboration with public sector insurers. The nationwide marketing network of the German Savings Banks Financial Group ensures extensive, qualified and long-term service and advice to customers at the point of contact.

### Joint venture PensionsManagement GmbH

 PensionsManagement is the platform for a central portfolio of occupational pension products and services offered by the German Savings Banks Financial Group. It is owned jointly by DekaBank and all public-sector insurers.

### Sparkassen Pensionskasse AG

Sparkassen Pensionskasse AG derived above-average benefit from the dynamic market growth in this pension plan in 2004. The number of employee contracts met expectations, rising to 200,000 by year-end. More than 22,000 employee contracts and around 4,200 employer contracts were transacted via DekaBank. This means that DekaBank accounted for close to 25 per cent of all Sparkassen Pensionskasse AG's contract applications.

**200,000 employee contracts  
for Pensionskasse**

### Sparkassen Pensionsfonds AG

In order to take advantage of the liberal investment policy contained in the Pensionfonds pension route, DekaBank, along with Sparkassen Pensionsfonds AG, has developed a fund-based tariff. Contributions in the savings phase and some of the capital in the entitlement phase are invested in capital markets in the form of mutual funds. The new product, in the form of a defined contribution plan with a minimum guarantee, is to be launched in 2005.

### DekaBank transaction service (agency)

DekaBank provides the landesbanks and savings banks with a comprehensive service for the transaction of all new and existing business for all products offered

by PensionsManagement GmbH and its subsidiaries, thus ensuring a high quality. Our agency function also includes processing employer and employee queries: customers then receive the information they require via the savings banks and landesbanks. Thanks to ongoing staff training, we are able to manage HR capacity in the cyclical pensions business in a flexible manner.

### **Expertise centre for landesbanks and savings banks**

In 2004, DekaBank's expertise centre for occupational pensions focused on the provision of comprehensive marketing support to savings banks and landesbanks in the mid-sized and large companies segment and the development of new and innovative products. In particular, our fund-based model that guarantees partial retirement programmes against employer insolvency is already being used by customers of more than 100 savings banks and landesbanks. The special advantage of this model is that it can be used by employers irrespective of their credit rating or credit line.

**Partial retirement programme  
guarantee against employer  
insolvency extremely popular**

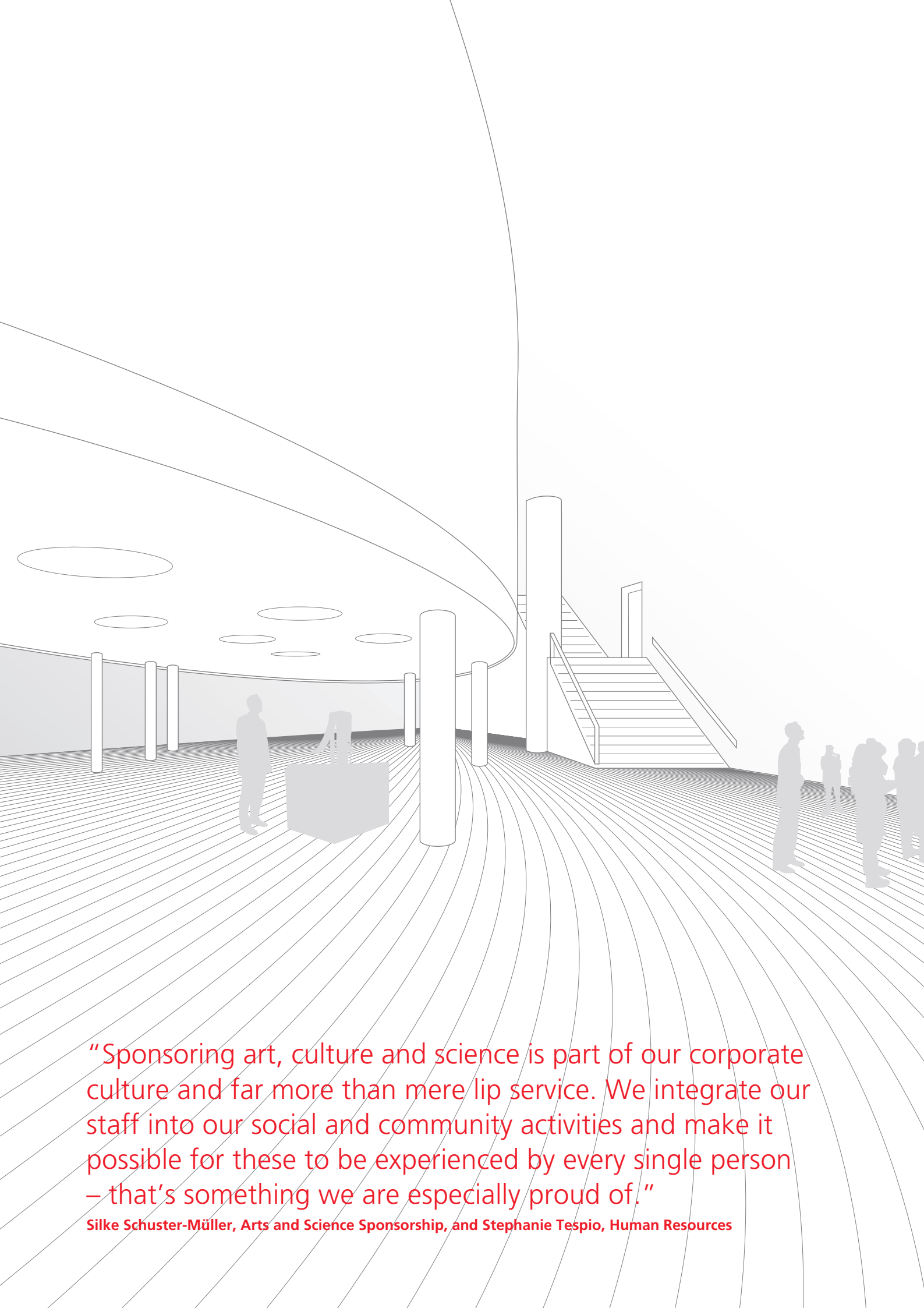
The expertise centre's advisory capacity for mid-sized and large corporate clients was increased in 2004, in this way guaranteeing that our pension specialists are available at a local level to all savings banks and landesbanks to draw up and implement customised solutions and to provide marketing support.

### **Deka-BonusRente**

Contract numbers for the tax-subsidised private pension plan – the so-called Riester pension – once again remained, for other providers too, below expectations.

The German Retirement Income Act has simplified and removed the administrative complexity from private pension plans. The changes were implemented on schedule for BonusRente, DekaBank's fund-based 'Riester' product. In particular the new one-off application procedure and the standardised basic amount are expected to increase acceptance by customers and marketing partners.

This simplification plus the fact that the Riester pension will not be affected by calculations and payments for stage II unemployment benefit should revitalise Deka-BonusRente sales in 2005.



"Sponsoring art, culture and science is part of our corporate culture and far more than mere lip service. We integrate our staff into our social and community activities and make it possible for these to be experienced by every single person – that's something we are especially proud of."

**Silke Schuster-Müller, Arts and Science Sponsorship, and Stephanie Tespio, Human Resources**





## Community commitment

DekaBank Group assumes responsibilities beyond its banking and investment fund activities. It is a part of society and as a result the Bank and its subsidiaries feel a special duty to make a strong commitment to society. This is all the more important when times are tough and when economic constraints make many companies impose a limit on their material and moral support.

### The 'Watzmann' stays in Berlin

On 22 March 2004 at a ceremony attended by German chancellor Gerhard Schröder, DekaBank presented 'Der Watzmann', Caspar David Friedrich's celebrated landscape painting, to Berlin's Nationalgalerie as a permanent loan. Painted in 1824/25, it is one of the painter's major works and one of the most important landscape paintings of the German Romantic period. The painting's original Jewish owners were forced in 1937 during the Nazi era to sell it to the national gallery in Berlin. After clarification of the ownership issue, it was returned to the original owner's heirs in 2004 and subsequently acquired by DekaBank. Thanks to DekaBank's commitment, a valuable part of Germany's national heritage has been secured and the painting, with a plaque testifying to the DekaBank loan, is now permanently on view in Berlin.



Prof Klaus-Dieter Lehmann, President of the Prussian Cultural Heritage, Axel Weber, Chairman of the Board of Management of DekaBank, and Gerhard Schröder, German Chancellor, during the presentation of 'Der Watzmann'.

### Strict concept for arts sponsorship

DekaBank Group has already shown its community commitment on previous occasions through sponsorship activities and donations. However, these were often in reaction to specific appeals and were in most cases limited to individual cases. Social responsibility, intended to also have a communicative benefit for the Bank, requires us to operate actively and systematically based on a strict concept.

Our yardstick is our identity, upon whose principles the Bank's responsibility for the future of society is based. The main focus of our social commitment, launched as part of an overall concept at the end of 2002, is the sponsorship of contemporary art, which rests on a solid institutional foundation through our long term partnerships with prestigious institutions in the visual arts, architecture, music and literature. We also support young academic talent as part of our science sponsorship programme.

**DekaBank promotes contemporary art**

### **The year of the awards**

2004 was a year of awards for DekaBank Group's arts sponsorship. In partnership with the City of Frankfurt and the German Museum of Architecture, DekaBank presented its first International Highrise Award, worth €50,000, in an official ceremony in June in Frankfurt's Paulskirche (St. Paul's Church) to Kohn Pedersen Fox Associates (International) for their De Hoftoren building in The Hague. The prize is awarded every two years.

Another first was the award of the DekaBank prize of the Literaturhaus Frankfurt for the promotion of German literature abroad. The €25,000 prize, awarded annually, was presented to the poet and translator Michael Hofmann during the Literature Biennale in September 2004.

Composer Clemens Nachtmann was awarded the Boris Blacher Prize for composition. The award is sponsored jointly by the Karl Hofer Society and DekaBank, which donated the €5,000 prize money and financed the two prizewinners' concerts.

### **Expansion of art collection**

The DekaBank collection of 21st century art is continually enlarged and enhanced through new acquisitions and commissions. 217 new works were acquired in 2004. The works of art are on display at several of the Group's sites: in corridors, conference rooms and offices. A number of guided tours were organised in 2004 to introduce staff to the collection, which will be made accessible to a wider public in 2005. Building a collection of contemporary art is part of the Bank's corporate culture and offers staff and business partners an opportunity to integrate culture into their working day.

**Art collection to be made accessible to a wider public in 2005**

### **Launch of scholarship programme**

Collaborating with public institutions also forms the basis of the Bank's promotion of science and academia. Along with selected partner universities, we have created an independent scholarship programme for outstanding young economists. Applications for qualification and doctoral scholarships are reviewed by a board of trustees comprising representatives of the partner universities and DekaBank.

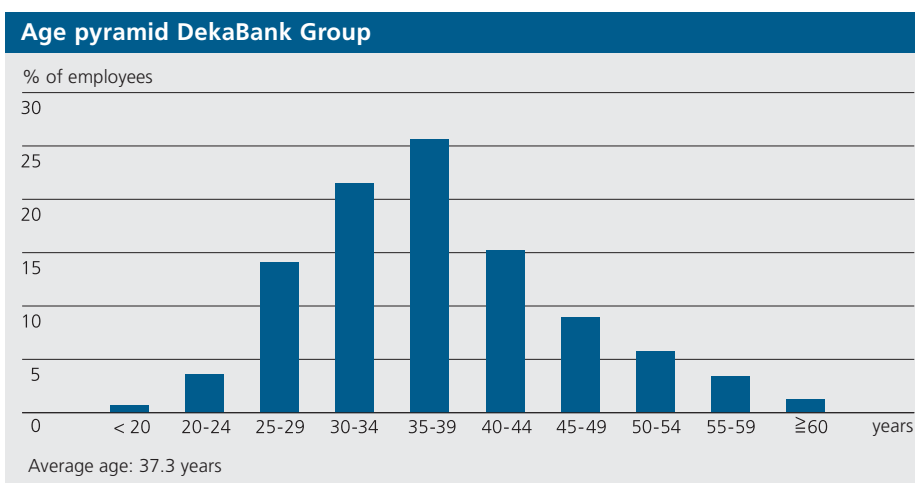
**Building a historical archive**

In 2004, DekaBank launched a two-year project to build a historical archive. The project is being carried out in collaboration with the Institute for Banking History in Frankfurt. As a first step, we have asked our staff for their help in sifting through and selecting appropriate documents. These will then be collected, administered and where necessary made available by the archive. One of the historical archive's first tasks will be to prepare a festschrift for DekaBank's approaching double anniversary (50 years Deka and 75 years as a legally independent institution) in 2006.

# Staff

Employee numbers rose by 98 to 2,933 in the 2004 business year, mainly due to the first time consolidation of our subsidiary WestInvest Gesellschaft für Investmentfonds mbH (118 staff). Independent of this factor, we continued implementing the cost and process optimisation programme begun in the previous year with further socially responsible HR adjustments.

The average length of service in the Group rose from 5.7 to 6.1 years. The average employee age increased accordingly from 36.9 to 37.3. The ratio of women employees was 44.7 per cent. The integration of WestInvest lifted total Group personnel expenses from €280.1 million to €288.3 million.



## Trainee numbers up once again

Thanks to the positive experiences gained with our investment fund vocational training, DekaBank took on another 20 youngsters in August 2004. Along with the trainees who began in 2003, we are now training a total of 41 investment fund support staff. In addition, three office support staff and two IT specialists in systems integration and applications development began their training with us at the same time.

## New HR tools

The management feedback process developed out of the Group's corporate identity and conducted in 2003 was repeated in 2004. Along with the staff survey on management behaviour, it has now become established as a regular feedback tool. An extremely positive fact was that the staff loyalty index (OCI) – an indicator compiled during the staff survey – revealed a high level of staff identification with the company for the second year in succession.

Staff development concepts and measures were again a key focus of our HR activities in 2004. The range of specialist careers was further expanded. The introduction of staff self-service functions (employee and manager self-service applications) helped to optimise technical support for existing and new HR tools.

### **Reorganisation of company pension plan**

Simpler to administer, greater transparency and adjustment to the new legal environment –these were the reasons for reorganising the Bank's company pension scheme. As a result of the 1999 merger, DekaBank operated different entitlement rules. An agreement reached on 15 November 2004 harmonised the three new pension plans Deka-Altershilfe, Deka-Versorgungsordnung and Deka-PensionPlan. The new pension system is easier for the Group to administer and employees are also set to benefit from the adjustments.

### **Idea management**

In 2004, our employees once again showed commitment and creativity beyond the boundaries of their professional duties. This was reflected in the numerous suggestions and ideas submitted to the company improvement scheme. Thanks to this strong performance, the German Business Management Institute awarded DekaBank's idea management scheme first prize in the banking segment for 2003.

### **Group-wide customer complaints management**

Satisfied customers are the standard we measure ourselves against, which is why we take suggestions from outside seriously if this means we can achieve improvements in quality and enhance customer satisfaction. The Group-wide complaints management system introduced in 2003 continued last year to ensure the decentralised processing of customer complaints based on uniform quality standards. To make it easier for customers to contact us, we have set up an email contact address for suggestions and complaints: [kbm@dekabank.de](mailto:kbm@dekabank.de)

### **Our thanks**

We would like to express our heartfelt thanks to all current and retiring staff for their personal commitment and performance in the 2004 business year. We would also like to thank the newly elected staff council and equal opportunities representative for their fair and constructive co-operation.

# Report of the Supervisory Board for the 2004 Business Year

In the year under review, the Supervisory Board and its executive committee carried out the duties assigned to them by law and the Bank's statutes. It regularly advised the Board of Management on management issues and oversaw the proper conduct of the Bank's affairs by the management. The supervisory bodies were involved in all significant decisions regarding the company.

In the year under review, five meetings of the Supervisory Board and six meetings of the executive committee took place, during which the Board of Management informed the supervisory bodies regularly and without delay about the Bank's situation and business development in the 2004 business year as well as about its planning and strategic direction.

In the year under review, the Supervisory Board dealt above all with the situation of the open-ended property funds. It focused in particular on Deka-ImmobilienFonds, which recorded high outflows throughout the business year.

The Supervisory Board commissioned an audit for Deka Immobilien Investment GmbH. The audit covered above all the proper conduct of the subsidiary's management and the plausibility of the market values in the Deka-ImmobilienFonds portfolio calculated by the panel of independent experts. The auditors, Deloitte & Touche, presented their report to the Supervisory Board at the end of the year. On the suggestion of the Board of Management, the Supervisory Board drew up a comprehensive package of measures to stabilise Deka-ImmobilienFonds and guarantee its marketability. The measures are aimed above all at halting further outflows and rebuilding customer confidence in the product.

The Supervisory Board was informed promptly about the details of the management changes at Deka Immobilien Investment GmbH. An investigation into the investment process and risk management systems for the property-based asset management segment was agreed. At Group level, the Supervisory Board decided to establish an audit committee to advise and support the Board of Management on issues including the financial statements and Group financial statements as well as risk management.

The members of the Supervisory Board were also informed promptly about the special audit ordered by the German financial services regulator (BaFin) in accordance with § 44 of the German Banking Act (KWG). The results of the audit are expected in the first quarter of 2005.

BaFin also ordered another special § 44-specific audit with regard to compliance with the minimum requirements for the credit business of credit institutions. The Supervisory Board was given a report by the Board of Management on the individual conclusions and implementation status of the measures subsequently introduced by the Board.

