Business development of the Deka Group
as at 30 June 2018

Frankfurt/Main, 22 August 2018

Agenda

Deka Group structure at a glance

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

Deka

Savings Banks Sales

Retail customers

Institutional Sales

Institutional customers

Asset Management (AM)

- AM Securities
- AM Real Estate
- AM Services

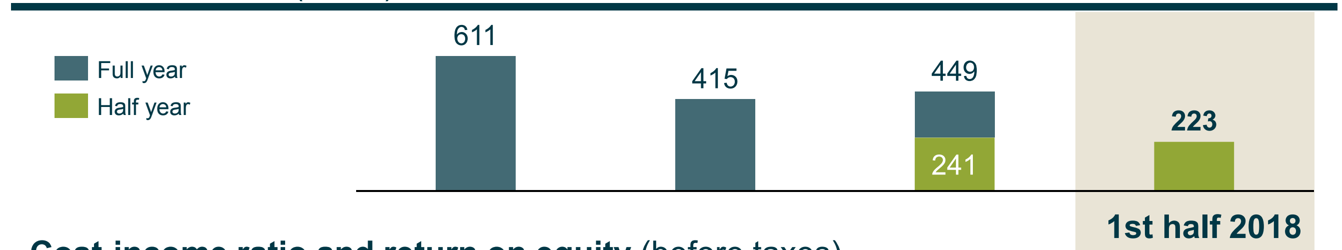
Banking business

- Capital Markets
- Financing

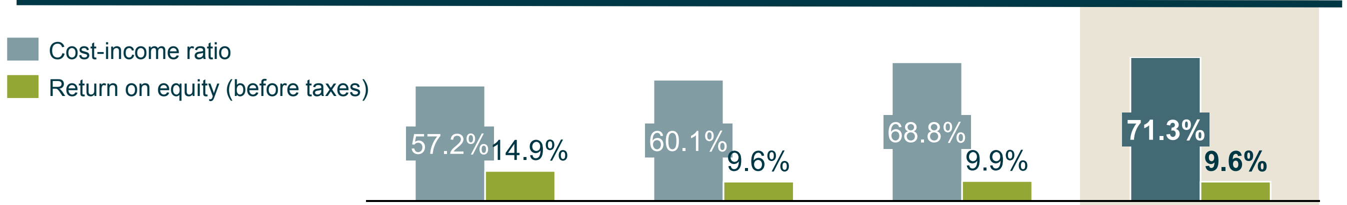
Corporate Centres

Business development
Economic result in the first half of 2018 was €223m

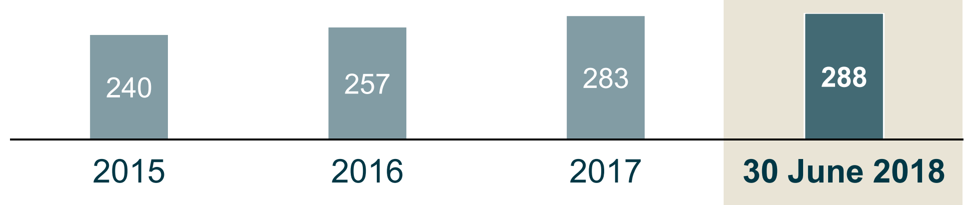
Economic result (in €m)



Cost-income ratio and return on equity (before taxes)



Total customer assets (in €bn)

