Business development of the Deka Group
as at 30 June 2019

Frankfurt/Main, 28 August 2019

Agenda

The Deka Group at a glance (1/3)
The Wertpapierhaus of the savings banks

Corporate object

Administration, management and investment of assets

Customers

German savings banks, savings banks customers and institutional investors

Value creation

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 & sales support

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

Product management

- Asset liability management (ALM)
- Strategic asset allocation
- Choice of investment style
- Research

Asset servicing

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

Implementation

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

Fund management

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

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 customers

Institutional Sales
Institutional customers

Asset Management (AM)

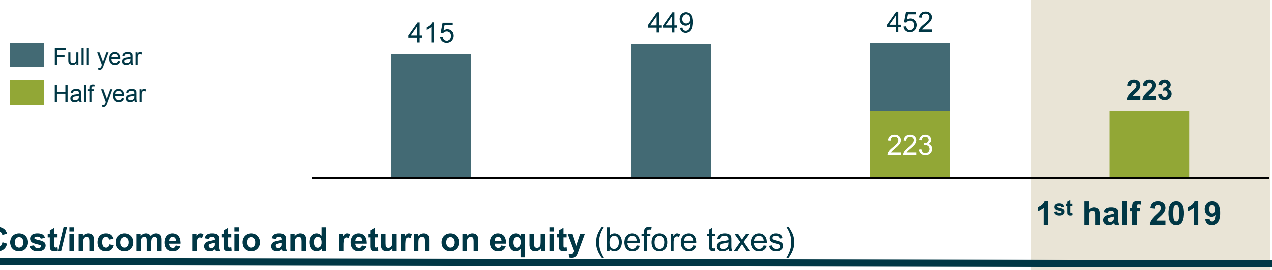
Banking business

AM Securities	AM Real Estate	AM Services	Capital Markets	Financing

Corporate Centres

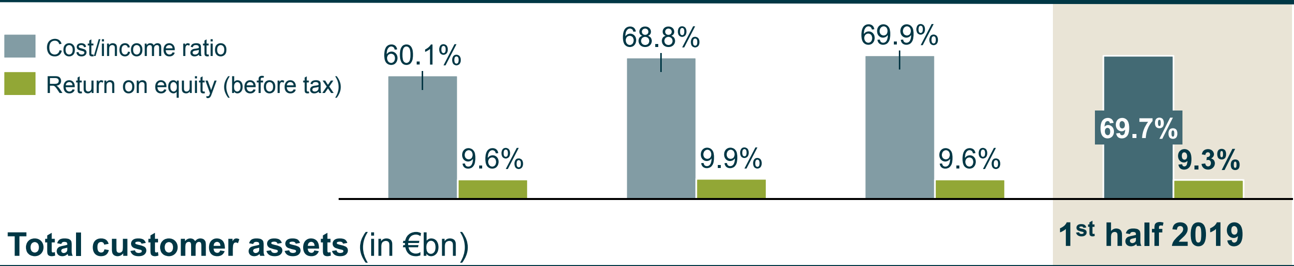
Business development
Economic result at previous year's level

Economic result (in €m)



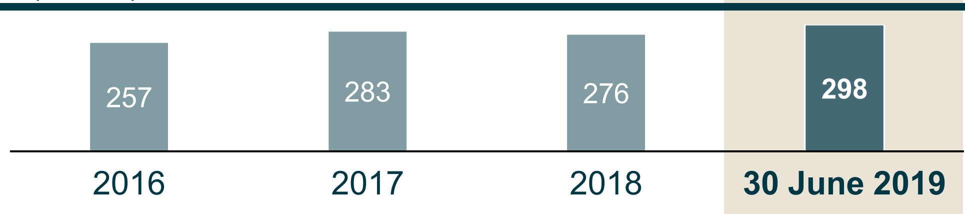
- In the first half of 2019, the Deka Group generated an economic result of €223.1m, on a par with the previous year's level (€222.6m)

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



- The cost/income ratio was 69.7%
- The return on equity (before tax) was 9.3%

Total customer assets (in €bn)

