Business development of the Deka Group
as at 31 December 2018

Frankfurt/Main, 9 April 2019

Deka

Agenda

The Deka Group at a glance (1/3)

Wertpapierhaus of the German Savings Bank Finance Group

Corporate object	Clients	Value creation
Administration, management and investment of assets	German savings banks, savings bank clients and institutional investors	At all points in the investment process

The Wertpapierhaus strategy and resulting business model assist savings banks with their securities business and promote the acceptance of securities investments in Germany.

The Deka Group at a glance (2/3)

Wertpapierhaus – value creation at all points in the investment process

Sales and sales support

- Advisor training and coaching
- Investment/advisory process
- Marketing support
- Implementation of regulations

Asset servicing

- Custodian
- Master funds
- DekaBank securities account
- S-Komfort securities account

Product management

- ALM
- Strategic asset allocation
- Choice of investment style
- Research

Fund management

- Fundamental fund management
- Quantitative fund management and ETFs
- Asset management and funds of funds
- Real estate/debt funds

Implementation

- Brokerage/execution
- Trading and structuring
- Repo/securities lending
- Primary market activities

The Deka Group at a glance (3/3)

Clear strategic orientation – leading solution provider for asset investment, management and administration

Deka

Savings Banks Sales

Retail clients

Institutional Sales

Institutional clients

Asset Management (AM)

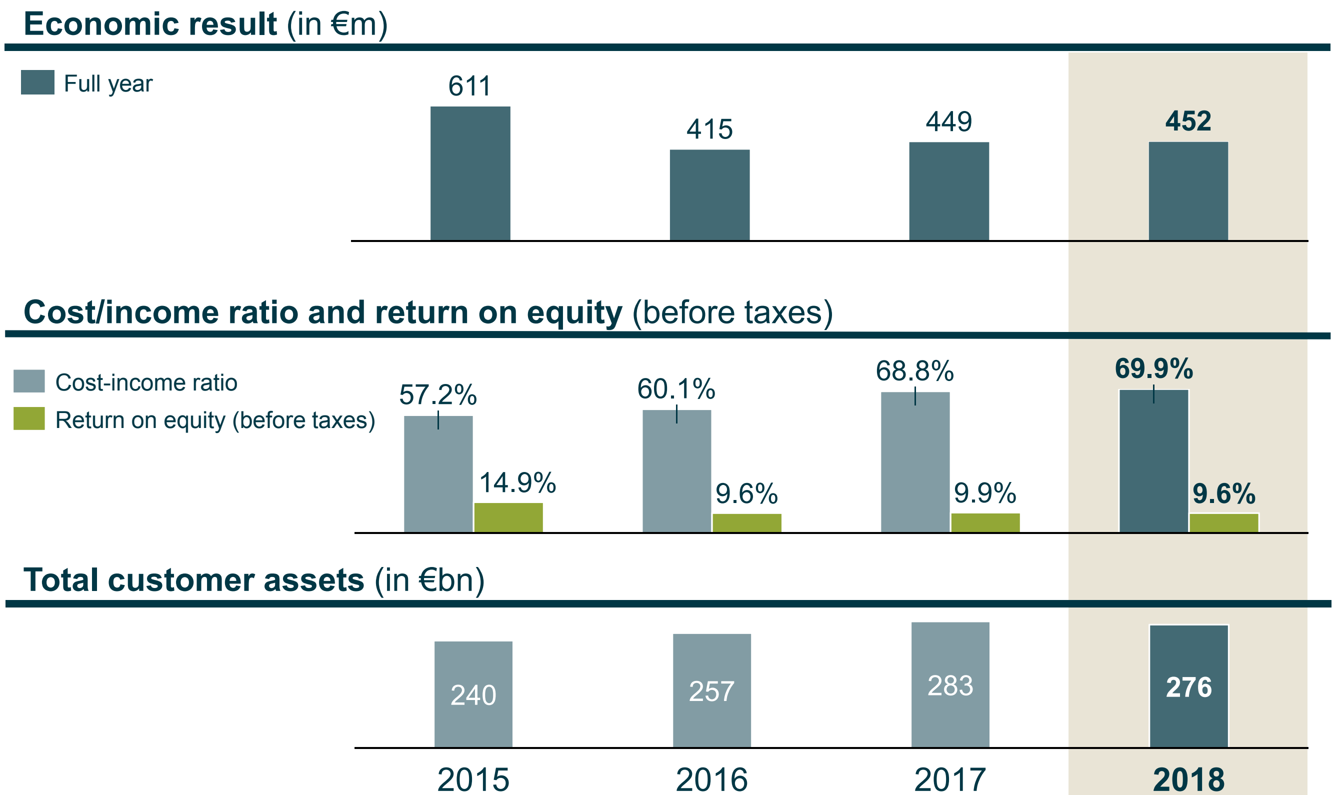
Banking business

AM Securities | AM Real Estate | AM Services | Capital Markets | Financing

Corporate Center

Business development

Economic result at previous year's level



- Despite a challenging market environment in 2018, the Deka Group achieved a satisfactory economic result of €451.8m

