First Choice Deka

Interim Report June 30, 2007

DekaBank Group

Finanzgruppe

DekaBank

DekaBank Group at a Glance

Key business development indicators		30.06.2007	31.12.2006	Change %
Total assets	€m	100,035	104,928	–4.7
Fund assets (according to BVI)[1]	€m	190,335	174,386	9.1
of which: Asset Management Capital Markets (AMK)	€m	173,119	156,576	10.6
of which: Asset Management Property (AMI)	€m	17,216	17,810	–3.3
Number of securities accounts	‘000	5,159	5,172	–0.3
		1st Half 2007	1st Half 2006	
Net funds inflow (according to BVI)[1]	€m	8,593	2,510	242.4
of which: Asset Management Capital Markets (AMK)	€m	8,399	4,823	74.1
of which: Asset Management Property (AMI)	€m	194	–2,313	108.4
Performance indicators				
Total income	€m	825.1	592.9	39.2
of which: Net interest income	€m	80.8	80.3	0.6
of which: Net commission income	€m	504.9	447.7	12.8
Total expenses	€m	340.0	300.9	13.0
of which: Personnel expenses	€m	162.9	149.9	8.7
of which: Operating expenses (incl. depreciation)	€m	160.6	154.9	3.7
Net income before tax	€m	485.1	292.0	66.1
Net income after tax	€m	397.0	221.0	79.6
Comprehensive net income for the period after tax	€m	394.1	212.3	85.6
Key ratios				
Return on equity before tax[2]	%	32.6[3]	21.1	11.5 % points
Return on equity after tax[2]	%	26.7[3]	16.0	10.7 % points
Cost-income ratio	%	42.4[3]	53.4	–11.0 % points
		30.06.2007	31.12.2006	
Key regulatory figures				
Liable capital	€m	3,724	3,699	0.7
Core capital ratio[4]	%	9.1	8.1	1.0 % points
Total capital ratio	%	12.1	11.4	0.7 % points
Total capital ratio before application of transitional rule	%	13.5	–	–
Risk ratios				
Total risk-bearing capacity	€m	5,254	5,271	– 0.3
Group risk (value-at-risk)[5]	€m	1,839	2,322	– 20.8
Utilisation of risk-bearing capacity	%	35.0	44.1	– 9.1 % points
Non-guaranteed rating (short term/long term)				
Moody’s		P–1/Aa2	P–1/Aa3	
Standard & Poor’s		A–1/A	A–1/A	
Fitch Ratings		F1/A–	F1/A–	
Key employee figures				
Number of employees		3,429	3,453	–0.7
Average number of positions occupied		3,078	3,030	1.6

[1] Starting in 2007, the BVI net assets and net inflow of funds statistics for public securities funds also include funds of funds. The values for the previous year were appropriately adjusted to improve comparability.
[2] The pre-tax/after-tax return on equity equals the comprehensive profit for the period before or after tax divided by the equity at the start of the financial year, incl. atypical silent capital contributions (annualised figure).
[3] The pre-tax/after-tax return on equity and the cost-income ratio include the effects on profit resulting from the sale of the Trianon complex.
[4] Calculated starting as of 30 June 2007 in accordance with the German Solvency Regulation (SolvV).
[5] Confidence level: 99.9 %, holding period: 1 year.

Interim Report June 30, 2007
DekaBank Group

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

Dear Shareholders and Investors,

The first half year of 2007 for the DekaBank Group was marked by the implementation of our strategic and organisational realignment initiative programme, which we initiated in the previous year under the motto "First Choice Deka". We are now much closer, in all divisions, to our goal of being the first choice of savings banks, *Landesbanken* and our other partners in the Savings Bank Financial Group.

For example, Asset Management Capital Markets, our largest business division, is continuing its record of success in the areas of product quality and innovation. This is clearly shown by Deka's receipt of the renowned Standard & Poor's Fund Award, which was awarded to Deka in March 2007 for being the best large investment company in 2006.

Good products are characterised by convincing performance and a comprehensive customer focus. Well thought-out innovative concepts carefully tailored to investor needs have proven themselves here, such as our new Deka-GlobalChampions and Deka-UmweltInvest equity funds, which take advantage of key investment trends in 2007.

In the Asset Management Property division, we are again ready for growth. Our open-ended property funds are showing clear performance, and positive ratings for product and management quality demonstrate that we are on the right track. We want to open up new growth areas in this division using investment products based on commercial property financing, property fund of funds concepts, and property-related investments not subject to the German Investment Act. An example is our engagement as co-arranger for financing of the "Snowmass Base Village" winter sport centre in Aspen (USA).

Our third division, Corporates & Markets, was marked by further expansion and reorganisation in 2007 aimed at completing the range of asset management services being offered. The product innovation, product supply and market maker activities of our Corporates & Markets division contribute substantially to our ability to provide complete asset-management solutions for our customers from within the DekaBank Group.

We are right on target with respect to our performance goals, even when one-time positive effects, such as proceeds from the sale of the Trianon building, are not included. Based on the increase in net cash inflow, we see further growth potential for our most important profit driver, net commission income, as increasing numbers of investors recognise the need to make their own provisions for the future using investment funds. Working together with our distribution partners, we took advantage of this trend to generate satisfying sales results in the first half of the year.

Our goal for the financial year is clear: We want to build upon our success as an asset manager serving savings banks, *Landesbanken* and our customers to become their "first choice", and will continue to concentrate our full energy on achieving this goal in the second half of the year.

Sincerely,

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

Interim Management Report

Highlights in the First Half of 2007

A significant improvement in sales performance, increased Group profit, and further strengthening of our position as the primary asset manager for the *Sparkassen-Finanzgruppe* (Savings Bank Financial Group) provided DekaBank with a satisfactory end to the first half of 2007.

Thanks to continued successful product innovation and a further improvement in performance, our funds experienced a net funds inflow of EUR 8.6 billion. The Asset Management Capital Markets division (AMK) increased its net inflow of funds by 74 per cent over the previous year, while the Asset Management Property division (AMI) returned to a growth path after successful implementation of stabilisation measures. The primary increases in the Corporates & Markets division (C&M) came from commission income from commission business and net trading income.

Net income before tax was approximately EUR 485 million in the first half of 2007, 66 per cent above the comparable value for the previous year. This includes income from the sale of the Trianon building complex in Frankfurt, which concluded our divestments of Group-owned properties. Our cost-income ratio improved from 53.4 per cent to 51.3 per cent, not including the one-time effect of the Trianon sale. DekaBank's positive development also led Moody's to increase our rating for long-term non-guaranteed obligations to Aa2.

Extensive efforts continued on our comprehensive First Choice Deka initiative programme, which was started last year. The new organisational structure approved in 2006 has now been fully implemented. Our range of products was expanded at the same time, with a focus on customer needs and an accelerated rate of innovation. Using a modernised corporate governance structure, we have already significantly improved collaboration with our distribution partners and streamlined decision-making processes in the preceding months.

Key awards, including Standard & Poor's Fund Award for the Best Large Investment Fund Company of 2006, and rating agency increases in our product ratings round off our successful performance in the first half of the year. Based on this performance, DekaBank reconfirms its goal of significantly increasing assets under management and Group profit for the full twelve months of 2007.

Strategy and Structure of the DekaBank Group

We moved a great deal closer to achieving the goals associated with the First Choice Deka initiative programme in the first half of 2007. Efforts were made in all of our divisions to strengthen and expand our position as the asset manager of first choice for savings banks, *Landesbanken* and our other partners in the *Sparkassen-Finanzgruppe*.

New Organisational Structure

The organisational restructuring that began last year with the creation of new structures in the AMK division, Savings Bank Sales and the corporate centres was concluded in the first half of 2007. As at 1 June 2007, the Group's real estate expertise was bundled in the AMI division. A newly founded company, Deka Immobilien GmbH, is responsible for property purchase and sales, real estate management, resource management and product development. AMI's two capital investment companies, WestInvest Gesellschaft für Investmentfonds mbH and Deka Immobilien Investment GmbH, will concentrate on fund management in the future. The clear allocation of duties allows even greater targeting of property related services to customer needs. The AMI division also plans to take advantage of growth potential in the area of international commercial property financing.

The lending business, capital market trading, sales, and refinancing activities were combined in the C&M division at the beginning of the financial year. C&M's three business units – Credits (loan generation through syndicated or direct foreign customer lending), the newly established Liquid Credits unit (active portfolio management of structured capital market products) and Markets (treasury, trading and sales activities) – enable it to be a partner for institutional investors, as well as a service provider for the asset management divisions.

Customer-Oriented Product Range Expansion

DekaBank has expanded the range of products offered in all of its divisions while placing a focus on customer needs and current market trends, and demonstrating its ability to achieve a high rate of innovation. Some examples from the AMK division:

- the Deka-GlobalChampions equity fund, which invests in winners of globalisation of various sizes worldwide,
- the Deka-UmweltInvest equity fund, which allows investors to participate in the return opportunities offered by renewable energies, climate protection and environmental protection,
- two property oriented funds that were established together with the AMI division, a fund of funds that links the stable performance of open-ended property funds with the attractive return opportunities of equity-based property investments, and Deka-ImmoflexGlobal, which invests in REITs worldwide,
- the Deka-DiscountStrategie fund, which invests in shares, discount certificates and derivatives, and can generate attractive returns even in stagnating or declining markets, and
- expansion of the range of target savings products with four newly launched Deka-Zielfonds target funds whose terms cover the period from 2031 to 2054, thereby allowing any desired year of expiration to be chosen (e.g. for old-age provision).

In addition, the success experienced by guarantee funds, which combine upward price potential with a guarantee of safety for the capital invested, has been continued with a series of new funds focussing on a variety of investment areas.

We have extended the range of products in the AMI division to include syndications and fund solutions for institutional investors, primarily in the *Sparkassen-Finanzgruppe*. AMI is taking part in a number of landmark property deals to develop its international property financing business. For example, DekaBank acted as co-arranger for realisation of the "Snowmass Base Village" winter sport centre in Aspen (USA) and participated in a number of major deals in the USA, Canada and Great Britain. A large part of the financing for these deals has already been replaced with institutional investors. Technical preparations have also been performed for the launch of a REIT.

The Public Infrastructure Debt/Equity Investment market segment is one of the areas where C&M is expanding its product range, allowing it to accommodate institutional investors' desires for increased weighting of this asset class for the purpose of portfolio stabilisation.

DekaBank has had its own representative office in Vienna since 2007, and more than 20 fund products were approved for distribution right from the start. The representative office serves institutional customers in Austria and Central and Eastern Europe. The banking market in these countries offers exceptional growth potential in the deposit and loan business, where great efforts are being made to achieve convergence with Western standards.

Continuous Improvement of Product Quality

Further improvements have been achieved in the performance of DekaBank Group fund products. At the end of the first half of the year, 83 per cent of our equity funds and 59 per cent of our bond funds were above their benchmarks. The Scope rating agency raised its ratings for all six of the open-ended property funds of Deka Immobilien Investment and WestInvest, with WestInvest ImmoValue and WestInvest InterSelect placing 2nd and 3rd among the total of 29 funds examined. Scope also confirmed the good quality management performed by the two companies, ranking WestInvest number one among the 14 investment fund companies examined. Bulwien/Gesa placed all the Group's open-ended property funds in the top half of 32 funds analysed. The ranking placed WestInvest's three products in positions 1 to 3.

In the Standard & Poor's Fund Awards 2007 Germany, Deka was selected as the best large German investment fund company over a one-year period. The rating agency examined all of the funds approved for distribution in Germany when making this award. Outstanding performance was not the only factor used in the evaluation, which also took into account consistency of this outperformance with respect to the funds in the comparison group. Deka-ConvergenceAktien CF (European emerging market equities category), Deka-Stiftungen Balance (global funds –

defensive), Deka-Schweiz (Swiss equities) and DekaTeam-EM Bond CF (global emerging market bonds) received separate awards.

More Transparent Structures, Faster Processes

The new corporate governance concept approved last year has proven itself. Processes and structures have become more efficient, collaboration within the bank and with our distribution partners is taking place smoothly. Changes were made to the regional savings bank fund committees at the beginning of the year to match the new sales region boundaries. These committees advise DekaBank on sales-related matters and add to the work performed by the new expert advisory boards established last year and the insurance cooperation committee. It is already clear that our decision to integrate the expert advisory committees as an advisory body for the Board of Management was correct.

Business Development and Profit Performance

General Economic Conditions

General Economic Trends

The world economy entered 2007 in good form. Central bank interest-rate increases, high commodity prices and the lack of fiscal policy stimulus had failed to interrupt the upswing. Global gross national product continued to expand at an above-average rate of approximately 5 per cent per year, with the emerging markets contributing a significant part of the growth and global economic output, just as in the previous year. Although first quarter growth declined slightly to 0.6 per cent in the OECD countries (0.8 per cent in the 4th quarter of 2006), the frequency of positive indicators mounted in the second quarter, with the US economy picking up significantly, and industrial production stabilising at a high level in Japan. In Germany, real economic output adjusted for seasonal and calendar fluctuations rose by 0.5 per cent in the first quarter, and 0.3 per cent in the second quarter. As expected, these values failed to reach those achieved in the previous year. This was due in part to an increase in the value-added tax, which dampened private-sector demand in the first months of the year, although the dampening effect was not as strong as had been initially feared. Growth stimulus, on the other hand, resulted from lively investment activity.

In June 2007, the Eurozone consumer price index was 1.9 per cent above the level in the previous year. Germany's change of 1.8 per cent for the year was not significantly different from the European average.

The European Central Bank (ECB), which made two further increases to its key interest rate, raising it from 3.5 per cent to 4.0 per cent, was being carefully monitored. These increases were in response to a inflation rate significantly above the ECB's target rate and an above-average rate of economic expansion, and were aimed at establishing a neutral interest rate level. Money market interest rates rose accordingly, which further increased the attractiveness of interest-rate products. The US Federal Reserve left its key interest rate unchanged at 5.25 per cent.

The Euro rose significantly versus the US dollar in the first six months of the year, and versus the yen, which was subject to downward pressure from "carry trades".

Capital Market Trends

Strong growth in the world economy and a significant improvement in corporate earnings caused equity markets to soar. Both the DAX and the US S&P 500 came close to reaching the record levels set in the first quarter of 2000. This price trend made direct investments in shares more attractive again. According to the *Deutsches Aktieninstitut*, the total number of direct shareholders increased by 214,000 in the first half of 2007 as compared to the previous six months. In contrast, the number of investors in equity and mixed funds dropped significantly by 515,000.

As a result, funds continued to flow out of equity funds sector-wide, reaching a value of EUR –11.1 billion. Unit redemptions also exceeded new purchases for bond funds in the first half of the year. On balance, however, the public securities funds included in the BVI statistics received a total of EUR 24.9 billion in new investment capital in the first half of 2007. The special favourites of investors were money market funds, which attracted funds inflows of EUR 27.8 billion, followed by the other securities fund category, which collected EUR 9.0 billion in new capital.

