Taking responsibility

Interim Report as at 30 June 2010
DekaBank Group

Olympia Partner Deutschland

Finanzgruppe

DekaBank

DekaBank Group at a glance

Business development indicators		30.06.2010	31.12.2009	Change %
Total assets	€m	134,899	133,283	1.2
Assets under Management (AMK and AMI)	€m	151,233	151,243	0.0
of which: Asset Management Capital Markets (AMK)	€m	129,128	130,115	–0.8
of which: Asset Management Property (AMI)	€m	22,105	21,128	4.6
Number of securities accounts	thousand	4,683	4,817	–2.8
		1st half 2010	**1st half 2009**	
Net sales (AMK and AMI)	€m	803	–134	(>300)
of which: Asset Management Capital Markets (AMK)	€m	–316	–1,386	77.2
of which: Asset Management Property (AMI)	€m	1,119	1,252	–10.6
Performance indicators				
Total income	€m	767.4	549.3	39.7
of which: Net interest income	€m	193.7	235.6	–17.8
of which: Net commission income	€m	533.0	419.6	27.0
Total expenses	€m	377.5	407.1	–7.3
of which: Administrative expenses (incl. depreciation)	€m	380.5	407.1	–6.5
Economic result	€m	389.9	142.2	174.2
Net income before tax	€m	271.3	50.0	(>300)
Key ratios				
Return on equity [1]	%	22.1	8.7	13.4%-points
Cost/income ratio [2]	%	49.0	53.0	–4.0%-points
Key regulatory figures		**30.06.2010**	**31.12.2009**	
Capital and reserves	€m	4,283	4,052	5.7
Core capital ratio (incl. market risk positions)	%	11.9	9.7	2.2%-points
Core capital ratio (excl. market risk positions)	%	14.8	12.7	2.1%-points
Total capital ratio	%	15.5	13.8	1.7%-points
Risk ratios				
Total risk-bearing capacity	€m	5,172	5,152	0.4
Group risk (value-at-risk) [3]	€m	2,792	2,917	–4.3
Utilisation of risk-bearing capacity	%	54.0	56.6	–2.6%-points
Non-guaranteed rating (short-term/long-term)				
Moody's		P-1/Aa2	P-1/Aa2	
Standard & Poor's		A-1/A	A-1/A	
Key employee figures				
Number of employees		3,623	3,667	–1.2
Average number of positions occupied		3,163	3,294	–4.0

[1] Return on equity (RoE before tax) corresponds to the economic result divided by equity at the start of the financial year, including atypical silent capital contributions (figure annualised).
[2] Cost/income ratio (CIR) corresponds to the ratio resulting from total expenses (excluding restructuring expenses) and total income (before risk provision).
[3] Confidence level: 99.9%, holding period: 1 year.

We would like to thank our children for inspiring and motivating us. And for their beautiful drawings.

We do not treat sustainability as a fashionable trend, but rather view it as a permanent undertaking which we consistently implement in our various spheres of activity. The sustainability strategy we adopted in 2009 defines the guidelines that shape our decisions and actions and by which we are measured. For us, acting sustainably means taking responsibility. "Taking responsibility" is therefore also the motto of our 2009/2010 financial reports. Our employees' children breathed life into this topic with a total of 173 pictures submitted as part of a drawing contest. The following page shows eight particularly poignant examples of the diverse and imaginative approach to the topic of sustainability from a child's perspective.

Back row, from left to right: Katja Leibold, Finn Löffler, Kilian Nowak, Virginie Klutzny.
Front row, from left to right: Simone Uhl, Elena Taubel, Lara Knüppe, Frieda Mittenzwei.

Taking responsibility for the environment and future generations.
The colourful cover picture is a drawing by Frieda Mittenzwei, age 6.

Sustainability must be lived and not just demanded, including at home.
DekaBank's environmental management, illustration by Virginie Klutzny, age 9.

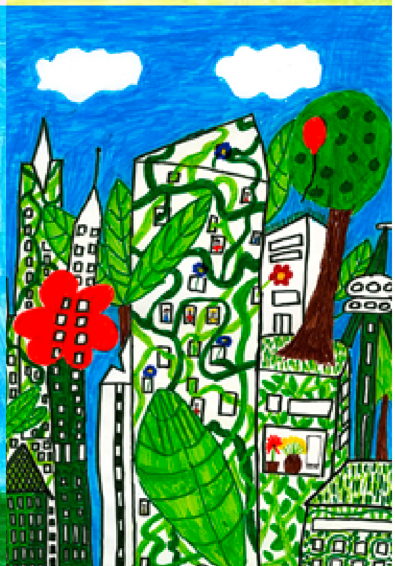
Children and rating agencies simply see some things in the same way.
Sustainable use of natural resources, a wish put on paper by Kilian Nowak, age 10.

Where work and life are combined, jobs can vary greatly.
A sustainable human resources policy, illustrated by Simone Uhl, age 9.

Sustainability becomes a factor for success if we jointly take responsibility.
Acting together, taking responsibility – a drawing by Lara Knüppe, age 7.

The beauty of our sustainable fund products is that they offer something for everyone.
Attractive long-term yield potential – a point well made by Katja Leibold, age 11.

Thinking of tomorrow today – DekaBank's business model.
Sustainable value creation, as envisioned by Elena Taubel, age 7.



Whatever the shape of sustainable building, we think it's worth an award.
Tomorrow's architecture – an imaginative drawing by Finn Löffler, age 10.

Interim Report as at 30 June 2010
DekaBank Group

Foreword

Dear Shareholders and Investors,

The economy has picked up again, yet some currencies and state finances have come under pressure. The picture which has emerged in the first half of 2010 is varied. For the most part, the real economy is back on course for growth, as the current trend in leading indicators confirms. However, the financial sector, in particular, has yet to recover fully from the severe dislocations of recent years. In the past six months, the line between hope and scepticism has always been very thin. The signals from the economy are encouraging, but the financial markets will still take some time to overcome the consequences of the crisis and the associated uncertainty.

In light of these framework conditions, the DekaBank Group's business performance was pleasing. With an economic result of €389.9m, we continued the strong development of the second half of 2009. This once again testifies to the sustainability of our business model as the central asset manager for the *Sparkassen-Finanzgruppe*. The success of this model is reflected by various key indicators, as documented in this half-year financial report. For example, we have strengthened the income side, reduced administrative expenses on the back of the quality and process campaign launched in the previous year, and achieved a further increase in product quality. The high results we achieved in the pan-EU bank stress test, carried out in summer 2010 on the initiative of the Committee of European Banking Supervisors (CEBS), highlight the fact that DekaBank's capitalisation is sound and sustainable, even based on the assumption of difficult conditions.

DekaBank is therefore well on the way to achieving its targets. Nevertheless, we need to continuously and consistently face up to market challenges. Our success depends on our ability to respond quickly and flexibly to changes in the market environment and offer precisely-tailored asset management solutions to our customers and sales partners. In this respect, our claim is built on providing innovative and future-proof solutions. This is typified by the Deka-Wertkonzept product series, which was launched in June this year and whose funds invest flexibly in various asset classes. The aim here is for the relevant fund unit prices not to drop below a defined floor.

The quality of our products and services has been acknowledged as being above-average, with numerous accolades awarded to Deka investment funds this year. Quality and customer benefit are not only reflected in the performance of our products but also in the liquidity promise that is typical of our funds. We want investors to be able to rely on the possibility of redeeming their fund units with the investment company at any time if required. Our securities funds and open-ended property funds have delivered on this promise at all times.

Credibility and trust are also essential in communications. In spring 2010, we therefore created a very personal basis for advertising the Deka investment fund brand. The new campaign uses real examples of customers who fulfilled their specific wishes through regular fund-based saving, and explains how their savings bank advisers supported them in the process.

We intend to continue our successful, trust-based cooperation with our partners in the *Sparkassen-Finanzgruppe* in the second half of the year. The preconditions are in place – all we need to do is make good use of them.

Sincerely,

Franz S. Waas, Ph.D.
Chairman of the Board of Management

Interim management report 2010

At a glance

DekaBank's business model again proved its worth in the first half of 2010. The strong focus on the savings banks' requirements in Asset Management and supporting capital market business resulted in successful new products and a pleasing performance of our funds, as well as increased payments to the alliance partners in the *Sparkassen-Finanzgruppe*. The high quality of our products and services was reflected in further improvements in fund ratings and major awards, such as the five-star top rating we received from *Capital* magazine. We reduced non-core business as scheduled and maximised opportunities for write-ups. The lower utilisation of risk cover potential and rise in the core capital ratio testify to the greater stability of the DekaBank Group. The Committee of European Banking Supervisors' (CEBS) stress test was passed with a comfortable 8.4% core capital ratio as at the end of 2011. This high result confirms the stability and resilience of DekaBank's business model, even in crisis situations.

The economic result totalled €389.9m in the period under review, more than double the previous year's figure (€142.2m), which was impacted to an even greater extent by the financial market crisis. On the income side, DekaBank benefited from positive overall capital market developments. On average, assets under management were higher than in the previous year, leading to an increase in net commission income. Net interest income was adversely affected by low market interest rates. However, this development was countered by lower risk provisions in the reporting period. As expected, net financial income fell short of the previous year's high figure. Among other factors, net financial income was reduced by valuation discounts in Treasury resulting from the renewed strong widening in spreads since the start of the year. Write-ups were recorded here in the same period in the previous year. Higher income was countered by a reduction in administrative expenses, thanks in part to the consistent implementation of the quality and process campaign we launched in the previous year.

The economic environment also showed negative aspects, posing major challenges for capital investment companies. In the first half of the year especially, the national debt crisis in some European countries adversely affected confidence in the euro and the stability of the financial markets. Side effects included rising yields and higher risk premiums on government bonds from these countries as well as marked volatility in the equity markets. The consolidation measures introduced are inevitably curbing economic growth in the countries concerned, but are raising the credibility of their financial policy in the medium term. With investors' risk affinity diminishing, opportunities for new Asset Management business were very limited. Despite the restrained market trend, the Asset Management Capital Markets (AMK) business division achieved a positive level of direct sales with mixed funds and target return funds. In contrast, money market and bond funds faced outflows, in particular because of the historically low interest rates. Significant inflows were achieved on the basis of management and Master KAG mandates. Compared with the previous year, net sales of AMK stabilised at the slightly negative level of €–0.3bn.

The property markets were primarily dominated by a process of consolidation and stabilisation. However, new cyclical detrimental factors emerged with regard to commercial property. In a competitive environment which remains difficult for open-ended property funds, the Asset Management Property (AMI) business division achieved a positive performance again, and in relation to the market situation vacancy rates were low. The liquidity ratios of funds were within the target range. Consistent management of funds inflows via a sales strategy that is closely aligned with the savings banks, as well as a conservative business policy in fund management, once again formed the basis of this success. The combination of open-ended mutual property funds implemented in the previous year provided the planned additional stability for business.

In line with the sharpened business model, the Corporates & Markets (C&M) business division concentrated more specifically on supporting Asset Management and the savings banks in the first half of 2010. This included the development of suitable derivatives products and solutions for guaranteed funds and target return funds as well as the placement of lendable securities. Furthermore, C&M is involved in ensuring the liquidity supply of the savings banks, including via repo/lending transactions. The largely collateralised loan portfolio relating to core business was managed with a focus on risk optimisation, and its volume was reduced slightly.

The gross loan volume as at 30 June 2010 rose slightly by 1.4% overall on the 2009 year-end figure. In contrast, the net loan volume was down by 2.8% in the same period. The average rating of the net loan volume remained unchanged.

Following a very negative result in the first half of 2009, revaluations and lower risk provisions produced a positive economic result for non-core business in the reporting period. On the back of strong growth in the first half of the year, the DekaBank Group continues to be firmly focused on achieving a good economic result again for 2010 as a whole.

Business model, structure and strategy of the DekaBank Group

The strategic measures introduced in the previous year have been consistently implemented in the first six months of 2010. They are primarily aimed at customer-oriented and efficient structuring of the product range, organisational structure and corporate processes, while at the same time ensuring a sustainable business policy. Key measures launched in the previous year are being rigorously implemented and some are already nearing successful completion.

Product range

The AMK business division has further aligned its range of products with the requirements of private and institutional investors. The number of funds and unit classes has been reduced through combinations and closures. At the same time, the product range has been supplemented by new fund solutions, which respond particularly well to the need for safe investments on the part of investors. Here the focus was on mixed investment funds. Following some adjustments in the previous year, we have further developed our product range in fund-linked asset management. In addition, in cooperation with Sales, AMK supports the savings banks in developing and enhancing high-quality professional consultation and support processes as part of the savings banks financing concept. The aim is to achieve the ideal combination of basic and supplementary investments for a long-term asset structure tailored to the individual needs of each customer.

After successfully streamlining the product range in retail business in the previous year, the AMI business division is working on further expanding the offering for institutional investors. To this end, AMI is using the experience gained with innovative asset management solutions, for example with credit funds, as well as its expertise as a market leader in retail business.

The C&M business division strengthened its support of the investment strategies and goals of Asset Management and the savings banks on the basis of targeted development and implementation of new products. In addition to the infrastructure credit fund, these included, for example, subparticipation in secured financing as well as expansion of the ETF product range. In order to meet our customers' demand for comprehensive solutions even more accurately, a future additional focus within the C&M business division will be the development and implementation of multi asset class products and solutions in the Markets sub-division.

As part of cross-divisional cooperation, a new product solution, the *Mittelstandskreditfonds,* a credit fund for small and medium-sized enterprises (SME credit fund), was developed and implemented in the first half of 2010. Established on the initiative of the *Deutscher Sparkassen- und Giroverband* (DSGV) in conjunction with DekaBank, Gesellschaft für Mittelstandskreditfonds der Sparkassen-Finanzgruppe will provide a unique, nationwide platform for lending business for German small and medium-sized companies. The development phase was largely completed by mid-2010 and a 3-month pilot scheme for the product solution was launched at the beginning of June. The fund is set to consolidate and further expand the market positioning of the savings banks in lending to larger SMEs.

Organisational structure and business processes

The project launched in the previous year to merge Master KAG Deka FundMaster Investmentgesellschaft mbH and Deka Investment GmbH continued in the period under review. The merger will be completed in the third quarter of the year with retrospective effect from 1 January 2010, and the organisation will be adjusted accordingly. This creates a modern structure for management and administration in institutional business. Via the Master KAG mandates, institutional customers can pool their assets under management with one investment company.

We have advanced the migration of products and functions to a new fund administration platform via Dealis Fund Operations GmbH, a joint venture of DekaBank and Allianz Global Investors. By the middle of the year, around 40% of funds had already been migrated and the majority of custodian banks networked to the system. The project is scheduled for completion by the end of 2010.

As part of the quality and process campaign, DekaBank launched a programme at the end of 2009 to establish an integrated, forward-looking overall IT architecture. During the reporting period, central IT services for operating the computing centre, servers, network and office communications were contracted out to a new partner. This has resulted in a significant and ongoing reduction in costs and enhances the flexibility of the remuneration model.

Sustainable business policy

The alignment of business on the basis of the criteria defined in our sustainability strategy progressed further in the reporting period. Our activities covered the four pillars of sustainable banking, sustainable HR management, sustainable banking products and social responsibility.

With regard to our investments, sustainability aspects – such as buildings which are certified according to the relevant criteria in the AMI business division – are becoming increasingly important.

As part of a re-audit, surveyors and consultants Agimus issued a certificate of full functional capability and conformity with the standards for DekaBank's environmental management in June 2010 and confirmed that the Bank meets the requirements of the ISO 14001 standard.

With regard to social responsibility, work during the reporting period focused on promoting projects which benefit disadvantaged children. Donations were made to the Don Bosco Mission, a Roman Catholic relief organisation, for the reconstruction of aid facilities in Haiti and running a children's hospital in Bolivia. In addition, DekaBank promotes *Die Arche* (The Ark), a German charity for children and young people which opened its eighth branch in the country in Frankfurt/Main at the beginning of this year. Alongside social projects, our commitment centres on promoting contemporary art and architecture as well as science and sport.

Economic environment

In the first half of 2010, economic conditions overall proved slightly more favourable for DekaBank than in the same period of the previous year. The capital markets responded positively to encouraging economic data. Equity markets recorded gains, particularly in the first quarter, and new issuance activity in the bond markets was revived against the backdrop of low default rates and tighter credit spreads. DekaBank also benefited from the rising valuations of various capital market credit products. However, renewed tension in the second quarter – mainly as a result of the crisis in the eurozone – once again highlighted very clearly to financial market players the risks of future developments as well as the opportunities.

Overall economic trends

Expectations for 2010 were high. On the one hand, the global economy was set to pick up again after the 2008/2009 recession. On the other hand, monetary and financial policy was set to guide the national economies on a sustainable path that would not depend on economic policy stimulus and would consequently slow down their rate of expansion.

The real economy met these high expectations. Dynamic global economic growth and corporate announcements even provided some positive surprises. However, the financial markets are sceptical that monetary and financial policy will indeed return swiftly and consistently to the path of virtue and reduce both liquidity and national deficits. This applies to the eurozone in particular. Here, a euro debt crisis unfolded to an unexpected extent, which has caused a lot of nervousness in the financial markets and will also result in further economic strain over the longer term.

However, these new detrimental factors are unlikely to represent a serious threat to economic recovery in the current year. The global economy has continued the expansionary course this year, on which it first embarked in mid-2009. The emerging markets, with the Asian national economies leading the way, have been particularly consistent in shaking off the impact of the financial market crisis on the real economy. As part of globalisation, they are building on the strong growth of previous years. Overall, global GDP is expected to rise by 4.5% in 2010 as a whole.

In view of the fact that the emerging markets today account for around half of global production, demand for goods in these markets has a perceptible and positive impact on the industrialised countries. In addition, the US economy continues to play an important role in the global economic recovery. It was therefore all the more important that expansionary monetary and financial policy took hold in the United States as well and investment activity increased. This fostered a rise in the number of people in work, with a fall in the rate of unemployment. The resultant positive income trend supports consumption by private households and provides additional stability for the expansion.

Since it relies on exports, the German economy was particularly hard hit by the global recession. However, it is now benefiting above average from the global recovery. German companies are very competitive in the international markets. Exports are largely responsible for the expected 2.0% growth in the German economy this year. This puts Germany above the potential growth level, despite the fact that export opportunities may be limited in the eurozone as a result of the euro debt crisis. The labour market and private consumption are still providing relatively little positive impetus. However, this is not unusual in Germany in the early stage of an economic cycle.

In the past few months, the eurozone was marked by growing tension regarding the financing terms in the capital markets for some of its member states. The rise in national debt caused by the economic and financial market crisis appears tolerable for most eurozone countries. However, in some cases, the capital market responded with uncertainty and scepticism. In spring 2010, Greece faced a dramatic increase in the cost of raising capital. At the beginning of May, the country was cut off completely from capital market financing. In this situation, Greece received bridge loans from the International Monetary Fund and the other countries in the monetary union. However, only a short time later, other countries also came close to losing the confidence of the capital markets, which made far-reaching resolutions on monetary and financial policy necessary. The European Stability Mechanism resolved at the extraordinary EU summit in May comprises a rescue package totalling up to €750bn. This can be used as a safety net to prevent eurozone countries from defaulting. The mechanism also stipulates more stringent monitoring of the Stability and Growth Pact. In addition, the European Central Bank (ECB) will intervene as necessary to maintain liquidity in the government bond markets and take further monetary policy measures.

According to our assessment, the package of measures will be sufficient to put an end to current speculation in the capital markets about the eurozone and in the bond markets regarding individual countries. This has also mitigated fears that concerns could transfer to the banking system and jeopardise the economic recovery. However, the decisions taken have changed the nature of the monetary union. It has been acknowledged for the first time that in addition to the EU cohesion aid, individual regions within the monetary union may require assistance from other regions. This aid is provided in the form of loans, which are repayable with interest and linked to economic policy conditions. Consequently, the EU Commission and International Monetary Fund have imposed stringent savings measures on Greece. The programmes are already taking effect, and a gradual reduction in the national deficit is foreseeable.

The other eurozone countries and the UK have also started to consolidate their budgets, in order to secure long-term access to international capital. The savings implemented are putting considerable short-term pressure on the economy in some cases. Yet, neither the eurozone nor the world as a whole will face a double dip recession. This assumption is supported by the recent substantial economic recovery following the success of government economic programmes. The current consolidation pressure highlights the limits of this Keynesian policy of stabilisation.