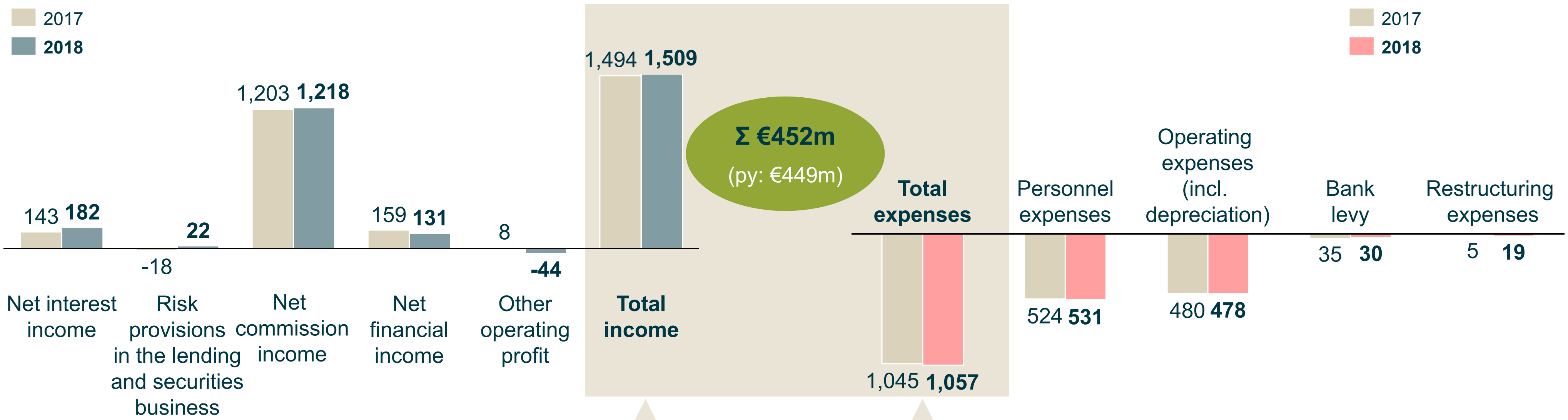
- Cost-income ratio was 69.9%
- Return on equity (before taxes) was 9.6%

- At €275.9bn, the Deka Group's total customer assets were slightly down on the figure for year-end 2017 due to market-related factors

Total income and expenses

Net commission income proves to be a key sustainable income component – accounting for around 80% of income

Total income (in €m) | **Total expenses** (in €m)

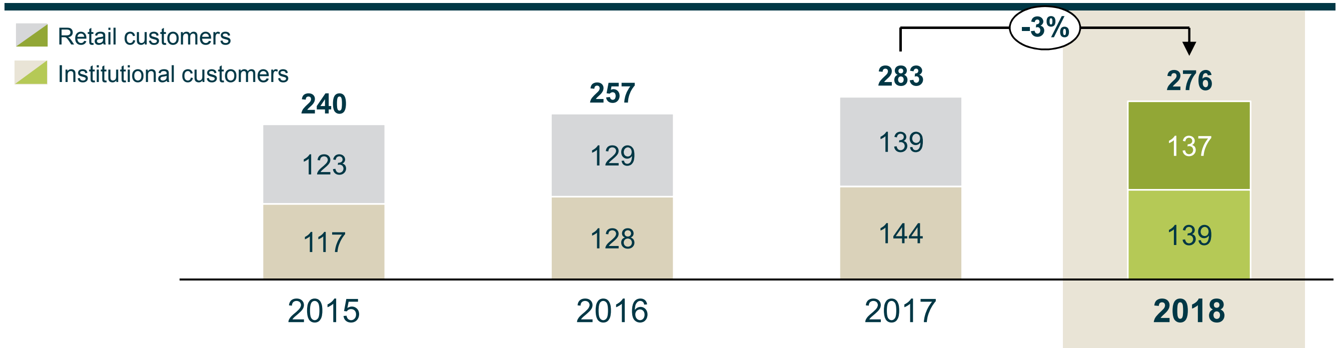


- Net interest income characterised by higher earnings contributions from the Financing and Capital Markets business divisions
- Positive risk provisions chiefly due to the reversal of loss allowances that were no longer required
- Adverse valuation effects on securities in the wake of spread movements had a negative impact on the net financial income from banking book portfolios

