

2. Notes to the Consolidated Income Statement

32_Net interest income

Net interest income can be broken down as follows:

	2008	2007
	€ M	€ M
Interest income		
Interest income from lending and money market transactions	720	733
Interest income from fixed-income and book-entry securities (available-for-sale)	117	323
Interest income from fixed-income and book-entry securities (loans and receivables)	111	0
Interest income from fixed-income and book-entry securities (fair value option)	102	116
Interest income from balances with central banks	19	8
Reversal of impairment losses relating to hedge accounting differences	13	22
Current income from equities (available-for-sale)	11	24
Current income from equities (fair value option)	3	6
Current income from equity investments	31	39
Current income from shares in affiliated companies	3	2
Other interest income	251	24
Total interest income	1,381	1,297
Interest expense		
Interest expense incurred on deposits from customers	-689	-604
Interest expense incurred on deposits from banks	-232	-251
Interest expense incurred on bonds and notes issued	-20	-25
Interest expense for hedge accounting adjustments amortised to profit and loss	-15	-16
Interest expense incurred on deposits from central banks	-11	0
Interest expense incurred on subordinated capital issued	-9	-9
Other interest expense	-61	-143
Total interest expense	-1,037	-1,048
Net interest income	344	249

33_Share of the profit or loss of associates and joint ventures accounted for using the equity method

In the reporting year, this item amounted to € 44 million (previous year: € 81 million) of which € 42 million (previous year: € 29 million) related to Oppenheim-Esch Holding GbR, Troisdorf. In the previous year, this item included a further € 43 million from IVG Immobilien AG, Bonn.

Oppenheim-Esch Holding GbR's proportion of consolidated net income from 2007 and 2008 was taken as its profit. This was calculated using the percentage of completion method for the first time in 2008. In accordance with IAS 11, contract revenue and contract costs associated with construction contracts for real estate projects are recognised by reference to the stage of completion of the contract activity. The contracts relating to the projects in question enable a reliable estimate to be made of both revenues and expenses and thus of the outcome of the contract. We also took into account a haircut of 33.3%. The level of completion used in the calculation was confirmed by an external service provider who regularly manages projects initiated by the Esch Group.

34_Provision for loan losses

The provision for loan losses reflected in the income statement can be broken down as follows:

	2008	2007
	€ M	€ M
Additions to allowances for impairment losses on loans and advances	-25	-19
Reversal of allowances for impairment losses on loans and advances	19	8
Additions to provisions for loan losses	0	-1
Reversal of provisions for loan losses	5	2
Total	-1	-10

35_Net commission income

Net commission income can be broken down as follows:

	2008	2007
	€ M	€ M
Commission income		
Securities business	364	443
Asset Management	299	282
Advisory business and brokerage	92	110
Foreign transactions, foreign exchange and payment transactions	19	20
Lending business	12	11
Trust business	4	1
Other	54	42
Total commission income	844	909
Commission expense		
Asset Management	-122	-140
Securities business	-90	-97
Advisory business and brokerage	-22	-9
Foreign transactions, foreign exchange and payment transactions	-1	-1
Other	-36	-33
Total commission expense	-271	-280
Net commission income	573	629

36_Net trading income

Net trading income can be broken down as follows:

	2008	2007
	€ M	€ M
Foreign exchange	6	24
Equities and equity derivatives/equity index derivatives	-57	-265
Bonds and interest rate derivatives	-190	-26
Interest income from fixed-income securities (trading)	6	5
Dividend income from equities (trading)	166	112
Other income/expenses	-2	-2
Total	-71	-152

Net trading income contains results from derivatives, which serve as collateral for assets, which are not classified as held for trading. These assets are designated at fair value through profit or loss or reported as

non-current financial assets; the measurement gains/(losses) from these assets are recognised in the Result from fair value option or in Net income/(loss) from non-current financial assets.

37_ Result from hedge accounting

The Result from hedge accounting includes fair value hedges and can be broken down as follows:

	2008	2007
	€ M	€ M
Result from fair value hedges	-3	-1
of which: Result from hedging instruments (derivatives)	-79	-31
of which: Result from hedged items	76	30
Total	-3	-1

38_ Result from fair value option

The Result from fair value option can be broken down as follows:

	2008	2007
	€ M	€ M
Equities	-181	177
Bonds	8	-71
Other income/expenses	-48	10
Total	-221	116

39_ Net income/(loss) from non-current financial assets

Net income/(loss) from non-current financial assets can be broken down as follows:

	2008	2007
	€ M	€ M
Disposal gains/(losses) from securities in the available-for-sale and loans and receivables categories	-71	64
Measurement gains/(losses) from securities in the available-for-sale and loans and receivables categories	-74	-12
Gains/(losses) from securities in the available-for-sale and loans and receivables categories	-145	52
Disposal gains/(losses) from equity investments and shares in affiliated companies	371	56
Impairments on equity investments and shares in affiliated companies	-128	-33
Gains/(losses) from equity investments and shares in affiliated companies	243	23
Disposal gains/(losses) from companies accounted for using the equity method	1	252
Impairments on investment property	-3	0
Total	96	327

The gains from the disposal of shares in affiliated companies relate primarily to the sale of 94.9% of the shares in BHF Asset Servicing GmbH, Frankfurt am Main, and the sale of IVG Immobilien AG, Bonn.

The impairments on equity investments relate to the investments in Dedalus-GmbH & Co. KGaA, Frankfurt am Main (€ 42 million), GLG Partners Inc., New York (€ 30 million), IKB Deutsche Industriebank Aktiengesellschaft, Düsseldorf (€ 15 million), Management Capitali S.p.A., Milan, Lehman Brothers CDO Opportunity Partners 2004 -1 L.P., Cayman Islands and Olivant Limited Guernsey, Channel Islands (€ 7 million each), KKR European Fund II L.P., Alberta, Canada (€ 5 million) and real estate fund Köln-Deutz Arena und Mantelbebauung GbR, Troisdorf (€ 4 million).