

# The Deka Group Remuneration report 2017

Publication in accordance with the German Remuneration Regulation for Institutions  
(Institutsvergütungverordnung – InstitutsVergV)

100 Jahre  
**„Deka**

## #deka100



Berlin 1918



Frankfurt 2018



A story of success for 100 years.

# Contents

	<b>Page</b>
<b>1. Introduction and overview</b>	<b>3</b>
<b>2. Remuneration philosophy and principles</b>	<b>4</b>
<b>3. Compensation governance</b>	<b>5</b>
<b>3.1. Remuneration Control Committee</b>	<b>5</b>
<b>3.2. Remuneration Officer</b>	<b>5</b>
<b>3.3. Management Committee for Remuneration</b>	<b>6</b>
<b>4. Structure of remuneration systems</b>	<b>7</b>
<b>4.1. General remuneration structure in the Deka Group</b>	<b>7</b>
<b>4.2. Remuneration system for risk-relevant employees</b>	<b>7</b>
<b>4.2.1. Identifying employees whose roles are risk-relevant</b>	<b>8</b>
<b>4.2.2. Sustainability and performance-related structuring of remuneration</b>	<b>8</b>
<b>4.3. Remuneration system for the Board of Management</b>	<b>9</b>
<b>4.4. Remuneration system for S Broker AG &amp; Co. KG and S Broker Management AG</b>	<b>9</b>
<b>4.5. Remuneration systems in international subsidiaries</b>	<b>10</b>
<b>4.5.1. Luxembourg</b>	<b>10</b>
<b>4.5.2. Other countries</b>	<b>10</b>
<b>5. Disclosure</b>	<b>11</b>
<b>5.1. Total figures by business area</b>	<b>11</b>
<b>5.2. Total figures for risk-relevant employees</b>	<b>12</b>
<b>5.3. Disclosure of "high earners"</b>	<b>13</b>
<b>5.4. Disclosure of Administrative Board and Board of Directors remuneration</b>	<b>13</b>

# Remuneration report for financial year 2017

## 1. Introduction and overview

This 2017 remuneration report for DekaBank Deutsche Girozentrale and its subordinate companies with employees has been prepared in accordance with § 16 paragraph 1 of the German Remuneration Regulation for Institutions (InstitutsVergV) and Art. 450 of Regulation (EU) No. 575/2013 and fulfils the national and European disclosure requirements for the Deka Group.

The companies recorded in the remuneration report for financial year 2017 (hereinafter collectively referred to as the **“Deka Group”**) include:

- DekaBank Deutsche Girozentrale (hereinafter referred to as **“DekaBank”**)
- Deka Investment GmbH
- Deka Immobilien Investment GmbH
- WestInvest Gesellschaft für Investmentfonds mbH
- Landesbank Berlin Investment GmbH
- Deka Immobilien GmbH
- bevestor GmbH
- DekaBank Deutsche Girozentrale Luxembourg S.A.
- Deka International S.A. (Luxembourg)
- International Fund Management S.A. (Luxembourg)
- Deka Real Estate Lending k.k. (Tokyo)
- Deka Real Estate Services USA inc.
- Deka Far East Pte. Ltd. (Singapore)
- S Broker AG & Co. KG
- S Broker Management AG

The "Guidelines on sound remuneration policies" (EBA/GL/2015/22) issued by the EBA on 21 December 2015 entered into effect on 1 January 2017. National implementation in the form of another amendment to the German Remuneration Regulation for Institutions ("IVV 3.0") entered into effect on 4 August 2017. BaFin still had not published the final aid to interpretation for IVV 3.0 by the end of the reporting period.

The revised "Guidelines on internal governance" (EBA/GL/2017/11) enter into effect on 30 June 2018. They refer to the EBA "Guidelines on sound remuneration policies" for the specific requirements for remuneration governance, so that there are no special requirements for DekaBank.

A draft delegated regulation was published on 25 April 2016 to provide more detail for the MiFID II Directive (2014/65/EU) of 20 June 2014. The regulation contains supplementary general principles for the remuneration systems of investment services companies and must be applied by affected companies (together with the MiFID II implementation rules and other delegated measures) starting as of 3 January 2018.