The bond market experienced a significant price correction and a corresponding increase in yields. Surprisingly positive economic data in the spring rekindled fears of inflation and led some institutional investors to reduce investments in expectation of interest rates increases over the medium term, which caused an abrupt significant weakening of bond prices. Credit spreads increased at the end of the first half of the year due to the crisis in the subprime segment of the US property market and the growing uncertainty this caused.

Property Market Trends

Global direct investment in commercial property reached a new record high in the first half of 2007. The US and Asia were the primary drivers for this development, although growth also occurred in the European market. High-end rents rose throughout Europe. The vacancy rate for high-quality office space fell due to strong demand and little new construction. The demand for logistics and retail properties remained high in the prime segment.

After the high funds outflows in the first half of 2006, investor confidence in open-ended property funds recovered significantly, leading to a funds inflow of EUR 5.1 billion for the sector. Due to their good performance, these funds were once again increasingly used as a stabilising blend for portfolios. The REIT Act (REITG) adopted in Germany in the first half of the year has also cleared the way for this form of investment in Germany.

Business Development and Profit Performance in the DekaBank Group

DekaBank's net funds inflow of EUR 8.6 billion (according to BVI) was more than three times larger than the value in the previous year (EUR 2.5 billion). Fund assets rose 9.1 per cent over the value at the end of 2006 to EUR 190.3 billion.

The volume of asset management services provided to our partners in the *Sparkassen-Finanzgruppe* was especially significant for DekaBank, equalling EUR 580 million in the first half of 2007 (previous year EUR 557 million).

DekaBank's sale of the Trianon complex concluded its divestment of Group-owned properties and increased the possibilities for further growth in its core business of asset management.

The increase in DekaBank Group profit was highly satisfactory, with net income before tax rising by EUR 193.1 million, or 66.1 per cent over the value in the previous year, to reach EUR 485.1 million. This figure includes the income from other financial investments, which in turn includes income of approximately EUR 152 million from the sale of the Trianon complex. Deducting one-time expenses relating to this transaction leaves a net contribution to profit of EUR 146 million. If this contribution to profit is not included in the calculation, profit increased by approximately 16 per cent.

Taking into account the income tax expense of EUR 88.1 million (previous year EUR 71 million) and the change of EUR –2.9 million in the after-tax revaluation reserve (previous year EUR –8.7 million), the comprehensive profit for the period after tax was EUR 394.1 million, representing an increase of 85.6 per cent over the first half of 2006 (EUR 212.3 million).

Total income was EUR 825.1 million, which was 39.2 per cent above the value in the previous year (EUR 592.9 million). The increase was 13.5 per cent if income from the Trianon sale is not included. The 12.8 per cent growth in net commission income to EUR 504.9 million (previous year EUR 447.7 million) was especially significant. Close to three-quarters of the net commission income was generated by the AMK division, and net commission income was above the value of the previous year in all three divisions.

Net interest income was EUR 80.8 million in the first half of the year, slightly above the value in the previous year (EUR 80.3 million). A significant portion of this was the net interest margin contribution paid by customers in the C&M division and from property financing in the AMI division. The retransfer of valuation allowances no longer required in connection with our active risk management led to a positive balance for provisions for risk of EUR 25.6 million (previous year EUR 5.6 million).

Net trading income (EUR 48.1 million) showed significant growth of 42.3 per cent due to success in the repo trading business and profits from equities trading. On balance, the financial income from non-trading positions was small, equalling EUR 1.9 million (previous year EUR 6.4 million). The decrease of other operating income to EUR 9.9 million (previous year EUR 17.8 million) is due in part to lower rental income.

DekaBank Group expenses (before restructuring expenses) rose 8.1 per cent from EUR 313.4 million in the previous year to EUR 338.7 million. Approximately half of the increase was due to higher personnel expenses. The increase of EUR 13 million to EUR 162.9 million resulted primarily from the higher number of positions occupied during the course of the strategic realignment. Operating expenses only increased by 4.5 per cent to EUR 149.9 million. Restructuring expenses of EUR 1.3 million were incurred during the reorganisation of the AMI division (Fig. 1).

Business Development and Profit Performance in the Asset Management Capital Markets Division

The DekaBank Group has further expanded its high-profile market position in its largest division, Asset Management Capital Markets (AMK). Net funds inflow increased by 74.1 per cent to EUR 8.4 billion (previous year EUR 4.8 billion).

For public securities funds, approximately one-third, or EUR 8.2 billion, of the total inflow of funds from the capital investment companies included in the BVI statistics (EUR 24.9 billion) is attributable to DekaBank's AMK division. Growth was primarily concentrated on money market funds, which reflected the high risk-aversion of investors. The net inflow of funds to DekaBank in this category was EUR 10.2 billion, with innovative products such as the Deka-OptiCash money market fund, Deka-Treasury International (which also invests in foreign currencies) and Deka-GeldmarktPlan (which makes advance announcements of returns capable of being attained on a monthly basis) meeting with particular interest.

We received a net funds inflow of EUR 595 million from our capital protection funds during the reporting period. The net funds inflow was approximately EUR 70 million for funds of funds, which have been included in the public securities funds category of the BVI statistics since the beginning of 2007. The outflow of funds

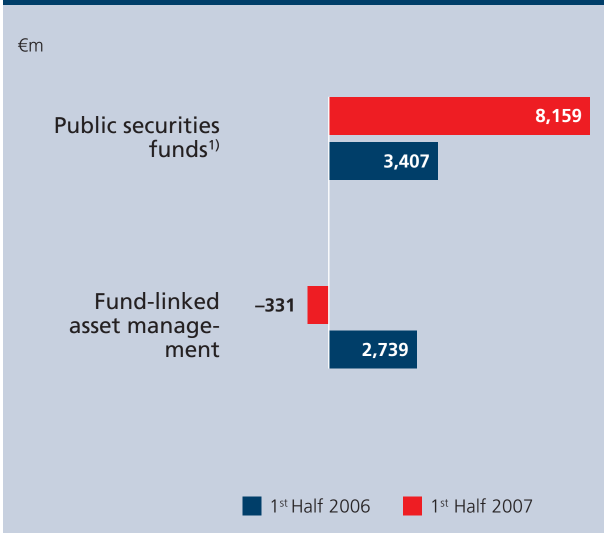
Profit Performance in the DekaBank Group (Fig. 1)

	1st Half 2007 €m	1st Half 2006 €m	Change €m	Change %
Net interest income	80.8	80.3	0.5	0.6
Risk provision	25.6	5.6	20.0	(> 300)
Net commission income	504.9	447.7	57.2	12.8
Net trading income	48.1	33.8	14.3	42.3
Financial income – non-trading	1.9	6.4	– 4.5	– 70.3
Income from other financial investments[1]	150.7	– 0.5	151.2	(> 300)
Profit or loss on the repurchase of own issues	3.2	1.8	1.4	77.8
Other operating income	9.9	17.8	– 7.9	– 44.4
Total income	**825.1**	**592.9**	**232.2**	**39.2**
Personnel expenses	162.9	149.9	13.0	8.7
Operating expenses	149.9	143.4	6.5	4.5
Depreciation and amortization	10.7	11.5	– 0.8	– 7.0
Other operating expenses	15.2	8.6	6.6	76.7
Restructuring expenses	1.3	– 12.5	13.8	110.4
Total expenses	**340.0**	**300.9**	**39.1**	**13.0**
Profit before tax	**485.1**	**292.0**	**193.1**	**66.1**
Income tax expense	88.1	71.0	17.1	24.1
Profit after tax[2]	**397.0**	**221.0**	**176.0**	**79.6**
Change in revaluation reserve after tax	– 2.9	– 8.7	5.8	66.7
Comprehensive profit for the period after tax	**394.1**	**212.3**	**181.8**	**85.6**

[1] Includes the gain or loss from companies valued at equity
[2] Before interest expenses for atypical silent capital contributions

from equity funds (EUR 2.2 billion) and bond funds (EUR 0.9 billion) largely followed the market trend, with the outflows from equity funds more than compensated by positive performance (Fig. 2).

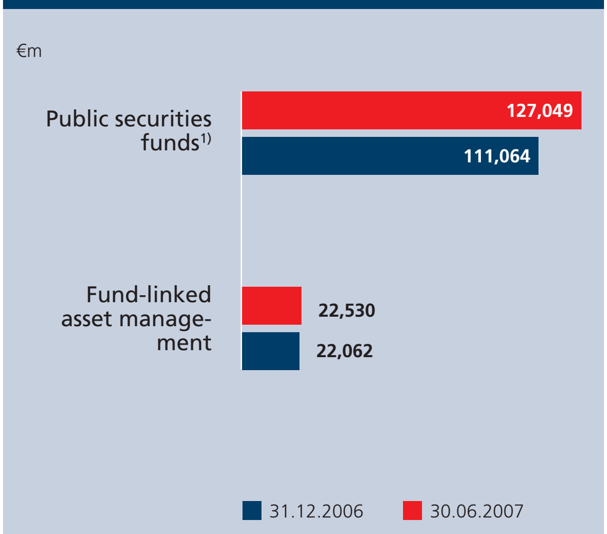
Net Funds Inflow (Fig. 2)



[1]) Includes funds of funds starting in 2007. 2006 values were adjusted appropriately to improve comparability.

As a result of good performance and improved sales performance, the fund assets of public securities funds increased by approximately 14 per cent to EUR 127 billion as at 30 June 2007. As a result, market share rose from 18.3 per cent at the end of 2006 to 19.3 per cent.

Fund Assets (Fig. 3)

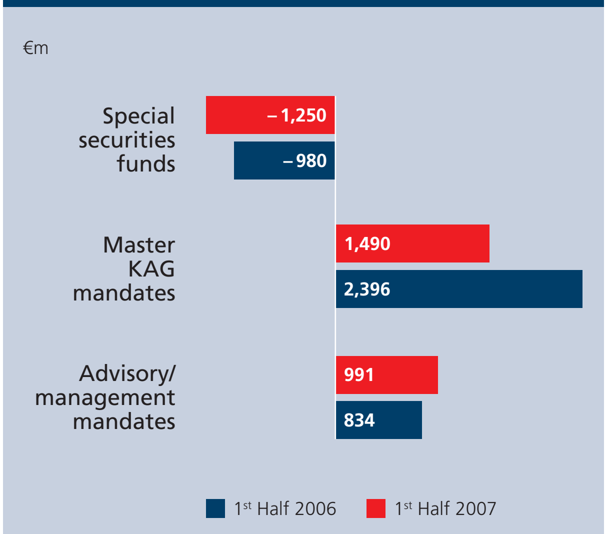


[1] Includes funds of funds starting in 2007. 2006 values were adjusted appropriately to improve comparability.

In the first half of 2007, investors withdrew approximately EUR 331 million from fund-linked products under our management. DekaBank nevertheless maintained its unchallenged market leadership in this segment, with EUR 22.5 billion in assets under management in the Ṡ DynamikDepot, Schweiz PrivatPortfolio and Swiss Vermögensmanagement products as at 30 June 2007 (Fig. 3).

High sales of Master KAG (capital investment company) mandates (EUR 1,490 million) and advisory/management mandates (EUR 991 million) in the first half of 2007 more than compensated for the net outflow of funds from special securities funds (EUR 1,250 million). A portion of the outflows remained within the DekaBank Group through transfers to Master KAG mandates and advisory/management mandates (Fig. 4).

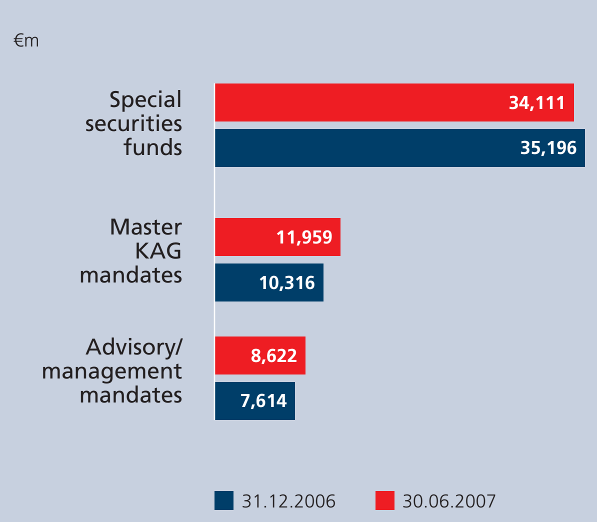
Net Funds Inflow (Fig. 4)



The fund assets of special securities funds were EUR 34.1 billion as at 30 June 2007, representing a slight decrease of 3 per cent over the first six months of 2007. In contrast, Master KAG mandates increased by 16 per cent to approximately EUR 12 billion, and advisory and management mandates rose by 13 per cent in the same period to reach their current value of EUR 8.6 billion (Fig. 5).

Successful sales and good performance by public securities funds have had a positive effect on the profit performance of the AMK division. In addition, the price structure adjustment had an effect at the average market level. The contribution to profit from this division increased by

Fund assets (Fig. 5)



16.6 per cent over the first half of 2006 from EUR 153.9 million to EUR 179.4 million before tax. Income increased by EUR 35.6 million to EUR 379.6 million. Higher portfolio commissions were received due to the increase in average fund assets over the year. Fees related to fund-linked asset management services also increased significantly.

The AMK division had total expenses of EUR 200.2 million (previous year EUR 190.1 million). As in the previous year, by far the greatest portion of these were administrative expenses, which rose by 5.4 per cent to EUR 193.7 million. Part of this moderate increase was due to expenses for IT system upgrades, and the increase in activities for our sales partners (Fig. 6).

Business Development and Profit Performance in the Asset Management Property Division

There was a total net funds inflow of EUR 194 million to public property funds in the first half of 2007. This represents an increase of approximately EUR 2.5 billion versus the same period in the previous year, indicating that the stabilisation measures implemented in the previous year were extremely successful. Although the strong demand for our property funds could have led to considerably higher sales performance, in view of the relatively high liquidity levels in the funds and high prices on international property markets, we applied strict quotas on sales of fund units in coordination with our sales partners. Sales were only permitted for certain products and for strictly limited volumes. There was consistent improvement of up to 1.5 percentage points in the annual performance of all DekaBank Group public property funds as at 30 June 2007. The best year-on-year performance was provided by Deka-ImmobilienGlobal, which increased in value by 5.3 per cent.

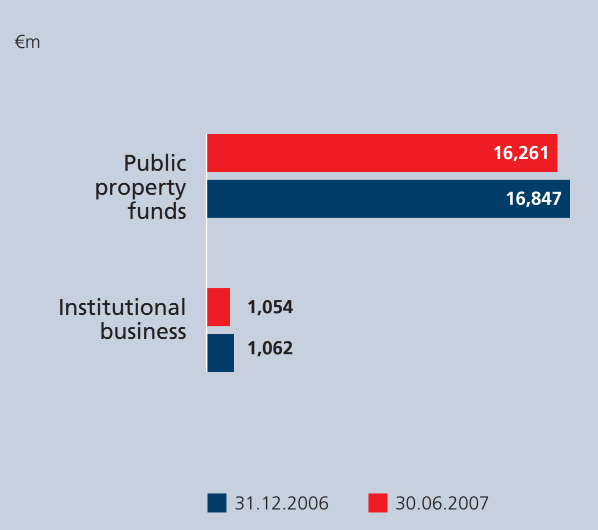
In spite of the positive net inflow of funds, the fund assets of both of our capital investment companies decreased by a total of EUR 0.6 billion to EUR 16.3 billion due to fund distributions in January 2007. We nevertheless retained our market leadership position by a large margin, with a market share of 20.1 per cent at the middle of the year (Fig. 7).