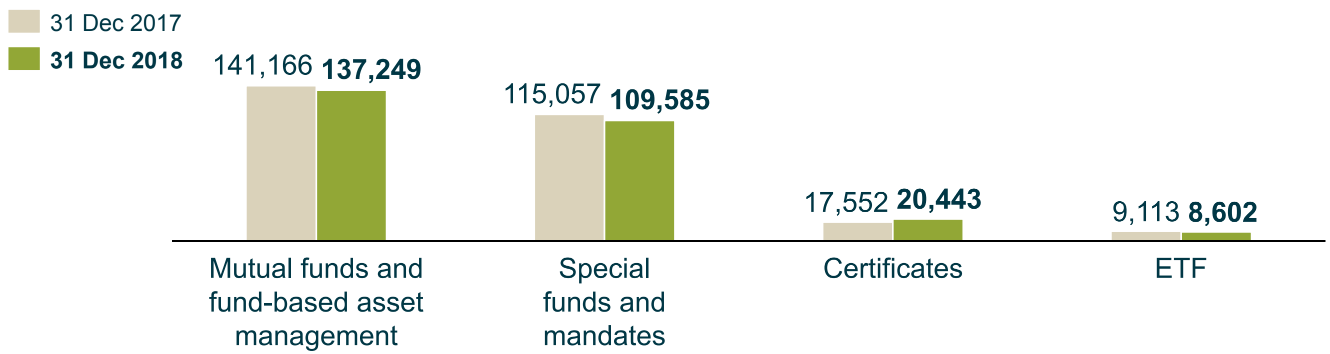
- There was only a minor increase in personnel expenses year-on-year
- Operating expenses remained almost unchanged on the previous year. They also reflect the expenses incurred in relation to the implementation of regulatory requirements

Total customer assets
Slightly down on the prior-year figure despite clearly positive net sales

Total customer assets by customer segment (in €bn)



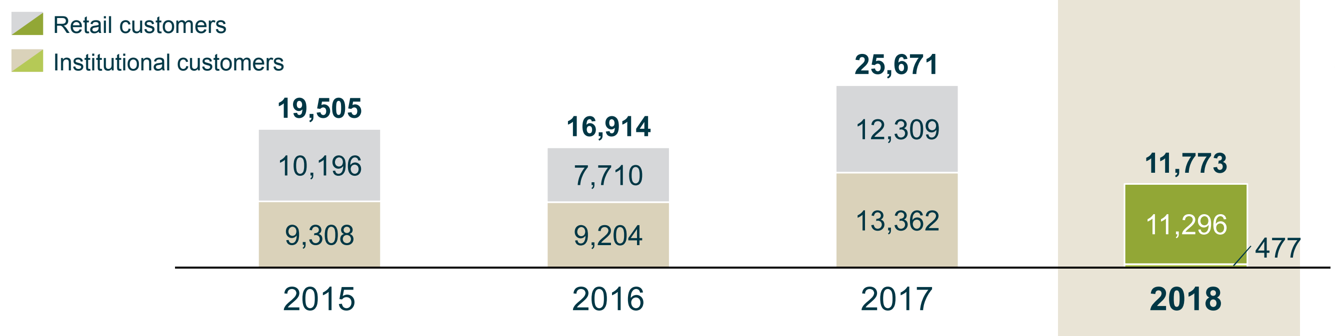
Total customer assets by product categories (in €m)



- The Deka Group was unable to fully escape the cyclical effects arising from the negative performance of almost all asset classes in 2018
- At €275.9bn, total customer assets were slightly down on the figure for year-end 2017
- The positive sales performance was accompanied by a market-induced negative investment performance at the reporting date, distributions (from which customers benefited) and certificate redemptions