The DekaBank Annual Meeting appointed PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft as auditors for the 2004 business year. PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft audited the financial statements and Group financial statements for the 2004 financial year together with the Management Report and gave its unqualified certificate of audit in respect thereof. The auditors attended the accounts meeting of the Supervisory Board; they reported on the findings of their audit and provided additional information where

required. On the basis of its own audit, the Supervisory Board approved the result of the auditor's report. There were no objections.

The Supervisory Board has approved the financial statements for 2004 and concurs with the Annual Meeting's proposals with regard to the authorisation and allocation of the net profit.

The following changes occurred on the Supervisory Board during the past year: Dr Manfred Bodin, former Chairman of the Board of Management of Norddeutsche Landesbank, resigned with effect from 30 June 2004. He was replaced by Dr Hannes Rehm with effect from 1 August 2004, who was appointed to the Supervisory Board by the Annual Meeting. Dr Harald Quensen, former Chairman of the Board of Management of Sparkasse Hannover, resigned with effect from 30 August 2004. He was replaced by Thomas Mang, President of the Savings Banks and Giro Association of Lower Saxony, who was appointed by the Annual Meeting with effect from 1 January 2005. Dr Klaus Adam, former Chairman of the Board of Management of Landesbank Rheinland-Pfalz and Hans Dietmar Sauer, former Chairman of the Board of Management of Landesbank Baden-Württemberg, resigned from the Supervisory Board on 31 December 2004. They were replaced by Dr Friedhelm Plogmann and Dr Siegfried Jaschinski respectively with effect from 1 January 2005. Karl-Heinz Trautmann, President of the Savings Banks Association Saar, also resigned with effect from 31 December 2004. Dieter Klepper, Chairman of the Board of Management of Sparkasse Saarbrücken was appointed to replace him by the Annual Meeting with effect from 1 January 2005. Siegfried Ratz, employee representative appointed by the Staff Council, resigned

with effect from 20 July 2004. Heike Schillo was appointed by the Staff Council to replace him with effect from 21 July 2004. The Supervisory Board extends its thanks to the departing members for their valuable commitment and constructive support for the Bank and the Board of Management during the past years.

Due to the resignation of Dr Bodin, the posts of first deputy chairman and second deputy chairman of the Supervisory Board were also filled. Heinrich Haasis and Dr Thomas Fischer were appointed first deputy chairman and second deputy chairman.

After ten years as a member of the Board of Management, Dr Dieter Goose retired from the Bank with effect from 30 April 2004. The Supervisory Board thanks him for his commitment.

The Supervisory Board also thanks the Board of Management and all staff for their efforts in the year under review.

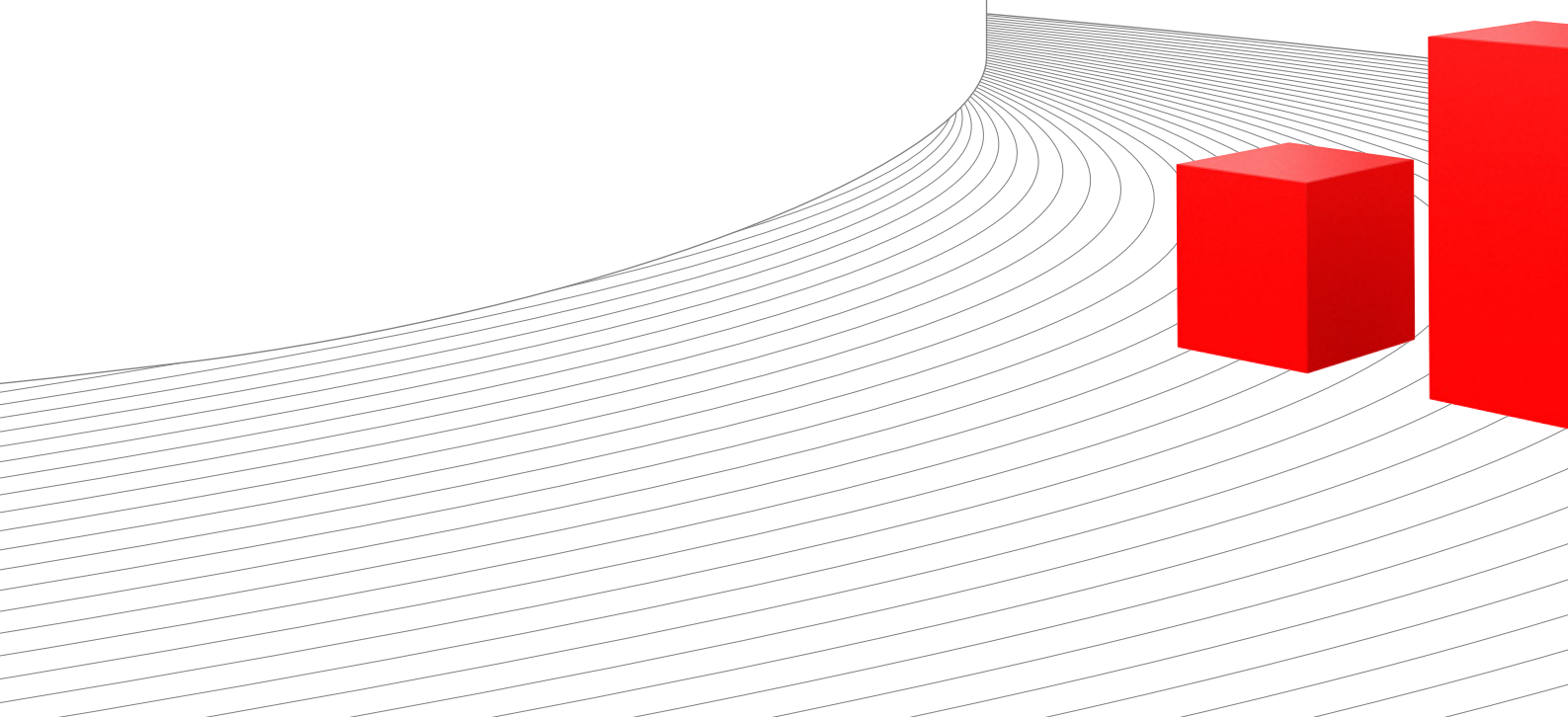
Frankfurt, January 2005

The Chairman of the Supervisory Board  
Dr Dietrich H. Hoppenstedt



## Financial Statements and Group Financial Statements 2004

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*"The 2004 business year – our numbers speak for themselves."*

**Birgit Domschke, Ulrike Hädecke, Michael Hahn, Finance**

# Group Balance Sheet as at 31 December 2004

Assets				
	€	€	31.12.04 €	31.12.03 €'000
<b>1. Cash reserves</b>				
a) cash in hand		3,695,858.51		3,357
b) balances with central banks		1,140,081,923.95		28,291
including:				
with Deutsche Bundesbank	1,139,649,501.71 €			(25,925)
c) balances with post office banks		115,398.37	<b>1,143,893,180.83</b>	316
<b>2. Due from banks</b>				
a) payable on demand		6,002,853,394.38		3,471,652
b) other receivables		46,683,751,101.26	<b>52,686,604,495.64</b>	38,562,586
<b>3. Due from customers</b>			<b>22,543,249,170.83</b>	21,953,202
including:				
secured by mortgages	575,139,330.44 €			(518,693)
public sector loans	14,704,537,832.02 €			(14,368,785)
<b>4. Bonds and other fixed-interest securities</b>				
a) money market instruments				
aa) of public sector issuers	0.00			0
including:				
eligible as collateral with				
Deutsche Bundesbank	0.00 €			(0)
ab) of other issuers	222,958,203.31	222,958,203.31		351,349
including:				
eligible as collateral with				
Deutsche Bundesbank	0.00 €			(351,349)
b) bonds and notes				
ba) of public sector issuers	16,635,669,082.58			11,432,701
including:				
eligible as collateral with				
Deutsche Bundesbank	16,367,051,461.85 €			(11,268,849)
bb) of other issuers	19,951,976,434.61	36,587,645,517.19		15,598,214
including:				
eligible as collateral with				
Deutsche Bundesbank	18,081,649,420.59 €			(13,410,387)
c) own bonds		7,099,672,069.21	<b>43,910,275,789.71</b>	5,777,096
nominal amount	7,018,672,667.67 €			(5,568,154)
<b>5. Shares and other non-fixed-interest securities</b>			<b>6,211,203,179.91</b>	1,796,013
<b>6. Equity investments</b>			<b>14,096,455.59</b>	89,877
including:				
in banks	2,789,403.99 €			(2,809)
<b>7. Shares in associated companies</b>			<b>38,324,340.80</b>	34,908
<b>8. Shares in affiliated companies</b>			<b>39,781,942.77</b>	31,956
<b>9. Trust assets</b>			<b>511,291.88</b>	511
<b>10. Equalisation claims against public authorities</b>				
including bonds and notes in substitution thereof			<b>103,947,736.72</b>	208,115
<b>11. Intangible assets</b>			<b>13,064,121.91</b>	0
<b>12. Tangible assets</b>			<b>713,244,163.43</b>	741,375
<b>13. Other assets</b>			<b>265,872,272.27</b>	158,944
<b>14. Prepaid and accrued income</b>			<b>233,573,638.15</b>	263,527
<b>Total assets</b>			<b>127,917,641,780.44</b>	100,503,990

## Liabilities

	€	€	31.12.04 €	31.12.03 €'000
<b>1. Due to banks</b>				
a) payable on demand		5,458,242,391.19		1,851,251
b) with agreed maturity or period of notice		32,670,598,850.30	<b>38,128,841,241.49</b>	27,000,416
<b>2. Due to customers</b>				
other liabilities				
a) payable on demand		5,591,375,388.49		8,916,555
b) with agreed maturity or period of notice		25,255,247,709.00	<b>30,846,623,097.49</b>	16,999,373
<b>3. Securitised liabilities</b>				
a) bonds and notes issued		50,699,385,688.63		37,082,594
b) other securitised liabilities		2,488,660,000.22	<b>53,188,045,688.85</b>	3,631,475
<b>4. Trust liabilities</b>			<b>511,291.88</b>	511
<b>5. Other liabilities</b>			<b>1,200,167,179.18</b>	696,096
<b>6. Accruals and deferred income</b>			<b>64,784,559.43</b>	69,623
<b>7. Provisions</b>				
a) for pensions and similar obligations		221,550,703.27		192,046
b) for taxes		216,635,362.09		216,005
c) other provisions		618,698,956.27	<b>1,056,885,021.63</b>	473,106
<b>8. Special item with partial reserve character</b>			<b>0.00</b>	0
<b>9. Subordinated liabilities</b>			<b>1,044,611,265.56</b>	743,814
<b>10. Profit participation capital</b>			<b>214,457,284.12</b>	367,845
including:				
due in less than two years 0.00 €				(153,388)
<b>11. Fund for general banking risks</b>			<b>310,372,168.54</b>	278,372
<b>12. Equity capital</b>				
a) subscribed capital				
aa) subscribed capital	286,323,453.46			286,323
ab) silent capital contributions	755,645,940.59			801,834
ac) atypical silent capital contributions	52,201,991.81	1,094,171,385.86		
b) capital reserves		190,290,557.02		190,291
c) reserves from retained earnings				
ca) legal reserves	10,227,172.45			9,761
cb) reserves required by the Bank's statutes	51,283,598.27			51,284
cc) reserves from other earnings	487,068,153.96			610,661
cd) excluding goodwill	0.00	548,578,924.68		
d) equalisation items for minority interests		669,769.36		122
e) net income		28,632,345.35	<b>1,862,342,982.27</b>	34,632
<b>Total liabilities</b>			<b>127,917,641,780.44</b>	100,503,990
<b>1. Contingent liabilities</b>				
liabilities from guarantees and indemnity agreements			<b>1,960,983,623.18</b>	2,146,340
<b>2. Other commitments</b>				
irrevocable lending commitments			<b>3,907,590,518.91</b>	2,146,764

# Group Profit and Loss Account

## from 1 January to 31 December 2004

Expenses and income				
	€	€	€	2003 €'000
<b>1. Interest income from</b>				
a) lending and money market operations	3,375,838,997.06			2,656,150
b) fixed-interest securities and government-inscribed debt	1,265,143,061.35	4,640,982,058.41		1,055,436
<b>2. Interest paid</b>		4,318,935,298.10	<b>322,046,760.31</b>	3,451,774
<b>3. Current income from</b>				
a) shares and other non-fixed-interest securities		29,074,262.07		50,169
b) equity investments		1,182,429.69	<b>30,256,691.76</b>	1,384
<b>4. Income from shares in associated companies</b>			<b>- 9,767,957.36</b>	- 12,454
<b>5. Commission income</b>		2,242,482,235.45		1,788,742
<b>6. Commission paid</b>		1,498,673,656.36	<b>743,808,579.09</b>	1,098,857
<b>7. Net income from trading operations</b>			<b>3,664,152.36</b>	71,248
<b>8. Other operating income</b>			<b>66,993,236.87</b>	53,569
<b>9. Income from dissolution of special item with partial reserve character</b>			<b>0.00</b>	0
<b>10. General administrative expenses</b>				
a) personnel expenses				
aa) wages and salaries	230,960,478.86			218,247
ab) social security contributions and expenses for pensions and other employee benefits including:	57,376,951.51	288,337,430.37		61,821
for pensions	27,652,214.46 €			(33,071)
b) other administrative expenses		282,381,490.93	<b>570,718,921.30</b>	291,449
<b>11. Write-downs and value adjustments on intangible and tangible fixed assets</b>			<b>34,625,965.50</b>	42,980
<b>12. Other operating expenses</b>			<b>86,941,742.13</b>	82,673
<b>13. Write-downs and value adjustments on loans and certain securities as well as allocations to loan loss provisions</b>			<b>52,713,115.96</b>	0
<b>14. Income from revaluation of claims and certain securities as well as from the release of provisions in the lending business</b>			<b>0.00</b>	20,620
<b>15. Allocations to fund for general banking risks</b>			<b>32,000,000.00</b>	58,000
<b>16. Write-downs and value adjustments on equity investments, shares in affiliated companies and securities treated as fixed assets</b>			<b>3,901,343.75</b>	0
<b>17. Income from revaluation of equity investments, shares in affiliated companies and securities treated as fixed assets</b>			<b>0.00</b>	501
<b>18. Profit or loss on ordinary activities</b>			<b>376,100,374.39</b>	379,564
<b>19. Taxes on income and revenues</b>			<b>218,585,892.28</b>	180,733
<b>20. Income transferred under profit pooling, profit transfer or partial profit transfer agreements</b>			<b>115,156,483.80</b>	104,096
<b>21. Net income for the year</b>			<b>42,357,998.31</b>	94,734
<b>22. Allocations to reserves from retained earnings</b>				
a) to reserves from other earnings		13,690,991.95	<b>13,690,991.95</b>	60,079
<b>23. Shares of shareholders outside the Group</b>			<b>34,661.01</b>	23
<b>24. Group profit</b>			<b>28,632,345.35</b>	34,632

# Statement of equity capital

DekaBank Group						
€m	Subscribed capital	Capital reserves	Reserves from retained earnings	Group income	Equalisation items for minority interests	Equity capital
01.01.2004	1,088.2	190.3	671.7	34.6	0.1	1,984.9
Net income				42.3	0.0	42.3
Distributions from Group profit				-28.6	0.0	-28.6
Allocations to reserves from retained earnings			19.7	-19.7		-
Increase in share capital by cash subscription	6.0					6.0
Other comprehensive income from foreign currency translation adjustments			0.2			0.2
Other adjustments			-143.0		0.5	-142.5
<b>31.12.2004</b>	<b>1,094.2</b>	<b>190.3</b>	<b>548.6</b>	<b>28.6</b>	<b>0.6</b>	<b>1,862.3</b>
<b>Stated equity capital</b>						<b>1,862.3</b>
Supplementary/subordinated capital						1,589.9
Fund for general banking risks						537.2
Changes in scope of consolidation/consolidation principles						-406.4
<b>Liable equity capital</b>						<b>3,583.0</b>

The remaining adjustments amounting to €143.2m are accounted for by the first consolidation of WestInvest Gesellschaft für Investmentfonds GmbH, Düsseldorf.



# Cash Flow Statement

## from 1 January to 31 December 2004

DekaBank Group	
€m	2004
<b>Net income</b>	42.4
<b>Non-cash positions in net income and adjustments to reconcile net income with net cash from operating activities:</b>	
+/- Write-downs, depreciation, adjustments, write-ups	
to claims	350.4
to financial assets	4.0
to fixed assets	30.0
+/- Increase / decrease in provisions	632.9
+/- Change in other non-cash positions	-76.6
+/- Income/losses from the sale	
of financial assets	-0.1
of fixed assets	0.2
+/- Other adjustments (net)	-162.2
<b>= Sub-total</b>	<b>821.0</b>
<b>Change in assets and liabilities from operating activities:</b>	
Change	
+/- Claims on banks	-10,124.6
+/- Claims on customers	-620.4
+/- Securities (excl. financial assets)	-14,697.8
+/- Other assets from operating activities	-43.3
+/- Liabilities to banks	8,831.7
+/- Liabilities to customers	4,861.2
+/- Securitised liabilities	12,210.2
+/- Other liabilities from operating activities	44.4
+ Interest and dividends received	3,693.6
- Interest paid	-3,506.2
+/- Balance of extraordinary cash inflow / outflow	0.0
+/- Income tax paid	-188.9
<b>=/ Net cash from operating activities</b>	<b>1,280.9</b>
+ Proceeds from the sale	
of financial assets	92.7
of fixed assets	0.2
of intangible assets	0.2
+ Payment for the acquisition	
of financial assets	-125.8
of fixed assets	-8.4
of intangible assets	-5.8
+/- Effects from changes in scope of consolidation	-136.2
<b>// Net cash used by investing activities</b>	<b>-183.1</b>
+ Proceeds from allocations to equity	0.0
- Payments to company owners and minority shareholders	-132.4
+/- Other financing activities	146.6
<b>///Net cash from financing activities</b>	<b>14.2</b>
<b>= Payment-related changes in cash and cash equivalents</b>	<b>1,112.0</b>
+/- Other items	-0.1
+ Cash and cash equivalents at beginning of period	32.0
<b>= Cash and cash equivalents at end of period</b>	<b>1,143.9</b>

The cash flow statement shows cash flow for the 2004 reporting period in DekaBank Group. Cash and cash equivalents are equivalent to the item cash reserves in the Group balance sheet and consist of cash in hand, balances with central banks and balances with post office banks. Cash flow from operating activities is calculated according to the indirect method and is based on the breakdown of the operating result.