Trends in capital markets

Well into the summer, the capital markets were in a very nervous state due to ongoing uncertainty. In our view, there is no reason to be sceptical about the financial market as a whole or the euro. The current situation will not lead to hyperinflation, nor will the stabilisation of the financial markets that has just started be jeopardised. This also means that once the political procedure has been clarified, greater certainty will return to the markets and fundamental data will once again come to the fore.

These fundamentals are positive in principle. Retrospective economic data confirmed the impression of an extraordinarily strong fourth quarter in 2009, and there was hope that the new year would begin similarly well. The quarterly figures reported by companies, particularly in the USA, were positive and the very high default rates of struggling companies decreased considerably. In January in particular, industrial companies and financial institutions rushed to the new issue market. When the credit ratings of Greece and Portugal were downgraded, risk premiums for these countries rose sharply while share prices plummeted. German government bonds and US Treasuries remained in demand as a safe haven and yields repeatedly went from one record low to the next, especially at the short end of the curve.

The annual reports published by companies in the first quarter of the year once again provided a positive surprise for investors in the USA and Europe. For banks, in particular, earnings were up, although they are increasingly impacted by write-offs in traditional lending business.

With the debt crisis escalating in the eurozone, the single currency was dragged into an accelerating downward spiral. The nosedive of the euro was only halted once the major rescue package of the EU Commission was in place and showing signs of success. This was when the currency's cautious recovery started. Alongside federal bonds and US Treasuries, gold remains the No. 1 safe haven currency. Since the start of the crisis in summer 2007, the price of this precious metal has approximately doubled, in both US dollars and euros.

Trends in property markets

In the first half of 2010, a process to consolidate space dominated the German office markets. For cost and efficiency reasons, companies concentrated their dispersed locations in one place, or relocated to more favourably priced sub-markets. However, vacancy rates have risen only slightly. The volume of new construction in the current year is unlikely to exceed the 2009 level, with a large proportion pre-let or owner-occupied. Top rents largely remained stable. Prime retail locations proved extremely resilient during the crisis. In some locations, such as Frankfurt and Munich, rents actually went up. The high level of demand from international and national retailers met with a limited supply. As a result, vacancies remained the exception. However, secondary sites and poorly located shopping centres faced a more difficult situation and continue to do so. In the wake of the crisis, these recorded higher vacancy rates and a decline in rents. The recovery in the investment market is already more advanced than that in the rental market. Following a prolonged absence from the market, international investors increased their exposure in Germany. Within the core segment, the rising investment pressure in the core segment combined with limited supply has resulted in a slight decline in yields on the relevant property types (office, retail, logistics and hotels).

Almost all of the European markets have continued to settle down. The fact that vacancy rates in Europe have increased slightly is indicative of stabilisation. The supply has only risen in Barcelona, Luxembourg and Madrid. Top rents have already peaked in some markets and mainly moved sideways. Activity in the European investment market intensified further in the first half of 2010. The decline in top yields has accelerated in the major markets as a result of the marked interest in core properties coupled with the low level of supply. Compared with the respective highs, the decline in yields was most substantial in the City of London and the centre of Paris.

In the USA, demand for office space in the class A segment remained extremely restrained in the first six months of 2010. The surplus of new buildings resulted in an increase in vacancy rates. Rent levels fell further in most locations. However, investment market activities slowly started to increase once more. In the second quarter, average initial yields (cap rates) for city centre locations declined again for the first time since mid 2008. Refinancing difficulties remained a key issue in the investment market. Although there were already signs of the situation easing in individual market segments, by the middle of the year the refinancing gap for commercial property had not yet been completely closed with new capital. The majority of the Asian office markets have now bottomed out. Despite the pleasing trend in the level of employment, demand for high-quality office space has yet to recover to any significant extent. Hong Kong and Shanghai led the way in terms of falling vacancy rates. With the exception of Tokyo, hardly any decreases in rents were recorded. In Australia, office markets in the major cities recovered in parallel with growth in employment. Depending on the percentage of completion, vacancy rates continued to rise in some cases. This meant that leeway for an increase in rent levels remained limited. Despite the financial market crisis, the Australian commodities market defied expectations and remained relatively strong. Consequently, as a result of new construction projects, the supply of rental space in Brisbane and Perth is already expanding again, despite the substantial rise in vacancy rates.

Trends in the funds sector

According to the investment statistics of the Bundesverband Investment und Asset Management (BVI), mutual securities funds were considerably more popular with investors in the first half of 2010 than in the previous year. After net funds outflows of €1.9bn in the previous year (excluding open-ended property funds), funds attracted a net inflow of €8.1bn this year, although the second quarter was significantly weaker than the first. Mixed funds in particular recorded strong sales. Unlike in the previous year, bond funds also achieved a positive sales figure, while equity funds with a net funds inflow of €0.4bn did not match the previous year's performance (€5.0bn). With regard to money market funds, fund units continued to be redeemed on a massive scale, although the situation was not quite as serious as in the previous year. Special funds achieved a total funds inflow of €23.7bn (previous year: €2.3bn). This figure reflects, in particular, the sharp rise in demand from insurance companies and pension funds.

Investment fund companies attracted a net volume of €2.1bn with open-ended mutual property funds, somewhat less than in the previous year (€3.1bn). This reflects the ongoing pressure in the sector; some companies had to close their funds to prevent the outflow of funds and to secure liquidity, but DekaBank's funds consistently remained open. In a draft legislation to strengthen investor protection, the German Ministry of Finance considers various measures, such as introducing minimum holding periods and restricting the option of returning fund units on every stock exchange trading day. As part of its BVI membership, DekaBank is taking an active role in the consultation process. The overriding aim is to strengthen the position of long-term investors and create reliable conditions for the liquidity management of funds in the long run.

According to data from the *Deutsches Aktieninstitut* (German Equities Institute, DAI), the number of shareholders and holders of equity fund units declined slightly in the first half of 2010. The number of investors with direct or indirect investments in equities totalled 8.6 million (previous year: 8.8 million). This equates to a share of 13.3% of the population. 3.9 million investors were invested directly in equities, which is a rise of 7.4% on the second half of 2009. In contrast, the number of equity fund investors decreased by 7.3% to 6.1 million.

Business development and profit performance in the DekaBank Group

Overall assessment by the Board of Management

The economic result of €389.9m in the first six months of 2010 significantly exceeded the previous year's figure (€142.2m). On the income side, DekaBank benefited from the overall positive development in the capital market, which was reflected in high net commission income in particular. A further key aspect is the gratifyingly moderate level of risk provisions required so far this year, after a substantial increase in the previous year. However, it remains to be seen whether this situation continues in the second half of the year. The strategy of managing the portfolio of non-core business on the basis of safeguarding assets and gradually reducing volume while exploiting any write-up potential has proved to be the right choice. While income increased, administrative expenses reduced and the cost/income ratio consequently improved from 53.0% to 49.0%

The comparison with the previous year must take into account that overall, the capital market environment was more favourable in the reporting period. In the first quarter of 2009, market dislocations in the wake of the financial market crisis produced a negative economic result overall. The higher result achieved in the first half of 2010 cannot simply be extrapolated to the full year. However, we remain firmly focused on our goal of achieving a strong economic result again for 2010 as a whole.

Despite the brighter stock market environment, the situation in the funds sector remained rather unsatisfactory in the first six months of 2010. The level of new business relating to mutual securities funds was modest in most funds categories and open-ended mutual property funds remained under pressure because some competitors have suspended redemption of fund units. In this environment, DekaBank achieved positive net sales (AMK and AMI) as at the reporting date, which was partly attributable to the success of new product solutions. However, our targets were higher. In terms of fund assets, according to BVI, the DekaBank Group remained in second place for mutual securities funds in the German market at mid-year 2010 and the market leader in open-ended mutual property funds.

With targeted product and sales campaigns and in close cooperation with our partners in the *Sparkassen-Finanzgruppe*, we created the basis for growth in net sales in the remaining months of the year. However, there are currently no expectations of support in the form of impetus from the market. In the first half of 2010, the share of our products in total fund sales of sales partners amounted to 76% (end 2009: 81%). Alongside the increase in payments to the alliance partners to €472m in the first half of 2010 (first half 2009: €406m), this continued high ratio of intra-alliance business highlights DekaBank's anchoring within the *Sparkassen-Finanzgruppe*.

As a result of our financial strength and guaranteed risk-bearing capacity at all times, the leading international rating agencies affirmed their strong ratings. The rating for long-term unsecured debt remains A (Standard & Poor's) and Aa2 (Moody's), with both agencies stating a stable outlook.

Profit performance in the DekaBank Group

The increase in the economic result was primarily due to strong growth in earnings. After €549.3m in the previous year, income totalled €767.4m in the first half of 2010. Expenses were down from €407.1m to €377.5m. Core business accounted for €347.0m (previous year: €429.4m) of the economic result and non-core business contributed €42.9m (previous year: €–287.2m).

At €193.7m, net interest income fell short of the previous year's high figure of €235.6m. The 17.8% decrease resulted in part from the lower income contribution from investment for the Bank's own account, which was a consequence of the current trend in market interest rates. The moderate reduction in the loan portfolio in non-core business also contributed to a minor extent to the decline in net interest income.

At €–9.9m, risk provisions were unexpectedly low in the first half of the year. The increase is mainly attributable to portfolio valuation allowances for credit risks. Risk provisions in the previous year (€–218.9m) related essentially to the increase in risk provisions for Iceland exposures.

Net commission income climbed 27.0% to €533.0m (previous year: €419.6m). The higher level of average assets under management compared with the same period in the previous year resulted in an increase in portfolio-related commission. Furthermore, the margin structure of the existing portfolio was enhanced. Additional income also resulted from the stronger fund performance.

At €44.5m, net financial income was 64.1% down on the previous year's figure (€123.9m). This reflected high income contributions from customer trades in fixed-interest securities and a high new issue volume in corporate bonds and as expected was not matched in the current year. Valuation discounts relating to the investment of liquidity in government bonds and bank bonds also contributed to the decline. This was mainly due to renewed spread widening. Given the increase in the liquidity supply by the ECB, income from repo/lending transactions was also down on the previous year's figure. Moreover, as expected the investment of liquidity generated lower income in the year-to-date than in the same period in the previous year.

Partly as a result of income from tax refunds, other income climbed to a positive figure of €6.1m (previous year: €–10.9m).

Administrative expenses decreased from €407.1m to €380.5m. This development reflects the measures taken as part of the quality and process campaign, as well as lower write-downs.

Personnel expenses of €185.2m were up 7.2% year-on-year (€172.8m). The rise is attributable to a higher deferred amount for special payments and increased allocations to old-age provisions. Expenses for the socially responsible reduction in staff capacity under the quality and process campaign are fully covered by the provisions set up in the previous year for restructuring measures.

Operating expenses (excluding depreciation) were down from €201.9m to €187.2m. The decrease resulted mainly from the implementation of measures taken as part of the quality and process campaign. These were also reflected in lower consultancy expenses.

Depreciation amounted to €8.1m. The previous year's figure of €32.4m comprised unscheduled amortisation of the goodwill from the shares in WestInvest GmbH acquired in 2004 amounting to €25m (Fig. 1).

Business development and profit performance in the AMK business division

Compared with the same period in the previous year, net sales of mutual securities funds as well as special funds and mandates in the AMK business division stabilised at a slightly negative level (€–0.3bn). There was a minor decline in assets under management to €129.1bn (end 2009: €130.1bn).

Net sales performance and assets under management

At €–3.2bn, the net sales performance of AMK's mutual funds and in fund-based asset management was below the previous year's figure (€–2.6bn), reflecting the fact that the market environment remains muted. Slightly more pronounced losses in direct sales, which were primarily attributable to redeemed fund units in money market and bond funds, were partially compensated by the stabilisation of fund-based asset management. Here, the restructured concept for fund-linked asset management impacted

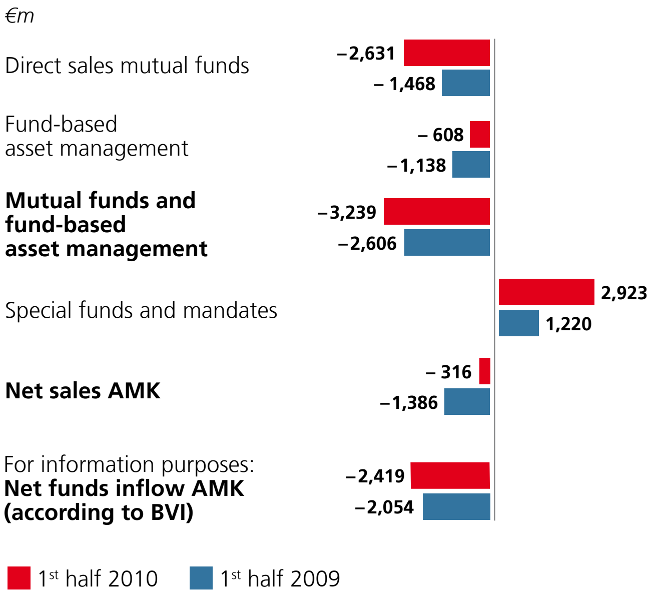
Profit performance in the DekaBank Group *(Fig. 1)*

€m	1st half 2010	1st half 2009	Change	
Net interest income	193.7	235.6	−41.9	−17.8%
Risk provision	−9.9	−218.9	209.0	95.5%
Net commission income	533.0	419.6	113.4	27.0%
Net financial income	44.5	123.9	−79.4	−64.1%
Other income	6.1	−10.9	17.0	156.0%
Total income	**767.4**	**549.3**	**218.1**	**39.7%**
Administrative expenses (including depreciation)	380.5	407.1	−26.6	−6.5%
Restructuring expenses	−3.0	0.0	−3.0	n/a
Total expenses	**377.5**	**407.1**	**−29.6**	**−7.3%**
Economic result	**389.9**	**142.2**	**247.7**	**174.2%**

favourably. The direct sales level in mixed funds and target return funds was particularly convincing. Net sales for equity funds were just in the negative range.

With regard to special securities funds as well as Master KAG and advisory/management mandates, AMK outperformed the positive trend in the first half of 2009. Net sales climbed to €2.9bn (first half of 2009: €1.2bn). The launch of new Master KAG and management mandates impacted particularly positively, while net sales of special funds were approximately balanced (Fig. 2).

AMK sales performance *(Fig. 2)*

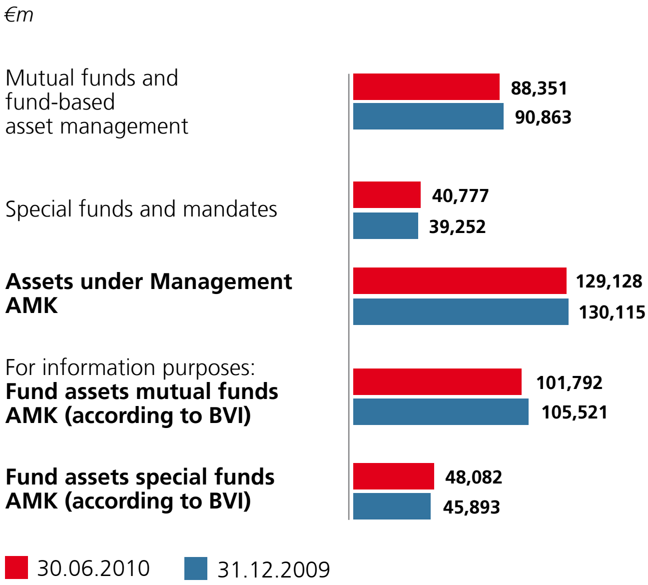


Assets under management were only slightly down on year-end 2009 with a decline of approximately 1% to €129.1bn. With fund assets according to BVI of around €102bn, the DekaBank Group remained the second largest provider of mutual securities funds in Germany and achieved a market share of 17.5% as at the end of June (Fig. 3).

Expanded product range

In the first six months of 2010, AMK developed its product range further and launched tailored fund solutions in the market. These centred on mixed investment funds which, with a mix of asset classes and broad spectrum of instruments, had already recorded strong growth in demand in the previous year. A total return product series was positioned in the market under the name Deka-Wertkonzept, which offers investors flexible investment options in a large number of very different asset classes with the aim of achieving a higher return than the money market.

Assets under Management AMK *(Fig. 3)*



The unique feature of this concept is its risk management, whereby the maximum loss tolerated versus the previously recorded high is specified for each fund variant.

The range of guaranteed funds was also expanded. Deka-DeutschlandGarant 2, for example, enables investors to benefit from any upward price potential in the German equity market. The strong sales performance highlights the fact that investors consider the opportunities for a return on their investment as very attractive in relation to German shares in particular.

The product range and comprehensive consultancy approach for savings banks in the high-potential retail customers segment was revised at the beginning of the year and since May 2010 has been positioned as a basic product forming part of the savings banks financing concept. With the Deka Private Banking Portfolio and Deka Private Banking Select, these customers now have access to asset management which is precisely tailored to their investment mentality.

Fund performance and rating

Following a highly successful year in 2009, bond and equity funds performed well in the first half of 2010. As at 30 June 2010, 63.0% of bond funds and 46.8% of equity funds outperformed their respective benchmarks. This positive performance also impacted favourably on the fund rating. At the end of June 2010, 34.6% of our funds were given an above-average rating by investment research firm Morningstar in the three to ten-year monitoring period. DekaBank therefore ranks among the top providers in the market.

In the first half of the year, DekaBank achieved very high scores in central performance comparisons of providers of mutual securities funds. In January 2010, business magazine *Capital* gave DekaBank the highest score of five stars for the second time in a row. Only four of the 82 universal providers assessed gained this rating, which rewards outstanding product and service quality. In the €uro Fund Awards of publisher *Axel Springer Verlag*, our funds were among the three best products in twelve categories. Four funds achieved a number one ranking, including the Deka-ConvergenceAktien fund for its above-average performance over a five-year monitoring period. At the Feri EuroRating Awards 2010, Deka-ConvergenceAktien was already rated "best Central/Eastern Europe equity fund". AMK achieved further top places at this year's Lipper Fund Awards in March. Five funds received awards for consistent investment performance, with the Deka-Euroland Balance CF mixed fund receiving two prizes with a top performance over a three and five-year period. The accolade of "Best Large Fixed-Interest Fund House" at the Morningstar Fund Awards in April completed the series of successes in the first six months of 2010. DekaBank recorded the best five-year performance among 15 providers. A total of 28 bond funds were included in the assessment.

Profit performance in the AMK business division

With an economic result of €220.5m, the AMK business division performed considerably better than in the previous year (€94.1m). This was essentially driven by a rise in income of 45.1% to €397.3m.

Net commission income was up on the comparable figure for 2009 (€286.7m) by 38.3% to €396.4m. This was mainly attributable to a rise in portfolio-related commission on the back of a positive market trend compared with the same period in the previous year. The margin structure of the existing portfolio was also improved. Moreover, the stronger performance of our funds generated additional income.

Other income rose to €0.9m (previous year: €–12.8m), partly as a result of the improved market environment. Income contributions from start-up financing for new funds launched during the reporting period as well as income from a VAT refund had a positive impact on other income.

Administrative expenses (including depreciation) were down by 2.7% to €175.0m (previous year: €179.8m). The measures taken as part of the quality and process campaign more than compensated for the rise in processing costs due to investments relating to the outsourcing of fund administration to Dealis Fund Operations GmbH (Fig. 4).