Deka Immobilien Investment and WestInvest made approximately EUR 2 billion in purchases and sales in the first half of the year.

Asset Management Capital Markets (Fig. 6)

	1st Half 2007 €m	1st Half 2006 €m	Change €m	Change %
Net commission income	377.1	345.5	31.6	9.1
Other income	2.5	–1.5	4.0	266.7
Total income	**379.6**	**344.0**	**35.6**	**10.3**
Administrative expenses	193.7	183.7	10.0	5.4
Other operating expenses	6.5	6.4	0.1	1.6
Total expenses	**200.2**	**190.1**	**10.1**	**5.3**
Net income before tax	**179.4**	**153.9**	**25.5**	**16.6**

Fund assets (Fig. 7)



Special funds and individual property funds in the institutional business had fund assets of approximately EUR 1 billion, the same as the level at the end of 2006.

The Property Finance unit invested approximately EUR 1 billion in approximately 20 transactions, primarily in the US, Canada and Great Britain. A loan portfolio of more than EUR 650 million is currently in syndication with institutional investors. Finally, sales volume was just under EUR 200 million in the first half year.

Profit performance in the AMI division in the first half of 2007 was greatly affected by the income generated from the sale of the Trianon complex. After deducting related expenses, the transaction contributed approximately EUR 146 million to the total interim profit of EUR 189.4 million for the division. The comparative value of EUR –41.6 million for the previous year was mainly affected by reductions in profit resulting from the stabilisation of Deka-ImmobilienFonds.

The negative net interest income of EUR –12.3 million was due to refinancing costs for property owned by the Group until 30 June 2007, and for the Group's own holdings of Deka-ImmobilienFonds units. The interest income from the property financing business included in the net interest income was not large enough to compensate for this negative effect. The retransfer of property financing valuation allowances led to a positive balance of EUR 20.4 million for provisions for risk (previous year EUR 8.7 million). The conclusion of the stabilisation measures for Deka-ImmobilienFonds in the previous year and the associated termination of the fee waiver caused net commission income to rise 32.2 per cent to EUR 71 million (previous year 53.7 million). The financial income – non-trading item of EUR 13 million was primarily the result of positive performance by the fund units held by the Group that more than compensated for refinancing costs. On balance, these fund units provided a contribution to profit of EUR 1.6 million. The income from other financial investments primarily included income from the sale of the Trianon complex.

Expenses (before restructuring expenses) rose 12.4 per cent to EUR 58.8 million. The administrative expenses of EUR 51 million were slightly lower than the value for the same period in 2006 (EUR 51.8 million). Other operating expenses rose significantly from EUR 0.5 million to EUR 7.8 million, mainly due to one-time effects related to the sale of the Trianon complex (Fig. 8).

Business Development and Profit Performance in the Corporates & Markets Division

The first half of 2007 in the C&M division was marked by the reduction of cluster risks and individual exposures at the borrower level. Establishment of the Liquid Credits unit also allowed diversification and the increased fungibility of the loan portfolio. C&M was able to participate in a continuous flow of good deals in the special financing area in particular. In addition, an initial portfolio sale of financial institution assets was prepared during the course of developing the buy-and-manage approach, and has since been concluded.

In the Corporate Banking segment, we profited in the Credits unit from high market momentum in project and infrastructure financing, among other things. DekaBank was able to expand its volume despite strong competition, particularly in the area of energy project financing. It was also possible to realise a significant increase in volume while maintaining a good level of income in structured and corporate loans. The development of new business in the area of special financing for transport and trade was highly satisfactory. New lending increased particularly in the air transport, commodity and foreign-trade market segments, due to the good conditions in these markets. In spite of weakening in some ship markets, the volume of new selectively chosen ship financing transactions remained at the high level of the comparative period in 2006. The focus in public financing continued to be on savings bank refinancing. Other activities involved preparations for the market introduction of structured products for savings banks and public institutions.

Activities in the Liquid Credits unit of the Corporate Banking segment were affected by progressively narrowing and consequently unsatisfactory loan margins for related structured loan products in the first half of the year. After taking the risk-return profile into account, the decision was therefore made to deviate from planned volume targets. Investments were then made primarily in widely diversified indexes with an emphasis on the highest rating classes, high-quality underlyings and European markets. Investment in capital guaranteed loan products was also increased in expectation of increasing credit spreads.

DekaBank has no direct exposure in the subprime market. Only approximately 2.5 per cent of the EUR 2.2 billion ABS portfolio has a small portion of underlyings indirectly connected to the subprime segment through AAA rated tranches. The entire ABS portfolio is valued at fair value in profit or loss. All fluctuations in value resulting from marking to market are therefore immediately reflected in the income statement.

In the Capital Markets segment, which corresponds to the Markets business unit, DekaBank continued its strategy of ensuring the greatest possible flexibility in trading activities with constant monitoring of risks, while at the same time maintaining business partners with good creditworthiness and a moderate volume of open trading positions. One of the areas of attention was further expansion of the repo/lending business within short-term interest rate and liquidity management.

Net commission income recorded a significant increase in the C&M division, primarily due to higher commission business income resulting from the positive market trend in the first half of the year. Net interest income was adversely affected by the long-term build-up of liquidity and a reduction in the expansion of capital market lending activities due to changes in capital markets.

The strategic expansion of the division showed itself primarily in an increase in expenses. A large number of new employees were hired in order to streng-

Asset Management Property (Fig. 8)

	1st Half 2007 €m	1st Half 2006 €m	Change €m	Change %
Net interest income	– 12.3	– 36.0	23.7	65.8
Risk provision	20.4	8.7	11.7	134.5
Net commission income	71.0	53.7	17.3	32.2
Financial income – non-trading	13.0	– 41.4	54.4	131.4
Income from other financial investments	152.1	0.0	152.1	n/a
Other operating income	5.3	13.2	– 7.9	– 59.8
Total income	**249.5**	**– 1.8**	**251.3**	**(> 300)**
Administrative expenses	51.0	51.8	– 0.8	– 1.5
Other operating expenses	7.8	0.5	7.3	(> 300)
Restructuring expenses	1.3	– 12.5	13.8	110.4
Total expenses	**60.1**	**39.8**	**20.3**	**51.0**
Net income before tax	**189.4**	**– 41.6**	**231.0**	**(> 300)**

then our presence in attractive market segments.

The Corporate Banking segment earned a small net income before tax of EUR 0.1 million (previous year EUR 35.2 million) in the first six months of 2007. The positive contribution to profit of EUR 25.1 million from the Credits unit was offset by a negative contribution of EUR –25 million from the Liquid Credits unit. On the whole, this decrease is primarily due to the change in financial income from non-trading positions in the Liquid Credits unit, which essentially reflected the conservative valuation of dynamic capital protection strategies during this period.

Net interest income before provisions for risk increased by 6.1 per cent to EUR 45.3 million, primarily due to the continued good level of new business in the structured & leveraged financing and transport & trade financing segments. The significant growth in net commission income by EUR 2.3 million to EUR 6.6 million is also attributable to the development in these core segments.

Administrative expenses rose 34.3 per cent over the value in the previous year (EUR 14.3 million) to EUR 19.2 million, as a result of selective expansion of capacity and strategic realignment of the division focusing on the Liquid Credits unit (Fig. 9).

The Capital Markets segment achieved a profit of EUR 81.3 million (previous year EUR 134.6 million). As expected, the reduction in strategic interest risk positions and higher refinancing costs led to a decrease in net interest income of approximately 65 per cent. In contrast, net commission income of EUR 50.3 million was earned, exceeding the value of the previous year (EUR 41 million) by 22.7 per cent. The increase was due in part to successful commission business in the money market trading, foreign exchange trading, and equity areas, where market volatility led to higher transaction volumes. Net trading income increased significantly by 42.3 per cent to EUR 48.1 million due to successful trading in the repo/lending business and in equities and foreign currency. Net financial income from non-trading positions was balanced for the current financial year (previous year EUR 33 million). This was primarily due to book profit from strategic interest rate risk position, which led to a decrease in profit during the current financial year, but was offset by positive profit performance from the equity risk position.

Other income, which amounted to EUR 3.1 million (previous year EUR 0.5 million), was affected by the increase in the gain or loss on the repurchase of own issues item. Expenses rose from EUR 35.6 million to EUR 42.1 million in connection with the realignment of the division (Fig. 10).

Corporate Banking (Fig. 9)

	1st Half 2007	1st Half 2006	Change	
	€m	€m	€m	%
Net interest income	45.3	42.7	2.6	6.1
Risk provision	5.2	–3.1	8.3	267.7
Net commission income	6.6	4.3	2.3	53.5
Financial income – non-trading	–37.6	5.5	–43.1	(< –300)
Income from other financial investments	–0.2	0.1	–0.3	–300.0
Total income	**19.3**	**49.5**	**–30.2**	**–61.0**
Administrative expenses	19.2	14.3	4.9	34.3
Total expenses	**19.2**	**14.3**	**4.9**	**34.3**
Net income before tax	**0.1**	**35.2**	**–35.1**	**–99.7**

Net Worth and Financial Position

Changes in Balance Sheet Items

The total assets of the DekaBank Group fell by EUR 4.9 billion, or 4.7 per cent as compared to the 2006 balance sheet date, to EUR 100 billion as at 30 June 2007. Amounts due from banks and customers represented approximately 66 per cent of this amount (EUR 66.1 billion). As was the case at the end of 2006, the decrease in financial assets measured at fair value by 2 per cent decrease to approximately EUR 32 billion is mainly due to a smaller volume of bonds and debt securities. The sale of the Trianon complex resulted in a EUR 0.4 billion drop in property and equipment. EUR 49.6 billion, or close to half of the total equity and liabilities, represented amounts due to banks and customers. Compared to the value as at 31 December 2006, this is a decrease of approximately 13 per cent or EUR 7.5 billion, primarily due to a declining volume of term deposits. Securitised liabilities dropped according to plan by a further EUR 1.6 billion to EUR 30.7 billion. In contrast, financial liabilities measured at fair value rose by approximately EUR 4 billion to approximately EUR 13 billion. Equity increased by EUR 0.3 billion to the current value of EUR 3.3 billion, primarily due to the profit generated in the reporting period.

Change in Regulatory Capital

Capital adequacy was first determined on 30 June 2007 in accordance with the German Solvency Regulation (SolvV). In addition to risk assets and market risk positions, amounts for operational risks set out in the SolvV and additional capital requirements based on the transition rule in § 339 of the SolvV were also taken into account when determining capital adequacy. Under the transition rule, the capital requirement specified in the SolvV equals 95 per cent of the amount that would need to be maintained under Principle I. The regulatory capital requirements were consistently adhered to at both the bank and Group level in the first half of 2007. DekaBank's liquidity ratio was between 1.5 and 1.3 in the first half of the year, remaining above the minimum requirement of 1.0 at all times. The new German Liquidity Regulation (LiqV) was applied for the first time as at 30 June 2007 (Fig. 11).

Employees

The DekaBank Group had 3,429 employees as at 30 June 2007, of which 55 were trainees. This represents a slight decline of less than 1 per cent from the number at the end of 2006. When the average for the half year is calculated, the number of employees remained nearly unchanged at 3,303, including 2,680 full-time employees. The average number of positions occupied increased by approximately 1.6 per cent to 3,078. The average age of our employees increased by 1 per cent to 38.8 years.

Capital Markets (Fig. 10)

	1st Half 2007	1st Half 2006	Change	
	€m	€m	€m	%
Net interest income	21.9	61.9	–40.0	–64.6
Net commission income	50.3	41.0	9.3	22.7
Net trading income	48.1	33.8	14.3	42.3
Financial income – non-trading	0.0	33.0	–33.0	–100.0
Other income	3.1	0.5	2.6	(> 300)
Total income	**123.4**	**170.2**	**–46.8**	**–27.5**
Administrative expenses	42.0	35.2	6.8	19.3
Other operating expenses	0.1	0.4	–0.3	–75.0
Total expenses	**42.1**	**35.6**	**6.5**	**18.3**
Net income before tax	**81.3**	**134.6**	**–53.3**	**–39.6**

Forecast Report

Expected General Economic Conditions

Developments in the first half of 2007 demonstrated that the globalised world economy can easily handle higher interest rates and increased commodity prices. The turmoil in lending markets at the middle of the year resulted primarily from an excessive lack of caution when granting loans during a period of extremely low interest rates and, in some cases, inexperience in dealing with securitisation instruments recently developed in loan markets. Although higher interest rates can be expected to lead to an economic dampening effect in some market segments, this will remain within moderate limits. The world economy will continue on a growth path. The value-added tax increase in Germany reduced private-sector consumption less than expected. The growth in the labour market will be one of the primary factors behind the growth in the second half of the year. Based on the assumption that export and investment activity will continue to provide support to the economy, companies will create a further significant number of new jobs in the next quarters.

In view of the strong growth in the world economy, financial markets will focus intensely on the question of which real interest rates lead to stable inflation. As long as higher interest rates do not cause an excessive slow-down in growth, the danger of inflation remains high and activities on bond markets must be undertaken with care. After the turmoil in lending markets, however, the former prospects of further significant increases in key interest rates have diminished, especially in the Eurozone. After a period of observation, the ECB's cycle of interest-rate increases will soon be concluded. By contrast, we see a slight improvement in the inflationary environment in the US. Key interest rate increases should no longer be expected there. On the contrary, the next interest-rate changes will move the rate downward to an economically neutral level, which we currently believe is in the area of 4.75 per cent for Fed Funds.

Capital market uncertainty due to the subprime crisis in the US property market at the start of the second half of the year resulted in high volatility in nearly all financial market segments. We expect this to lead to a moderate slow-down, not a sharp downturn in the economy. Accordingly, we feel that equity prices will have good fundamental support on the downside until the end of 2007 and beyond. The global growth trend remains intact, and company balance sheets are solid. The increased volatility could, however, remain with financial markets for some time yet. We are facing a

Breakdown of equity[1] (Fig. 11)

	30.06.2007 €m	31.12.2006 €m	Change %
Core capital	2,116	2,110	0.3
Supplementary capital	1,643	1,625	1.1
Liable capital	**3,724**	**3,699**	**0.7**
Capital and reserves	**3,724**	**3,699**	**0.7**
Risk-weighted assets	20,950	26,176	–20.0
Market-risk positions (unweighted)	352	513	–31.4
Operational risks (unweighted)	180	–	
Additional capital requirements based on transitional rule	246	–	
	%	%	% points
Core capital ratio	**9.1**	**8.1**	**1.0**
Total capital ratio	**12.1**	**11.4**	**0.7**
Total capital ratio before application of transitional rule	**13.5**	**–**	**–**

[1] Calculated in accordance with the German Banking Act (KWG) and German Solvency Regulation (SolvV)

period of normalisation of the extremely low risk premiums present in recent years. There have been significant increases in spreads over government bonds in lending markets in particular, which are also unlikely to decrease greatly in the near future. Since the market turmoil in the summer, some liquidity shortfalls have occurred due to the marked increase in risk aversion among market participants. It is established practice for central banks to safeguard the operation of money markets by an rapid infusion of liquidity. However, the adjustment process leading to a fundamentally stronger pricing of market risks will not take place by itself entirely without friction. Market participants will act more cautiously than before in this environment, and overweight their exposures in tranches with first class ratings. We therefore believe that the prices of high-interest bonds will be under pressure for the long term. All in all, we feel that financial institutions and major market participants are sufficiently robust to preclude any systemic danger to the financial system as a whole.