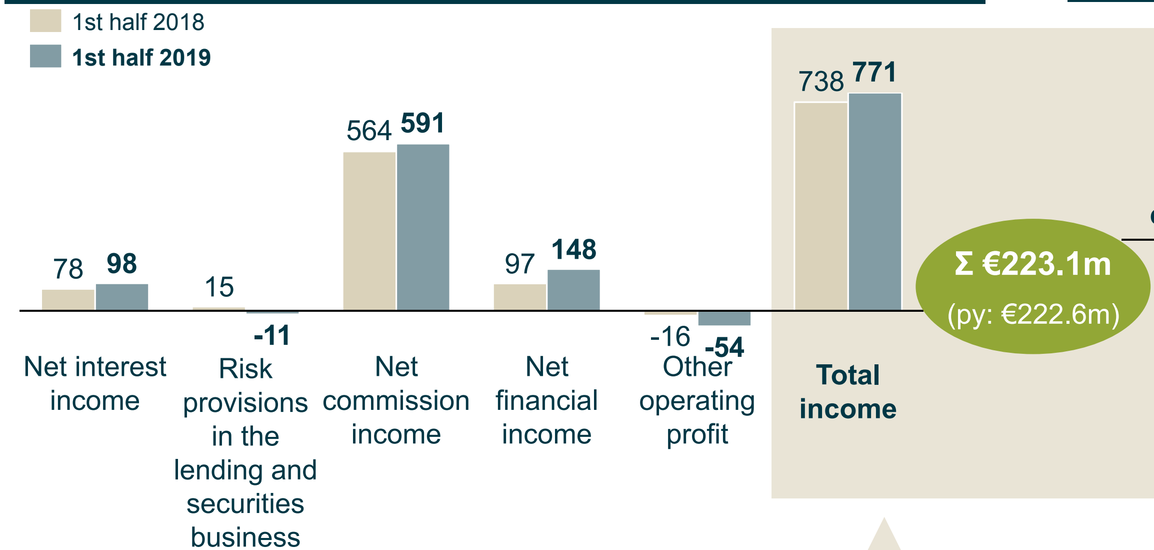


- Total customer assets at the Deka Group were up by around 8% to €297.7bn

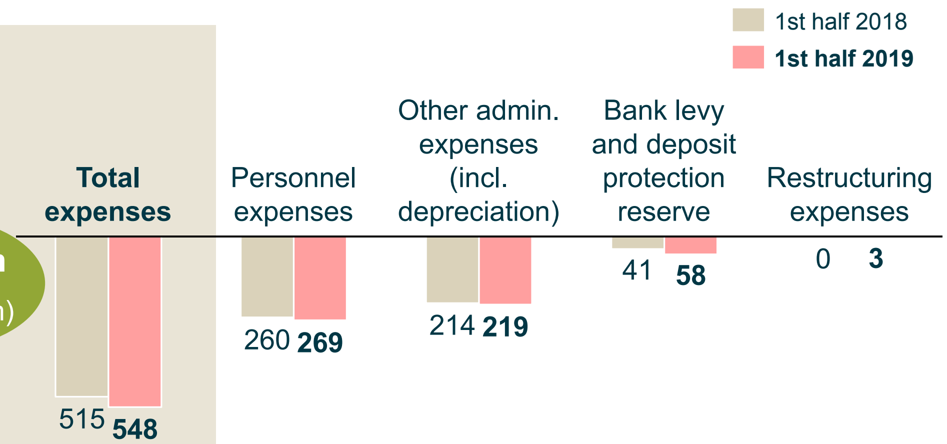
Total income and expenses

Net commission income proves to be an important sustainable component of earnings, accounting for almost 80% of total income

Total income (in €m)



Total expenses (in €m)