Business development and profit performance in the AMI business division

The close integration and cooperation, based on trust, with our sales partners, the savings banks, once again proved its worth in difficult sector conditions during the first half of 2010. While some providers were forced to suspend redemption of fund units in order to secure liquidity, the open-ended mutual property funds of Deka Immobilien Investment and WestInvest remained open without interruption. This was partly achieved through managing liquidity on the basis of sales quotas. Despite a high level of sales quota utilisation, the liquidity ratios remained in the target range. The letting ratio exceeded the forecast, particularly abroad, resulting in a volume totalling €77m. Consequently, the change in vacancy rates was negligible overall and vacancies were well below the market average. The streamlining of the retail product range in the previous

AMK profit performance *(Fig. 4)*

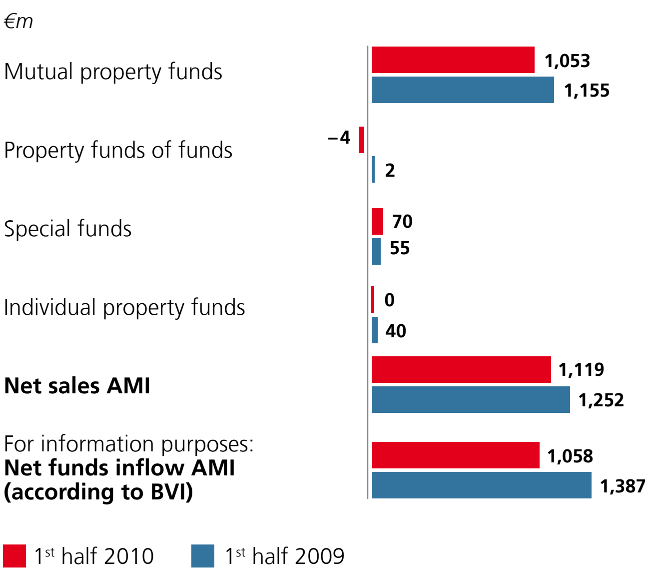
€m	1st half 2010	1st half 2009	Change	
Net commission income	396.4	286.7	109.7	38.3%
Other income	0.9	–12.8	13.7	107.0%
Total income	**397.3**	**273.9**	**123.4**	**45.1%**
Administrative expenses (including depreciation)	175.0	179.8	–4.8	–2.7%
Restructuring expenses	1.8	0.0	1.8	n/a
Total expenses	**176.8**	**179.8**	**–3.0**	**–1.7%**
Economic result	**220.5**	**94.1**	**126.4**	**134.3%**

year – Deka-ImmobilienFonds was combined with Deka-ImmobilienEuropa and WestInvest 1 with WestInvest InterSelect – resulted in even more robust structures for the managed portfolios. In a further realignment of the investor structure during the reporting period, institutional money was also redirected from the open-ended funds to products suitable for institutional investors. The share of institutional investors with investments in the three retail investment funds (Deka-ImmobilienEuropa, Deka-ImmobilienGlobal and WestInvest InterSelect) now amounts to less than 8% and will be reduced further. In Real Estate Lending, currency effects and the restricted and very conservative business focus meant that the gross loan volume rose only slightly.

Net sales performance and assets under management

AMI's net sales of €1.1bn (previous year: 1.2bn) were mainly attributable to the limited quotas for open-ended mutual property funds. They recorded direct sales of approximately €1bn (previous year: €1.2bn). Accordingly, DekaBank Group products accounted for around 46% of the net funds inflow into the open-ended property funds listed in the BVI statistics. This has further consolidated the Bank's leading market position. The share of fund assets (BVI) amounted to 22.2% at mid-year 2010 (Fig. 5).

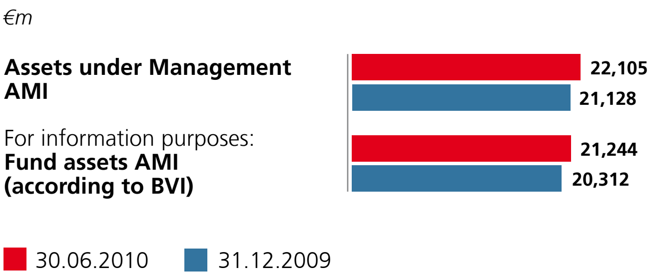
AMI sales performance *(Fig. 5)*



In institutional business, net sales totalled around €131m in the first half of the year. This figure comprises €70.0m from special funds and €60.9m from WestInvest ImmoValue, which is reported under mutual property funds but is actually only available to institutional investors.

All funds achieved a reasonable performance in comparison with the market and competitors. Assets under management were up on the figure as at year-end 2009 (€21.1bn) by around 5% to €22.1bn, despite a high distribution level (Fig. 6).

Assets under management AMI *(Fig. 6)*



Overall, the funds acquired properties worth approximately €0.5bn in the first six months of 2010, with most of the acquisitions made by Deka-ImmobilienEuropa. As part of continuous portfolio optimisation, fund properties worth around €0.3bn were sold.

Expanded product range

Following the successful launch of the WestInvest Target-Select product family and the two credit funds (Deka Infrastrukturkredit and Deka Realkredit Klassik) in 2009, the current focus is no longer on broadening the product range, but rather on better exploiting the potential in institutional business. In this respect, demand for our products is not a limiting factor. The challenge is finding properties and loans in the market with the ideal risk/reward profile for the funds.

Fund performance and rating

The funds again achieved an above-average performance. With an average annualised volume-weighted yield of 3.0% (previous year: 3.5%), our open-ended mutual property funds were generally among the market leaders.
In terms of rating comparisons, the stability of our funds was also convincing. The Scope Analysis report published by the agency in May 2010 showed all three open-ended mutual property funds of the DekaBank Group in the top rating range. We were delighted that Deka-ImmobilienGlobal won the award for best global fund for private investors and WestInvest ImmoValue was judged the best property portfolio. Scope also awarded top marks again for the management quality of the DekaBank Group's two capital investment companies.

Real Estate Lending

In Real Estate Lending (REL), we continued to focus new business on markets, property types and business partners which are also relevant to our property funds. We are most active in those markets where we also have a local presence. In addition, loans were granted to DekaBank's own and third party property funds which are governed by the German Investment Act.

The volume of new lending business acquired of €0.9bn was slightly up on the previous year's figure (€0.6bn). Higher margins were again achieved across the board while realising lower loan-to-value ratios and better ratings than in the portfolio of existing business.

As at 30 June 2010, the gross loan volume amounted to €7.8bn (end 2009: €6.9bn). The rise was attributable in part to currency effects. Commercial property finance accounted for €5.6bn of the overall volume and financing of open-ended property funds for around €1.7bn. An amount of €0.5bn was attributable to the financing of public sector construction projects, a segment which is being phased out. Once again a considerable volume of business was syndicated with the amount totalling €0.3bn as in the previous year.

Profit performance in the AMI business division

With an economic result of €51.7m, AMI exceeded the comparable figure for 2009 (€25.6m, excluding the non-recurring factor of goodwill amortisation). This reflected, in particular, significantly lower risk provisions of €–12.0m to date (previous year: €–27.7m).

Net interest income rose to €38.4m (previous year: €29.6m). In addition to the successful restructuring of existing business, higher margin income of REL resulting from new business contributed in particular to this increase.

The positive trend in net commission income, which was up from €74.9m to €82.1m, resulted primarily from higher portfolio-related commission and increased commission income in Real Estate Lending. An opposite effect resulted from the decline in the transaction performance (acquisitions and disposals for funds) which was below forecast and consequently produced lower fees for buying and selling.

The reduction in net financial income to €–5.6m (previous year: €4.4m) was also due to the redemption in full of DekaBank's own holdings in the Deka-ImmobilienEuropa fund in the first quarter of 2010. The business division therefore had no further income from the Bank's own portfolio of fund units.

Administrative expenses were reduced by €1.7m to €54.2m compared with the same period in the previous year. This was primarily achieved on the basis of the measures already launched in 2009 to implement optimised process and cost structures. These measures led to lower production and processing costs (Fig. 7).

AMI profit performance *(Fig. 7)*

€m	1st half 2010	1st half 2009	Change	
Net interest income	38.4	29.6	8.8	29.7%
Risk provision	−12.0	−27.7	15.7	56.7%
Net commission income	82.1	74.9	7.2	9.6%
Net financial income	−5.6	4.4	−10.0	−227.3%
Other income (excluding non-recurring effect)	4.5	0.3	4.2	(>300%)
Total income	**107.4**	**81.5**	**25.9**	**31.8%**
Administrative expenses (including depreciation and excluding non-recurring effect)	54.2	55.9	−1.7	−3.0%
Restructuring expenses	1.5	0.0	1.5	n/a
Total expenses	**55.7**	**55.9**	**−0.2**	**−0.4%**
Economic result (excluding non-recurring effect)	**51.7**	**25.6**	**26.1**	**102.0%**
Non-recurring effect[1)]	0.0	25.0	−25.0	−100.0%
Economic result (including non-recurring effect)	**51.7**	**0.6**	**51.1**	**(>300%)**

1) Including unscheduled amortisation of the goodwill for the shares in WestInvest GmbH acquired in 2004.

Business development and profit performance in the C&M business division

In the first half of 2010, the C&M business division geared its activities even more closely to providing services which directly or indirectly support Asset Management along the value-creation chain. In view of the substantial potential in the sector, competences in secured business and repo/lending activities have been further strengthened through targeted investments. The range of ETFs was further expanded based on the requirements of the savings banks, and sales of derivatives products were increased for the AMK and AMI business divisions as well as the savings banks. The Credits sub-division acted as a selective investor in credit products that are eligible for Asset Management.

Business development in the C&M business division

Based on the integrated business model, the Markets sub-division again used selected securities portfolios from the investment funds in the first half of the year to generate liquidity for the savings banks through lending transactions. However, the volume of repo/lending transactions was below the previous year's figure, since traditional securities lending and repo transactions are increasingly handled on a synthetic basis via central counterparties. These derivative structures enable DekaBank to minimise risks. In the commission business unit, income stabilised at a high level compared with the same period in the previous year. The demand for equity and fixed-income derivatives – in part for the new mixed and target return funds – was comprehensively covered by Markets.

Our subsidiary ETFlab further expanded the asset classes and strategic spectrum of exchange traded index funds, especially on the fixed-income side. The two newly launched ETFs offer access to a broadly diversified basket of euro-denominated corporate bonds as well as the highly liquid German Jumbo *Pfandbrief* market. This means that a total of 34 ETFs are now available. The total volume decreased from €4.7bn as at year-end 2009 to €3.9bn. In contrast, ETFs on fixed-income indices recorded a marked increase and achieved a volume of €1.2bn by the middle of the year (end 2009: €0.7bn). ETFs on German government bonds with different maturities once again recorded the highest growth rates. The overall volume includes the Bank's own portfolios, which ensure a liquid and efficient market and support customers in complying with investment limits.

In the Credits sub-division, the gross loan volume amounted to €33.5bn as at 30 June 2010 (end 2009: €34.2bn). For the time being, Credits will avoid further expanding the loan portfolio. On completion of the evaluation of credit segments and collateral formats, suitable credit assets for Asset Management were identified.

This has resulted, among other things, in the development of the SME credit fund, an innovative product solution for the lending business of the savings banks, which was initiated in cooperation with the DSGV.

The net volume of non-structured capital market credit products held by the Treasury sub-division, which represent core business, amounted to €6.7bn as at 30 June 2010 (end 2009: €7.4bn) and was therefore down by around 9%.

Profit performance in the C&M business division

The economic result of €106.5m in C&M failed to match the previous year's figure (€355.4m), which was dominated by high net financial income. Development of net financial income in the first half of 2010 is to be seen in conjunction with development in non-core business. The negative valuation result from capital market credit products included in non-core business in the previous year was offset by targeted activities in C&M core business. Looking at the development in the C&M business division and non-core business together, the economic result more than doubled compared with the first half of 2009.

At €127.4m, net interest income was down on the comparable figure for the previous year (€160.0m). The main factors here were less attractive terms in liquidity investment and the reduction of the volume of existing business in lending due to the scheduled expiry and early repayment of loans.

The C&M business division reported a net allocation of €0.6m to risk provisions in the first half of 2010 compared with a net allocation of €108.6m in the first six months of 2009. The large allocation in the previous year was essentially attributable to an increase in risk provisions for Iceland exposures.

As a result of the lower volume of new lending business, net commission income of €51.1m (previous year: €53.5m) was slightly down on the previous year's figure.

As expected, at €32.2m net financial income did not match the previous year's figure (previous year: €355.7m). Valuation discounts relating to the investment of liquidity in government bonds and bank bonds led to a decline in net financial income in the first half of the year due to renewed spread widening. Moreover, the previous year's figure reflected high income contributions from customer trades in fixed-interest securities, which no longer featured in the financial planning for 2010. The increase in the liquidity supply by the ECB also led to lower income from repo/lending transactions. Compared with the previous year, less income was generated in the current year as a result of restraint in the investment of liquidity as a result of an expected shortage of liquidity in the long-term maturity range.

The minor increase in administrative expenses to €107.2m (previous year: €105.3m) resulted from the targeted expansion of the product range (Fig. 8).

Business development and profit performance in non-core business

The gross loan volume of lending business and credit substitute transactions that do not represent core business decreased moderately in the first half of 2010. After €8.1bn at year-end 2009, it amounted to €7.6bn as at the half-year reporting date. The decrease was mainly attributable to capital market products, the volume of which was down from €2.9bn to €2.6bn. The volume of loans reduced from €4.4bn to €4.2bn. With regard to the former Public Finance sub-division, the volume remained at around €0.8bn.

The economic result rose from €–287.2m in the previous year to €42.9m. This was caused by a marked rise in net financial income, which improved by €247.0m to €14.4m. This was driven mainly by the revaluation of structured capital market products resulting from the overall positive development in the capital market compared with the previous year, as well as profits realised on early repayments.

The decline in net interest income to €30.6m (previous year: €37.0m) was primarily attributable to the lower portfolio volume.

Risk provisions amounted to €2.7m (previous year: €–82.6m), mainly as a result of reversals.

Administrative expenses were down on the previous year by €5.0m to €6.3m (Fig. 9).

Financial position and assets and liabilities

Balance sheet changes

Compared with year-end 2009, total assets of the DekaBank Group increased by €1.6bn to €134.9bn as at 30 June 2010. Amounts due from customers were €4.4bn up on the year-end figure to €28.2bn. This increase in volume resulted from the expansion of money transactions. Financial assets valued at fair value through profit or loss decreased slightly by €3.1bn to €60.2bn. They accounted for around 45% of total assets.

On the liabilities side, amounts due to banks and customers were up by €2.3bn to €49.3bn as at 30 June 2010 and therefore corresponded to approximately 37% of the balance sheet total. The determining factors here were the higher volume of short-term money transactions and a slight increase in securities repurchase agreements. In addition, a moderate rise was recorded in financial liabilities valued at fair value through profit or loss of €1.1bn to €54.9bn. Compared with year-end 2009, securitised liabilities were down by €1.2bn.

Change in regulatory capital

Capital adequacy is determined in accordance with the Solvency Regulation (SolvV). The regulatory requirements

C&M profit performance *(Fig. 8)*

€m	1st half 2010	1st half 2009	Change	
Net interest income	127.4	160.0	–32.6	–20.4%
Risk provision	–0.6	–108.6	108.0	99.4%
Net commission income	51.1	53.5	–2.4	–4.5%
Net financial income	32.2	355.7	–323.5	–90.9%
Other income	4.1	0.1	4.0	(>300%)
Total income	**214.2**	**460.7**	**–246.5**	**–53.5%**
Administrative expenses (including depreciation)	107.2	105.3	1.9	1.8%
Restructuring expenses	0.5	0.0	0.5	n/a
Total expenses	**107.7**	**105.3**	**2.4**	**2.3%**
Economic result	**106.5**	**355.4**	**–248.9**	**–70.0%**

Profit performance of non-core business *(Fig. 9)*

€m	1st half 2010	1st half 2009	Change	
Net interest income	30.6	37.0	–6.4	–17.3%
Risk provision	2.7	–82.6	85.3	103.3%
Net commission income	2.6	2.3	0.3	13.0%
Net financial income	14.4	–232.6	247.0	106.2%
Total income	**50.3**	**–275.9**	**326.2**	**118.2%**
Administrative expenses (including depreciation)	6.3	11.3	–5.0	–44.2%
Restructuring expenses	1.1	0.0	1.1	n/a
Total expenses	**7.4**	**11.3**	**–3.9**	**–34.5%**
Economic result	**42.9**	**–287.2**	**330.1**	**114.9%**

governing capital and reserves were complied with at all times during the first half of 2010 both at Bank and Group level. DekaBank's liquidity ratio was between 1.41 and 1.79 in the first six months of 2010 and remained above the minimum requirement of 1.0 at all times. As at 30 June 2010, the core capital base remained sound and produced a core capital ratio of 11.9% including market risk positions (Fig. 10).

The higher total capital ratio compared with 31 December 2009 is essentially attributable to a significant reduction in market risk positions and a rise in capital and reserves.

EU stress test

On 23 July 2010, the DekaBank Group passed the Committee of European Banking Supervisors' (CEBS) stress test with a comfortable 8.4% tier 1 ratio as at the end of 2011. Despite the further tightening of the assessment criteria, this significantly exceeded the stress test threshold set by the supervisory authorities of 6%. The stricter scenario now published was based on severe upheavals in the market for European government bonds. A discount of 4.7% for example was simulated for German government bonds. This particularly affected German banks which invest heavily in domestic bonds. Furthermore, only gross exposure (disregarding collateral) was considered in the stress test for government bonds in order to achieve a

Breakdown of equity *(Fig. 10)*

€m	30.06.2010	31.12.2009	Change
Core capital	3,287	2,839	15.8%
Supplementary capital	996	1,213	–17.9%
Tier III capital	–	–	–
Capital and reserves	**4,283**	**4,052**	**5.7%**
Default risks	20,613	20,713	–0.5%
Market risk positions	5,200	6,975	–25.4%
Operational risks	1,738	1,725	0.8%
%			**Change %-points**
Core capital ratio (including market risk positions)	**11.9**	**9.7**	**2.2**
Core capital ratio (excluding market risk positions)	**14.8**	**12.7**	**2.1**
Total capital ratio	**15.5**	**13.8**	**1.7**

better comparison across all financial institutions. Nor did the test take into account that many of these positions are hedged in full against fluctuations in value and even under extreme stress scenarios will therefore not lead to a loss of value or a requirement for further equity. This high result confirms the stability of DekaBank's business model, even in extreme crisis situations.

Employees

The number of employees decreased by 1.2% to 3,623 in the first half of 2010 (compared with 3,667 at year-end 2009). This figure includes 36 trainees. The number of posts filled on average was down to 3,163 (year-end 2009: 3,294).

As part of the quality and process campaign, the agreed reduction in staff capacity by 350 FTEs throughout the Group will be implemented on schedule by year-end 2011. This will mainly be achieved on the basis of individual agreements to terminate contracts of employment and early retirement agreements, as well as a rise in the share of part-time posts and a greater focus on the intra-Group job market.

A Group-wide staff survey was carried out in May 2010 and employees were also asked to give individual feedback to their managers. As a result of the high participation rate (management feedback 84%; staff survey 57%), it was possible to clearly identify significant areas of action and previously unutilised potential relating to leadership attitudes in the Group. The first implementation measures are underway.

Post balance sheet events

No major developments or events of particular significance occurred after the reporting date of 30 June 2010.

Forecast report

The sharpened business model and the strategies derived from it for the business divisions also provide the direction for the remaining months of the financial year and beyond. Based on the close integration of Asset Management and the supporting capital market business, we intend to leverage growth and earnings potential along the specific value-creation chain of the DekaBank Group.

The C&M business division plays an important role here. Its duty is to further develop the range of services relating to the management of the investment funds by AMK and AMI, in line with the requirements of the savings banks and fund investors. This also includes the expansion of derivatives brokerage for the Bank's own funds and customers from the savings banks alliance, as well as ETF business. In addition, C&M aligns credit assets in core business with investment fund business.

Examples from the current financial year show the considerable progress we have made in terms of our new business model, including the development of new mixed fund concepts with intelligent risk management, the expansion of the investment spectrum relating to ETFs and the creation of the SME credit fund as an innovative financing platform. The task now is to consistently pursue the focused strategy.

Anticipated external conditions

Expected macro-economic trends

Although the economic downward spiral has been halted and global economic output is rising again, we face an unusually slow recovery. Work on handling the crisis has only just begun and will entail adjustments on a huge scale. The relatively strong global economic growth in the second half of 2009 and first half of 2010 still benefited from inventory-driven pent-up demand after the deep recession and the favourable impact of economic packages. This stimulus will start to fade in the course of 2010, partly because the dislocations in the financial sector have not yet been completely eliminated. In view of the consequences of the crisis, achieving a reasonable rate of expansion in exploiting potential growth will be more difficult and take longer than it has in the past after comparable weak phases. However, there will be no massive loss of confidence among companies and consumers. Nevertheless, many countries are facing extensive structural changes and a consolidation of national finances. Following the contraction in 2009, we estimate that global GDP will record perceptible growth again of 4.5% this year and 4.0% next year.