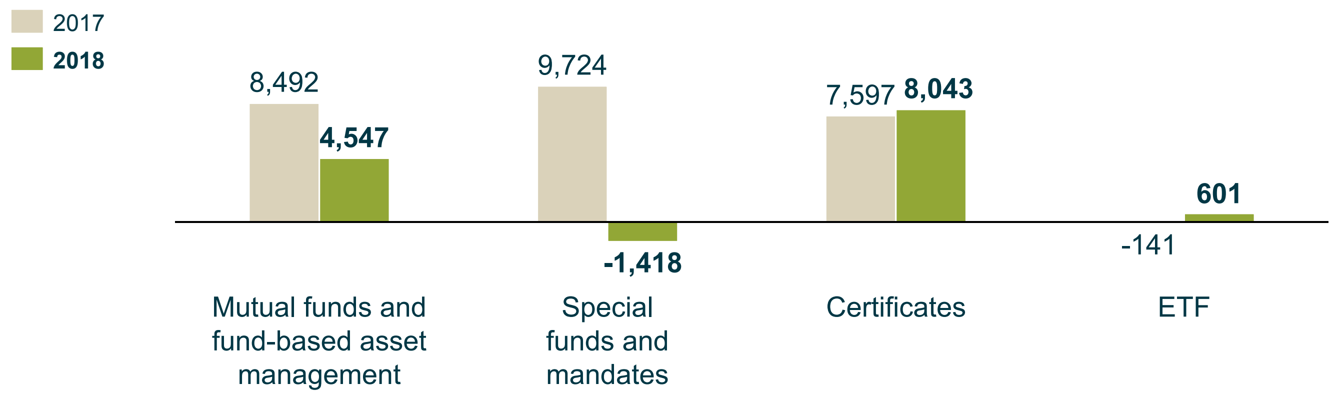
Net sales
Retail business remains clearly positve

Net sales by customer segment (in €m)



- At €11.3bn, net sales in the retail business remains clearly positive
- At €0.5bn, institutional business was substantially down on the previous year, partly as a result of the termination of an individual mandate (as planned) as part of the integration of Deka Vermögensmanagement GmbH[1] in 2018

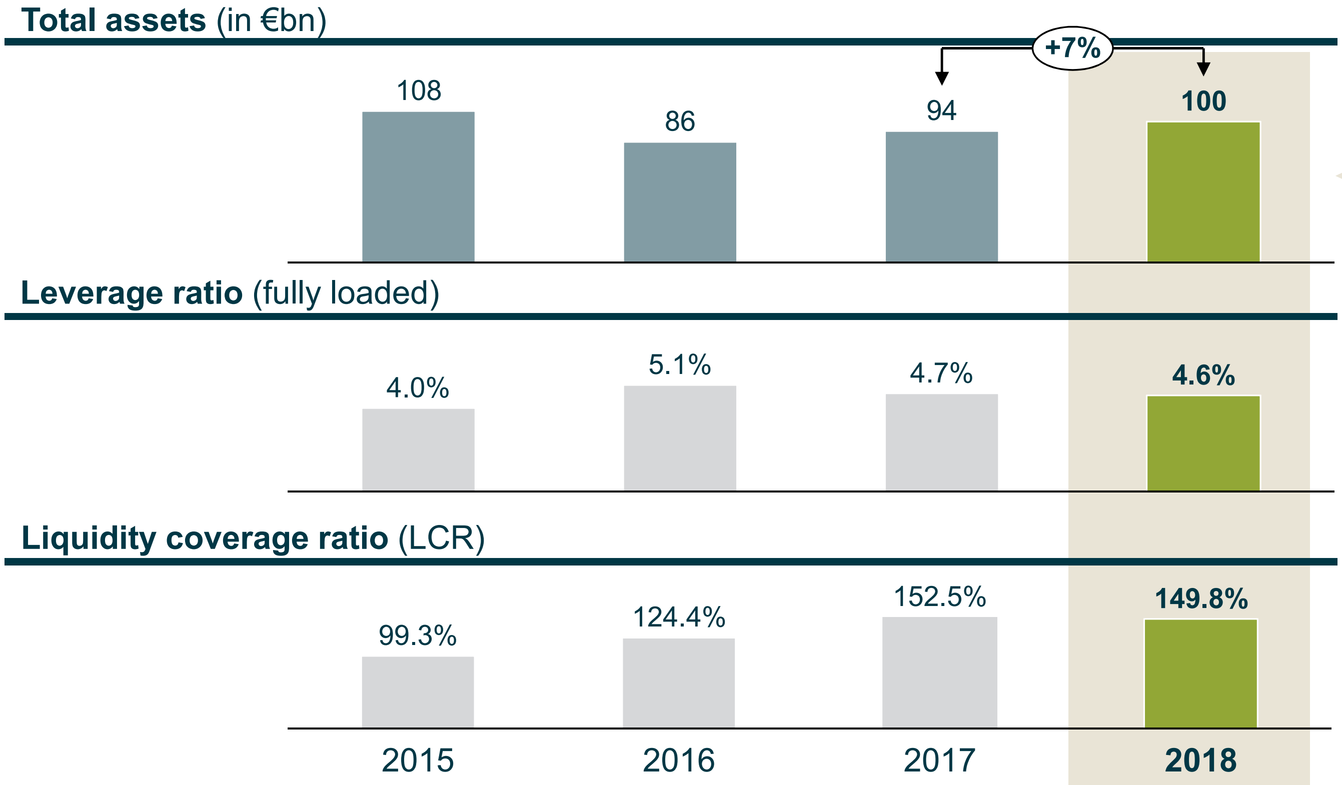
Net sales by product category (in €m)