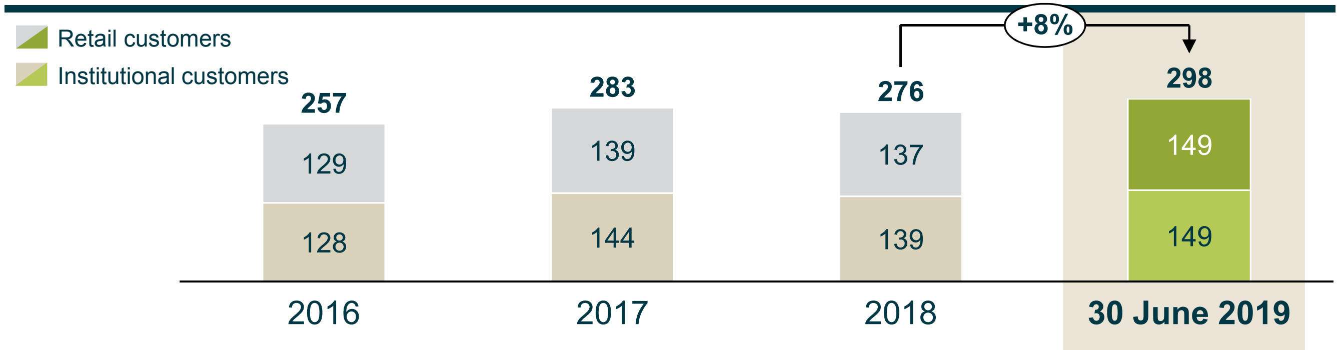


- Net commission income rose primarily due to an increase in portfolio-based commission
- Positive valuation effects on securities in the wake of spread movements in the first half of 2019 were the main reason for the increase in net financial income from banking book portfolios
- Actuarial losses on pension provisions, which resulted from the market-induced fall in the actuarial interest rate, had a negative impact on other operating profit

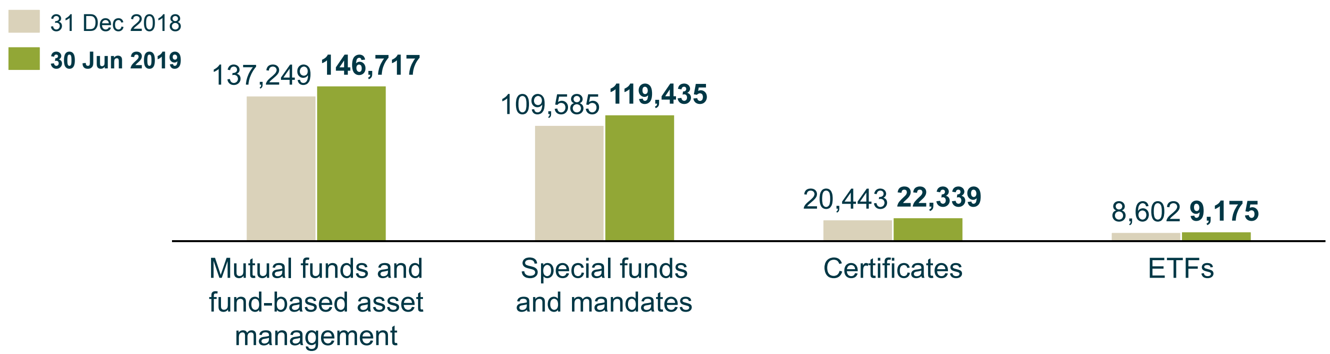
- There was a moderate rise in personnel expenses. Expenses were pushed up by an increase in the workforce and wage and salary increases as a result of the collective bargaining rounds
- Other administrative expenses including depreciation and amortisation increased slightly. While marketing and sales expenses, among other things, were below the prior-year figure, expenses for consultancy, computer equipment and machinery, and postage/telephone/office supplies were higher than in the previous year. As expected, depreciation charges were up considerably at €26.4m compared to the prior-year figure of €9.2m. This was due to the recognition of leases in accordance with IFRS 16 (mainly for buildings)

Total customer assets
Increase due to positive sales performance and net sales

Total customer assets by customer segment (in €bn)