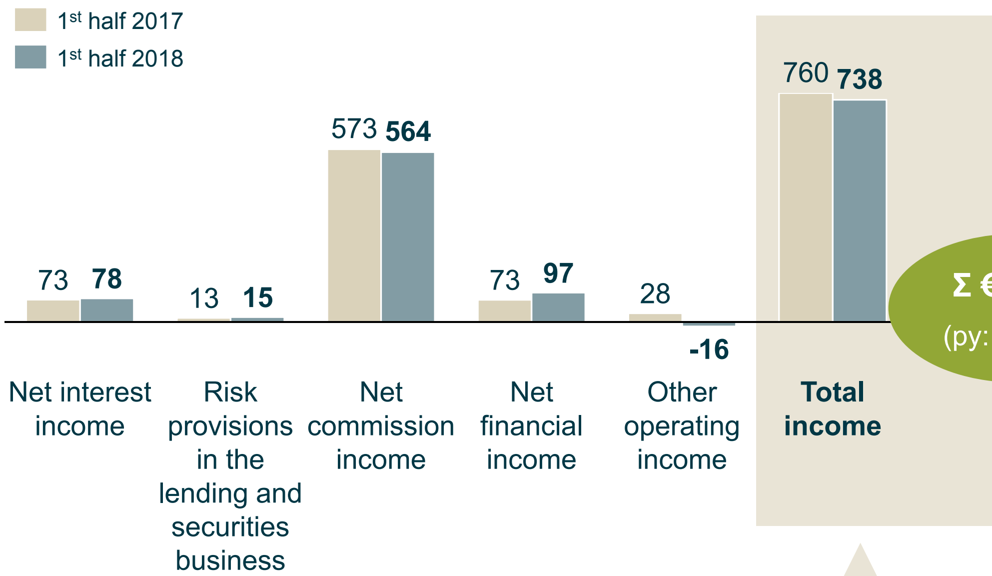


- Net interest income and net commission income remained more or less constant. Especially movements in spreads on banking book assets and actuarial losses on pension provisions led to a slight decline
- Return on equity (before taxes) stood at 9.6%
- Total customer assets rose to €287.9bn due to high net sales

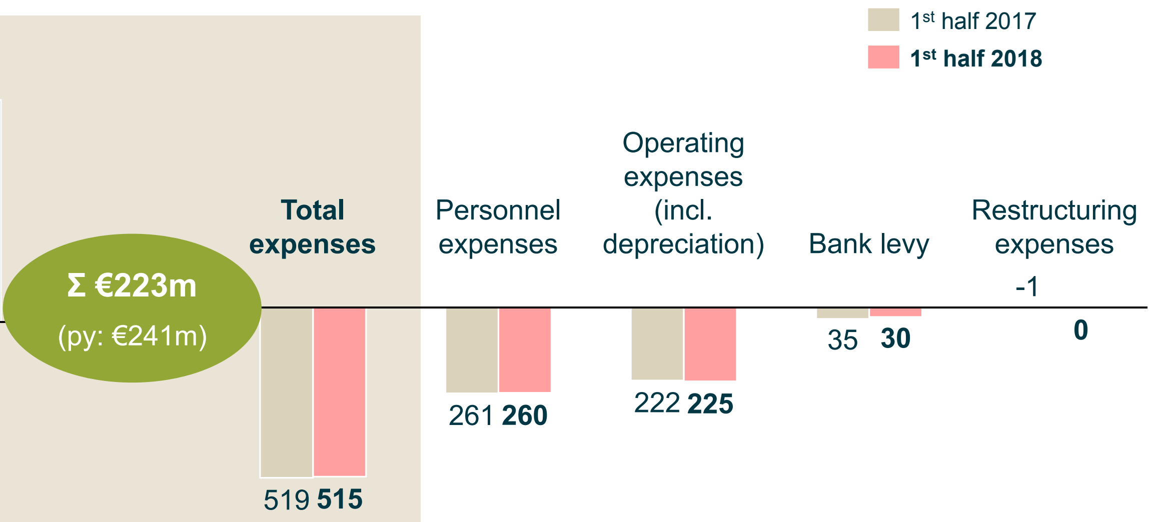
Total income and expenses

Net commission income as an important sustainable component of earnings made up almost 80% of total income

Total income (in €m)



Total expenses (in €m)