Consolidations of budgets initiated in Europe represent an important basic prerequisite for rebuilding market players' confidence in the capital markets. Some countries, such as Greece and Portugal, will probably be forced back into recession by the measures. However, it is essential that these countries reduce their budget deficits to ensure that they will be in a position to raise finance in the capital market in the future. Germany's strength in exports will make it the economic engine of Europe, even if growth does remain slow. We expect stronger economic expansion in the emerging markets, Asia and the USA.

Future economic developments, however, will also harbour certain risks. In the worst case scenario, the turmoil surrounding the national debt of some European countries could result in a renewed dramatic worsening of the financial market crisis and a crisis of confidence among investors. The consequences would be restricted lending by financial institutions to the rest of the economy and therefore limited investment opportunities for companies. Economic policy-makers are aware of these risks and will adequately take them into account.

Expected trends in the capital markets

The economy is likely fall short of its potential for some time yet, so that there is no medium-term risk of inflation in Europe or the USA at least. Accordingly, the Fed and ECB still have plenty of time to slowly withdraw from their quantitative monetary policy before the first interest rate rises will be required. Since the US economy is growing at a faster rate than the German economy, the Fed will start this process earlier than the ECB. However, we do not expect the first signs of interest rate hikes on the other side of the Atlantic before next year, with the ECB unlikely to start adjusting the key lending rate before the third quarter of 2011.

The capital markets will remain jittery, even though the results of comprehensive bank stress tests in Europe, published in July 2010, should have helped reassure investors and improve market conditions long term.

The yield trend on bonds and US Treasuries continues to depend largely on the need for safe investments. However, yields seem to have meanwhile bottomed out. Although negative reports continued to come from the periphery of the eurozone, the demand for German government bonds appeared to be lower than in the spring. We therefore expect yields to increase slightly in the USA and the eurozone. With regard to share prices, the coming months may be somewhat disappointing given the muted economic development in the second and third quarters of the year. However, we expect a recovery in economic growth as well as on the stock exchanges by the end of the year.

Expected trends in property markets

Demand in the rental markets will initially continue to be dominated by the process to consolidate space. From 2011, reduced supply is likely to contribute to a reduction in vacancy rates. This will also bring the trend reversal in rents closer. In Europe, we expect an accelerated rise in rents in London and Paris, with a decline in rent levels on a larger scale only expected in Barcelona and Madrid. In the USA, hi-tech oriented locations, which are not dependent on the housing market and have below average refinancing charges, will benefit. In terms of total income, the two London sub-markets of the City and the West End as well as Paris will lead the way in Europe in the period up to 2014. A major proportion of income will probably already be achieved this and next year. In the subsequent period, other locations such as Warsaw will become more attractive. In the USA, we anticipate that San Francisco and Boston will achieve the highest total income.

In the European and US investment markets, the basis of the upturn will broaden by the end of the year with a moderate increase in volume. However, the marked polarisation between core properties in prime locations and secondary properties in locations outside city centres will persist. Coupled with limited supply, the high level of demand for buildings in good locations, which are let long-term, will further increase pressure on yields. Up to the end of the year, we expect a continued decline in top rents, especially in volatile locations such as London and Paris. If greater security returns to the market in the medium term as financing bottlenecks gradually ease, the importance of the aspects of security and liquidity, which have been driving prices, should lessen.

In Asia, we forecast the sharpest growth in rents in the financial centres of Hong Kong, Shanghai and Singapore. The backdrop is a growing economy with the resultant demand for space along with a downward trend in the volume of new construction from 2011 onwards. In contrast, we expect the office market in Tokyo to be difficult. Completion of new construction projects will rise sharply next year and in the year after next. We therefore expect a slight recovery to be followed by a greater decline in rents from 2010 onwards. In Australia, we expect growing demand for space in Sydney and Melbourne by the end of this year, as well as a moderate increase in rent levels.

We are optimistic about the future of retail markets. In the European core markets, we expect stable rents in prime city locations, with rents rising from 2011 onwards. Only Spain may face significant corrections in view of the difficult economic situation.

Due to their close link with industry, the logistics markets were hard hit by the crisis. However, here too, the mood has brightened in the year so far. The volume of leased space rose considerably, whereas the number of owner-occupied properties remained moderate. The fact that demand from retail companies barely decreased was pleasing. Rents proved robust and will remain stable throughout the remaining months of the current year.

Expected business development and profit performance

The DekaBank Group confirms the target stated in the Annual Report 2009 of maintaining its economic result at a high level in the coming years following the record result in the previous year, with a view to increasing it in the long term.

In the first half of 2010, the trend in the result was pleasing. In view of the persisting uncertainty in the financial markets, the higher result achieved in the first half of 2010 cannot simply be extrapolated to the full year. Nevertheless, we aim to again achieve a strong economic result for the year as a whole. Net commission income will once again make a significant positive income contribution in the second half of the year. On the expenses side, the consistent implementation of measures from the quality and process campaign will impact favourably. Due, in particular, to important investment in a high-performance IT platform which will enhance the competitiveness of the business divisions and expenses to support sales, operating expenses in the second half of 2010 will be up on the level in the first half of the year.

AMK business division

In the AMK business division, DekaBank will continue to concentrate on products and sales. On the product side, the focus will continue to be on flexible investment solutions, which respond to the different risk/return profiles of investors. In addition to fund-linked asset management, these include mixed and target return funds with attractive risk management concepts. In addition, within the *Sparkassen-Finanzgruppe*, AMK will increasingly support the savings banks in targeting wealthy clients and customers with high incomes. AMK is also involved in the market launch of the new SME credit fund product solution via Institutional Sales.

As in the previous years, AMK will make a significant and steady contribution to the DekaBank Group's earnings.

With regard to information about the risks and opportunities for AMK, AMI and C&M, please refer to the Annual Report 2009 (pages 53 and 54).

AMI business division

AMI continues to adhere to its tried and tested conservative strategy in retail fund business. In line with this, portfolio growth will only be modest in the second half of the year, as quotas have largely been utilised. In institutional business, we expect moderate growth in holdings on the basis of traditional products as well as new products launched last year.

Real Estate Lending (REL) will remain aligned with property fund business. We only service markets, property types and locations in which our major mutual funds also have activities or will establish such activities in the short term. REL concentrates on transactions that are eligible for the capital market and at the same time suitable for inclusion in fund solutions or syndication. Both sub-divisions are expected to make a sustained contribution to the DekaBank Group's economic result.

C&M business division

The C&M business division will continue to advance the integration of Asset Management and capital market business in the second half of the year. The focus will remain unchanged on secured business and repo/lending activities, as well as the expansion of derivatives business in line with customer demand, particularly Asset Management. The product range of ETFs will also be expanded in future in line with customer demand for Depot-A (A securities account) investments.

On the basis of the strategy which has been introduced, the business division will make a strong contribution to the economic result of the Group, while limiting exposure to default and market risks. The focus is on consistent support for the investment strategies and objectives of Asset Management and the savings banks through the targeted development and implementation of new products. Furthermore, the liquidity situation remains comfortable long term and this is available to generate steady income contributions as well as to supply liquidity to the *Sparkassen-Finanzgruppe*.

Risk report

DekaBank pursues a focused business model with strictly limited risks. Risk positions are only entered into if they arise in connection with customer transactions and can be hedged in the market, or if they are accepted in order to release synergies in Asset Management and are clearly limited by the amount of capital by which they are backed. DekaBank has specified limits for all material risks and has implemented consistent risk management. On the basis of this, DekaBank achieves an appropriate risk/reward ratio in the long term with the aim of achieving a sustained increase in enterprise value.

The risk policy and strategy of the DekaBank Group again proved sound in the first half of 2010 and no adjustment of our risk strategies was required. The risk management system remained unchanged on the detailed presentation in the Annual Report 2009.

Overall risk position of DekaBank

Risk types and definitions

Market price risk describes the potential financial loss caused by future market parameter fluctuations. Market price risk comprises interest rate risk (including credit spread risk), currency risk and share price risk, as well as the risk associated with price changes in property funds and commodities as the underlying assets of trading products and portfolio items in funds and ETFs. Both the strategic positions in the banking book and the more short-term positions in the trading book entail market price risks.

We understand credit risk as the risk that a borrower, issuer or counterparty does not fulfil his contractually agreed services or fulfil them on time and DekaBank incurs a financial loss as a result. In principle, with regard to credit risk DekaBank distinguishes between position risk and advance performance risk. The position risk comprises the borrower and issuer risk, which is determined particularly by the creditworthiness of the respective contracting partner, as well as replacement risk and open positions. The advance performance risk represents the danger that a business partner does not pay the contractually agreed consideration after advance performance by DekaBank. Credit risks arise primarily in the C&M business division and to a lesser extent in the AMI and AMK business divisions.

Operational risk describes possible losses resulting from the use of internal processes and systems that are inappropriate or susceptible to failure as well as human error and external events. This also includes changes to political and legal framework conditions. Where losses occur due to an error by the Bank, other risks frequently arise whose damage potential also has to be taken into account. Examples of such secondary risks include reputation and legal risks.

Liquidity risk is understood as the risk of insolvency as well as the risk resulting from a mismatching of maturities in assets and liabilities. In addition to the risk of not being able to meet payment obligations on the due date, liquidity risk arises as a result of changes in DekaBank's own refinancing curve in the event of mismatches in the liquidity-related maturity structure. At DekaBank, this risk is monitored using funding ratios. These ratios are primarily used for liquidity and refinancing forecasts.

Business risk is particularly important in Asset Management. It comprises potential financial losses resulting from changes in customer behaviour, competitive conditions or the general economic framework conditions. DekaBank considers all factors material if they unexpectedly impact the earnings trend negatively as a result of volume and margin changes and are not attributable to any of the above risks.

DekaBank understands shareholding risk as the risk of a potential financial loss from impairment of the portfolio of equity investments where these are not consolidated in the balance sheet and therefore already included under other types of risk.

The property risk describes the risk of a fall in value of property held in the DekaBank Group's own portfolio. The property fund risk results from the possibility of an impairment in the value of property fund units held in the Bank's own investment portfolio.

Overall risk position in the first six months of 2010

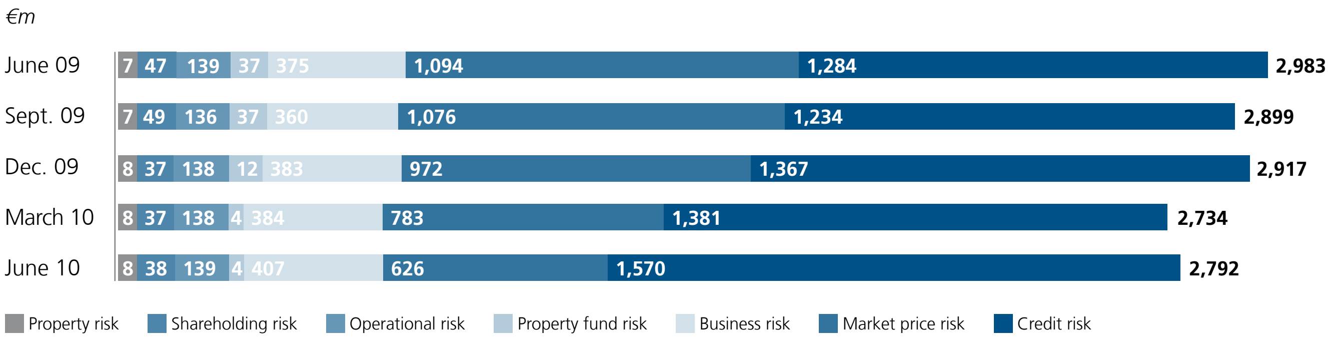
Group risk (value-at-risk with confidence level 99.9%, time horizon one year) fell in the period under review by 4% to €2,792m (end 2009: €2,917m); (Fig. 11).

This was mainly caused by a significantly lower credit spread risk, which is included in market price risk. An amount of €2,264m (end 2009: €2,093m) of Group risk was attributable to core business and €528m (end 2009: €824m) to non-core business. This highlights that the reduction in spread risk is due not least to capital market credit products which come under non-core business.

At €3,753m, the primary risk cover potential was nearly unchanged on the 2009 year-end level (€3,748m). The utilisation rate was down from 77.8% (end 2009) to 74.4%. The risk-bearing capacity was guaranteed at all times during the reporting period.

Even under stress conditions, the DekaBank Group's risk position improved once more. In the stress scenario, the calculated Group risk amounted to €3,314m (end 2009: €3,713m) and the utilisation of the overall risk-bearing capacity to 64.1% (end 2009: 72.1%). The overall risk-bearing capacity of €5,172m (end 2009: €5,152m)

Change in Group risk over the course of the year *(Fig. 11)*



comprises the secondary risk cover potential of €1,419m in addition to the primary risk cover potential. Excluding the stress scenario, overall risk-bearing capacity was only utilised to 54.0% (end 2009: 56.6%). The stress tests used are described in detail in the Annual Report 2009 (page 59).

Credit risk rose to €1,570m (end 2009: €1,367m). This was due not least to the movement in spread differences in the field of public finance in the first half of the year and hence also the increase in migration risks for very good credit ratings. Conversely, the credit risk in non-core business decreased slightly to €191m (end 2009: €221m) over the same period.

The value-at-risk (VaR) relating to market price risk, which also includes credit spread risk, fell significantly to €626m (end 2009: €972m). The VaR in core business was down to €329m (end 2009: €429m). In non-core business, the fall in the VaR was even bigger with a decrease from €543m at year-end 2009 to €297m. This resulted primarily from a reduction of capital market credit positions and lower volatility.

With a VaR of €407m, the business risk was only slightly up on the 2009 year-end (€383m). This was essentially due to a moderate increase in the AMK business division as a result of marginally higher net commission and a rise in the equities portion. The change in the VaR relating to the other types of risks was negligible compared with the level at the 2009 year-end.

Market price risks

Unlike the risk-bearing capacity analysis, to determine utilisation of the operating limits, the VaR is set at a holding period of ten days and a confidence level of 95.0%. In the first six months of 2010, the overall market price risk was down from €96.0m to €71.0m.

The interest rate risk declined from €96.7m (end 2009) to €70.4m. The credit spread risk was the main driver and as at 30 June 2010, it amounted to €71.2m

Value-at-risk at the DekaBank Group[1] (Confidence level 95%, holding period 10 days) *(Fig. 12)*

€m		30.06.2010		31.12.2009	
Category	**Core business**	**Non-core business**	**Group**	**Group**	**Change in risk**
Interest rate risk	46.2	40.1	70.4	96.7	–27.2%
Interest rate – general	4.5	2.4	5.9	4.2	39.8%
Spread	46.4	40.5	71.2	96.9	–26.5%
of which in capital market credit business	20.1	40.2	51.3	76.2	–32.7%
Share price risk	9.5	–	9.5	9.0	4.9%
Currency risk	2.5	2.8	4.5	6.6	–31.7%
Total risk	**47.3**	**40.3**	**71.0**	**96.0**	**–26.0%**

[1] Risk ratios interest rate risk and total risk take account of diversification. Including issuance specific credit spread risk.

(end 2009: €96.9m). In addition to the lower volatilities, this figure was attributable to early repayments on securitisation transactions and the sale of securitisation and synthetic CSO transactions in non-core business. The general interest rate risk of €5.9m (end 2009: €4.2m) largely resulted from euro-denominated positions in core business.

The share price risk rose slightly to €9.5m (end 2009: €9.0m) while positioning remained the same.

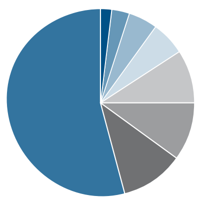
The currency risk was down from €6.6m (end 2009) to €4.5m. The decrease resulted primarily from the reduction of positions in capital market credit business. The main currency positions of DekaBank relate to pound sterling and the US dollar (Fig. 12).

Credit risks

DekaBank's continued restraint in new lending business in the first half of 2010 was reflected in a moderate rise in the gross loan volume to €149.1bn (end 2009: €147.0bn). The gross loan volume attributable to non-core business totalled €7.6m (end 2009: €8.1bn). With regard to the individual risk segments, rising gross loan volumes were primarily recorded in the funds and financial institutions segments, because of the focus on investment fund business. At the same time, there was a substantial reduction in public sector finance in Germany (Fig. 13).

Gross loan volume *(Fig. 13)*

Utility & project finance	2%
Other	3%
Transport & trade finance	5%
Property risk	6%
Public sector finance Germany	9%
Corporates	10%
Funds (transactions and units)	11%
Financial institutions	54%



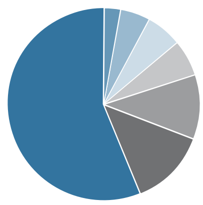
In terms of regional distribution, the gross loan volume remained largely unchanged on year-end 2009. The eurozone accounted for €107.2bn (end 2009: €111.8bn) and therefore 71.9% (end 2009: 76.0%) of the total volume. Countries with a rating between 6 and 15 on the DSGV master scale are monitored using a global country limit. As at 30 June 2010, 27.3% (end 2009: 20.0%) of this limit had been utilised. The eurozone periphery countries whose credit ratings were downgraded in the first half of 2010 (Portugal, Italy, Ireland, Greece and Spain) accounted for a combined share of only 4.2% of the DekaBank Group's gross loan volume. The impact on the global country limit was therefore limited.

As at the 2010 half-year reporting date, €89.8bn of the gross loan volume was collateralised. This represents a 4.3% increase on the figure six months earlier. The reason is that new business is almost entirely collateralised. Offsetting agreements on financial futures and collateral in the form of derivatives as well as netting of reverse repos were mainly responsible for the rise in the volume of risk reductions.

A net loan volume of €59.3bn is reported below the line, which represents a decrease of €1.6bn on the 2009 year-end figure (€61.0bn). The risk segment of financial institutions also dominates the net overview (Fig. 14).

Net loan volume *(Fig. 14)*

Transport & trade finance	3%
Utility & project finance	5%
Other	6%
Property risk	6%
Corporates	11%
Funds (transactions and units)	13%
Financial institutions	56%



Non-core business accounted for €7.2bn (end 2009: €7.8bn) of the net loan volume.

The average rating of the gross loan volume, calculated on the basis of the DSGV master scale, improved by one rating class and now corresponds to rating class 3. With regard to the net loan volume, the average rating is unchanged at rating class 4. For 94% of the net loan volume, the rating class remained unchanged compared with year-end 2009 (Fig. 15).

Of the provisions for loan losses reported in the balance sheet totalling €689.5m (end 2009: €669.1m), €562.8m (end 2009: €554.1m) related to specific valuation allowances for loans and securities, €22.4m (end 2009: €20.7m) to portfolio valuation allowances for country risks, €87.7m (end 2009: €74.1m) to portfolio valuation allowances for creditworthiness risks and provisions for portfolio risks, and €16.6m (end 2009: €20.2m) to provisions for specific valuation allowances in off-balance sheet lending (Fig. 16).

Net loan volume by risk segment and rating *(Fig. 15)*

€m	Average PD in bps	Average rating 30.06.2010	30.06.2010	31.12.2009
Financial institutions	4	AA–	32,934	30,868
Corporates	40	5	6,549	6,327
Public sector finance international	8	A–	1,958	1,690
Public sector finance Germany	1	AAA	150	211
Public infrastructure	55	6	882	840
Transport & trade finance	120	8	1,543	1,514
Utility & project finance	89	7	3,218	7,297
Property risk	90	7	3,733	3,638
Retail portfolio	2	AA+	661	720
Funds (transactions/units)	8	A–	7,605	7,770
Equity investments	41	5	80	79
Total result	**22**	**4**	**59,312**	**60,953**

Operational risks

The value-at-risk determined in accordance with the advanced measurement approach for operational risks (confidence level 99.9%, risk horizon of one year) remained virtually unchanged in the first half of 2010 at €139m (end 2009: €138m). The 15 losses reported to date totalling a net amount of €257 thousand resulted in considerably lower overall losses than in the same period of the previous year (€1.1m).

The potential losses from operational risks determined as part of the Group-wide risk inventory decreased by 6% over the 6-month period to €58.4m (previous year: €62.1m). This change reflects the more stringent scenario assessments in particular, which were achieved by expanding the in-depth scenario analysis method to include material risks in the existing self-assessment.