# Segment Reporting

DekaBank Group manages its activities on the basis of internal segment accounting. Activities with the same core competency are integrated into segments and follow a risk/reward approach (the segments have a homogeneous opportunity and risk structure), a management approach (i.e. segmentation reflects the Group's internal organisational and reporting structures) and size guidelines.

Our segment reporting breaks down into the following segments:

## **Corporate banking**

All business activities that are subject to credit default risk are grouped within the corporate banking segment. Credit default risk is defined as the risk of losses arising from the lower credit rating or default of a counterparty or issuer.

## **Asset management – Capital markets**

The segment asset management – capital markets consists of all Group activities directly concerned with the realisation of earnings and asset enhancement through the investment of customer funds in capital market products.

## **Asset management – Property**

This segment reflects all Group activities directly concerned with the realisation of earnings and asset enhancement through the investment of funds in property within the framework of open-ended investment funds.

## **Financial services**

This segment includes income from custodial and investment fund services as well as from transaction services (including account services and custodial business) as well as all sales activities. Here, DekaBank Group acts as a mediator between customer and market, i.e. it does not enter into active risks.

## **Capital markets**

The capital markets segment comprises all activities aimed at leveraging market and valuation differences for the benefit of DekaBank Group. It also reflects the contribution to Group income made by market risk management, i.e. by strategic positions.

## **Corporate Centre / other / consolidation**

Alongside cross-segmentational consolidation activities, this segment reflects contributions to net income that are not clearly attributable to any other segment, such as own account investments (e.g. holdings, property) and imputed interest on own funds. We also take into account costs incurred by divisions.

Income and expenses are allocated according to the originating segment. Net interest income is assigned according to origin to the margin contribution from lending and deposit business, net interest income from trading activities and maturity gaps as well as imputed return on equity (ROE). Administrative expenses comprise staff and general and administrative expenses, depreciation and other operating expenses.

The Group's special expenses relating to support measures for Deka-ImmobilienFonds were allocated to the segment Asset management-Property.

The statement of risk assets is based on statutory compliance regulations.

A segment-level statement of return on equity and capital employed has not been included since only economic equity capital-based allocation is useful and the relevant calculation will not be made until 2005.

### Segmentation by business segment (main reporting format)

€m <sup>1)</sup>	Corporate banking		Asset management Capital markets		Asset management Property		Financial services		Capital markets		Corporate Center/ other		Total Group	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net interest income	66	74	–	–	-9	–	10	9	219	157	66	71	352	311
Net commission income	13	17	423	405	150	116	162	154	-4	-3	–	1	744	690
Trading income	–	–	–	–	–	–	16	12	-13	61	–	-1	4	71
Other operating income <sup>2)</sup>	29	3	2	4	-62	–	2	1	-26	-26	-21	-58	-77	-75
Administrative expenses <sup>3)</sup>	48	38	277	233	97	63	81	80	40	31	83	199	626	644
Provisions	-58	-10	–	–	–	–	–	–	4	22	1	9	-53	21
<b>Income from ordinary activities</b>	<b>2</b>	<b>46</b>	<b>148</b>	<b>175</b>	<b>-18</b>	<b>53</b>	<b>109</b>	<b>96</b>	<b>140</b>	<b>181</b>	<b>-37</b>	<b>-178</b>	<b>344</b>	<b>374</b>
Extraordinary income	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Income before taxes</b>	<b>2</b>	<b>46</b>	<b>148</b>	<b>175</b>	<b>-18</b>	<b>53</b>	<b>109</b>	<b>96</b>	<b>140</b>	<b>181</b>	<b>-37</b>	<b>-178</b>	<b>344</b>	<b>374</b>
Segment assets (€bn)	15.3	15.2	–	–	1.8 <sup>5)</sup>	–	9.3	7.3	100.0	76.7	1.6	1.3	127.9	100.5
Segment liabilities (€bn)	15.3	15.2	–	–	0.1 <sup>6)</sup>	–	9.3	7.3	98.9	74.1	2.2	1.6	125.7	98.2
Risk assets (€bn)	10.1	10.1	–	–	1.7	–	0.1	0.1	12.0	10.7	1.2	1.0	25.1	21.9
Liable equity capital	–	–	–	–	–	–	–	–	–	–	–	–	3,583	3,244
Return on equity before taxes	–	–	–	–	–	–	–	–	–	–	–	–	20.7 %	23.7 %
Return on equity after taxes	–	–	–	–	–	–	–	–	–	–	–	–	9.6 %	13.9 %
Cost income ratio <sup>4)</sup>	0.46	0.40	0.65	0.57	0.68	0.54	0.64	0.67	0.23	0.14	–	–	0.54	0.57

<sup>1)</sup> Rounding differences may occur due to statement in €m

<sup>2)</sup> Other operating income, valuation result from holdings, interest payments on subordinated liabilities

<sup>3)</sup> Staff expenses, general and administrative expenses, depreciation on tangible assets, other operating expenses and intra-Group clearing

<sup>4)</sup> Calculation of cost income ratio excluding inclusion of valuation result from holdings/other items and interest payments on subordinated liabilities; gross statement (income from intra-Group clearing is included in total ordinary income)

<sup>5)</sup> The item segment assets primarily shows the volume of Deko-ImmobilienFonds investment shares

<sup>6)</sup> The item segment liabilities primarily shows liabilities and provisions in connection with support measures for Deko-ImmobilienFonds

### Segmentation by geographical market (secondary reporting format)

Allocation to segments according to the location of the branch office or Group company:

€m	Germany		Other		Consolidations		Group	
	2004	2003	2004	2003	2004	2003	2004	2003
<b>Income before risk provisions</b>	<b>352</b>	<b>324</b>	<b>154</b>	<b>138</b>	<b>-109</b>	<b>-109</b>	<b>397</b>	<b>353</b>
Provisions for risk	-54	-16	1	37	0	0	-53	21
<b>Income before taxes</b>	<b>298</b>	<b>307</b>	<b>155</b>	<b>175</b>	<b>-109</b>	<b>-109</b>	<b>344</b>	<b>374</b>
Segment assets (€bn)	120.8	92.6	7.7	8.4	-0.6	-0.5	127.9	100.5
Segment liabilities (€bn)	119.1	90.5	7.2	8.2	-0.6	-0.5	125.7	98.2
Cost income ratio	0.54	0.56	0.42	0.46			0.54	0.57

# Balance Sheet as at 31 December 2004

Assets				
			31.12.04	31.12.03
	€	€	€	€'000
<b>1. Cash reserves</b>				
a) cash in hand		49,795.97		3
b) balances with central banks		1,139,643,773.42		25,977
including:				
with Deutsche Bundesbank	1,139,630,512.43 €			(25,924)
c) balances with post office banks		0.00	1,139,693,569.39	0
<b>2. Due from banks</b>				
a) payable on demand		6,144,783,523.14		3,263,325
b) other receivables		45,036,418,121.36	51,181,201,644.50	35,922,625
<b>3. Due from customers</b>			19,402,431,204.90	18,711,417
including:				
secured by mortgages	575,139,330.44 €			(518,693)
public sector loans	11,945,988,495.00 €			(11,517,769)
<b>4. Bonds and other fixed-interest securities</b>				
a) money market instruments				
aa) of public sector issuers	0.00			0
including:				
eligible as collateral with				
Deutsche Bundesbank	0.00 €			(0)
ab) of other issuers	222,958,203.31	222,958,203.31		351,349
including:				
eligible as collateral with				
Deutsche Bundesbank	0.00 €			(351,349)
b) bonds and notes				
ba) of public sector issuers	16,244,863,626.67			11,109,507
including:				
eligible as collateral with				
Deutsche Bundesbank	15,996,513,416.10 €			(10,975,849)
bb) of other issuers	18,853,826,201.01	35,098,689,827.68		14,651,649
including:				
eligible as collateral with				
Deutsche Bundesbank	17,008,972,474.88 €			(12,532,192)
c) own bonds		7,099,672,069.21	42,421,320,100.20	5,777,096
nominal amount	7,018,672,667.67 €			(5,568,154)
<b>5. Shares and other non-fixed-interest securities</b>			5,913,489,354.43	1,514,076
<b>6. Equity investments</b>			77,256,839.21	150,941
including:				
in banks	38,449,813.40 €			(25,305)
<b>7. Shares in affiliated companies</b>			1,079,819,864.41	879,268
including:				
in banks	289,348,780.80 €			(105,863)
<b>8. Trust assets</b>			511,291.88	511
<b>9. Equalisation claims against public authorities</b>			103,947,736.72	208,115
including bonds and notes in substitution thereof				
<b>10. Intangible assets</b>			9,681,833.00	0
<b>11. Tangible assets</b>			18,049,541.86	29,075
<b>12. Other assets</b>			188,649,010.14	198,676
<b>13. Prepaid and accrued income</b>			230,737,314.66	260,102
<b>Total assets</b>			121,766,789,305.30	93,053,712

Liabilities				
			31.12.04	31.12.03
	€	€	€	€'000
<b>1. Due to banks</b>				
a) payable on demand		5,607,770,554.93		2,356,577
b) with agreed maturity or period of notice		29,215,526,845.61	<b>34,823,297,400.54</b>	24,894,065
<b>2. Due to customers</b>				
other liabilities				
a) payable on demand		4,701,990,641.87		5,805,970
b) with agreed maturity or period of notice		23,788,280,742.27	<b>28,490,271,384.14</b>	14,884,367
<b>3. Securitised liabilities</b>				
a) bonds and notes issued		50,699,385,688.63		37,082,594
b) other securitised liabilities		2,488,660,000.22	<b>53,188,045,688.85</b>	3,631,475
<b>4. Trust liabilities</b>			<b>511,291.88</b>	511
<b>5. Other liabilities</b>			<b>1,183,710,168.15</b>	648,902
<b>6. Accruals and deferred income</b>			<b>63,508,718.52</b>	66,154
<b>7. Provisions</b>				
a) for pensions and similar obligations		176,167,532.27		153,533
b) for taxes		146,437,792.32		132,188
c) other provisions		508,079,845.19	<b>830,685,169.78</b>	396,040
<b>8. Special item with partial reserve character</b>			<b>0.00</b>	0
<b>9. Subordinated liabilities</b>			<b>1,044,611,265.56</b>	743,814
<b>10. Profit participation capital</b>			<b>214,457,284.12</b>	367,845
including:				
due in less than two years	0.00 €			(153,388)
<b>11. Fund for general banking risks</b>			<b>512,082,236.88</b>	480,082
<b>12. Equity capital</b>				
a) subscribed capital				
aa) subscribed capital	286,323,453.46			286,324
ab) silent capital contributions	807,847,932.40	1,094,171,385.86		801,834
b) capital reserves		189,366,198.03		189,366
c) reserves from retained earnings				
ca) legal reserves	0.00			0
cb) reserves required by the Bank's statutes	51,283,598.27			51,284
cc) reserves from other earnings	52,155,169.37	103,438,767.64		46,155
d) equalisation items for minority interests		0.00		0
e) net income		28,632,345.35	<b>1,415,608,696.88</b>	34,632
<b>Total liabilities</b>			<b>121,766,789,305.30</b>	93,053,712
<b>1. Contingent liabilities</b>				
liabilities from guarantees and indemnity agreements			<b>1,945,490,175.49</b>	2,125,468
<b>2. Other commitments</b>				
irrevocable lending commitments			<b>3,637,663,808.48</b>	2,012,911

# Profit and Loss Account

## from 1 January to 31 December 2004

Expenses and income				
			2004	2003
	€	€	€	€'000
<b>1. Interest income from</b>				
a) lending and money market operations	3,240,537,555.44			2,508,494
b) fixed-interest securities and government-inscribed debt	1,218,663,157.92	4,459,200,713.36		1,012,992
<b>2. Interest paid</b>		4,182,448,663.32	<b>276,752,050.04</b>	3,308,263
<b>3. Current income from</b>				
a) shares and other non-fixed-interest securities		24,088,858.87		44,796
b) equity investments		5,553,790.03		5,495
c) Shares in affiliated companies		113,717,253.86	<b>143,359,902.76</b>	109,716
<b>4. Income from profit pooling, profit transfer and partial profit transfer agreements</b>			<b>135,388,615.00</b>	178,677
<b>5. Commission income</b>		686,030,061.02		683,695
<b>6. Commission paid</b>		551,415,815.43	<b>134,614,245.59</b>	539,172
<b>7. Net income from trading operations</b>			<b>- 5,728,497.11</b>	74,583
<b>8. Other operating income</b>			<b>186,421,248.70</b>	144,231
<b>9. Income from dissolution of special item with partial reserve character</b>			<b>0.00</b>	12,816
<b>10. General administrative expenses</b>				
a) personnel expenses				
aa) wages and salaries	139,509,099.12			136,255
ab) social security contributions and expenses for pensions and other employee benefits	36,651,368.45	176,160,467.57		44,947
including:				
for pensions	18,585,298.26 €			(25,818)
b) other administrative expenses		236,868,232.94	<b>413,028,700.51</b>	257,009
<b>11. Write-downs and value adjustments on intangible and tangible fixed assets</b>			<b>14,428,806.41</b>	23,262
<b>12. Other operating expenses</b>			<b>52,609,887.09</b>	75,806
<b>13. Write-downs and value adjustments on loans and certain securities as well as allocations to loan loss provisions</b>			<b>51,996,761.03</b>	21,442
<b>14. Allocations to fund for general banking risks</b>			<b>32,000,000.00</b>	106,000
<b>15. Write-downs and value adjustments on equity investments, shares in affiliated companies and securities treated as fixed assets</b>			<b>3,900,228.97</b>	1,670
<b>16. Profit or loss on ordinary activities</b>			<b>302,843,180.97</b>	261,668
<b>17. Taxes on income and revenues</b>			<b>159,054,351.82</b>	122,939
<b>18. Income transferred under profit pooling, profit transfer or partial profit transfer agreements</b>			<b>115,156,483.80</b>	104,096
<b>19. Net income for the year</b>			<b>28,632,345.35</b>	34,632

# Notes to the Group Financial Statements and Financial Statements 2004 of DekaBank Deutsche Girozentrale

## General information

### **(1) Compilation of the Financial Statements and Group Financial Statements**

The financial statements and Group financial statements for DekaBank Deutsche Girozentrale as at 31 December 2004 have been prepared in accordance with the provisions of the German Commercial Code (HGB) and the Regulation on the Accounting Principles Relating to Credit Institutions and Financial Services Institutions (RechKredV).

The information and explanations in the notes apply to both the financial statements and the Group financial statements of DekaBank, except where otherwise stated.

### **(2) Consolidated companies and consolidation principles**

In addition to DekaBank as parent company, a total of thirteen domestic and seven overseas affiliated companies have been included in the Group accounts. While DDB Management GmbH was divested in the year under review and is no longer part of DekaBank Group, WIV Verwaltungs GmbH and WIV GmbH & Co. Beteiligungs KG were consolidated for the first time. WestInvest Gesellschaft für Investmentfonds mbH, which was consolidated at equity in the previous year's financial statements, is consolidated in full in the 2004 statements.


Eleven additional companies, in which the Bank has either a direct or indirect interest, have not been included in accordance with Section 296, para. 2 HGB, as they are only of minor importance for the net assets, financial situation and earnings of DekaBank Group.

The capital consolidation of the affiliated companies is based on the book value method. The offsetting of equity capital was carried out for WIV Verwaltungs GmbH and WIV GmbH & Co. Beteiligungs KG on the basis of the values stated at the time they were first included in the consolidated accounts. The equity capital of WestInvest Gesellschaft für Investmentfonds mbH was offset on the basis of the values stated at the time the second tranche was acquired (1 January 2004).

All claims and liabilities between the companies included in the Group accounts have been eliminated in full within the framework of debt consolidation (Section 303 HGB) and expenses and income within the framework of expenses and income consolidation (Section 305 HGB). There are no interim results requiring elimination (Section 304 HGB).

Assets-side balancing items totalling €164 million were offset against liabilities-side balancing items totalling €104 million and reported under capital. The increase in the volume of assets-side balancing items over the previous year is largely due to the first full consolidation of WestInvest Gesellschaft für Investmentfonds mbH.


In the 2004 business year, two companies were consolidated as associated companies according to the equity method in accordance with Section 311 HGB.