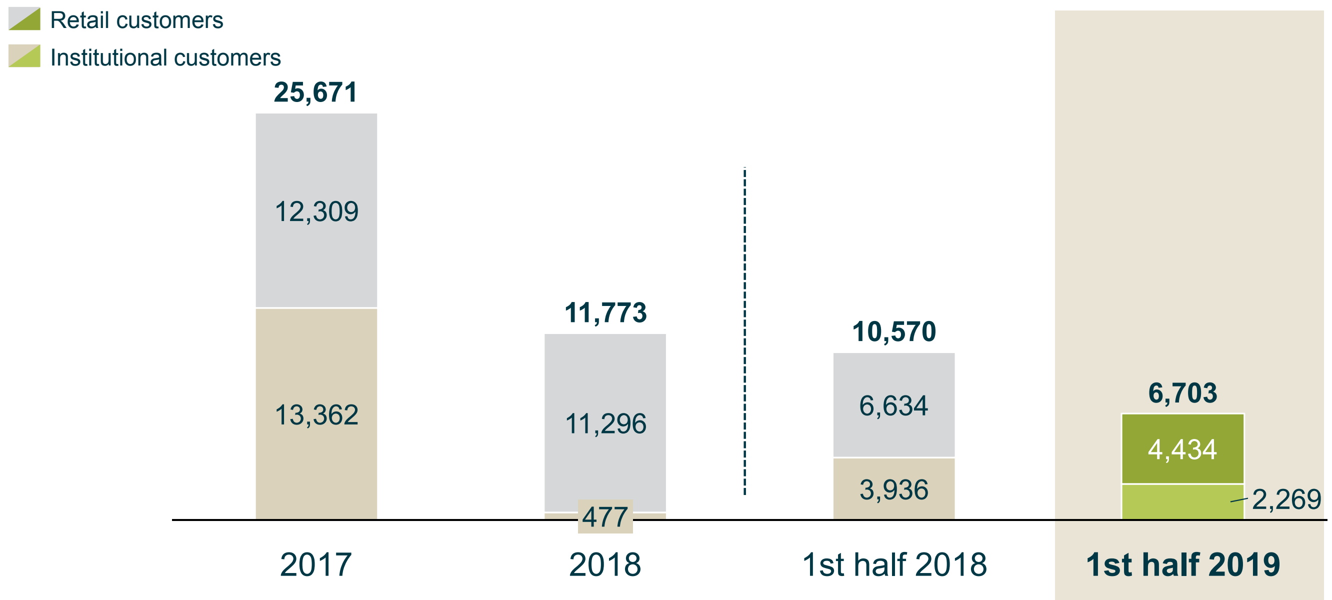
Total customer assets by product category (in €m)



- Total customer assets were up by around 8% as against the end of 2018 to €297.7bn
- In addition to sales, this was primarily attributable to the positive performance witnessed in the course of the year
- This trend was partially offset by distributions to investors and maturing certificates