Provisions for loan losses by risk segment *(Fig. 16)*

€m	Financial Institutions	Funds	Transport & trade finance	Corporates	Property risk	Public infra-structure	Equity investments	Utility & Project Finance	Other	30.06.2010	31.12.2009	31.12.2008
Impaired gross loan volume[1]	**538.7**	**0.0**	**265.0**	**190.9**	**231.4**	**0.0**	**0.0**	**1.3**	**0.0**	**1,227.3**	**1,214.8**	**811.0**
Collateral at fair value	**48.9**	**0.0**	**194.8**	**0.0**	**56.2**	**0.0**	**0.0**	**0.0**	**0.0**	**299.9**	**302.0**	**292.3**
Impaired net loan volume[1]	**489.8**	**0.0**	**70.2**	**190.9**	**175.2**	**0.0**	**0.0**	**1.3**	**0.0**	**927.4**	**912.8**	**518.7**
Provisions for loan losses[2]	**378.1**	**0.6**	**64.5**	**94.4**	**124.8**	**3.2**	**3.0**	**20.2**	**0.7**	**689.5**	**669.1**	**360.5**
Specific valuation allowances	375.8	0.0	20.3	73.8	92.9	0.0	0.0	0.0	0.0	562.8	554.1	274.3
Provisions	0.0	0.0	6.0	3.2	4.4	0.0	3.0	0.0	0.0	16.6	20.2	14.0
Portfolio valuation allowances for country risks	0.0	0.0	21.7	0.0	0.0	0.0	0.0	0.7	0.0	22.4	20.7	24.2
Portfolio valuation allowances for creditworthiness risks	2.3	0.6	16.5	17.4	27.5	3.2	0.0	19.5	0.7	87.7	74.1	48.0

[1] Gross and net loan volumes impaired by specific and country valuation allowances.
[2] Provisions for loan losses in balance sheet exceed the net loan volume as portfolio valuation allowances have been recognised.

Liquidity risks

DekaBank continues to hold a high volume of liquid securities, most of which are eligible as collateral for central bank borrowings. In addition, the Bank has surplus cover in its cover pool and the corresponding repurchase agreements. DekaBank therefore continues to have extensive potential liquidity that can be made liquid at short notice and used for investment opportunities in compliance with the early warning traffic light system limits established as part of monitoring and management.

The intended holding period – Group funding matrix has been the lead funding matrix in the DekaBank Group since the third quarter of 2009. Unlike the financial approach to securities in the IAS categories held to maturity (htm) and loans and receivables (lar) as well as transactions with an intended long holding period, it is based on the strategic investment horizon rather than on convertibility into cash and eligibility for refinancing. Furthermore, potential liquidity from such strategic transactions is not taken into account. This procedure results in a more prudent approach to liquidity.

As at 30 June 2010, the accumulated liquidity balance based on the intended holding period – Group funding matrix in the maturity band of up to one month amounted to €8.5bn (end 2009: €13.5bn). In the maturity band of up to six months, the surplus totalled €8.1bn (end 2009: €7.5bn), and over a twelve-month period €8.9bn (end 2009: €9.6bn). The liquidity balances were consistently positive in all maturity bands up to 20 years. All three stress scenarios showed consistent liquidity surpluses across all maturity bands from the maturity band of one week to one month. Taking account of the actual liquidity potential, the liquidity surpluses were also consistently positive for maturities of less than one week. Refinancing was broadly diversified according to investor and product groups (Fig. 17).

The regulatory requirements of the Liquidity Directive were again clearly surpassed during the reporting period. The liquidity ratio of the first maturity band determined on a daily basis amounted to an average of 1.59.

Other risks

At €407m, the VaR relating to business risk was only slightly up on the 2009 year-end figure (€383m). The comparatively high level essentially reflects continuing market uncertainties in Asset Management. As a result of higher net commission and an increased equities portion, which is associated with greater volatility, the business risk in the AMK business division was up on the previous year's level. At the same time, the comprehensive risk for activities outside Asset Management was down. Non-core business accounted for €37m (end 2009: €58m).

At €38m, the shareholding risk was almost unchanged (previous year: €37m).

With no change, the property risk remained of secondary importance at €8m.

With a VaR of €4m, the property fund risk was also among the risks that are of minor importance. The significant decrease compared with year-end 2009 (€12m) essentially resulted from the fact that the Bank no longer has holdings in Deka-ImmobilienEuropa open-ended mutual property fund.

Capital market credit products

Capital market credit products in core business are managed by the Treasury sub-division and mainly comprise single name and index CDS transactions, corporate bonds

Intended holding period funding matrix of DekaBank Group as at 30 June 2010 *(Fig. 17)*

€m	<=1M	>1M-12M	>12M-7Y	>7Y-30Y	>30Y	Total
Securities, loans and promissory note loans[1]	8,497	19,244	46,450	9,557	60	83,807
Other money market transactions (lending)[2]	20,733	6,223	4,128	0	870	31,953
Derivatives[3]	−591	−7,272	−4,885	−435	0	−13,183
Refinancing funds[4]	−33,034	−10,523	−45,171	−5,135	−4,933	−98,796
Other balance sheet items[5]	−60	−53	−40	−15	−4,116	−4,284
Liquidity balance (acc. gap + acc. liquidity potential)						
DekaBank Group	8,529	8,886	3,507	6,811	−1,320	

[1] Including irrevocable credit commitments and guarantees.
[2] Of which approx. €12bn collateralised repo transactions.
[3] Including synthetic lending substitute transactions.
[4] Including in particular short-term products, own certificates and funding.
[5] Including silent capital contributions and equity.

Structured capital market credit products by rating class (nominal value in €m) *(Fig. 18)*

Product		AAA	AA	A	BBB	Non investment grade	Unrated	Total
Structured	ABS	176.1	10.9	69.1	46.0	26.5	–	328.7
	CLO	–	194.3	181.8	101.5	103.4	–	581.0
	CMBS	285.0	164.6	78.4	95.0	17.4	–	640.5
	RMBS	262.1	174.7	130.0	5.0	–	–	571.8
	Structured Finance CDO	20.0	–	10.0	–	–	–	30.0
	CSO[1)]	–	–	–	–	125.0	331.5	456.5
Alternative	CPPI	–	–	100.0	–	–	–	100.0
Total		743.2	544.5	569.4	247.5	272.4	331.5	2,708.4

[1)] The CSO index tranches in the portfolio are shown as unrated under CSO. This includes two iTraxx series 7 (tranche 6-9, maturity 7 years), protection seller positions totalling €150m (nominal value), two protection buyer positions on the CDX series 8 (tranche 7-10, maturity 10 years) totalling US$100m (nominal value) as well as protection buyer positions on the iTraxx series 7 (tranche 6-9, maturity 10 years) amounting to €100m.

and two transactions as part of long-term liquidity investment. As various positions had matured, the net nominal amount was slightly down to €7.7bn as at 30 June 2010 (end 2009: €8.4bn).

The positions in non-core business amounted to a total net nominal value of €2.3bn as at 30 June 2010 (end 2009: €2.9bn). They include all asset-backed securities (ABS), commercial mortgage-backed securities (CMBS), residential mortgage-backed securities (RMBS), collateralised loan obligations (CLO), synthetic collateralised debt obligations (index and bespoke), structured finance collateralised debt obligations (SFCDO) and constant proportion portfolio insurance (CPPI). The reduction in volume stemmed from early repayments on securitisation transactions and sales relating to securitised and synthetic CSO transactions.

The portfolios of capital market credit products are fully integrated into DekaBank's risk management, described in the preceding sections. The volume of non-core business will be reduced over the coming years through both active management and the scheduled expiry of transactions. We will not enter into new transactions. In the period under review, several structured positions with lower ratings were sold or redeemed while others expired. Overall, the volume of non-core business declined by €0.5bn.

Approach and valuation

Capital market credit products categorised at fair value are mostly valued on a mark-to-market basis. The fair value is only determined using a modified discounted cash flow model for non-synthetic securitisation transactions with a nominal volume of €1.2bn. This takes account of the impact of market distortions and irrational fluctuations in liquidity spreads on DekaBank's earnings development.

Rating overview

Overall, the ratings in the portfolio of core business (Treasury) are good and almost without exception investment grade. In non-core business, some securitisation transactions were downgraded. However, excluding the relatively limited volume of bespoke CSO positions, the ratings of the majority of non-core business transactions are also good. Around 90% of the ratings are in the investment grade range.

The rating overview shows the external ratings on a conservative basis, to the effect that where several external ratings are available for a transaction, the overview shows the lowest rating (Fig. 18).

Country overview

In terms of countries, non-core business continues to focus on Western Europe and in particular on German and pan-European structures. With regard to CMBS, a substantial volume is held via UK securitisation transactions, which corresponds to the general distribution of European CMBS securitisation. The only important positions outside Europe are CLO and CSO securitisation transactions (Fig. 19).

Core business is also concentrated in Western Europe. As at 30 June 2010, almost half of the bond positions were attributable to the financial sector.

IFRS categorisation

The major portion of the portfolio of structured capital market credit products is allocated to the IFRS category at-fair-value (Fig. 20).

Accordingly, any changes in value are directly reported in the income statement. Since the portfolio comprises CSOs in CLN form (funded) as well as in CDS form (unfunded),

Structured capital market credit products by risk country (nominal value in €m) *(Fig. 19)*

Product	Structured						Alternative	Total
Country	ABS	CLO	CMBS	RMBS	Structured Finance CDO	CSO[1]	CPPI	
Benelux	8.2	–	171.5	99.7	–	–	–	279.4
Germany	189.7	–	169.5	16.9	–	–	–	376.0
Europe/other	–	21.7	–	63.1	–	–	–	84.8
Italy	48.5	–	13.0	146.1	–	–	–	207.6
Pan-European	25.7	314.0	–	–	20.0	250.0	–	609.7
Spain	5.9	–	–	111.5	–	–	–	117.5
UK	14.7	17.0	286.5	134.5	–	–	–	452.7
USA	35.9	228.3	–	–	10.0	156.5	50.0	480.7
Other/global	–	–	–	–	–	50.0	50.0	100.0
Total	**328.7**	**581.0**	**640.5**	**571.8**	**30.0**	**456.5**	**100.0**	**2,708.4**

[1] Gross nominal value shown (sum of protection seller and protection buyer positions).

the two portfolios are presented separately to avoid distortion of the fair value results. The figures show that the lower subordination levels for CSO positions is included in full in the income statement. No actual defaults have occurred in the tranches to date. To establish the book values of assets in the at-fair-value (afv) category, models and indicative prices from pricing service agencies were used. The book values of loans and receivables positions (lar) are determined on the basis of amortised cost. No specific valuation allowance was required for any of these positions as part of an impairment test. With regard to afv positions, no nominal and interest defaults occurred.

Maturity profile

The average maturity of the overall bond portfolio was 5.3 years as at 30 June 2010 and in the htm category seven years. CDS had a maturity of five years for the secured party. Transactions as part of liquidity investment will expire in approximately five years and CPPI positions in five or seven years. Since securitisation products only feature an expected maturity in addition to the legal final maturity, the above statements are based on the information available as at the reporting date of 30 June 2010.

Current risk situation

The credit spread risk of all capital market credit products in the afv category (confidence level 95%, holding period ten days) totalled €51.3m as at 30 June 2010 (end 2009: €76.2m). The VaR in the Treasury portfolio (core business) was €20.1m (end 2009: €26.4m) and that in non-core business came to €40.2m (end 2009: €65.6m).

Structured capital market credit products by IFRS valuation category (in €m) *(Fig. 20)*

Product		Nominal	Book value	IFRS valuation category afv	lar
Structured	ABS	328.7	270.2	169.9	100.3
	CLO	581.0	462.4	462.4	–
	CMBS	640.5	531.8	357.4	174.4
	RMBS	571.8	477.6	434.6	43.0
	Structured Finance CDO	30.0	12.3	12.3	–
	CSO CLN	75.0	41.9	41.9	–
Alternative	CPPI	100.0	102.5	102.5	–
Total		**2,326.9**	**1,898.6**	**1,580.9**	**317.7**
Structured	CSO CDS[1]	381.5	−28.6	−28.6	–

[1] Gross nominal value shown (sum of protection seller and protection buyer positions).

Interim financial statements

Statement of comprehensive income

for the period from 1 January to 30 June 2010

€m	Notes	1st half 2010	1st half 2009	Change	
Interest and similar income		1,722.9	1,921.1	– 198.2	– 10.3%
Interest expenses		1,563.2	1,692.6	– 129.4	– 7.6%
Net interest income	[5]	**159.7**	**228.5**	**– 68.8**	**– 30.1%**
Provisions for loan losses	[6]	**– 9.9**	**– 218.9**	**209.0**	**95.5%**
Net interest income after provisions for loan losses		**149.8**	**9.6**	**140.2**	**(> 300%)**
Commission income		1,202.1	1,095.6	106.5	9.7%
Commission expenses		669.1	676.1	– 7.0	– 1.0%
Net commission income	[7]	**533.0**	**419.5**	**113.5**	**27.1%**
Trading profit or loss	[8]	**230.3**	**224.1**	**6.2**	**2.8%**
Profit or loss on financial instruments designated at fair value	[9]	**– 263.8**	**– 149.1**	**– 114.7**	**– 76.9%**
Profit or loss from fair value hedges in accordance with IAS 39		**– 8.9**	**– 0.5**	**– 8.4**	**(< – 300%)**
Profit or loss on financial investments	[10]	**1.6**	**– 9.1**	**10.7**	**117.6%**
Administrative expenses	[11]	**380.5**	**407.1**	**– 26.6**	**– 6.5%**
Other operating profit	[12]	**9.8**	**– 37.4**	**47.2**	**126.2%**
Net income before tax		**271.3**	**50.0**	**221.3**	**(> 300%)**
Income taxes	[13]	**57.2**	**18.6**	**38.6**	**207.5%**
Interest expenses for atypical silent capital contributions		**19.8**	**10.0**	**9.8**	**98.0%**
Net income (before minority interests)		**194.3**	**21.4**	**172.9**	**(> 300%)**
Minority interests		**0.0**	**– 25.0**	**25.0**	**100.0%**
Net income for the year		**194.3**	**46.4**	**147.9**	**(> 300%)**
Profit or loss on available-for-sale financial instruments not recognised in income		0.2	0.4	– 0.2	– 50.0%
Profit or loss on available-for-sale financial instruments recognised in income		0.0	0.0	0.0	n. A.
Profit or loss on available-for-sale financial instruments		**0.2**	**0.4**	**– 0.2**	**– 50.0%**
Change in deferred taxes not recognised in income		**0.0**	**– 0.1**	**0.1**	**100.0%**
Currency translation adjustments		**4.9**	**– 0.3**	**5.2**	**(> 300%)**
Other consolidated income		**5.1**	**0.0**	**5.1**	**n. A.**
Net income for the period under IFRS		**199.4**	**46.4**	**153.0**	**(> 300%)**

Balance sheet

as at 30 June 2010

€m	Notes	30.06.2010	31.12.2009	Change	
Assets					
Cash reserves		485.2	285.7	199.5	69.8%
Due from banks	[14]	38,873.0	38,834.7	38.3	0.1%
(net after provisions for loan losses amounting to)	[16]	(372.0)	(374.5)	−2.5	−0.7%
Due from customers	[15]	28,245.6	23,863.4	4,382.2	18.4%
(net after provisions for loan losses amounting to)	[16]	(280.1)	(256.2)	23.9	9.3%
Financial assets at fair value	[17]	60,157.0	63,214.4	−3,057.4	−4.8%
(of which deposited as collateral)		(5,917.7)	(7,118.9)	−1,201.2	−16.9%
Positive market values from fair value hedges in accordance with IAS 39		384.2	206.4	177.8	86.1%
Financial investments	[18]	5,940.5	6,034.6	−94.1	−1.6%
(net after provisions for loan losses amounting to)	[16]	(10.4)	(9.6)	0.8	8.3%
(of which deposited as collateral)		(154.8)	(114.2)	40.6	35.6%
Intangible assets	[19]	115.8	118.7	−2.9	−2.4%
Property, plant and equipment	[20]	37.9	39.9	−2.0	−5.0%
Income tax assets		162.1	278.8	−116.7	−41.9%
Other assets		497.3	406.7	90.6	22.3%
Total assets		134,898.6	133,283.3	1,615.3	1.2%
Liabilities					
Due to banks	[21]	23,948.6	23,225.8	722.8	3.1%
Due to customers	[22]	25,338.5	23,773.4	1,565.1	6.6%
Securitised liabilities	[23]	23,829.1	25,047.2	−1,218.1	−4.9%
Financial liabilities at fair value	[24]	54,862.2	53,784.4	1,077.8	2.0%
Negative market values from fair value hedges in accordance with IAS 39		636.0	495.3	140.7	28.4%
Provisions	[25]	323.7	355.3	−31.6	−8.9%
Income tax liabilities		191.7	398.1	−206.4	−51.8%
Other liabilities		580.7	670.8	−90.1	−13.4%
Subordinated capital	[26]	1,466.8	1,980.6	−513.8	−25.9%
Atypical silent capital contributions		52.4	52.4	0.0	0.0%
Equity	[27]	3,668.9	3,500.0	168.9	4.8%
a) Subscribed capital		286.3	286.3	0.0	0.0%
b) Capital reserves		190.3	190.3	0.0	0.0%
c) Reserves from retained earnings		2,987.5	2,987.5	0.0	0.0%
d) Revaluation reserve		2.7	2.5	0.2	8.0%
e) Currency translation reserve		9.0	4.1	4.9	119.5%
f) Accumulated profit/loss (consolidated profit)		192.5	28.6	163.9	(> 300%)
g) Minority interests		0.6	0.7	−0.1	−14.3%
Total liabilities		134,898.6	133,283.3	1,615.3	1.2%

Statement of changes in equity

for the period from 1 January to 30 June 2010

€m	Paid-in equity		Group equity generated	
	Subscribed capital	Capital reserves	Reserves from retained earnings	Consolidated profit/loss
Holdings as at 31.12.2008	286.3	190.3	2,630.6	28.6
Net income for the year				46.4
Currency translation adjustments				
Profit or loss on available-for-sale financial instruments not recognised in income				
Profit or loss on available-for-sale financial instruments recognised in income				
Change in deferred taxes not recognised in income				
Other consolidated income				
Net income for the period under IFRS	–	–	–	46.4
Changes in the scope of consolidation and other changes			−0.6	
Distribution				−28.6
Holdings as at 30.06.2009	286.3	190.3	2,630.0	46.4
Net income for the year				339.9
Currency translation adjustments				
Profit or loss on available-for-sale financial instruments not recognised in income				
Profit or loss on available-for-sale financial instruments recognised in income				
Change in deferred taxes not recognised in income				
Other consolidated income				
Net income for the period under IFRS	–	–	–	339.9
Changes in the scope of consolidation and other changes			−0.2	
Allocation to reserves from retained earnings			357.7	−357.7
Holdings as at 31.12.2009	286.3	190.3	2,987.5	28.6
Net income for the year				194.3
Currency translation adjustments				
Profit or loss on available-for-sale financial instruments not recognised in income				
Profit or loss on available-for-sale financial instruments recognised in income				
Change in deferred taxes not recognised in income				
Other consolidated income				
Net income for the period under IFRS	–	–	–	194.3
Changes in the scope of consolidation and other changes				−1.8
Distribution				−28.6
Holdings as at 30.06.2010	286.3	190.3	2,987.5	192.5

Other consolidated income		Total before minority interests	MInority interests	Equity
Revaluation reserve	Currency translation reserve			
1.9	3.4	3,141.1	98.8	3,239.9
		46.4	−25.0	21.4
	−0.3			
0.4				
−0.1				
0.3	−0.3	–	–	–
0.3	−0.3	46.4	−25.0	21.4
		−0.6	69.2	68.6
		−28.6	–	−28.6
2.2	3.1	3,158.3	143.0	3,301.3
		339.9	−12.9	327.0
	1.0			
0.6				
−0.2				
−0.1				
0.3	1.0	1.3	–	1.3
0.3	1.0	341.2	−12.9	328.3
		−0.2	−129.4	−129.6
		–	–	–
2.5	4.1	3,499.3	0.7	3,500.0
		194.3	–	194.3
	4.9			
0.2				
–				
0.2	4.9	5.1	–	5.1
0.2	4.9	199.4	–	199.4
		−1.8	−0.1	−1.9
		−28.6	–	−28.6
2.7	9.0	3,668.3	0.6	3,668.9

Condensed cash flow statement

for the period from 1 January to 30 June 2010

€m	1st half 2010	1st half 2009
Cash and cash equivalents at the beginning of the period	285.7	1,457.2
Net cash from operating activities	700.2	−830.3
Net cash from investing activities	35.4	34.5
Net cash from financing activities	−536.1	−93.1
Effects of changes in the scope of consolidation	–	39.7
Cash and cash equivalents at the end of the period	485.2	608.0

The definitions for the individual cash flow components are the same as in the 2009 financial statements.