The equity valuation of the associated companies was effected according to the book value method in accordance with Section 312 para. 1, sentence 1, no. 1 HGB. The values stated for S Broker AG & Co. KG were based on the financial statements for 2004 and for  PensionsManagement GmbH on the Group financial statements for 2003.

### (3) Consolidated companies in accordance with Section 285 no. 11 and Section 313 para. 2 HGB respectively

DekaBank holds directly or indirectly a minimum of 20 per cent of the shares of the following companies:

Subsidiaries			
Name, Location	Share of capital %	Equity capital <sup>1)</sup> €'000	Result <sup>2)</sup> €'000
Deka Investment GmbH, Frankfurt am Main	100.00	40,225.9	95,439.8 <sup>3)</sup>
Deka Immobilien Investment GmbH, Frankfurt am Main	100.00	10,225.9	13,635.2 <sup>3)</sup>
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	99.74	6,000.0	22,510.4 <sup>3)</sup>
Deka Grundstücksverwaltungsgesellschaft I (GbR), Frankfurt am Main	100.00	19,622.7	1,000.0
Deka Beteiligungsgesellschaft mbH, Frankfurt am Main	100.00	274.4	10.1
DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg	100.00	254,075.2	98,000.0
Deka International S.A., Luxembourg	100.00	102,401.8	50,597.9
Deka(Swiss) Privatbank AG, Zurich	100.00	34,070.9	5,703.5
Deutsche Girozentrale Overseas Limited, Grand Cayman	100.00	9,745.8	319.7
Deka International (Ireland) Ltd., Dublin	100.00	39,900.3	22,215.2
Deutsche Girozentrale Holding S.A., Luxembourg	100.00	4,389.6	46.2
International Fund Management S.A., Luxembourg	100.00	6,357.6	1,143.0
Deka FundMaster Investmentgesellschaft mbH, Frankfurt am Main (formerly: Deka FondsSupport GmbH, Frankfurt am Main)	100.00	11,171.3	4,653.2 <sup>3)</sup>
Bürohaus Mainzer Landstraße 16 GmbH & Co. KG, Frankfurt am Main	100.00	615,084.1	17,735.0
Geschäftshaus am Gendarmenmarkt GmbH, Berlin	100.00	638,739.2	13,070.0
GMS Gebäudemanagement und Service GmbH, Frankfurt am Main	100.00	2,993.5	730.3
Trianon GmbH, Frankfurt am Main	100.00	27.7	0.7
Deka Grundstücksgesellschaft mbH, Frankfurt am Main	100.00	89,105.8	-1,275.2
WIV Verwaltungen GmbH, Mainz	94.90	38.5	-9.8
WIV GmbH & Co. Beteiligungs KG, Mainz	94.90	12,788.2	689.4

Associated Companies			
Name, Location	Share of capital %	Equity capital <sup>1)</sup> €'000	Result <sup>2)</sup> €'000
 PensionsManagement GmbH, Düsseldorf	50.00	33,944.1	-2,626.3
S Broker AG & Co. KG, Frankfurt am Main (formerly: SOB Beteiligungs GmbH & Co. KG, Frankfurt am Main)	30.64	62,136.5	-24,904.4

<sup>1)</sup> Definition of equity capital in accordance with Section 266 para. 3 A. in conjunction with Section 272 HGB

<sup>2)</sup> Net income/deficit in accordance with Section 275 para. 2 no. 20 HGB

<sup>3)</sup> A profit transfer agreement has been concluded with these companies



**Non-consolidated companies**

Name, Location	Share of capital
	%
Deutsche Landesbankenzentrale AG, Berlin	100,00
Sparkassen-Vermögensbeteiligungs GmbH, Berlin	100,00
Deka Altershilfe GmbH, Frankfurt am Main	100,00
LBG Leasing Beteiligungs-GmbH, Frankfurt am Main	100,00
Institut für Automation der deutschen Sparkassen und Girozentralen (IfA) GmbH, Frankfurt am Main	100,00
Europäisches Kommunalinstitut S.A.R.L., Luxembourg	100,00
Interspar Verwaltungsgesellschaft S.A., Luxembourg	100,00
Deka Long / Short Equities Q Fund plc, Dublin	100,00
Deka Fixed Income Diversified Q Fund plc, Dublin	100,00
WestInvest Erste Beteiligungs- und Verwaltungs GmbH, Frankfurt am Main	99,74
WestInvest Zweite Beteiligungs- und Verwaltungs GmbH, Frankfurt am Main	99,74

**(4) Accounting and valuation methods**

The fully assumed assets and debts of the consolidated companies as stated in the financial statements have been reported according to DekaBank Group's standard accounting and valuation methods according to Section 308 HGB.

The accounting and valuation of the net assets, liabilities and pending transactions is carried out in accordance with Sections 252 ff. and Sections 340 ff. HGB.

Transfers within the framework of the increased valuation provision according to Section 280 para. 1 HGB have been made.

Claims on banks and customers are reported at their nominal value. Differences between nominal value and amounts payable or acquisition costs are stated under accruals and deferrals and dissolved as scheduled on a pro-rata basis.

Discernible risks in the Bank's lending business have been adequately provided for by individual value adjustments and by provisions. General value adjustments and precautionary reserves in accordance with section 340f HGB have been sufficiently made to cover latent lending risks. Individual and general value adjustments as well as precautionary reserves have been deducted from the respective asset items.

The securities attributable to the trading portfolio, liquidity reserve and investment portfolio have been valued strictly in accordance with the lower of cost or market principle.

Equity investments and shares in affiliated companies as well as tangible assets are stated at acquisition or production cost less any scheduled depreciation. Where a loss of value is expected to be permanent, they are written down to the lower applicable value. Minor fixed assets according to Section 6 para. 2 of the Income Tax Act (EStG) were fully depreciated in the year of acquisition.

Assets and debts in foreign currency as well as claims and commitments from foreign exchange transactions have been translated and valued according to the regulations contained in Section 340h HGB. The amounts resulting from the translation of hedged balance sheet items were offset by means of equalisation items. Swap premiums were accrued on a pro-rata basis. Provisions were made for residual valuation losses per currency; residual valuation gains have not been recognised as income.

The translation of the financial statements of Deka(Swiss) Privatbank AG, Zurich, which have been prepared in foreign currency, has been carried out for the first time according to the modified reporting date method pursuant to DRS 14. The profit and loss account items have been translated at the rate arising from the arithmetic mean of the end-of-month rates of the reporting year. Equity capital items have been translated at historical rates and the remaining balance sheet items at the reporting date exchange rate. Differences arising from translation are offset against reserves and do not affect consolidated income.

Stock exchange-listed derivative financial instruments are valued at exchange prices. Fair values of interest rate swaps and unlisted interest rate forward transactions have been calculated using a discounted cash flow analysis using the prevailing market interest rates for the residual maturities of the financial instruments.

Where not exchange-listed, options are valued using recognised option-pricing models.

Fair values of forward exchange contracts are determined on the basis of current forward rates.

Balance sheet transactions and derivative financial instruments of the trading book have been valued individually on the reporting date. Trading portfolios based on sub-portfolios of the trading position have been formed taking into account their risk structure. Along with derivatives, the trading portfolios also comprise balance sheet products which are allocated to the same risk category. The valuation results have been offset within the portfolios. Valuation losses are offset against valuation reserves according to portfolio and currency. Valuation losses according to this procedure have been realised as provisions. Valuation reserves remained unrecognised.

Claims and commitments arising from derivative financial instruments not allocated to the trading book have – unless they actually serve to hedge against market risks – not been valued.

In the 2004 financial year, valuation units from interest-bearing securities of the liquidity reserve and derivatives entered into to hedge against interest rate risks were formed. The financial instruments of these valuation units were valued individually and valuation gains offset against valuation losses. Valuation losses according to this procedure have been realised as provisions or write-offs. Remaining valuation reserves remain unrecognised.

All other derivatives not used to hedge against market risks have been valued. For unrealised valuation losses, provisions have been made for possible losses from pending transactions. Unrealised valuation gains have not been recognised as income.

Provisions for pensions have been determined in accordance with the internationally recognised expectancy present value method, taking into account current mortality tables. The previously indirect pension commitments of Deka Altershilfe GmbH were converted into direct commitments in 2004. At same time, the actual assets of Deka Altershilfe GmbH were distributed to DekaBank Group's sponsoring undertakings. Through

the transfer of indirect commitments into direct commitments, the stated value of the pension provisions has increased by the amount previously covered by the actual assets of Deka Altershilfe GmbH.

Contributions to the fund-based occupational pension plan were invested in fund shares. If the price of the fund shares exceeds the contractually agreed minimum payments when pension payments begin, employees are entitled to the higher fund share price.

Provisions for pensions for the fund-based occupational pension plan result from the highest amount reported of the corresponding fund shares and the cash value of the pension commitments based on an actuarial opinion.

Provisions for taxes and other provisions have been formed in the amount necessary in accordance with the principle of reasonable commercial judgement.

## Contingent Liabilities not shown in the Balance Sheet

### (5) Letter of Comfort

DekaBank will, except in the case of political risk, ensure that the subsidiaries included in the Group financial statements and listed below will be in a position to meet their commitments:

- DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg
- Deutsche Girozentrale Holding S.A., Luxembourg
- Deutsche Girozentrale Overseas Limited, Grand Cayman

### (6) Other financial commitments

These relate to payment commitments to non-Group or unconsolidated companies amounting to €26 million (previous year: €30m).

There is a contingent liability amounting to €21 million (previous year: €21m) to put up additional capital towards the Liquiditäts-Konsortialbank GmbH, Frankfurt am Main.

## Notes to the accounts

**(7) Due from banks**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
Loans to				
- affiliated companies	395	398	–	–
- companies in which an interest is held	4,020	3,596	4,316	4,140
Subordinated loans	–	–	–	–
Sub-item b. – other receivables –				
breaks down as follows by residual term to maturity:				
- less than three months	16,525	8,276	17,470	9,836
- more than three months to one year	2,897	3,668	3,424	4,583
- more than one year to five years	13,511	12,607	13,687	12,764
- more than five years	12,103	11,372	12,103	11,380
	<b>45,036</b>	<b>35,923</b>	<b>46,684</b>	<b>38,563</b>
Used for cover	27,883	25,293	27,883	25,293

**(8) Due from customers**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
Loans to				
- affiliated companies	0	–	0	0
- companies in which an interest is held	63	18	63	18
Subordinated loans	–	–	–	–
This item breaks down as follows by residual term to maturity:				
- with indefinite term to maturity	2,601	1,642	4,452	2,492
- less than three months	2,220	2,059	2,846	3,803
- more than three months to one year	2,574	1,256	2,641	1,312
- more than one year to five years	6,281	6,738	6,605	7,118
- more than five years	5,726	7,016	5,999	7,228
	<b>19,402</b>	<b>18,711</b>	<b>22,543</b>	<b>21,953</b>
Used for cover	11,750	11,797	11,750	11,797

**(9) Bonds and other fixed-interest securities**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
Loans to				
- affiliated companies	–	–	–	–
- companies in which an interest is held	21	7,471	729	7,970
Of the marketable securities included				
in this item, the following are:				
- listed on the stock exchange	40,444	13,284	41,932	14,548
- not listed on the stock exchange	1,977	18,606	1,978	18,606
Junior securities	42	–	42	–
Due within one year	10,692	7,917	11,292	8,246
Used for cover	12,748	7,771	12,748	7,771

**(10) Shares and other non-fixed-interest securities**

€m	DekaBank		Group	
	2004	2003	2004	2003
Of the marketable securities included				
in this item, the following are:				
- listed on the stock exchange	2,367	31	2,374	31
- not listed on the stock exchange	2,113	433	2,117	434
Junior securities	17	25	17	25

**(11) Equity investments**

As in the previous year, this item does not include any marketable securities.

**(12) Shares in affiliated companies**

As in the previous year, this item does not include any marketable securities.

**(13) Trust assets**

The trust assets relate – as in the previous year – in the full amount to non-bank customers.

**(14) Equalisation claims against public authorities including bonds and notes issued in substitution thereof**

As in the previous year, no portion of the equalisation claims has been used as cover.

**(15) Tangible assets**

The tangible assets of DekaBank Group in the 2004 business year were as follows:

<b>DekaBank Group</b>										
<b>Assets in €'000</b>	<b>Cost of acquisition/ production</b>	<b>Additions</b>	<b>Retire- ments</b>	<b>Transfers</b>	<b>Changes in scope of consolidation</b>	<b>Write- ups</b>	<b>Depreciations</b>		<b>Book value</b>	
							<b>accu- mulated</b>	<b>2004</b>	<b>31.12.04</b>	<b>31.12.03</b>
Equity investments	89,877	4,020	76,479	0	0	0	3,322	3,322	14,096	89,878
Shares in associated companies	80,997	24,594	0	0	-22,497	0	44,770	9,768	38,324	34,908
Shares in affiliated companies	31,956	20,150	0	0	-11,470	0	854	841	39,782	31,956
Securities attributable to tangible assets	30,860	76,988	73,162	0	0	140	720	0	34,106	30,110
Intangible assets	0	5,835	661	50,493	776	0	43,379	7,425	13,064	0
<b>Fixed assets</b>										
- Land and buildings including										
buildings on land not owned by us	764,114	0	8	0	0	0	75,719	13,787	688,387	702,182
including:										
Premises used for our own										
business activities									(672,729)	(686,564)
- Office equipment	151,636	8,561	6,371	-46,729	2,477	0	84,717	8,935	24,857	35,428
- Advances to suppliers and assets										
under construction	3,764	0	0	-3,764	0	0	0	0	0	3,764
Total fixed assets	919,514	8,561	6,379	-50,493	2,477	0	160,436	22,722	713,244	741,374
<b>Total tangible assets</b>	<b>1,153,204</b>	<b>140,148</b>	<b>156,681</b>	<b>0</b>	<b>-30,714</b>	<b>140</b>	<b>253,481</b>	<b>44,078</b>	<b>852,616</b>	<b>928,226</b>

The tangible assets of DekaBank in the 2004 business year were as follows:

<b>DekaBank</b>										
<b>Assets in €'000</b>	<b>Cost of acquisition/ production</b>	<b>Additions</b>	<b>Retire- ments</b>	<b>Transfers</b>	<b>Write- ups</b>	<b>Depreciations</b>		<b>Book value</b>		
						<b>accu- mulated</b>	<b>2004</b>	<b>31.12.04</b>	<b>31.12.03</b>	
Equity investments	170,874	28,614	76,479	-22,497	0	23,255	3,322	77,257	150,941	
Shares in associated companies	879,268	178,850	53	22,497	0	742	742	1,079,820	879,268	
Securities attributable to tangible assets	5,625	2,767	181	0	99	415	0	7,895	5,210	
Intangible assets	0	3,828	659	36,774	0	30,261	5,621	9,682	0	
<b>Fixed assets</b>										
- Land and buildings including										
buildings on land not owned by us	7,593	0	0	0	0	2,964	71	4,629	4,700	
including:										
Premises used for our own										
business activities								(3,335)	(3,407)	
- Office equipment	88,346	5,291	5,926	-33,010	0	41,280	4,258	13,421	20,610	
- Advances to suppliers and assets										
under construction	3,764	0	0	-3,764	0	0	0	0	3,764	
Total fixed assets	99,703	5,291	5,926	-36,774	0	44,244	4,329	18,050	29,074	
<b>Total tangible assets</b>	<b>1,155,470</b>	<b>219,350</b>	<b>83,298</b>	<b>0</b>	<b>99</b>	<b>98,917</b>	<b>14,014</b>	<b>1,192,704</b>	<b>1,064,493</b>	

**(16) Other assets**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
- Netting of payment transactions	73	–	73	–
- Securities and interest due from due securities	27	–	27	13
- Claims from advance corporation tax, capital gains tax and solidarity supplement payments	20	29	20	29
- Due from custodial account holders	20	20	20	20
- Leasing assets	16	21	16	21
- Tax refund claims	1	24	3	27
- Claims relating to special assets (administrative charges)	–	–	62	21

**(17) Deferred items**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
premiums and discounts from underwriting and loan business	221	249	221	249

**(18) Additional information relating to assets**

€m	DekaBank		Group	
	2004	2003	2004	2003
Assets in foreign currency	7,126	4,984	8,348	5,595
Book value of pledged assets	10,082	3,060	10,082	3,060

**(19) Due to banks**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
Liabilities to				
- affiliated companies	428	501	0	–
- companies in which an interest is held	3,909	2,509	4,804	3,203
Sub-item b, – with agreed maturity or period of notice – breaks down as follows by residual				
- less than three months	17,066	11,726	20,273	13,703
- more than three months to one year	3,245	4,550	3,493	4,679
- more than one year to five years	5,290	5,469	5,290	5,469
- more than five years	3,615	3,149	3,615	3,149
	<b>29,216</b>	<b>24,894</b>	<b>32,671</b>	<b>27,000</b>

**(20) Due to customers**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
Liabilities to				
- affiliated companies	121	181	0	3
- companies in which an interest is held	18	16	18	20
Sub-item b. – with agreed maturity or period of notice – breaks down as follows by residual term to maturity:				
- less than three months	7,084	2,085	8,505	4,081
- more than three months to one year	1,057	1,077	1,103	1,196
- more than one year to five years	3,581	2,478	3,581	2,478
- more than five years	12,066	9,244	12,066	9,244
	<b>23,788</b>	<b>14,884</b>	<b>25,255</b>	<b>16,999</b>

**(21) Securitised liabilities**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
Liabilities to				
- affiliated companies	1	6	1	6
- companies in which an interest is held	9,950	4,522	9,950	4,522
From sub-item a. - bonds and notes issued -				
mature within one year	11,911	8,761	11,911	8,761
Sub-item b. - other securitised liabilities -				
breaks down as follows by residual term to maturity:				
- less than three months	1,650	2,811	1,650	2,811
- more than three months to one year	839	820	839	820
	<b>2,489</b>	<b>3,631</b>	<b>2,489</b>	<b>3,631</b>

**(22) Trust liabilities**

The trust liabilities relate – as in the previous year – in the full amount to non-bank customers.

