

Maturities of the derivatives portfolio

Derivatives (Trading and non-trading) ¹⁾					
Market segments	Principal amounts at maturity				Positive replacement values ¹⁾
	≤ 1 year € mn	1 – 5 years € mn	> 5 years € mn	Total € mn	€ mn
Interest-based derivatives	1,504,577	860,397	550,761	2,915,735	38,050
FX-based derivatives	339,596	258,328	50,691	648,615	13,122
Stock index derivatives	89,072	101,305	10,039	200,416	5,879
Credit derivatives	11,735	65,550	7,211	84,496	1,321
Other transactions	2,161	3,403	1,992	7,556	548
Total	1,947,141	1,288,983	620,694	3,856,818	58,920

¹⁾ Before netting

Value-at-risk is only one of the instruments used to characterize and control the risk profile of the Dresdner Bank Group. In addition, the bank also uses operational risk indicators and limits, which are specifically adapted to the risk situation of the trading units. Trading is controlled by setting value-at-risk and operational market risk limits. Current limit utilization is determined and monitored by Risk Controlling on a daily basis. Limit breaches are immediately indicated to the management concerned so that corrective action can be taken.

Derivatives business by market segment

Counterparties by industry segment	Positive replacement values	
	12/31/2003 € mn	12/31/2002 € mn
Banks	38,611	47,738
Other financial services providers	16,063	11,673
Insurance companies	411	484
Small industry	741	327
Telecommunication, media, technology	489	745
Transportation	457	276
Raw materials	148	667
Real estate	108	112
Government	1,119	676
Other	773	1,714
Total – before netting	58,920	64,412
Total – after netting and security	14,251	17,212

Market risks in the trading portfolio: the risks from Dresdner Bank's trading activities increased slightly compared to the previous year. This is mainly due to the fact that positions for interest-bearing instruments were built up moderately.

Market risks in the non-trading portfolio: this risk mainly comprises the risk of interest changes and is analyzed on the basis of sensitivity and value-at-risk indicators. As in the case of trading, the bank controls this risk by setting value-at-risk limits. At the end of 2003, the value-at-risk for interest rate risks in the banking portfolio of Dresdner Bank Group decreased slightly by 2 percent to 31.2 million euros.

Currency risks at Dresdner Bank are limited by applying the following principle: all loans and deposits in foreign currencies are refinanced or reinvested in the same currency with matching maturities.

Liquidity risks As part of the Group liquidity policy, Treasury and Risk Controlling of Dresdner Bank established principles for liquidity management. This liquidity policy meets both regulatory requirements and internal standards. The liquidity risk limits set include a reporting process for limit breaches and provisions for emergency planning. Liquidity control and liquidity risk management are tasks attended to by the treasury.

Liquidity risk measurement is based on the liquidity management system. This system models the maturities of all cash flows and draws up a scenario-based liquidity balance sheet, taking into account available prime-rated securities.