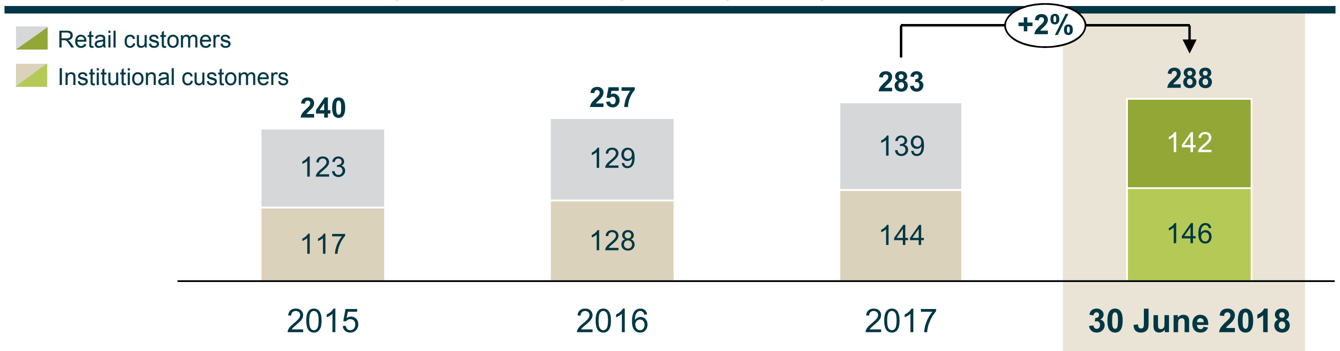


- Net interest income and net commission income remained more or less constant
- Net financial income and other operating profit were affected respectively by adverse valuation effects in the wake of spread movements and actuarial losses on pension provisions, leading to a slight decline

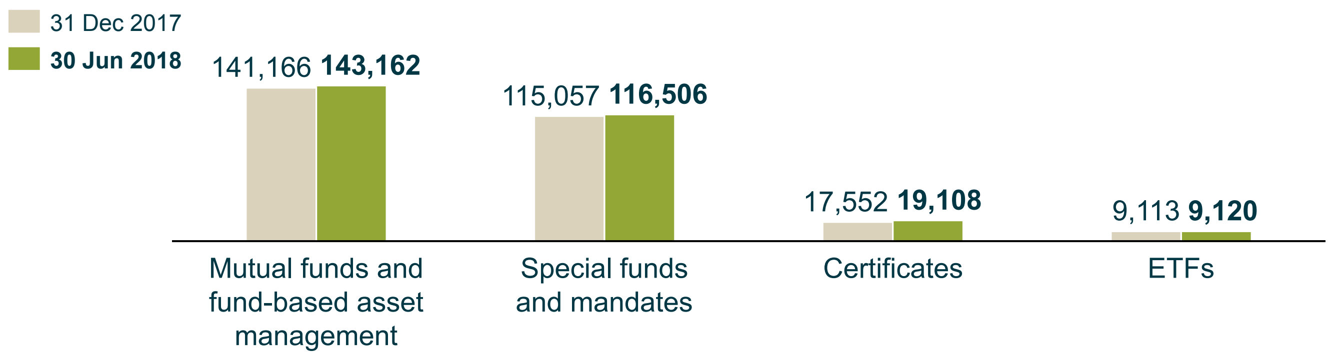
- At €260.3m, personnel expenses were close to the previous year's level
- Operating expenses increased due in particular to higher marketing and sales expenses. Operating expenses also reflect the expenses incurred in relation to the implementation of regulatory requirements

Total customer assets
Increase due to high net sales

Total customer assets by customer segment (in €bn)



Total customer assets by product category (in €m)