**(23) Other liabilities**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
- Securities loaned	847	–	847	–
- Commission payments to sales outlets	75	94	78	97
- Liabilities from delivery and performance	27	10	27	10
- Liabilities to custodial account holders	22	29	22	29
- Distribution to atypical silent partners	22	22	22	22
- Foreign currency equalisation items	18	181	–	183
- Interest payments on profit participation capital	15	24	15	24



**(24) Accruals and deferred items**

€m	DekaBank		Group	
	2004	2003	2004	2003
This item includes:				
- Premiums and discounts from issuing and lending business	44	50	44	51
- Accruals and deferred income derivative financial instruments	15	8	15	8
- Liabilities from leasing business	3	5	3	5

**(25) Accrued and deferred income taxes**

This item contains deferred tax liabilities amounting to €22 million (previous year: €23.8m) in accordance with section 274 para. 1 sentence 1 HGB.

**(26) Subordinated liabilities**

€m	DekaBank		Group	
	2004	2003	2004	2003
Expenses for subordinated liabilities	46	36	46	36
Stated pro-rata interest for subordinated liabilities	25	24	25	24

The borrowings break down as follows:	Currency	Amount (m)	Interest rate	Maturity
Note	€	100	Euribor 6m	09.06.2010
Note	€	90	Euribor 6m	09.06.2010
Note	€	40	Euribor 6m	09.06.2010
Note	€	300	5.38 %	31.01.2014
Note	€	300	4.63 %	21.12.2015
Borrower's note loan	€	105	6.80 – 6.95 %	08.03.2006
Borrower's note loan	€	85	6.41 – 6.46 %	18.05.2012

The subordinated liabilities comply with the requirements of Section 10 para. 5a of the German Banking Act (KWG). The conversion of these funds into capital or any other form of debt has not been agreed or provided for. There is no obligation on the part of DekaBank to make premature repayment.

**(27) Equity capital**

€m	DekaBank		Group	
	2004	2003	2004	2003
Subscribed capital	286	286	286	286
Typical silent capital contribution	756	756	756	756
Atypical silent capital contribution	52	46	52	46

**(28) Additional information relating to liabilities**

€m	DekaBank		Group	
	2004	2003	2004	2003
Foreign currency liabilities	4,314	6,724	5,556	7,189

**(29) Cover for mortgage and municipal loan business**

€m	DekaBank		Group	
	2004	2003	2004	2003
<b>Bonds requiring cover</b>				
- Bearer instruments	22,831	23,861	22,831	23,861
- Registered instruments	18,446	14,632	18,446	14,632
- Registered pfandbriefe	105	5	105	5
<b>Total</b>	<b>41,382</b>	<b>38,498</b>	<b>41,382</b>	<b>38,498</b>
<b>Assets earmarked as cover</b>				
- Public-sector loans				
- to public-sector banks	35,112	28,596	35,112	28,596
- to customers	16,339	15,896	16,339	15,896
Mortgage loans to customers	930	369	930	369
<b>Total</b>	<b>52,381</b>	<b>44,861</b>	<b>52,381</b>	<b>44,861</b>
<b>Surplus cover</b>	<b>10,999</b>	<b>6,363</b>	<b>10,999</b>	<b>6,363</b>

**Notes to the profit and loss account****(30) Write-downs and value adjustments on intangible and tangible fixed assets**

Of the amount stated, €4 million (previous year: €4m) relates to leasing business.

**(31) Other operating income**

Other operating income of DekaBank Group consists mainly of €29 million from leasing business, €17 million from rental income and €11 million from the release of provisions.

Other operating income of DekaBank consists mainly of €143 million from charges, €29 million from leasing business and €7 million from the release of provisions.

**(32) Other operating expenses**

Other operating expenses of DekaBank Group consist of other taxes amounting to approximately €7 million (previous year: €7m).

Other operating expenses of DekaBank consist of other taxes amounting to approximately €0.5 million (previous year: €0.3m).

## Off-balance sheet transactions

### (33) Off-balance sheet transactions

At the balance sheet date, outstanding forward transactions (Section 36 RechKredV) of DekaBank Group and DekaBank were as follows.

### (34) Off-balance sheet transactions DekaBank Group

Group: derivative transactions – volumes –				
	Nominal values		Full fair values Positive fair values – €'000 –	Full fair values Negative fair values – €'000 –
	31.12.04	31.12.03	31.12.04	31.12.04
<b>Interest rate risks</b>				
Interest rate swaps	276,510.2	141,330.8	2,008,078	1,852,564
Forward rate agreements	–	1,550.0	–	–
Interest rate options				
- Purchases	1,705.7	829.5	4,110	–
- Sales	3,297.4	331.6	–	74,951
Caps, floors	286.8	120.0	228	42
Stock market contracts	3,487.1	1,785.9	914	5,688
Other interest rate forward transactions	277.0	12,023.9	1	12,437
<b>Total interest rate risks</b>	<b>285,564.2</b>	<b>157,971.7</b>	<b>2,013,331</b>	<b>1,945,682</b>
<b>Currency risks</b>				
Forward exchange transactions	15,437.5	11,217.2	226,005	198,815
Currency swaps, interest rate currency swaps	2,259.5	981.6	56,152	71,513
Currency options				
- Purchases	73.2	489.1	3,880	–
- Sales	73.2	414.4	–	3,880
<b>Total currency risks</b>	<b>17,843.4</b>	<b>13,102.3</b>	<b>286,037</b>	<b>274,208</b>
<b>Share and other price risks</b>				
Share forward transactions	–	1,853.7	–	–
Share options				
- Purchases	141.6	126.3	1,046	–
- Sales	–	13.2	–	93
Stock market contracts	28.1	–	34	7
Other forward transactions	–	15.5	–	–
<b>Total share and other price risks</b>	<b>169.7</b>	<b>2,008.7</b>	<b>1,080</b>	<b>100</b>
<b>Total</b>	<b>303,577.3</b>	<b>173,082.7</b>	<b>2,300,448</b>	<b>2,219,990</b>

Group: derivative transactions – classification by maturities (nominal values) –						
€m	Interest rate risks		Currency risks		Share and other price risks	
	31.12.04	31.12.03	31.12.04	31.12.03	31.12.04	31.12.03
Residual terms to maturity						
- less than three months	159,483.1	74,824.7	13,786.1	9,597.5	165.5	1,883.7
- more than three months						
to one year	56,372.2	19,808.2	1,511.3	2,244.8	4.2	–
- more than one year						
to five years	35,819.6	33,575.9	1,594.0	825.3	–	125.0
- more than five years	33,889.3	29,762.9	952.0	434.7	–	–
<b>Total</b>	<b>285,564.2</b>	<b>157,971.7</b>	<b>17,843.4</b>	<b>13,102.3</b>	<b>169.7</b>	<b>2,008.7</b>

**Group: derivative transactions – classifications by counterparties –**

	Nominal values – €m –		Full fair values Positive fair values – €'000 –	Full fair values Negative fair values – €'000 –
	31.12.04	31.12.03	31.12.04	31.12.04
Banks in OECD countries	292,244.3	160,337.0	2,168,436	2,064,866
OECD public-sector entities	–	1,785.9	–	–
Other counterparties	10,946.0	10,959.8	132,012	155,124
<b>Total</b>	<b>303,190.3</b>	<b>173,082.7</b>	<b>2,300,448</b>	<b>2,219,990</b>

**Group: derivative transactions – trading book –**

	Nominal values – €m –		Full fair values Positive fair values – €'000 –	Full fair values Negative fair values – €'000 –
	31.12.04	31.12.03	31.12.04	31.12.04
Interest rate contracts	209,151.0	93,786.8	439,392	474,334
Currency contracts	5,242.0	6,264.7	147,983	45,194
Share contracts	169.7	125.0	1,080	100
<b>Total</b>	<b>214,562.8</b>	<b>100,176.5</b>	<b>588,455</b>	<b>519,628</b>

**(35) Off-balance sheet transactions DekaBank****DekaBank: derivative transactions – volumes –**

	Nominal values – €m –		Full fair values Positive fair values – €'000 –	Full fair values Negative fair values – €'000 –
	31.12.04	31.12.03	31.12.04	31.12.04
<b>Interest rate risks</b>				
Interest rate swaps	273,416.2	136,452.8	1,995,078	1,835,564
Forward rate agreements	–	1,550.0	–	–
Interest rate options				
- Purchases	1,705.7	829.5	4,110	–
- Sales	3,297.4	331.6	–	74,951
Caps, floors	286.8	120.0	228	42
Stock market contracts	3,487.1	1,785.9	914	5,688
Other interest rate forward transactions	277.0	12,023.9	1	12,437
<b>Total interest rate risks</b>	<b>282,470.2</b>	<b>153,093.7</b>	<b>2,000,331</b>	<b>1,928,682</b>
<b>Currency risks</b>				
Forward exchange transactions	11,383.5	9,867.0	136,005	127,815
Currency swaps, interest rate currency swaps	2,259.5	981.6	56,152	71,513
Currency options				
- Purchases	73.2	489.1	3,880	–
- Sales	73.2	414.4	–	3,880
<b>Total currency risks</b>	<b>13,789.4</b>	<b>11,752.1</b>	<b>196,037</b>	<b>203,208</b>
<b>Share and other price risks</b>				
Share forward transactions	–	1,853.7	–	–
Share options				
- Purchases	141.6	126.3	1,046	–
- Sales	–	13.2	–	93
Stock market contracts	28.1	–	34	7
Other forward transactions	–	15.5	–	–
<b>Total share and other price risks</b>	<b>169.7</b>	<b>2,008.7</b>	<b>1,080</b>	<b>100</b>
<b>Total</b>	<b>296,429.3</b>	<b>166,854.5</b>	<b>2,197,448</b>	<b>2,131,990</b>

**DekaBank: derivative transactions – classification by maturities (nominal values) –**

€m	Interest rate risks		Currency risks		Share and other price risks	
	31.12.04	31.12.03	31.12.04	31.12.03	31.12.04	31.12.03
Residual terms to maturity						
- less than three months	156,967.1	71,408.7	10,567.4	8,845.3	165.5	1,883.7
- more than three months						
to one year	56,296.2	18,758.2	834.0	1,724.8	4.2	–
- more than one year						
to five years	35,425.6	33,293.9	1,436.0	747.3	–	125.0
- more than five years	33,781.3	29,632.9	952.0	434.7	–	–
<b>Total</b>	<b>282,470.2</b>	<b>153,093.7</b>	<b>13,789.4</b>	<b>11,752.1</b>	<b>169.7</b>	<b>2,008.7</b>

**DekaBank: derivative transactions – classification by counterparties –**

	Nominal values – €m –		Full fair values Positive fair values – €'000 –	Full fair values Negative fair values – €'000 –
	31.12.04	31.12.03	31.12.04	31.12.04
Banks in OECD countries	286,856.3	154,479.8	2,073,436	2,026,866
OECD public-sector entities	–	1,785.9	–	–
Other counterparties	9,573.0	10,588.8	124,012	105,124
<b>Total</b>	<b>296,429.3</b>	<b>166,854.5</b>	<b>2,197,448</b>	<b>2,131,990</b>

**DekaBank: derivative transactions – trading book –**

	Nominal values – €m –		Full fair values Positive fair values – €'000 –	Full fair values Negative fair values – €'000 –
	31.12.04	31.12.03	31.12.04	31.12.04
Interest rate contracts	207,940.0	90,516.8	438,392	472,334
Currency contracts	4,445.0	5,936.7	106,983	26,194
Share contracts	169.7	125.0	1,080	100
<b>Total</b>	<b>212,554.7</b>	<b>96,578.5</b>	<b>546,455</b>	<b>498,628</b>

## Other information

### (36) Liquidity ratio

Pursuant to section 11 of the German Banking Act (KWG), banks are obliged to invest their funds in such a way as to ensure that adequate liquidity for payment purposes is guaranteed at all times (Principle II). A bank's liquidity is considered to satisfy the requirements if the means of payment available during the next calendar month cover the expected liquidity outflows during the same period. If the ratio between the available means of payment and the callable payment obligations is at least 1.0, liquidity is said to be guaranteed. DekaBank's liquidity ratio on 31 December 2004 was 1.8 (previous year: 1.7).

### (37) Average number of staff

	DekaBank		Group	
	2004	2003	2004	2003
Full-time	1,694	1,754	2,840	2,776
Part-time/temporary	214	185	351	288
	<b>1,908</b>	<b>1,939</b>	<b>3,191</b>	<b>3,064</b>

### (38) Remuneration of Board members

€	DekaBank		Group	
	2004	2003	2004	2003
<b>Remuneration of current board members</b>				
Board of Management	4,642,659.57	5,089,960.92	4,767,921.79	5,188,760.92
Supervisory Board	714,046.66	723,568.01	725,278.66	734,800.01
<b>Remuneration paid to former board members and surviving dependants</b>				
Board of Management	1,776,558.57	1,724,438.68	2,194,816.70	1,925,291.32
Pension commitments to these persons	22,209,452.00	18,401,957.00	28,807,883.00	25,158,698.00

### (39) Loans to executive bodies

€	Board of Management		Supervisory Board	
	2004	2003	2004	2003
Advances and loans	232,830.77	243,569.34	833,310.16	857,232.91
Contingent liabilities	0.00	0.00	0.00	0.00

## Membership of Supervisory Boards

### (40) Membership of Supervisory Boards (Business year 2004)

#### Herr Axel Weber

Chairman of the Supervisory Board, DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg

Chairman of the Supervisory Board, Liquiditäts-Konsortialbank GmbH, Frankfurt am Main

Chairman of the Supervisory Board (from 01.05.2004), Deutsche Landesbankenzentrale AG, Berlin

Chairman of the Supervisory Board, Deka Altershilfe GmbH, Frankfurt am Main

Deputy Chairman of the Supervisory Board, Deka Investment GmbH, Frankfurt am Main

Deputy Chairman of the Supervisory Board (to 29.02.2004), WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf

Deputy Chairman of the Supervisory Board, hanke multimediahaus AG, Bremen

Deputy Chairman of the Supervisory Board, OAS Aktiengesellschaft, Bremen

Member of the Supervisory Board (to 20.10.2004), Swisca Holding AG, Berne

Chairman of the Advisory Council, Diersch & Schröder GmbH & Co., Bremen

Member of the Advisory Council, VÖB-Service GmbH, Bonn

#### Herr Dr Dieter Goose (Member of the Board of Management to 30.04.2004)

Chairman of the Supervisory Board (to 20.04.2004), Deka Immobilien Investment GmbH, Frankfurt am Main

Chairman of the Supervisory Board (from 01.03.2004 to 19.05.2004), Member of the Supervisory Board (to 29.02.2004), WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf

Deputy Chairman of the Supervisory Board (to 30.04.2004), Deutsche Landesbankenzentrale AG, Berlin

Deputy Chairman of the Supervisory Board (to 30.04.2004), Deutsche Girozentrale Holding S.A., Luxembourg

Member of the Supervisory Board (to 30.04.2004), Deutsche Girozentrale Overseas Ltd., Grand Cayman

#### Herr Hans-Jürgen Gutenberg

Chairman of the Supervisory Board, PensionsManagement GmbH, Düsseldorf

Chairman of the Supervisory Board, Sparkassen Pensionsfonds AG, Düsseldorf

Chairman of the Supervisory Board, Sparkassen Pensionskasse AG, Düsseldorf

Chairman of the Supervisory Board, Deka(Swiss) Privatbank AG, Zurich

Member of the Supervisory Board, DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg

Deputy Chairman of the Supervisory Board (from 18.10.2004 to 15.11.2004), Member of the Supervisory Board (from 01.05.2004 to 17.10.2004 and from 16.11.2004), Deka Immobilien Investment GmbH, Frankfurt am Main

Member of the Supervisory Board (from 01.03.2004), WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf

#### Herr Fritz Oelrich

Chairman of the Supervisory Board (from 01.05.2004 to 17.10.2004 and from 16.11.2004), Member of the Supervisory Board (to 30.04.2004), Deka Immobilien Investment GmbH, Frankfurt am Main

Chairman of the Supervisory Board (from 20.05.2004), WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf

Member of the Supervisory Board (from 01.01.2004), Deka FundMaster Investmentgesellschaft mbH, Frankfurt am Main

Member of the Supervisory Board, PensionsManagement GmbH, Düsseldorf

Member of the Supervisory Board, Sparkassen Pensionsfonds AG, Düsseldorf

Member of the Supervisory Board, Sparkassen Pensionskasse AG, Düsseldorf

Member of the Supervisory Board, Deka International (Ireland) Ltd., Dublin

Member of the Supervisory Board, Deka(Swiss) Privatbank AG, Zurich

#### Herr Dr Bernhard Steinmetz

Chairman of the Supervisory Board, Deka International (Ireland) Ltd., Dublin

Chairman of the Supervisory Board (from 06.12.2004)

