DekaBank

2002

Annual Report

DekaBank
Deutsche Girozentrale

Finanzgruppe

DekaBank Annual Report 2002

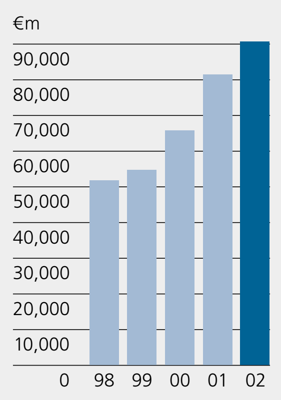
DekaBank
Deutsche Girozentrale

Annual Report 2002

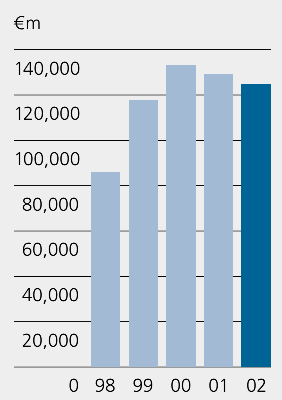
Overview of DekaBank Group

€m	1998	1999	2000	2001	**2002**
Total assets	61,484	64,785	76,680	81,371	**90,059**
Liable equity capital	1,724	1,789	2,039	2,093	**3,116**
Due to					
banks	30,183	31,654	34,525	31,732	**31,102**
customers	10,174	10,787	13,885	19,144	**20,481**
Due from					
banks	28,244	29,545	34,287	33,584	**39,922**
customers	18,380	19,543	18,864	21,926	**21,550**
Fund assets	85,895	118,749	134,319	133,499	**122,153**
Net inflows	12,083	18,759	22,889	12,476	**7,504**
Custodial account volume	22,841	40,643	52,657	53,836	**50,268**
Net income	114	77	150	92	**54**
Staff	1,793	2,329	2,899	3,199	**3,219**

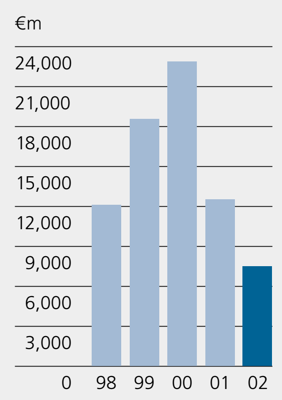
Total assets



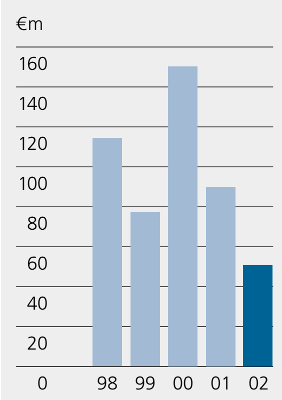
Fund assets



Net inflows



Net income



The goal

We, DekaBank, are the leading asset manager and central financial services provider of the German Savings Banks Group. We aim to offer our customers superior quality and to systematically expand our market position.

Ladies and gentlemen,

We are pleased to present our annual report for 2002.

Consistency and continuity are qualities that prove their worth above all in difficult times. In 2002, DekaBank proved its strengths in spite of a negative environment: a substantially broader capital base, a higher operating result and a sector-bucking positive result in provisions underscore the Group's good health, evidenced too by its sustained good ratings. In the investment fund segment, inflows across all categories – although lower, as anticipated – point to the enormous strength of our exclusive marketing partners, the German savings banks.

Last year's business developments reflect a deliberate focus on our strengths: a carefully calibrated business policy, disciplined and efficient cost management together with a close working partnership with savings banks. The key elements here are concentrating on our core strengths, asset management and banking, along with our traditionally conservative risk management. Our activities are based on a long-term sustainable and clearly defined strategy, not short-term financially fashionable concepts.

This strategy formed the yardstick for key, route-critical decisions in 2002. Our improved cost-income ratio confirmed our timely policy of cost and process optimisation, and in the funds segment we established a new investment process that has optimised risk management and product quality.

In the strategically crucial field of occupational pension provision, we have positioned ourselves alongside public-sector insurers and at the same time set up a dedicated expertise centre to provide support to savings banks. All our activities are based on our close partnership with saving banks – our proven recipe for success. The bundling of our activities as a central financial services provider in combination with the decentralised marketing strengths of the savings banks guarantees our competitiveness in the long term.

Our achievements in 2002 are largely due to the commitment and performance of our employees. We are especially grateful for their dedication, as we are to the responsible boards and committees of the Bank and its subsidiaries. In order to define our targets, processes and values within as well as outside the Group, we drew up a corporate identity in 2002, one that expresses our sense of self in our relationship with our customers, our business partners and ourselves. And to underscore the importance of our new identity, its principles form the visual backdrop to this annual report.

We intend to pursue the goal embedded in our identity – offering customers superior quality and systematically enhancing our market position – as keenly as focusing on cost and process optimisation in the current business year. If we continue to concentrate on our strengths, we will have every reason to face the challenges that lie ahead with optimism.

Sincerely,

Axel Weber
Chairman of the Board of Management

Clear focus on core competencies

We operate globally in the Asset Management, Corporate Banking and Capital Markets segments. These are our core competencies and they are strengthened by our focused specialisation. Our business spans service production, marketing and transaction banking. Sustainable profitability combined with controlled risk determines our service offering. Our success is founded on the German Savings Banks Group. Our aim is to expand our position, both qualitatively and quantitatively, through the targeted leveraging of market potential.

DekaBank Group's new identity – a holistic approach

The way in which people think and act is fundamentally determined by their values and by the aims these give rise to. The same is true for companies, who in a sociological sense are no more than an organisational platform for a group of people pursuing an identical goal based on shared values. This shared goal, the path pursued to achieve it, and the values on which they are based can be described as an 'identity'.

To be truly 'lived', a consistent and cohesive corporate identity needs a realistic and framework-based corporate strategy, which is why DekaBank Group's senior management team began in early 2000 to take a serious look at the issue of strategic positioning, and in the course of the following eighteen months gave the Group a new structure dedicated to further enhancing our asset management division as well as to extending our traditional banking business along clearly defined lines.

Since then, our task has been to breathe life into this new operational framework by developing our identity, something that became increasingly necessary and urgent in the wake of the successful merger of Deutsche Girozentrale and DekaBank GmbH in 1999 and as a result of the increasingly difficult market environment. The project met with a positive reaction but high expectations too, influenced to a great extent by the fact that today more than half of all employees joined the Group after the merger. On the one hand, this made the identity project easier but on the other, it raised expectations for its success since traditional employee loyalty through length of service alone could not be counted on: instead a new loyalty was necessary, one based on the intensity of service – in other words, emotional loyalty.

The social aspect

Defining our identity was not only necessary to strengthen the Bank internally after the merger, it was equally necessary because of fundamental changes in how companies in general and financial services companies in particular are perceived by society.

Competition among companies is no longer exclusively limited to products, solutions to problems and business models but is spreading increasingly to identity and reputation. In an era of ever-faster social and economic change, we are seeing a greater search for values and direction as a form of compensation.

Safety is one of the values that is enjoying increasing importance. And it is this very value that financial markets and thus the financial industry seem in the eyes of the public to be able to offer less and less of. The constant string of negative news from the credit industry (corporate rescues, emergency mergers, job losses, risky ventures, regulations imposed by Basle II and Brussels, the latter in particular with regard to public-sector banking), as well as developments on capital markets are clearly not the kind of news that build confidence.

trust through emotional loyalty

In such a context, confidence, trust and safety can only thrive against the background of a comprehensive, in other words also emotion-based, image-generating intimacy. Communication that is reduced to mere brands is just not enough to last.

A process with its own justification

Although developing an identity for DekaBank could be seen as a consequence of Group strategy and without this 'preparatory stage' neither meaningful nor feasible, it had at the same time an independent legitimacy of its own. The process of developing a strategy was necessary to guarantee a viable future for the Group. The original purpose of the identity project was to express the principles we shared and for the Bank, its sense of self, its mission and how it functions in a way that would both convey identity and shape behaviour.

From the very beginning, the project was not intended to reinvent the wheel or to solve the world's problems. Instead, we took a realistic approach, looking at DekaBank as it actually was. The idea was to look at the company holistically, integrating already completed or ongoing processes – above all Group strategy, the impact of our marketing strategy and costing in-house services. This allowed us to manage the project both effectively and efficiently. It meant we were able not only to conceptually integrate individual aspects but also to create a framework in which future issues and aspects could be integrated into the overall communicative structure.

Of crucial importance to the success of the process was that it was clearly structured, transparent and flexible. No adjustments needed to be made during the course of the project – in fact, the work was carried out in a highly reliable manner and within an extremely narrow timeframe. The reliability with which all process stages were implemented was a key factor in assuring the high level of trust placed in the overall project by all those concerned. And we must also not forget that even in critical situations, new problem-solving strategies were debated in a constructive and open manner rather than pushing on stubbornly with the published plan.

Bottom-up, not top-down

In the final analysis, however, what determined the project's success was the policy of informing and integrating all staff in a detailed and continuous manner. From the start, the project was based on the belief that a corporate identity cannot be drawn up in a focus group meeting on company development but can only shape behaviour and attitudes if all the Bank's staff can play a part in creating it.

staff included in all project stages

This meant that staff were actively and through suitable channels (personal interviews, Group-wide online survey, chat rooms and identity forums), included in every project stage. Our information policy made no distinction between management and staff and this openness paid off in the end.

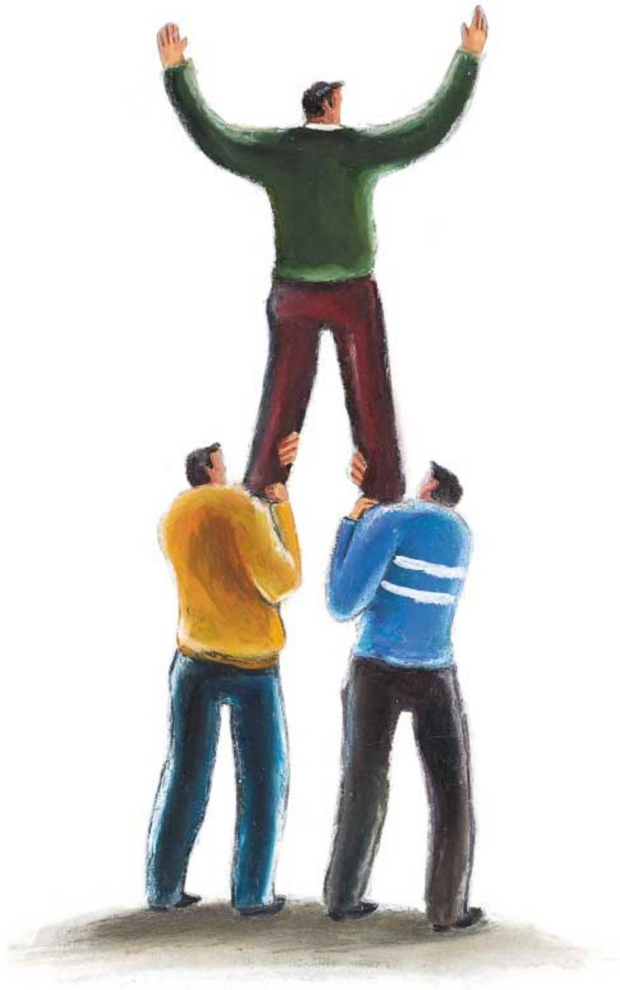
The aim of integrating all staff was to swiftly transform them from passive into active contributors. Developing our identity, however, can only create the basic conditions. What is decisive in the end is that it is implemented in operational activities that are relevant to all employees – and first and foremost this calls for management to set an example. Our identity project met with a high level of acceptance, a fact borne out by the strong response to the online survey which, at 75 per cent Group-wide, was far higher than similar projects in other companies.

Changing DekaBank permanently

In November 2002, the corporate identity statement was formally agreed by the Board and immediately communicated throughout the Group. And even if on some points we have not yet achieved what is set out in the statement, the process has already set the stage for a new corporate culture, one of greater transparency and more open communication. Seen from this angle, one could say that our identity has already become part of our corporate life.

greater transparency and more open communication

Nevertheless, transforming our identity as closely as possible into reality will be neither an easy nor a short task. This is why we need to remember, particularly in situations that are difficult for all those involved, to use the standards we have set ourselves as a benchmark for the way we communicate with one another.



Our customers are key

Our products and services are consistently tailored to the needs of our customers, with profitability being the driver of our activities. A professional and credible market presence strengthens our competitive position.

The Financial Year 2002

Essay: the strains on the world economy continue

After the huge speculative excesses seen on equity markets in the second half of the 1990s, the global economy's period of correction continued into 2002. Although the US economy performed better than expected, with gross domestic product (GDP) growing at around 2.5 per cent, the outlook worsened in the second half of the year, not least because equity markets fell sharply again mid-year. In contrast, the eurozone posted only modest growth, performing below expectations overall. This was especially true of overall economic growth in Germany. The catastrophic situation of the country's public finances, which came to light after the elections in September, and the economic policy changes this triggered marked the end, at least for the time being, of unrealistic expectations and left Germany facing no more than zero GDP growth in 2002.

The new geopolitical dangers and the serious threat of terrorist attacks will not disappear in the years to come. The world's economies will be paying a 'terror tax' in the form of higher security costs and a trend towards lower potential growth in the real economy plus risk premiums on capital markets. Companies will be pressured to generate higher returns on economic activity than if these dangers did not exist. And even if these new parameters eventually become the norm, the process of adjustment will certainly last several years. This means in particular that the trend towards higher risk premiums on capital markets will continue in the foreseeable future. Overall, the ability of economies to absorb shocks has been severely tested in the past two years. A number of 'airbags' have by now been deployed by monetary and fiscal policymakers, companies and capital market investors that have cushioned the collapse of economies, but the critical 'crush zones' are now also increasingly being used and the capacity to sustain further risk has declined.

trend towards higher risk premiums

Just as the speculative bubble took several years to develop, it will be a long time before it dissipates. This means we can expect relatively sluggish investment growth rates and increased uncertainty to persist for a while. It will be some time before the new economy fever has subsided in all segments of the US economy and we can only hope that no further negative shocks lie in wait for the global economy during this period. US economic policymakers have at any rate undertaken everything possible to cushion the impact on the real economy of the enormous market imbalances.

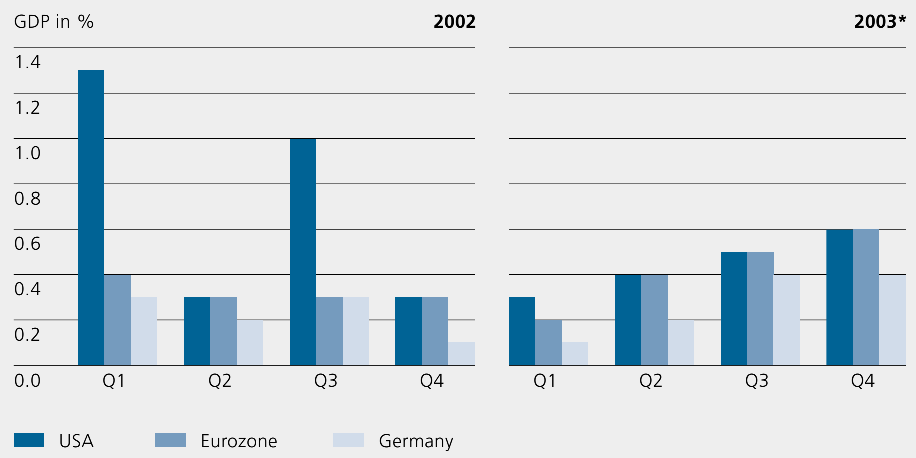
Economic policymakers in the eurozone have not, however, been as successful. Here, it is less the reactions to global shocks but more the fundamental direction of economic policy that is a cause for concern. As a result, the eurozone economy is moving only very hesitantly – and solely in the wake of the US economy – towards an upswing. When all is said and done, however, what the eurozone is suffering from are largely structural and homemade problems.

rigid structures prevent flexible adjustment

In contrast to the United States, rigid labour market structures are preventing companies from reacting flexibly to a worsening business environment. This means companies in the eurozone take longer to regain confidence and are reluctant to hire new staff even when business prospects pick up – for fear of a renewed slide in business. This is why the lack of a recovery on labour markets is very clearly reflected in increasingly flat consumer behaviour.

The persistence of excessively high budget deficits, especially in the eurozone's large economies, and the reduced room for manoeuvre this brings means that governments lack the means – through tax cuts, for example – to stimulate the economy.

Economic Growth 2002 / 2003



Source: economics department DekaBank
* estimated

Germany: an impediment to growth

In fact, the contrary is the case: rising social security contributions are placing a burden both on employees, who are spending less, and companies, who are investing less. This is especially true for Germany, currently the eurozone's biggest impediment to growth. The responsibility that Germany holds for economic growth in the eurozone is enormous – not only has its weak GDP growth been dragging the eurozone average down sharply ever since the mid-1990s, but its close trading ties with other members are having a negative impact and causing growth to falter there, too.

We should not forget that Germany is still suffering from the effects of its own over-investment crisis: the excessively government-sponsored construction activity of the early 1990s. Nor was it able, as were most other eurozone countries, to benefit from a convergence-related easing of interest rates in the run-up to monetary union. This makes it all the more important to activate existing growth potential. As things stand, however, this seems unlikely to occur in the foreseeable future. Economic policy parameters continue to prevent a more efficient deployment of economic resources – in the employment market, for example.

heavy tax burden is demotivating

Added to this, the excessively high taxation of income is systematically demotivating the working population. The beginning of 2003 saw encouraging signals from the German government with regard to reducing bureaucracy, simplifying the tax system and streamlining out-of-control social security benefits aimed at freeing up capacities in order to reduce the suffocating tax and social security burden on companies and private households. But – in view of the numerous 'mini-reforms' we have endured thus far – nobody can predict whether this will finally turn out to be the much-heralded reform to end all reforms.

Performance and innovative strength shape our success

In order to achieve market leadership on a like-for-like basis in the quality of our internal processes, products and services, we focus on innovation and creativity. We grasp market opportunities decisively. We enhance the performance and innovative strengths of our employees through motivation, open debate and knowledge-sharing. We learn from our successes as well as from our mistakes. We operate our business processes efficiently and unbureaucratically, evaluating ourselves according to international benchmarks.

Group Management Report and Management Report of DekaBank Deutsche Girozentrale for 2002

After the worldwide plunge in equity prices, the world's big economies continue to face severe strains. Weak growth in 2001 was not followed by the hoped-for upswing in 2002. At the beginning of the year, sentiment indicators pointed to a strong economy recovery but the forecasts proved over-optimistic. Considerably lower-than-expected demand for exports and heavy losses on stock markets during the year were clearly important reasons for the weak growth. The persistence of excessively high public deficits, especially in Europe's large economies, Germany, France and Italy, and the reduced room for manoeuvre this brings means that governments lack the means – through tax cuts, for example – to stimulate the economy. In addition, rising social security contributions have placed a burden both on employees, who are spending less, and companies, who are investing less.

Group restructuring

DGZ·DekaBank Deutsche Kommunalbank, which was created out of the merger of Deutsche Girozentrale –Deutsche Kommunalbank– and DekaBank GmbH on 1 January 1999, was renamed DekaBank Deutsche Girozentrale, DekaBank for short, on 1 July 2002.

new name: DekaBank

With effect from 1 January 2002, our two Luxembourg-based banking subsidiaries, DekaBank (Luxemburg) S.A. and Deutsche Girozentrale International S.A., merged their core business operations investment funds (custody and fund-based asset management), lending and trading to form DekaBank Deutsche Girozentrale Luxembourg S.A.

In order to achieve a unified and strong market presence in Luxembourg, investment companies Deka International S.A. and International Fund Management S.A. – previously wholly-owned subsidiaries of DekaBank – were affiliated with the newly merged Luxembourg institution.

Within the framework of Group strategy and the restructuring of our investment process in the securities fund segment, our special fund subsidiary Deka Investment Management GmbH was integrated into our mutual fund subsidiary Deka Investment GmbH (until 31 December 2001 known as Deka Deutsche Kapitalanlagegesellschaft mbH) with effect from 1 January 2002.

The shares in Deka FondsSupport GmbH, whose purpose is to support the DekaBank Group's investment and asset management companies in all back and middle office operations, were transferred from the existing Group shareholders (investment companies) to DekaBank with effect from 1 January 2002.

Ownership structure of DekaBank

DekaBank's landesbank shareholders (with the exception of LandesBank Berlin - Girozentrale -) almost completely transferred their shares to the joint holding company GLB GmbH & Co. OHG (GLB) with effect from 20 September 2002. LandesBank Berlin - Girozentrale - sold its stake in DekaBank to GLB with effect from 1 December 2002. This means that from 31 December 2002, the shareholders of DekaBank are the German Savings Banks and Giro Association (DSGV ö.K.) with 50.0 per cent, GLB with 49.17 per cent and Niedersächsische Bank GmbH with 0.83 per cent. Shareholder parity between the landesbanks and the German Savings Banks Association has remained unaffected by the transfer of holdings to GLB.

shareholder parity remains unaffected

Guarantors

In the wake of the understanding reached between the Savings Banks Financial Group and the EU Commission on 17 July 2001 (Brussels Agreement), Germany undertook to abolish by 31 December 2002 the guarantee obligation to savings banks and landesbanks in their respective legal form and to replace the maintenance obligation assumed by the public sector for public sector banking institutions. The agreement provides for the abolition of the guarantee obligation after an interim period and the replacement of the maintenance obligation by a system in which the liability principles on which the relationship between guarantor and public sector bank is based do not differ from those of any normal private sector relationship. Liabilities contracted before 18 July 2001 will be covered by the guarantee obligation until maturity. Liabilities agreed between 19 July 2001 and 18 July 2005 will also be covered insofar as they do not mature after 31 December 2015.

The changes this entailed to the Establishment Act of DekaBank, based on statutory regulations dating back to 6 October 1931, were adjusted in Article 14a, 23 of the Fourth Financial Markets Promotion Act on 1 July 2002. The statutes of DekaBank were adjusted accordingly at the same time.

LandesBank Berlin - Girozentrale - resigned as a guarantor of the Bank on 1 December 2002. In the future, it will be liable solely for previously contracted liabilities – and the remaining guarantors for all liabilities – as provided for in the Brussels agreement.

Business Review

Overview

Business volume for DekaBank Group was up €9.9 billion (11.5 per cent) over the previous year to €96.3 billion. Group balance sheet total rose by €8.7 billion (10.7 per cent) to €90.1 billion, of which €83.5 billion was derived from DekaBank (previous year: €74.4bn). The Group's asset structure shifted slightly in favour of loans to banks. At close to €40 billion, these amounted to almost 45 per cent (previous year: 41.3 per cent) of the Group balance sheet total, whereas loans to customers dropped to 23.9 per cent (previous year: 26.9 per cent). On the liabilities side, securitised liabilities rose €6.7 billion to €33.8 billion, accounting for a 37.5 per cent share (previous year: 33.3 per cent) of the Group balance sheet total. After the placement of subordinated debt (perpetuals) amounting to €500 million, shareholders' equity amounted to 2.1 per cent (previous year: 1.7 per cent) of the Group balance sheet total.