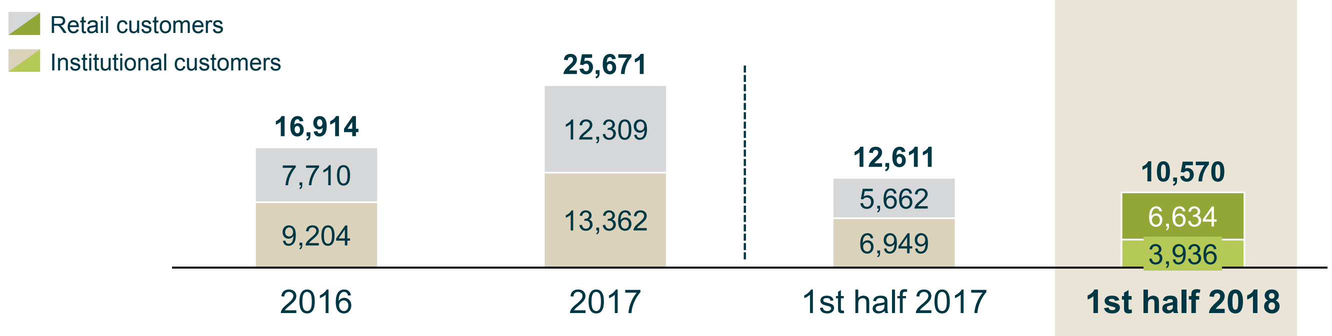


- Total customer assets rose due to high net sales of equity funds, mixed asset funds and mutual property funds
- Distributions to investors, maturities of certificates and market-driven falls in valuations were more than offset by the very positive level of net sales.

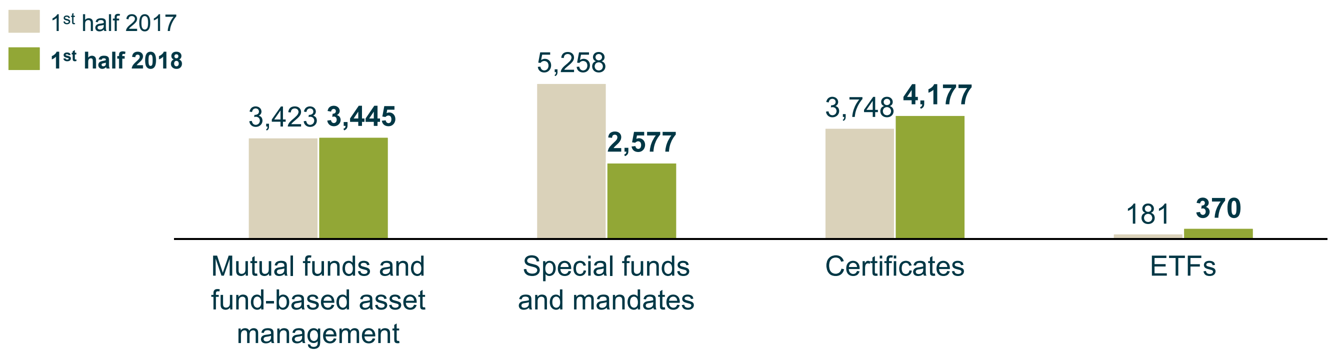
Net sales

Net sales continue at a high level in spite of the uneven market environment

Net sales by customer segment (in €m)