Member of the Supervisory Board (from 16.11.2004 to 05.12.2004), SV (Deutschland) GmbH, Langenfeld

Chairman of the Supervisory Board (from 18.10.2004 to 15.11.2004) Deputy Chairman of the Supervisory Board (to 17.10.2004 and from 16.11.2004), Deka Immobilien Investment GmbH, Frankfurt am Main

Deputy Chairman of the Supervisory Board (from 01.05.2004), Member of the Supervisory Board (to 30.04.2004), Deka FundMaster Investmentgesellschaft mbH, Frankfurt am Main

Deputy Chairman of the Supervisory Board, Deutsche Landesbankenzentrale AG, Berlin

Deputy Chairman of the Supervisory Board (from 27.10.2004), S Broker Management AG, Wiesbaden

Deputy Chairman of the Supervisory Board (to 10.11.2004), S Broker AG, Duisburg

Deputy Chairman of the Supervisory Board (from 10.11.2004), S Broker AG & Co. KG, Wiesbaden

Deputy Chairman of the Supervisory Board (from 20.05.2004), Member of the Supervisory Board (from 01.03.2004 to 19.05.2004), WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf

Deputy Chairman of the Supervisory Board, Deka Long/Short Equities Q Fund plc., Dublin

Deputy Chairman of the Supervisory Board (from 10.12.2004), Deka Fixed Income Diversified Q Fund plc., Dublin

Member of the Supervisory Board, SiZ Informatikzentrum der Sparkassenorganisation GmbH, Bonn

Member of the Supervisory Board, Havelländische Stadtwerke GmbH, Werder/Havel

Member of the Supervisory Board (from 13.05.2004), S Rating und Risikosysteme GmbH, Berlin

#### Herr Dr Peter J. Mathis

Chairman of the Supervisory Board, Deka Investment GmbH, Frankfurt am Main

Chairman of the Supervisory Board, Deka FundMaster Investmentgesellschaft mbH, Frankfurt am Main

Chairman of the Supervisory Board, Deutsche Girozentrale Holding S.A., Luxembourg

Chairman of the Supervisory Board, Deka Long/Short Equities Q Fund plc., Dublin

Deputy Chairman of the Supervisory Board, DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg

Deputy Chairman of the Supervisory Board, Deka International (Ireland) Ltd., Dublin

Member of the Supervisory Board (from 10.12.2004), Deka Fixed Income Diversified Q Fund plc., Dublin

Member of the Supervisory Board, Deutsche Girozentrale Overseas Ltd., Grand Cayman

Member of the Supervisory Board, Deutsche Landesbankenzentrale AG, Berlin

Member of the Supervisory Board (to 08.10.2004), FBF Fördergesellschaft für Börsen und Finanzmärkte in Mittel- und Osteuropa mbH, Frankfurt am Main

## Corporate Bodies of DekaBank

### (41) Corporate Bodies of DekaBank (as of January 2005)

#### Board of Management

Axel Weber  
*Chairman*

Dr Dieter Goose  
*Member*  
(to 30.04.2004)

Hans-Jürgen Gutenberg  
*Member*

Fritz Oelrich  
*Member*

Dr Bernhard Steinmetz  
*Member*

Dr Peter J. Mathis  
*Deputy Member*

#### Supervisory Board

Dr Dietrich H. Hoppenstedt  
*Chairman*

President of the German Savings  
Banks and Giro Association

Dr h.c. Manfred Bodin (to 30.06.2004)  
*First Deputy Chairman*

Chairman of the Board of Manage-  
ment of NORD/LB Norddeutsche  
Landesbank Girozentrale

Heinrich Haasis  
*Second Deputy Chairman*  
(to 30.06.2004)

*First Deputy Chairman*  
(from 01.07.2004)  
President of the Savings Banks  
Association of Baden-Wuerttemberg

Dr Thomas R. Fischer  
*Member of the Supervisory Board*  
(to 30.06.2004)

*Second Deputy Chairman*  
(from 01.07.2004)

Chairman of the Board of  
Management of WestLB AG

Dr h.c. Klaus G. Adam (to 31.12.2004)  
Chairman of the Board of  
Management of LRP Landesbank  
Rheinland-Pfalz

Dr Stephan Articus  
Managing Member of the Executive  
Committee of the Federation of  
German Municipalities

Dr Karlheinz Bentele  
President of the Savings Banks and  
Giro Association of the Rhineland

Hans Berger  
Deputy Chairman of the Board of  
Management of HSH Nordbank AG

Gregor Böhmer  
Managing President of the Savings  
Banks and Giro Association of Hesse-  
Thuringia

Thomas Christian Buchbinder  
Chairman of the Board of Manage-  
ment of Bremer Landesbank Kredit-  
anstalt Oldenburg - Girozentrale -

Hermann Gelsen  
Employee representative,  
DekaBank Deutsche Girozentrale

Dr Rolf Gerlach  
President of the Savings Banks and  
Giro Association of Westphalia-Lippe

Dr Max Häring  
Chairman of the Board of Manage-  
ment of Landesbank Saar

Prof Dr Hans-Günter Henneke  
Managing Member of the Executive  
Committee of the Federation of  
German Districts

Dr Siegfried Jaschinski  
(from 01.01.2005)  
Chairman of the Board of Manage-  
ment of Landesbank Baden-  
Württemberg

Dieter Klepper (from 01.01.2005)  
Chairman of the Board of Manage-  
ment of Sparkasse Saarbrücken

Peter Krakow  
Chairman of the Board of Manage-  
ment of Stadt- und Kreissparkasse  
Leipzig

Dr Hans Lukas  
Chairman of the Board of Manage-  
ment of Sparkasse Stormarn

Thomas Mang (from 01.01.2005)  
President of the Savings Banks and  
Giro Association of Lower Saxony

Dr Günther Merl  
Chairman of the Board of Manage-  
ment of Landesbank Hessen-  
Thüringen Girozentrale

Dr Siegfried Naser  
Managing President of the Savings  
Banks Association of Bavaria

Dr Friedhelm Plogmann  
(from 01.01.2005)  
Chairman of the Board of  
Management of LRP Landesbank  
Rheinland-Pfalz

Dr Harald Quensen (to 31.08.2004)  
Chairman of the Board of Manage-  
ment of Sparkasse Hannover

Siegfried Ratz (to 20.07.2004)  
Employee representative,  
DekaBank Deutsche Girozentrale

Dr Hannes Rehm (from 01.08.2004)  
Chairman of the Board of Manage-  
ment of NORD/LB Norddeutsche  
Landesbank Girozentrale

Hans Dietmar Sauer (to 31.12.2004)  
Chairman of the Board of Manage-  
ment of Landesbank Baden-  
Württemberg

Roland Schäfer  
Mayor of the city of Bergkamen and  
First Deputy President of the German  
Cities' and Towns' Association

Heike Schillo (from 21.07.2004)  
Employee representative, DekaBank  
Deutsche Girozentrale

Werner Schmidt  
Chairman of the Board of Manage-  
ment of Bayerische Landesbank

Gustav Adolf Schröder  
Chairman of the Board of Manage-  
ment of Sparkasse KölnBonn

Dr Friedhelm Steinberg  
Deputy Chairman of the Board  
of Management of Hamburger  
Sparkasse AG

Hans Otto Streuber  
President of the Savings Banks and  
Giro Association of Rhineland-  
Palatinate

Alexander Stuhlmann  
Chairman of the Board of Manage-  
ment of HSH Nordbank AG

Karl-Heinz Trautmann (to 31.12.2004)  
President of the Savings Banks  
Association Saar

Hans-Jörg Vetter  
Chairman of the Board of Manage-  
ment of LandesBank Berlin  
-Girozentrale-

Dr Michael Weiss  
Chairman of the Board of Manage-  
ment of Sachsen LB Landesbank  
Sachsen Girozentrale

Frankfurt am Main, 14 February 2005

DekaBank  
Deutsche Girozentrale

#### Board of Management

Weber

Gutenberg

Oelrich

Dr Steinmetz

Dr Mathis



# Certificate of Audit

## Auditor's Report

We have audited the annual financial statements, together with the bookkeeping system, and the consolidated financial statements of DekaBank Deutsche Girozentrale, Berlin/Frankfurt, with combined notes, as well as the combined management report of DekaBank and the Group for the business year from January 1 to December 31, 2004. The bookkeeping system and the preparation of these documents in accordance with German commercial law are the responsibility of DekaBank's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, as well as on the consolidated financial statements and the combined management report of DekaBank and the Group based on our audit.

We conducted our audit of the annual and consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual and consolidated financial statements in accordance with German principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of DekaBank and the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual and consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes for the annual financial statements assessing the accounting principles used and for the consolidated financial statements assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used as well as for both statements the evaluation of significant estimates made by the Company's Board of Managing Directors, and evaluating the overall presentation of the annual and consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, the annual financial statements and the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of DekaBank and the Group, respectively, in accordance with German principles of proper accounting. On the whole the combined management report provides a suitable understanding of DekaBank's and the Group's position and suitably presents the risks of future development.

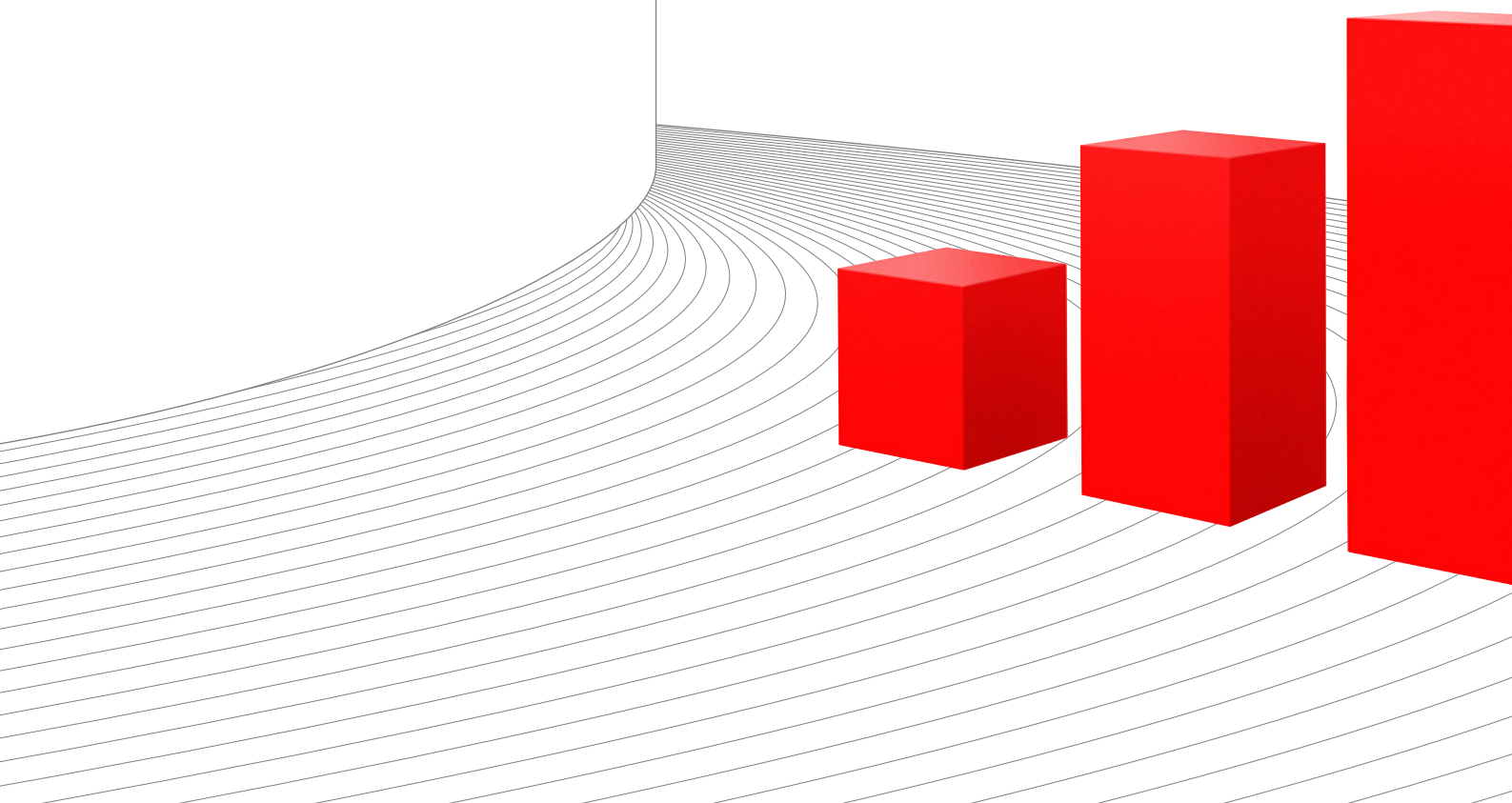
Frankfurt am Main, 15 February 2005

PwC Deutsche Revision  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

(Burghardt)	(Sahm)
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

## Shareholders, Associated Companies and Committees

<b>106</b>	<b>Shareholders</b>
<b>107</b>	<b>Subsidiaries and Associated Companies</b>
<b>108</b>	<b>Supervisory Board</b>
<b>109</b>	<b>Board of Management</b>
<b>109</b>	<b>General State Supervision</b>
<b>110</b>	<b>Fund-related Committees</b>
110	Investment Fund Committee
111	Fund Sales Advisory Council
112	Regional Fund Committees for Savings Banks
<b>114</b>	<b>Supervisory Boards and Management Boards of Subsidiaries</b>
114	Deka Investment GmbH
114	Deka Immobilien Investment GmbH
115	WestInvest Gesellschaft für Investmentfonds mbH
115	Deka FundMaster Investmentgesellschaft mbH
115	DekaBank Deutsche Girozentrale Luxembourg S.A.
116	Deka(Swiss) Privatbank AG
116	Deka International (Ireland) Ltd.
<b>116</b>	<b>Headquarters and addresses</b>



# Shareholders of DekaBank

(as of March 2005)

Shareholders of DekaBank				
GLB GmbH & Co. OHG		49.17 %	DSGV ö. K.*	50.00 %
Landesbank Baden-Württemberg*		8.35 %	Saving Banks Association of Baden-Wuerttemberg	7.70 %
HSH Nordbank AG *		7.75 %	Savings Banks and Giro Association of the Rhineland	6.56 %
WestLB AG*		7.61 %	Savings Banks and Giro Association of Lower Saxony	6.46 %
LRP Landesbank Rheinland-Pfalz*		6.21 %	Savings Banks Association of Bavaria	6.31 %
Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale - *		2.89 %	Savings Banks and Giro Association of Westphalia-Lippe	6.17 %
NORD/LB Norddeutsche Landesbank Girozentrale*		2.39 %	Savings Banks and Giro Association of Hesse-Thuringia	5.81 %
Landesbank Saar*		0.98 %	Savings Banks and Giro Association of Rhineland-Palatinate	3.21 %
Sachsen LB Landesbank Sachsen Girozentrale*		0.22 %	Savings Banks Association of Berlin	1.90 %
Landesbank Hessen-Thüringen Girozentrale		5.51 %	East German Savings Banks and Giro Association	1.83 %
Bayerische Landesbank		3.09 %	Savings Banks and Giro Association for Schleswig-Holstein	1.78 %
Niedersächsische Bank GmbH**		4.17 %	Savings Banks Association Saar	1.37 %
Niedersächsische Bank GmbH**		0.83 %	Hanseatic Savings Banks and Giro Association	0.90 %

\* \* Guarantors

\*\* 100% subsidiary of NORD/LB Norddeutsche Landesbank Girozentrale

# Subsidiaries and Associated Companies of DekaBank (as of March 2005)

Subsidiaries and Associated Companies of DekaBank*	
Investment Companies	
Deka Investment GmbH, Frankfurt am Main	100.0 %
Deka Immobilien Investment GmbH, Frankfurt am Main	100.0 %
Deka International S. A., Luxembourg	100.0 %
Deka International (Ireland) Ltd., Dublin	100.0 %
Deka FundMaster Investmentgesellschaft mbH, Frankfurt am Main	100.0 %
International Fund Management S. A., Luxembourg	100.0 %
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	99.7 %
Eufigest S. A., Luxembourg	23.7 %
Erste-Sparinvest Kapitalanlagegesellschaft mbH, Vienna	2.9 %
Banks	
DekaBank Deutsche Girozentrale Luxembourg S. A., Luxembourg	100.0 %
Deka(Swiss) Privatbank AG, Zurich	100.0 %
S Broker AG & Co. KG, Wiesbaden	30.6 %
Liquiditäts-Konsortialbank GmbH, Frankfurt am Main	2.1 %
Other	
GMS Gebäudemanagement und Service GmbH, Frankfurt am Main	100.0 %
Deka Altershilfe GmbH, Frankfurt am Main	100.0 %
Deka Grundstücksverwaltungsgesellschaft I (GbR), Frankfurt am Main	100.0 %
Deka Grundstücksgesellschaft mbH, Frankfurt am Main	100.0 %
Deutsche Girozentrale Overseas Ltd., Grand Cayman	99.9 %
🏠 PensionsManagement GmbH, Düsseldorf	50.0 %
S Broker Management AG, Wiesbaden	30.6 %
DPG Deutsche Performancemessungs-Gesellschaft mbH, Frankfurt am Main	10.0 %
True Sale International GmbH, Frankfurt am Main	7.7 %
RSU Rating Service Unit GmbH & Co. KG, Munich	6.5 %