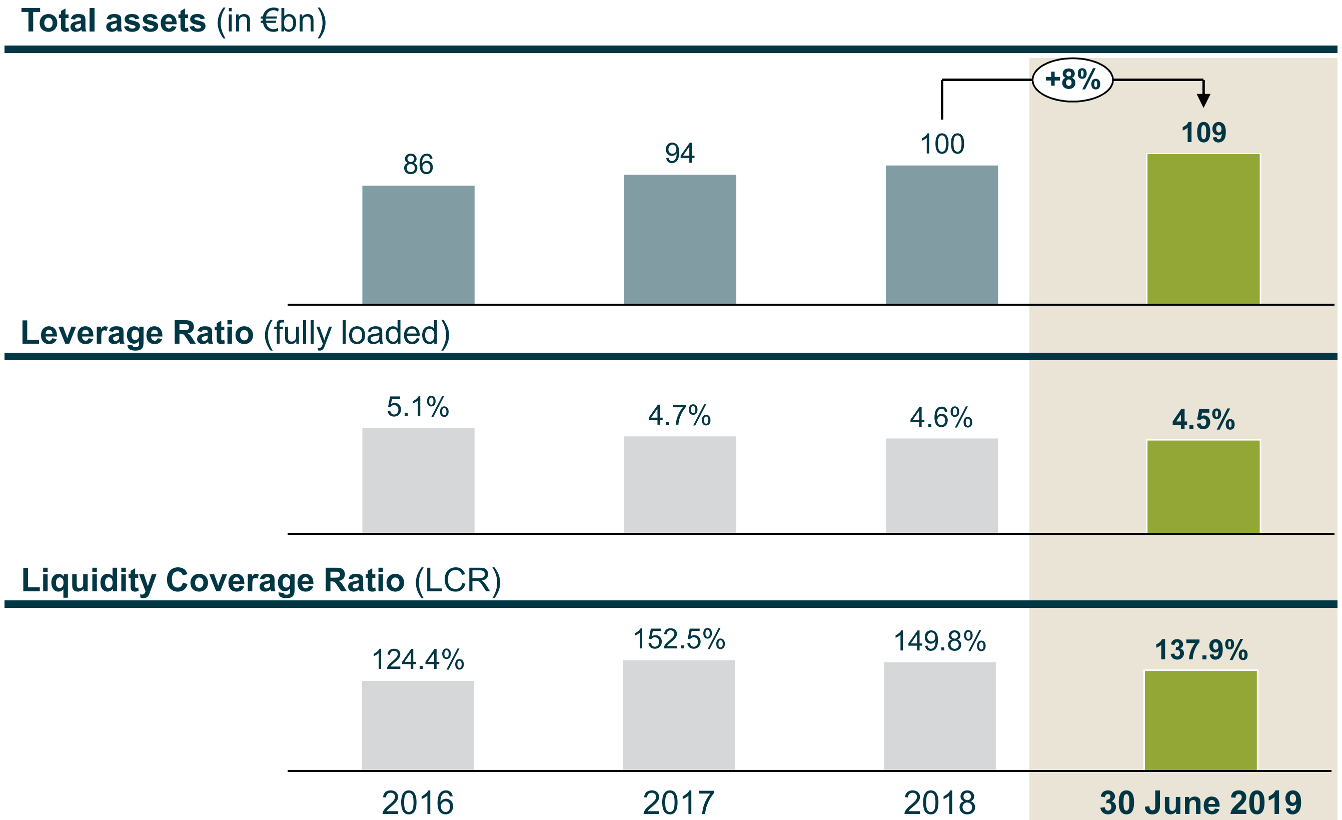
Net sales
Positive at €6.7bn but below the first half of 2018

Net sales by customer segment (in €m)



- Down on the same period of the previous year due to slowing sales momentum
- Customers were generally cautious in light of the high levels of market volatility seen in 2018
- This was also reflected in the sale of bond funds and mixed funds as well as in fund-based asset management for retail customers; equity funds and mutual property funds achieved sales growth
- The majority of demand for certificates (€3.6bn) was attributable to retail customers (€2.8bn)

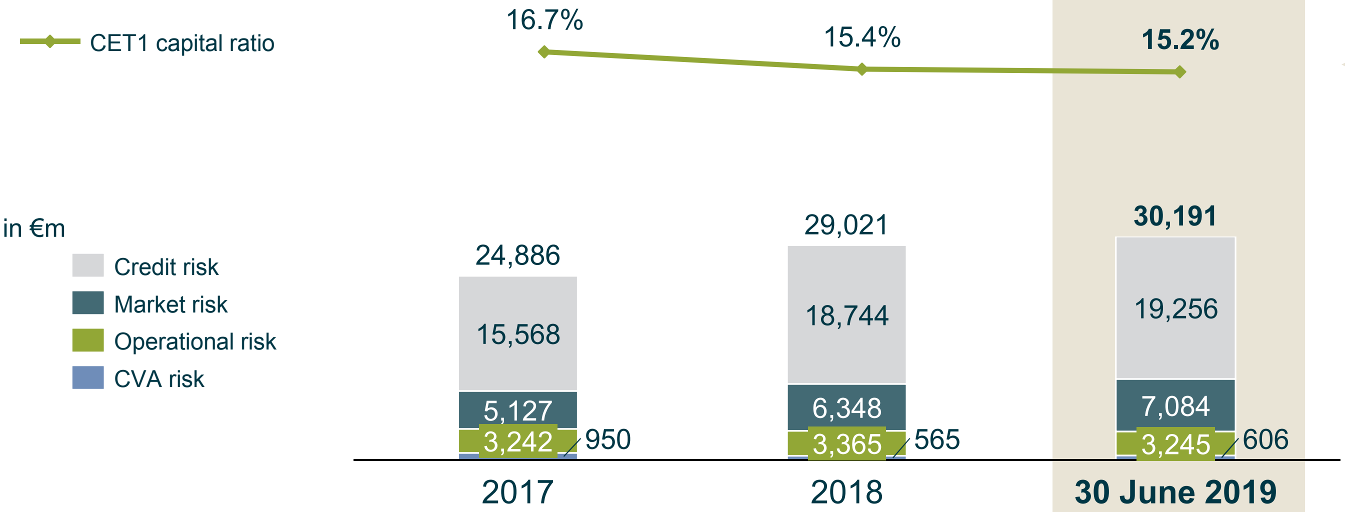
Financial position
Financial position remains sound