Group assets in excess of €90 billion

In the face of weak financial markets, Group fund assets[1] declined by €11.3 billion (8 per cent) to €122.2 billion compared with the previous year, with a particularly marked decline in the volume of equity funds. Cumulative net fund inflows[1] amounted to €7.5 billion, €5.0 billion below the previous year's figure. The strongest net inflows were recorded by property funds as well as money market and bond funds.

Lending volume

Loans to banks form the main focus of our lending business. These grew €1.5 billion to €27.1 billion and accounted for a 54 per cent share of total lending volume. Loans to customers were up €0.2 billion to €18.9 billion, an almost 38 per cent share of total lending. Additionally, the volume of contingent liabilities and irrevocable lending commitments increased by an overall €1.1 billion to €4.0 billion. Group lending volume was derived largely from DekaBank and to a small extent from DekaBank Deutsche Girozentrale Luxembourg S.A.

[1] excluding deposits and borrowed funds and liquidity portion of funds of funds as well as fund-based asset management

Money market activities

The volume of call and time deposits as well as repurchase agreements totalled €17.6 billion at year-end 2002 (previous year: €13.2bn). For reporting date purposes, this figure also includes irrevocable lending commitments worth €2.3 billion (previous year: €2.1bn). Money market activities were largely accounted for by domestic and international banks.

Securities portfolio

At year-end 2002, the asset item bonds and other fixed-income securities rose by €3.1 billion to €23.7 billion. €2.4 billion of the increase was accounted for by proprietary bonds. The item equities and other non-fixed-income securities – mainly mutual and special funds, which invest almost exclusively in bonds and money market instruments – rose by €0.7 billion to €3.3 billion. Along with bonds of the Currency Conversion Equalisation Fund, the securities portfolio totalled €27.3 billion (previous year: €23.4bn) at year-end 2002, of which €25.9 billion was allocated to the liquidity reserve, €1.3 billion to the trading portfolio and €0.1 billion to fixed assets.

Funding

Liabilities to banks remained virtually unchanged, at €31.1 billion (previous year: €31.7bn). Their share of the Group balance sheet total declined in relative terms from 39.0 per cent to 34.5 per cent. Funding via customer deposits, up slightly by €1.3 billion to €20.5 billion, accounted for 22.7 per cent (previous year: 23.5 per cent) of the Group balance sheet total.

With a 37.5 per cent share of the Group balance sheet total, securitised liabilities were the largest funding item. In February 2002, DekaBank launched a €10 billion commercial paper programme with a flexible offer mechanism, enabling it to issue short-term notes at any time. The programme has been assigned an A-1+ rating by Standard and Poor's, Prime-1 by Moody's and F1+ by Fitch. With a volume of €3.2 billion since the launch of the programme and a higher volume of medium-term notes (including FRNs), securitised liabilities grew by €6.7 billion to €33.8 billion. The total volume of proprietary issues, including registered debentures and promissory note bonds, amounted to €53.2 billion (previous year: €44.7bn). Sales in the year under review totalled €20.9 billion and redemptions €12.4 billion.

MTN programme enables constant issuance

DekaBank's €10 billion medium-term note (MTN) programme launched at the end of 2002 created the legal framework for accelerated and flexible issuance, paving the way for an unlimited, revolving debenture programme (constant issuance). Maturity, interest return, amount and currency can be selected according to the needs of investors.

Holdings

In the year under review, DekaBank sold its shares in Deutsche Börse AG, Frankfurt. The profit of €32.4 million was recognised as tax-free income.

To further develop operations, DekaBank took a €5.0 million stake in a capital increase of Ṡ PensionsManagement GmbH. The nationally operating holding company acts as a central platform for occupational pension provision in the Savings Banks Financial Group.

Due to the difficult market environment, our stake in SOB Beteiligungs GmbH & Co. KG (SOB), Frankfurt, which holds all shares in the online brokerage operations of the German Savings Banks Organisation (S Broker AG), was written down in the amount of €7.2 million.

Off-balance-sheet transactions

Derivative transactions with a Group-wide nominal volume totalling €61.9 billion (previous year: €58.8bn) were mainly intended to hedge against interest rate and currency risks. Interest rate swaps in particular accounted for more than 70 per cent of total volume, at €44.1 billion (previous year: €38.3bn). Compared with the previous year, the credit risk equivalent of all derivatives rose 18.3 per cent to €418.1 million; of this, the credit risk equivalent of interest rate swaps accounted for €261.0 million. Counterparties for derivative transactions were primarily OECD banks.

Investment fund business

market position strengthened

Despite the overall weakness of equity markets and investor caution, DekaBank Group strengthened its market position in 2002 in terms of both volume and sales growth in its investment fund business and posted net inflows in all investment categories.

Net inflows[1] totalled €7.5 billion (previous year: €12.5bn) in 2002. Money market and bond funds were the most popular mutual fund segments, with total net inflows of €3.2 billion. Investors clearly favoured funds with a European focus: these registered net inflows of €3.0 billion. In spite of the market lows, equity funds recorded a net inflow of €0.8 billion, with investors focusing above all on global funds. Mixed funds registered a small net outflow of €0.2 billion. Deka Immobilien Investment GmbH's mutual funds profited from investor uncertainty and posted net inflows of €2.3 billion, higher than any other investment fund company in the Group. Thanks to the sales performance of the saving banks, our market share of mutual fund net inflows rose to 22.3 per cent (previous year: 21.4 per cent). Securities and property special funds posted inflows of €1.4 billion, €2.9 billion below the previous year's amount.

[1] excluding deposits and borrowed funds and liquidity portion of funds of funds as well as fund-based asset management

Net inflows*

	2002	2001	Change	
	€m	€m	€m	%
Retail funds	**6,121**	**8,224**	**-2,103**	**-26**
Mutual funds	3,857	6,249	-2,392	-38
Equity funds	768	1,977	-1,209	-61
Bond funds	1,313	-1,110	2,423	-
Money market funds	1,851	5,050	-3,199	-63
Mixed funds	-18	92	-110	-
AS funds	15	45	-30	-67
Other	-72	195	-267	-
Property funds	2,264	1,975	289	15
Special funds	**1,380**	**4,252**	**-2,872**	**-68**
Mutual funds	1,258	4,117	-2,859	-69
Property funds	122	135	-13	-10
Total	**7,501**	**12,476**	**-4,975**	**-40**

*excluding deposits and borrowed funds and liquidity portion of funds of funds as well as fund-based asset management

At year-end 2002, total fund assets under management[1] declined to €122.2 billion (previous year: €133.5bn), of which retail funds accounted for €76.2 billion. Mutual fund assets totalling €60.8 billion were mainly accounted for by equity funds (€24.9bn), bond funds (€23.8bn) and money market funds (€11.0bn). Despite inflows, weak financial markets pushed the volume of equity funds down by 38 per cent. The equity ratio – the equity fund share of total mutual fund assets – was around 41 per cent (previous year: 55 per cent) and bond funds achieved close to 40 per cent (previous year: 30 per cent). Property fund assets rose by €2.3 billion over the previous year to €15.4 billion, with the main focus of the increase in Europe. Although special fund volume declined overall by €2.5 billion to €46.0 billion, special property fund volume was up 23 per cent to €0.7 billion.

equity ratio down to 41 per cent

Fund of funds volume amounted to €11.0 billion at year-end 2002 (previous year: €13.3bn), with the volume of fund-based asset management at €8.1 billion (previous year: €9.4bn). A market share of 44 per cent and 47 per cent respectively gives DekaBank Group clear sector leadership here. Funds of funds posted net inflows of €0.5 billion (previous year: €2.0bn), and fund-based asset management products €0.4 billion (previous year: €0.9bn).

[1] excluding deposits and borrowed funds and liquidity portion of funds of funds as well as fund-based asset management

Fund assets*

	2002	2001	Change	
	€m	€m	€m	%
Retail funds	**76,175**	**84,984**	**-8,809**	**-10**
Mutual funds	60,803	71,925	-11,122	-15
Equity funds	24,925	39,959	-15,034	-38
Bond funds	23,763	21,765	1,998	9
Money market funds	10,994	9,043	1,951	22
Mixed funds	638	735	-97	-13
AS funds	171	228	-57	-25
Other	312	195	117	60
Property funds	15,372	13,059	2,313	18
Special funds	**45,978**	**48,515**	**-2,537**	**-5**
Mutual funds	45,269	47,940	-2,671	-6
Property funds	709	575	134	23
Total	**122,153**	**133,499**	**-11,346**	**-8**

*excluding deposits and borrowed funds and liquidity portion of funds of funds as well as fund-based asset management

Custody

DekaBank Group managed more than 5.1 million custodial accounts, including its fund-based asset management segment, at the end of the 2002 financial year. This was a modest year-on-year increase of around 1 per cent, taking into account special factors such as – after a break of several years – the closure of inactive accounts. The number of VL accounts (government-backed asset-creation schemes) rose 6.1 per cent to 1.7 million and fund-based asset management accounts 3.8 per cent to 248,000. As in the previous year, 95 per cent of all accounts were managed in Frankfurt by DekaBank, with the remaining accounts managed in Luxembourg and Switzerland.

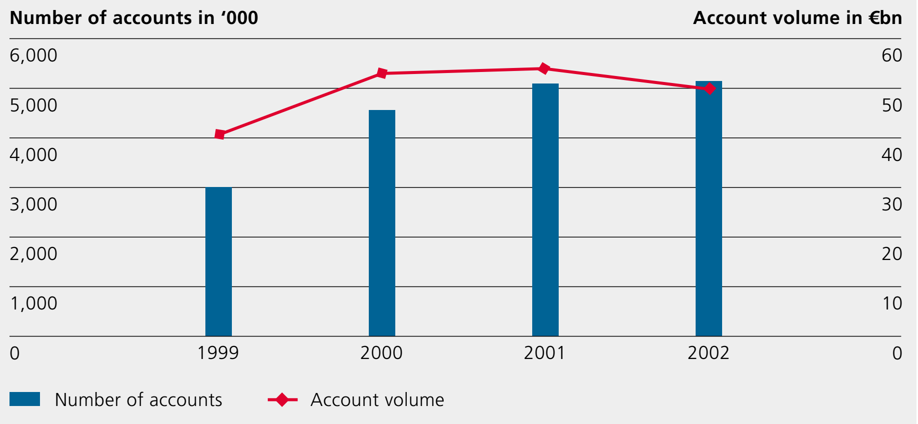
As a result of the weak market situation, the volume of all DekaBank Group-managed assets fell by €3.6 billion (6.6 per cent) to €50.3 billion. Total account volume managed by DekaBank Frankfurt amounted to €39.9 billion, by its Luxembourg subsidiary €8.1 billion and by its Swiss subsidiary €2.3 billion. 'Traditional' account volume totalled €42.1 billion, of which €1.2 billion was in VL accounts and €0.2 billion in AS (retirement plan) accounts.

broader fund universe for DekaBank custodial accounts

To further improve services for our customers, in 2002 we broadened our fund offering to enable customers to hold fund units from a wider range of funds in their custodial accounts. 63 new funds of our partner JP Morgan Fleming have been added to the fund universe, bringing the total number of funds available to customers to almost 300.

The ratio of online account openings and orders rose again last year. Virtually all savings banks have now switched their standard order procedures for DekaBank accounts to web-based systems. This has considerably enhanced efficiency for both savings banks and DekaBank.

Total custody



Capital and reserves

In 2002, liable equity capital rose at both Group and Bank level to more than €1 billion. With the issue of perpetuals amounting to €500 million as well as the appropriation of earnings from 2001 amounting to €231 million – from the fund for general banking risks set up in accordance with Section 340g of the German Commercial Code (HGB) – we have substantially improved our core capital base. Supplementary capital, moreover, has been increased through the issue of subordinated debt amounting to €300 million.

The capital adequacy regulations on capital and liquidity and the requirements of the Basle capital accord were complied with at all times by the Group and the Bank in the period under review.

Capital and reserves

	Group		Bank	
	2002	**2001**	**2002**	**2001**
	€m	**€m**	**€m**	**€m**
Core capital	1,780	1,077	1,605	903
Supplementary capital	1,336	1,016	1,220	903
Tier III funds	-	-	-	8
Capital and reserves	**3,116**	**2,093**	**2,825**	**1,814**
Capital ratio according to Principle I (in %)	**13.9**	**9.9**	**14.0**	**9.5**
Core capital ratio according to Principle I (in %)	**8.0**	**5.1**	**8.0**	**4.7**
Total ratio according to Principle I (in %)	**13.5**	**9.5**	**13.5**	**9.2**

Earnings

modest increase in operating income

Despite the difficult situation on financial markets, DekaBank Group achieved a modest increase in operating income in the previous financial year. The sum of interest income and commission income, trading income and other operating income was up 3 per cent to €1,086 million.

Net interest income rose by 5 per cent to €275 million. In the wake of continued market weakness, however, commission income was down 5 per cent to €692 million. Income from investment fund activities, at €586 million, remained relatively stable compared with the previous year and contributed – as in the previous year – more than 80 per cent of total commission income. The €30 million increase in trading income to €46 million is largely due to the switch in the valuation of the derivatives portfolio to portfolio accounting.

Thanks to the timely introduction of cost management measures, operating expenses declined by an overall 4 per cent over the previous year. Sustainable savings of €61 million (15 per cent) were achieved in general and administrative expenses (excluding depreciation). The increase in staff costs of around 9 per cent to €254 million was largely due to increased staff numbers in 2001 as well as the effects of negotiated salary increases.

The valuation result in the lending, securities and holding business as well as risk provisions totalled €+5 million (previous year: €+6m). DekaBank Group was only marginally affected by the numerous corporate crises that occurred as a result of the weak economic situation. Group operating income of €412 million topped the previous year's high level by €57 million (16 per cent).

After deducting interest payments of €46 million on subordinated liabilities which, due to the issue of perpetuals in July 2002 to further strengthen our capital base, exceeded the previous year's sum by €18 million, and income taxes of €213 million (previous year: €151m), Group net income after taxes amounted to €152 million (previous year: €191m).

Earnings

	2002	2001	Change	
	€m	€m	€m	%
Net interest income	275	262	13	5
Net commission income	692	729	-37	-5
Trading income	46	16	30	188
Administrative expenses	604	646	-42	-7
Provision for risk/valuation	5	6	-1	-17
Income taxes	213	151	62	41
Net income after taxes	152	191	-39	-20

Risk Report

1. Risk management principles

The professional management and timely monitoring of all risks are key to DekaBank's success. We respond to this challenge through the ongoing review and development of our risk management policies. We view risk management not merely as a passive means of identifying and measuring risk but also as an opportunity to achieve a sustained improvement in our competitive position through its active deployment as a business policy instrument.

2. 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 Credit Risk Management 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.

central risk unit

The Credit Risk Management division, as the central risk unit for the development and implementation of a uniform credit policy, is responsible for all risk-relevant activities in our lending segment. These include analysing risks, setting credit ratings and drawing up decision-making parameters. It also encompasses the loan portfolio management unit in order to ensure that the overall risk situation in our lending segment is managed centrally within the framework laid down by the Board. 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.

3. 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.

4. Internal audit

The internal audit department is an independent unit within a Board-approved audit programme which monitors both the suitability and effectiveness of risk management processes as well as compliance with internal and external procedures. The most important audit areas are the limit system, the determination and coordination of positions and results, IT systems changes, in-house reporting, segregation of functions and duties, market-compatible conditions and also confirmation and counter-confirmation.

5. Market risk

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

multi-procedural risk identification

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 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 2002

Overall outlook

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

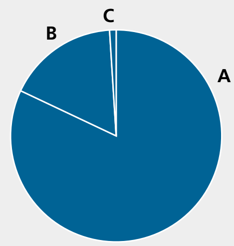
Value at Risk of DekaBank Group*

	Holding period	Year-end 2002 €m	Average 2002 €m	Year-end 2001 €m
Interest rate risk				
Trading	1 day	1.07	1.40	2.98
Treasury	10 days	27.34	30.36	39.38
DekaBank Group	10 days	30.64	34.54	48.68
Share price risk				
Trading	1 day	0.00	0.21	0.25
Treasury	10 days	6.27	21.38	29.87
DekaBank Group	10 days	6.27	22.00	30.60
Currency risk				
Trading	1 day	0.16	0.17	0.10
Treasury	10 days	0.16	0.37	0.98
DekaBank Group	10 days	0.48	0.53	1.02

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

Broken down by risk type, 81.9 per cent (at a holding period of 10 days) of Group-wide market risk (€30.64m) at year-end 2002 was accounted for by interest rate risks, primarily due to the risk of medium-dated yields. Share price risks, at €6.27 million, accounted for 16.8 per cent and currency risks, at €0.48 million, for the remaining 1.3 per cent. Share price risks resulted largely from start-up financing activities. The chart shows the proportion of risk types at year-end 2002.

Ratio of risk types – Group at 31 December 2002

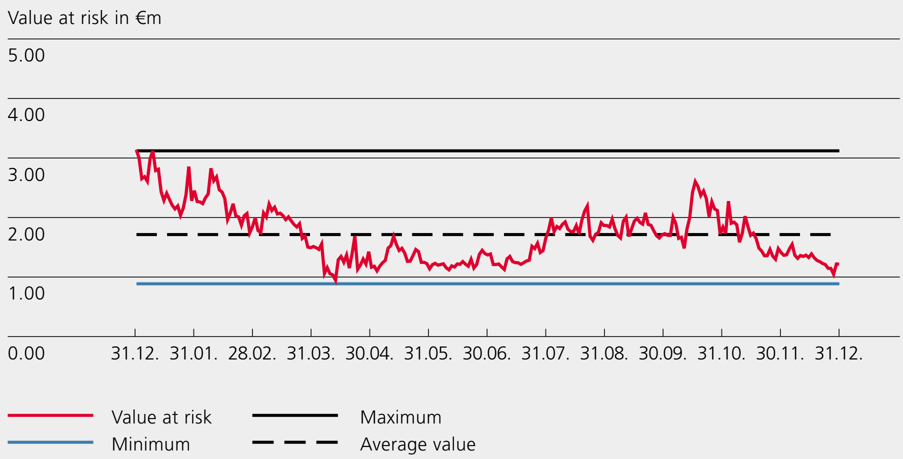


A Interest rate risk 82%
B Share price risk 17%
C Currency risk 1%

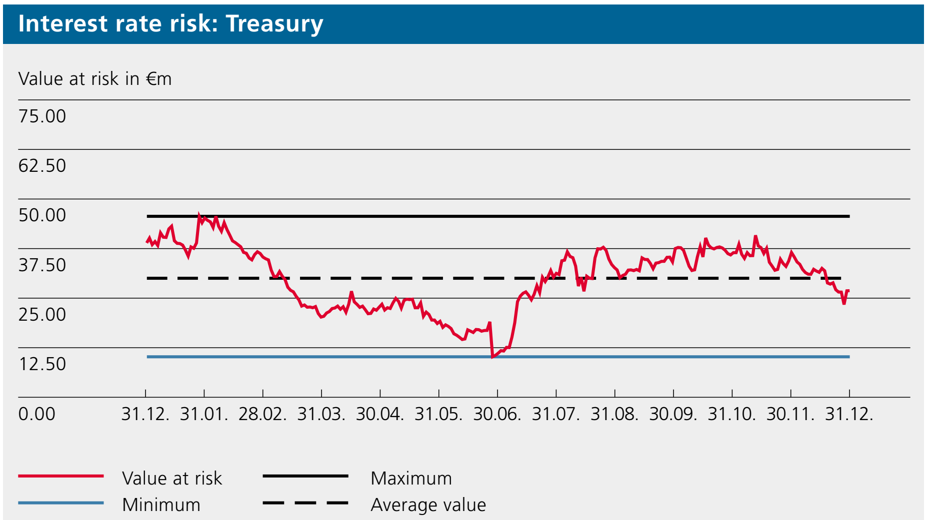
Interest rate risk

Compared with year-end 2001, interest rate risks declined by €18.04 million Group-wide, with the risk-lowering volatility effect outweighing the risk-enhancing position effect. As interest rates dropped, new positions were undertaken mainly in medium-dated yields, which would have increased exposure by about 10 per cent without the volatility effect. The position changes, however, were accompanied by a sharp fall in volatilities in the overall capital market segment. In the course of the year, volatilities almost halved. The following two charts show the interest rate risk for trading operations and for Treasury during 2002:

Interest rate risk: Trading



The interest rate risk on trading positions based on VAR lay between €0.96 million and €3.13 million, and on Treasury positions between €10.69 million and €46.1 million.



Share price risk

Our share price risks fell by a total of €24.33 million compared with year-end 2001. The decline in the Group-wide share price risk during the year was mainly due to the sale of equities.

Exchange rate risk

The exchange rate risk remained at an extremely low level throughout the past year, falling by €0.54 million compared with year-end 2001.

6. Default risk

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.

Assessing creditworthiness

proprietary rating system to grade risk

Assessing creditworthiness is a key element in monitoring default risk. The Bank uses a proprietary rating system to grade risk, and default risk is assessed by allocation into risk categories. In view of the growing demands placed on risk management standards, our internal rating system is subject to ongoing review. DekaBank is additionally working on a joint project together with other landesbanks and external consultants to develop twelve ratings procedures for a variety of borrower classes and special financing projects, and is managing a number of sub-projects in view of its experience in the loan business. The project's defined goals are above all raising selectivity between risk classes and calibrating ratings to default probabilities. The new rating system will be implemented step by step from 2003.

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 borrower level, taking into account all business types. Lending commitments not based on the counterparty's credit rating but on cash flow or property value are monitored at a case by case level.

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 0.03 per cent on a five-year average (previous year: 0.05 per cent). Risk provisions in the form of individual value adjustments and specific provisions amounted to €332.0 million (previous year: €295.1m) for the Group as at 31 December 2002, equivalent to 0.66 per cent (previous year: 0.62 per cent) of total lending volume.

Latent default risks are covered by additional general value adjustments of 0.1 per cent of the assessment criteria recognised by the tax authorities. General value adjustments totalled €42.3 million (previous year: €49.0m). 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.