In summary, economic indicators remain good for most of the commercial property markets in 2007. We therefore believe that rents will continue to grow in the next quarters. The vacancy rate will continue to fall in almost all markets. In view of the nervousness that has affected capital markets since the middle of the year, we expect a significant increase in returns on property and increased margins in property financing.

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Expected Business Development and Profit Performance

In view of the satisfactory results in the first half of the year, DekaBank continues to maintain its goal of increasing Group profit over the full twelve months of financial years 2007 and 2008 based on greater market penetration, an increased share of customer spending, and first class product quality.

The increase in assets under management remains the primary value driver in the AMK division. Based on this, we expect AMK to achieve higher net commission income than it did in all of 2006. In the AMI division, the completion of restructuring and bundling of core functions, as well as improved market access in the second quarter have already put in place the requirements for a significant increase in earnings. The C&M division will profit from efficient organisation and processes after the realignment and, as a full-service provider for the asset management divisions, will contribute to the desired long-term growth in Group earnings.

In terms of expenses, we expect an increase in operating expenses compared to the level in the first half of the year. We anticipate, for example, higher expenses for IT technical infrastructure expansion and new product development. In addition, the sale of the Trianon complex, in which DekaBank's headquarters are located, results in greater space rental costs, which are offset by lower capital commitment costs. We also expect higher distribution expenses, as we plan to implement targeted measures aimed at further increasing our market penetration in order to strengthen our future earning power.

Due to our active cost management, we continue to expect only a moderate increase in the total level of expenses throughout the Group in the full twelve months of 2007 and 2008. We will flexibly manage investments required for growth during that time based on the new alignment of our business model, taking into account business and market developments.

The *Sparkassen-Finanzgruppe* is planning to establish a pool consisting of DekaBank and the *Landesbanken* in order to secure short-term refinancing of approximately EUR 17.3 billion for the Ormond Quay conduit serviced by Sachsen LB. DekaBank plans to provide a back-up line of credit for a maximum of EUR 6 billion for this liquidity pool, under the condition that the guarantor's liability for all obligations of the Sachsen LB Group arising from the Ormond Quay structure are covered by the grandfathered statutory guarantee *(Gewährträgerhaftung)* under the grandfathering provisions agreed upon with the EU Commission.

Asset Management Capital Markets Division (AMK)

The AMK division is well positioned to continue its profitable growth from the first half of 2007. Unlike 2006, we expect an increase in the profit contributed by the division for the full twelve months of 2007.

Sales performance will be further increased with regard to both private clients and institutional investors. Sales incentives will be increased using a competitive price model for this purpose. Particular attention will also be focused on further improving security fund performance and ratings, especially since this has a positive effect on net funds inflow. We also expect intensified product development efforts to contribute significantly to growth. As in the first half of the year, new funds and structured investment products tailored to the needs of the investing public will be introduced onto the market. AMK's activities will be broadened and additional growth momentum generated by expanding our presence in attractive foreign markets.

Risks exposures exist with respect to further developments on international securities markets and changes in retail and institutional customer sales.

Asset Management Property Division (AMI)

After making a solid turnaround and a strong contribution to Group profit in the first half of 2007, we expect the AMI business division to earn a significantly positive net income before tax by the end of financial year 2007, even when the Trianon sale is not taken into account.

Completion of the realignment, which significantly increased organisational effectiveness throughout the division, has laid the foundation for our growth offensive. We will build upon this foundation to further expand our outstanding market position in both of our property asset management areas (debt and equity investments).

Our plans include the introduction of further innovative product solutions in the second half of 2007 to meet the high demand for property-related investment products. Great progress has also been made in the technical preparations for the launch of a REIT. It is now time to develop a suitable property portfolio for this vehicle.

The supply shortage in the property market, the usual income risks of capital investment companies relating to changes in assets under management and transaction volumes, and the development of the market environment for property financing still represent significant risks to the development of this division.

Corporates & Markets Division (C&M)

The bundling of lending operations, capital market trading and sales, and refinancing activities in this newly formed division greatly increased organisational and process efficiency. In its capacity as a full-service provider for the asset management divisions, C&M will continue to contribute to Group earnings for the full twelve months of 2007. Extensive investments in the strategic expansion of the division will also continue.

Our Credits unit will continue to provide tailor-made products to meet a growing demand for special financing. Due to the market situation and the consequent withdrawal of a number of market participants, improved loan margins can be expected for new business. Additional transactions are planned to realign the portfolio during the course of the strategic alignment. With regard to the Liquid Credits unit, we expect the focus in our market environment to move to high-quality assets, and stronger diversification among lending segments and regions, accompanied by a shortening of the average loan term. Combined with a significant widening of credit spreads, this represents a challenge offering attractive investment opportunities for banks with a conservative risk policy and sufficient liquidity. In the Markets unit, the product range will be further expanded in accordance with customer needs. The focus will be on the expansion of repo/lending business within short-term interest rate and liquidity management with the goal of strengthening the interaction with traditional short-term business. We also plan to win new customers by expanding our commission business.

Risks exposures exist with regard to changes in spreads and volatility in the loan and capital markets. We will continue our growth strategy with due care and attention, given the uncertainty that has settled in the securitisation market.

Risk Report

Principles and Organisation of Risk Management and Controlling

Professional management and timely monitoring of all risks are integral parts of overall bank governance. Only in this way can the DekaBank Group control the assumption of new risks related to its business strategy and analyse risks as a whole in relation to the risk capital available and the required rate of return. These functions are achieved using a risk system that can identify risks at an early stage and limit them according to the Group's risk-bearing capacity.

The risk report focuses on a presentation of the Group's risk-bearing capacity and the types of risks that can have a significant effect on profits.

Please refer to the information provided in our 2006 Annual Report for a detailed description of the organisation of the risk management and controlling system, as well as definitions and quantification methods for the specific types of risk. No significant changes have been made with respect to the information provided there.

Risk-Bearing Capacity

Analysis of Risk-Bearing Capacity

The analysis of risk-bearing capacity is an important part of overall bank controlling at the DekaBank Group. It is used to establish the extent to which risks can be assumed.

In the course of analysing risk-bearing capacity, all significant types of risk affecting income are combined into a value-at-risk figure for a one-year holding period. The individual risks are added – without taking correlation into account – to produce a consolidated risk measure that we calculate at 99.9 per cent and 99.97 per cent confidence levels. With a probability of failure of at most 3 basis points, we allow ourselves to be guided by the most cautious perspective prevailing on the market.

The consolidated risk is compared to the risk coverage capital and, based on this comparison, the upper loss limit is defined for the assumption of all risks arising from normal business activities. DekaBank also distinguishes between primary and secondary risk coverage capital in accordance with the legal status of the capital provider. While the use of primary coverage capital only affects DekaBank shareholders, the use of secondary coverage capital also affects silent partners, holders of profit-sharing rights and subordinated creditors of DekaBank.

Risk Quantification

No changes have been made with respect to the detailed information provided on risk quantification in the Risk Report of 31 December 2006.

Market price risks are included in the analysis of risk-bearing capacity using the value-at-risk and scenario matrix methods. The value-at-risk figures are calculated for all linear risks for the entire Group using the variance-covariance method. These figures are calculated daily for all risk categories and portfolios and compared to existing trading book and treasury limits. The calculations are based on volatilities and correlations determined from historical market price changes. The scenario matrix method is used to take account of the non-linear risks associated with options. DekaBank only enters into option positions to a small extent.

Default risks are monitored using both daily limit monitoring at the level of the individual borrower and a monthly portfolio analysis based on value-at-risk. The portfolio analysis is performed using a credit portfolio model based on a Credit Metrics approach.

In addition to default risks in the narrow sense, risks of changes in creditworthiness in the form of rating migrations are also taken into account. The probability distribution for credit-risk-driven changes in the portfolio's value is generated using a Monte Carlo simulation.

Operational risks are quantified using decentralised self assessment, Group-wide collection of loss event data, and scenario analysis. From the data generated by these methods, DekaBank determines the operational risk using an internal value-at-risk model based on a loss distribution approach.

Other risks: The shareholding and property risk position is calculated using the last market value established for each investment or property. The volatility of historical equity market returns is used to measure the risk of shareholdings, while property risk is measured based on the volatility of relative changes in commercial property values. Property fund risk is measured based on the volatilities of historical relative value changes for the properties in the portfolio underlying the fund. Data on value changes is collected separately according to location and type of use and weighted using the corresponding property values. This provides the aggregate volatility of the changes in value of the property portfolio.

Business risks are calculated in the asset management area using scenarios to simulate decreases in key performance parameters, such as fund assets under management, management fees and the share of total assets under management represented by each fund category. The scenario analyses are performed separately for the Asset Management Capital Markets and Asset Management Property divisions. For the Corporates & Markets division, business risk is fixed in accordance with the customary benchmarks for apportioning risk used in the sector.

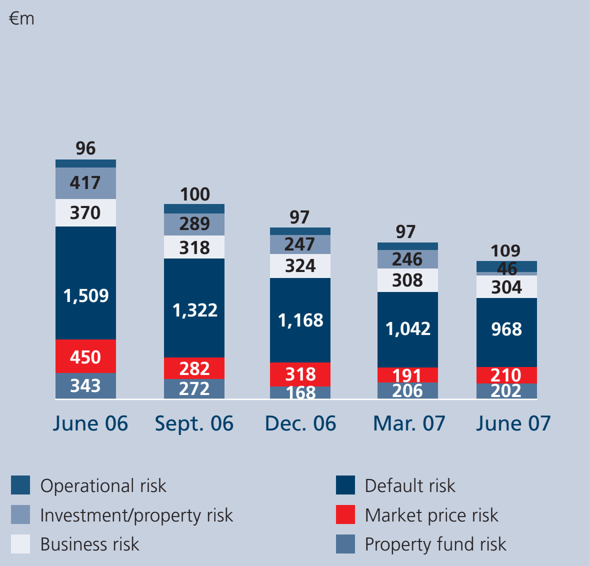
Current Risk Situation

Consolidated Risk

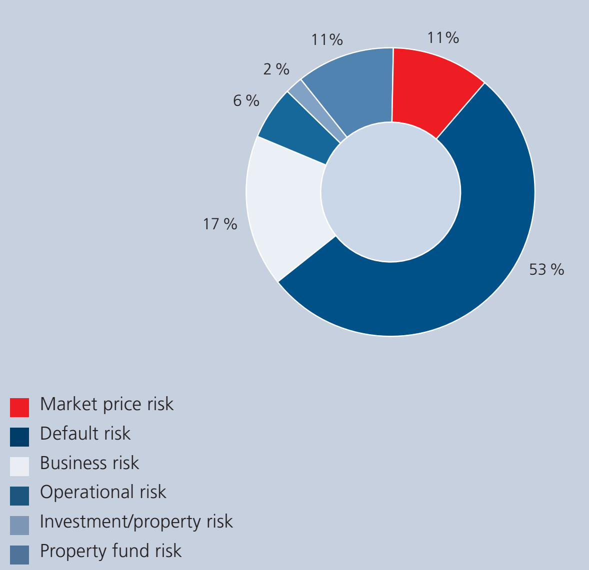
Consolidated risk decreased by EUR 483 million during the first half of 2007 to EUR 1,839 million as at 30 June 2007 (1-year risk horizon, 99.9 per cent confidence level). The decrease is primarily due to reductions of approximately EUR 200 million in both investment/property risk and default risk. Market price risk also decreased by EUR 108 million (Fig. 12 and 13).

The utilisation of aggregate risk-bearing capacity as at 30 June 2007 amounted to 35 per cent, which is 9.1 percentage points below the value at the end of 2006. Due to the significant reduction in investment and property risk, the proportion of consolidated risk represented by other types of risk rose slightly. There were no large structural movements other than this. With a 53 per cent share of the consolidated risk, default risk continues to represent the dominant risk at DekaBank.

Consolidated Risk During the Year (Fig. 12)



Consolidated Risk by Risk Type (Fig. 13)



Market Price Risks

As at the 30 June 2007 reporting date, with a holding period of ten days, 61 per cent of the consolidated market price risk was attributable to the risk of interest rate changes. A further 36 per cent was attributable to equity price risk, and the remaining 3 per cent to currency risk (Fig. 14).

Interest Rate Risks

The consolidated interest rate risk rose by EUR 8.67 million compared to the value at the end of 2006 to EUR 18.9 million as at 30 June 2007. This rise is due to the increase of risk positions with a simultaneous increase in volatilities. Approximately 88 per cent of the value-at-risk was attributable to euro positions (82 per cent as at 31 December 2006). The interest rate risk fluctuated between EUR 9.54 million and EUR 20.47 million during the reporting period.

Equity Price Risk

Equity price risks were largely the result of exposures in special funds and start-up financing. These risks decreased by EUR 11.10 million compared to the end of 2006 to EUR 11.01 million. Due to the rising prices and volatilities during the reporting period, equity exposure was greatly reduced by the expansion of hedging positions. Approximately 40 per cent of the consolidated equity risk (73 per cent as at 31 December 2006) related to risks in the Eurozone. Equity risk fluctuated within a range of EUR 5.92 million to EUR 23.25 million during the reporting period.

Currency Risks

Currency risk primarily involved positions in US dollars and Swiss francs. It remained at a very low level between EUR 0.49 million and EUR 1.88 million during the first half of 2007, to end at EUR 0.82 million as at 30 June 2007 as compared to a value of EUR 0.51 million at the end of 2006

Default Risks

Total loan volume was EUR 109.8 billion as at 30 June 2007 (EUR 112.5 billion as at 31 December 2006). At the middle of 2007, the two largest segments, Financial Institutions (EUR 72.4 billion) and Public-Sector Financing (EUR 12.1 billion), represented approximately 77 per cent of the total loan volume (Fig. 15 and 18).

The net loan volume remaining after accounting for risk reductions such as guarantor liability, amounts due from federal, state and municipal governments, and personal and impersonal security was EUR 43.7 billion (EUR 46.6 billion as at 31 December 2006) (Fig. 16).

With these risk reductions taken into account, the Financial Institutions risk segment represented EUR 24.2 billion, or approximately 55 per cent of the net loan volume (Fig. 17 and 18).