- Higher total assets due essentially to an increase in repo activities and an expansion of lending
- The leverage ratio was 4.5%
- The Deka Group's LCR was 137.9%, considerably above the minimum requirement

Regulatory capital and risk-weighted assets
Common Equity Tier 1 capital ratio (fully loaded) 15.2%

Development of regulatory capital and RWA (fully loaded)

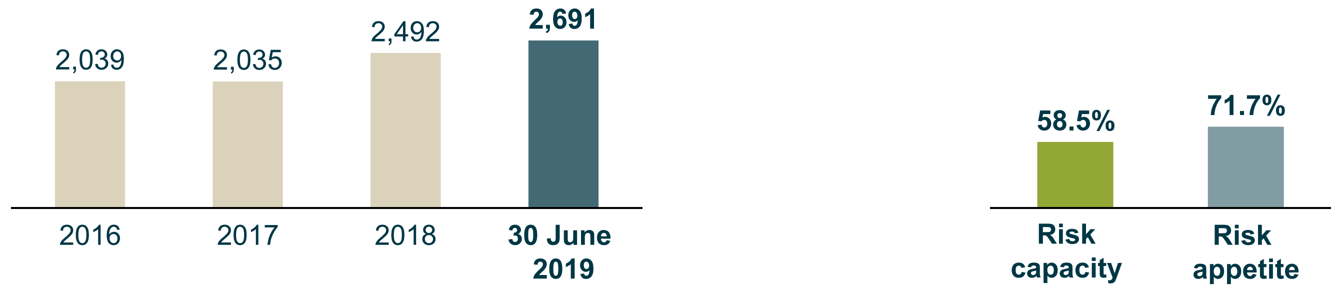


in €m	2017	2018	30 June 2019
Own funds	5,442	5,741	**5,837**
Tier 1 capital	4,619	4,933	**5,048**
Common Equity Tier 1 capital	4,145	4,460	**4,575**

- Regulatory own funds requirements were met at all times
- The Common Equity Tier 1 capital ratio (fully loaded) amounted to 15.2%
- The increase in Common Equity Tier 1 capital (due especially to profit retention) was offset by an increase in risk weighted assets (mainly credit risk and market risk)
- 2019 SREP requirement for the Common Equity Tier 1 capital ratio (P2R requirement including combined capital buffer, with transitional provisions) at 8.94% as at 30 June 2019

Economic risk situation
Utilisation remains at non-critical levels

Change in total risk[1)] (in €m) and utilisation ratios as at 30 June 2019



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

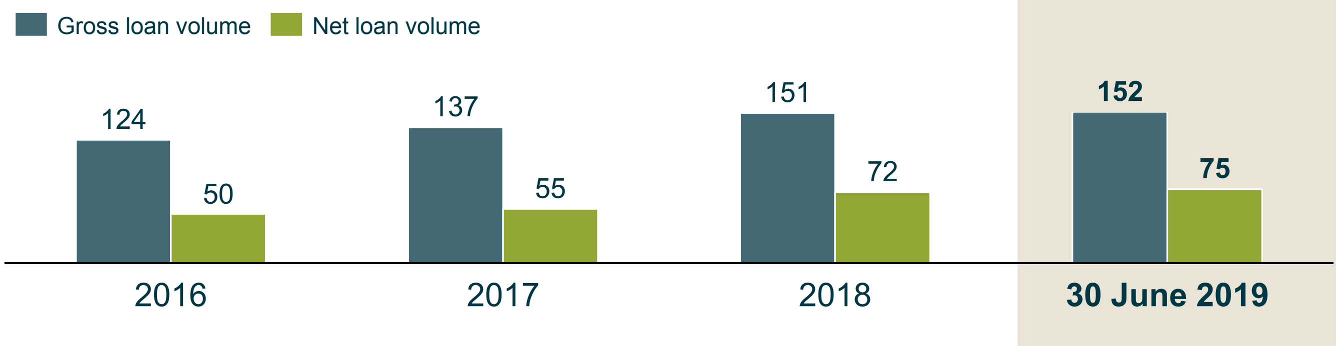
- Rise in total risk over the year due to increased counterparty, market price, business and shareholding risks
- Utilisation of risk capacity up considerably as against the end of 2018 (42.1%) as subordinated capital components no longer count towards internal capital. However, it remains at a non-critical level