Lending liability and risk provision

	Liability	Risk provision*
	€m	€m
Due from banks	27,188	42
Due from customers	19,271	326
Contingent liabilities	1,944	46
Irrevocable lending commitments	2,090	13
Total	**50,493**	**427**

* incl. individual, country and general value adjustments

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	21,828
Federal government, states and municipalities	12,635
Domestic private banks	3,128
Foreign banks	2,156
Construction / commercial real estate	2,601
Financial institutions / insurance	1,416
Services / health	1,047
Aviation / shipping / transport	1,869
Utilities (energy and water)	644
Private individuals	1,504
Other *)	1,665

*) all sectors with a lending liability below €500m

Country exposure

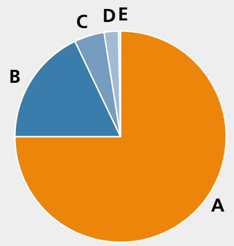
Country exposure is the risk that a cross-border borrower is unable to meet his payment commitments in time due to country-specific events (cross border transfer and conversion risk).

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, its business potential and the Group's capacity to sustain risk.

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).

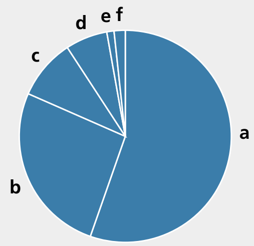
The Group's total country risk (total lending liability minus first-class guarantees such as federal government guarantees and export credit guarantees) amounted to €15.9 billion at year-end 2002. The following charts illustrate dispersion according to country categories and individual countries:

Distribution of country risk by category



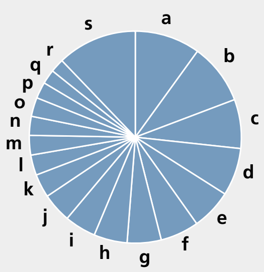
A	EU countries	75.0%
B	Industrialised countries	17.9%
C	Developing countries	4.6%
D	Reform countries	2.2%
E	International organisations	0.3%

Breakdown of risk in industrialised countries



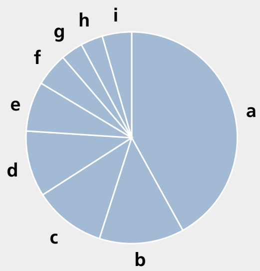
a	USA	55.3%
b	Switzerland	26.2%
c	Norway	9.2%
d	Canada	6.4%
e	Australia	1.1%
f	Other	1.8%

Breakdown of risk in developing countries



a	United Arab Emirates	10.0%
b	South Africa	9.3%
c	Thailand	7.5%
d	Cayman Islands	7.3%
e	Iran	6.2%
f	Republic of Korea (formerly South Korea)	5.9%
g	Singapore	5.2%
h	Mexico	5.1%
i	Netherlands Antilles	4.8%
j	Chile	4.5%
k	Brazil	3.6%
l	Cyprus	3.1%
m	Israel	3.0%
n	Saudi Arabia	2.9%
o	Qatar	2.9%
p	Ghana	2.5%
q	Venezuela	2.2%
r	Kuwait	2.1%
s	Other	11.9%

Breakdown of risk in reform countries



a	Russia	42.0%
b	Hungary	13.0%
c	Slovenia	11.0%
d	Bulgaria	10.1%
e	Czech Republic	7.6%
f	China	5.1%
g	Yugoslavia*	3.4%
h	Croatia	3.4%
i	Other	4.4%

* or successor states

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 €90 million at year-end 2002:

Country exposure and value adjustments

	Country exposure	Value adjustment
	€m	**€m**
Bulgaria	36	14
Yugoslavia*	12	11
Croatia	12	6
Russia	149	36
Slovenia	39	1
South Korea	43	4
Thailand	55	7
Turkey	8	4
Other	9	7
Total	**363**	**90**

* or successor states

7. Operational risks

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

Classification and differentiation

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

Operational risks by class

Technology	Staff	Internal procedures	External factors
IT applications	Human capital	Processes	Disasters
IT infrastructure	Unauthorised acts	Organisational structure	Criminal acts
Other infrastructure	Processing errors	Methods and models	Service providers and suppliers
		Projects	Political/legal framework

Methods used to manage operational risks

DekaBank deploys various methods to manage and monitor operational risks. They serve a variety of purposes and deliver different types of data that together enable operational risks to be managed and monitored comprehensively.

Self-assessment

Here, DekaBank differentiates between top-down and bottom-up processes.

Top-down processes involve drawing up a highly-aggregated risk map that provides an overview of the Group's core operational risks.

Bottom-up procedures (process-based self-assessment) involve 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 basis of the risk assessment are the annual potential losses of the recorded damage scenarios.

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.

Loss documentation

Individual loss events are compiled using a central loss database. This systematically classifies losses according to causes (risk categories) and effects (loss components).

Data on losses that occur through operational risks are gathered in a central loss database. This generates the data necessary to draw up distribution assumptions for the extent and frequency of losses which are then used for the deployment of quantitative models to identify capital requirements.

Duties and lines of responsibility

The Board of Management is ultimately responsible for the adequate handling of operational risk. Among its most important duties are establishing, regularly monitoring and assuring the necessary framework for managing operational risks Group-wide. A guideline for dealing with operational risks has been drawn up and agreed by the Board. Along with lines of responsibility and competencies, it sets out the definition, assessment criteria, methods applied as well as general management process issues for operational risks.

The heads of the Group units are responsible for the management of operational risks within their respective organisational units within the framework laid down for the Group.

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.

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.

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.

Contingency planning issues are the responsibility of our Frankfurt-based emergency event officer who is in charge of updating Group-wide emergency situation documentation. Country co-ordinators are responsible for site-specific contingency planning.

Outlook

It looks as though it will be a fairly long time before there is a real improvement in Germany's economic situation. Macroeconomically, we do not expect much of a boost to stock markets in the near term. Bond markets, on the other hand, should profit from the weak economic environment and the ongoing risks presented by equities.

Business growth at DekaBank Group – in particular our funds and custody business – will continue to be impacted by domestic and international market developments. In 2003, we expect a modest rise in net inflows and, as a result, for our investment fund and custody business to again make an overall positive contribution to net income. The long-term strengthening of our capital base undertaken last year provides an excellent springboard for making the most of the Group's room for manoeuvre.

ongoing focus on cost management

The cost management and process optimisation measures we introduced last year will continue to keep cost growth at moderate levels in 2003. We will continue to focus on activities aimed at expanding our market position as a leading fund provider: this includes successfully developing our brand and strengthening our online marketing channels. Our position as the central provider of investment fund services for the Savings Banks Financial Group together with the successful co-operation with our partners hold out the prospect that 2003 will once again yield a satisfactory result.

Management by example and by delegating responsibility

Motivated employees are the key to our success. For us, management means clearly defined lines of responsibility and competencies. We express criticism openly and constructively. We think and act entrepreneurially within the framework of our overall strategy. Senior management staff promote constructive co-operation between all organisational units.

Business growth

From product focus to customer focus

DekaBank's 'domestic' theme in 2002 was the implementation of our new organisational structure. This was based on the principle set out in our 2000-launched Group strategy of bundling similar Group activities while at the same time clearly separating these strategic functions from one another. This led to the adoption of a structure based on the four pillars of sales, production, transaction banking and corporate centre.

new customer-driven structure

Adapting what had been a purely product-driven organisation to a customer-driven one led to a repositioning above all in sales. Responsibility for interfacing with customers was assigned to two units: sales: institutions and companies and marketing and sales: retail and savings banks. Both service their respective customer groups across the entire spectrum of Group products. On special themes and problems, specialists from the individual production units in investment funds, lending and trading are called in to provide additional expertise.

Target group: institutions and companies

Our sales: institutions and companies unit was launched at the beginning of 2002 with the aim of providing a comprehensive service to institutional customers tailored to their individual needs. Target groups were clearly defined – partners within the savings banks organisation, banks, insurers, social insurance organisations, for-profit as well as not-for-profit organisations, the public sector and also project and property customers.

Another task was the selective expansion of our international business offering, for example, our pension fund asset management expertise abroad.

Despite the – naturally – considerable resources initially deployed to build the new unit, develop our strategy and expand our presence abroad, we successfully pushed our business with institutional customers forward.

Target group: savings banks and private clients

With the implementation of our new Group structure, our operations with regard to these two target groups have seen a clear switch in emphasis from product focus to customer focus. DekaBank's marketing and sales: retail and savings banks division offers savings banks a one-stop service encompassing our entire product spectrum, from investment funds to trading and funding to custody.

focus on pension provision and structured investments

Our product and marketing activities in the investment fund segment focused on pension provision and structured investment concepts in 2002. Alongside the government-backed (Riester plan) Deka-BonusRente pension product, DekaStruktur-VorsorgePlan was developed and launched to fill the general private provision gap.

Another important task was strengthening our key Deka Investmentfonds brand. Despite the gloomy capital market environment, the brand succeeded in consolidating its leading position in the German investment market in the following categories: preference, sympathy, trust and loyalty. These 'soft' factors made a not-to-be-underestimated contribution in 2002 to the stabilisation of sales as compared with our competitors.

In mid-2002, DekaBank Group also broadened its branding policy. Whereas our activities had previously concentrated largely on the Deka Investmentfonds brand, the DekaBank company brand was now integrated into our positioning strategy. This was done by renaming the organisation as of 1 July 2002. The move will enhance DekaBank's public image whenever new business operations are developed or existing ones expanded. This stage-by-stage intensification of the DekaBank brand message is intended to signal that behind the brand stands a strong company whose good name guarantees the quality of its products. And the shared Deka core brand allows for a closer visual harmonisation of the Group brand with the product brand.

Our close and fruitful management and marketing partnerships with JP Morgan Fleming, Lombard Odier Darier Hentsch, Swissca and WestInvest in the mutual fund segment were continued and strengthened last year, as was our cooperation with Lufthansa's air miles programme, Miles and More. DekaBank is Germany's first investment fund company to exchange air miles for fund units.

Trading operations/Treasury: successful deployment of new instruments

In the 2002 business year, we successfully continued and further expanded our trading operations. Service operations dominated, with own account trading playing a more minor role.

Money market operations

2002 began with rising interest rates, above all on money markets. As a result, the yield curve flattened steadily until mid-May, after which the trend reversed and was accompanied by portfolio reallocations out of extremely volatile equities into safer assets. The decline in interest rates was particularly marked among shorter dated yields. The yield spread between one and ten year German government bonds, that had shrunk to 112 basis points by May, increased to 155 basis points by year-end, and the yield curve steepened again.

yield curve trends fluctuate

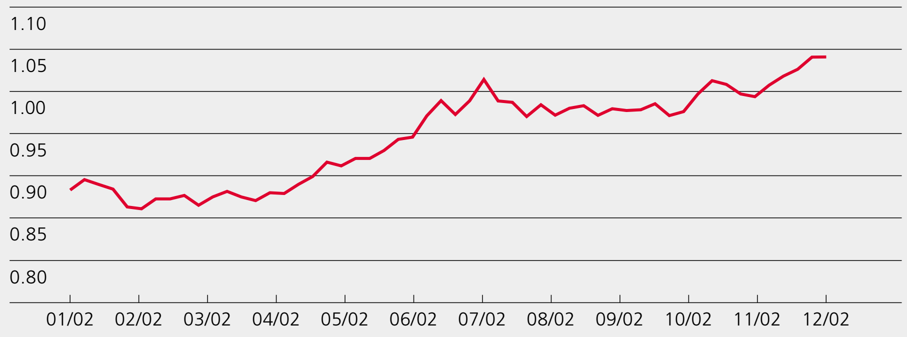
The trend towards loan securitisation and the use of derivatives continued in 2002. Along with repurchase agreements, short-term debt within the framework of our euro commercial paper programme is playing an increasingly important role. The programme has enabled us to significantly expand our international money market investor base and lower our funding costs.

Money market loans totalled €17.6 billion on the balance sheet date and, as in previous years, the counterparties were mainly banks. Around 37 per cent (€6.5bn) was accounted for by loans to non-domestic banks. In keeping with our risk standards, all our counterparties had impeccable credit ratings.

Foreign exchange trading

2002 was the year of the euro on currency markets. Whereas the eurozone's new currency was worth $0.8813 at the end of 2001, it had risen to $1.0487 just a year later - a net appreciation of 19 per cent.

€ (in US $)



Source: Reuters

We expanded our traditionally international currency business both in the eurozone and on global markets. Key partners in 2002 were once again institutional investors and banks in the OECD as well as international organisations and central banks.

The volume of foreign exchange spot and forward transactions totalled €10.3 billion at year-end. In accordance with our traditionally risk-conscious policies, our open currency positions were selective and negligible. Most of our foreign currency exposure was and continues to be hedged with the use of currency options, swaps and forward transactions. Our currency trading operations once again contributed positively to our operating result.

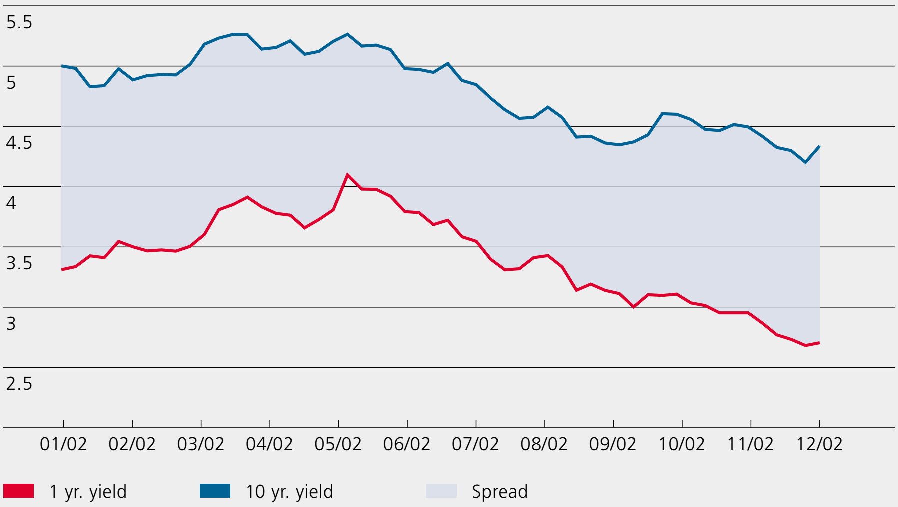
Securities trading/operational treasury

Securities markets were again extremely volatile in 2002. After some early optimism, markets resumed the dramatic fall that had begun in spring 2000. For the first time since the global recession of the 1930s, the world's leading markets fell for the third successive year.

Disappointing economic data, gloomy corporate news, reports of accounting fraud as well as uncertainty triggered by political crises pushed many investors to move their assets from equities into bonds, fuelling a rise in bond prices. Government bonds in particular benefited from the growing demand for safe investment vehicles. The yield on ten year bunds dropped from 5.29 to 4.18 per cent in the course of the year.

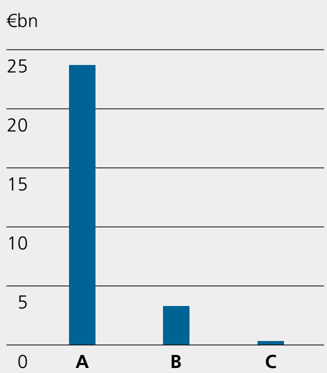
The extent and direction of yield changes differed according to individual maturity segments. The yield curve was initially flat but turned steeper after May.

Yield spread between 1 and 10 year German government bonds



Source: Reuters

Securities portfolio



A Bonds and debentures
B Shares and other non-fixed-income securities
C Equalisation claims

Total: €27.3 billion

Despite market fluctuations, income from own-account trading was positive. Much more important, however, was once again commission income from commission business. Stable volumes ensured an acceptable result. Securities lending and repurchase agreements showed extremely positive growth, with earnings up 40 per cent over the previous year.

The volume of our securities portfolio amounted to €27.3 billion on reporting day, equivalent to about 30 per cent of total assets. Bonds and notes – traditionally our biggest position – accounted for €23.7 billion. Shares and other non-fixed income securities were valued at €3.3 billion.

Funding

In the year under review, the Bank's most important source of funding remained proprietary issuance. Short-term money market funding amounted to €23.5 billion, of which by far the largest proportion was accounted for by interbank operations, at €18.0 billion.

In the long-term market, issuance reached record volumes in 2002, totalling €21 billion. Gross sales including own issues topped the previous year's sum by more than €10 billion – almost doubling it. €16.6 billion was accounted for by bonds, €2.4 billion by registered securities and €1.6 billion by promissory note bonds.

The volume of uncovered issues in particular registered a strong increase, a sign of high investor confidence in the bank's creditworthiness and was confirmed, as in previous years, by leading rating agencies.

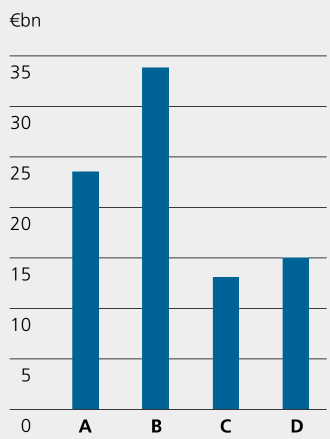
The overall trend towards higher funding costs, visible in the widening spread over government bonds, continued in 2002. However, our deposit prices rose only moderately compared with other competitors. This is certainly also due to our moderate and selective issuance policy, backed up by liquidity-promoting market making and secondary market activities.

Underwriting business

In the year under review, the Bank successfully continued its strategy of diversification on global capital markets. In March 2002, we launched our first euro commercial paper programme that allows us to issue short-term debt from time to time and which is flexible with regard to volume and currency. Total volume was €10 billion, of which around €6.8 billion was sold in 2002. To complete our product range and optimise funding in the medium to long term segment, another €10 billion debt issuance programme (EMTN) was launched in December.

The number of new or re-issues on which we participated rose by more than 60 per cent, from 23 to 37. In contrast to 2001, our activities focused more on global bond issues; nor were we required to act as lead manager.

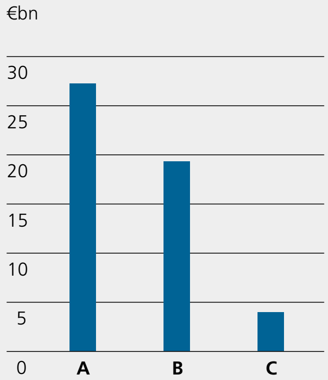
Funding



A Money market funding
B Securitised liabilities
C Long-term liabilities to banks
D Long-term liabilities to customers

Total: €85.4 billion

Lending volume



A Due from banks
B Due from customers
C Irrevocable lending commitments and contingent liabilities

Total: €50.5 billion

Lending operations: more positive growth

2002 was a successful year for our lending operations. Our focus has traditionally been on public sector finance, loans to German and international banks as well as loans to non-banks.

As in previous years, 2002 also focused on large-scale financing stages, largely medium and long term maturities and international finance. Here we were involved in deposit loans and additionally the purchase of securitised loans as credit substitutes. In the year under review, we also began to purchase credit derivatives on a small scale.

At year-end 2002, lending volume amounted to €50.5 billion, 52.4 per cent of total business volume. Our credit portfolio comprised €10.9 billion in loans to the German public sector, €27.1 billion to German and international banks and €12.5 billion to private non-banks in Germany and abroad as well as international public sector customers.

Public sector finance

A major focus of our lending business in 2002 remained public sector finance, as evidenced by the strong growth in loans to the federal government, its special funds and the states. Loans in this segment rose significantly over the previous year and totalled €32.3 billion at year-end, an approximately 9 per cent increase over the previous year. New business amounted to €5.9 billion, a year-on-year increase of 28 per cent.

Demand for lending from public sector banks was stronger than in the previous year, with total volume rising to €21.8 billion.

Non-banks and international public sector customers

solid, well-diversified loan portfolio

Although financing stages were mostly large, loans to non-banks and to public sector customers outside Germany reflected a well diversified loan portfolio. Increasingly sophisticated management techniques enabled us to further improve the quality of our portfolio, which was accompanied by a positive shift in margins. Our risk position remained favourable, mainly thanks to our selective and highly risk-conscious policy in selecting and managing credit risk.

We continued to focus on the international diversification of our credit portfolio in 2002 and loans in this segment posted gratifying growth. 22.6 per cent of loans to non-banks were made to international customers.

We continued to expand our European activities according to individual market conditions. In line with our domestic business, we focused on classic fixed income loans, syndicated loans, project finance and hedging facilities, working with our Luxembourg-based subsidiary DekaBank Deutsche Girozentrale Luxembourg S.A. where required by customers.

Corporate finance, domestic and international real estate financing, transport sector financing as well as export and trade financing accounted for 24.0 per cent of our loans to non-banks.

In the corporate finance segment, we again acted for German and European companies by providing mainly medium term loans or purchasing corporate bonds. Our customers here have traditionally been large, listed companies from sectors such as chemicals, utilities, oil and automotive.

In real estate credit, we continued to focus on high-quality office and retail premises for investors, with existing buildings outweighing new construction. Most projects are located in city centres in Germany, the United States, Canada, the UK and parts of continental Europe.

Aircraft financing represented the bulk of our transport sector operations in the year under review, in particular export deals. We also provided financing for the shipping and railway sectors. Most of our aircraft financing business is guaranteed by export credit schemes and has a broad geographical spread.

Our international trade finance activities included structured, short-term financing projects – in preliminary commodity financing, for example – within syndicated finance operations in partnership with international banks.

2002 also saw our involvement in export financing projects for European exporters. Other areas included financing operations for merger and acquisition activities by large European companies, and international project finance.

Consistently encouraging and challenging our employees

To ensure superior performance in the long term, we invest systematically in the development of our employees. We expect all our employees to continuously enhance their skills. We encourage and support committed and talented employees both professionally and personally.

German investment industry: declining fund assets

Despite numerous forecasts to the contrary, equity markets around the world continued their sharp downward dive in 2002. For the first time since the great depression of the 1930s, leading markets fell for the third consecutive year. The Iraq crisis and the uncertainty about its political and economic impact in particular continued to depress markets.

The effects of falling prices were also felt in the investment sector. Assets managed by BVI (German Investment Fund and Asset Management Association) affiliated investment companies dropped during the year by more than 6 per cent to €862.4 billion, of which €382.1 billion (2001: 417.5bn) was invested in retail funds and €480.3 billion in special funds (2001: €500.5bn).

Equity funds narrowly consolidated their top position in the mutual funds segment, with €115.3 billion, a 30.2 per cent share of total fund assets. Bond funds accounted for €114.4 billion and 29.9 per cent. Open-ended property funds significantly increased their market share to 18.6 per cent, equivalent to €71.2 billion. Money market funds were up 16 per cent to €58.5 billion. Funds of funds volume – not recorded in the overall BVI figures to avoid being recorded twice – totalled €24.8 billion at year-end 2002.

Although the total volume of funds under management declined, the number of investment funds rose again in 2002. At year-end, BVI affiliated companies and their overseas subsidiaries managed a total of 7,766 funds (2,419 retail funds and 5,347 special funds). Retail funds alone were responsible for the net increase, while special funds posted a small decline.

