

# Remuneration report 2009

**DekaBank Group**

## Remuneration report for financial year 2009

The remuneration report describes the structure of the remuneration systems for executives and employees of the DekaBank Group (hereinafter referred to as the "Bank") for financial year 2009. It also provides explanations on the amount and structure of remuneration in accordance with Circular 22/2009 of the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of 21 December 2009. The remuneration of the Bank's Management Board is reported separately in the 2009 Annual Report. DekaBank has therefore already largely implemented the new regulatory disclosure requirements introduced in December 2009 for financial year 2009.

### Remuneration philosophy

As part of its remuneration philosophy and the actual structure of its remuneration policy, the Bank takes into account the interests of its executives and employees as well as those of its shareholders. The Bank's remuneration philosophy supports the strategic corporate goals, provides incentives for appropriate and risk-aware business behaviour by its employees and promotes value creation for shareholders. It is in line with legal and regulatory requirements. The remuneration policy supports a profit culture in line with the strategic mission, which equally promotes and rewards the performance, strengths and ideas of employees.

To implement its remuneration philosophy, the Bank has defined the following core statements on remuneration, which apply throughout the Group. The Bank's remuneration policy shall:

- take into account profitability as well as risk and capital costs,
- be aimed at increasing the performance of the Group and its employees,
- promote long-term thinking and a responsible approach by employees,
- prevent incentives to take on excessive risk positions,,
- be used to recruit and retain the best employees,
- differentiate appropriately across divisions and responsibilities,
- avoid unnecessary complexity and be designed to be transparent and intelligible.

These basic principles form the starting point, which may be adapted according to regulatory requirements and individual agreements. The principles are aimed at linking the interests of employees, executives and shareholders and motivating employees to act in the Bank's best interest and maximise their personal potential. The basic principles are in line with the Bank's strategic mission.

### Remuneration structure

The Bank's remuneration structure comprises the total cash remuneration and fringe benefits. The total cash remuneration encompasses all direct cash payments, such as basic salary and bonuses. Fringe benefits include all other benefits, such as pension provisioning, company car etc.

In order to make the remuneration components more transparent for employees, total compensation statements (TC statements) were prepared for the first time in financial year 2009 and published for employees in April 2010. The TC statement provides details of the respective totals of the remuneration components, broken down by total cash remuneration and fringe benefits. In addition, employees receive an overview of the social security contributions transferred by the Bank and, where applicable, the payments made by the respective employee himself/herself by means of salary conversion.

## Performance-related remuneration

Performance represents a key element of the Bank's corporate culture. Within the Bank, performance is measured on the basis of specific parameters which reflect results at Group and divisional level as well as the individual performance of employees. Both quantitative and qualitative methods are used to assess employees' individual performance.

The measurement level of Group and divisional results is coordinated and managed by the Management Board. The parameters and methods used for the individual business divisions are developed specifically for each field to ensure that they cover the relevant strategy, targets and required activities. Individual targets are agreed directly by the respective manager and employee within the relevant business division. Performance-related remuneration is also based on the Bank's strategic mission. It is market-driven and each business division is compared to competitors at regular intervals.

## Disclosure of the remuneration for financial year 2009

The total cash remuneration reported here for financial year 2009 already includes the bonus for financial year 2009, which was paid in April 2010.

The total cash remuneration of all employees of the DekaBank Group for financial year 2009 amounted to an overall figure of €282.2m. This corresponds to an increase of 9.6% on the previous year. The average total cash remuneration per employee amounted to €84.5 thousand, which represent a rise of 8.6% on the previous year. The total cash remuneration is divided into around €220m (approx. 78%) for fixed salaries and €62m (approx. 22%) for variable remuneration.

The remuneration of the Bank's Management Board is separately reported in the 2009 Annual Report.

With regard to the individual business divisions, total cash remuneration is divided as follows: Asset Management Property (AMI) business division €38.3m; Asset Management Capital Markets (AMK) business division €76.5m and Corporates & Markets (C&M) business division €40.4m; the Corporate Centres account for €101.7m and Savings Banks Sales for €25.3m.

Compared with the previous year, the fixed salary component of the total cash remuneration was up by 1.7%. For the individual business divisions, this translates as follows: a rise of 2.6% in Savings Banks Sales, an increase of 8.7% in the Corporate Centres and an increase of 17.4% in C&M. The fixed salary component of the total cash remuneration decreased by 2.3% in AMI and by 12.7% in AMK. In this respect, it should be noted that changes in the fixed salary component of the total cash remuneration in the business divisions run parallel to the relevant changes in the number of employees.

The remuneration paid as part of new employment or service contracts (e.g. sign-on bonuses) totalled €3.8m in financial year 2009.

## Employees who can justify high risk positions (risk takers)

In accordance with the new regulatory provisions passed on 21 December 2009, the Bank must undertake to identify employees who can justify high risk positions. The development of the appropriate analysis procedure had not yet been completed in 2009. In financial year 2010, the Bank will apply all the relevant regulatory requirements and publish the results in the remuneration report for 2010.

## **Remuneration committee**

In accordance with the new regulatory provisions passed on 21 December 2009, the Bank must undertake to set up a remuneration committee. The Bank had not yet appointed such a remuneration committee in 2009. In financial year 2010, the Bank will implement a remuneration committee and publish the relevant details in the remuneration report for 2010.

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