Notes

Segment reporting

[1] Segmentation by business division

In accordance with IFRS 8, the segment reporting is based on the management approach. This requires that the segment information is presented in line with the internal reporting as submitted to the Chief Operating Decision Maker on a regular basis for decision-making, resource allocation and performance assessment purposes.

	Asset Management Capital Markets		Asset Management Property		Corporates & Markets	
	Economic result					
€m	1st half 2010	1st half 2009	1st half 2010	1st half 2009	1st half 2010	1st half 2009
Net interest income	0.2	0.5	38.4	29.6	127.4	160.0
Net risks	–	–	–12.0	–27.7	–0.6	–108.6
Net commission income	396.4	286.7	82.1	74.9	51.1	53.5
Net financial income[2]	4.4	–3.7	–5.6	4.4	32.2	355.7[7]
Other income	–3.7	–9.6	4.5	0.3	4.1	0.1
Total income	**397.3**	**273.9**	**107.4**	**81.5**	**214.2**	**460.7**
Administrative expenses (including depreciation)	175.0	179.8	54.2	80.9[5]	107.2	105.3
Restructuring expenses[3]	1.8	–	1.5	–	0.5	–
Total expenses	**176.8**	**179.8**	**55.7**	**–**	**107.7**	**105.3**
(Economic) result before tax	**220.5**	**94.1**	**51.7**	**0.6**	**106.5**	**355.4**
Cost/income ratio[4]	0.44	0.66	0.45	0.51[6]	0.50	0.18

1) There is no figure for cost/income ratio and Group risk for the segment Corporate Centres/Other as these ratios are not meaningful here.
2) This includes income from trading positions, non-trading financial income, income from other financial investments as well as income from repurchased debt instruments.
3) Restructuring expenses are reported in the consolidated financial statements under other operating profit.
4) Calculation of the cost/income ratio excluding restructuring expenses and net risks.

The material changes in variables and ratios in the first half of 2010 are shown in the following table:

	Asset Management Capital Markets		Asset Management Property		Corporates & Markets	
€m	30.06.2010	31.12.2009	30.06.2010	31.12.2009	30.06.2010	31.12.2009
Group risk (value-at-risk)[2]	360	312	238	210	1,666	1,571
Assets under Management	129,128	130,115	22,105	21,128	3,928	4,654
Gross loan volume under Section 19 (1) KWG	–	–	7,816	7,104	133,610	131,712

1) There is no figure for cost/income ratio and Group risk for the segment Corporate Centres/Other as these ratios are not meaningful here.
2) Value-at-risk with confidence level of 99.9% and holding period of 1 year as at 30 June 2010 and 31 December 2009.
3) The gross loan volume includes equity investments not allocated to the respective segments, but illustrated separately in the Corporate Centres/Other segment.

In principle, the DekaBank Group's management reporting is based on the IFRS reporting standards. As net income before tax is only conditionally suitable for internally managing the business divisions, in 2005 the economic result was defined as the central management indicator. In line with the requirements of IFRS 8, since 2007 the economic result has also been included in the external reporting as material segment information.

Corporate Centre/ Other[1]		Total core business		Non-core business		Group		Reconciliation		Group	
Economic result				Economic result		Economic result				Net income before tax	
1st half 2010	1st half 2009	1st half 2010	1st half 2009	1st half 2010	1st half 2009	1st half 2010	1st half 2009	1st half 2010	1st half 2009	1st half 2010	1st half 2009
−2.9	8.5	163.1	198.6	30.6	37.0	193.7	235.6	−34.0	−7.1	159.7	228.5
–	–	−12.6	−136.3	2.7	−82.6	−9.9	−218.9	–	–	−9.9	−218.9
0.8	2.2	530.4	417.3	2.6	2.3	533.0	419.6	–	−0.1	533.0	419.5
−0.9	0.1	30.1	356.5	14.4	−232.6	44.5	123.9	−85.3	−58.3	−40.8	65.6
1.2	−1.7[7]	6.1	−10.9	–	–	6.1	−10.9	0.7	−26.7	6.8	−37.6
−1.8	**9.1**	**717.1**	**825.2**	**50.3**	**−275.9**	**767.4**	**549.3**	**−118.6**	**−92.2**	**648.8**	**457.1**
37.8	29.8	374.2	395.8	6.3	11.3	380.5	407.1	–	–	380.5	407.1
−7.9	–	−4.1	–	1.1	–	−3.0	–	–	–	−3.0	–
29.9	**29.8**	**370.1**	**395.8**	**7.4**	**11.3**	**377.5**	**407.1**	**–**	**–**	**377.5**	**407.1**
−31.7	**−20.7**	**347.0**	**429.4**	**42.9**	**−287.2**	**389.9**	**142.2**	**−118.6**	**−92.2**	**271.3**	**50.0**
–	–	0.51	0.41	0.13	−0.06	0.49	0.53				

[5] This includes goodwill amortisation of €25.0m.
[6] Cost/income ratio net of non-recurring effect from goodwill amortisation.
[7] The income and expense allocation between the Corporate & Markets and Corporate Centres/Other segments changed during the reporting year. The figures for the previous year were adjusted accordingly.

Corporate Centre/ Other[1]		Total core business		Non-core business		Group	
30.06.2010	31.12.2009	30.06.2010	31.12.2009	30.06.2010	31.12.2009	30.06.2010	31.12.2009
–	–	2,264	2,093	528	824	2,793	2,917
–	–	155,161	155,897	–	–	155,161	155,897
80[3]	79[3]	141,506	138,895	7,596	8,135	149,102	147,030

In addition to net income before tax, the economic result comprises changes in the revaluation reserve as well as the interest rate-related valuation result from original lending business and underwriting business. This essentially refers to financial instruments in the loans and receivables and held to maturity categories which are measured at amortised cost in the consolidated financial statements and whose interest rate-related valuation result is also included in internal reporting. Consequently, the existing economic hedges which do not meet the criteria for hedge accounting under IAS 39 or for which hedge accounting may not be applied, are illustrated in full for internal management purposes. The measurement and reporting differences versus the IFRS consolidated financial statements are shown in "reconciliation to Group income before tax" in the "reconciliation" column.

The following segments correspond to the business division structure of the Group as also used in internal reporting. There were no changes in the organisational and business division structure in the first half of 2010. The segments are defined by the different products and services of the Group:

Asset Management Capital Markets

The segment Asset Management Capital Markets consists of all the Group's activities concerning capital market-based asset management for private and institutional customers. In addition to funds and structured investment concepts, the product range also includes products from selected international cooperation partners. The Group's investment funds cover all the major asset classes, sometimes in conjunction with guaranteed, discount and bonus structures. The offering for private retirement pensions encompasses fund-based *Riester* and *Rürup* products. The segment also comprises advisory, management and asset management mandates for institutional customers as well as Institutional Sales. The range of services offered by the segment also includes the Master KAG activities, which institutional customers can use to pool their assets under management with one investment company. The Asset Management Capital Markets segment also comprises services for custodial accounts, fund administration as well as central fund management services.

Asset Management Property

All property-related activities of the DekaBank Group are pooled in the Asset Management Property segment. This encompasses property investment products for private and institutional investors. The product range includes open-ended mutual and special property funds, individual property funds, property funds of funds as well as real estate finance and infrastructure finance funds. The segment also includes the purchase and sale of property, management of these assets including all other property-related services (real estate management) as well as product development of Group-wide property-based activities. Real Estate Lending completes the Asset Management services offered with financial solutions for third parties, thus offering professional property investors various exit routes.

Corporates & Markets

The Corporates & Markets segment comprises the lending activities that are suitable for Asset Management, the trading and sales activities of Capital Markets and Treasury business. The segment acts as a central service provider for intra-Group and external Asset Management customers. Short-term products are a major focus of the trading and sales activities, as is the structuring of equity and interest rate derivatives for funds and savings banks. The Corporates & Markets segment also encompasses all activities relating to exchange traded funds (ETFs) covering product development, management, market making and ETF sales. The lending business comprises the management and product launch of credit assets, e.g. trade/export finance, public sector and infrastructure financing, which are suitable for Asset Management or meet the needs of institutional customers. In addition, Corporates & Markets includes liquidity positioning and liquidity risk management as well as asset/liability management.

Corporate Centres/Other

Income and expenses that are not attributable to the operating segments are reported under Corporate Centres/Other. These relate essentially to overhead costs for the Corporate Centres as well as the profit or loss on the investment of capital and reserves at risk-free interest.

Non-core business

Non-core business includes credit portfolios and structured capital market credit products that are less suitable for product solutions in Asset Management. The segment includes trade and export finance not covered by government export credit insurance, leveraged financing as well as structured capital market credit products such as asset or mortgage-backed securities, collateralised loan obligations and synthetic products, which are monitored and managed separately. As at 30 June 2009, these portfolios were still allocated to the Corporates & Markets segment. The figures for the comparable period were adjusted accordingly.

Assets under management primarily comprise the income-relevant fund assets of the mutual and special funds under management in the AMK and AMI business divisions. Other components are the volume of direct investments in cooperation partner funds, the cooperation partner fund, third party fund and liquidity portions of fund-based asset management as well as advisory/management and asset management mandates. The passively managed exchange traded funds (ETFs) are reported in the Corporates & Markets business division. Assets under management refer to customer funds under management. DekaBank's own portfolio (30 June 2010: €2,225.8m; 31 December 2009: €2,764.6m) comprises mainly start-up financing for newly launched funds as well as market maker holdings for ETF trading.

The gross loan volume is determined in accordance with the definition under Section 19 (1) of the German Banking Act (KWG) and therefore does not correspond to the amount carried in the balance sheet under IFRS. The gross loan volume includes all balance sheet assets and off-balance sheet transactions (including revocable lending commitments) subject to default risk and excluding provisions for loan losses.

Reconciliation of segment results to the consolidated financial statements

The reporting and measurement differences between internal reporting and IFRS net income before tax amounts to €118.6m in the financial year (first half of 2009: €92.2m). This includes a valuation result of €116.6m from interest rate and currency-related capital market effects. The interest rate-related valuation result of €72.2m is mainly attributable to securities in the held to maturity category (€66.3m), which are countered by valuation results from the corresponding interest rate swaps in IFRS net income before tax.

The Bank also hedges the future credit margins of fixed and variable rate foreign currency loans (original positions) against currency fluctuations. The valuation result from hedging instruments is reported in IFRS net income before tax. However, the foreign exchange profit or loss of €44.4m resulting from the foreign exchange valuation of future transactions (underlying transactions) is not currently reported in IFRS net income before tax as the hedge accounting rules of IAS 39 do not apply. To adequately illustrate the economic hedge in the result for the period, the profit or loss is reported outside IFRS net income before tax in the economic result.

The other reconciliation amounts shown in the reconciliation column refer to reporting differences between management reporting and the consolidated financial statements. Of these, €34.2m relates to internal derivatives which are reported in the economic result in net interest income and the corresponding contrary income effects in net financial income. There is no income effect from internal derivatives in internal management reporting. Moreover, income effects from repurchased debt instruments are reported under net financial income in the management reporting but under other operating profit in the consolidated financial statements.

General information

[2] Accounting principles

The interim report of DekaBank Deutsche Girozentrale has been prepared in accordance with the International Financial Reporting Standards (IFRS). The standards published and adopted by the European Union at the time the financial statements were prepared and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) apply.

The present abbreviated interim financial statements were prepared in accordance with Section 37y of the Securities Trading Act (WpHG) in conjunction with Section 37w WpHG, with particular account taken of the requirements of IAS 34 (Interim Reporting).

[3] Accounting policies

The interim report is based on the accounting policies of the 2009 financial statements. In accordance with IAS 34, the accounting recognition of a transaction is based on an independent evaluation as at the current reporting date and not in anticipation of the annual financial statements. The present interim report was reviewed by our year-end auditor and should be read in conjunction with our audited 2009 consolidated financial statements. The disclosures on risks relating to financial instruments are essentially provided in the risk report of the interim management report.

In principle, income and expenses are recognised in the period to which they may be assigned in economic terms. Items allocable evenly over several periods are accrued or deferred on a pro rata basis.

Estimates and assessments required in line with accounting policies under IFRS are carried out in accordance with the respective standard on a best estimate basis and are continually revalued and based on expected values and other factors, including expectations regarding future events that appear reasonable under the given circumstances on the reporting date. In the present financial statements, all adjustments required to give a suitable presentation of the net assets, financial position and results of operations of the Group are carried out as part of the interim reporting.

[4] Changes in the scope of consolidation

As at 30 June 2010, in addition to DekaBank as the parent company, the scope of consolidation of the DekaBank Group includes a total of 12 (31 December 2009: 11) German and 7 (31 December 2009: 8) foreign subsidiaries in which DekaBank directly or indirectly holds more than 50% of the voting rights. In addition, the scope of consolidation includes 11 special funds (31 December 2009: 11) and one mutual fund (31 December 2009: 1), which are to be consolidated pursuant to IAS 27 and SIC-12.

Gesellschaft für Mittelstandskreditfonds der Sparkassen-Finanzgruppe mbH with registered office in Frankfurt/Main, which was newly established in the reporting year, was included in the scope of consolidation. Deka International (Ireland) Ltd. was deconsolidated as a result of the liquidation process commenced in the previous year.

In total, 22 (31 December 2009: 22) companies in which DekaBank has direct or indirect holdings were not consolidated. They are of minor significance for the presentation of the assets, financial position and earnings of the Group. The shares held in these companies are reported under financial investments.

Notes to the statement of comprehensive income

[5] Net interest income

In addition to interest income and expenses, this item includes prorated reversals of premiums and discounts from financial instruments. Net interest income from items in the trading book allocated to the held for trading category and the associated refinancing expenses are not included as they are reported in trading profit or loss. In view of the fact that silent capital contributions are classified as debt, payments to typical silent shareholders are reported in interest expenses.

€m	1st half 2010	1st half 2009	Change
Interest income from			
Lending and money market transactions	816.1	1,192.8	–376.7
Interest rate derivatives (economic hedges)	565.5	299.5	266.0
Fixed-interest securities and debt register claims	282.1	409.0	–126.9
Hedging derivatives (hedge accounting)	54.0	17.0	37.0
Current income from			
Shares and other non fixed-interest securities	3.8	0.9	2.9
Equity investments	1.4	1.9	–0.5
Result from leasing business	–	–	–
Total interest income	**1,722.9**	**1,921.1**	**–198.2**
Interest expenses for			
Liabilities	605.2	893.9	–288.7
Interest rate derivatives (economic hedges)	587.7	260.0	327.7
Hedging derivatives (hedge accounting)	108.7	55.5	53.2
Securitised liabilities	210.3	422.9	–212.6
Subordinated capital	25.1	28.3	–3.2
Typical silent capital contributions	26.2	32.0	–5.8
Total interest expenses	**1,563.2**	**1,692.6**	**–129.4**
Net interest income	**159.7**	**228.5**	**–68.8**

[6] Provisions for loan losses

The breakdown of provisions for loan losses in the statement of comprehensive income is as follows:

€m	1st half 2010	1st half 2009	Change
Allocations to provisions for loan losses	–25.1	–224.8	199.7
Reversal of provisions for loan losses	15.2	5.9	9.3
Provisions for loan losses	**–9.9**	**–218.9**	**209.0**

[7] Net commission income

€m	1st half 2010	1st half 2009	Change
Commission income from			
Investment fund business	1,097.9	989.8	108.1
Securities business	67.5	67.6	–0.1
Lending business	18.5	16.3	2.2
Other	18.2	21.9	–3.7
Total commission income	**1,202.1**	**1,095.6**	**106.5**
Commission expenses for			
Investment fund business	657.8	669.5	–11.7
Securities business	4.4	2.6	1.8
Lending business	5.5	2.7	2.8
Other	1.4	1.3	0.1
Total commission expenses	**669.1**	**676.1**	**–7.0**
Net commission income	**533.0**	**419.5**	**113.5**

Commission income from investment fund business essentially comprises management fees, asset management fees and sales commission. The vast majority of net commission income stems from sustained commission relating to existing business.

[8] Trading profit or loss

Trading profit or loss comprises sale and valuation results as well as commission from financial instruments in the held for trading sub-category. Valuation results are essentially determined based on market prices. If no market prices are available, the market values are calculated based on current market data using standard valuation methods. Net interest income from derivative and non-derivative financial instruments for trading positions, together with the related refinancing expenses, are also reported under this item.

€m	1st half 2010	1st half 2009	Change
Sale result	–265.0	–213.0	–52.0
Valuation result	–124.4	49.5	–173.9
Net interest income and current income from trading transactions	629.9	395.7	234.2
Commission on trading transactions	–10.2	–8.1	–2.1
Trading profit or loss	**230.3**	**224.1**	**6.2**

[9] Profit or loss on financial instruments designated at fair value

This item includes profit or loss on financial instruments allocated to the designated at fair value sub-category as well as the profit or loss on derivatives in the banking book. In principle, the valuation results are determined using market prices. If no market prices are available, the market values are calculated based on current market data using standard valuation models.

€m	1st half 2010	1st half 2009	Change
Net income from sale	–12.4	4.4	–16.8
Valuation result	–178.2	–171.9	–6.3
Foreign exchange profit or loss	–73.1	18.5	–91.6
Commission	–0.1	–0.1	–
Total	**–263.8**	**–149.1**	**–114.7**

[10] Profit or loss on financial investments

€m	1st half 2010	1st half 2009	Change
Net income from the sale of			
Securities in the category			
Loans and receivables	0.2	–4.9	5.1
Available for sale	–	0.2	–0.2
Shares in affiliated companies	–0.1	–	–0.1
Net income from the sale of financial investments	**0.1**	**–4.7**	**4.8**
Net income from investments valued using the equity method	2.3	–0.2	2.5
Allocation to provisions for loan losses	–0.8	–5.3	4.5
Reversal of provisions for loan losses	–	1.1	–1.1
Net income from financial investments	**1.6**	**–9.1**	**10.7**

[11] Administrative expenses

€m	1st half 2010	1st half 2009	Change
Personnel expenses	185.2	172.8	12.4
Other administrative expenses	187.2	201.9	–14.7
Depreciation of property, plant and equipment	8.1	32.4	–24.3
Administrative expenses	**380.5**	**407.1**	**–26.6**

[12] Other operating income

The breakdown in other operating income is as follows:

€m	1st half 2010	1st half 2009	Change
Income from repurchased debt instruments	–0.3	–2.6	2.3
Other operating income	35.5	6.7	28.8
Other operating expenses	25.4	41.5	–16.1
Other operating income	**9.8**	**–37.4**	**47.2**

[13] Income taxes

As a result of DekaBank's treatment for tax purposes as an atypical silent partner and the corporation tax and trade tax rates applicable for 2010, the combined tax rate for the companies in the DekaBank fiscal group is 26.21%.

Notes to the consolidated balance sheet

[14] Due from banks

€m	30.06.2010	31.12.2009	Change
Domestic banks	30,057.0	31,485.6	–1,428.6
Foreign banks	9,188.0	7,723.6	1,464.4
Due from banks before risk provisions	**39,245.0**	**39,209.2**	**35.8**
Provision for loan losses	–372.0	–374.5	2.5
Total	**38,873.0**	**38,834.7**	**38.3**

[15] Due from customers

€m	30.06.2010	31.12.2009	Change
Domestic borrowers	9,692.1	9,676.7	15.4
Foreign borrowers	18,833.6	14,442.9	4,390.7
Due from customers before risk provisions	**28,525.7**	**24,119.6**	**4,406.1**
Provisions for loan losses	–280.1	–256.2	–23.9
Total	**28,245.6**	**23,863.4**	**4,382.2**

[16] Provisions for loan losses

Default risks in the lending business are recognised through the creation of specific and portfolio valuation allowances and the recognition of provisions for off-balance sheet liabilities. The portfolio valuation allowances for creditworthiness risks reflect the assumptions concerning impairments in the loan portfolio that have already occurred but are not yet known as at the reporting date. Account is taken of the transfer risk through the recognition of portfolio valuation allowances for country risks.