Trend toward safety-oriented investment products

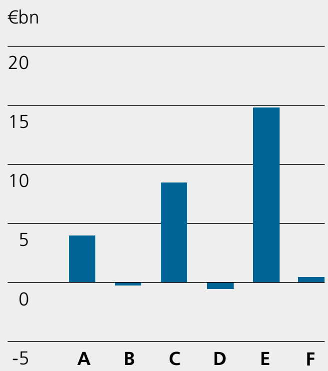
Investors were cautious in 2002. A net €65.2 billion (2001: €79.8bn) flowed into investment funds, of which €27.4 billion and €37.8 billion were invested in retail and special funds respectively.

Investors focused once again on less volatile segments such as money market funds and open-ended property funds. The latter posted net inflows of €14.9 billion, almost doubling the existing 1999 record. Money market funds registered net inflows of €8.5 billion – again justifying their reputation as a place to park liquidity.

In spite of the bear market, there was no sign of panic selling by investors. On the contrary, even equity funds recorded net inflows of close to €4 billion. Bonds funds, on the other hand, posted slight net outflows of €77 million.

Net inflows into funds of funds totalled a sector-wide €4.3 billion, signalling continued interest in structured investment vehicles. However, sales in AS (retirement plan) funds came to a virtual standstill due to the lack of tax incentives, with sector-wide outflows totalling €253 million.

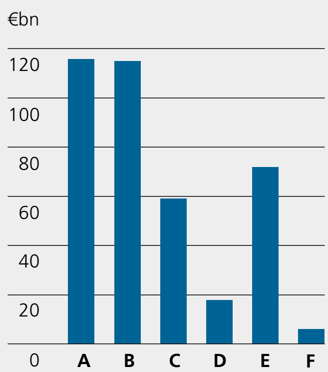
BVI-listed mutual funds: Net inflows by category



A Equity funds
B Bond funds
C Money market funds
D Mixed funds
E Open-end property funds
F Other

Total: €27.4 billion

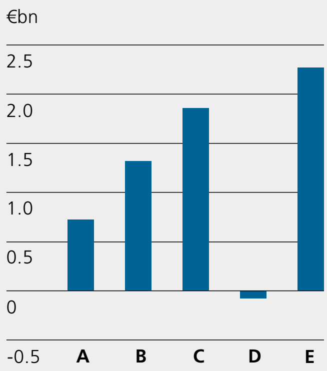
BVI-listed mutual funds: Fund assets by category



A Equity funds
B Bond funds
C Money market funds
D Mixed funds
E Open-end property funds
F Other

Total: €382.1 billion

DekaBank Group: net mutual fund inflows by category



A Equity funds
B Bond funds
C Money market funds
D Mixed funds
E Open-end property funds

Total: €6.1 billion

Investment fund business: DekaBank Group consolidates its position in a difficult investment year

Despite stormy developments on capital markets, DekaBank Group successfully consolidated its position in its core investment fund business. However, net inflows were not enough to make up for the price-driven decline in fund assets. These totalled €122.2 billion at year-end 2002 (2001: €133.5bn), of which €76.2 billion was accounted for by retail funds and €46.0 billion by special funds.

Net inflows across all categories amounted to €7.5 billion, of which €6.1 billion went into retail funds and €1.4 billion into special funds. In the retail fund segment, investors showed a preference for price-stable vehicles such as open-ended property funds and money market funds. These posted inflows of €2.3 billion and €1.9 billion respectively.

In 2002, DekaBank launched a reorganisation of its securities fund business. Responsibility for retail and special fund management was assigned to Deka Investment GmbH. At the same time, a new investment process based on best practice-benchmarked, clearly defined and demarcated areas and responsibilities was introduced, aimed at optimizing risk management and enhancing quality.

Securities funds: another year of mixed messages

Mutual funds: bond funds benefit from falling equities

The very differing developments on equity and bond markets were virtually mirrored in DekaBank Group's securities and money market funds. Funds under management totalled €60.8 billion, below the previous year's level. The positive inflows – €3.9 billion – spanning virtually all fund types were however unable to make up for the steep fall in equities.

Equity funds: investors show caution

net inflows despite difficult market situation

Despite the negative market environment, net inflows into equity funds registered an increase of €0.8 billion. Investors were cautious and took very little advantage of the opportunity to get into equities at such low prices. Most sought after were funds with a global focus: these are less susceptible to segment-specific price fluctuations due to their broad diversification. Sector funds, on the other hand, saw outflows in 2002.

Total equity fund-managed volume fell year-on-year by 38 per cent to €25 billion, bringing down the equity ratio – as a proportion of DekaBank Group's retail funds – from 56 to 41 per cent.

Hopes that after the gloom of 2001 equity markets would see better times in 2002 were not fulfilled. On balance, all major markets posted at times heavy losses for the third consecutive year and all equity funds registered negative performance.

Our quantitatively managed products with dynamic value guarantee performed comparatively well, as did Deka-ConvergenceAktien and DekaTeam-EmergingMarkets, two funds that invest in EU candidate countries or in promising emerging economies. At the other end of the scale were sector funds focusing on technology, media, telecoms and biotechnology.

Bond and money market funds: a very satisfactory performance

Weak equities contrasted with positive bond markets, which saw prices rise as interest rates continued to fall and key central banks remained proactive. The virtually across-the-board positive performance of bonds was accompanied by net inflows into the corresponding funds – traditional bond, money market-oriented and shorter-dated funds as well as money market funds. Together, they posted net inflows of €3.2 billion.

Deka-ConvergenceRenten, with its focus on further European integration, was the top product both in sales and performance. Two other double-digit performers were emerging market-focused DekaTeam-EM Bond and Deka-EuropaBond TF, which partially invests in EU candidate countries.

Most bond funds investing mainly in Europe or eurozone countries achieved high single digit returns. Global-focus special funds with a strong US dollar component, however, found it hard to match euro returns and in a few cases posted a negative performance.

The confidence shown by investors in money market, money market-oriented and shorter-dated bond funds – which registered not inconsiderable inflows despite low yields – signals a shift in the expectations attached to investing. Maintaining value in economically difficult and uncertain times has once again become a goal worth striving for, and a goal easily achieved in last year's low inflation environment.

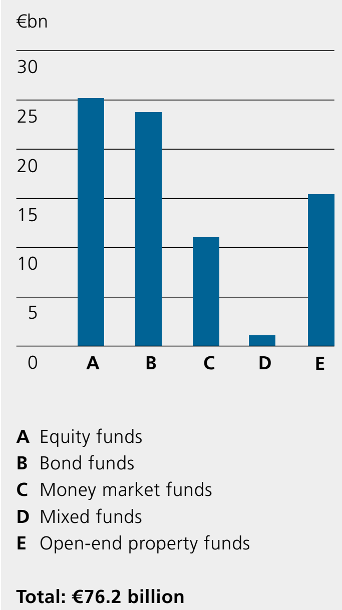
Targeted expansion of our product range

In March 2002, we rounded up our bond fund range with Deka-EuroFlex Plus, a money market-oriented product that includes corporate bonds and asset backed securities and therefore offers an asset basket of differing credit risk.

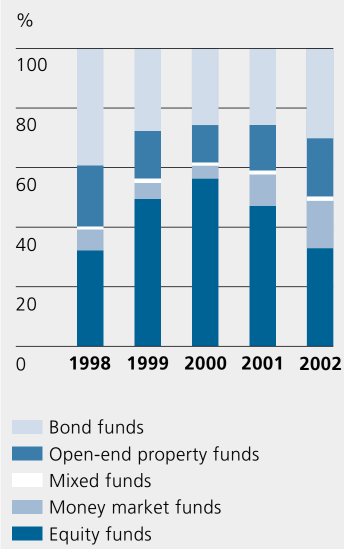
Deka-Kommunal Euroland Balance, launched in June 2002, extended our offering to institutional investors and signals DekaBank Group's reaction to far-reaching changes in investment regulations for municipalities and municipal institutions in a number of German states.

We met the safety-driven investment wishes of many savings banks customers with the launch in September 2002 of the limited-term Deka-WorldGarant 8/2007 fund. The fund participates in global equity market developments and has a built-in safety guarantee.

DekaBank Group: mutual fund assets by category



DekaBank Group mutual fund volume: distribution by asset class



Special funds: successful in a tough environment

Although the nervousness on capital markets did not leave special funds unscathed, both the overall sector and Deka Investment GmbH experienced a satisfactory year. Net inflows exceeded outflows in both segments although the number of fund closures in the special fund segment exceeded the number of launches.

At the end of the year under review, Deka Investment managed 723 special funds, 15 fewer than the previous year – a good result for the industry. Another proof of our good showing was our success in almost maintaining the sector leadership we attained in 2001 with our best-ever market share of 9.7 per cent. We were, however, forced to relinquish our top position due to the merger of two major competitors.

At year-end, Deka Investment managed a total of €45.3 billion in special fund assets, €2.7 billion below the previous year's sum. This meant that net inflows of €1.3 billion and the positive performance in bonds were not enough to offset the negative performance of equities.

Quantitative portfolio management: growth in difficult times too

Our quantitative products segment sustained its positive growth in the difficult equities environment of 2002. Active quant products saw a net increase of 16 mandates in the course of the year. The volume of managed funds in this segment remained virtually unchanged over the previous year, at €4.9 billion. Our quant products with built-in dynamic value guarantee showed extremely satisfactory growth, with seven additional mandates. At year-end 2002, the volume of quantitatively managed funds totalled €7.9 billion.

A series of innovative investment strategies in quantitatively managed fund concepts were again implemented in 2002. One example is our state-certified retirement product Deka-BonusRente which, by optimising age-dependent asset allocation, largely combines the statutory condition of guaranteeing the value of customer contributions with the need for attractive yield prospects. The quantitative absolute return model involving the explicit management of the downside risk profile is reflected in Deka-Kommunal Euroland Balance, a tailored fund for municipal investors. Funds from the Deka-WorldGarant series guarantee the value of customer contributions on maturity and achieve a close to 100 per cent participation in the average performance of a basket of international share indices.

DekaBank's expertise and practical experience in asset liability management as well as in developing quantitative investment strategies were fully deployed in 2002 in order to draw up fund-based financing concepts for a large number of corporate pension plans in close co-operation with our new occupational pensions division. In each case, the individual situation and needs of the company in question were taken into account.

Outlook

In view of the difficult market environment and numerous imponderables, 2003 started well. Mutual funds recorded net inflows of €1.7 billion in the first quarter. At the end of March 2003, DekaBank Group managed securities and money market funds with a total volume of €59.7 billion.

Nonetheless, the outlook for stock markets remains far from rosy. Not just the Iraq war but more particularly structural problems in the individual economies will impact negatively on capital markets during the rest of the year. Nevertheless, after three years of relentless decline, the conditions for a revival of world stock markets have improved substantially. Valuations on most leading equity markets are looking attractive and this is one of the key prerequisites for a more positive market climate and rising equity prices.

return to more rational investor behaviour expected

This is why we assume that market players will once again begin to act more rationally once the political uncertainties have subsided. Investment themes such as pension provision and structured wealth growth will as a result become more and more important as people increasingly realise that neither the end-of-millennium market euphoria nor the abstinence that followed in the wake of the ensuing market hangover can be a reliable guide to investment decisions in the long term.

Property funds: record inflows

German property market: a marked decline in demand

The commercial property market in Germany was unable to disengage itself from the generally weak economic situation, the ongoing crisis on the employment market and the difficult retail environment. Demand for office space weakened considerably as potential tenants bided their time. Demand for space remained strong, however, from corporate services firms such as lawyers, tax advisers and accountants, but also from retail groups and the administrative headquarters of manufacturing companies.

Rental turnover in large German cities was down compared with 2001. Vacancies rose steeply, aggravated by the large volume of new property and causing a countrywide slide in office rents. Rents for retail outlets in premium locations, however, remained relatively stable.

Subdued trend reflected worldwide

Commercial property markets in Europe felt the impact of overall economic weakness in the form of subdued demand that was also considerably lower than the previous year. Average vacancy rates were up significantly and for 2003 we expect vacancy rates to rise further in view of the large number of project completions. Rents rose at only a few locations, although rents for retail outlets in premium sites with high shopper frequency were largely unaffected by falling retail sales. Rents declined in the UK, the Netherlands, France and Spain, remained stable in Belgium, Luxembourg, Austria and Hungary and rose slightly in Italy.

Deka Immobilien Investment

Property portfolio by region (% of market value as at 31 December 2002)

Germany	48.1%
UK	18.3%
France	10.4%
Spain	5.7%
Netherlands	5.3%
USA	4.0%
Belgium	2.3%
Austria	1.6%
Luxembourg	1.3%
Australia	1.3%
Japan	0.8%
Hungary	0.4%
Ireland	0.2%
Czech Republic	0.2%
Denmark	0.1%

285 properties in 3 mutual and 6 special funds.

Projects included at current project value.

Properties included at current market value.

In 2002, the commercial property market in the United States was marked by weak demand and a simultaneous increase in new space. Vacancy rates were up in all big cities and rent increases are not to be expected with the exception of selected locations. Demand for commercial property in Australia showed a comparatively small decline, with vacancy rates at a moderate level. Commercial real estate showed a similar trend in Tokyo: demand for office space fell and rents eased slightly.

Record net inflows and property investments

The funds managed by our subsidiary Deka Immobilien Investment GmbH registered net inflows of around €2.3 billion in 2002, of which €557 million was invested into Deka-ImmobilienFonds, €1.5 billion into Deka-ImmobilienEuropa and €181 million into Deka-ImmobilienGlobal, launched on 28 October 2002.

The three funds acquired a total of five German properties and 23 properties outside Germany with a total investment volume of €2.4 billion, of which €501 million was accounted for by properties in Germany. Three of the new acquisitions are projects with a total investment volume of €391 million. The acquisition of another twenty properties with a total market value of €1.7 billion are in the finalisation stage. Six properties worth a total of €97 million were sold to optimise our portfolio structure.

Among our most important new investments were the Diagonal Mar and El Triangle shopping malls in Barcelona and three office buildings in Madrid. Our retail segment was substantially strengthened by further acquisitions and contract finalisations in London, Paris, Cork, Nuremberg, Stuttgart and Karlsruhe. Through acquisitions in Denmark, Ireland, Italy, Sweden and the Czech Republic, DekaBank Group's open-ended property fund investments now span 17 countries and four continents.

Barcelona, shopping mall Diagonal Mar

Property portfolio becomes even more international

At year-end 2002, Deka Immobilien managed a fund volume totalling €15.4 billion and, with a market share of 21.6 per cent, making it by far the biggest German company in this segment.

The portfolio of Deka-ImmobilienFonds spanned a total of 145 properties at year-end. 29.2 per cent of the total volume (based on the market value of the properties and excluding those currently under construction) is located abroad. Fund volume totalled around €7.9 billion at year-end 2002.

Deka-ImmobilienEuropa's portfolio comprised more than 77 properties at year-end 2002, 59 of which were abroad and 18 in Germany. 79.9 per cent of the total volume (based on the market value of the properties and excluding those currently under construction) is located abroad. Total fund volume amounted to approximately €7.3 billion at year-end 2002.

The investment strategy of our third fund Deka-ImmobilienGlobal, launched in October, is oriented to Germany's Fourth Financial Markets Promotion Act, which came into effect on 1 July 2002. The act permits property funds to pursue a globally focused investment policy without geographical restrictions. Deka-ImmobilienGlobal is the first open-ended property fund to take advantage of these new opportunities and to invest worldwide. The fund plans to make around one-third of its investments in Europe, the US and Asia Pacific respectively, allowing us increasingly to invest anti-cyclically. Currency risks will be largely offset through borrowed funds in the respective currency and through hedging transactions. At year-end 2002, the fund had a volume of €185 million and four properties have already been acquired in Paris, Prague, Luxembourg and Madrid.

Paris, Boulevard Haussmann

Performance

The 3.7 per cent performance of Deka-ImmobilienFonds and 4.0 per cent for Deka-ImmobilienEuropa (according to BVI calculations) were lower than in previous years. This is largely due to high net inflows and low yields in short dated maturities when investing liquidity.

Special property funds: positive growth

special property funds show strong growth

The property portfolio of special property funds grew in 2002 by around 60 per cent to €992.3 million. 16 properties, eight of which were outside Germany, with a total market value of €347.1 million were acquired. The acquisition of four others with a total market value of €88.9 million are being finalised. One property was sold for portfolio optimisation reasons.

In 2002, Deka Immobilien launched a new special fund, which means that it currently manages six special property funds for institutional investors. We anticipate continued good growth opportunities in this segment.

New offering: customised property funds

2003 will see the launch of so-called customised property funds, initially for mainly German-based institutional investors. These funds are not subject to the provisions of the German Investment Companies Act (KAGG). The property investments of these funds will be largely financed through borrowed funds and via a tax-optimised corporate structure. The funds will be liquidated at a fixed date and the fund's strategy will also be agreed in advance with individual investors.

flexible investment choices

The concept aims to attract institutional investors looking for a flexible fund construction that transcends KAGG investment restrictions and to achieve higher yields while taking into account a changed opportunity/risk profile.

Outlook

In the wake of declining rental volume and higher vacancy rates last year, we anticipate no substantial changes in 2003. Rents on most European markets will tend to stagnate or ease further. Nevertheless, we can expect a busy investment market as the investment requirements of private and institutional investors will remain high.

Our investment strategy for 2003 will focus less than in previous years on project development and more on completed and already rented properties. We will further diversify fund portfolios by acquiring hotels and logistics centres and strengthening our retail focus. Another key activity will be rental operations. Old acquisitions that no longer match our portfolio profile will be sold.

In view of the expected high inflows into our property funds and the further expansion of our special fund and customised property fund activities, we anticipate an investment demand of between €3 and €4 billion.

Structured investment concepts: trend continues

After the at times bitter market experiences of recent years, many investors are now paying greater attention to balancing the structure of their assets. There is a growing trend towards structured concepts with clearly defined opportunity/risk profiles that guarantee permanent minimum diversification and active risk management while avoiding one-sided investment ratios or extreme positions in individual investment segments.

market leadership in structured products

With this in mind, we have expanded and repositioned our offering in the structured investment segment. Extremely positive investor feedback has confirmed that this was the right move and despite the difficult market environment in 2002, we continued to register net inflows into our funds of funds and our fund-based asset management services. As a result and thanks to our competitive outperformance, we succeeded in consolidating our leading market position both in the fund of funds segment and in fund-based asset management.

Funds of funds show stable growth

DekaBank Group's funds of funds posted net inflows of €464 million in 2002, with the volume of funds under management totalling €11 billion at year-end. This was equivalent to a market share of more than 44 per cent. The Group's new IFM-AktienfondsSelect fund is a fund of funds product that for the first time invests in selected Group-external funds.

Asset management: extending our position as market leader

We are also market leaders in the fund-based asset management segment. At year-end 2002, DynamikDepot and Schweiz PrivatPortfolio managed a total volume of €8.1 billion (2001: €9.4bn) and posted net inflows of €368 million. Despite the lower volume, our market share increased from 31 to around 47 per cent.

We broadened our product range in 2002 with Schweiz PrivatPortfolio Platin, developed in co-operation with our Swiss partner Lombard Odier Darier Hentsch & Cie. This product deploys a stringent and highly disciplined investment process based on research-driven portfolio data and is aimed at high net worth private investors. In order to meet the special needs and requirements of this target group, Schweiz PrivatPortfolio Platin has been 'value-added' with additional products and services. These include the option of adding so-called alternative investment products (private equity and hedge fund products), customised advisory services and comprehensive and detailed account statements.

Fund research

New fund products but also the increased need for information by savings banks and their customers provided the main focus for our fund research team in 2002. The range of analysed products was extended step by step – 2,500 to 3,000 funds are now regularly tracked and analysed – enabling DekaBank to successfully expand its core competence in this service segment too.

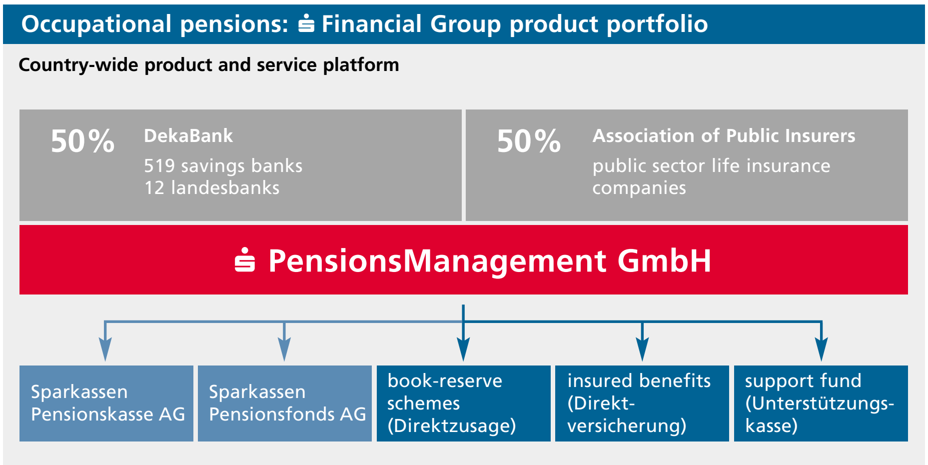
Occupational pensions: expanding our product range and extending our organisation

new landscape for occupational pensions

The reform of the pension system in Germany created a new pensions landscape in 2002 and opened up for the German Savings Banks Financial Group a strategically crucial business area. The legislation imposes on small and medium-sized companies (SMEs), who are a traditional customer group of the savings banks, the obligation to offer their employees occupational pension provision suited to their needs. Now that a variety of schemes have been integrated into collective wage agreements and a comprehensive range of products has been put in place, these products can now be marketed more intensively. The extensive nationwide marketing network of the savings banks is the key to successful sales – of pension products too – both for medium-sized corporate customers and their employees who themselves are often savings banks customers. Within the German Savings Banks Organisation, DekaBank operates on various levels in the pensions segment: as the central fund producer and provider of fund-based occupational pension models as well as in co-operation with public sector insurers.

Joint project Ṡ PensionsManagement GmbH

Ṡ PensionsManagement GmbH was established as early as December 2001 with the aim of bundling the expertise of the German Savings Banks Financial Group in the occupational pensions-critical areas of capital investment and insurance in order to create synergies. The company is owned jointly by DekaBank and the association of public-sector insurers, who each have a 50 per cent share. The nationwide holding company and its two subsidiaries, Sparkassen Pensionskasse AG and Sparkassen Pensionsfonds AG, act as a central product and transaction platform for the German Savings Banks Financial Group. This allows the savings banks to offer flexible and cost-favourable targeted pensions concepts in combination with a comprehensive advisory service to their corporate customers. The platform will offer all five occupational pension routes in the medium term.