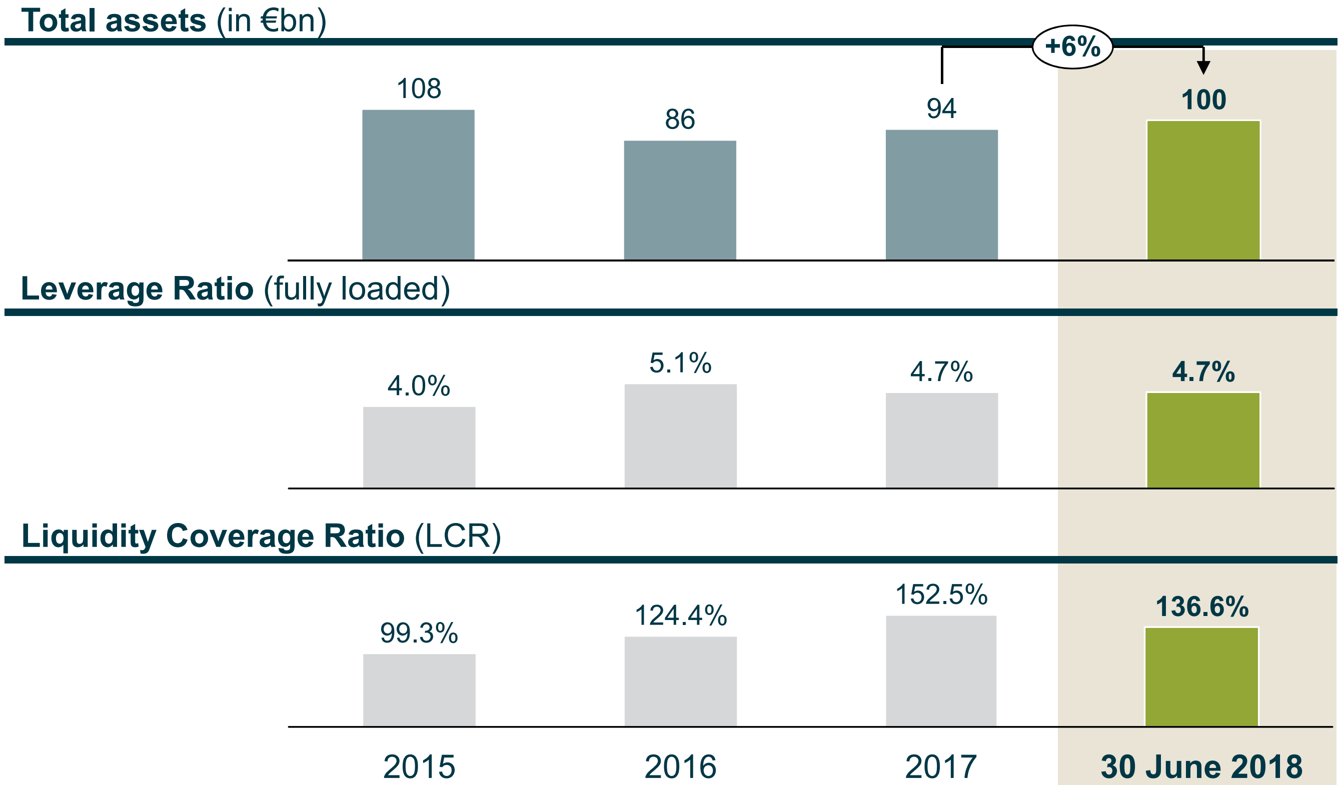


Net sales by product category (in €m)



- Net sales were €10.6bn, in spite of the uneven market environment. They thus fell slightly short of the very high figure achieved in the same period last year
- In retail business, both funds and certificates business exceeded the comparative figures for the first half of 2017, whereas in institutional business, special funds, advisory/management mandates and certificates lagged behind