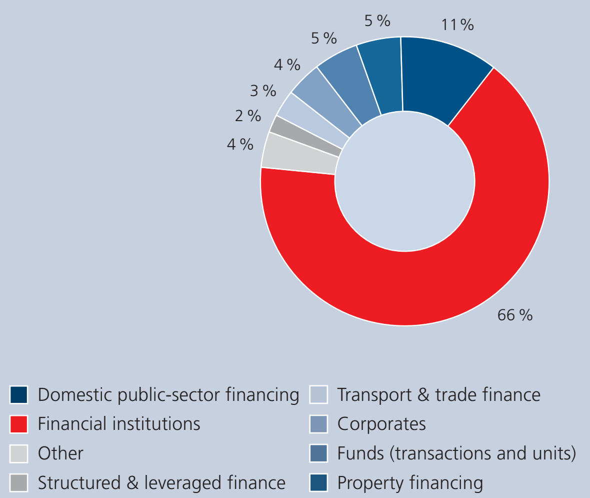
The average rating of the gross loan volume during the reporting period was A (PD 7 basis points) on the DSGV rating scale and was conse-

Value-at-Risk for Market Price Risks in the DekaBank Group[1] (Fig. 14)

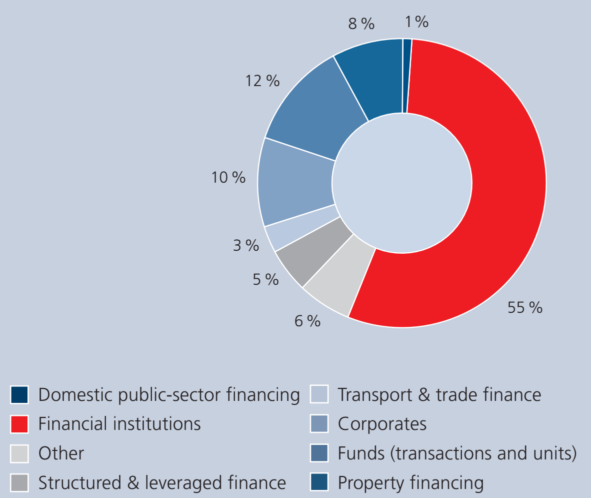
	Holding-period in days	Midyear-– year-end 2007 €m	Average 1st Half 2007 €m	Min./Max. 1st Half 2007 €m	Year-end 2006 €m	Average 2nd Half 2006 €m	Min./Max. 2nd Half 2006 €m
Interest rate risk							
Trading	1	1.19	1.21	0.50 / 2.29	0.88	1.36	0.79 / 2.99
Treasury	10	15.54	12.74	8.26 / 16.95	8.94	16.60	8.94 / 31.94
Consolidated	10	18.90	15.83	9.54 / 20.47	10.23	18.46	9.16 / 36.71
Equity price risk							
Trading	1	1.61	0.99	0.43 / 2.82	0.65	1.29	0.65 / 1.65
Treasury	10	9.51	9.10	5.58 / 21.78	20.71	14.41	9.24 / 21.93
Consolidated	10	11.01	10.25	5.92 / 23.25	22.11	17.25	11.82 / 25.81
Currency risk							
Trading	1	0.08	0.14	0.05 / 0.28	0.06	0.15	0.04 / 0.39
Treasury	10	0.66	0.76	0.28 / 1.54	0.63	1.06	0.61 / 1.68
Consolidated	10	0.82	1.06	0.49 / 1.88	0.51	1.11	0.40 / 2.29

[1] All value-at-risk figures were calculated based on a parameterisation for determining internal risk (95 per cent confidence level).

Gross Loan Volume (Fig. 15)



Net Loan Volume (Fig. 17)



quently unchanged compared to the end of 2006. The average rating of the net loan volume was similarly unchanged at A– (PD 10 basis points). In total, 70 per cent of the net loan volume had a rating better than A– (72 per cent as at 31 December 2006). This is essentially attributable to the good ratings in the Financial Institutions and Public-Sector Financing risk segments. While approximately 40 per cent of the gross loan volume had a remaining term of less than 1 year, approximately 5 per cent had a remaining term greater than 10 years. The gross loan volume had an average remaining term of 3.4 years.

With EUR 90.0 billion in the Eurozone, the gross loan volume was essentially concentrated in the countries of this region. Of this amount, EUR 70.4 billion, or 78 per cent, was attributable to Germany and EUR 6.3 billion, or 7 per cent, to France. The share of the gross loan volume attributable to European countries outside the Eurozone remained nearly constant during the reporting period at 12 per cent, representing lendings of EUR 13.5 billion at the end of 2006 and EUR 12.9 billion at the middle of 2007.

The credit value-at-risk (1-year risk horizon, 99.9 per cent confidence level) fluctuated between EUR 0.95 billion and EUR 1.11 billion during the first half of 2007. As at 30 June 2007, the credit value-at-risk was equal to EUR 0.97 billion, representing a drop

Gross/Net Loan Volume Reconciliation (Fig. 16)

	€bn
Gross loan volume	**109.8**
Guarantor liability	27.9
Due from federal, state and municipal governments	9.2
Netting of reverse repos	10.0
Personal and impersonal security	5.9
Asset backed securities	4.5
Netting in borrowing/round tripping transactions	6.7
Netting of financial futures transactions	1.7
Other risk reductions	0.2
Net loan volume	**43.7**

of more than 17 per cent compared to the end of 2006 (EUR 1.17 billion). The decrease mainly resulted from a reduced concentration in the banking sector as well as a reduction in the overall exposure.

EUR 167 million in provisions for risk were reported in the Group as at the 30 June 2007 balance sheet date (EUR 201 million as at 31 December 2006). Of this value, EUR 80 million was attributable to specific valuation allowances (EUR 107 million as at 31 December 2006), EUR 19 million to portfolio valuation allowances for country risks (EUR 20 million as at 31 December 2006), EUR 51 million to portfolio valuation allowances for creditworthiness risks (EUR 53 million as at 31 December 2006), and EUR 17 million to provisions for creditworthiness risks in off-balance-sheet lending (EUR 21 million as at 31 December 2006). The changes in the volume of problem loans is presented in Figure 19.

Land charges have been used as collateral for problem exposures in the Property Financing risk segment, and aircraft mortgages and guarantees in the Transport & Trade Finance segment.

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Operational Risks

The consolidated operational risk determined each month on the basis of the value-at-risk (1-year risk horizon, 99.9 per cent confidence level) rose to EUR 109 million since the end of 2006, fluctuating during that period within a range of EUR 97 million and EUR 109 million. This increase is attributable to the rise in the actual underlying loss amounts. The data was based on loss event data from external affili-

Risk Segments (Fig. 18)

	Gross loan volume €m	Net loan volume €m	Thereof gross volume of loans value adjustments €m	Fair Value collateral €m	Thereof net volume of loans with individual value adjustments €m	Individual value adjustments provisions[1] €m
Financial Institutions	72,384	24,180	-	-	-	-
Corporates	4,703	4,333	1	0	1	1
Public finance	1,918	1,723	-	-	-	-
Domestic public-sector financing	12,113	611	-	-	-	-
Public infra-structure finance	297	160	-	-	-	-
Transport & trade finance	3,327	1,254	129	88	41	39
Structured & leveraged finance	1,996	1,943	3	2	1	1
Property financing[2]	6,003	3,522	74	25	49	53
Retail portfolio	1,935	776	-	-	-	-
Funds (transactions and units)	5,060	5,060	-	-	-	-
Investments	97	97	-	-	-	3
Total	**109,831**	**43,659**	**207**	**115**	**92**	**97**

[1] Provisions for risk shown on the balance sheet exceed the net exposure because specific provisions were formed.
[2] Units and transactions with property funds and financing for municipal construction projects have also been allocated to the Property Financing risk segment.

ated loss event consortia and internally collected loss event data. The number of loss events during the reporting period was 29, exactly the same as the level in the second half of 2006, while the resulting total loss increased by just under 10 per cent to EUR 1.1 million.

Other Risks

The shareholding and property risk fell by more than 80 per cent in the first half of 2007 to EUR 46 million. While the shareholding risk was almost unchanged, the sale of the Trianon complex led to a significant reduction in property risk, and a corresponding loss of significance for property risk to the DekaBank Group. The rise in property fund risk by just under 20 per cent to EUR 202 million is primarily due to the purchase of units in property funds predominantly from outside the Group as start-up financing for a property fund of funds. At the same time, however, the property fund risk from the Group's own holdings of Deka-ImmobilienFonds units fell further during the reporting period as a result of unit redemption, reaching EUR 140 million at the end of the first half of the year.

Business risk decreased by EUR 20 million to EUR 304 million compared to the end of 2006. This reduction was mainly attributable to the Corporates & Markets division and is consistent with the change in consolidated risk. The business risk resulting from the scenarios for the Asset Management Capital Markets and Asset Management Property divisions remained essentially unchanged.

Trends in Individual Valuation Allowances (Fig. 19)

	30.06.2007	31.12.2006	31.12.2005
	€m	€m	€m
Problem gross loan volume	207	267	456
Collateral at fair value	115	147	232
Problem net loan volume	92	120	224
Individual valuation allowances and provisions[1]	97	128	214

[1] Risk provisions shown on the balance sheet exceed the net exposure because specific provisions were formed.

Interim Financial Statements

Statement of Comprehensive Income

for the period from 1 January to 30 June 2007

DekaBank Group					
	Notes	1st Half 2007 €m	1st Half 2006 €m	Change €m	Change %
Interest income		1,778.6	1,937.6	– 159.0	– 8.2
Interest expenses		1,697.8	1,857.3	– 159.5	– 8.6
Net interest income	[5]	**80.8**	**80.3**	**0.5**	**0.6**
Provisions for loan losses	[6]	**25.6**	**5.6**	**20.0**	**(>300)**
Net interest income after provisions for loan losses		**106.4**	**85.9**	**20.5**	**23.9**
Commission income		1,291.8	1,294.0	– 2.2	– 0.2
Commission expenses		786.9	846.3	– 59.4	– 7.0
Net commission income	[7]	**504.9**	**447.7**	**57.2**	**12.8**
Trading profit or loss	[8]	**48.1**	**33.8**	**14.3**	**42.3**
Profit or loss on financial instruments designated at fair value	[9]	**– 4.4**	**2.3**	**– 6.7**	**– 291.3**
Profit or loss on fair value hedges under IAS 39		**6.3**	**4.1**	**2.2**	**53.7**
Profit or loss on financial investments	[10]	**– 1.4**	**– 0.5**	**– 0.9**	**– 180.0**
Administrative expenses	[11]	**323.5**	**304.8**	**18.7**	**6.1**
Other operating income	[12]	**148.7**	**23.5**	**125.2**	**(>300)**
Net income for the period before tax		**485.1**	**292.0**	**193.1**	**66.1**
Income taxes	[13]	88.1	71.0	17.1	24.1
Interest expenses for atypical silent capital contributions		**16.3**	**9.4**	**6.9**	**73.4**
Net income for the period (before minority interest)		**380.7**	**211.6**	**169.1**	**79.9**
Minority interests		**0.0**	**0.0**	**0.0**	**n/a**
Net income		**380.7**	**211.6**	**169.1**	**79.9**
Profit or loss on available-for-sale financial instruments recognised directly in equity		– 4.0	– 13.7	9.7	70.8
Profit or loss on available-for-sale financial instruments reclassified to net income		– 0.1	1.6	– 1.7	– 106.3
Profit or loss on available-for-sale financial instruments		**– 4.1**	**– 12.1**	**8.0**	**66.1**
Change in deferred taxes recognised directly in equity		**1.2**	**3.4**	**– 2.2**	**– 64.7**
Currency translation adjustments		**– 0.9**	**– 0.2**	**– 0.7**	**(<–300)**
Other comprehensive income		**– 3.8**	**– 8.9**	**5.1**	**57.3**
Total comprehensive income		**376.9**	**202.7**	**174.2**	**85.9**

Consolidated Balance Sheet

as at 30 June 2007

Assets

	Notes	30.06.2007 €m	31.12.2006 €m	Change €m	%
Cash reserves		**237.9**	**256.3**	**–18.4**	**–7.2**
Due from banks	[14]	**48,272.7**	**46,424.3**	**1,848.4**	**4.0**
(net after provisions for loan losses in the amount of)		(1.1)	(1.1)	0.0	0.0
Due from customers	[15]	**17,832.1**	**22,263.1**	**–4,431.0**	**–19.9**
(net after provisions for loan losses in the amount of)		(148.8)	(179.0)	–30.2	–16.9
Financial assets at fair value	[17]	**31,994.7**	**32,669.3**	**–674.6**	**–2.1**
(of which deposited as collateral)		(8,234.0)	(7,070.4)	1,163.6	16.5
Positive market values from derivative hedging instruments		**59.4**	**71.0**	**–11.6**	**–16.3**
Financial investments	[18]	**972.3**	**2,046.6**	**–1,074.3**	**–52.5**
Intangible assets	[19]	**136.3**	**136.4**	**–0.1**	**–0.1**
Property, plant and equipment	[20]	**36.5**	**487.0**	**–450.5**	**–92.5**
Income tax assets		**235.8**	**261.3**	**–25.5**	**–9.8**
Other assets		**257.5**	**312.8**	**–55.3**	**–17.7**
Total assets		**100,035.2**	**104,928.1**	**–4,892.9**	**–4.7**

Liabilities

	Notes	30.06.2007 €m	31.12.2006 €m	Change €m	%
Due to banks	[21]	**22,746.6**	**31,137.6**	**–8,391.0**	**–26.9**
Due to customers	[22]	**26,832.9**	**25,983.9**	**849.0**	**3.3**
Securitised liabilities	[23]	**30,690.5**	**32,339.2**	**–1,648.7**	**–5.1**
Financial liabilities at fair value	[24]	**12,979.9**	**8,996.5**	**3,983.4**	**44.3**
Negative market values from derivative hedging instruments		**173.0**	**88.5**	**84.5**	**95.5**
Provisions	[25]	**450.7**	**469.9**	**–19.2**	**–4.1**
Income tax liabilities		**176.1**	**173.9**	**2.2**	**1.3**
Other liabilities		**689.8**	**732.9**	**–43.1**	**–5.9**
Subordinated capital	[26]	**1,970.5**	**2,029.1**	**–58.6**	**–2.9**
Atypical silent capital contributions		**52.6**	**52.3**	**0.3**	**0.6**
Equity	[27]	**3,272.6**	**2,924.3**	**348.3**	**11.9**
a) Subscribed capital		286.3	286.3	0.0	0.0
b) Capital reserves		190.3	190.3	0.0	0.0
c) Retained earnings		1,845.1	1,845.1	0.0	0.0
d) Fund for general banking risks		570.3	570.3	0.0	0.0
e) Revaluation reserve		–0.3	2.6	–2.9	–111.5
f) Currency translation reserve		–0.5	0.4	–0.9	–225.0
g) Unappropriated profit/loss		380.7	28.6	352.1	(>300)
h) Minority interest		0.7	0.7	0.0	0.0
Total liabilities		**100,035.2**	**104,928.1**	**–4,892.9**	**–4.7**