- Equity funds, mixed funds, real estate funds and certificates made up a particularly significant proportion of net sales

[1] formerly LBB-INVEST GmbH

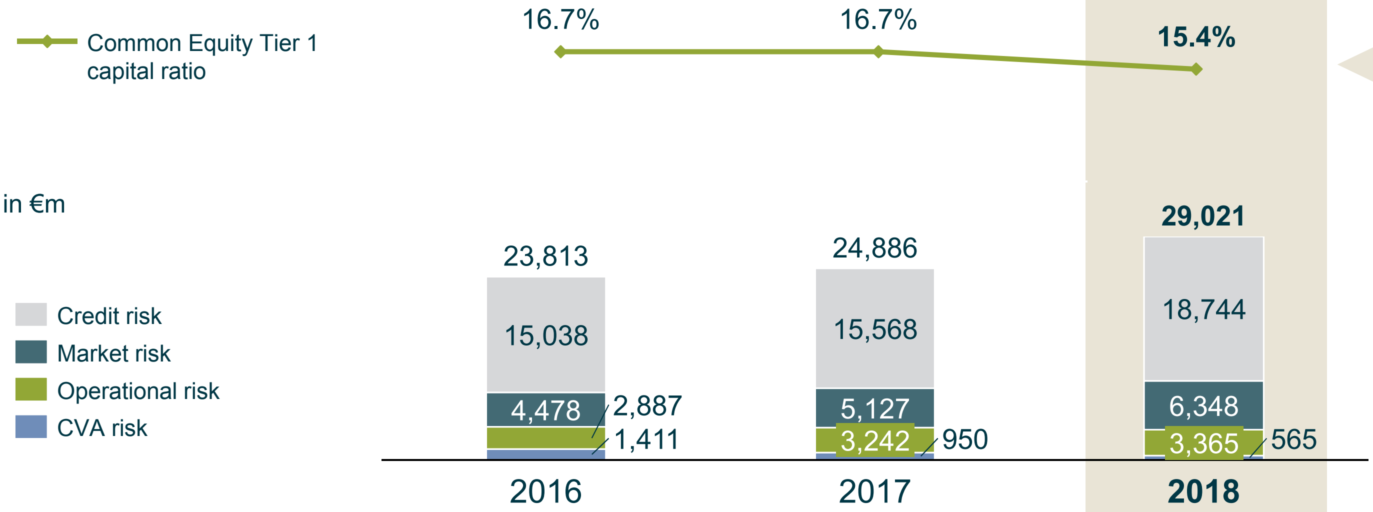
Financial position
Financial position remains sound



- Total assets amounted to approximately €100bn
- Leverage ratio of the Deka Group virtually unchanged at 4.6%
- The Deka Group's LCR was 149.8%, comfortably above the minimum requirements

Regulatory capital and risk-weighted assets
Common Equity Tier 1 capital ratio (fully loaded) of 15.4%

Change in regulatory capital and RWA (fully loaded)



in €m

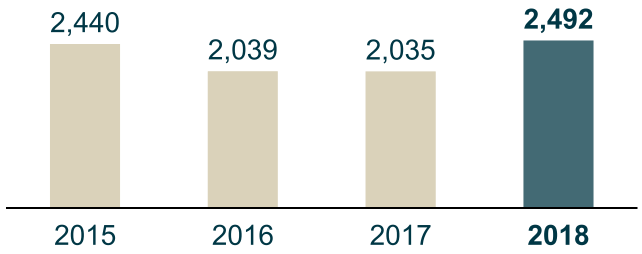
	2016	2017	2018
Own funds	5,289	5,442	**5,741**
Tier 1 capital	4,451	4,619	**4,933**
Common Equity Tier 1 capital	3,978	4,145	**4,460**