Financial position
Financial position continues to be solid

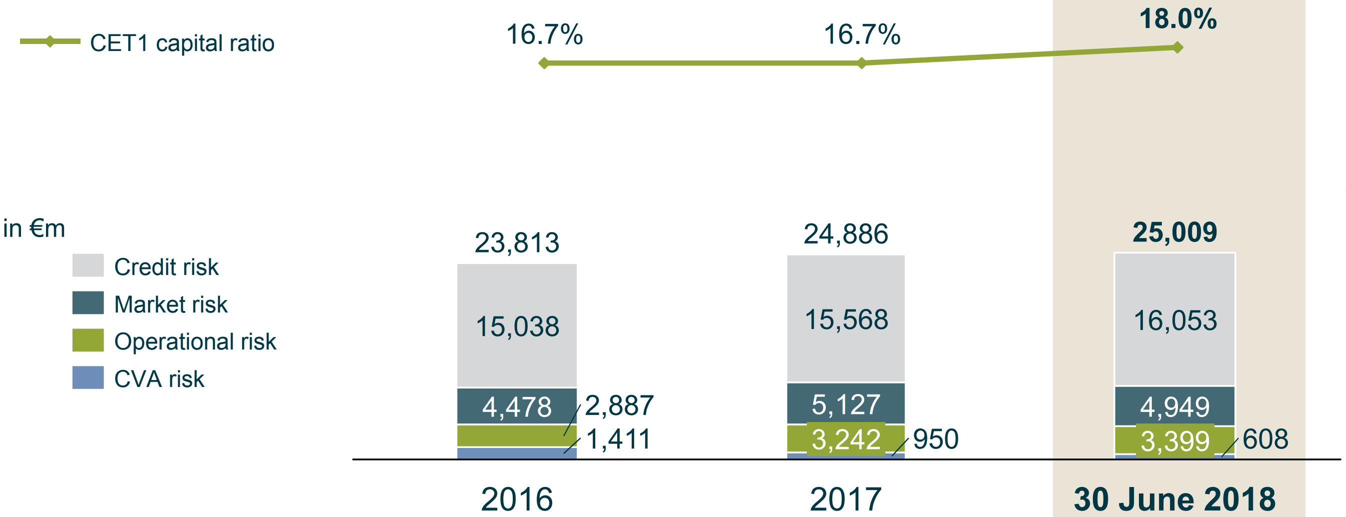


- Increase of total assets mainly due to a customer-led rise in repo activities
- Leverage ratio stood unchanged at 4.7%
- The liquidity coverage ratio was 136.6%, comfortably above the minimum requirement

Regulatory capital and risk-weighted assets

CET1 capital ratio (fully loaded) 18.0%

Development of regulatory capital and RWA (fully loaded)



in €m

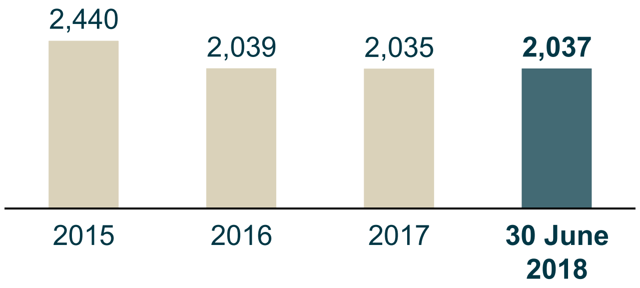
	2016	2017	30 June 2018
Own funds	5,289	5,442	**5,782**
Tier 1 capital	4,451	4,619	**4,967**
CET1 capital	3,978	4,145	**4,493**

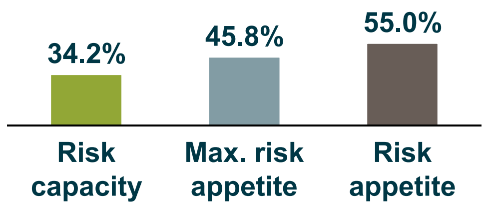
- Common Equity Tier 1 capital ratio (fully loaded) (CET1) at 18.0%
- Rise in CET1 due to effects related to the 2017 financial statements, such as the formal allocation of profit to retained earnings
- Such effects more than offset the simultaneous slight increase in risk-weighted assets
- All regulatory requirements were safely met
- SREP requirements for 2018 for the phase-in Common Equity Tier 1 capital ratio (Pillar Two requirement including combined capital buffers) at 8.10%[1)]