€m	30.06.2010	31.12.2009	Change
Provisions for loan losses – due from banks			
Specific valuation allowances	370.6	373.0	–2.4
Portfolio valuation allowances for creditworthiness risks	1.4	1.5	–0.1
Provisions for loan losses – due from customers			
Specific valuation allowances	184.4	173.3	11.1
Portfolio valuation allowances for country risks	22.4	20.7	1.7
Portfolio valuation allowances for creditworthiness risks	73.3	62.2	11.1
Total	**652.1**	**630.7**	**21.4**

The following tables show the movement in provisions for loan losses:

2009 €m	Opening balance 01.01.	Allocations	Utilisation	Reversals	Reclassi-fications	Currency effects	Closing balance 30.06.
Provisions for loan losses – due to banks							
Specific valuation allowances	181.4	159.1	–	–	32.5	–	373.0
Portfolio valuation allowances for creditworthiness risks	2.5	–	–	1.0	–	–	1.5
Sub-total	**183.9**	**159.1**	**–**	**1.0**	**32.5**	**–**	**374.5**
Provisions for loan losses – due from customers							
Specific valuation allowances	66.9	161.7	51.7	2.1	–	–1.5	173.3
Portfolio valuation allowances for country risks	24.2	0.8	–	3.6	–	–0.7	20.7
Portfolio valuation allowances for creditworthiness risks	33.3	28.9	–	–	–	–	62.2
Sub-total	**124.4**	**191.4**	**51.7**	**5.7**	**–**	**–2.2**	**256.2**
Provisions for credit risks							
Specific risks	14.0	11.0	–	4.5	–	–0.3	20.2
Portfolio risks	6.3	2.4	–	0.1	–	–	8.6
Sub-total	**20.3**	**13.4**	**–**	**4.6**	**–**	**–0.3**	**28.8**
Total	328.6	363.9	51.7	11.3	32.5	–2.5	659.5

2010 €m	Opening balance 01.01.	Allocations	Utilisation	Reversals	Reclassi-fications	Currency effects	Closing balance 30.06.
Provisions for loan losses – due to banks							
Specific valuation allowances	373.0	–	–	–	–2.8	0.4	370.6
Portfolio valuation allowances for creditworthiness risks	1.5	–	–	0.1	–	–	1.4
Sub-total	**374.5**	**–**	**–**	**0.1**	**–2.8**	**0.4**	**372.0**
Provisions for loan losses – due from customers							
Specific valuation allowances	173.3	11.9	8.0	7.8	–	15.0	184.4
Portfolio valuation allowances for country risks	20.7	–	–	1.4	–	3.1	22.4
Portfolio valuation allowances for creditworthiness risks	62.2	11.1	–	–	–	–	73.3
Sub-total	**256.2**	**23.0**	**8.0**	**9.2**	**–**	**18.1**	**280.1**
Provisions for credit risks							
Specific risks	20.2	0.3	–	5.9	–	2.0	16.6
Portfolio risks	8.6	1.8	–	–	–	–	10.4
Sub-total	**28.8**	**2.1**	**–**	**5.9**	**–**	**2.0**	**27.0**
Total	659.5	25.1	8.0	15.2	–2.8	20.5	679.1

Key ratios for provisions for loan losses:

%	30.06.2010	31.12.2009
Allocation ratio as at reporting date (Quotient from net allocation and lending volume)	–0.02	–0.67
Default rate as at reporting date (Quotient from loan defaults and lending volume)	0.02	0.10
Average default rate (Quotient from loan defaults in 5-year average and lending volume)	0.09	0.11
Net provisioning ratio as at reporting date (Quotient from provisions for loan losses and lending volume)	1.27	1.25

The above key ratios are based on a lending volume of €53.1bn (31 December 2009: €52.4bn).

Provision for loan losses by risk segment:

	Value allowances and provisions[1] for loan losses		Loan defaults[2]		Net allocations to[3]/ reversals of valuation allowances and provisions for loan losses	
€m	**30.06.2010**	**31.12.2009**	**2010**	**2009**	**2010**	**2009**
Customers						
Property risks	124.8	108.0	8.0	8.0	–12.0	–83.0
Corporates[4]	93.4	94.6	–	32.1	2.6	–83.4
Transport & trade finance	61.8	57.1	–	11.3	1.0	–16.4
Utility & project finance[4]	20.2	19.6	–	–	–0.5	–11.7
Public infrastructure	3.2	2.5	–	–	–0.7	–0.1
Equity investments	3.0	3.0	–	–	–	–
Other	0.7	0.2	–	–	–0.4	0.1
Total customers	**307.1**	**285.0**	**8.0**	**51.4**	**–10.0**	**–194.5**
Banks	**372.0**	**374.5**	**–**	**–**	**0.1**	**–158.1**
Total	**679.1**	**659.5**	**8.0**	**51.4**	**–9.9**	**–352.6**

[1] Deductible and non-deductible provisions for loan losses
[2] Payments received on written-down receivables – negative in the column
[3] Negative in the column
[4] During the reporting period, exposures were reclassified out of Utility & Project Finance and into the Corporates risk segment. The figures for the previous year were adjusted accordingly.

Further disclosures on default risks are provided in the risk report of the interim management report.

[17] Financial assets at fair value through profit or loss

In addition to securities and receivables in the categories held for trading and designated at fair value, the item financial assets at fair value includes positive market values from derivative financial instruments in the trading book and from economic hedges that do not meet the criteria for hedge accounting in accordance with IAS 39.

€m	30.06.2010	31.12.2009	Change
Held for Trading			
Promissory note loans	60.6	21.6	39.0
Money market securities	127.6	1,904.6	–1,777.0
Bond and debt securities	17,392.0	19,912.4	–2,520.4
Shares	291.0	810.1	–519.1
Investment fund units	2,344.0	2,823.1	–479.1
Participating certificates	0.6	–	0.6
Other non fixed-interest securities	40.8	18.1	22.7
Positive market values from derivative financial instruments (trading)	20,807.6	18,448.3	2,359.3
Total – held for trading	**41,064.2**	**43,938.2**	**–2,874.0**
Designated at fair value			
Receivables	2,536.1	2,538.7	–2.6
Promissory note loans	67.0	83.0	–16.0
Money market securities	–	–	–
Bond and debt securities	12,307.6	13,358.4	–1,050.8
Shares	9.4	7.3	2.1
Investment fund units	506.6	516.0	–9.4
Participating certificates	11.8	11.8	–
Positive market values from derivative financial instruments (economic hedges)	3,654.3	2,761.0	893.3
Total – designated at fair value	**19,092.8**	**19,276.2**	**–183.4**
Total	**60,157.0**	**63,214.4**	**–3,057.4**

Units held in the Group's own non-consolidated mutual funds are reported in the item investment fund units and are designated at fair value. Following a review, assets in consolidated funds are allocated to the different items in line with their character, generally to bonds and debt securities or shares.

[18] Financial investments

€m	30.06.2010	31.12.2009	Change
Loans and receivables			
Bonds and other fixed-interest securities	2,531.6	2,629.0	–97.4
Held to maturity			
Bonds and other fixed-interest securities	3,258.1	3,256.5	1.6
Available for sale			
Bonds and other fixed-interest securities	94.7	94.7	–
Shares and other non fixed-interest securities	0.4	0.2	0.2
Equity investments	31.6	31.5	0.1
Shares in affiliated, non-consolidated companies	2.2	2.3	–0.1
Shares in associated companies, not valued at equity	0.3	0.3	–
Shares in companies valued at equity	32.0	29.7	2.3
Financial investments before risk provisions	**5,950.9**	**6,044.2**	**–93.3**
Risk provisions	–10.4	–9.6	–0.8
Total	**5,940.5**	**6,034.6**	**–94.1**

[19] Intangible assets

€m	30.06.2010	31.12.2009	Change
Purchased goodwill	93.7	93.7	–
Software	22.1	25.0	–2.9
Total	**115.8**	**118.7**	**–2.9**

[20] Property, plant and equipment

€m	30.06.2010	31.12.2009	Change
Land and buildings	14.8	15.1	–0.3
Plant and equipment	19.5	20.3	–0.8
Technical equipment and machines	3.6	4.5	–0.9
Total	**37.9**	**39.9**	**–2.0**

[21] Due to banks

€m	30.06.2010	31.12.2009	Change
Domestic banks	14,854.7	16,198.8	– 1,344.1
Foreign banks	9,093.9	7,027.0	2,066.9
Total	**23,948.6**	**23,225.8**	**722.8**

[22] Due to customers

€m	30.06.2010	31.12.2009	Change
Domestic customers	17,758.9	18,153.5	– 394.6
Foreign customers	7,579.6	5,619.9	1,959.7
Total	**25,338.5**	**23,773.4**	**1,565.1**

[23] Securitised liabilities

The securitised liabilities include bonds and other liabilities, for which transferable certificates are issued. Under IAS 39, the own bonds held in the Group in the nominal amount of €0.9bn (31 December 2009: €1.0bn) were deducted from the issued bonds.

€m	30.06.2010	31.12.2009	Change
Bonds issued	22,760.7	23,913.8	– 1,153.1
Money market securities issued	1,068.4	1,133.4	– 65.0
Total	**23,829.1**	**25,047.2**	**– 1,218.1**

[24] Financial liabilities at fair value

In addition to trading issues and liabilities in the designated at fair value category, financial liabilities at fair value include negative market values from derivative financial instruments in the trading book as well as economic hedges which do not meet the criteria for hedge accounting in accordance with IAS 39. Delivery commitments arising from short sales of securities are also reported in the item.

€m	30.06.2010	31.12.2009	Change
Held for Trading			
Trading issues	1,448.2	1,615.6	–167.4
Delivery commitments arising from short sale of securities	6,402.2	7,466.6	–1,064.4
Negative market value from derivative financial instruments (trading)	29,013.7	28,036.0	977.7
Other financial liabilities at fair value (trading)	22.8	–	22.8
Total held for trading	**36,886.9**	**37,118.2**	**–231.3**
Designated at fair value			
Issues	13,281.7	13,846.2	–564.5
Negative market value from derivative financial instruments (economic hedges)	4,693.6	2,820.0	1,873.6
Total designated at fair value	**17,975.3**	**16,666.2**	**1,309.1**
Total	**54,862.2**	**53,784.4**	**1,077.8**

The own bonds held by the Group in the designated at fair value category with a nominal amount of €328.9m (31 December 2009: €329.6m) were deducted from the bonds issued.

The issues in the designated at fair value category include cumulative creditworthiness-related changes in value amounting to €–46.2m (31 December 2009: €–9.3m).

[25] Provisions

€m	30.06.2010	31.12.2009	Change
Provisions for pensions and similar commitments	22.1	15.2	6.9
Provisions for income taxes	82.5	89.5	–7.0
Provisions for credit risks	27.1	28.9	–1.8
Provisions for restructuring measures	21.4	37.5	–16.1
Provisions for legal proceedings and recourses	3.2	3.2	–
Other provisions	167.4	181.0	–13.6
Total	**323.7**	**355.3**	**–31.6**

[26] Subordinated capital

€m	30.06.2010	31.12.2009	Change
Subordinated liabilities	860.1	1,077.9	–217.8
Profit participation capital	80.4	83.0	–2.6
Capital contributions of typical silent partners	526.3	819.7	–293.4
Total	**1,466.8**	**1,980.6**	**–513.8**

[27] Equity

€m	30.06.2010	31.12.2009	Change
Subscribed capital	286.3	286.3	–
Capital reserve	190.3	190.3	–
Reserves from retained earnings			
Statutory reserve	13.2	13.2	–
Reserves required by the Bank's statutes	51.3	51.3	–
Other reserves from retained earnings	2,923.0	2,923.0	–
Total reserves from retained earnings	**2,987.5**	**2,987.5**	**–**
Revaluation reserve	2.7	2.5	0.2
Currency translation reserve	9.0	4.1	4.9
Accumulated profit/loss	192.5	28.6	163.9
Minority interest	0.6	0.7	–0.1
Total	**3,668.9**	**3,500.0**	**168.9**

Other information

[28] Financial instruments under IAS 39 – valuation categories

At DekaBank, financial instruments are classified by balance sheet line items and IFRS categories in accordance with IFRS 7. The following table shows the book values of the financial instruments broken down into transactions allocated to fair value hedges and transactions not posted as hedges.

	No fair value hedge		Fair value hedge	
€m	**30.06.2010**	**31.12.2009**	**30.06.2010**	**31.12.2009**
Asset items				
Loans and receivables (lar)				
Due from banks	35,766.1	35,879.6	3,106.9	2,955.1
Due from customers	24,991.4	20,923.8	3,254.2	2,939.6
Financial investments	1,782.6	1,957.9	740.4	662.7
Held to maturity (htm)				
Financial investments	3,256.2	3,255.3		
Available for sale (afs)				
Financial investments	161.3	158.7	–	–
Held for trading (hft)				
Financial assets at fair value	41,064.2	43,938.2		
Designated at fair value (dafv)				
Financial assets at fair value	19,092.8	19,276.2		
Positive market values from derivative hedging instruments according to IAS 39			384.3	206.4
Total asset items	**126,114.6**	**125,389.7**	**7,485.8**	**6,763.8**
Liability items				
Liabilities				
Due to banks	23,692.7	23,080.9	255.9	144.9
Due to customers	23,659.5	22,077.2	1,679.0	1,696.2
Securitised liabilities	22,453.6	23,588.1	1,375.5	1,459.1
Subordinated capital	1,043.1	1,659.1	423.7	321.5
Held for trading (hft)				
Financial liabilities at fair value	36,886.9	37,118.2		
Designated at fair value (dafv)				
Financial liabilities at fair value	17,975.3	16,666.2		
Negative market values from derivative hedging instruments according to IAS 39			636.0	495.3
Total liability items	**125,711.1**	**124,189.7**	**4,370.1**	**4,117.0**

[29] Fair value data for financial instruments

Fair value is deemed to be the amount at which a financial instrument can be freely traded between knowledgeable and willing parties in an arm's length transaction. The following table shows the fair values of financial assets and liabilities compared to the respective book values.

	30.06.2010			31.12.2009		
€m	**Fair value**	**Book value**	**Difference**	**Fair value**	**Book value**	**Difference**
Asset items						
Cash reserve	485.2	485.2	–	285.7	285.7	–
Due from banks (loans and receivables)	39,727.6	38,873.0	854.6	39,400.7	38,834.7	566.0
Due from customers (loans and receivables)	28,603.4	28,245.6	357.8	24,111.3	23,863.4	247.9
Financial assets at fair value	60,157.0	60,157.0	–	63,214.4	63,214.4	–
Positive market values from fair value hedges under IAS 39	384.3	384.3	–	206.4	206.4	–
Loans and receivables (lar)	2,499.4	2,523.0	–23.6	2,597.3	2,620.6	–23.3
Held to maturity (htm)	3,301.2	3,256.3	44.9	3,316.8	3,255.3	61.5
Available for sale (afs)	161.2	161.2	–	158.7	158.7	–
Financial investments	5,961.8	5,940.5	21.3	6,072.8	6,034.6	38.2
Total asset items	**135,319.3**	**134,085.6**	**1,233.7**	**133,291.3**	**132,439.2**	**852.1**
Liability items						
Due to banks	24,231.1	23,948.6	282.5	23,439.2	23,225.8	213.4
Due to customers	26,118.8	25,338.5	780.3	24,316.3	23,773.4	542.9
Securitised liabilities	23,953.7	23,829.1	124.6	25,078.9	25,047.2	31.7
Financial liabilities at fair value	54,862.2	54,862.2	–	53,784.4	53,784.4	–
Negative market values from fair value hedges under IAS 39	636.0	636.0	–	495.3	495.3	–
Subordinated liabilities	1,484.2	1,466.8	17.4	2,034.7	1,980.6	54.1
Total liability items	**131,286.0**	**130,081.2**	**1,204.8**	**129,148.8**	**128,306.7**	**842.1**

For financial instruments due on demand, the fair value corresponds to the respective amount payable as at the reporting date. These include cash on hand as well as overdraft facilities and sight deposits with regard to banks and customers.

The fair values of amounts due from banks or customers are determined using the present value method. The future cash flows from receivables are discounted at a risk-adjusted market interest rate. The differing credit ratings of borrowers are taken into account through appropriate adjustments in the discount rates. This procedure also applies to securities held in the loans and receivables category. The fair values determined on the basis of financial valuation models can be considerably affected by the underlying assumptions. The fair value is therefore to be seen as the model value as at the reporting date, which could not necessarily be realised through the direct sale or settlement of the financial instrument.

Financial instruments in the held to maturity category are fixed-interest securities for which there is a liquid market. The fair values here correspond to the market prices.

The fair value of long-term liabilities is determined on the basis of market prices as well as by discounting the contractually agreed cash flows. The interest rates used are those at which the Group could issue comparable debt securities on the reporting date.

For allocation to the fair value hierarchy in accordance with the provisions of IFRS 7, the quality of the input parameters for determining fair value is defined according to the three levels below:

Level 1: Market prices, i.e. prices from active markets that are used unchanged
Level 2: Market data which are not market prices as in level 1 but which are directly (prices) or indirectly (derived from prices) observable in the market
Level 3: Factors which are not based on observable market data (i.e. assumptions and estimates of the management)

The decisive factor governing allocation of the individual financial instruments to the fair value hierarchy shown below is the level input that is significant to the fair value measurement in its entirety.

The table below shows the allocation of financial instruments carried at fair value in accordance with the fair value hierarchy based on fair values with accrued interest:

	30.06.2010				31.12.2009			
Valuation	**Level 1**	**Level 2**	**Level 3**	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
	%	%	%	€m	%	%	%	€m
Assets								
Derivative financial instruments	1.6	98.1	0.3	25,916.0	13.2	86.5	0.3	22,409.3
Other financial instruments	55.8	37.2	7.0	34,720.3	61.8	31.4	6.8	41,105.7
Liabilities								
Derivative financial instruments	2.5	97.2	0.3	37,093.4	20.0	79.7	0.3	34,051.6
Other financial instruments	48.8	51.2	–	18,404.8	49.9	50.1	–	20,228.0

Structured financial instruments with embedded derivatives that have to be separated, which are allocated to the trading book or for which the fair value option has been exercised, are shown in the table under derivative financial instruments.

Provided that they are not products traded on the stock market, derivatives are in principle measured using standard valuation models based on observable market data. Fair values for insufficiently liquid securities as well as interest rate swaps and interest rate/currency swap agreements as well as unlisted interest rate futures are determined on the basis of discounted future cash flows (the discounted cash flow model). The market interest rates applying to the remaining term of the financial instruments are always used. The transactions valued using this method are allocated to level 2.

In some cases, the fair value for non-synthetic securitisations as at the reporting date was calculated using the discounted cash flow model. Where the spreads currently observable for the relevant transaction are deemed to be valid, the market interest rate was used as the input for the discounted cash flow model. Otherwise the modified discounted cash flow model was used. The underlying discounting rate used in the model was determined on the basis of the current swap curve, the implied historical spread – derived from the last available liquid market price – and an adjustment for any changes in the credit rating in the meantime. The value thus calculated was also adjusted by a factor, determined using an indicator model. This factor reflects how the last observable market price would have had to change in the meantime (liquidity factor). In our opinion, the resultant fair value represents the price which market players acting rationally would have agreed. As this model contains subjective elements, we have also determined the market values for possible alternative model parameters. As at 30 June 2010, the market value could have been €4.6m lower or €17.7m higher accordingly. Where observable prices or price indications for individual transactions were deemed to be valid, these were applied or used to check the plausibility of the model-based fair values. As in the previous year, all non-synthetic securitisation transactions amounting to €2.4bn (31 December 2009: €2.8bn) have been allocated to level 3.

The cash flows used for the theoretical valuation of securitisations are based on detailed analyses of the securitised transactions. Here too subjective assumptions have to be made, e.g. for the exercise of call rights or likelihood of refinancing for expiring loans, which facilitate alternative scenarios. In addition to the standard scenario, DekaBank determines a scenario with less favourable market development. In this adverse scenario, the market value of the theoretically valued positions would have been €10.4m lower as at 30 June 2010.

The fair value of synthetic securitisation transactions is determined using Copula models calibrated to the market prices of liquid tranches. These are also shown in level 3. When measuring bespoke CSO positions, DekaBank uses one of the standard base correlation mapping techniques. However, as there is a large number of alternative mapping techniques, none of which stand out particularly from the others, DekaBank also determines the difference between this and the alternative valuations. As at 30 June 2010, the market value of the bespoke CSOs could have been €10.2m lower or higher.