Sparkassen Pensionskasse AG

Sparkassen Pensionskasse AG received operating approval from the German Financial Supervisory Authority (BaFin) in September 2002. The company was able to benefit in particular from new tax regulations introduced as part of the 2001 pension reform because a Pensionskasse is the only occupational pensions vehicle that offers the possibility of using all available tax breaks.

Sparkassen Pensionskasse AG offers three product varieties with differing opportunity/risk profiles. All three involve so-called assured contribution with assured minimum benefit; this guarantees that total paid-in contributions – minus risk components for optional insurance against disability or death – will be available for retirement provision. ‘PensionsRente Sicherheit’ is a traditional insurance product in which contributions are invested with an assured yield. The surplus is invested exclusively in conservative, safety-oriented products. ‘PensionsRente Kombi’ offers the possibility of taking advantage of the yields available on capital markets: the surplus is invested in fund units. The third variety, ‘PensionsRente Invest’, is aimed at yield-conscious investors. Here, contributions are divided with one portion used to finance the guaranteed value of paid-in contributions. The remaining portion flows into dedicated retirement provision investment funds (Deka-BR Fonds). Customers here have four alternatives with a varying equity portion.

Sparkassen Pensionsfonds AG

Sparkassen Pensionsfonds AG received operating approval from the German Financial Supervisory Authority in November 2002, as did ‘FondsRente Invest’, a traditional pension plan product that – like the Pensionskasse product ‘PensionsRente Invest’ – is combined with the advantages of investing in a mutual fund. DekaBank supports Sparkassen Pensionsfonds AG during the planning stages for the launch of an exclusively capital market-based product that leverages fully the flexible investment options available via this route.

Optimising organisational structures and processes

DekaBank's dedicated occupational pensions division, established in autumn 2001, was expanded in 2002 and now consists of three departments. The division pools the capacities required for this business segment and acts as an occupational pensions expertise centre within the German Savings Banks Financial Group. Its responsibilities include marketing support for savings banks – mainly with Ṡ PensionsManagement products – advising mid-sized and large (over 200 employees) companies on pensions-related issues and also designing and enhancing innovative products.

expertise centre provides support to savings banks

The division additionally operates as an agency (Landesdirektion) for Ṡ PensionsManagement. Here, DekaBank acts as a partner to savings banks and landesbanks for new business transactions relating to all Ṡ PensionsManagement products and for portfolio oversight. The agency provides backup services to partner companies in market analysis, activity planning and internal control on occupational pensions issues.

To help develop this new business segment, DekaBank sponsored many training events for savings banks employees in 2002. These activities helped the savings banks to win numerous contracts and big companies are also now beginning to use DekaBank's occupational pensions expertise.

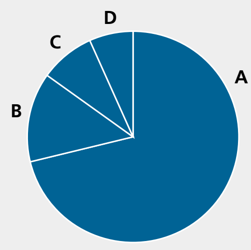
The business acquired through the agency in 2002 comprised around 500 employer contracts, representing a potential 50,000 employee contracts. 4,000 employee contracts have already been signed.

Staff

At the end of 2002, the number of Group employees totalled 3,219 (2001: 3,199), remaining virtually constant year on year. DekaBank's workforce totalled 2,007.

The average length of service rose to 5.16 years due to the low attrition rate and the average age rose correspondingly from 36.2 to 36.8. The number of women employees declined from 46.2 per cent to 44.9 per cent. Total Group personnel costs were up by around 8.5 per cent to €253.9 million.

Length of service DekaBank Group Germany



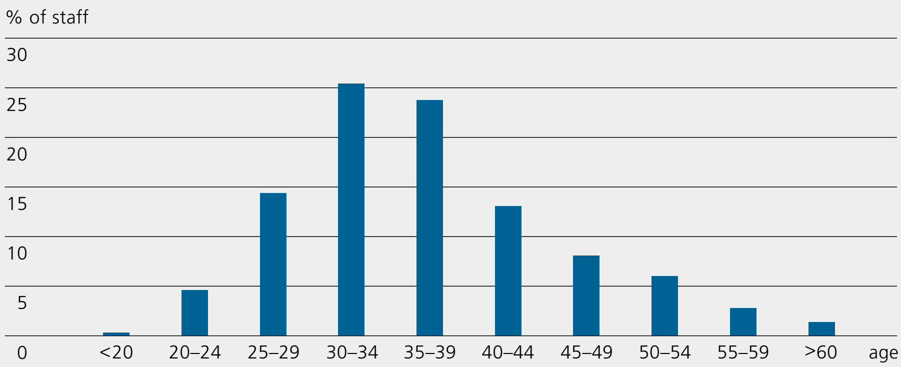
A less than 5 years 71.2%
B 5 to 10 years 13.7%
C 10 to 15 years 8.4%
D more than 15 years 6.7%

New vocational training path set to begin

In summer 2002, the German economics ministry – after prior agreement between trade union and employer representatives – paved the way for approval of a new, dedicated investment-fund career path. Subsequently, the German Investment Fund and Asset Management Association (BVI) and the Chamber of Commerce and Industry Frankfurt approved a procedure that would allow training contracts to be signed in 2002 for the start of the training year on 1 August 2003.

DekaBank has been one of the major supporters of this new career training and plans, alongside its existing training courses for IT specialists in systems integration and specialists in office communications, to take on twenty trainees in this field in 2003.

DekaBank Group age pyramid (Germany)



Average age: 36.8

Services and benefits for staff

DekaBank and the staff council came to an agreement on teleworking in 2002 that allows close to 300 employees to work partially from home. The agreement applies mainly to standby staff.

DekaBank Group's German-based companies offered employees for the first time a defined contribution-based occupational pension plan, 'Deka-PensionPlan'. 1,357 staff opted to participate in the plan.

The company improvement scheme was extremely popular last year. Once again, the number of suggestions leapt over the previous year. A total of 1,068 suggestions for improvement were submitted. Bonuses and acknowledgements worth around €50,000 were awarded. The 43 bonus-awarded and implemented suggestions achieved savings of around €172,000.

Our thanks

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

Report of the Supervisory Board for the 2002 business year

The Supervisory Board and its executive committee were informed regularly by the Board of Management about the business developments of the Bank and have satisfied themselves as to the proper conduct of the Bank's affairs as well as of the regularity of the financial statements and the report of the Board of Management containing the Management Report.

PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft audited the financial statements for the 2002 financial year prepared by the Board of Management together with the Management Report and gave its unqualified certificate of audit in respect thereof. The Supervisory Board approves the result of the audit.

Following their final examination by the Supervisory Board, the balance sheet as at 31 December 2002 and the profit and loss account for 2002 together with the notes to the accounts are approved by the Supervisory Board and submitted to the Annual General Meeting with the proposal to approve the same and to distribute the net profit for the 2002 financial year amounting to €22,905,876.28 to capital.

The following changes occurred on the Supervisory Board during the past year: Norbert Pawlowski, Member of the Board of Management of LandesBank Berlin - Girozentrale - retired from the Supervisory Board with effect from 30 November 2002. Dr Dietrich Rümker, former Chairman of the Board of Management of Landesbank Schleswig-Holstein Girozentrale resigned with effect from 31 December 2002. He was replaced by Hans Berger with effect from 1 January 2003. Heribert Thallmair, former President of the German Cities' and Towns' Association, retired from the Supervisory Board with effect from 31 December 2002. His replacement, Roland Schäfer, First Deputy President of the German Cities' and Towns' Association, was appointed to the Supervisory Board with effect from 1 January 2003. The Supervisory Board extends its thanks to the departing members for their advice and commitment in the service of the Bank.

After more than twenty years of service on the Board of Management, and as Chairman since 1 July 1999, Manfred Zaß retired with effect from 31 January 2002. His many years of commitment to the Bank and to promoting Germany's position as a financial centre have permanently strengthened the reputation of both the Bank and the German Savings Banks Financial Group. His successor, Axel Weber, previously deputy chairman of the Board of Management, took up his appointment as chairman of the Board of Management on 1 February 2002.

On 1 January 2003, the Supervisory Board appointed Dr Peter J. Mathis, deputy chairman of the Board of Management of Deka Investment GmbH, as deputy member of the Board of Management of DekaBank Deutsche Girozentrale.

Frankfurt am Main, March 2003

The Chairman of the Supervisory Board, Dr Dietrich H. Hoppenstedt

Open communication shapes our co-operation

We communicate openly and involve all those concerned. We strive to harmonise internal and external communication. We consciously shape the image of the Bank. We support one another, learn from one another and pursue our professional development together.

Financial Statements and Group Financial Statements 2002

Group Balance Sheet as at 31 December 2002

Assets

				2002	2001
		€	€	€	€'000
1. Cash reserves					
a) cash in hand			2,807,208.08		1,992
b) balances with central banks			45,672,363.34		900,165
including:					
with Deutsche Bundesbank	€32,867,076.90				(895,197)
c) balances with post office banks			1,073,006.87	**49,552,578.29**	1,579
2. Due from banks					
a) payable on demand			3,507,212,514.92		1,030,238
b) other receivables			36,414,430,803.85	**39,921,643,318.77**	32,553,809
3. Due from customers				**21,549,642,562.67**	21,926,419
including:					
secured by mortgages	€494,839,386.05				(516,076)
public sector loans	€14,331,825,984.12				(13,190,127)
4. Bonds and other					
fixed-interest securities					
a) money market instruments					
aa) of public sector issuers		103,245,753.42			0
including:					
eligible as collateral with					
Deutsche Bundesbank	€103,245,753.42				(0)
ab) of other issuers		352,167,647.22	455,413,400.64		212,573
including:					
eligible as collateral with					
Deutsche Bundesbank	€352,167,647.22				(212.573)
b) bonds and notes					
ba) of public sector issuers		3,951,089,189.40			3,127,386
including:					
eligible as collateral with					
Deutsche Bundesbank	€3,811,716,429.27				(3,015,436)
bb) of other issuers		14,817,744,197.23	18,768,833,386.63		15,190,959
including:					
eligible as collateral with					
Deutsche Bundesbank	€12,452,169,555.13				(12,463,712)
c) own bonds			4,495,260,186.74	**23,719,506,974.01**	2,139,545
nominal amount	€4,307,400,013.99				(2,078,128)

Assets

			2002	2001
	€	€	€	€'000
5. Shares and other non-fixed-interest securities			**3,272,546,310.11**	2,523,696
6. Equity investments			**89,361,441.90**	89,773
including:				
in banks €2,808,546.76				(2,809)
7. Shares in associated companies			**51,473,054.09**	61,016
8. Shares in affiliated companies			**417,304.73**	417
9. Trust assets			**511,291.88**	511
10. Equalisation claims against public authorities				
including bonds and notes in substitution thereof			**309,731,612.05**	242,613
11. Tangible assets			**675,448,588.03**	696,717
12. Other assets			**164,429,046.32**	384,669
13. Prepaid and accrued income			**255,182,282.93**	287,027
Total assets			**90,059,446,365.78**	81,371,104

Liabilities

				2002	2001
		€	€	€	€'000
1. Due to banks					
a) payable on demand			1,493,905,681.50		773,765
b) with agreed maturity or period of notice			29,608,583,419.76	**31,102,489,101.26**	30,958,010
2. Due to customers					
other liabilities					
a) payable on demand			5,483,837,644.90		5,969,080
b) with agreed maturity or period of notice			14,997,628,508.99	**20,481,466,153.89**	13,174,432
3. Securitised liabilities					
a) bonds and notes issued			30,599,544,110.52		27,060,517
b) other securitised liabilities			3,156,210,538.11	**33,755,754,648.63**	0
4. Trust liabilities				**511,291.88**	511
5. Other liabilities				**494,859,394.49**	250,664
6. Accruals and deferred income				**73,199,856.88**	72,646
7. Provisions					
a) for pensions and similar obligations			166,341,231.07		140,965
b) for taxes			164,877,413.54		141,194
c) other provisions			502,803,826.77	**834,022,471.38**	469,182
8. Special item with partial reserve character				**12,815,702.34**	45,614
9. Subordinated liabilities				**795,746,530.45**	480,135
10. Profit participation capital				**403,635,280.16**	327,329
including:					
due in less than two years	€153,387,564.36				(76,694)
11. Fund for general banking risks				**220,372,168.54**	155,372

Liabilities

			2002	2001
	€	€	€	€'000
12. Equity capital				
a) subscribed capital				
aa) subscribed capital	286,323,453.46			286,323
ab) silent capital contributions	801,506,744.10	1,087,830,197.56		300,387
b) capital reserves		190,290,557.02		190,291
c) reserves from retained earnings				
ca) statutory reserves	9,298,011.38			6,483
cb) reserves required by the Bank's statutes	51,283,598.27			51,283
cc) reserves from other earnings	491,826,805.18			439,977
cd) excluding goodwill	-172,024.32	552,236,390.51		-14,768
d) equalisation items for minority interests		128,482.00		146
e) net income		54,088,138.79	**1,884,573,765.88**	91,566
Total liabilities			**90,059,446,365.78**	81,371,104
1. Contingent liabilities				
liabilities from guarantees and indemnity agreements			**1,898,241,399.89**	885,986
2. Other commitments				
irrevocable lending commitments			**4,333,263,426.62**	4,102,916

Group Profit and Loss Account from 1 January to 31 December 2002

Expenses and income

			2002	2001
	€	€	€	€'000
1. Interest income from				
a) lending and money market operations	2,669,481,647.52			3,015,912
b) fixed-interest securities and government-inscribed debt	973,281,386.34	3,642,763,033.86		1,047,255
2. Interest paid		3,439,703,122.62	**203,059,911.24**	3,841,736
3. Current income from				
a) shares and other non-fixed-interest securities		70,088,776.08		36,734
b) equity investments		1,574,332.33	**71,663,108.41**	1,920
4. Income from shares in associated companies			**-12,739,596.48**	-3,076
5. Commission income		1,962,819,113.18		2,037,814
6. Commission paid		1,270,916,524.07	**691,902,589.11**	1,308,900
7. Net income from trading operations			**45,559,648.18**	15,581
8. Other operating income			**73,295,393.42**	66,519
9. Income from dissolution of special item with partial reserve character			**32,797,773.79**	36,445
10. General administrative expenses				
a) personnel expenses				
aa) wages and salaries	209,707,495.08			190,769
ab) social security contributions and expenses for pensions and other employee benefits	44,192,431.66	253,899,926.74		43,306
including:				
for pensions €17,449,881.45				(19,867)
b) other administrative expenses		350,055,935.88	**603,955,862.62**	411,532
11. Write-downs and value adjustments on intangible and tangible fixed assets			**66,519,756.89**	51,460

Expenses and income

			2002	2001
	€	€	€	€'000
12. Other operating expenses			**22,760,167.07**	12,323
13. Write-downs and value adjustments				
on loans and certain securities as well as				
allocations to loan loss provisions			**31,904,101.19**	16,149
14. Allocations to fund for general banking risks			**65,000,000.00**	69,665
15. Write-downs and value adjustments on equity investments,				
shares in affiliated companies and securities				
treated as fixed assets			**0.00**	9,255
16. Income from revaluation of equity investments,				
shares in affiliated companies and securities				
treated as fixed assets			**31,191,443.29**	0
17. Profit or loss on ordinary activities			**346,590,383.19**	300,009
18. Taxes on income and revenues			**213,418,691.81**	151,013
19. Income transferred under profit pooling,				
profit transfer or partial profit				
transfer agreements			**79,050,944.78**	57,375
20. Net income for the year			**54,120,746.60**	91,621
21. Shares of shareholders outside the Group			**32,607.81**	55
22. Group profit			**54,088,138.79**	91,566

Balance Sheet as at 31 December 2002

Assets

				2002	2001
		€	€	€	€'000
1. Cash reserves					
a) cash in hand			6,405.80		1
b) balances with central banks			40,977,426.49		895,338
including:					
with Deutsche Bundesbank	€32.866.476,79				(895,338)
c) balances with post office banks			100.97	**40,983,933.26**	0
2. Due from banks					
a) payable on demand			3,785,729,012.75		854,157
b) other receivables			33,705,451,476.56	**37,491,180,489.31**	29,913,945
3. Due from customers				**18,704,440,568.97**	19,400,247
including:					
secured by mortgages	€494,839,386.05				(516,076)
public sector loans	€12,062,496,514.19				(11,342,777)
4. Bonds and other					
fixed-interest securities					
a) money market instruments					
aa) of public sector issuers		103,245,753.42			0
including:					
eligible as collateral with					
Deutsche Bundesbank	€103,245,753.42				(0)
ab) of other issuers		352,167,647.22	455,413,400.64		192,423
including:					
eligible as collateral with					
Deutsche Bundesbank	€352,167,647.22				(192,423)
b) bonds and notes					
ba) of public sector issuers		3,781,255,342.02			2,896,915
including:					
eligible as collateral with					
Deutsche Bundesbank	€3,650,080,464.62				(2,793,227)
bb) of other issuers		13,864.082,657.74	17,645,337,999.76		14,129,083
including:					
eligible as collateral with					
Deutsche Bundesbank	€11,557,431,599.32				(11,563,712)
c) own bonds			4,495,260,186.74	**22,596,011,587.14**	2,139,545
nominal amount	€4,307,400,013.99				(2,078,128)

Assets

				2002	2001
		€	€	€	€'000
5. Shares and other non-fixed interest securities				**2,943,004,986.19**	2,199,808
6. Equity investments				**152,425,262.28**	155,056
including:					
in banks	€25,305,389.53				(25,305)
7. Shares in affiliated companies				**757,695,538.57**	755,359
including:					
in banks	€105,862,718.07				(92,026)
8. Trust assets				**511,291.88**	512
9. Equalisation claims against public authorities					
including bonds and notes issued in substitution thereof				**309,731,612.05**	242,613
10. Tangible assets				**46,673,105.82**	48,538
11. Other assets				**255,471,896.47**	299,758
12. Prepaid and accrued income				**250,379,323.86**	281,839
Total assets				**83,548,509,595.80**	74,405,137

Liabilities

				2002	2001
		€	€	€	€'000
1. Due to banks					
a) payable on demand			1,883,736,920.40		1,198,727
b) with agreed maturity or period of notice			26,488,962,041.57	**28,372,698,961.97**	27,892,094
2. Due to customers					
other liabilities					
a) payable on demand			4,626,911,027.26		4,577,694
b) with agreed maturity or period of notice			12,603,038,807.18	**17,229,949,834.44**	10,855,628
3. Securitised liabilities					
a) bonds and notes issued			30,599,544,110.52		
b) other securitised liabilities			3,156,210,538.11	**33,755,754,648.63**	27,060,517
4. Trust liabilities				**511,291.88**	512
5. Other liabilities				**460,562,208.86**	225,088
6. Accruals and deferred income				**69,220,844.03**	64,501
7. Provisions					
a) for pensions and similar obligations			133,497,871.92		114,260
b) for taxes			117,470,700.25		50,211
c) other provisions			425,022,444.48	**675,991,016.65**	385,307
8. Special item with partial reserve character				**12,815,702.34**	45,613
9. Subordinated liabilities				**795,746,530.45**	480,135
10. Profit participation capital				**403,635,280.16**	327,329
including:					
due in less than two years	€153,387,564.36				(76,694)
11. Fund for general banking risks				**374,082,236.88**	231,100

Liabilities

			2002	2001
	€	€	€	€'000
12. Equity capital				
a) subscribed capital				
aa) subscribed capital	286,323,453.46			286,323
ab) silent capital contributions	801,506,744.10	1,087,830,197.56		300,387
b) capital reserves		189,366,198.03		189,366
c) reserves from retained earnings				
ca) statutory reserves	0,00			
cb) reserves required by the Bank's statutes	51,283,598.27			51,284
cc) reserves from other earnings	46,155,169.37	97,438,767.64		46,155
d) net income		22,905,876.28	**1,397,541,039.51**	22,906
Total liabilities			**83,548,509,595.80**	74,405,137
1. Contingent liabilities				
liabilities from guarantees and indemnity agreements			**1,871,621,377.51**	872,006
2. Other commitments				
irrevocable lending commitments			**4,234,268,991.68**	3,974,371

Profit and Loss Account
from 1 January to 31 December 2002

Expenses and income

			2002	2001
	€	€	€	€'000
1. Interest income from				
a) lending and money market operations	2,462,212,243.22			2,674,396
b) fixed-interest securities and government-inscribed debt	914,290,319.67	3,376,502,562.89		983,859
2. Interest paid		3,234,808,630.41	**141,693,932.48**	3,511,816
3. Current income from				
a) shares and other non-fixed-interest securities		65,431,046.64		30,286
b) equity investments		3,377,646.39		3,111
c) shares in affiliated companies		154,981,146.22	**223,789,839.25**	233,564
4. Income from profit pooling, profit transfer and				
partial profit transfer agreements			**205,377,472.98**	187,228
5. Commission income		633,591,627.87		547,072
6. Commission paid		496,742,417.18	**136,849,210.69**	466,527
7. Net income from trading operations			**43,308,845.48**	9,226
8. Other operating income			**160,139,451.22**	179,739
9. Income from dissolution of special item				
with partial reserve character			**32,797,773.79**	36,445
10. General administrative expenses				
a) personnel expenses				
aa) wages and salaries	128,809,111.74			118,652
ab) social security contributions and expenses for				
pensions and other employee benefits	29,439,273.60	158,302,385.34		29,442
including:				
for pensions €11,629,893.13				(13,792)
b) other administrative expenses		309,798,780.84	**468,101,166.18**	332,196
11. Write-downs and value adjustments on				
intangible and tangible fixed assets			**46,367,703.82**	34,033

Expenses and income

			2002	2001
	€	€	€	€'000
12. Other operating expenses			**10,569,906.76**	3,693
13. Write-downs and value adjustments				
on loans and certain securities as well as				
allocations to loan loss provisions			**25,226,871.23**	27,070
14. Allocations to fund for general banking risks			**142,982,236.88**	201,100
15. Write-downs and value adjustments on equity investments,				
shares in affiliated companies and securities				
treated as fixed assets			**0.00**	9,178
16. Income from revaluation of equity investments,				
shares in affiliated companies and securities				
treated as fixed assets			**24,426,668.46**	0
17. Expenses from the assumption of losses			**0.00**	3
18. Profit or loss on ordinary activities			**275,135,309.48**	151,216
19. Taxes on income and revenues			**173,178,488.42**	70,935
20. Income transferred under profit pooling,				
profit transfer or partial profit				
transfer agreements			**79,050,944.78**	57,375
21. Net income for the year			**22,905,876.28**	22,906

Notes to the Group Financial Statements and Financial Statements 2002 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 2002 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 ten domestic and seven overseas affiliated companies have been included in the Group accounts. Nine 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. 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).

Residual liabilities are reported under capital.

In the 2002 business year, three 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, based on the values stated at the end of the business year (31 December 2002).