1) as at 30 June 2018 calculated minimum requirement

Economic risk
Utilisations at a non-critical level

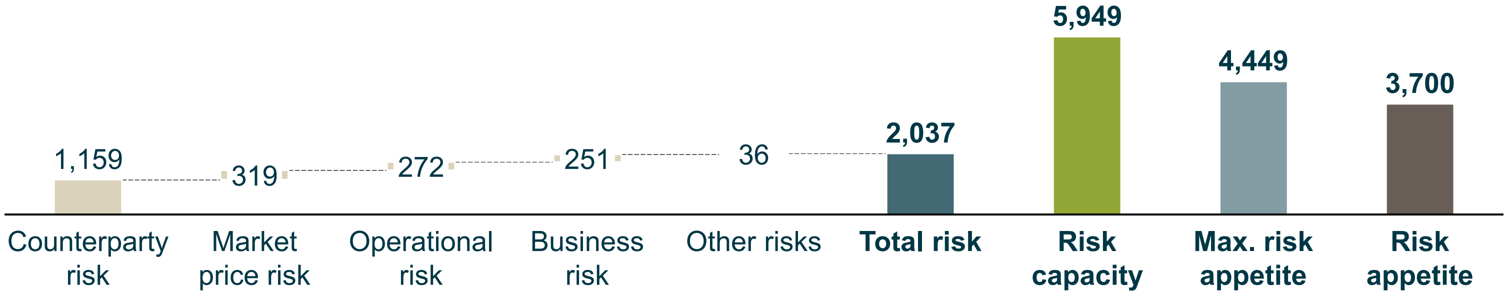
Development of overall risk[1] and utilisations (in €m)





- Total risk changed only slightly compared to the end of 2017
- Utilisations as at 30 June 2018 at a non-critical level

Overall risk[1] and economic capital (in €m)

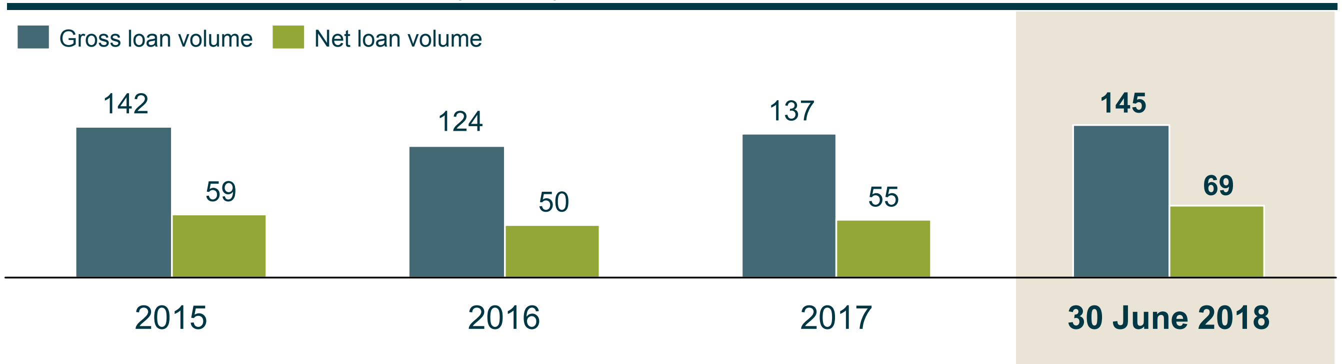


1) Value-at-Risk – VaR; confidence level 99.9 %, holding period 1 year

Gross and net loan volume

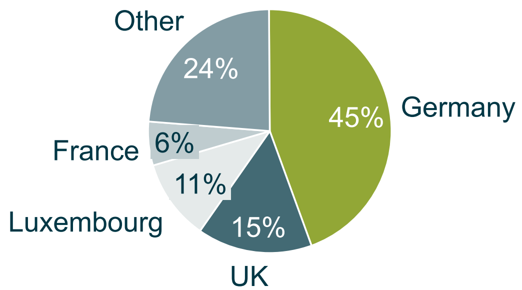
Difference between gross and net loan volume shows level of collateralisation

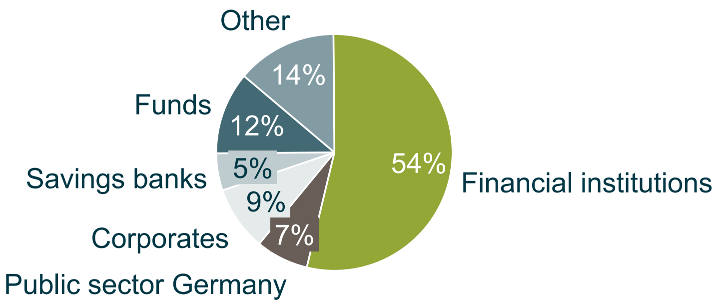
Gross and net loan volume (in €bn)