[30] Derivative transactions

The derivative financial instruments used in the DekaBank can be broken down by market value as follows:

	Positive fair values		Negative fair values	
€m	**30.06.2010**	**31.12.2009**	**30.06.2010**	**31.12.2009**
Interest rate risks	10,233.3	7,255.6	10,753.9	7,680.5
Currency risks	844.7	403.9	2,249.7	493.9
Share and other price risks	13,862.7	13,804.5	21,408.3	23,195.0
Total	**24,940.7**	**21,464.0**	**34,411.9**	**31,369.4**

[31] Equity under banking supervisory law

The following table shows the composition of the capital and reserves:

€m	**30.06.2010**	**31.12.2009**	**Change**
Subscribed capital	286.3	286.3	–
Open reserves	493.6	441.7	51.9
Silent capital contributions	552.4	552.4	–
Fund for general banking risks	1,985.8	1,570.8	415.0
Deductions under Section 10 (2a) KWG	9.9	12.4	–2.5
Deductions under Section 10 (6) and (6a) KWG (half)	21.6	0.3	21.3
Of which deduction amounts under Section 10 (6a) Nos. 1 and 2 KWG	21.6	0.3	21.3
Core capital	**3,286.6**	**2,838.5**	**448.1**
Profit participation capital	20.0	78.0	–58.0
Subordinated liabilities	746.2	889.0	–142.8
Other components	251.4	246.6	4.8
Deductions under Section 10 (6) and (6a) KWG (half)	21.6	0.3	21.3
Of which deduction amounts under Section 10 (6a) Nos. 1 and 2 KWG	21.6	0.3	21.3
Supplementary capital	**996.0**	**1,213.3**	**–217.3**
Modified available capital	**4,282.6**	**4,051.8**	**230.8**
Tier III funds	–	–	–
Capital and reserves	**4,282.6**	**4,051.8**	**230.8**

The following table shows the items subject to a capital charge:

€m	**30.06.2010**	**31.12.2009**	**Change**
Default risks	20,613.0	20,713.0	–100.0
Market risk positions	5,200.0	6,975.0	–1,775.0
Operational risks	1,738.0	1,725.0	13.0

As at the reporting date, the ratios for the DekaBank Group were as follows:

%	30.06.2010	31.12.2009	Change
Core capital ratio (including market risk positions)	11.9	9.7	2.2
Core capital ratio (excluding market risk positions)	14.8	12.7	2.1
Total capital ratio	15.5	13.8	1.7

The capital and reserves requirements under banking supervisory law were complied with at all times during the reporting period.

[32] Contingent and other liabilities

€m	30.06.2010	31.12.2009	Change
Irrevocable lending commitments	2,127.1	2,715.2	–588.1
Other liabilities	758.9	636.2	122.7
Total	**2,886.0**	**3,351.4**	**–465.4**

The guarantees provided by DekaBank refer to financial guarantees under IFRS, which are stated net in compliance with IAS 39. The nominal amount of the guarantees in place as at the reporting date is €0.6bn (31 December 2009: €0.6bn).

The DekaBank Group's range of products contains investment funds with market value guarantees of varying degrees. For fixed-term funds with these features, the capital invested less charges is guaranteed as at the maturity date, while a minimum unit value is agreed for specific cut-off dates for such funds without a fixed term. As at the reporting date, there was no financial obligation on these products as a result of the performance of the respective fund assets. As at the reporting date, the guarantees covered a maximum volume totalling €7.6bn at the respective guarantee dates (present value: €7.2bn) and the market value of the corresponding fund assets amounted to €7.8bn.

[33] List of shareholdings

DekaBank directly or indirectly holds at least 20% of the shares in the following companies.

Consolidated subsidiaries:

Name, registered office	Equity share %
Deka Beteiligungs GmbH, Frankfurt/Main	100.00
Deka FundMaster Investmentgesellschaft mbH, Frankfurt/Main	100.00
Deka Grundstücksverwaltungsgesellschaft I (GbR), Frankfurt/Main	100.00
Deka Immobilien GmbH, Frankfurt/Main	100.00
Deka Immobilien Investment GmbH, Frankfurt/Main	100.00
Deka Immobilien Luxembourg S.A., Luxembourg	100.00
Deka International S.A., Luxembourg	100.00
Deka Investment GmbH, Frankfurt/Main	100.00
Deka Investors Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, Frankfurt/Main	100.00
Deka Real Estate Lending k.k., Tokyo	100.00
Deka(Swiss) Privatbank AG, Zurich	80.00[1]
DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg	100.00
DKC Deka Kommunal Consult GmbH, Düsseldorf	100.00
ETFlab Investment GmbH, Munich	100.00
Gesellschaft für Mittelstandskreditfonds der Sparkassen-Finanzgruppe mbH, Frankfurt/Main	100.00
International Fund Management S.A., Luxembourg	100.00
Roturo S.A., Luxembourg	100.00
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	99.74
WIV GmbH & Co. Beteiligungs KG, Frankfurt/Main	94.90

[1] Consolidation ratio based on economic ownership 100%.

Consolidated funds:

Name, registered office	Equity share %
A-DGZ 2-FONDS, Frankfurt/Main	100.00
A-DGZ 3-FONDS, Frankfurt/Main	100.00
A-DGZ 4-FONDS, Frankfurt/Main	100.00
A-DGZ 5-FONDS, Frankfurt/Main	100.00
A-DGZ 6-FONDS, Frankfurt/Main	100.00
A-DGZ 7-FONDS, Frankfurt/Main	100.00
A-DGZ 10-FONDS, Frankfurt/Main	100.00
A-DGZ-FONDS, Frankfurt/Main	100.00
A-Treasury 2000-FONDS, Frankfurt/Main	100.00
A-Treasury 93-FONDS, Frankfurt/Main	100.00
DDDD-FONDS, Frankfurt/Main	100.00
Deka-Treasury Corporates-FONDS, Frankfurt/Main	100.00

Associated companies and joint ventures consolidated under the equity method:

Name, registered office	Equity share %
S PensionsManagement GmbH, Cologne	50.00
Dealis Fund Operations GmbH, Frankfurt/Main	49.90
S Broker AG & Co. KG, Wiesbaden	30.64

Non-consolidated companies:

Name, registered office	Equity share %
Datogon S.A., Luxembourg	100.00
Deka Immobilien Beteiligungsgesellschaft mbH, Frankfurt/Main (formerly: WestInvest Erste Beteiligungs- und Verwaltungs GmbH)	100.00
Deka Immobilien k.k., Tokyo	100.00
Deka Loan Investors Luxembourg I, Luxembourg	100.00
Deka Loan Investors Luxembourg II, Luxembourg	100.00
Deka Loan Investors Luxembourg III, Luxembourg	100.00
Deka Multi Asset Investors Luxembourg, Luxembourg	100.00
Deka Treuhand GmbH, Frankfurt/Main	100.00
Deka Vermögensverwaltungs GmbH, Frankfurt/Main	100.00
Deka Verwaltungs GmbH, Frankfurt/Main	100.00
Deka Vorratsgesellschaft 01 mbH, Frankfurt/Main	100.00
Deka Vorratsgesellschaft 02 mbH, Frankfurt/Main	100.00
DekaBank Advisory Ltd., London	100.00
Deutsche Landesbankenzentrale AG, Berlin	100.00
Europäisches Kommunalinstitut S.A.R.L., Luxembourg	100.00
LBG Leasing Beteiligungs-GmbH, Frankfurt/Main	100.00
Perfeus S.A., Luxembourg	100.00
STIER Immobilien AG, Frankfurt/Main	100.00
WIV Verwaltungs GmbH, Frankfurt/Main	94.90
Deka-WestLB Asset Management Luxembourg S.A., Luxembourg	51.00
Deka-Neuburger Institut für wirtschaftsmathematische Beratung GmbH, Frankfurt/Main	50.00
Global Format GmbH & Co. KG, Munich	20.00

Non-consolidated funds:

Name, registered office	Fund volume €m	Equity share %
RE-AVT-FundMaster, Frankfurt/Main	28.4	100.00
Deka-PB Defensiv, Frankfurt/Main	10.0	100.00
Deka-PB Offensiv, Frankfurt/Main	9.8	100.00
Deka-Immobilien PremiumPlus – Institutionelle, Luxembourg	1.5	100.00
OPTIVOL 750, Frankfurt/Main	1.0	100.00
OPTIVOL 1200, Frankfurt/Main	0.9	100.00
DekaLux-FRL Mix: Chance, Luxembourg	0.6	100.00
DekaLux-FRL Mix: ChancePlus, Luxembourg	0.6	100.00
DekaLux-FRL Mix: Rendite, Luxembourg	0.5	100.00
Deka-PB Ausgewogen, Frankfurt/Main	10.0	99.75
Deka-BonusStrategie 3y (II), Frankfurt/Main	23.5	99.14
ETFlab iBoxx € Liquid Sovereign Diversified 10+, Munich	4.4	92.57
ETFlab MSCI Europe MC, Munich	5.3	91.51
Deka-PB Wertkonzept, Frankfurt/Main	11.3	88.87
DekaLux-FRL Mix: Wachstum, Luxembourg	0.7	80.17
ETFlab DJ STOXX® Strong Style Composite 40, Munich	11.0	79.79
ETFlab MSCI Japan LC, Munich	28.2	78.24
ETFlab iBoxx € Liquid Sovereign Diversified 1-10, Munich	9.0	75.21
ETFlab MSCI Europe LC, Munich	27.5	74.52
ETFlab MSCI Europe, Munich	18.5	73.81
Deka-HedgeSelect, Frankfurt/Main	82.9	72.39
ETFlab MSCI USA MC, Munich	7.1	71.66
Deka-Zielfonds 2045-2049, Frankfurt/Main	2.5	69.91
ETFlab MSCI Japan, Munich	9.8	68.79
ETFlab MSCI USA, Munich	27.3	66.95
Deka-Russland, Luxembourg	84.4	65.84
Deka-Wertkonzept offensiv, Frankfurt/Main	10.8	64.72
Deka-RentSpezial Plus 2, Frankfurt/Main	44.0	63.67
Deka-RenditeStrategie 12/2013, Luxembourg	23.0	60.69
Deka-Zielfonds 2040-2044, Frankfurt/Main	2.8	57.55
Deka-Zielfonds 2050-2054, Frankfurt/Main	2.7	57.15
ETFlab DJ STOXX® Strong Growth 20, Munich	1.9	53.34
iShares DJ STOXX 600 Chemicals Swap (DE), Munich	22.3	51.25
iShares DJ STOXX 600 Construction & Materials Swap (DE), Munich	15.6	50.77
ETFlab MSCI Japan MC, Munich	34.3	50.22
RE-FundMaster, Frankfurt/Main	21.2	50.19
ETFlab DAX®, Munich	791.0	49.93
ETFlab DJ EURO STOXX 50®, Munich	1.538.2	49.59
ETFlab iBoxx € Liquid Sovereign Diversified 7-10, Munich	23.9	48.30
ETFlab Deutsche Börse EUROGOV® Germany Money Market, Munich	315.9	48.25
ETFlab DJ EURO STOXX 50® Short, Munich	5.2	47.41
ETFlab iBoxx € Liquid Germany Covered Diversified, Munich	30.7	47.07
ING (L) Invest Europe Opportunities, Luxembourg	11.0	45.82
ETFlab iBoxx € Liquid Sovereign Diversified 5-7, Munich	36.4	44.81
Deka-BR 45, Frankfurt/Main	7.3	44.71

Non-consolidated funds:

Name. registered office	Fund volume €m	Equity share %
Deka-ZielGarant 2046-2049, Luxembourg	2.9	44.28
Deka-Zielfonds 2035-2039, Frankfurt/Main	3.5	40.97
Haspa Zielfonds 2021-2024, Frankfurt/Main	1.0	39.15
ETFlab MSCI USA LC, Munich	52.5	38.95
Haspa Zielfonds 2025-2028, Frankfurt/Main	1.1	38.31
Deka-ZielGarant 2042-2045, Luxembourg	2.7	38.15
Haspa ZielGarant 2021-2024, Luxembourg	2.3	37.52
Haspa ZielGarant 2025-2028, Luxembourg	2.2	36.52
ETFlab Deutsche Börse EUROGOV® Germany 3-5, Munich	180.4	36.34
Haspa Zielfonds 2017-2020, Frankfurt/Main	1.0	36.27
Deka-Institutionell Aktien Europa, Frankfurt/Main	11.8	35.69
iShares DJ STOXX 600 Oil & Gas Swap (DE), Munich	29.2	35.52
iShares DJ STOXX 600 Travel & Leisure Swap (DE), Munich	14.1	35.49
Deka-RentSpezial EM 12/2014, Frankfurt/Main	29.2	35.08
ETFlab DJ STOXX® Strong Value 20, Munich	3.3	34.97
Haspa ZielGarant 2017-2020, Luxembourg	2.7	34.95
Deka-Immobilien PremiumPlus – Private Banking, Luxembourg	98.2	34.47
iShares DJ STOXX 600 Utilities Swap (DE), Munich	25.1	30.56
Deka-Treasury MultiCredit, Luxembourg	49.3	30.39
WestInvest Target Select Logistics, Düsseldorf	70.5	24.49
ETFlab Deutsche Börse EUROGOV® Germany 10+, Munich	24.0	22.49
Black Rock European Opportunities Extension Strategies Fund, Luxembourg	43.2	22.37
ZukunftsPlan III, Frankfurt/Main	1.1	20.36

[34] Related party disclosures

Transactions are carried out with related parties at normal market terms and conditions as part of ordinary business activities. The tables below show the extent of these transactions.

Business dealings with shareholders of DekaBank and non-consolidated subsidiaries:

	Shareholders		Subsidiaries	
€m	**30.06.2010**	**31.12.2009**	**30.06.2010**	**31.12.2009**
Assets items				
Financial assets at fair value	–	–	2.2	3.9
Other assets	–	–	0.3	0.3
Total asset items	**–**	**–**	**2.5**	**4.2**
Liability items				
Due to customers	12.8	26.8	53.8	10.6
Financial liabilities at fair value	–	–	3.4	0.4
Total liability items	**12.8**	**26.8**	**57.2**	**11.0**

Business dealings with joint ventures, associated companies and other related parties:

	Joint ventures/ associated companies		Other related parties	
€m	**30.06.2010**	**31.12.2009**	**30.06.2010**	**31.12.2009**
Asset items				
Due from customers	1.5	28.2	19.4	0.2
Financial assets at fair value	0.8	0.6	–	–
Other assets	9.3	10.6	0.3	0.3
Total asset items	**11.6**	**39.4**	**19.7**	**0.5**
Liability items				
Due to customers	14.9	46.2	28.0	2.1
Financial liabilities at fair value	0.4	–	–	–
Other liabilities	–	0.1	–	–
Total liability items	**15.3**	**46.3**	**28.0**	**2.1**

In addition to Deka Trust e.V., other related parties include the Group's own mutual funds where the holding of the DekaBank Group exceeds 10%. The amounts due to customers in the DekaBank Group essentially comprise deposits by the Bank's own mutual funds in money on call and fixed term accounts from the temporary investment of free funds.

Assurance of the Board of Management

We assure that to the best of our knowledge, the consolidated interim financial statements prepared in accordance with the applicable reporting standards for interim reporting convey a true and fair view of the net assets, financial position and results of operations of the Group and that the interim management report conveys a true and fair view of the business performance including the business results and position of the Group and suitably presents the material risks and opportunities and likely development of the Group over the rest of the financial year.

Frankfurt/Main, 6 August 2010

DekaBank
Deutsche Girozentrale

The Board of Management

Waas, Ph.D.	Behrens	Dr. Danne
Groll	Gutenberger	Dr. h.c. Oelrich

Review Report

To DekaBank Deutsche Girozentrale, Berlin/Frankfurt am Main

We have reviewed the condensed consolidated interim financial statements – comprising the balance sheet, statement of comprehensive income, condensed cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of DekaBank Deutsche Girozentrale, Berlin/Frankfurt am Main, for the period from January 1 to June 30, 2010 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Frankfurt am Main, August 9, 2010

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Stefan Palm	ppa. Mirko Braun
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Administrative Board and Board of Management of DekaBank

Administrative Board

(Stand: 1 July 2010)

Heinrich Haasis
Chairman
President of the German Savings Banks and Giro Association e.V., Berlin

Hans-Jörg Vetter
First Deputy Chairman
Chairman of the Management Board of Landesbank Baden-Württemberg, Stuttgart

Dr. Rolf Gerlach
Second Deputy Chairman
President of the Savings Banks Association Westphalia-Lippe, Münster

Representatives elected by the Shareholders' Meeting

Hans-Dieter Brenner
Chairman of the Management Board of Landesbank Hessen-Thüringen Girozentrale, Frankfurt/Main

Klemens Breuer
Member of the Management Board of WestLB AG, Düsseldorf

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

Thomas Christian Buchbinder
Chairman of the Management Board of Landesbank Saar, Saarbrücken

Dr. Gunter Dunkel
Chairman of the Management Board of NORD/LB Norddeutsche Landesbank Girozentrale, Hanover

Dr. Johannes Evers
Chairman of the Management Board of Landesbank Berlin AG, Berlin

Gerhard Grandke
Managing President of the Savings Banks and Giro Association Hesse-Thuringia, Frankfurt/Main

Klaus-Dieter Gröb
Member of the Management Board of Landesbank Hessen-Thüringen Girozentrale, Frankfurt/Main

Gerd Häusler
Chairman of the Management Board of Bayerische Landesbank, Munich

Reinhard Henseler
Chairman of the Management Board of Nord-Ostsee Sparkasse, Flensburg

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

Dr. Stephan-Andreas Kaulvers
Chairman of the Management Board of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen

Thomas Mang
President of the Savings Banks Association Lower Saxony, Hanover

Harald Menzel
Chairman of the Management Board of Sparkasse Mittelsachsen, Freiberg

Prof. Dr. Dirk Jens Nonnenmacher
Chairman of the Management Board of HSH Nordbank AG, Hamburg

Hans-Werner Sander
Chairman of the Management Board of Sparkasse Saarbrücken, Saarbrücken

Helmut Schleweis
Chairman of the Management Board of Sparkasse Heidelberg, Heidelberg

Peter Schneider
President of the Savings Banks Association Baden-Württemberg, Stuttgart

Hans Otto Streuber
President of the Savings Banks Association Rhineland-Palatinate, Budenheim

Dr. Harald Vogelsang
President of the Hanseatic Savings Banks and Giro Association, Hamburg

Dietrich Voigtländer
Chairman of the Management Board of WestLB AG, Düsseldorf

Theo Zellner
Managing President of the Savings Banks Association Bavaria, Munich

Federal organisation of Central Municipal Organisations
(in an advisory capacity)

Dr. Stephan Articus
Executive Director of the German Association of Cities, Cologne

Prof. Dr. Hans-Günter Henneke
Managing Member of the Presiding Board of the German County Association, Berlin

Roland Schäfer
Mayor of the City of Bergkamen and First Vice President of the German Association of Towns and Municipalities, Berlin

Employee Representatives appointed by the Staff Committee

Michael Dörr
Chairman of the Staff Committee, DekaBank Deutsche Girozentrale, Frankfurt/Main

Heike Schillo
Savings Banks Sales South Germany, DekaBank Deutsche Girozentrale, Frankfurt/Main

(End of the term of office: 31.12.2013)

Board of Management

Franz S. Waas, Ph. D.
Chairman of the Board of Management

Oliver Behrens
Member of the Board of Management

Dr. Matthias Danne
Member of the Board of Management

Walter Groll
Member of the Board of Management

Hans-Jürgen Gutenberger
Member of the Board of Management

Dr. h. c. Friedrich Oelrich
Member of the Board of Management

Executive Managers

Oliver K. Brandt
Manfred Karg
Osvin Nöller
Thomas Christian Schulz

Financial calendar

Financial year 2010	**November 2010**	Interim Report as at 30 September 2010

Publication dates are preliminary and subject to change.

Internet website

The specialist terms used are explained in the **interactive online version** of this report, which you can view in English or German on our website at www.dekabank.de under "Investor Relations/Reports". Previously published annual reports and interim reports are also available for download here.

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We would be pleased to send you a printed copy of the Interim Report 2009 of the DekaBank Group (German version). If you would like to receive our annual reports or interim reports on a regular basis, please contact our Internal Communication & Media department:
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