(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[1)]	Result[2)]
	%	€'000	€'000
Subsidiaries			
Deka Investment GmbH, Frankfurt am Main	100.00	20,451.7	140,929.8 [3)]
Deka Immobilien Investment GmbH, Frankfurt am Main	100.00	10,225.9	46,305.9 [3)]
Deka Grundstücksverwaltungsgesellschaft I (GbR), Frankfurt am Main	100.00	19,622.7	1,000.0
Deka Beteiligungsgesellschaft mbH, Frankfurt am Main	100.00	258.5	3.6
DekaBank Deutsche Girozentrale Luxembourg S. A., Luxembourg	100.00	236,175.2	80,100.0
Deka International S. A., Luxembourg	100.00	94,467.5	48,748.8
Deka(Swiss) Privatbank AG, Zurich	80.00	34,238.5	5,773.2
Deutsche Girozentrale Overseas Limited, Grand Cayman	99.90	9,146.2	326.7
Deka International (Ireland) Ltd., Dublin	100.00	56,205.5	25,703.3
Deutsche Girozentrale Holding S. A., Luxembourg	100.00	4,290.3	72.4
International Fund Management S. A., Luxembourg	98.00	6,424.1	1,630.4
Deka FondsSupport GmbH, Frankfurt am Main	100.00	2,171.3	6.8
Bürohaus Mainzer Landstraße 16 GmbH & Co. KG, Frankfurt am Main	100.00	615,084.1	18,150.2
Geschäftshaus am Gendarmenmarkt GmbH, Berlin	100.00	615,179.2	18,141.8 [3)]
GMS Gebäudemanagement und Service GmbH, Frankfurt am Main	100.00	2,032.7	252.0
DDB Management GmbH, Frankfurt am Main	100.00	26.7	1.3
Trianon GmbH, Frankfurt am Main	100.00	26.0	1.8

Associated companies

Name, Location	Share of capital	Equity capital[1]	Result[2]
	%	€'000	€'000
Associated companies			
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	40.00	15,346.4	10,233.5
PensionsManagement GmbH (formerly: Beteiligungsgesellschaft für betriebliche Altersversorgung der Sparkassen-Finanzgruppe mbH, Düsseldorf)	50.00	36,570.5	-3,429.5
SOB Beteiligungs GmbH & Co. KG, Frankfurt am Main	25.10	81,940.1	-28,761.7
Non-consolidated companies			
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		
Deka Grundstücksgesellschaft mbH, Frankfurt am Main	100.00		
Interspar Verwaltungsgesellschaft S. A., Luxembourg	100.00		
International Asset Management S. A., Luxembourg	100.00		

[1] Definition of equity capital in accordance with Section 266 para. 3 A. in conjunction with Section 272 HGB
[2] Net income/deficit in accordance with Section 275 para. 2 no. 20 HGB
[3] A profit transfer agreement has been concluded with these companies

(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.

In the 2002 Group financial statements, there was a difference of €78 million in the allocation made to the fund for general banking risks compared with the valuation in the financial statements for the Bank.

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 according to the reporting date method. Differences arising from translation are offset against reserves and do not affect consolidated income.

Claims and commitments under derivative financial instruments are valued individually at market prices unless they actually serve to hedge against market price risks. For unrealised valuation losses, provisions have been made for possible losses from pending transactions. Unrealised valuation gains have not been recognised as income.

In the 2002 business year, valuation units were additionally made on the basis of the risk structure of sub-portfolios of the trading position. 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.

The first-time use of portfolio valuations led to a dissolution of provisions made in previous years amounting to €63 million.

Liabilities are shown at redemption value. Any differences between borrowing and redemption values are stated as deferred items and dissolved as scheduled.

Provisions for pensions have been determined on the basis of an actuarial opinion in accordance with the expectancy present value method, taking into account current mortality tables. The indirect pension commitments of Deka Altershilfe GmbH, Frankfurt am Main, a wholly-owned subsidiary of the Bank, have been calculated following the same procedure. The portion of the commitments not covered by actual assets has been included in the provisions for pensions.

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 €4 million (previous year: €5m). In addition, there are contingent liabilities under Section 24 of the Companies Act (GmbH-Gesetz) with regard to two limited liability companies.

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. There is no contingent liability to put up additional capital towards the guarantee scheme (Sicherungsreserve) of the Landesbanken/Girozentralen (previous year: €6m) in 2002.

Notes to the accounts

(7) Due from banks

	DekaBank		Group	
	2002	**2001**	**2002**	**2001**
	€m	**€m**	**€m**	**€m**
This item includes:				
Loans to				
- affiliated companies	1,030	508	0	0
- companies in which				
an interest is held	5,394	3,905	7,467	5,153
Subordinated loans	0	5	0	5
Sub-item b. – other receivables –				
breaks down as follows by residual term to maturity:				
- less than three months	8,044	5,810	9,431	7,061
- more than three months to one year	3,356	2,603	4,443	3,813
- more than one year to five years	12,326	12,221	12,553	12,382
- more than five years	9,979	9,280	9,987	9,298
	33,705	**29,914**	**36,414**	**32,554**
Used for cover	22,770	20,634	22,770	20,634

(8) Due from customers

This item includes:				
Loans to				
- affiliated companies	0	35	0	0
- companies in which				
an interest is held	35	18	35	18
Subordinated loans	0	0	0	0
This item breaks down as follows by				
residual term to maturity:				
- with indefinite term to maturity	1,095	1,724	2,309	1,725
- less than three months	2,043	2,000	2,766	3,370
- more than three months to one year	1,379	1,592	1,491	1,749
- more than one year to five years	6,698	7,127	7,176	7,519
- more than five years	7,489	6,957	7,808	7,563
	18,704	**19,400**	**21,550**	**21,926**
Used for cover	12,108	11,626	12,108	11,626

(9) Bonds and other fixed-interest securities

	DekaBank		Group	
	2002	2001	2002	2001
	€m	€m	€m	€m
This item includes:				
Loans to				
- affiliated companies	0	0	0	0
- companies in which				
an interest is held	8,979	5,612	9,464	6,078
Of the marketable securities included				
in this item, the following are:				
- listed on the stock exchange	15,810	14,228	16,934	15,540
- not listed on the stock exchange	6,786	5,130	6,786	5,130
Due within one year	5,278	5,188	5,765	5,632
Used for cover	6,389	5,624	6,389	5,624

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

Of the marketable securities included				
in this item, the following are:				
- listed on the stock exchange	3	1	3	3
- not listed on the stock exchange	1,920	1,193	1,957	1,241
Subordinated loans	29	28	29	28

(11) Equity investments

Of the marketable securities included				
in this item, the following are:				
- listed on the stock exchange	0	1	0	1
- not listed on the stock exchange	0	0	0	0

(12) Shares in affiliated companies

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

(13) Trust assets

As in the previous year, all of the trust assets shown relate 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 2002 business year were as follows:

DekaBank Group

	Cost of acquisition/ production	Additions	Retire-ments	Transfers	Write-ups	Depreciation		Book value	
						accumulated	2002	31.12.2002	31.12.2001
Assets in €'000									
Equity investments	89,773	405	817	0	0	0	0	89,361	89,773
Shares in associated companies	75,997	5,000	0	0	0	29,524	14,543	51,473	61,016
Shares in affiliated companies	417	0	0	0	0	0	0	417	417
Securities attributable to fixed assets	23,361	5,196	0	1,180	4	1,205	1,120	28,536	23,288
Fixed assets									
- land and buildings including									
buildings on land not owned by us	665,007	457	0	0	0	48,916	27,536	616,548	643,512
including:									
premises used for									
our own business activities								(616,548)	(643,512)
- office equipment	173,214	40,524	16,035	-14	0	138,789	33,877	58,900	53,205
Total fixed assets	838,221	40,981	16,035	-14	0	187,705	61,413	675,448	696,717
Total tangible assets	**1,027,769**	**51,582**	**16,852**	**1,166**	**4**	**218,434**	**77,076**	**845,235**	**871,211**

The tangible assets of DekaBank in the 2002 business year were as follows:

DekaBank

	Cost of acquisition/ production	Additions	Retire-ments	Transfers	Write-ups	Depreciation		Book value	
						accumulated	2002	31.12.2002	31.12.2001
Assets in €'000									
Equity investments	165,770	5,405	817	0	0	17,933	7,219	152,425	155,056
Shares in affiliated companies	755,360	21,871	19,535	0	0	0	0	757,696	755,359
Securities attributable to fixed assets	0	2,118	0	1,126	0	737	737	2,507	0
Fixed assets									
- land and buildings including									
buildings on land not owned by us	6,300	15,801	0	0	0	17,345	14,594	4,756	3,549
including:									
premises used for									
our own business activities								(4,756)	(3,549)
- office equipment	124,510	24,220	7,468	0	0	99,345	26,667	41,917	44,989
Total fixed assets	130,810	40,021	7,468	0	0	116,690	41,261	46,673	48,538
Total tangible assets	**1,051,940**	**69,415**	**27,820**	**1,126**	**0**	**135,360**	**49,217**	**959,301**	**958,953**

(16) Other assets

	DekaBank		Group	
	2002	2001	2002	2001
	€m	€m	€m	€m
This item includes:				
- securities and interest due				
from due securities	9	81	9	81
- claims relating to special assets				
(administrative charges)	0	0	0	64
- tax refund claims	16	41	18	59
- foreign currency equalisation items	0	58	0	58
- claims from advance				
corporation tax, capital gains tax and				
solidarity supplement payments	33	34	33	34
- leasing assets	25	30	25	30
- rescue acquisitions	14	16	14	16

(17) Deferred items

This item includes:				
premiums and discounts from				
underwriting and loan business	240	267	240	267

(18) Additional information relating to assets

Assets in foreign currency	6,170	5,756	6,690	7,369
Book value of pledged assets	1,862	1,118	1,862	1,118

(19) Due to banks

This item includes:				
Liabilities to				
- affiliated companies	407	663	0	0
- companies in which				
an interest is held	5,109	5,761	5,809	6,894

Sub-item b. – with agreed maturity or period				
of notice – breaks down as follows by residual				
term to maturity:				
- less than three months	11,605	11,698	14,154	14,141
- more than three months to one year	6,701	7,163	7,272	7,622
- more than one year to five years	4,738	5,149	4,738	5,314
- more than five years	3,445	3,882	3,445	3,881
	26,489	**27,892**	**29,609**	**30,958**

(20) Due to customers

	DekaBank		Group	
	2002	**2001**	**2002**	**2001**
	€m	**€m**	**€m**	**€m**
This item includes:				
Liabilities to				
- affiliated companies	117	92	1	1
- companies in which				
an interest is held	2	0	2	76
Sub-item b. – with agreed maturity or period				
of notice – breaks down as follows by residual				
term to maturity:				
- less than three months	2,972	2,058	5,209	4,184
- more than three months to one year	1,146	1,087	1,303	1,279
- more than one year to five years	2,572	2,853	2,573	2,853
- more than five years	5,913	4,858	5,913	4,858
	12,603	**10,856**	**14,998**	**13,174**

(21) Securitised liabilities

This item includes:				
Liabilities to				
- affiliated companies	7	25	7	25
- companies in which				
an interest is held	1,866	2,588	1,866	2,588
From sub-item				
– bonds issued –				
mature within one year	11,351	6,070	11,351	6,070

(22) Trust liabilities

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

(23) Other liabilities

This item includes:				
- commission payments to sales outlets	59	76	61	77
- as yet unpaid capital gains tax,				
corporation tax and solidarity supplement	33	34	33	34
- liabilities to custodial account holders	33	33	33	33
- liabilities from delivery and performance	25	23	25	23
- interest payments on profit participation capital	27	23	27	23
- distribution to atypical silent partners	11	20	11	20
- foreign currency equalisation items	116	0	116	0

(24) Accruals and deferred items

	DekaBank		Group	
	2002	**2001**	**2002**	**2001**
	€m	**€m**	**€m**	**€m**
This item contains:				
- premiums and discounts from				
issuing and lending business	53	56	53	58
- liabilities from leasing business	6	6	6	6

(25) Special item with partial reserve character

The special item with partial reserve character set up in the previous year pursuant to the requirements to reinstate original values (Section 280 para. 2 HGB in conjunction with Section 52 para. 16 EStG) was dissolved by 60 per cent and taken to earnings in the 2002 business year. A special item with partial reserve character set up in previous years pursuant to Section 6b EStG was dissolved and transferred to property.

(26) Subordinated liabilities

Expenses for subordinated				
liabilities	39	26	39	26
Stated pro-rata interest for				
subordinated liabilities	27	12	27	12

The borrowings break down as follows:	**Currency**	**Amount (m)**	**Interest rate**	**Maturity**
Note	DM	38	6.75%	10.02.2003
Note	€	100	Euribor 6m	09.06.2010
Note	€	90	Euribor 6m	09.06.2010
Note	€	40	Euribor 6m	09.06.2010
Note[1]	€	300	5.38%	31.01.2014
Borrower's note loan	DM	115	6.80 – 6.95%	08.03.2006
Borrower's note loan	€	85	6.41 – 6.46%	18.05.2012

[1] new borrowings in the business year

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

	DekaBank		Group	
	2002	**2001**	**2002**	**2001**
	€m	**€m**	**€m**	**€m**
Subscribed capital	286	286	286	286
Typical silent capital contribution	756	256	756	256
Atypical silent capital contribution	46	45	46	45

(28) Additional information relating to liabilities

Foreign currency liabilities	8,709	9,316	9,222	11,050

(29) Cover for mortgage and municipal loan business

Bonds requiring cover				
- bearer instruments	22,191	22,775	22,191	22,775
- registered instruments	12,008	10,666	12,008	10,666
- registered pfandbriefe	5	10	5	10
Total	**34,204**	**33,451**	**34,204**	**33,451**
Assets earmarked as cover				
- public-sector loans				
- to public-sector banks	26,680	25,087	26,680	25,087
- to customers	14,235	12,482	14,235	12,482
- mortgage loans to customers	352	315	352	315
Total	**41,267**	**37,884**	**41,267**	**37,884**
Surplus cover	**7,063**	**4,433**	**7,063**	**4,433**

Notes to the profit and loss account

(30) Classification of income according to regional markets

The income stated in the items

- interest income
- current income
- commission income
- net income from financial transactions and
- other operating income

was as follows:

	DekaBank		Group	
	2002	2001	2002	2001
	%	%	%	%
Domestic income	84	85	76	84
Foreign income	16	15	24	16

(31) Write-downs and value adjustments on intangible and tangible fixed assets

Of the amount stated, €5 million (previous year: €6m) relates to leasing business.

(32) Other operating income

Other operating income of DekaBank Group consists mainly of €20 million from rental income, €16 million from the release of provisions and €9 million from leasing business.

Other operating income of DekaBank consists mainly of €124 million from charges, €9 million from leasing business and €13 million from the release of provisions.

(33) Other operating expenses

Other operating expenses of DekaBank Group consist of other taxes amounting to approximately €3 million.

Other operating expenses of DekaBank consist of other taxes amounting to approximately €3 million.

Off-balance sheet transactions

(34) Off-balance sheet transactions

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

Credit equivalent amounts have been calculated according to the market valuation method, taking into account the credit-based weighting factors in accordance with Equity Capital Principle I.

(35) Off-balance sheet transactions DekaBank Group

Group: derivative transactions – volumes –

	Nominal values		Credit risk equivalents	Replacement costs
	31.12.2002	**31.12.2001**	**31.12.2002**	**31.12.2002**
	€m	**€m**	**€m**	**€m**
Interest rate risks				
Interest rate swaps	44,065.8	38,309.9	261.0	1,034.5
Forward rate agreements	15.0	900.0	0.0	0.0
Interest rate options				
- purchases	665.3	823.6	5.6	1.7
- sales	700.0	60.0	–	–
Caps, floors	50.0	127.8	0.1	0.2
Stock market contracts	352,3	351,1	–	–
Other interest rate forward transactions	3,545.5	2,924.5	10.1	14.7
Total interest rate risks	**49,393.8**	**43,496.9**	**276.8**	**1,051.1**
Currency risks				
Forward exchange transactions	10,305.9	13,854.3	87.0	235.0
Currency swaps, interest rate currency swaps	352.2	299.2	7.2	8.9
Currency options				
- purchases	134.0	311.5	1.4	5.9
- sales	132,1	162,4	–	–
Total currency risks	**10,924.2**	**14,627.4**	**95.6**	**249.7**
Share and other price risks				
Share forward transactions	1,404.9	649.8	40.0	25.5
Share options				
- purchases	46.1	13.6	4.2	8.2
- sales	79.8	39.7	–	–
Other forward transactions	78.2	20.2	1.5	3.2
Total share and other price risks	**1,609.0**	**723.3**	**45.7**	**36.9**
Total	**61,927.0**	**58,847.6**	**418.1**	**1,337.7**

Group: derivative transactions – classification by maturities (nominal values) –

	Interest rate risks		Currency risks		Share and other price risks	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001	31.12.2002	31.12.2001
	€m	€m	€m	€m	€m	€m
Residual terms to maturity						
- less than three months	10,764.9	11,177.3	6,672.7	11,127.2	1,334.3	283.6
- more than three months to one year	8,673.8	6,225.1	3,378.4	2,931.8	20.1	434.7
- more than one year to five years	14,143.4	11,818.1	592.9	326.9	10.8	5.0
- more than five years	15,811.7	14,276.4	280.2	241.5	46.0	0.0
Total	**49,393.8**	**43,496.9**	**10,924.2**	**14,627.4**	**1,411.2**	**723.3**

Group: derivative transactions – classification by counterparties –

	Nominal values		Credit risk equivalents	Replacement costs
	31.12.2002	31.12.2001	31.12.2002	31.12.2002
	€m	€m	€m	€m
Banks in OECD countries	55,950.8	53,384.9	339.5	1,284.0
OECD public-sector entities	352.3	351.1	0.0	0.0
Other counterparties	5,623.9	5,111.7	78.7	53.7
Total	**61,927.0**	**58,847.7**	**418.2**	**1,337.7**

Group: derivative transactions – trading operations –

	Nominal values		Credit risk equivalents	Replacement costs
	31.12.2002	31.12.2001	31.12.2002	31.12.2002
	€m	€m	€m	€m
Interest rate contracts	20,189.8	15,109.2	86.7	343.7
Currency contracts	4,170.0	2,080.3	38.6	144.4
Share contracts	59.6	5.0	0.2	0.1
Total	**24,419.5**	**17,194.5**	**125.6**	**488.1**

(36) Off-balance sheet transactions DekaBank

Group: derivative transactions – volumes –	Nominal values		Credit risk equivalents	Replacement costs
	31.12.2002	31.12.2001	31.12.2002	31.12.2002
	€m	€m	€m	€m
Interest rate risks				
Interest rate swaps	42,384.5	36,488.9	261.7	1,040.8
Forward rate agreements	15.0	900.0	0.0	0.0
Interest rate options				
- purchases	861.5	1,053.8	6.3	2.3
- sales	700.0	60.0	–	–
Caps, floors	50.0	127.8	0.1	0.2
Stock market contracts	352.3	351.1	–	–
Other interest rate forward transactions	3,804.4	3,064.5	11.2	16.5
Total interest rate risks	**48,167.7**	**42,046.1**	**279.3**	**1,059.8**
Currency risks				
Forward exchange transactions	8,725.6	9,606.6	60.4	142.7
Currency swaps, interest rate currency swaps	352.2	299.2	7.2	8.9
Currency options				
- purchases	134.0	311.5	1.4	5.9
- sales	132.1	162.4	–	–
Total currency risks	**9,343.9**	**10,379.7**	**69.0**	**157.4**
Share and other price risks				
Share forward transactions	1,404.9	984.5	40.0	25.6
Share options				
- purchases	46.1	36.3	4.3	8.2
- sales	79.8	39.7	–	–
Stock market contracts	0.0	0.0	–	–
Other forward transactions	78.2	20.2	1.5	3.2
Total share and other price risks	**1,609.1**	**1,080.7**	**45.8**	**36.9**
Total	**59,120.6**	**53,506.5**	**394.2**	**1,254.1**

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

	Interest rate risks		Currency risks		Share and other price risks	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001	31.12.2002	31.12.2001
	€m	€m	€m	€m	€m	€m
Residual terms to maturity						
- less than three months	9,270.9	11,177.4	5,998.2	8,136.7	1,527.0	641.0
- more than three months to one year	8,680.8	4,884.1	2,784.2	1,790.3	25.2	434.7
- more than one year to five years	14,042.7	11,571.9	281.3	211.2	10.8	5.0
- more than five years	16,173.3	14,412.7	280.2	241.5	46.0	0.0
Total	**48,167.7**	**42,046.1**	**9,343.9**	**10,379.7**	**1,609.1**	**1,080.7**

DekaBank: derivative transactions – classification by counterparties –

	Nominal values		Credit risk equivalents	Replacement costs
	31.12.2002	31.12.2001	31.12.2002	31.12.2002
	€m	€m	€m	€m
Banks in OECD countries	53,731.2	48,747.6	324.3	1,208.6
OECD public-sector entities	352.3	351.1	0.0	0.0
Other counterparties	5,037.1	4,407.7	69.9	45.5
Total	**59,120.6**	**53,506.4**	**394.2**	**1,254.1**

DekaBank: derivative transactions – trading operations –

	Nominal values		Credit risk equivalents	Replacement costs
	31.12.2002	31.12.2001	31.12.2002	31.12.2002
	€m	€m	€m	€m
Interest rate contracts	20,741.6	15,109.2	91.5	362.9
Currency contracts	3,416.0	684.3	28.6	105.4
Share contracts	59.6	5.0	0.2	0.1
Total	**24,217.2**	**15,798.5**	**120.2**	**468.4**

Other information

(37) Average number of staff

	DekaBank		Group	
Number	**2002**	**2001**	**2002**	**2001**
Full-time	1,768	1,853	2,874	2,901
Part-time/temporary	181	142	244	192
	1,949	**1,995**	**3,118**	**3,093**

(38) Remuneration of Board members

	DekaBank		Group	
	2002	**2001**	**2002**	**2001**
	€	**€**	**€**	**€**
Remuneration of current board members				
Board of Management	4,620,742.20	4,276,526.32	4,725,002.21	4,464,585.87
Supervisory Board	715,683.88	605,573.54	726,915.88	609,834.31
Remuneration paid to former board members				
and surviving dependants				
Board of Management	1,503,233.51	600,095.55	1,503,233.51	600,095.55
Pension commitments				
to these persons	12,689,011.00	8,858,837.00	17,612,387.00	13,248,918.00

(39) Loans to executive bodies

	Board of Management		Supervisory Board	
	2002	**2001**	**2002**	**2001**
	€	**€**	**€**	**€**
Advances and loans	250,596.30	301,586.80	835,799.44	882,115.59
Contingent liabilities	0.00	0.00	0.00	0.00

Membership of Supervisory Boards

(40) Membership of Supervisory Boards (as of February 2003)