\* The shares are held directly or indirectly  
The Group has further holdings which are, however, of minor significance

# Supervisory Board of DekaBank

(as of March 2005)

## **Dr Dietrich H. Hoppenstedt** *Chairman*

President of the German Savings Banks and Giro Association – registered society –, Berlin, and of the German Savings Banks and Giro Association – public law entity –, Berlin  
*Chairman of the Presidential Committee*

## **Heinrich Haasis**

*First Deputy Chairman*  
President of the Savings Banks Association of Baden-Wuerttemberg, Stuttgart  
*First Deputy Chairman of the Presidential Committee*

## **Dr Thomas R. Fischer**

*Second Deputy Chairman*  
Chairman of the Board of Management of WestLB AG, Düsseldorf  
*Second Deputy Chairman of the Presidential Committee*

## **Representatives elected by the General Meeting of Shareholders**

### **Dr Karlheinz Bentele**

President of the Savings Banks and Giro Association of the Rhineland, Düsseldorf

### **Hans Berger**

Deputy Chairman of the Board of Management of HSH Nordbank AG, Kiel

### **Gregor Böhmer**

Managing President of the Savings Banks and Giro Association of Hesse-Thuringia, Frankfurt am Main  
*Member of the Audit Committee*

### **Thomas Christian Buchbinder**

Chairman of the Board of Management of Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -, Bremen

### **Dr Rolf Gerlach**

President of the Savings Banks and Giro Association of Westphalia-Lippe, Münster  
*Chairman of the Audit Committee*  
*Member of the Presidential Committee*

### **Dr Max Häring**

Chairman of the Board of Management of Landesbank Saar, Saarbrücken

### **Dr Siegfried Jaschinski**

Chairman of the Board of Management of Landesbank Baden-Württemberg, Stuttgart  
*Member of the Presidential Committee*  
*Member of the Audit Committee*

### **Dieter Klepper**

Chairman of the Board of Management of Sparkasse Saarbrücken, Saarbrücken

### **Peter Krakow**

Chairman of the Board of Management of Stadt- und Kreissparkasse Leipzig, Leipzig

### **Dr Hans Lukas**

Chairman of the Board of Management of Sparkasse Stormarn, Bad Oldesloe

## **Thomas Mang**

President of the Savings Banks and Giro Association of Lower Saxony, Hanover

## **Dr Günther Merl**

Chairman of the Board of Management of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main  
*Member of the Presidential Committee*

## **Dr Siegfried Naser**

Managing President of the Savings Banks Association of Bavaria, Munich  
*Member of the Presidential Committee*

## **Dr Friedhelm Plogmann**

Chairman of the Board of Management of LRP Landesbank Rheinland-Pfalz, Mainz

## **Dr Hannes Rehm**

Chairman of the Board of Management of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover  
*Member of the Presidential Committee*  
*Member of the Audit Committee*

## **Werner Schmidt**

Chairman of the Board of Management of Bayerische Landesbank, Munich

## **Gustav Adolf Schröder**

Chairman of the Board of Management of Sparkasse KölnBonn, Cologne  
*Member of the Presidential Committee*  
*Member of the Audit Committee*

## **Dr Friedhelm Steinberg**

Deputy Sprecher des Vorstandes der Hamburger Sparkasse AG, Hamburg

## **Hans Otto Streuber**

President of the Savings Banks and Giro Association of Rhineland-Palatinate, Budenheim

## **Alexander Stuhlmann**

Chairman of the Board of Management of HSH Nordbank AG, Hamburg  
*Member of the Audit Committee*

## **Hans-Jörg Vetter**

Chairman of the Board of Management of LandesBank Berlin - Girozentrale -, Berlin

## **Representatives of the Federal Association of Municipal Umbrella Organisations**

*(in an advisory capacity)*

## **Dr Stephan Articus**

Managing Member of the Executive Committee of the Federation of German Municipalities, Cologne

## **Prof Dr Hans-Günter Henneke**

Managing Member of the Executive Committee of the Federation of German Districts, Berlin

## **Roland Schäfer**

First Vice President of the German Cities' and Towns' Association, Berlin, Mayor of the City of Bergkamen

## **Employee Representatives appointed by the Personnel Council**

### **Hermann Gelsen**

DekaBank Deutsche Girozentrale, Frankfurt am Main

### **Heike Schillo**

DekaBank Deutsche Girozentrale, Frankfurt am Main

(End of the term of office:  
31.12.2008)

# Board of Management

## Axel Weber

*Chairman*

(to 17.03.2005)

## Fritz Oelrich

*Acting Chairman*

(from 17.03.2005)

## Dr Dieter Goose

(to 30.04.2004)

## Hans-Jürgen Gutenberger

## Dr Bernhard Steinmetz

## Dr Peter J. Mathis

*Deputy Member*

## Executive Managers

## Oliver K. Brandt

(from 01.04.2004)

## Manfred Karg

(from 01.01.2005)

## Osvin Nöller

## Gerhard Reidel

## Thomas Christian Schulz

(from 01.04.2004)

# General State Supervision

By virtue of an administrative convention concluded between the Federal Republic of Germany and the State of Berlin of 9/19 March 1955, general government supervision of the Bank is exercised by the Federal Minister of Economics.

In accordance with an organisation order of the Federal Chancellor of 15 December 1972, government supervision is the responsibility of the Federal Minister of Finance. The latter has appointed

## State Commissioner

## Ministerialrat Dr Heinrich Kock

Ministerial Councillor

Federal Ministry of Finance, Berlin  
(to 30.11.2004)

## Ministerialrat Peter Görß

Ministerial Councillor

Federal Ministry of Finance, Berlin  
(from 15.02.2005)

## Deputy State Commissioner

## Ministerialrat Peter Görß

Ministerial Councillor

Federal Ministry of Finance, Berlin  
(to 14.02.2005)

## Regierungsdirektor Jens Conert

Federal Ministry of Finance, Berlin

(from 15.02.2005)

# Fund-related Committees

## Investment Fund Committee of DekaBank (as of March 2005)

### Jürgen Teufel

*Chairman*

Deputy Chairman of the Board of Management of Sparkasse Pforzheim Calw, Calw

### Jürgen Kösters

*Deputy Chairman*

Member of the Board of Management of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover

### Members

#### Dr Norbert Bräuer

Member of the Board of Management of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main

#### Dr Guido Brune

Member of the Board of Management of Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -, Bremen

#### Dieter Burgmer

Member of the Board of Management of Bayerische Landesbank, Munich

#### Dr Norbert Emmerich

Member of the Board of Management of WestLB AG, Düsseldorf

#### Dr Johannes Evers

Member of the Board of Management of LandesBank Berlin - Girozentrale -, Berlin

#### Klaus Hacker

Chairman of the Board of Management of Sparkasse Hagen, Hagen

#### Michael Horn

Deputy Chairman of the Board of Management of Landesbank Baden-Württemberg, Stuttgart

### Dieter Klepper

Chairman of the Board of Management of Sparkasse Saarbrücken, Saarbrücken

### Axel Kraft

Member of the Board of Management of Kreissparkasse Köln, Cologne

### Siegmar Müller

Chairman of the Board of Management of Sparkasse Germersheim-Kandel, Kandel

### Jürgen Müsch

Member of the Board of Management of Landesbank Saar, Saarbrücken

### Wolfgang Pötschke

Chairman of the Board of Management of Sparkasse zu Lübeck, Lübeck

### Paul Kurt Schminke

Member of the Board of Management of LRP Landesbank Rheinland-Pfalz, Mainz

### Walter Schubert

Chairman of the Board of Management of Mittelbrandenburgische Sparkasse in Potsdam, Potsdam

### Georg Sellner

Chairman of the Board of Management of Stadt- und Kreis-Sparkasse Darmstadt, Darmstadt

### Dr Friedhelm Steinberg

Deputy Chairman of the Board of Management of Hamburger Sparkasse AG, Hamburg

### Franz Sales Waas, Ph. D.

Member of the Board of Management of HSH Nordbank AG, Kiel

### Ulrich Weiterer

Chairman of the Board of Management of Sparkasse Goslar/Harz, Goslar

### Extraordinary member

#### Christoph Schulz

Executive Member of the Board of Management of the German Savings Banks and Giro Association (DSGV e. V.), Berlin

(End of the term of office:  
31.12.2008)



## Fund Sales Advisory Council of DekaBank (as of March 2005)

### Jürgen Teufel

*Chairman*

Deputy Chairman of the Board of Management of Sparkasse Pforzheim Calw, Calw

### Jürgen Kösters

*Deputy Chairman*

Member of the Board of Management of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover

### Members

#### Hans Adler

Chairman of the Board of Management of Sparkasse Starkenburg, Heppenheim

#### Dietmar P. Binkowska

Deputy Chairman of the Board of Management of Sparkasse KölnBonn, Cologne

#### Berthold Balge

Chairman of the Board of Management of Kreissparkasse Saarlouis, Saarlouis

#### Götz Bormann

Chairman of the Board of Management of Sparkasse Kiel, Kiel

#### Manfred Driemeier

Member of the Board of Management of Sparkasse Osnabrück, Osnabrück

#### Fred Engelbrecht

Chairman of the Board of Management of Sparkasse Hamm, Hamm

#### Dr Johannes Evers

Member of the Board of Management of LandesBank Berlin - Girozentrale -, Berlin

#### Martin Fischer

Chairman of the Board of Management of Sparkasse Jena-Saale-Holzland, Jena

#### Volker Groß

Chairman of the Board of Management of Sparkasse Neunkirchen, Neunkirchen

#### Dr Thomas Grützmacher

Member of the Board of Management of Stadtparkasse München, Munich

### Hans Michael Hambücher

Chairman of the Board of Management of Kreissparkasse Heilbronn, Heilbronn

### Joachim Hoof

Deputy Chairman of the Board of Management of Ostsächsische Sparkasse Dresden, Dresden

### Helmut Kruse

Chairman of the Board of Management of Sparkasse Detmold, Detmold

### Hans Martz

Deputy Chairman of the Board of Management of Sparkasse Essen, Essen

### Uwe Perl

Member of the Board of Management of Städtische Sparkasse Bremerhaven, Bremerhaven

### Andreas Peters

Member of the Board of Management of Sparkasse Rhein-Nahe, Bad Kreuznach

### Dr Harald Quensen

Chairman of the Board of Management of Frankfurter Sparkasse, Frankfurt am Main

### Siegmund Schiminski

Chairman of the Board of Management of Sparkasse Bayreuth, Bayreuth

### Michael W. Schmidt

Chairman of the Board of Management of Sparkasse Worms-Alzey-Ried, Worms

### Walter Schubert

Chairman of the Board of Management of Mittelbrandenburgische Sparkasse in Potsdam, Potsdam

### Frank Schumacher

Member of the Board of Management of Sparkasse zu Lübeck, Lübeck

### Dr Heiko Staroßom

Member of the Board of Management, Die Sparkasse Bremen, Bremen

### Detlef Sternberg

Chairman of the Board of Management of Kreissparkasse Südholstein, Bad Segeberg

### Klaus Wagner

Deputy Chairman of the Board of Management of Kreissparkasse Verden, Verden

### Johannes Werner

Chairman of the Board of Management of Kreissparkasse Ostalb, Aalen

### Further members

#### Dr Bernd Kobarg

Chairman of the Management of Deutscher Sparkassen Verlag GmbH, Stuttgart

#### Heinz Panter

Chairman of the Board of Management of Landesbausparkasse Baden-Württemberg, Stuttgart

#### Günter Schlatter

Chairman of the Board of Management of Provinzial Rheinland – Die Versicherung der Sparkassen, Düsseldorf

#### Christoph Schulz

Executive Member of the Board of Management of the German Savings Banks and Giro Association (DSGV e. V.), Berlin

(End of the term of office:  
31.12.2007)

## Regional Fund Committees for Savings Banks (as of March 2005)

### Regional Fund Committee for Savings Banks NorthWest I

Sparkasse Aachen, Aachen  
 Sparkasse Rhein-Haardt, Bad Dürkheim  
 TaunusSparkasse, Bad Homburg  
 Sparkasse Stormarn, Bad Oldesloe  
 Sparkasse Bielefeld, Bielefeld  
 NORD / LB Norddeutsche Landesbank, Brunswick  
 Sparkasse Celle, Celle  
 Kreissparkasse Köln, Cologne  
 Stadt- und Kreis-Sparkasse Darmstadt, Darmstadt  
 Sparkasse Dortmund, Dortmund  
 Sparkasse Westmünsterland, Dülmen  
 Sparkasse Düren, Düren  
 Stadtparkasse Düsseldorf, Düsseldorf  
 Sparkasse Mittelthüringen, Erfurt  
 Kreissparkasse Heinsberg, Erkelenz  
 Sparkasse Wetterau, Friedberg  
 Sparkasse Gera-Greiz, Gera  
 Sparkasse Gifhorn-Wolfsburg, Gifhorn  
 Sparkasse Göttingen, Göttingen  
 Sparkasse der Stadt Hagen, Hagen  
 Hamburger Sparkasse AG, Hamburg  
 Sparkasse Harburg-Buxtehude, Hamburg  
 Sparkasse Hannover, Hannover  
 Sparkasse Herford, Herford  
 Sparkasse Hildesheim, Hildesheim  
 Kreissparkasse Steinfurt, Ibbenbüren  
 Sparkasse Koblenz, Koblenz  
 Sparkasse Krefeld, Krefeld  
 Sparkasse Südliche Weinstraße in Landau, Landau  
 Sparkasse Lemgo, Lemgo  
 Sparkasse Leverkusen, Leverkusen  
 Sparkasse Minden-Lübbecke, Minden  
 Sparkasse Mülheim an der Ruhr, Mülheim  
 Sparkasse Münsterland Ost, Münster  
 Sparkasse Paderborn, Paderborn  
 Kreissparkasse Herzogtum Lauenburg, Ratzeburg  
 Sparkasse Schaumburg, Rinteln  
 Sparkasse Saarbrücken, Saarbrücken  
 Nord-Ostsee Sparkasse, Schleswig  
 Sparkasse Siegen, Siegen  
 Stadt-Sparkasse Solingen, Solingen  
 Sparkasse Trier, Trier  
 Sparkasse Hilden-Ratingen-Velbert, Velbert  
 Nassauische Sparkasse, Wiesbaden  
 Stadtparkasse Wuppertal, Wuppertal

### Further Members

Savings Banks and Giro Association of the  
 Rhineland, Düsseldorf  
 Savings Banks and Giro Association of Hesse-  
 Thuringia, Frankfurt am Main and Erfurt  
 Hanseatic Savings Banks and Giro Association,  
 Hamburg  
 Savings Banks and Giro Association of Lower  
 Saxony, Hanover  
 Savings Banks and Giro Association for Schleswig-  
 Holstein, Kiel  
 Savings Banks and Giro Association of Rhineland-  
 Palatinate, Mainz  
 Savings Banks and Giro Association of Westphalia-  
 Lippe, Münster  
 Savings Banks Association Saar, Saarbrücken

### Regional Fund Committee for Savings Banks NorthWest II (North and Westphalia)

Sparkasse Attendorn-Lennestadt-Kirchhundem,  
 Attendorn  
 Stadtparkasse Bad Oeynhausen, Bad Oeynhausen  
 Stadtparkasse Bad Pyrmont, Bad Pyrmont  
 Stadtparkasse Bad Sachsa, Bad Sachsa  
 Stadtparkasse Bocholt, Bocholt  
 Bordesholmer Sparkasse, Bordesholm  
 Sparkasse Höxter, Brakel  
 Kreissparkasse Wesermünde-Hadeln, Bremerhaven  
 Stadtparkasse Burgdorf, Burgdorf  
 Stadtparkasse Delbrück, Delbrück  
 Kreissparkasse Grafschaft Diepholz, Diepholz  
 VerbundSparkasse Emsdetten-Ochtrup, Emsdetten  
 Sparkasse Finnentrop, Finnentrop  
 Flensburger Sparkasse, Flensburg  
 Sparkasse Goslar / Harz, Goslar  
 Sparkasse Gütersloh, Gütersloh  
 Kreissparkasse Halle, Halle (Westphalia)  
 Stadtparkasse Hemer, Hemer  
 Stadtparkasse Herdecke, Herdecke  
 Sparkasse Kierspe-Meinerzhagen, Kierspe  
 Stadtparkasse Lengerich, Lengerich  
 Stadtparkasse Lippstadt, Lippstadt  
 Sparkasse Lüneburg, Lüneburg  
 Sparkasse Lünen, Lünen  
 Zweckverbandssparkasse Meschede, Meschede  
 Sparkasse Nienburg, Nienburg  
 Kreissparkasse Grafschaft Bentheim zu Nordhorn,  
 Nordhorn  
 Stadtparkasse Osterode, Osterode  
 Kreissparkasse Peine, Peine  
 Kreissparkasse Wiedenbrück, Rheda-Wiedenbrück  
 Sparkasse Scheeßel, Scheeßel  
 Sparkasse Sprockhövel, Sprockhövel

Sparkasse Uelzen, Uelzen  
 Stadtparkasse Versmold, Versmold  
 Stadtparkasse Wedel, Wedel  
 Sparkasse Werl, Werl  
 Stadtparkasse Werne, Werne  
 Stadtparkasse Wetter, Wetter  
 Kreissparkasse Wittmund, Wittmund