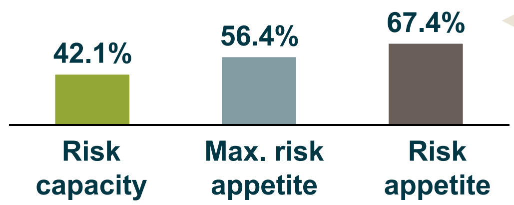
- Common Equity Tier 1 capital ratio (fully loaded) of 15.4%
- The increase in Common Equity Tier 1 capital was offset by an increase in risk weighted assets (mainly credit risk and market risk)
- Regulatory own funds requirements were met at all times
- 2018 SREP requirement for the Common Equity Tier 1 capital ratio (P2R requirement including combined capital buffer, with transitional provisions) at 8.18%[1)]

[1)] Minimum capital requirement calculated as at 31 Dec 2018

Economic risk situation
Utilisation remains at non-critical levels

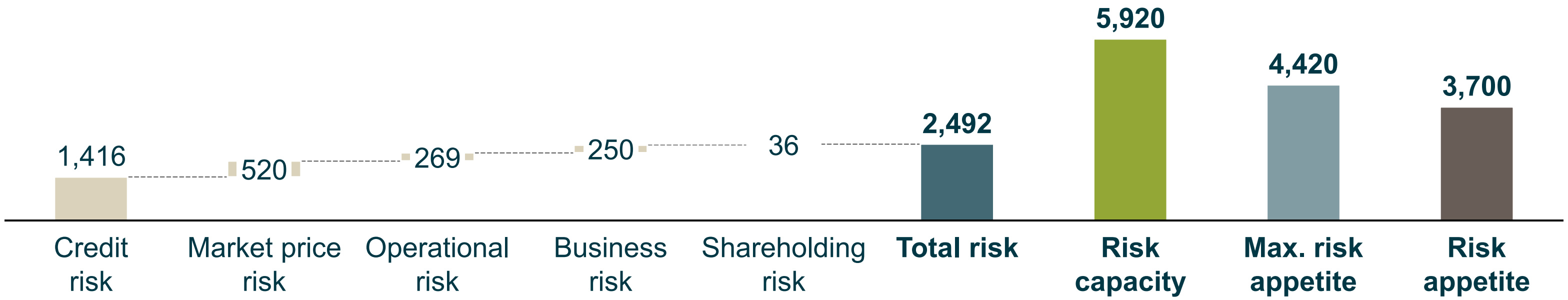
Change in total risk[1] (in €m) **and utilisation ratios as at 31 Dec 2018**





- Increase in total risk over the course of the year predominantly attributable to the development of credit risk and market price risk
- Utilisation remained at a non-critical level throughout the whole of the year under review

Total risk[1] and internal capital (in €m)