- The average rating for the gross loan volume was unchanged at 2 on the DSGV master scale (corresponding to a rating of BBB+ on the external S&P rating scale)

Gross loan volume by countries and segments (as at 30 June 2018)





- 71.6% of total gross loan volume related to the eurozone

The difference between gross loan volume and total assets essentially results from two different approaches and the consequent difference in carrying amounts:
The IFRS consolidated assets are based on accounting standards. Gross loan volume, on the other hand, relies on a more differentiated approach which takes credit risk into account. For example, it includes risks arising from off-balance sheet transactions, or changed recognition (in terms of carrying amounts) of receivables from repo/lending transactions, which is also the main driver of the change.

Financial ratings
Good ratings remain unchanged

	Standard & Poor´s	Moody´s
Preferred Senior Unsecured Debt	**A+** Senior Unsecured Debt [1)]	**Aa2** (stable) Senior Unsecured Debt [1)]
Non-Preferred Senior Unsecured Debt	A Senior Subordinated Debt [2)]	A1 Junior Senior Unsecured Debt [2)]
Deposit Rating	n/a	Aa2 (stable)
Counterparty Rating	A+ (stable) Counterparty Credit Rating	Aa2 Counterparty Risk Rating
Issuer Rating	A+ (stable) Issuer Credit Rating	n/a
Own financial strength[3)]	bbb Stand-alone Credit Profile	baa2 Baseline Credit Assessment
Short-Term Rating	A-1	P-1

As at 22 August 2018
1) Senior unsecured debt, which in case of insolvency will be corrected before debt instruments according to § 46 f (6) S. 1 KWG.
2) Senior unsecured notes, which are non preferred debt instruments according to § 46 f (6) S. 1 KWG.
3) S&P: SACP (Stand Alone Credit Profile); Moody's: BCA (Baseline Credit Assessment)

Forecast report according to the Interim Management Report 2018

Excerpt from expected business development and profit performance:

“The Group stands by the full-year expectations for 2018 stated in the Group Management Report for 2017.

The Group’s 2018 economic result is expected slightly to exceed the previous year’s figure .”

The Deka Group’s planning is based on the assumptions about future economic development that appear the most probable from a current standpoint. Statements about the expected development in the second half of 2018 are nevertheless subject to uncertainty.

APPENDIX

Glossary 1/2: Economic result

As a central control variable, together with economic risk, the **economic result** forms the basis for risk/return management in the Deka Group. It is generally determined in accordance with IFRS accounting and measurement policies.

The economic result includes the total profit or loss before tax, plus or minus changes in the revaluation reserve (before tax) and the interest rate and currency-related valuation result from original lending and issuance business, which are not recognised in the income statement under IFRS but are relevant for assessing financial performance. The interest expense on Additional Tier 1 bonds, which is reported directly within equity, is also included in the economic result. Potential future charges are also included in the economic result if the probability that they will be arising in the future is assessed as possible. These are charges that may not yet be recorded in the IFRS accounts because they are not sufficiently substantiated.

The **economic result** is thus a periodic management accounting indicator 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 (RWA) of all relevant counterparty, market and operational risk positions and the CVA risk (credit valuation adjustment).

Risk capacity

- In the economic risk-bearing capacity analysis, risk cover potential essentially consists of equity under IFRS, income components and positions of a hybrid capital nature (subordinated capital), adjusted using amounts to correct for certain capital components such as intangible assets or risks arising from pension obligations. As a formal overall risk limit, it serves 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.

Further definitions in the glossary of the Annual Report www.deka.de/deka-group

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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.