Statement of Changes in Equity
for the period from 1 January 2006 to 30 June 2007

DekaBank Group	Paid-in equity	
	Subscribed capital	Capital reserves
	€m	€m
Balance as at 31.12.2005	**286.3**	**190.3**
Net income		
Currency translation adjustments		
Profit or loss on available-for-sale financial instruments recognised directly in equity		
Profit or loss on available-for-sale financial instruments reclassified to net income		
Changes in deferred taxes recognised directly in equity		
Other comprehenisve income		
Total comprehensive income	–	–
Changes in the scope of consolidation and other changes		
Distribution		
Balance as at 30.06.2006	**286.3**	**190.3**
Net income		
Currency translation adjustments		
Profit or loss on available-for-sale financial instruments recognised directly in equity		
Profit or loss on available-for-sale financial instruments reclassified to net income		
Changes in deferred taxes recognised directly in equity		
Other comprehenisve income		
Total comprehensive income	–	–
Changes in the scope of consolidation and other changes		
Allocation to retained earnings		
Balance as at 31.12.2006	**286.3**	**190.3**
Net income		
Currency translation adjustments		
Profit or loss on available-for-sale financial instruments recognised directly in equity		
Profit or loss on available-for-sale financial instruments reclassified to net income		
Changes in deferred taxes recognised directly in equity		
Other comprehenisve income		
Total comprehensive income	–	–
Distribution		
Balance as at 30.06.2007	**286.3**	**190.3**

Retained earnings	Group equity generated: Net income	Fund for general banking risks	Other comprehensive income: Revaluation reserve	Currency translation reserve	Total before minority interest	Minority interest	Equity
€m	€m	€m	€m	€m	€m	€m	€m
1,545.2	28.6	570.3	12.4	1.6	2,634.7	0.7	2,635.4
	211.6				211.6	–	211.6
				– 0.2			
			– 13.7				
			1.6				
			3.4				
			– 8.7	– 0.2	– 8.9	–	– 8.9
–	211.6	–	– 8.7	– 0.2	202.7	–	202.7
– 0.2					– 0.2	–	– 0.2
	– 28.6				– 28.6	–	– 28.6
1,545.0	211.6	570.3	3.7	1.4	2,808.6	0.7	2,809.3
	117.0				117.0	–	117.0
				– 1.0			
			– 1.4				
			– 0.4				
			0.7				
			– 1.1	– 1.0	– 2.1	–	– 2.1
–	117.0	–	– 1.1	– 1.0	114.9	–	114.9
0.1					0.1	–	0.1
300.0	– 300.0				–	–	–
1,845.1	28.6	570.3	2.6	0.4	2,923.6	0.7	2,924.3
	380.7				380.7	–	380.7
				– 0.9			
			– 4.0				
			– 0.1				
			1.2				
			– 2.9	– 0.9	– 3.8	–	– 3.8
–	380.7	–	– 2.9	– 0.9	376.9	–	376.9
	– 28.6				– 28.6	–	– 28.6
1,845.1	380.7	570.3	– 0.3	– 0.5	3,271.9	0.7	3,272.6

Cash Flow Statement

for the period from 1 January to 30 June 2007

DekaBank Group		
	1st Half 2007 €m	1st Half 2006 €m
Cash and cash equivalents at beginning of period	**256.3**	**441.2**
Net cash from operating activities	– 555.9	– 210.0
Net cash from investment activities	2.9	14.5
Net cash from financing activities	– 76.5	– 145.2
Effects from changes in the scope of consolidation	611.1	0.0
Cash and cash equivalents at end of period	**237.9**	**100.5**

The definitions of the individual cash-flow components correspond to those in the 2006 annual financial statements. Changes in the scope of consolidation in the first half of 2007 are discussed in Note [4]. The cash inflows reported in this regard result primarily from the sale of a subsidiary used to hold the Trianon complex.

Notes

Notes

Segment Reporting

[1] Segmentation according to Business Division

	Asset Management Capital Markets		Asset Management Property	
	1st Half 2007 €m	1st Half 2006 €m	1st Half 2007 €m	1st Half 2006 €m
Net interest income	– 24.3	– 13.2	– 12.3	– 36.0
Risk provision	–	–	20.4	8.7
Net commission income	377.1	345.5	71.0	53.7
Net trading income	–	–	–	–
Financial income – non-trading	26.4	9.4	13.0	– 41.4
Income from other financial investments	– 1.2	1.3	152.1	–
Income from the repurchase of own issues	–	–	–	–
Other operating income	1.6	1.0	5.3	13.2
Total income	**379.6**	**344.0**	**249.5**	**–1.8**
Administrative expenses (incl. depreciation)	193.7	183.7	51.0	51.8
Other operating expenses	6.5	6.4	7.8	0.5
Restructuring expenses	–	–	1.3	–12.5
Total expenses	**200.2**	**190.1**	**60.1**	**39.8**
Net income before tax	**179.4**	**153.9**	**189.4**	**– 41.6**
Cost-income ratio[2] in %	0.53	0.55	0.26[3]	0.74[3]

[1] Due to lack of economic significance, no cost-income ratio has been indicated for the Corporate Centre/Other segment.
[2] Restructuring expenses and risk provisions not included in the calculation of the cost-income ratio.
[3] Cost-income ratio adjusted to eliminate the special effects from the Deka-ImmobilienFonds restructuring.

The segment report is based on internal management accounting by business division. Responsibility for property financing was transferred to the Asset Management Property division at the start of the year, and this area was reported in the Corporate Banking segment in the annual financial statements of 31 December 2006. In addition, since the start of the year, the contributions to profit from start-up financing for investment funds have no longer been assigned to the Capital Markets segment, but rather to the Asset Management Capital Markets or Asset Management Property segment, depending on which has business responsibility. No other changes in organisational or division structure took place in the first half of 2007. The data for the comparative period have been adjusted accordingly.

The report covers the Asset Management Capital Markets and Asset Management Property segments, as well as the segments combined in the Corporates & Markets division, namely Corporate Banking and Capital Markets. The segments were formed so as to take into account the homogeneous reward/risk structure of the activities included in

Corporates & Markets				Corporate Center/ Other[1)]		Group	
Corporate Banking		Capital Markets					
1st Half 2007 €m	1st Half 2006 €m	1st Half 2007 €m	1st Half 2006 €m	1st Half 2007 €m	1st Half 2006 €m	1st Half 2007 €m	1st Half 2006 €m
45.3	42.7	21.9	61.9	50.2	24.9	80.8	80.3
5.2	– 3.1	–	–	–	–	25.6	5.6
6.6	4.3	50.3	41.0	– 0.1	3.2	504.9	447.7
–	–	48.1	33.8	–	–	48.1	33.8
– 37.6	5.5	0.0	33.0	0.1	– 0.1	1.9	6.4
– 0.2	0.1	0.0	–1.9	–	–	150.7	– 0.5
–	–	3.2	1.8	–	–	3.2	1.8
0.0	–	– 0.1	0.6	3.1	3.0	9.9	17.8
19.3	**49.5**	**123.4**	**170.2**	**53.3**	**31.0**	**825.1**	**592.9**
19.2	14.3	42.0	35.2	17.6	19.8	323.5	304.8
–	–	0.1	0.4	0.8	1.3	15.2	8.6
–	–	–	–	–	–	1.3	– 12.5
19.2	**14.3**	**42.1**	**35.6**	**18.4**	**21.1**	**340.0**	**300.9**
0.1	**35.2**	**81.3**	**134.6**	**34.9**	**9.9**	**485.1**	**292.0**
1.36	0.27	0.34	0.21	–	–	0.42	0.53

each segment. With the exception of property financing, therefore, business activities that are subject to default risk are reported in the Corporate Banking segment. The Capital Markets segment comprises all activities aimed at exploiting market and valuation differences for the benefit of the DekaBank Group. This segment also includes activities for steering existing on-balance-sheet and off-balance-sheet risks and ensuring liquidity, as well as sales activities and the commission business.

In addition consolidation entries that cross segment boundaries, the Corporate Centres/Other segment continues to report profit contributions that cannot be clearly assigned to any other segment. These mainly relate to Corporate Centre overhead costs and the imputed cost of equity capital.

No further changes were made to the method used to assign income and expenses to each segment.

General Information

[2] Basis of Presentation

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

The interim report was prepared in accordance with § 37y of the German Securities Trading Act (WpHG) in combination with § 37w of the WpHG in the version contained in the Transparency Directive Implementing Act (TUG), with particular attention given to the requirements of IAS 34-Interim Financial Reporting.

[3] Accounting Policies

The interim report is based on the same accounting policies as the 2006 annual financial statements. As required under IAS 34, the accounting recognition of a transaction is based on an independent evaluation as at the current balance sheet date, not in anticipation of the annual financial statements. This interim report was reviewed by our annual auditor, and should be read in conjunction with the audited 2006 consolidated financial statements. The risk disclosures required under IFRS 7 are primarily provided in the risk report of the interim group management report.

As a rule, income and expenses are recognised in the period to which they are economically attributable. Items allocable evenly over a number of periods were anticipated or deferred on a pro rata temporis basis.

All accounting estimates and evaluations required under IFRS are performed in accordance with the applicable accounting standard using the best estimate; they are revalued on an ongoing basis and are based on expected values and other factors, including expectations of future events that appear reasonable under the given circumstances on the balance sheet date. All adjustments necessary for a suitable presentation of the net worth, financial position and results of operations in connection with an interim report have been made in the financial statements at hand.

DekaBank applies the fair value option for those financial assets and liabilities that are managed as a unit in the documented risk management strategy of the bank. Both risk and performance are determined based on fair values and reported to the Board of Management. The fair value option is also used in order to avoid accounting mismatches and/or bifurcation for structured instruments.

Utilising the fair value option results in this case in harmonisation of economic management and presentation of the net worth, financial position and results of operation. In this connection, starting in 2007, the profit or loss from derivatives in the non-trading portfolio is reported in the statement of comprehensive income as profit or loss on financial instruments designated at fair value, and not, as was the case previously, as trading profit or loss. This change results in a more readily understandable presentation of the profit components, since derivatives in the non-trading portfolio are to be viewed in direct connection with the financial instruments designated at fair value. The comparative figures have been adjusted accordingly.

Deferred taxes were determined by the companies consolidated with DekaBank for tax purposes using the tax rates applicable for the 2007 financial year. In accordance with IAS 12.47, the corporate income and trade tax rates adopted by the German Business Tax Reform Act (UntStRefG) of 2008 have not yet been taken into account.

Two reporting changes have been made to make the statement of comprehensive income more concise. Starting in the 2007 financial year, the "profit or loss from repurchasing issued debt instruments" item is reported in "other operating income" and the "net income from investments accounted for using the equity method" is reported in "profit or loss on financial investments". Similarly, investments in companies valued at equity are not reported separately in the consolidated balance sheet, and are instead shown under "financial investments" on the balance sheet as of 2007.

IFRIC 10-Interim Financial Reporting and Impairment, which was adopted by the European Union in 2007, will be applied for the first time in the current financial year. This interpretation clarifies that those impairments of goodwill and equity instruments included in an interim report to which the IAS 36 or IAS 39 prohibition on the reversal of impairment losses applies may not be reversed in financial statements for subsequent periods.

[4] Changes in the Scope of Consolidation

A total of 8 German subsidiaries (11 as of 31 December 2006) and 7 foreign subsidiaries (7 as of 31 December 2006) were included in the DekaBank Group scope of consolidation as at 30 June 2007 in addition to the parent company DekaBank. DekaBank directly or indirectly holds more than 50 per cent of the voting rights in these companies. The scope of consolidation also includes 10 special funds (10 as at 31 December 2006) whose investors are exclusively companies within the DekaBank Group and which are to be consolidated according to IAS 27 in combination with SIC-12.

The companies Geschäftshaus am Gendarmenmarkt GmbH, Bürohaus Mainzer Landstraße 16 GmbH & Co. KG, and GMS Gebäudemanagement und Service GmbH were sold during the reporting period.

15 subsidiaries (13 as at 31 December 2006) in which DekaBank directly or indirectly holds an interest were not included, as they are not material to the presentation of the net worth, financial position and results of operations of the Group. The holdings in these companies are disclosed under financial investments.

Notes to the Statement of Comprehensive Income

[5] Net Interest Income

In addition to interest income and expenses, this item also includes time prorated amortisation of agios and disagios from financial instruments. Only the net interest income from financial instruments held for trading and the associated refinancing expenses are reported in trading profit or loss. Based on the classification in IAS 32 of silent capital contributions as debt, payments to typical silent partners are recorded as interest expenses.

	1st Half 2007	1st Half 2006	Change
	€m	€m	€m
Interest income from			
loan and money market transactions	1,241.3	1,177.0	64.3
interest rate derivatives (economic hedges)	133.6	158.4	– 24.8
fixed-income securities and debt register claims	370.2	487.8	– 117.6
hedging derivatives (hedge accounting)	11.5	51.9	– 40.4
Current income from			
shares and other non fixed-income securities	18.9	60.0	– 41.1
equity investments	2.1	1.4	0.7
shares in affiliated companies	–	–	–
Income from leasing activities	1.0	1.1	– 0.1
Total interest income	**1,778.6**	**1,937.6**	**– 159.0**
Interest expenses for			
liabilities	886.9	943.9	– 57.0
interest rate derivatives (economic hedges)	112.8	222.9	– 110.1
hedging derivatives (hedge accounting)	5.2	4.8	0.4
securitised liabilities	631.6	624.6	7.0
subordinated capital	29.3	29.1	0.2
typical silent capital contributions	32.0	32.0	–
Total interest expenses	**1,697.8**	**1,857.3**	**– 159.5**
Net interest income	**80.8**	**80.3**	**0.5**

[6] Provisions for Loan Losses

The provisions for loan losses in the statement of comprehensive income consist of the following:

	1st Half 2007	1st Half 2006	Change
	€m	€m	€m
Allocation to risk provisions	– 1.5	– 15.2	13.7
Direct write-off of receivables	– 1.2	–	– 1.2
Reversals of risk provisions	28.1	20.3	7.8
Payments received on written-off receivables	0.2	0.5	– 0.3
Provisions for loan losses	**25.6**	**5.6**	**20.0**

[7] Net Commission Income

	1st Half 2007 €m	1st Half 2006 €m	Change €m
Commission income from			
investment fund business	1,182.3	1,203.6	– 21.3
securities business	71.1	62.4	8.7
lending business	11.1	7.2	3.9
other	27.3	20.8	6.5
Total commission income	**1,291.8**	**1,294.0**	**– 2.2**
Commission expenses for			
investment fund business	773.9	835.0	– 61.1
securities business	10.5	9.4	1.1
lending business	1.4	1.1	0.3
other	1.1	0.8	0.3
Total commission expenses	**786.9**	**846.3**	**– 59.4**
Net commission income	**504.9**	**447.7**	**57.2**

[8] Trading Profit or Loss

Trading profit or loss comprises gains on disposal, book profit, and commissions from financial instruments in the held for trading sub-category. As a rule, book profit is determined based on market prices. If no market prices are available, market values are calculated based on current market data using standard valuation methods. Interest income from derivative and non-derivative financial instruments held for trading is also reported here together with the associated refinancing expenses. The profit or loss from currency translation of foreign currency items is also shown as trading profit or loss.