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

Gross and net loan volume

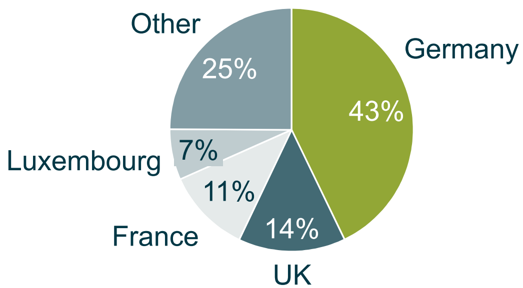
Difference between gross and net loan volume shows extent of collateralisation

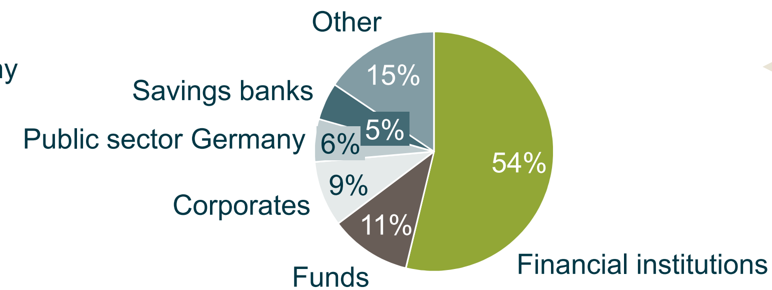
Gross and net loan volume (in €bn)



- Average rating for the gross loan volume improved by one notch to a rating of 2 on the DSGV master scale (corresponds to BBB+ on the S&P scale)

Gross loan volume by countries and segments (as at 30 June 2019)





- The eurozone accounted for 70.6% of the gross loan volume (year-end 2018: 71.8%)

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 Deposits
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: 28 August 2019
1) Non-subordinated, unsecured liabilities that are debt instruments within the meaning of section 46f (6) sentence 1 of the German Banking Act (KWG).
2) Non-subordinated, unsecured liabilities that are not preferred debt instruments within the meaning of section 46f (6) sentence 1 KWG.

Sustainability ratings
Ratings confirm our sustainable governance

Deka

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	**2019**
C	C+	**C+**

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

Sustainability ratings as at: MSCI: 12 May 2018; sustainalytics: 12 October 2017; oekom: 31 May 2019; imug: 21 March 2019 (Sustainability Rating: positive (BB); Mortgage Covered Bonds: positive (BBB); Public Sector Covered Bonds: positive (BBB))

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. It is generally determined in accordance with IFRS accounting and measurement policies.

In addition to the total of profit or loss before tax, it also includes:

- Changes in the revaluation reserve (before tax)
- As well as the interest- 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 on 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 as accurate details are not yet available.

The economic result is therefore a control variable on an accrual basis with a high level of transparency that 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

- Internal capital essentially consists of equity capital according to IFRS (excluding minority interests) along with a net income contribution for a year and the net income accrued according to IFRS. There are various adjustment items to take account of balance sheet items that do not reflect the concept of economic value. A deductible item for risks from pension obligations also directly reduces internal capital.

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 activities attributable to cooperation partner funds, third-party funds and liquidity, master funds as well as advisory/management mandates and certificates.

Net sales

- Net sales is an indicator of sales performance 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.

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Annual figures refer to both key dates and time periods.