### Regional Fund Committee for Savings Banks NorthWest II (Centre and Rhineland)

Kreissparkasse Altenkirchen, Altenkirchen  
 Sparkasse Bad Hersfeld-Rotenburg, Bad Hersfeld  
 Stadtparkasse Bad Honnef, Bad Honnef  
 Kreissparkasse Westerwald, Bad Marienberg  
 Sparkasse Bensheim, Bensheim  
 Sparkasse Mittelmosel - Eifel Mosel Hunsrück,  
 Bernkastel-Kues  
 Kreissparkasse Daun, Daun  
 Sparkasse Dinslaken-Voerde-Hünxe, Dinslaken  
 Wartburg-Sparkasse, Eisenach  
 Sparkasse Odenwaldkreis, Erbach  
 Sparkasse Geldern, Geldern  
 Sparkasse Gernersheim-Kandel, Kandel  
 Sparkasse Gießen, Gießen  
 Verbandssparkasse Goch, Goch  
 Kreissparkasse Gotha, Gotha  
 Sparkasse Dieburg, Groß-Umstadt  
 Sparkasse Gummersbach-Bergneustadt,  
 Gummersbach  
 Stadt-Sparkasse Haan, Haan  
 Kreissparkasse Saarpfalz, Homburg (Saar)  
 Stadtparkasse Kaarst-Büttgen, Kaarst  
 Stadtparkasse Kaiserslautern, Kaiserslautern  
 Sparkasse Kleve, Kleve  
 Kreissparkasse Limburg, Limburg (Lahn)  
 Sparkasse Vorderpfalz Ludwigshafen a. Rhein  
 – Schifferstadt, Ludwigshafen  
 Sparkasse Mainz, Mainz  
 Kreissparkasse Mayen, Mayen  
 Rhön-Rennsteig-Sparkasse, Meiningen  
 Sparkasse Merzig-Wadern, Merzig  
 Sparkasse Neuwied, Neuwied  
 Kreissparkasse Nordhausen, Nordhausen  
 Städtische Sparkasse Offenbach, Offenbach  
 Sparkasse Radevormwald-Hückeswagen,  
 Radevormwald  
 Kreissparkasse Saalfeld-Rudolstadt, Saalfeld  
 Kreissparkasse Schlüchtern, Schlüchtern  
 Kyffhäuserparkasse Artern-Sondershausen,  
 Sondershausen  
 Sparkasse Sonneberg, Sonneberg  
 Kreis- und Stadtparkasse Speyer, Speyer  
 Kreissparkasse St. Wendel, St. Wendel  
 Kreissparkasse Eichsfeld, Worbis

### Regional Fund Committee for Savings Banks SouthEast I

Vereinigte Sparkassen Stadt und Landkreis  
Ansbach, Ansbach  
Kreissparkasse Augsburg, Augsburg  
Stadtparkasse Augsburg – Kreditanstalt des  
öffentlichen Rechts, Augsburg  
Sparkasse Zollernalb, Balingen  
Sparkasse Bamberg, Bamberg  
LandesBank Berlin, Berlin  
Kreissparkasse Biberach, Biberach  
Kreissparkasse Böblingen, Böblingen  
Sparkasse Kraichgau, Bruchsal  
Sparkasse Chemnitz, Chemnitz  
Stadt- und Kreissparkasse Erlangen, Erlangen  
Kreissparkasse Esslingen-Nürtingen, Esslingen  
Sparkasse Freiburg-Nördlicher Breisgau, Freiburg  
Sparkasse Bodensee, Friedrichshafen and Konstanz  
Sparkasse Fürstenfeldbruck, Fürstenfeldbruck  
Sparkasse Fürth, Fürth  
Kreissparkasse Göppingen, Göppingen  
Stadt- und Saalkreissparkasse Halle, Halle  
Sparkasse Heidelberg, Heidelberg  
Sparkasse Allgäu, Kempten  
Stadt- und Kreissparkasse Leipzig, Leipzig  
Kreissparkasse Ludwigsburg, Ludwigsburg  
Stadtparkasse Magdeburg, Magdeburg  
Sparkasse Memmingen-Lindau-Mindelheim,  
Memmingen  
Kreissparkasse München Starnberg, Munich  
Sparkasse Nürnberg, Nuremberg  
Sparkasse Offenburg / Ortenau, Offenburg  
Sparkasse Vogtland, Plauen  
Kreissparkasse Ravensburg, Ravensburg  
Sparkasse Regensburg, Regensburg  
Kreissparkasse Reutlingen, Reutlingen  
Ostseesparkasse Rostock, Rostock  
Sparkasse Mittelfranken-Süd, Roth  
Landesbank Baden-Württemberg, Stuttgart  
Sparkasse Tauberfranken, Tauberbischofsheim  
Kreissparkasse Tübingen, Tübingen  
Kreissparkasse Tuttlingen, Tuttlingen  
Sparkasse Schwarzwald-Baar, Villingen-  
Schwenningen  
Kreissparkasse Waiblingen, Waiblingen  
Sparkasse Mainfranken Würzburg, Würzburg  
Sparkasse Zwickau, Zwickau

### Further Members

East German Savings Banks and Giro Association,  
Berlin  
Savings Banks Association of Baden-Wuerttemberg,  
Stuttgart and Mannheim  
Savings Banks Association of Bavaria, Munich

### Regional Fund Committee for Savings Banks SouthEast II

Sparkasse Erzgebirge, Annaberg  
Kreissparkasse Aue-Schwarzenberg, Aue  
Sparkasse Bad Kissingen, Bad Kissingen  
Kreissparkasse Bautzen, Bautzen  
Sparkasse Bonndorf-Stühlingen, Bonndorf  
Sparkasse Bühl, Bühl  
Sparkasse Delitzsch-Eilenburg, Delitzsch  
Stadtparkasse Dessau, Dessau  
Sparkasse Elbe-Elster, Finsterwalde  
Sparkasse Freyung-Grafenau, Freyung  
Sparkasse Muldentale, Grimma  
Kreissparkasse Ludwigslust, Hagenow  
Sparkasse Hockenheim, Hockenheim  
Kreis- und Stadtparkasse Kaufbeuren, Kaufbeuren  
Sparkasse Hanauerland, Kehl  
Kreissparkasse Köthen, Köthen  
Sparkasse Wittenberg, Lutherstadt Wittenberg  
Kreissparkasse Meißen, Meißen  
Sparkasse Neckartal-Odenwald, Mosbach, Buchen,  
Eberbach und Osterburken  
Sparkasse Markgräflerland, Müllheim and Weil  
am Rhein  
Stadtparkasse Neuburg-Rain, Neuburg an der  
Donau  
Sparkasse Ostprignitz-Ruppin, Neuruppin  
Sparkasse Mecklenburg-Strelitz, Neustrelitz  
Kreissparkasse Riesa-Großenhain, Riesa  
Sparkasse Schwerin, Schwerin  
Sparkasse Niederlausitz, Senftenberg  
Hohenzollerische Landesbank – Kreissparkasse  
Sigmaringen, Sigmaringen  
Sparkasse Singen-Radolfzell, Singen (Hohentwiel)  
Kreissparkasse Aschersleben-Staßfurt, Staßfurt  
Sparkasse Stauf-Breisach, Stauf  
Sparkasse Hansestadt Stralsund - Anstalt des  
öffentlichen Rechts -, Stralsund

Sparkasse im Landkreis Tirschenreuth,  
Tirschenreuth  
Sparkasse Hochschwarzwald, Titisee-Neustadt  
Sparkasse Hochrhein, Waldshut-Tiengen  
Müritz-Sparkasse, Waren (Müritz)  
Stadtparkasse Weiden i.d.OPf., Weiden i.d.OPf.  
Sparkasse Wolfach, Wolfach  
Sparkasse Burgenlandkreis, Zeitz

(End of the term of office: 31.12.2006 respectively)

# Supervisory Boards and Management Boards of Subsidiaries

## Supervisory Board of Deka Investment GmbH (as of March 2005)

### Dr Peter J. Mathis

*Chairman*

Deputy Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Axel Weber

*Deputy Chairman*

Chairman of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Members

#### Hartmut Boeckler

Member of the Board of Management of Nassauische Sparkasse, Wiesbaden

#### Eckhard Fiene

Executive Manager of Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -, Bremen

#### Herbert-Hans Grüntker

Executive Manager of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main

### Bernd Gurzki

Chairman of the Board of Management of Sparkasse Emden, Emden

### Hans Hartmann

Executive Manager of NORD/LB Norddeutsche Landesbank Girozentrale, Brunswick

### Dr Joachim Herrmann

Chairman of the Board of Management of Hohenzollerische Landesbank – Kreissparkasse Sigmaringen, Sigmaringen

### Joachim Hoof

Deputy Chairman of the Board of Management of Ostächsische Sparkasse Dresden, Dresden

### Michael Horn

Deputy Chairman of the Board of Management of Landesbank Baden-Württemberg, Stuttgart

### Gerhard Klimm

Executive Manager of LRP Landesbank Rheinland-Pfalz, Mainz

### Jörg-Peter Lühmann

Gelnhausen

### Peter Mausolf

Member of the Board of Management of Sparkasse Herford, Herford

### Jürgen Müsch

Member of the Board of Management of Landesbank Saar, Saarbrücken

### Uwe Perl

Member of the Board of Management of Städtische Sparkasse Bremerhaven, Bremerhaven

### Dieter Schaefer

Chairman of the Board of Management of Sparkasse Schwarzwald-Baar, Villingen-Schwenningen

### Werner Schmiedeler

Chairman of the Board of Management of Vereinigte Sparkassen Stadt und Landkreis Ansbach, Ansbach

### Rainer Schmitz

Deputy Member of the Board of Management of WestLB AG, Düsseldorf

### Hans Schwarz

Chairman of the Board of Management of Stadtparkasse Düsseldorf, Düsseldorf

### Hans-Joachim Strüder

Head of Division Capital Markets, Trading and Sales, Landesbank Baden-Württemberg, Stuttgart

### Franz Sales Waas, Ph. D.

Member of the Board of Management of HSH Nordbank AG, Kiel

### Board of Management

#### Thomas Neißer

*Chairman*

#### Dr Wolfgang Leoni

#### Dr Manfred Nuske

#### Dr Udo Schmidt-Mohr

*Deputy Member*

#### Dr Holger Sepp

*Deputy Member*

## Supervisory Board of Deka Immobilien Investment GmbH (as of March 2005)

### Fritz Oelrich

*Chairman*

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Dr Bernhard Steinmetz

*Deputy Chairman*

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Members

#### Dr Jürgen Allerkamp

Member of the Board of Management of NORD/LB Norddeutsche Landesbank Girozentrale, Brunswick

#### Werner Fuchs

Member of the Board of Management of LRP Landesbank Rheinland-Pfalz, Mainz

### Hans-Jürgen Gutenberg

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Dr Max Häring

Chairman of the Board of Management of Landesbank Saar, Saarbrücken

### Dr Karl Heidenreich

Member of the Board of Management of Landesbank Baden-Württemberg, Mannheim

### Johannes Hüser

Chairman of the Board of Management of Kreissparkasse Wiedenbrück, Rheda-Wiedenbrück

### Peter Kobiela

Member of the Board of Management of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main

### Dirk Köhler

Chairman of the Board of Management of Sparkasse Uelzen, Uelzen

### Dr Klaus Köhler

Chairman of the Board of Management of Kreissparkasse Quedlinburg, Quedlinburg

### Herbert Lehmann

Chairman of the Board of Management of Sparkasse Staufeu-Breisach, Staufen

### Holger Mai

Member of the Board of Management of TaunusSparkasse, Bad Homburg v. d. H.

### Gerrit Raupach

Member of the Board of Management of Sachsen LB Landesbank Sachsen Girozentrale, Leipzig

### Peter Rieck

Member of the Board of Management of HSH Nordbank AG, Hamburg

### Karl-Heinz Tenter

Chairman of the Board of Management of Sparkasse am Niederrhein, Moers

### Bernhard Visser

Head of Division Real Estate, HSH Nordbank AG, Hamburg

### Dr Harald Vogelsang

Member of the Board of Management of Hamburger Sparkasse AG, Hamburg

### Johannes Werner

Chairman of the Board of Management of Kreissparkasse Ostalb, Aalen

### Board of Management

#### Rainer Mach

#### Johannes Haug

*Deputy Member*

#### Dr Walter Helbach

*Deputy Member*

## Supervisory Board of WestInvest Gesellschaft für Investmentfonds mbH (as of March 2005)

### Fritz Oelrich

*Chairman*

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Dr Bernhard Steinmetz

*Deputy Chairman*

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Members

#### Erich Albertmelcher

Head of Division Real Estate Clients, LRP Landesbank Rheinland-Pfalz, Mainz

### Hans-Joachim Beuth

Head of Division Retail and Investment Customers Region II, Landesbank Baden-Württemberg, Stuttgart

### Dr Rudolf Fuchs

Chairman of the Board of Management of Sparkasse Mainfranken Würzburg, Würzburg

### Wilhelm Gehrke

Chairman of the Management of NILEG Norddeutsche Immobiliengesellschaft mbH, Hanover

### Joachim Gerenkamp

Chairman of the Board of Management of Sparkasse Werl, Werl

### Hans-Jürgen Gutenberger

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Lothar Heinemann

Chairman of the Board of Management of Stadtparkasse Solingen, Solingen

### Rolf Settelmeier

Chairman of the Board of Management of Sparkasse Vorderpfalz Ludwigshafen a. Rh. – Schifferstadt, Ludwigshafen

### Bruno Sommer

Head of Division Real Estate Financing, Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main

### Bernd Visker

Head of Division Real Estate, HSH Nordbank AG, Hamburg

### Dr Hermann Weber

Chairman of the Board of Management of Sparkasse Offenburg/Ortenau, Offenburg

### Board of Management

#### Rolf Weert Meinders

*Chairman*

#### Matthias Drüppel

#### Wolfgang Schwanke

#### Kurt G. Zimmermann

## Supervisory Board of Deka FundMaster Investmentgesellschaft mbH (as of March 2005)

### Dr Peter J. Mathis

*Chairman*

Deputy Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Dr Bernhard Steinmetz

*Deputy Chairman*

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Member

#### Fritz Oelrich

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Board of Management

#### Birgit Eichhorn

#### Dr Matthias Pfeiffer

## Supervisory Board of DekaBank Deutsche Girozentrale Luxembourg S. A. (as of March 2005)

### Axel Weber

*Chairman*

Chairman of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Dr Peter J. Mathis

*Deputy Chairman*

Deputy Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Members

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Member of the Management of LRI Landesbank Rheinland-Pfalz International S.A., Luxembourg

#### Andrea Binkowski

Chairwoman of the Board of Management of Sparkasse Mecklenburg-Strelitz, Neustrelitz

#### Edmund Brenner

Chairman of the Board of Management of Sparkasse Tauberfranken, Tauberbischofsheim

### Kurt Gliwitsky

Director of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover

### Manfred Graulich

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### Hans-Jürgen Gutenberger

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Martin Haf

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### Hans-Heinrich Hahne

Chairman of the Board of Management of Sparkasse Schaumburg, Rinteln

### Marina Heller

Chairwoman of the Board of Management of Rhön-Rennsteig Sparkasse, Meiningen

### Friedel Höhn

Deputy Chairman of the Board of Management of Kreissparkasse Saarlouis, Saarlouis

### Karl-Ludwig Kamprath

Chairman of the Board of Management of Kreissparkasse München Starnberg, Munich

### Rainer Krick

Executive Manager of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main

### Hans-Jürgen Kulartz

Member of the Board of Management of LandesBank Berlin - Girozentrale -, Berlin

### Fritz Lütke-Uhlenbrock

Member of the Board of Management of Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -, Bremen

### Rainer Mach

Managing Director of DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg

### Ralf Menzel

Head of Division Equity, Landesbank Baden-Württemberg, Stuttgart

### Dr Wolfgang Riedel

Member of the Board of Management of Sparkasse KölnBonn, Bonn

### Detlef Sternberg

Chairman of the Board of Management of Kreissparkasse Südholstein, Bad Segeberg

### Heinz-Dieter Tschuschke

Chairman of the Board of Management of Sparkasse Meschede, Meschede

### Mathias Wrage

Deputy Head of Division Capital Markets, HSH Nordbank AG, Hamburg

### Board of Management

#### Rainer Mach

*Managing Director*

#### Bruno Stuckenbroeker

#### Patrick Weydert

## Supervisory Board of Deka(Swiss) Privatbank AG (as of March 2005)

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*President*

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Dr Alfred Schwarzenbach

*Vice-President*

Company Director, Erlenbach

### Members

#### Fernand Koch

Partner of Lombard Odier Darier Hentsch & Cie., Geneva

#### Jörg-Peter Lühmann

Gelnhausen

### Walter Nötzli

Member of the Board of Management of LB(Swiss) Privatbank AG, Zurich

#### Fritz Oelrich

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

### Antonio Sergi

Member of the Board of Management of Banca del Gottardo, Lugano

### Board of Management

#### Herbert Mattle

*Chairman*

#### Dr Andreas Suter

## Supervisory Board of Deka International (Ireland) Ltd. (as of March 2005)

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*Deputy Chairman*

Deputy Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

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### William McCann

Dublin

#### Fritz Oelrich

Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

#### James Scanlon

Partner at Matheson Ormsby Prentice, Dublin

### Grainne Walsh

General Manager of Deka International (Ireland) Ltd., Dublin

### General Manager

#### Grainne Walsh

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Phone: (+49) 69 71 47-13 96 or

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