

Report of the Administrative Board

During the reporting year, the Administrative Board and its committees carried out the duties assigned to them by law, the Bank's statutes and its rules of procedure. The members of the Administrative Board and its committees regularly advised the Board of Management on management issues and oversaw the proper conduct of the Bank's affairs by the management. They were involved in all significant decisions regarding the company.

Key issues of Administrative Board meetings

In 2010, four meetings of the Administrative Board took place, during which the Board of Management informed the Administrative Board about the Bank's current business trend and profit performance, the risk position as well as the Group's strategic direction. The Administrative Board approved the Board of Management's planning proposal for the period from 2011 to 2013. In accordance with the minimum requirements for risk management for the lending business of banks, the Board of Management also reported on and discussed the business and risk strategies with the Administrative Board. The internal audit department's activity report and the remuneration report for financial year 2009 were also submitted to the Administrative Board.

Between meetings, the Board of Management informed the Administrative Board of significant events in writing. Important topics and pending decisions were discussed in regular meetings between the Chairman of the Administrative Board and the Chairman of the Board of Management.

The Administrative Board received regular reports about the repercussions of developments in the international capital markets for the earnings, liquidity and risk position of the Bank, as well as the management measures taken by the Board of Management.

In addition, the Administrative Board monitored current and planned projects within DekaBank. The Board of Management explained to the Administrative Board the planned, multi-year investment programme for the realignment and new direction of IT, and the Administrative Board had the suitability of the programme evaluated within the scope of an external expert opinion.

The Administrative Board also discussed the takeover of WestLB International S.A. as well as the private customer operations of LBBW Luxembourg S.A. in Luxembourg by DekaBank Deutsche Girozentrale Luxembourg S.A. and approved the acquisition in both cases.

Administrative Board Committees

The Administrative Board has established a General Committee and an Audit Committee to support it in its work and to prepare the issues and resolutions to be covered in the main Board meetings. The two committees' tasks are specified in the Administrative Board's rules of procedure.

The General Committee met five times in the past year, focusing primarily on DekaBank's business model and the strategic development of the company. It also dealt with Board of Management matters, including periodic contract renewals and remuneration. It passed the relevant resolutions in its capacity as a loan approval body.

The Audit Committee met four times in 2010. It conducted a detailed review of the financial statements and the consolidated financial statements. It also verified the requisite independence of the auditors, commissioned the auditors to perform their audit based on the specified focal points and concluded an agreement on their fees.

The Audit Committee also extensively reviewed the DekaBank Group's accounting and risk management systems and obtained reports on the audit activities of the internal audit department and the Compliance unit. The Audit Committee conducted a detailed examination of DekaBank's risk situation and the impact of the financial market crisis. This examination included credit, market price, liquidity and operational risks as well as other types of risk, such as business and shareholding risks and legal and reputation risks. Further key topics comprised the process chain for exchange traded funds (ETF) and the market environment for the DekaBank Group's open-ended property funds.

The Chairman or the Deputy Chairman of the Audit Committee reported to the Administrative Board on a regular basis concerning the Committee's results and recommendations.

The Administrative Board resolved to set up a Credit Committee with effect from 1 January 2011. This additional committee comprises four members of the Administrative Board. The Credit Committee supports DekaBank's lending business and has taken over the function as the loan approval body from the General Committee.

Audit and approval of 2010 financial statements and consolidated financial statements

The DekaBank Shareholders' Meeting appointed PwC PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft as auditors for the 2010 financial year. PwC audited the 2010 financial statements of DekaBank and management report as well as the consolidated financial statements, including the notes and Group management report, and issued an unqualified audit opinion for them.

The specified financial documents and reports of PwC were promptly forwarded to the members of the Administrative Board. The auditors attended both the corresponding meetings of the Audit Committee and the accounts meeting of the Administrative Board held today. The auditors reported on the findings of their audit and provided additional information where required. On the basis of its own review, the Administrative Board approved the result of the auditor's report. Based on the final result of its review, there were no objections.

The Administrative Board approved the 2010 financial statements and submitted a proposal to the Shareholders' Meeting regarding the appropriation of the accumulated profit.

Changes in the Administrative Board

Klaus-Dieter Gröb and Dr. Siegfried Naser resigned from the Administrative Board during the course of and at the end of financial year 2010 respectively. Stefan Ermisch was a member of the Administrative Board from 1 March to 14 April 2010.

The Administrative Board would like to thank all former members of the Administrative Board for their valuable commitment and constructive support for the Bank and its Board of Management.

During the reporting year, Klemens Breuer, Gerd Häusler, Roland Schäfer, Helmut Schleweis and Theo Zellner were appointed as new members of the Administrative Board.

Government oversight of DekaBank is exercised by the Federal Minister of Finance, who can appoint a state commissioner and deputy state commissioner. He did not exercise this right in financial year 2010.

DekaBank has performed well in an extraordinarily difficult environment and closed financial year 2010 with pleasing results. These results reflect the successful work of the employees and the Board of Management of DekaBank. The Administrative Board would like to thank them for their effort and considerable personal commitment.

Frankfurt/Main, 7 April 2011



Heinrich Haasis
Chairman of the Administrative Board