	1st Half 2007 €m	1st Half 2006 €m	Change €m
Sale/valuation profit or loss on equity price sensitive products	– 0.6	9.1	– 9.7
Sale/valuation profit or loss on interest-rate sensitive products	– 15.0	9.6	– 24.6
Foreign exchange profit or loss (trading)	– 1.1	4.6	– 5.7
Net interest income and current income from trading transactions	202.2	68.8	133.4
Refinancing expenses	– 136.3	– 57.0	– 79.3
Commissions on trading transactions	– 1.1	– 1.3	0.2
Total	**48.1**	**33.8**	**14.3**

[9] Profit or Loss on Financial Instruments Designated at Fair Value

In addition to gains on disposal, book profit and currency profit, the profit or loss on financial instruments in the designated at fair value sub-category item also includes book profit on derivatives in the non-trading portfolio.

	1st Half 2007 €m	1st Half 2006 €m	Change €m
Net income from sale	–36.7	–11.6	–25.1
Valuation result	32.7	15.4	17.3
Foreign exchange profit or loss	–0.4	–1.5	1.1
Total	**–4.4**	**2.3**	**–6.7**

As a rule, book profits are calculated using market prices. If no market prices are available, market values are calculated based on current market data using standard valuation methods.

[10] Profit or Loss on Financial Investments

Profit or loss on financial investments includes book profits induced by disposal or creditworthiness changes of available-for-sale securities, equity investments and shares in non-consolidated companies, as well as the gain or loss on companies valued at equity.

	1st Half 2007 €m	1st Half 2006 €m	Change €m
Net income from sale of			
available-for-sale securities	–	0.6	–0.6
equity investments	–	0.5	–0.5
shares in affiliated companies	0.1	–1.9	2.0
Net income from sale of financial investments	**0.1**	**–0.8**	**0.9**
Impairment charges on available-for-sale securities	**0.2**	**0.5**	**–0.3**
Net income from investments accounted for using the equity method	**–1.3**	**0.8**	**–2.1**
Total	**–1.4**	**–0.5**	**–0.9**

[11] Administrative Expenses

	1st Half 2007	1st Half 2006	Change
	€m	€m	€m
Personnel expenses	162.9	149.9	13.0
Other administrative expenses	149.9	143.4	6.5
Depreciation of intangible assets and of property, plant and equipment	10.7	11.5	– 0.8
Total	**323.5**	**304.8**	**18.7**

[12] Other Operating Profit

Other operating profit is broken down as follows:

	1st Half 2007	1st Half 2006	Change
	€m	€m	€m
Profit or loss from restructuring	– 1.3	12.5	– 13.8
Profit or loss on the repurchase of own issues	3.2	1.8	1.4
Other operating income	162.0	17.8	144.2
Other operating expenses	15.2	8.6	6.6
Total	**148.7**	**23.5**	**125.2**

The other operating income primarily results from the sale of the Trianon complex in Frankfurt am Main as at 30 June 2007 (Note [20]).

[13] Income Taxes

DekaBank's tax treatment as an atypical silent partnership and the corporate income and trade tax rates in effect for 2007 result in a tax rate of 32.42 per cent to be used by the companies consolidated with DekaBank for tax purposes to calculate deferred taxes. Under the German Business Tax Reform Act (UntStRefG) of 2008, the corporate tax rate will fall from 25 per cent to 15 per cent and the base trade income tax rate will be reduced from 5 per cent to 3.5 per cent. On the other hand, trade tax will no longer be deductible as an operating expense. This results in a new combined tax rate of 26.21 per cent to be used by the companies consolidated with DekaBank for tax purposes to calculate deferred taxes.

Since the German *Bundesrat* only gave its approval to the Business Tax Reform Act on 6 July 2007, which follows the closing date of this report, as permitted under IAS 12.47, we have continued to apply the old tax rate of 32.42 per cent to calculate deferred taxes. Use of the new tax rate would have increased the tax expense due to adjustment of deferred tax assets and liabilities at the beginning of the financial year and reduced the deferred tax expense for the current financial year. The result of these opposing effects would have been to increase deferred taxes and, consequently, the total tax expense by EUR 19.2 million.

Notes to the Consolidated Balance Sheet

[14] Due from Banks

	30.06.2007 €m	31.12.2006 €m	Change €m
Domestic banks	36,838.2	38,749.0	– 1,910.8
Foreign banks	11,435.6	7,676.4	3,759.2
Due from banks before risk provisions	**48,273.8**	**46,425.4**	**1,848.4**
Provisions for loan losses	– 1.1	– 1.1	–
Total	**48,272.7**	**46,424.3**	**1,848.4**

[15] Due from Customers

	30.06.2007 €m	31.12.2006 €m	Change €m
Domestic customers	11,684.3	14,146.7	– 2,462.4
Foreign customers	6,296.6	8,295.4	– 1,998.8
Due from customers before risk provisions	**17,980.9**	**22,442.1**	**– 4,461.2**
Provisions for loan losses	– 148.8	– 179.0	30.2
Total	**17,832.1**	**22,263.1**	**– 4,431.0**

[16] Risk Provisions

Default risk in the lending business is accounted for by forming specific and portfolio valuation allowances, and by forming provisions for off-balance-sheet obligations. The portfolio valuation allowances for creditworthiness risk reflect assumptions concerning impairments in the loan portfolio that have already occurred as at the balance sheet date but have not yet become known. Transfer risk is accounted for by forming portfolio valuation allowances for country risk.

	30.06.2007 €m	31.12.2006 €m	Change €m
Risk provision for amounts due from banks			
Portfolio valuation allowances for credit risks	1.1	1.1	–
Risk provision for amounts due from customers			
Specific valuation allowances	80.0	106.7	– 26.7
Portfolio valuation allowances for country risks	18.9	20.0	– 1.1
Portfolio valuation allowances for credit risks	49.9	52.3	– 2.4
Total	**149.9**	**180.1**	**– 30.2**

Risk provision ratios:

	30.06.2007 %	31.12.2006 %
Reversals/additions ratio as at the reporting date (ratio of net additions to loan volume)	0.05	–
Default rate as at the reporting date (ratio of loan defaults to loan volume)	0.01	0.10
Average default rate (ratio of average loan defaults over a 5-year period to loan volume)	0.10	0.10
Net provisioning ratio as at the reporting date (ratio of risk provisions to loan volume)	0.32	0.35

The above ratios were calculated based on loan volume of EUR 49.9 billion (EUR 54.5 billion as at 31 December 2006).

Provisions for risk by customer group:

	Valuation allowances and provisions[1] in the lending business		Loan defaults[2]	Net additions[3]/ reversals of valuation allowances and provisions in the lending business
	30.06.2007 €m	31.12.2006 €m	2007 €m	2007 €m
Customers[4]				
Transportation	50.0	60.3	5.5	3.5
Construction	40.9	53.0	1.2	12.1
Other companies/ private households	35.6	37.4	–	1.3
Services	16.2	23.2	−0.1	7.0
Trading	10.7	10.5	–	−0.2
Metal production/ machine construction	5.8	8.0	–	2.4
Utilities (energy and water)	3.7	3.4	–	−0.3
Telecommunications	2.5	3.0	–	0.6
Financial institutions/ insurance	0.7	1.0	–	0.3
Public sector	0.1	0.1	–	–
Customer total	**166.2**	**199.9**	**6.6**	**26.7**
Banks	**1.1**	**1.1**	**–**	**−0.1**
Total	**167.3**	**201.0**	**6.6**	**26.6**

[1] Deductible and non-deductible loan provisions
[2] Payments received on written-off receivables are shown as negative in the column
[3] Negative in the column
[4] Industry classification according to economic criteria

Further disclosures relating to default risk that are required under IFRS 7 are provided in the risk report of the interim management report.

[17] Financial Assets at Fair Value

In addition to securities and receivables in the held for trading and designated at fair value categories, financial assets at fair value also include positive market values from derivative financial instruments in the trading portfolio and from economic hedges that do not satisfy the hedge accounting requirements of IAS 39.

	30.06.2007 €m	31.12.2006 €m	Change €m
Trading (held for trading)			
Promissory note loans	–	2.7	– 2.7
Bonds and debt securities	7,965.6	6,971.5	994.1
Shares	584.1	527.5	56.6
Investment fund units	275.5	289.9	– 14.4
Other non fixed-income securities	18.9	17.4	1.5
Positive fair values from derivative financial instruments	2,436.5	820.9	1,615.6
Other trading assets	3.7	–	3.7
Total trading (held for trading)	**11,284.3**	**8,629.9**	**2,654.4**
Designated at fair value			
Promissory note loans	151.9	155.7	– 3.8
Bonds and debt securities	16,124.3	19,884.4	– 3,760.1
Shares	361.2	375.7	– 14.5
Investment fund units	2,597.7	2,540.4	57.3
Participating certificates	11.8	12.2	– 0.4
Other non fixed-income securities	12.5	17.7	– 5.2
Positive fair values from derivative financial instruments (economic hedges)	1,451.0	1,053.3	397.7
Total designated at fair value	**20,710.4**	**24,039.4**	**– 3,329.0**
Total	**31,994.7**	**32,669.3**	**– 674.6**

[18] Financial Investments

	30.06.2007 €m	31.12.2006 €m	Change €m
Bonds and other fixed-income securities	891.2	1,963.7	– 1,072.5
Investment fund units	13.3	13.8	– 0.5
Equity investments and shares in affiliated companies	21.0	21.0	–
Shares in companies valued at equity	46.8	48.1	– 1.3
Total	**972.3**	**2,046.6**	**– 1,074.3**

[19] Intangible Assets

	30.06.2007 €m	31.12.2006 €m	Change €m
Purchased goodwill	118.6	118.6	–
Software	17.7	17.8	–0.1
Total	**136.3**	**136.4**	**–0.1**

[20] Property, Plant and Equipment

	30.06.2007 €m	31.12.2006 €m	Change €m
Land and buildings	16.1	292.9	–276.8
Plant and equipment	15.4	16.3	–0.9
Technical equipment and machinery	5.0	5.8	–0.8
Investment property	–	172.0	–172.0
Total	**36.5**	**487.0**	**–450.5**

The reduction in property, plant and equipment is primarily due to the sale of the shares of a subsidiary previously used to hold the Trianon complex (Mainzer Landstraße 16, Frankfurt am Main). The sale also resulted in an asset divestiture from the "land and buildings" item for the owner-occupied portion of the office building, and from "investment property" for the portion of the property used by other parties.

[21] Due to Banks

	30.06.2007 €m	31.12.2006 €m	Change €m
Domestic banks	15,818.7	25,283.8	–9,465.1
Foreign banks	6,927.9	5,853.8	1,074.1
Total	**22,746.6**	**31,137.6**	**–8,391.0**

[22] Due to Customers

	30.06.2007 €m	31.12.2006 €m	Change €m
Domestic customers	20,462.8	21,043.0	–580.2
Foreign customers	6,370.1	4,940.9	1,429.2
Total	**26,832.9**	**25,983.9**	**849.0**

[23] Securitised Liabilities

Securitised liabilities include debt securities and other liabilities for which transferable certificates have been issued. In accordance with IAS 39, the EUR 2.0 billion nominal value of the Group's own debt securities held by the Group (EUR 2.7 billion as at 31 December 2006) was deducted from issued debt securities.

	30.06.2007 €m	31.12.2006 €m	Change €m
Debt securities issued	30,235.1	32,003.3	– 1,768.2
Money market securities issued	455.4	335.9	119.5
Total	**30,690.5**	**32,339.2**	**– 1,648.7**

The decrease in securitised liabilities during the first half of 2007 is mainly the result of securities reaching final maturity.

[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 also include negative market values from derivative financial instruments in the trading portfolio and from economic hedges that do not satisfy the hedge accounting requirements of IAS 39. Delivery obligations arising from short sales of securities are also reported in this item.

The EUR 1.2 billion nominal value of the Group's own debt securities designated at fair value that were held by the Group (EUR 1.3 billion as at 31 December 2006) was deducted from issued debt securities.

	30.06.2007 €m	31.12.2006 €m	Change €m
Trading (held for trading)			
Trading issues	327.2	277.6	49.6
Delivery commitments arising from short sale of securities	2,819.4	776.1	2,043.3
Negative fair values of derivative financial instruments (trading)	2,921.4	917.4	2,004.0
Other financial liabilities at fair value (trading)	3.7	–	3.7
Total trading (held for trading)	**6,071.7**	**1,971.1**	**4,100.6**
Designated at fair value			
Issues	5,681.6	6,136.4	– 454.8
Negative fair values of derivative financial instruments (economic hedges)	1,226.6	889.0	337.7
Total designated at fair value	**6,908.2**	**7,025.4**	**– 117.1**
Total	**12,979.9**	**8,996.5**	**3,983.4**

[25] Provisions

	30.06.2007 €m	31.12.2006 €m	Change €m
Provisions for pensions and similar obligations	242.3	228.7	13.6
Provisions for income taxes	121.4	118.1	3.3
Provisions for credit risks	17.4	21.0	– 3.6
Provisions for legal proceedings and recourses	0.1	0.1	–
Provisions for staff	3.7	3.4	0.3
Provisions for restructuring	35.2	47.9	– 12.7
Other provisions	30.6	50.7	– 20.1
Total	**450.7**	**469.9**	**– 19.2**

[26] Subordinated Capital

	30.06.2007 €m	31.12.2006 €m	Change €m
Subordinated liabilities	966.2	985.4	– 19.2
Profit participation capital including prorated interest	216.6	224.0	– 7.4
Capital contributions of typical silent partners including prorated interest	787.7	819.7	– 32.0
Total	**1,970.5**	**2,029.1**	**– 58.6**

[27] Equity

	30.06.2007 €m	31.12.2006 €m	Change €m
Subscribed capital	286.3	286.3	–
Capital reserves	190.3	190.3	–
Retained earnings			
Statutory reserve	12.3	11.2	1.1
Reserves required by the Bank’s statutes	51.3	51.3	–
Other retained earnings	1,781.5	1,782.6	– 1.1
Total retained earnings	**1,845.1**	**1,845.1**	**–**
Fund for general banking risks	570.3	570.3	–
Revaluation reserve	– 0.3	2.6	– 2.9
Currency translation reserve	– 0.5	0.4	– 0.9
Unappropriated profit/loss	380.7	28.6	352.1
Minority interest	0.7	0.7	–
Total	**3,272.6**	**2,924.3**	**348.3**

Other Disclosures

[28] Financial Instruments under IAS 39 – Valuation Categories

The following table presents the book values of financial instruments broken down according to valuation category. They are also broken down into transactions assigned to fair value hedges and transactions that do not form part of a hedge.