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
Deka Investment GmbH
Frankfurt am Main

Deputy Chairman of the Supervisory Board
WestInvest Gesellschaft für
Investmentfonds mbH, Düsseldorf

Deputy Chairman of the Supervisory Board
hanke multimediahaus AG, Bremen

Member of the Supervisory Board
Swissca Holding AG, Zurich

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

Deputy Chairman of the Advisory Council
OAS O.A. Schwimmbeck GmbH
Bremen

Member of the Advisory Council
VÖB-Service GmbH, Bonn

Dr Dieter Goose

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

Deputy Chairman of the Supervisory Board
Deutsche Landesbankenzentrale AG
Berlin

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

Member of the Supervisory Board
WestInvest Gesellschaft für
Investmentfonds mbH, Düsseldorf

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

Member of the Supervisory Board
Société de Gestion d´Europe
Obligations S.A., Luxembourg

Hans-Jürgen Gutenberger

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

Fritz Oelrich

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 Immobilien Investment GmbH
Frankfurt am Main

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

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

Hans-Joachim Reichert
(Member of the Board of
Management to 31 March 2003)

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

Chairman of the Supervisory Board
Deutsche Girozentrale Overseas Ltd.
Grand Cayman

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

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

Member of the Supervisory Board
Deutsche Landesbankenzentrale AG
Berlin

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

Dr Bernhard Steinmetz

Chairman of the Supervisory Board
Deutsche Landesbankenzentrale AG
Berlin

Chairman of the Supervisory Board
Deka Altershilfe GmbH
Frankfurt am Main

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

Deputy Chairman of the Supervisory Board
S Broker AG, Duisburg

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

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

Member of the Supervisory Board
Havelländische Stadtwerke GmbH
Werder/Havel

Dr Peter J. Mathis
(Deputy Member of the Board of
Management from 1 January 2003)

Chairman of the Supervisory Board
Deka FondsSupport GmbH
Frankfurt am Main

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

Corporate Bodies of DekaBank

(41) Corporate Bodies of DekaBank (as of February 2003)

Board of Management

Manfred Zaß
Chairman
(to 31.01.2002)

Axel Weber
Deputy Chairman
(to 31.01.2002)
Chairman
(from 01.02.2002)

Dr Dieter Goose
Member

Hans-Jürgen Gutenberger
Member

Fritz Oelrich
Member

Hans-Joachim Reichert
Member
(to 31.03.2003)

Dr Bernhard Steinmetz
Member

Dr Peter J. Mathis
Deputy Member
(from 01.01.2003)

Supervisory Board

Dr Dietrich H. Hoppenstedt
Chairman
President of the German Savings Banks and Giro Association

Jürgen Sengera
First Deputy Chairman
Chairman of the Board of Management of WestLB AG

Heinrich Haasis
Second Deputy Chairman
President of the Savings Banks Association of Baden-Wuerttemberg

Dr h.c. Klaus G. Adam
Chairman of the Board of Management of LRP Landesbank Rheinland-Pfalz - Girozentrale -

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 (from 01.01.2003)
Chairman of the Board of Management of Landesbank Schleswig-Holstein Girozentrale

Dr h.c. Manfred Bodin
Chairman of the Board of Management of NORD/LB Norddeutsche Landesbank Girozentrale

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

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 Management of Landesbank Saar

Dr Peter Haßkamp
Chairman of the Board of Management of Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -

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

Peter Krakow
Chairman of the Board of Management of Stadt- und Kreissparkasse Leipzig

Dr Hans Lukas
Chairman of the Board of Management of Sparkasse Stormarn

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

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

Norbert Pawlowski (to 30.11.2002)
Member of the Board of Management of LandesBank Berlin - Girozentrale -

Dr Harald Quensen
Chairman of the Board of Management of Sparkasse Hannover

Siegfried Ratz
Employee representative, DekaBank Deutsche Girozentrale

Dr Dietrich Rümker (to 31.12.2002)
Chairman of the Board of Management of Landesbank Schleswig-Holstein Girozentrale

Hans Dietmar Sauer
Chairman of the Board of Management of Landesbank Baden-Württemberg

Roland Schäfer (from 01.01.2003)
Mayor of the city of Bergkamen und First Deputy President of the German Cities' and Towns' Association

Werner Schmidt
Chairman of the Board of Management of Bayerische Landesbank

Gustav Adolf Schröder
Chairman of the Board of
Management of Stadtsparkasse Köln

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

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

Alexander Stuhlmann
Chairman of the Board of
Management of Hamburgische
Landesbank - Girozentrale -

Heribert Thallmair (to 31.12.2002)
President of the German Cities' and
Towns' Association

Karl-Heinz Trautmann
President of the Savings Banks and
Giro Association Saar

Dr Michael Weiss
Chairman of the Board of
Management of Sachsen LB
Landesbank Sachsen Girozentrale

Frankfurt am Main, 19 March 2003

DekaBank
Deutsche Girozentrale

Board of Management

Weber Dr Goose Gutenberger Oelrich Reichert Dr Steinmetz Dr Mathis

Certificate of Audit

“Auditors’ report

We have audited the financial statements, including the accounts, and the consolidated financial statements of DekaBank Deutsche Girozentrale, Berlin/Frankfurt am Main, and the consolidated notes to the accounts, together with the consolidated management report for DekaBank and the Group for the financial year from 1 January to 31 December, 2002. The preparation and presentation of these documents as laid down by German commercial regulations and the supplementary regulations contained in the Bank’s statutes are the responsibility of the Board of Management of DekaBank. It is our responsibility to form an opinion, based on our audit, on the financial statements, including the accounts, and on the consolidated financial statements and the consolidated management report.

We conducted our audit of the financial statements and consolidated financial statements in accordance with Section 317 of the German Commercial Code (HGB) and with German Auditing Standards issued by the German Institute of Auditors (IDW). These standards require our audit to be planned and performed in such a way as to permit us to determine with sufficient certainty whether the state of affairs of the Group’s assets, financial position and income as contained in the financial statements and consolidated financial statements drawn up in compliance with generally accepted accounting principles and in the consolidated management report are free from material misstatement. In forming our opinion, we take into account the information on the business operations and on the economic and legal affairs of DekaBank and the Group as well as the possibility of irregularities or errors. The audit includes evaluation, on a test basis, of the effectiveness of accounting-related internal monitoring systems and of evidence relevant to the amounts and disclosures in the accounts, financial statements and consolidated financial statements and consolidated management report. For the financial statements, the audit includes evaluation of the accounting principles applied and for the consolidated financial statements, evaluation of the financial statements of the consolidated companies, the differentiation of the consolidated companies and the accounting and consolidation principles applied, as well as in both cases the evaluation of the main opinions of the Board of Management of DekaBank and the appreciation of the financial statements and the consolidated financial statements as well as the consolidated management report as a whole. We are of the opinion that our audit represents a sufficiently sound basis for our assessment.

Our audit gave rise to no objections.

In our opinion, the financial statements and consolidated financial statements comply with generally accepted accounting principles and give a true and fair view of the state of affairs of the assets, financial position and income of DekaBank and the Group. The consolidated management report gives an overall accurate presentation of the state of affairs of DekaBank and the Group and of the risks of future business developments.”

Frankfurt am Main, 20 March 2003

PwC Deutsche Revision
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Kütter)	(Sahm)
Auditor	Auditor

Trust. Performance. Responsibility.

We promote the achievement of our goals through a spirit of trust and co-operation, based on mutual respect. We treat one another with honesty, tolerance and openness. We say what we think and do what we say. We are committed to performance orientation and we are open to change. We are aware of our joint, and also individual responsibility to colleagues, employees, superiors as well as to society and we act accordingly. We attach great importance to equality of opportunity and the best possible work/life balance.

Shareholders, Associated Companies and Committees

Shareholders of DekaBank
(as of April 2003)

GLB GmbH & Co OHG	49.17%
Landesbank Baden-Württemberg	8.35%
WestLB AG	7.61%
LRP Landesbank Rheinland-Pfalz - Girozentrale -	6.21%
Landesbank Schleswig-Holstein Girozentrale	4.28%
Hamburgische Landesbank - Girozentrale -	3.47%
Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -	2.89%
NORD/LB Norddeutsche Landesbank Girozentrale	2.39%
Landesbank Saar	0.98%
Sachsen LB Landesbank Sachsen Girozentrale	0.22%
Landesbank Hessen-Thüringen Girozentrale	5.51%
Bayerische Landesbank	3.09%
Niedersächsische Bank GmbH *	4.17%
	0.83%

DSGV ö.K.	50.00%
Savings Banks Association of Baden-Wuerttemberg	7.70%
Savings Banks and Giro Association of the Rhineland	6.56%
Savings Banks and Giro Association of Lower Saxony	6.46%
Savings Banks Association of Bavaria	6.31%
Savings Banks and Giro Association of Westphalia-Lippe	6.17%
Savings Banks and Giro Association of Hesse-Thuringia	5.81%
Savings Banks and Giro Association of Rhineland-Palatinate	3.21%
Savings Banks Association of Berlin	1.90%
East German Savings Banks and Giro Association	1.83%
Savings Banks and Giro Association for Schleswig-Holstein	1.78%
Savings Banks and Giro Association Saar	1.37%
Hanseatic Savings Banks and Giro Association	0.90%

*100% subsidiary of NORD/LB Norddeutsche Landesbank Girozentrale

guarantors

Subsidiaries and Associated Companies of DekaBank (as of April 2003)

Investment Companies

Deka Investment GmbH, Frankfurt am Main	100%
Deka Immobilien Investment GmbH, Frankfurt am Main	100%
Deka International S. A.*, Luxembourg	100%
Deka International (Ireland) Ltd., Dublin	100%
International Fund Management S. A.*, Luxembourg	98%
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	40%
Eufigest S. A., Luxembourg	23.7%
Société de Gestion de CDC Euro Obligations S. A., Luxembourg	12.5%
Swissca Holding AG, Berne	9.9%
Erste-Sparinvest Kapitalanlagegesellschaft mbH, Vienna	2.9%

Banks

DekaBank Deutsche Girozentrale Luxembourg S. A., Luxembourg	100%
Deka(Swiss) Privatbank AG, Zurich	80%
Liquiditäts-Konsortialbank GmbH, Frankfurt am Main	2.1%

The Group has further holdings which are, however, of minor significance

Other

Deka FondsSupport GmbH, Frankfurt am Main	100%
GMS Gebäudemanagement und Service GmbH, Frankfurt am Main	100%
Deka Altershilfe GmbH, Frankfurt am Main	100%
Deka Grundstücksverwaltungsgesellschaft I (GbR), Frankfurt am Main	100%
Deka Grundstücksgesellschaft mbH, Frankfurt am Main	100%
Deutsche Girozentrale Overseas Ltd.*, Grand Cayman	99.9%
PensionsManagement GmbH, Düsseldorf	50%
S-Broker AG*, Duisburg	25.1%
DPG Deutsche Performancemessungs-Gesellschaft mbH, Frankfurt am Main	10%

* The shares are held indirectly

Supervisory Board of DekaBank
(as of April 2003)

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*

Jürgen Sengera
First Deputy Chairman
Chairman of the Board of Management of WestLB AG, Düsseldorf, *First Deputy Chairman of the Presidential Committee*

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

Representatives elected by the General Meeting of Shareholders

Dr h.c. Klaus G. Adam
Chairman of the Board of Management of LRP Landesbank Rheinland-Pfalz - Girozentrale -, Mainz

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

Hans Berger
Chairman of the Board of Management of Landesbank Schleswig-Holstein Girozentrale, Kiel *(from 01.01.2003)*

Dr h.c. Manfred Bodin
Chairman of the Board of Management of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover
Member of the Presidential Committee

Gregor Böhmer
Managing President of the Savings Banks and Giro Association of Hesse-Thuringia, Frankfurt am Main

Dr Rolf Gerlach
President of the Savings Banks and Giro Association of Westphalia-Lippe, Münster, *Member of the Presidential Committee*

Dr Max Häring
Chairman of the Board of Management of Landesbank Saar, Saarbrücken

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

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

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*

Norbert Pawlowski
Member of the Board of Management of LandesBank Berlin - Girozentrale -, Berlin (to 30.11.2002)

Dr Harald Quensen
Chairman of the Board of Management of Sparkasse Hannover, Hanover

Dr Dietrich Rümker
Chairman of the Board of Management of Landesbank Schleswig-Holstein Girozentrale, Kiel (to 31.12.2002)

Hans Dietmar Sauer
Chairman of the Board of Management of Landesbank Baden-Württemberg, Stuttgart, *Member of the Presidential Committee*

Werner Schmidt
Chairman of the Board of Management of Bayerische Landesbank, Munich

Gustav Adolf Schröder
Chairman of the Board of Management of Stadtsparkasse Köln, Cologne, *Member of the Presidential Committee*

Dr Friedhelm Steinberg
Deputy Chairman of the Board of Management of Hamburger Sparkasse, Hamburg

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

Alexander Stuhlmann
Chairman of the Board of Management of Hamburgische Landesbank - Girozentrale -, Hamburg

Karl-Heinz Trautmann
President of the Savings Banks and Giro Association Saar, Saarbrücken

Hans-Jörg Vetter
Chairman of the Board of Management of LandesBank Berlin - Girozentrale -, Berlin (from 01.04.2003)

Dr Michael Weiss
Chairman of the Board of Management of Sachsen LB Landesbank Sachsen Girozentrale, Leipzig

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 and Mayor of the City of Bergkamen (from 01.01.2003)

Heribert Thallmair
President of the German Cities' and Towns' Association, Berlin and Mayor of the City of Starnberg (to 31.12.2002)

Employee Representatives appointed by the Personnel Council

Hermann Gelsen
DekaBank Deutsche Girozentrale, Frankfurt am Main

Siegfried Ratz
DekaBank Deutsche Girozentrale, Frankfurt am Main

(End of the term of office: 31.12.2003)

Board of Management

Axel Weber
Chairman
(from 01.02.2002)
Deputy Chairman
(to 31.01.2002)

Manfred Zaß
Chairman
(to 31.01.2002)

Dr Dieter Goose

Hans-Jürgen Gutenberger

Fritz Oelrich

Hans-Joachim Reichert
(to 31.03.2003)

Dr Bernhard Steinmetz

Dr Peter J. Mathis
Deputy Member
(from 01.01.2003)

Executive Managers

Claus-Dieter Homann
(to 31.08.2002)

Osvin Nöller

Gerhard Reidel

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

Dr Heinrich Kock
Ministerial Councillor
Federal Ministry of Finance, Berlin

Deputy State Commissioner

Heinjörg Herrmann
Regierungsdirektor
Federal Ministry of Finance, Berlin
(to 31.10.2002)

Peter Görß
Ministerial Councillor
Federal Ministry of Finance, Berlin
(from 01.01.2003)

Fund-related Committees

Investment Fund Committee of DekaBank (as of April 2003)

Gerhard Roggemann
Chairman
Member of the Board of Management of WestLB AG, Düsseldorf

Jürgen Teufel
Deputy Chairman
First Vice Chairman of the Board of Management of Sparkasse Pforzheim Calw, Calw

Members

Alfred Bomhard
Chairman of the Board of Management of Stadt- und Kreissparkasse Erlangen, Erlangen

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

Thomas Christian Buchbinder
Deputy Chairman of the Board of Management of Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -, Bremen

Wolfgang Daum
Chairman of the Board of Management of Sparkasse Pforzheim Calw, Pforzheim

Dr Norbert Emmerich
Chairman of the Board of Management of Sparkasse Münsterland Ost, Münster

Klaus-Dieter Gröb
Chairman of the Board of Management of Sparkasse Wetterau, Friedberg

Michael Horn
Member of the Board of Management of Landesbank Baden-Württemberg, Stuttgart

Dr Peter Kahn
Deputy Chairman of the Board of Management of Bayerische Landesbank, Munich

Dieter Klepper
Chairman of the Board of Management of Sparkasse Saarbrücken, Saarbrücken

Hans-Jürgen Klumpp
Member of the Board of Management of Sachsen LB Landesbank Sachsen Girozentrale, Leipzig

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

Axel Kraft
Member of the Board of Management of Kreissparkasse Köln, Cologne

Jürgen Müsch
Member of the Board of Management of Landesbank Saar, Saarbrücken

Hans-Joachim Naumann
Deputy Chairman of the Board of Management of Sparkasse Mittelhaardt-Deutsche Weinstraße, Neustadt an der Weinstraße

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

Paul Kurt Schminke
Member of the Board of Management of LRP Landesbank Rheinland-Pfalz - Girozentrale -, Mainz

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

Dr Friedhelm Steinberg
Deputy Chairman of the Board of Management of Hamburger Sparkasse, Hamburg

Alexander Stuhlmann
Chairman of the Board of Management of Hamburgische Landesbank - Girozentrale -, Hamburg

Franz Sales Waas
Member of the Board of Management of Landesbank Schleswig-Holstein Girozentrale, Kiel

Ulrich Weiterer
Deputy Chairman of the Board of Management of Sparkasse Goslar/Harz, Goslar

Extraordinary member

Thomas Mang
President of the Savings Banks and Giro Association of Lower Saxony, Hanover
(provisional)

(End of the term of office: 31.12.2003)

Fund Sales Advisory Council of DekaBank (as of April 2003)

Gerhard Roggemann
Chairman
Member of the Board of Management of WestLB AG, Düsseldorf

Jürgen Teufel
Deputy Chairman
First Vice Chairman of the Board of Management of Sparkasse Pforzheim Calw, Calw

Members

Hans Adler
Chairman of the Board of Management of Sparkasse Starkenburg, Heppenheim

Alfred Bomhard
Chairman of the Board of Management of Stadt- und Kreissparkasse Erlangen, Erlangen

Götz Bormann
Chairman of the Board of Management of Sparkasse Kiel, Kiel

Winfried Drewes
Member of the Board of Management of Stadtsparkasse Köln, Cologne
(to 31.03.2003)

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

Dr Peter Friggemann
Member of the Board of Management of Sparkasse Osnabrück, Osnabrück
(to 31.01.2003)

Volker Groß
Chairman of the Board of Management of Sparkasse Neunkirchen, Neunkirchen

Dr Thomas Grützemacher
Member of the Board of Management of Stadtsparkasse München, Munich

Hans Michael Hambücher
Chairman of the Board of Management of Kreissparkasse Heilbronn, Heilbronn

Klaus Haubner
Chairman of the Board of Management of Sparkasse Villingen-Schwenningen, Villingen-Schwenningen

Roland Hemmerich
Member of the Board of Management of Frankfurter Sparkasse, Frankfurt am Main

Alfons Klein
Chairman of the Board of Management of Kreissparkasse Saarlouis, Saarlouis

Dr Peter Knoll
Member of the Board of Management of Sparkasse zu Lübeck, Lübeck

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

Wolfgang Reichert
Chairman of the Board of Management of Sparkasse Gera-Greiz, Gera

Dr Helmut Ewald Ross
Chairman of the Board of Management of Sparkasse Koblenz, Koblenz

Michael W. Schmidt
Chairman of the Board of Management of Sparkasse Worms, Worms

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

Detlef Sternberg
Chairman of the Board of Management of Kreissparkasse Südholstein, Pinneberg

Herbert Süß
Chairman of the Board of Management of Stadtsparkasse Dresden, Dresden

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

Dr Herbert Wieneke
Deputy Chairman of the Board of Management of Die Sparkasse Bremen, Bremen

Further members

Dr Bernd Kobarg
Chairman of the Management of Deutscher Sparkassen Verlag GmbH, Stuttgart

Günter Kreher
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

N.N.
German Savings Banks and Giro Association e.V., Berlin

(End of the term of office: 31.12.2004)

Regional Fund Committees for Savings Banks (as of April 2003)

Regional Fund Committee for Savings Banks Centre I

Sparkasse Aachen, Aachen
Sparkasse Mittelhaardt-Deutsche Weinstraße, Bad Dürkheim
Sparkasse Bad Hersfeld-Rotenburg, Bad Hersfeld
TaunusSparkasse, Bad Homburg
Sparkasse Rhein-Nahe, Bad Kreuznach
Sparkasse Bonn, Bonn
Kreissparkasse Köln, Cologne
Sparkasse Darmstadt, Darmstadt
Sparkasse Düren, Düren
Kreissparkasse Düsseldorf, Düsseldorf
Stadtsparkasse Düsseldorf, Düsseldorf
Sparkasse Erfurt, Erfurt
Kreissparkasse Heinsberg, Erkelenz
Kreissparkasse Euskirchen, Euskirchen
Sparkasse Wetterau, Friedberg
Sparkasse Fulda, Fulda
Sparkasse Gießen, Gießen
Kreissparkasse Groß-Gerau, Groß-Gerau
Sparkasse Dieburg, Groß-Umstadt
Stadt- und Saalkreissparkasse Halle, Halle
Sparkasse Hanau, Hanau
Kasseler Sparkasse, Kassel
Sparkasse Waldeck-Frankenberg, Korbach
Sparkasse Krefeld, Krefeld
Sparkasse Südliche Weinstraße in Landau i.d.Pfalz, Landau
Sparkasse Leverkusen, Leverkusen
Stadtsparkasse Ludwigshafen, Ludwigshafen
Stadtsparkasse Magdeburg, Magdeburg
Sparkasse Mainz, Mainz
Sparkasse Marburg-Biedenkopf, Marburg
Rhön-Rennsteig-Sparkasse, Meiningen
Kreissparkasse Schwalm-Eder, Melsungen
Sparkasse Mülheim an der Ruhr, Mülheim
Sparkasse Neuss, Neuss
Sparkasse Neuwied, Neuwied
Stadtsparkasse Oberhausen, Oberhausen
Stadtsparkasse Remscheid, Remscheid
Sparkasse Saarbrücken, Saarbrücken
Sparkasse Langen-Seligenstadt, Seligenstadt
Kreissparkasse in Siegburg, Siegburg
Stadt-Sparkasse Solingen, Solingen
Sparkasse Trier, Trier
Sparkasse Wetzlar, Wetzlar
Nassauische Sparkasse, Wiesbaden
Stadtsparkasse Wuppertal, Wuppertal

Extraordinary members

East German Savings Banks and Giro Association, Berlin
Savings Banks and Giro Association of the Rhineland, Düsseldorf
Savings Banks and Giro Association of Hesse-Thuringia, Frankfurt am Main and Erfurt
Savings Banks and Giro Association of Rhineland-Palatinate, Mainz
Savings Banks and Giro Association Saar, Saarbrücken