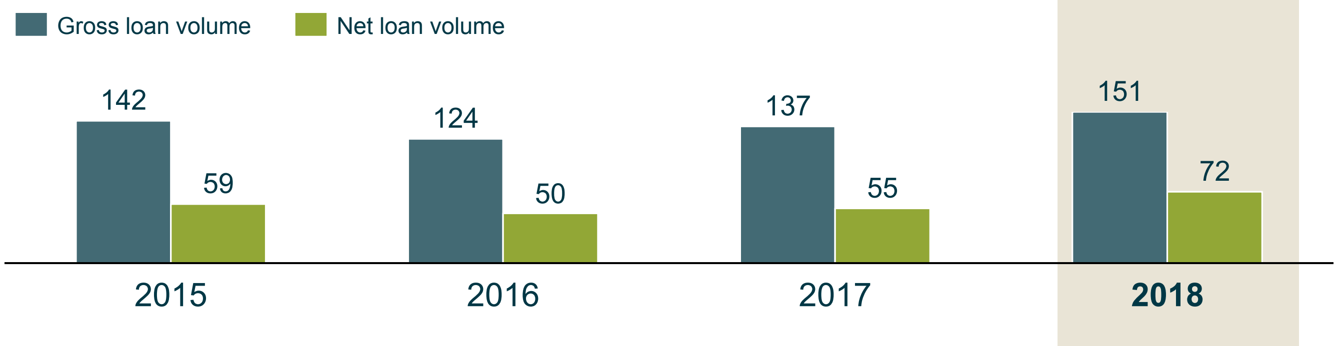


[1] Value-at-Risk (VaR): confidence level of 99.9%, holding period of one year

Gross and net loan volume

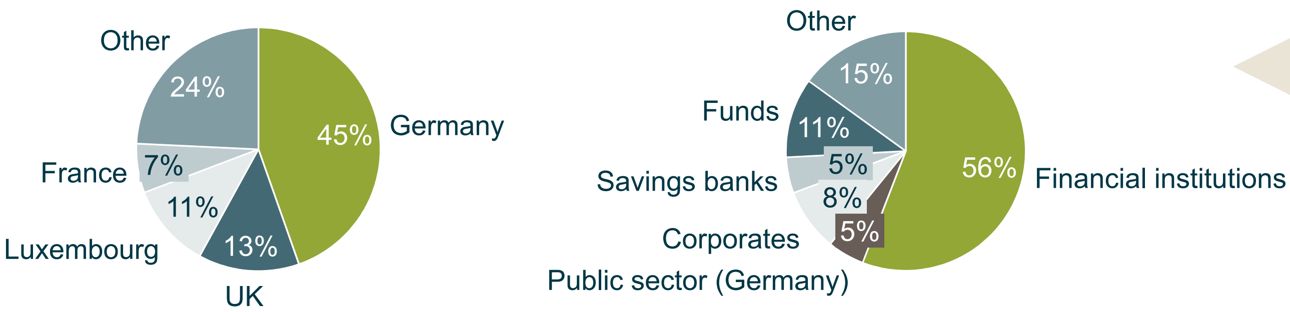
Difference between gross and net loan volume shows extent of collateralisation

Change in gross and net loan volume (in €bn)



- Average rating for the gross loan volume was 3 on the DSGV master scale (corresponds to BBB on the S&P scale)

Gross loan volume by countries and risk segments (as at 31 Dec 2018)



- The eurozone accounted for 71.8% of the gross loan volume (previous year: 70.9%)

Financial ratings
Good ratings remain unchanged

	Standard & Poor's	Moody's
Preferred Senior Unsecured Debt[1)]	**A+** Senior Unsecured Debt	**Aa2** (stable) Senior Unsecured Debt
Non-Preferred Senior Unsecured Debt[2)]	A Senior Subordinated Debt	A1 Junior Senior Unsecured Debt
Deposit Rating	n/a	Aa2 Bank Deposit
Counterparty Rating	A+ Counterparty Credit Rating	Aa2 Counterparty Risk Rating
Issuer Rating	A+ (stable) Issuer Credit Rating	Aa2 (stable) Issuer Rating
Own financial strength	bbb Stand-alone Credit Profile	baa2 Baseline Credit Assessment
Short-Term Rating	A-1	P-1

As at: 9 April 2019

1) Senior unsecured notes, which are no dept instruments according to section § 46f (6) sentence 1 German Banking Act (KWG).

2) Senior unsecured notes, which are non preferred dept instruments according to section § 46f (6) sentence 1 German Banking Act (KWG)

Sustainability ratings
Ratings confirm our sustainable governance

SUSTAINALYTICS	MSCI	Corporate Responsibility Prime rated by ISS-oekom	imug SUSTAINABILITY RATING – RATING 2018 POSITIVE BB
83 (# 11 / 332) **"Leader"**	**AA**	**C+** (prime)	**BB positive**

2013	2015	**2017**
66	73	**83**

2016	2017	**2018**
AA	AA	**AA**

2015	2016	**2018**
C	C+	**C+**

2017	2018	**2019**
CC	B	**BB**

Sustainability ratings as at: MSCI: 24 May 2018; sustainalytics: 12 October 2017; oekom: 23 May 2018; imug: 4 March 2019 (Sustainability Rating: positive (BB); Mortgage Covered Bonds: positive (BBB); Public Sector Covered Bonds: positive (BBB))

Forecast for 2019 according to the 2018 Group management report

	2018	Forecast 2019
Economic result	€451.8m	Stable compared to previous year
Total customer assets	€275.9bn	Noticeably above the previous year
Net sales	€11.8bn	Noticeably above the previous year
Common Equity Tier 1 capital ratio (fully loaded)	15.4%	Over 13%
Utilisation of risk-capacity	42.1%	Noticeably above the previous year

"The Group's economic result in 2019 is expected to remain at the level seen in the reporting year. The forecast economic result will ensure that DekaBank remains able to distribute profits and to make the reinvestments necessary for the purposes of capital management."

"Expected returns for 2019 are based on ambitious sales plans combined with an investment fund business that maintains lasting value, including regular securities saving."

"Despite anticipated charges for guarantee and *Riester* pension products among other things, the Common Equity Tier 1 capital ratio (fully loaded) is expected to considerably exceed the 13% target."

"Utilisation of risk capacity will rise appreciably in view of planned changes to the methodology, while also remaining at a non-critical level."

The Deka Group plans its future business development on the basis of assumptions that appear most probable from a current perspective. However, plans and statements about growth during 2019 are subject to uncertainties.