	No Fair Value Hedge		Fair Value Hedge	
	30.06.2007 €m	31.12.2006 €m	30.06.2007 €m	31.12.2006 €m
Assets				
Loans and receivables (lar)				
Due from banks	47,460.8	45,385.1	811.9	1,039.2
Due from customers	16,404.3	20,759.7	1,427.8	1,503.4
Available for sale (afs)				
Financial investments	925.5	1,998.5	–	–
Held for trading (hft)				
Financial assets at fair value	12,735.3	9,683.1		
Designated at fair value (dafv)				
Financial assets at fair value	19,259.4	22,986.1		
Positive fair values from derivative hedging instruments			59.3	71.0
Total assets	**96,785.3**	**100,812.5**	**2,299.0**	**2,613.6**
Liabilities				
Liabilities				
Due to banks	22,591.2	30,885.6	155.4	252.0
Due to customers	24,492.8	23,386.6	2,340.1	2,597.3
Securitised liabilities	28,947.1	30,749.6	1,743.4	1,589.6
Subordinated capital	1,674.0	1,725.6	296.5	303.5
Held for trading (hft)				
Financial liabilities at fair value	7,298.3	2,860.1		
Designated at fair value (dafv)				
Financial liabilities at fair value	5,681.6	6,136.4		
Negative fair values from derivative hedging instruments			173.0	88.5
Total liabilities	**90,685.0**	**95,743.9**	**4,708.4**	**4,830.9**

[29] Fair Value Data for Financial Instruments

The following table compares the fair value and book value of financial assets and financial liabilities carried at amortised cost.

	30.06.2007			31.12.2006		
	Fair Value €m	Book value €m	Difference €m	Fair Value €m	Book value €m	Difference €m
Assets						
Cash reserves	237.9	237.9	–	256.3	256.3	–
Due from banks (loans and receivables)	47,731.4	48,272.7	–541.3	46,466.5	46,424.3	42.2
Due from customers (loans and receivables)	17,745.7	17,832.1	–86.4	22,375.1	22,263.1	112.0
Total assets	**65,715.0**	**66,342.7**	**–627.7**	**69,097.9**	**68,943.7**	**154.2**
Liabilities						
Due to banks	22,672.2	22,746.6	–74.4	31,211.9	31,137.6	74.3
Due to customers	26,769.7	26,832.9	–63.2	26,347.6	25,983.9	363.7
Securitised liabilities	30,683.4	30,690.5	–7.1	32,480.2	32,339.2	141.0
Subordinated liabilities	1,994.9	1,970.5	24.4	2,116.9	2,029.1	87.8
Total liabilities	**82,120.2**	**82,240.5**	**–120.3**	**92,156.6**	**91,489.8**	**666.8**

Fair value is considered to be the amount at which a financial instrument could be exchanged in an arm's length transaction between knowledgeable, willing parties who are under no pressure to perform the transaction. Financial instruments valued at amortised cost mainly include loans, promissory note loans, money transactions and own issues. As a rule, no prices that can be used for valuation are available for such instruments since no liquid markets exist. As a result, the fair values of these financial instruments are determined using actuarial valuation models. Because these models are greatly affected by the underlying assumptions, fair value is to be understood as a model value that relating to the balance sheet date that would not necessarily be realised upon direct sale or closing-out of the financial instrument.

[30] Derivative Transactions

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

	Positive Fair Values		Negative Fair Values	
	30.06.2007 €m	31.12.2006 €m	30.06.2007 €m	31.12.2006 €m
Interest rate risk	2,348.8	1,601.6	2,119.5	1,401.7
Currency risk	121.0	223.6	258.1	291.1
Equity and other price risks	1,507.5	137.8	1,987.8	229.1
Total	**3,977.3**	**1,963.0**	**4,365.4**	**1,921.9**

[31] Equity under Banking Supervisory Law

The composition of capital and reserves is shown in the following table:

	30.06.2007 €m	31.12.2006 €m	Change €m
Subscribed capital	286	286	–
Open reserves	463	458	5
Silent capital contributions	808	808	–
Fund for general banking risks	569	569	–
Deductions under § 10 para. 2a KWG[1)]	10	11	–1
Core capital	**2,116**	**2,110**	**6**
Profit participation capital	153	153	–
Subordinated liabilities	948	948	–
Other components	542	524	18
Supplementary capital	**1,643**	**1,625**	**18**
Deductions under § 10 para. 6 and 6a KWG[1)]	35	36	–1
Liable capital	**3,724**	**3,699**	**25**
Tier III capital	–	–	–
Capital and reserves	**3,724**	**3,699**	**25**

[1)] German Banking Act

	30.06.2007 €m	31.12.2006 €m	Change €m
Risk-weighted assets	20,950	26,176	– 5,226
Capital charge for market risk positions (unweighted)	352	513	– 161
Capital charge for operational risk (unweighted)	180	–	180
Additional capital requirements based on transitional rule	246	–	246

The following table gives the values of key ratios as at the reporting date.

	30.06.2007 %	31.12.2006 %	Change % points
Core capital ratio	9.1	8.1	1.0
Total capital ratio	12.1	11.4	0.7
Total capital ratio before application of transitional rule	13.5	–	–

Regulatory banking capital requirements were satisfied at all times during the reporting year at both the Bank and Group level. Capital adequacy was determined for the first time according to the new German Solvency Directive (SolvV) on 30 June 2007. In 2007, the capital required under the SolvV is equal to 95 per cent of the amount that would need to be maintained under Principle I (transitional rule in § 339 SolvV).

[32] Contingent and Other Liabilities

	30.06.2007 €m	31.12.2006 €m	Change €m
Contingent liabilities from guarantees and warranties	1,747.8	2,246.9	–499.1
Irrevocable lending commitments	2,563.2	2,324.2	239.0
Other liabilities	104.9	104.9	–
Total	**4,415.9**	**4,676.0**	**–260.1**

The range of products offered by the DekaBank Group includes investment funds with a variety of market value guarantees. In fixed-term funds with a market-value guarantee, the capital invested, less fees, is guaranteed on the fund maturity date, while funds of this type without a fixed maturity include a guarantee for a minimum share value on specified reference dates. No financial obligation existed for these products due to the performance of the fund assets as at the balance sheet date. The guarantees provided maximum coverage of EUR 4.2 billion as at the balance sheet date (present value EUR 3.4 billion). The corresponding fund assets had a market value of EUR 4.5 billion.

[33] List of Shareholdings

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

Subsidiaries included in consolidation:

Name, registered address	Shares held %
Deka Beteiligungsgesellschaft mbH, Frankfurt am Main	100.00
Deka Immobilien GmbH, Frankfurt am Main (formerly: Deka Grundstücksgesellschaft mbH)	100.00
Deka Grundstücksverwaltungsgesellschaft I (GbR), Frankfurt am Main	100.00
Deka Immobilien Investment GmbH, Frankfurt am Main	100.00
Deka International (Ireland) Ltd., Dublin	100.00
Deka International S.A., Luxembourg	100.00
Deka Investment GmbH, Frankfurt am Main	100.00
Deka(Swiss) Privatbank AG, Zurich	80.00[1)]
DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg	100.00
Deka FundMaster Investmentgesellschaft mbH, Frankfurt am Main	100.00
Deutsche Girozentrale Holding S.A., Luxembourg	100.00
Deutsche Girozentrale Overseas Limited, Grand Cayman	100.00
International Fund Management S.A., Luxembourg	100.00
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	99.74
WIV GmbH & Co. Beteiligungs KG, Mainz	94.90

[1)] Consolidation ratio based on 100 per cent beneficial ownership

Special funds included in consolidation:

Name, registered address	Shares held %
A-DGZ 2-FONDS, Frankfurt am Main	100.00
A-DGZ 4-FONDS, Frankfurt am Main	100.00
A-DGZ 5-FONDS, Frankfurt am Main	100.00
A-DGZ 6-FONDS, Frankfurt am Main	100.00
A-DGZ 7-FONDS, Frankfurt am Main	100.00
A-DGZ 8-FONDS, Luxembourg	100.00
A-DGZ-FONDS, Frankfurt am Main	100.00
A-Treasury 2000-FONDS, Frankfurt am Main	100.00
A-Treasury 93-FONDS, Frankfurt am Main	100.00
DDDD-FONDS, Frankfurt am Main	100.00

Associated companies and joint ventures accounted for at equity:

Name, registered address	Shares held %
S PensionsManagement GmbH, Düsseldorf	50.00
S Broker AG & Co. KG, Wiesbaden	30.64

Subsidiaries not included in consolidation:

Name, registered address	Shares held %
Datogon S.A., Luxembourg	100.00
Deka Treuhand GmbH, Frankfurt am Main	100.00
Deka Vermögensverwaltungs GmbH, Frankfurt am Main	100.00
Deka-WestLB Asset Management S.A., Luxembourg	51.00
Deutsche Landesbankenzentrale AG, Berlin	100.00
DISKUS Zweihundertsechzigste Beteiligungs- und Verwaltungsgesellschaft mbH, Frankfurt am Main	100.00
DISKUS Zweihunderteinundsechzigste Beteiligungs- und Verwaltungsgesellschaft mbH, Frankfurt am Main	100.00
Europäisches Kommunalinstitut S.A.R.L., Luxembourg	100.00
LBG Leasing Beteiligungs-GmbH, Frankfurt am Main	100.00
Perfeus S.A., Luxembourg	100.00
Sparkassen-Vermögensbeteiligungs GmbH, Berlin	100.00
Trianon GmbH, Frankfurt am Main	100.00
WestInvest Erste Beteiligungs- und Verwaltungs GmbH, Frankfurt am Main	99.74
WestInvest Zweite Beteiligungs- und Verwaltungs GmbH, Frankfurt am Main	99.74
WIV Verwaltungs GmbH, Mainz	94.90

[34] Related Party Disclosures

Business is transacted with related parties at customary market terms and conditions during the normal course of business. The scope of these business transactions is shown in the table below.

Transactions with DekaBank shareholders and non-consolidated subsidiaries:

	Shareholders		Subsidiaries	
	30.06.2007 €m	31.12.2006 €m	30.06.2007 €m	31.12.2006 €m
Assets				
Due from customers	514.1	504.2	–	–
Financial assets at fair value	2.1	–	–	–
Total assets	**516.2**	**504.2**	**–**	**–**
Liabilities				
Due to customers	6.5	6.0	1.3	1.1
Financial liabilities at fair value	0.7	–	–	–
Total liabilities	**7.2**	**6.0**	**1.3**	**1.1**

Transactions with companies accounted for at equity and other related parties:

	Companies accounted for at equity		Other related parties	
	30.06.2007 €m	31.12.2006 €m	30.06.2007 €m	31.12.2006 €m
Assets				
Due from customers	–	–	1.6	0.8
Financial assets at fair value	–	–	34.2	26.2
Total assets	**–**	**–**	**35.8**	**27.0**
Liabilities				
Due to customers	4.1	4.2	1,924.1	678.8
Financial liabilities at fair value	–	–	10.5	1.4
Total liabilities	**4.1**	**4.2**	**1,934.6**	**680.2**

In addition to Deka Trust e.V., other related parties includes the Group's own public funds, provided that the interest held by the DekaBank Group exceeds 10 per cent. As a rule, amounts due to other related parties relate to call money and time deposits used by the Group's public funds for temporary investment of free funds.

Responsibility Statement by the Board of Management

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt am Main, 22 August 2007

DekaBank
Deutsche Girozentrale

The Board of Management

Waas, Ph.D.

Behrens

Dr. Danne

Groll

Gutenberger

Dr. h. c. Oelrich

Certification after Review

"We have reviewed the condensed consolidated interim financial statements – comprising the balance sheet, income statement, 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 1 January to 30 June 2007 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 DekaBank´s Board of Managing Directors. 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, 23 August 2007

PricewaterhouseCoopers
Aktiengesellschaft [German Public limited company]
Wirtschaftsprüfungsgesellschaft [German Public Auditing firm]

(Sahm)	(ppa. Hinz)
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Administrative Board of DekaBank

(as of 16 September 2007)

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

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

N.N.
Second Deputy Chairman

Representatives Elected by the Shareholders' Meeting

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

Hans Berger, Kiel
Chairman of the Management Board of HSH Nordbank AG

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

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

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

Jürgen Hilse, Göppingen
Chairman of the Management Board of Sparkasse Göppingen

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

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

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

Dr. Günther Merl, Frankfurt am Main
Chairman of the Management Board of Landesbank Hessen-Thüringen Girozentrale

Dr. Siegfried Naser, Munich
Managing President of the Savings Banks Association of Bavaria

Dr. Friedhelm Plogmann, Mainz
Chairman of the Management Board of LRP Landesbank Rheinland-Pfalz

Dr. Hannes Rehm, Hanover
Chairman of the Management Board of NORD/LB Norddeutsche Landesbank Girozentrale

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

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

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

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

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

Hans-Jörg Vetter, Berlin
Chairman of the Management Board of Landesbank Berlin AG

Representatives Appointed by the Federal Organisation of Central Municipal Organisations

(in an advisory capacity)

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

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

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

Employee Representatives Appointed by the Staff Committee

Hermann Gelsen, Frankfurt am Main
DekaBank Deutsche Girozentrale

Heike Schillo, Frankfurt am Main
DekaBank Deutsche Girozentrale

(End of the term of office: 31.12.2008)

Board of Management

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

Oliver Behrens
Member of the Management Board

Dr. Matthias Danne
Member of the Management Board

Walter Groll
Member of the Management Board

Hans-Jürgen Gutenberger
Member of the Management Board

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

Executive Managers

Oliver K. Brandt
Manfred Karg
Osvin Nöller
Thomas Christian Schulz

Financial Calendar		
Financial year 2007	November 2007	Quarterly figures September 2007
Financial year 2008	March 2008	Annual Press Conference
		Annual Report 2007 (German version)
	May 2008	Annual Report 2007 (English version)
	August 2008	Semi-Annual Interim Report 2008 (German version)
	September 2008	Semi-Annual Interim Report 2008 (English version)

Publication dates are preliminary and subject to change.

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This report was prepared in September 2007.

Internet Website

German and English versions of our annual reports and interim reports are available for download from our website at www.dekabank.de under "Investor Relations/Reports". Our published press releases are also available under "Press".

Ordering Reports

We would be pleased to send you a printed copy of this interim report (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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Disclaimer

The interim management report and the interim report June 30, 2007 contain forward-looking statements, expectations and forecasts that are based on the information available to us at this time. We have carefully examined this information and consider it to be reliable. We assume no obligation to modify these statements to reflect new information or events occurring after the publication of this report. Our estimates and conclusions are based on these forward-looking statements, expectations and forecasts. We expressly note that all of our future-oriented statements are associated with known or unknown risks or imponderables and are based on conclusions relating to future events that depend on risks, uncertainties and other factors that are outside of our control, such as changes in the general economic situation, the competitive situation, capital markets, tax law or the statutory framework, as well as the reliability of our procedures and methods for risk management, and other risks. The events that actually occur in the future may therefore deviate significantly from our forward-looking statements, expectations, forecasts and conclusions. We therefore assume no liability for their correctness or completeness or for any deviation between actual events and the information provided.

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