Regional Fund Committee for Savings Banks Centre II

Kreissparkasse Altenkirchen, Altenkirchen
Kreissparkasse Alzey, Alzey
Stadtsparkasse Bad Honnef, Bad Honnef
Kreissparkasse Westerwald, Bad Marienberg
Sparkasse Battenberg, Battenberg
Sparkasse Bensheim, Bensheim
Sparkasse Mittelmosel Eifel·Mosel·Hunsrück, Bernkastel-Kues
Kreissparkasse Daun, Daun
Stadtsparkasse Dessau, Dessau
Sparkasse Dinslaken-Voerde-Hünxe, Dinslaken
Wartburg-Sparkasse, Eisenach
Stadtsparkasse Emmerich-Rees, Emmerich
Sparkasse Odenwaldkreis, Erbach
Sparkasse Werra-Meißner, Eschwege
Sparkasse Geldern, Geldern
Sparkasse Hennef, Hennef
Kreissparkasse Saarpfalz, Homburg (Saar)
Sparkasse Arnstadt-Ilmenau, Ilmenau
Sparkasse Jena-Saale-Holzland, Jena
Stadtsparkasse Kaarst-Büttgen, Kaarst
Stadtsparkasse Kaiserslautern, Kaiserslautern
Stadtsparkasse Kamp-Lintfort, Kamp-Lintfort
Sparkasse Germersheim-Kandel, Kandel
Kreissparkasse Limburg, Limburg (Lahn)
Stadtsparkasse Linz, Linz
Sparkasse Wittenberg, Lutherstadt Wittenberg
Kreissparkasse Mayen, Mayen
Sparkasse Merzig-Wadern, Merzig
Stadtsparkasse Neukirchen-Vluyn, Neukirchen-Vluyn
Städtische Sparkasse Offenbach, Offenbach
Sparkasse Südwestpfalz, Pirmasens
Sparkasse Radevormwald-Hückeswagen, Radevormwald
Sparkasse Rheinberg, Rheinberg
Kreissparkasse Saalfeld-Rudolstadt, Saalfeld
Kreissparkasse Schlüchtern, Schlüchtern
Kreissparkasse Rhein-Hunsrück, Simmern
Kyffhäusersparkasse Artern-Sondershausen, Sondershausen
Kreis- und Stadtsparkasse Speyer, Speyer
Kreissparkasse St. Wendel, St. Wendel
Zweckverbandssparkasse Hilden-Ratingen-Velbert, Velbert
Stadtsparkasse Wermelskirchen, Wermelskirchen
Sparkasse der Homburgischen Gemeinden, Wiehl

Regional Fund Committee for Savings Banks North I

Kreissparkasse Borken, Ahaus
Sparkasse Stormarn, Bad Oldesloe
Kreissparkasse Südholstein, Bad Segeberg
Sparkasse Bielefeld, Bielefeld
Sparkasse Bochum, Bochum
Sparkasse Höxter, Brakel
Kreissparkasse Wesermünde-Hadeln, Bremerhaven
NORD/LB Norddeutsche Landesbank, Brunswick
Sparkasse Celle, Celle
Sparkasse Dortmund, Dortmund
Sparkasse Coesfeld, Dülmen
Sparkasse Ostholstein, Eutin
Sparkasse Elbe-Elster, Finsterwalde
Sparkasse Gifhorn-Wolfsburg, Gifhorn
Sparkasse Göttingen, Göttingen
Sparkasse Gütersloh, Gütersloh
Sparkasse der Stadt Hagen, Hagen
Hamburger Sparkasse, Hamburg
Sparkasse Harburg-Buxtehude, Hamburg
Sparkasse Weserbergland, Hameln
Sparkasse Hannover, Hanover
Sparkasse Herford, Herford
Herner Sparkasse, Herne
Kreissparkasse Hildesheim, Hildesheim
Sparkasse Steinfurt, Ibbenbüren
Sparkasse der Stadt Iserlohn, Iserlohn
Sparkasse Lemgo, Lemgo
Sparkasse Lüneburg, Lüneburg
Sparkasse Emsland, Meppen
Sparkasse Minden-Lübbecke, Minden
Sparkasse Münsterland Ost, Münster
Landessparkasse zu Oldenburg, Oldenburg
Sparkasse Paderborn, Paderborn
Kreissparkasse Herzogtum Lauenburg, Ratzeburg
Sparkasse Vest Recklinghausen, Recklinghausen
Sparkasse Schaumburg, Rinteln
OstseeSparkasse Rostock, Rostock
Nord-Ostsee Sparkasse, Schleswig
Sparkasse Niederlausitz, Senftenberg
Sparkasse Siegen, Siegen
Kreissparkasse Syke, Syke
Kreissparkasse Verden, Verden
Stadtsparkasse Witten, Witten
Sparkasse Rotenburg-Bremervörde, Zeven

Extraordinary members

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 Westphalia-Lippe, Münster

Regional Fund Committee for Savings Banks North II

Sparkasse Attendorn-Lennestadt-Kirchhundem, Attendorn
Stadtsparkasse Bad Oeynhausen, Bad Oeynhausen
Stadtsparkasse Bad Pyrmont, Bad Pyrmont
Stadtsparkasse Bad Sachsa, Bad Sachsa
Sparkasse Bestwig, Bestwig
Stadtsparkasse Blomberg/Lippe, Blomberg
Bordesholmer Sparkasse, Bordesholm
Sparkasse Bottrop, Bottrop
Spar- und Leihkasse zu Bredstedt, Bredstedt
Sparkasse Hochsauerland, Brilon
Stadtsparkasse Burgdorf, Burgdorf
Stadtsparkasse Cuxhaven, Cuxhaven
Kreissparkasse Grafschaft Diepholz, Diepholz
Sparkasse Emden, Emden
Stadtsparkasse Emsdetten, Emsdetten
Sparkasse Finnentrop, Finnentrop
Stadtsparkasse Goslar/Harz, Goslar
Kreissparkasse Halle, Halle (Westfalen)
Stadtsparkasse Hildesheim, Hildesheim
Sparkasse Kierspe-Meinerzhagen, Kierspe
Stadtsparkasse Kreuztal, Kreuztal
Stadtsparkasse Lengerich, Lengerich
Sparkasse Lüdenscheid, Lüdenscheid
Sparkasse Lünen, Lünen
Zweckverbandssparkasse Meschede, Meschede
Sparkasse Nienburg, Nienburg
Kreissparkasse Grafschaft Bentheim zu Nordhorn, Nordhorn
Stadtsparkasse Osterode, Osterode
Kreissparkasse Peine, Peine
Stadtsparkasse Rahden, Rahden
Sparkasse Mittelholstein AG, Rendsburg
Kreissparkasse Wiedenbrück, Rheda-Wiedenbrück
Stadtsparkasse Rheine, Rheine
Sparkasse Scheessel, Scheessel
Kreissparkasse Soltau, Soltau
Kreissparkasse Stade, Stade
Stadtsparkasse Versmold, Versmold
Stadtsparkasse Wedel, Wedel
Sparkasse Werl, Werl
Stadtsparkasse Werne, Werne
Stadtsparkasse Wetter, Wetter
Kreissparkasse Wittmund, Wittmund

Regional Fund Committee for Savings Banks South I

Kreissparkasse Ostalb, Aalen
Vereinigte Sparkassen Stadt und Landkreis Ansbach, Ansbach
Sparkasse Aschaffenburg-Alzenau, Aschaffenburg
Kreissparkasse Augsburg, Augsburg
Stadtsparkasse Augsburg Kreditanstalt des öffentlichen Rechts, Augsburg
Sparkasse Zollernalb, Balingen
Sparkasse Bamberg, Bamberg
Sparkasse Bayreuth, Bayreuth
Kreissparkasse Biberach, Biberach
Kreissparkasse Böblingen, Böblingen
Sparkasse Kraichgau, Bruchsal
Sparkasse Chemnitz, Chemnitz
Kreissparkasse Esslingen-Nürtingen, Esslingen
Sparkasse Freiburg-Nördlicher Breisgau, Freiburg
Sparkasse Fürstenfeldbruck, Fürstenfeldbruck
Sparkasse Fürth, Fürth
Kreissparkasse Göppingen, Göppingen
Sparkasse Heidelberg, Heidelberg
Kreis- und Stadtsparkasse Hof, Hof
Sparkasse Ingolstadt, Ingolstadt
Sparkasse Allgäu, Kempten
Sparkasse Landshut, Landshut
Stadt- und Kreissparkasse Leipzig, Leipzig
Kreissparkasse Ludwigsburg, Ludwigsburg
Sparkasse Rhein Neckar Nord, Mannheim
Sparkasse Memmingen-Lindau-Mindelheim, Memmingen
Sparkasse Miltenberg-Obernburg, Miltenberg
Kreissparkasse München Starnberg, Munich
Sparkasse Neumarkt-Parsberg, Neumarkt
Sparkasse Neu-Ulm-Illertissen, Neu-Ulm
Sparkasse Nürnberg, Nuremberg
Sparkasse Offenburg/Ortenau, Offenburg
Sparkasse Passau, Passau
Sparkasse Freital-Pirna, Pirna
Kreissparkasse Ravensburg, Ravensburg
Sparkasse Regensburg, Regensburg
Kreissparkasse Reutlingen, Reutlingen
Sparkasse Roth-Schwabach, Roth
Sparkasse im Landkreis Schwandorf, Schwandorf
Kreissparkasse Tübingen, Tübingen
Kreissparkasse Tuttlingen, Tuttlingen
Sparkasse Ulm, Ulm
Kreissparkasse Waiblingen, Waiblingen
Sparkasse Hochrhein, Waldshut-Tiengen
Sparkasse Mainfranken Würzburg, Würzburg

Extraordinary members

Savings Banks Association of Baden-Wuerttemberg, Stuttgart and Mannheim
Savings Banks Association of Bavaria, Munich

Regional Fund Committee for Savings Banks South II

Sparkasse Bad Kissingen, Bad Kissingen
Kreissparkasse Bautzen, Bautzen
Sparkasse Staufen-Breisach, Breisach
Sparkasse Bühl, Bühl
Sparkasse Delitzsch-Eilenburg, Delitzsch
Sparkasse Dingolfing-Landau, Dingolfing
Kreis- und Stadtsparkasse Dinkelsbühl, Dinkelsbühl
Kreissparkasse Döbeln, Döbeln
Sparkasse Donaueschingen, Donaueschingen
Kreissparkasse Freudenstadt, Freudenstadt
Sparkasse Freyung-Grafenau, Freyung
Sparkasse Bodensee, Friedrichshafen and Konstanz
Sparkasse Gaggenau-Kuppenheim, Gaggenau
Kreissparkasse Garmisch-Partenkirchen, Garmisch-Partenkirchen
Sparkasse Muldental, Grimma
Sparkasse Günzburg-Krumbach, Günzburg
Sparkasse Haslach-Zell, Haslach
Sparkasse Ostunterfranken, Haßfurt
Kreissparkasse Höchstadt a. d. Aisch, Höchstadt
Kreis- und Stadtsparkasse Kaufbeuren, Kaufbeuren
Sparkasse Hanauerland, Kehl
Kreissparkasse Lichtenfels, Lichtenfels
Kreissparkasse Mittweida, Mittweida
Sparkasse Neckartal-Odenwald, Mosbach
Sparkasse Markgräflerland, Müllheim and Weil am Rhein
Stadtsparkasse Neuburg, Neuburg
Sparkasse Pfullendorf-Meßkirch, Pfullendorf
Stadtsparkasse Rain, Rain
Sparkasse Regen-Viechtach, Regen
Kreissparkasse Riesa-Großenhain, Riesa
Stadt- und Kreissparkasse Rothenburg, Rothenburg o. d. T.
Kreissparkasse Schweinfurt, Schweinfurt
Städtische Sparkasse Schweinfurt, Schweinfurt
Hohenzollerische Landesbank – Kreissparkasse Sigmaringen, Sigmaringen
Sparkasse Singen-Radolfzell, Singen (Hohentwiel)
Bezirkssparkasse St. Blasien, St. Blasien
Sparkasse Tauberfranken, Tauberbischofsheim
Sparkasse im Landkreis Tirschenreuth, Tirschenreuth
Sparkasse Hochschwarzwald, Titisee-Neustadt
Vereinigte Sparkassen im Landkreis Weilheim, Weilheim
Sparkasse Wolfach, Wolfach

(End of the term of office: 31.12.2004 respectively)

Supervisory Boards and Management Boards of Subsidiaries

Supervisory Board of Deka Investment GmbH (Merger of Deka Investment GmbH and Deka Investment Management GmbH as of 01.01.2002) (as of April 2003)

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

Hans Berger
Chairman of the Board of Management of Landesbank Schleswig-Holstein Girozentrale, Kiel

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
Chairman of the Board of Management of Sparkasse Freital-Pirna, Pirna

Michael Horn
Member of the Board of Management of Landesbank Baden-Württemberg, Stuttgart

Dr Siegfried Jaschinski
Member of the Board of Management of Landesbank Baden-Württemberg, Stuttgart

Gerhard Klimm
Executive Manager of LRP Landesbank Rheinland-Pfalz - Girozentrale -, Mainz

Lothar Lindenmayer
Chairman of the Board of Management of Bezirkssparkasse Reichenau, Reichenau

Peter Mausolf
Member of the Board of Management of Sparkasse Herford, Herford

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

Rainer Schmitz
Director of WestLB AG, Düsseldorf

Hans Schwarz
Chairman of the Board of Management of Stadtsparkasse Düsseldorf, Düsseldorf

Arnd Stricker
Head of Global Markets, Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main

Ulrich Topoll
Chairman of the Board of Management of Sparkasse Krefeld, Krefeld

Horst Zirener
Königstein

Board of Management

Jörg-Peter Lühmann
Chairman

Gunars Balodis

Michael Hallacker

Dr Wolfgang Leoni

Dr Manfred Nuske

Dr Udo Schmidt-Mohr
Deputy Member

Supervisory Board of Deka Immobilien Investment GmbH (as of April 2003)

Dr Dieter Goose
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

Alfred Bomhard
Chairman of the Board of Management of Stadt- und Kreissparkasse Erlangen, Erlangen

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

Wolf Gramatke
Chairman of the Board of Management of Sparkasse Höxter, Brakel

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

Bernd Hermann
General Manager of NORD/LB Immobilien Holding, Hanover

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

Dr. Klaus Köhler
Chairman of the Board of Management of Kreissparkasse Quedlinburg, Quedlinburg

Hans Jürgen Kulartz
Member of the Board of Management of LandesBank Berlin - Girozentrale -, Berlin

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

Dieter Pfisterer
Member of the Board of Management of Landesbank Schleswig-Holstein Girozentrale, Kiel

Peter Rieck
Deputy Chairman of the Board of Management of Hamburgische Landesbank - Girozentrale -, Hamburg

Klaus Stroebel
Member of the Board of Management of Kreissparkasse Waiblingen, Waiblingen

Karl-Heinz Tenter
Deputy Chairman of the Board of Management of Sparkasse Moers, Moers

Dr Harald Vogelsang
Member of the Board of Management of Hamburger Sparkasse, Hamburg

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

Board of Management

Prof Dr Willi Alda
Chairman

Andreas Schreurs
Deputy Chairman

Jochen Ackermann

Michael Andreas Koch

Supervisory Board of Deka FondsSupport GmbH (as of April 2003)

Dr Peter J. Mathis
Chairman
Deputy Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

Members

Dr Manfred Nuske
Member of the Board of Management of Deka Investment GmbH, Frankfurt am Main

Horst N. Schneider
Member of the Board of Management of DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg

Management

Dr Matthias Pfeiffer

Supervisory Board of DekaBank Deutsche Girozentrale Luxembourg S.A. (as of April 2003)

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

Michael Arends
Head of Division Equity, Landesbank Baden-Württemberg, Stuttgart

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

Dr Gérard Fischer
Chairman of the Executive Board of Swissca Holding AG, Berne

Kurt Gliwitzky
Director of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover

Hans-Jürgen Gutenberger
Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

Martin Haf
Deputy Chairman of the Board of Management of Sparkasse Allgäu, Marktoberdorf

Hans-Heinrich Hahne
Chairman of the Board of Management of Sparkasse Schaumburg, Rinteln

Klaus Haubner
Chairman of the Board of Management of Sparkasse Villingen-Schwenningen, Villingen-Schwenningen

Lothar Heinemann
Chairman of the Board of Management of Stadt-Sparkasse Solingen, Solingen

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

Friedel Höhn
Member of the Board of Management of Kreissparkasse Saarlouis, Saarlouis

Karl-Ludwig Kamprath
Chairman of the Board of Management of Kreissparkasse München Starnberg, Munich

Detlev Klug
Director of LRP Landesbank Rheinland-Pfalz - Girozentrale -, Mainz

Wilfried Knoblich
Chairman of the Board of Management of Kreissparkasse Schwäbisch Hall-Crailsheim, Schwäbisch Hall

Armin Köckerling
Head of Division Asset Management, Sachsen LB Landesbank Sachsen Girozentrale, Leipzig

Dirk Köhler
Chairman of the Board of Management of Sparkasse Uelzen, Uelzen

Heiko Laib
Executive Manager of Landesbank Baden-Württemberg, Stuttgart

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

Alex Meyer
Managing Director of LBLux S. A., Luxembourg

Jürgen Müsch
Member of the Board of Management of Landesbank Saar, Saarbrücken

Alois Paus
Member of the Board of Management of Kreissparkasse Borken, Ahaus

Claus-Günther Richardt
Executive Manager and Head of Division Financial Assets, LandesBank Berlin - Girozentrale -, Berlin

Dr Wolfgang Riedel
Member of the Board of Management of Sparkasse Bonn, Bonn

Hans Joachim Roos
Director of LRP Landesbank Rheinland-Pfalz - Girozentrale -, Mainz

Dr Helmut Ewald Ross
Chairman of the Board of Management of Sparkasse Koblenz, Koblenz

Franz Ruf
Managing Director of WestLB International S.A., Luxembourg

Gerhard Scharner
Chairman of the Board of Management of Sparkasse Göttingen, Göttingen

Uwe Schmidt
Chairman of the Board of Management of Sparkasse Uckermark, Prenzlau

Detlef Sternberg
Chairman of the Board of Management of Kreissparkasse Südholstein, Pinneberg

Michael Wambold
Director of Landesbank Schleswig-Holstein Girozentrale, Kiel

Dr Herbert Wieneke
Deputy Chairman of the Board of Management of Die Sparkasse Bremen, Bremen

Michael Wrage
Head of Capital Markets, Hamburgische Landesbank - Girozentrale -, Hamburg

Management

Rainer Mach
Managing Director

Horst N. Schneider

Bruno Stuckenbroeker

Patrick Weydert
Deputy Member

Supervisory Board of Deka(Swiss) Privatbank AG (as of April 2003)

Hans-Jürgen Gutenberger
President
Member of the Board of Management of DekaBank Deutsche Girozentrale, Frankfurt am Main

Dr Alfred Schwarzenbach
Vice-President
Company Director, Erlenbach

Members

Stefan Bichsel
Member of the Executive Board of Robeco Groep N. V., Rotterdam

Fernand Koch
Partner of Lombard Odier Darier Hentsch & Cie., Geneva

Jörg-Peter Lühmann
Chairman of the Board of Management of Deka Investment GmbH, Frankfurt am Main

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

Hans Dietmar Sauer
Chairman of the Board of Management of Landesbank Baden-Württemberg, Stuttgart

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

Management

Herbert Mattle
Chairman

Reinhard Kreutel

Peter Künzli

Supervisory Board of Deka International (Ireland) Ltd. (as of April 2003)

Dr Bernhard Steinmetz
Chairman
Member 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

Walter Groll
Head of Capital Markets of Landesbank Schleswig-Holstein Girozentrale, Kiel

Thomas Kaiser
Managing Director of Westdeutsche Landesbank (Ireland) Plc, Dublin

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

Headquarters and addresses

DekaBank
Deutsche Girozentrale
Mainzer Landstraße 16
60325 Frankfurt
P.O. Box 11 05 23
60040 Frankfurt
Phone: (+49) 69 71 47-0
Fax: (+49) 69 71 47-13 76
E-Mail: konzerninfo@dekabank.de
Internet: www.dekabank.de

DekaBank
Deutsche Girozentrale
Friedrichstraße 83
10117 Berlin
P.O. Box 08 02 61
10002 Berlin
Phone: (+49) 30 31 59 67-0
Fax: (+49) 30 31 59 67-30

DekaBank
Deutsche Girozentrale
Niederlassung Luxemburg
38, avenue John F. Kennedy
1855 Luxembourg
P.O. Box 8 48
2018 Luxembourg
Luxembourg
Phone: (+3 52) 47 43 60
Fax: (+3 52) 34 09 21 08

Deka Investment GmbH
Mainzer Landstraße 16
60325 Frankfurt
P.O. Box 11 05 23
60040 Frankfurt
Phone: (+49) 69 71 47-0
Fax: (+49) 69 71 47-19 39
E-Mail: service@deka.de
Internet: www.deka.de

Deka Immobilien
Investment GmbH
Mainzer Landstraße 16
60325 Frankfurt
P.O. Box 11 05 23
60040 Frankfurt
Phone: (+49) 69 71 47-0
Fax: (+49) 69 71 47-35 29
E-Mail: service@deka.de
Internet: www.deka-immobilien.de

Deka FondsSupport GmbH
Hahnstraße 55
60528 Frankfurt
P.O. Box 11 05 02
60040 Frankfurt
Phone: (+49) 69 71 47-0
Fax: (+49) 69 71 47-15 89

DekaBank Deutsche Girozentrale
Luxembourg S.A.
38, avenue John F. Kennedy
1855 Luxembourg
P.O. Box 5 04
2015 Luxembourg
Luxembourg
Phone: (+3 52) 34 09-35
Fax: (+3 52) 34 09-37
E-Mail: info@dekabank.lu
Internet: www.dekabank.lu

Deka(Swiss) Privatbank AG
Thurgauerstrasse 54
P.O. Box 8310
8050 Zurich
Switzerland
Phone: (+41) 1 30 88-888
Fax: (+41) 1 30 88-999
Internet: www.deka.ch

Deka International (Ireland) Ltd.
Fleming Court
Flemings Place
Dublin 4
Ireland
Phone: (+3 53) 1 28 15 72-0
Fax: (+3 53) 16 60 85 10

We would be pleased to send you a copy of our Annual Report in German or English. If you wish to receive our Annual Reports on a regular basis, please contact the Press and Media Department:
Phone: (+49) 69 71 47-13 96 or
Fax: (+49) 69 71 47-15 69.

Our Group companies in Luxembourg and Switzerland, DekaBank Deutsche Girozentrale Luxembourg S.A. and Deka(Swiss) Privatbank AG, publish their own Annual Reports.

Published by
Press and Media Department
Phone: (+49) 69 71 47-17 48
Fax: (+49) 69 71 47-15 41

This report was concluded in May 2003.

Concept and design
Henrion Ludlow Schmidt,
Identity consultants,
London

Printed by
Druck- und Verlagshaus
Zarbock GmbH & Co. KG,
Frankfurt am Main

Member of the Financial Group