APPENDIX

Glossary 1/2

As a key management indicator, together with economic risk, the **economic result** forms the basis for risk/return management in the Deka Group and is, in principle, determined in accordance with accounting and measurement policies of IFRS.

As well as net income before tax, the economic result also includes:
- changes in the revaluation reserve before tax
- as well as the interest rate and currency related valuation result from financial instruments recognised at amortised cost, which are not recognised in the income statement under IFRS but are relevant for assessing financial performance.
- The interest expense in respect of AT1 bonds (Additional Tier 1 capital), which is recognised directly in equity, is also included in the economic result.
- Furthermore, the economic result takes into account potential future charges that are considered possible in the future but that are not yet permitted to be recognised under IFRS due to the fact that accurate details are not yet available.

The **economic result** is therefore a control variable on an accrual basis whose high level of transparency enables recipients of the external financial reporting to consider the company from the management perspective.

Glossary 2/2

Common Equity Tier 1 capital ratio

- The Common Equity Tier 1 capital ratio is defined as the ratio of Common Equity Tier 1 capital to risk-weighted assets (RWAs) for all relevant credit, market and operational risk positions plus the credit valuation adjustment (CVA) risk.

Internal capital in the economic risk-bearing capacity analysis

- In the economic risk-bearing capacity analysis, internal capital potential essentially consists of equity under IFRS, income components and positions of a hybrid capital nature (subordinated capital/AT1 capital). It is available in its entirety as a formal overall risk limit to guarantee the Bank's risk-bearing capacity.

Total customer assets

- Total customer assets essentially comprise the income relevant volume of mutual and special fund products (including ETFs) direct investments in cooperation partner funds, the portion of fund-based asset management attributable to cooperation partners, third party funds and liquidity, advisory/management mandates, certificates and third party managed master funds.

Net sales

- Performance indicator of sales success in asset management and certificate sales. This figure essentially consists of total direct sales of mutual and special funds, fund-based asset management, funds of partner organisations, master funds and advisory/management mandates, ETFs and certificates. Sales generated through proprietary investment activities are not taken into account. Redemptions and maturities are not taken into account for certificates, since in the certificates business the impact on earnings primarily occurs at the time of issue.

Contact persons

Contact

investor.relations@deka.de

DekaBank
Deutsche Girozentrale
Reporting & Rating
Hahnstrasse 55
60528 Frankfurt/Main

Michael Hahn

Head of Reporting & Rating

+49 (0)69 7147-5169

Sven Jacoby

Reporting & Rating
Head of External Reporting & Rating

+49 (0)69 7147-2469

Claudia Büttner

Reporting & Rating
External Reporting & Rating

+49 (0)69 7147-1514

Markus Ottlik

Reporting & Rating
External Reporting & Rating

+49 (0)69 7147-7492

Silke Spannknebel-Wettlaufer

Reporting & Rating
External Reporting & Rating

+49 (0)69 7147-7786

Disclaimer

This presentation has been prepared by DekaBank for the purpose of informing the respective stakeholders. The assessments submitted here have been made to the best of our knowledge and belief and come (in part) from sources that are not verifiable by us and are generally accessible. Liability for the completeness, timeliness and accuracy of the information provided to the extent permitted by law, including the legal remarks, is excluded. The information does not constitute an offer, an invitation to subscribe or purchase financial instruments or a recommendation to purchase. The information or documents are not intended to form the basis of any contractual or other obligation.

The Deka Group Annual Report and the Interim Financial Report as well as the corresponding presentations contain forward-looking statements as well as expectations and forecasts. These are based on the information available to us at the time of publication, which we have deemed to be reliable after careful consideration. We do not assume an obligation to update based on new information and future events after the publication of this information. We have derived our estimations and conclusions from these forward-looking statements, expectations and forecasts. We expressly point out 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, which depend on risks, uncertainties and other factors that are outside of our area of influence. Such developments can result from, among other things, a change in the general economic situation, the competitive situation, the development of the capital markets, changes in the tax law and legal framework and from other risks. The events actually occurring in the future may thus turn out to be considerably different from our forward-looking statements, expectations, forecasts and conclusions. We can therefore assume no liability for their correctness and completeness or for the actual occurrence of the information provided.

The presentation may not be reproduced in excerpts or as a whole without the written permission of DekaBank or passed on to other persons.

The English translation of the Deka Group Annual Report is provided for convenience only. The German original is definitive.

Due to rounding, slight deviations may occur in the present presentation for totals and for calculations of percentages. Annual figures refer to both key dates and time periods.