The EBA also issued its final "Guidelines on remuneration policies and practices related to the provision and sale of retail banking products and services" on 28 September 2016. They enter into effect on 13 January 2018. The goal is to protect clients from bad advice due to incorrect or inappropriate remuneration incentives when bank products are purchased.

These regulatory changes require extensive changes to Deka Group remuneration systems, in particular changes to the deferral system for risk-relevant employees, starting in financial year 2018. The planning for implementation within the Deka Group is practically complete.

The Deka Group will continue to systematically pursue implementation of these new requirements. A report on the final status of implementation will be included in the remuneration report for financial year 2018.

# Remuneration report for financial year 2017

## 2. Remuneration philosophy and principles

The Deka Group remuneration philosophy is to use attractive, incentive-based remuneration systems to help achieve the strategic goals of the Deka Group while providing incentives for employees to adopt a responsible, risk-aware, client-oriented approach in business<sup>1</sup>. At the same time, it is designed to achieve an increase in value for our shareholders. This creates a profit-driven corporate culture that rewards the individual performance and strengths of employees with attractive remuneration. It is aimed at motivating our employees to fully exploit their individual potential. In this manner, the interests of management and employees are reconciled with those of shareholders, while ensuring that regulatory requirements are fulfilled.

Key factors of the Deka Group remuneration philosophy include the sustainability and risk-orientation of remuneration systems. These aspects have become increasingly important in recent years, partly because of a greater level of regulation and increased complexity in the regulatory environment.

The following basic principles have been derived from this remuneration philosophy to structure Deka Group remuneration systems. The remuneration systems generally:

- take into account Deka Group profitability as well as risk and capital costs,
- secure the sustained future performance and earnings power of the Deka Group,
- promote long-term employee thinking and responsible conduct,
- offer Deka Group employees an attractive and competitive incentive system,
- ensure remuneration that is in line with profits and performance while offering an appropriate ratio of fixed to variable remuneration elements,
- prevent incentives for employees to take on excessive risk positions,
- support the future recruitment and long-term loyalty of highly qualified and talented employees,
- provide the basis for appropriate differentiation across areas and responsibilities with regard to the amount of remuneration,
- avoid unnecessary complexity and are designed to be transparent and intelligible,
- are aligned with the Deka Group's strategies, and
- do not adversely affect the monitoring functions of the monitoring units.

---

<sup>1</sup> To simplify the language in this document, the male form is used to refer to both men and women.

# Remuneration report for financial year 2017

## 3. Compensation governance

In accordance with regulatory requirements, DekaBank established a Remuneration Control Committee in the Administrative Board and appointed a Remuneration Officer.

In addition, the Management Committee for Remuneration (MCR), as a Group-wide remuneration committee in accordance with § 27 paragraph 3 InstitutsVergV and § 37 KAGB in combination with section 55 of the ESMA Guidelines on Sound Remuneration Policies taking into account the AIFM Directive of 3 July 2013 and Art. 14b of Directive 2014/91/EU (UCITS V), assumes certain supervisory responsibilities for the management companies in the Deka Group and other responsibilities assigned to it within the Deka Group.

### 3.1. Remuneration Control Committee

The Remuneration Control Committee is a committee of the DekaBank Administrative Board. It has 9 members, including the Chairman of the Administrative Board, who also chairs the Remuneration Control Committee, and an advisory member.

The Remuneration Control Committee fulfils the responsibilities it is assigned under § 15 InstitutsVergV, namely:

- preparatory work for resolutions by the General and Nomination Committee / Administrative Board on setting the total amount of variable remuneration (§ 45 paragraph 2 sentence 1 no. 5a of the German Banking Act (Kreditwesengesetz – KWG)) for the Board of Management in accordance with § 7 InstitutsVergV,
- preparatory work for resolutions by the General and Nomination Committee / Administrative Board on setting appropriate remuneration parameters, performance contributions, payment and deferral periods, and the conditions under which the Board of Management loses all or part of its variable remuneration,
- regular (at least annual) review of whether the items set by resolutions above are still appropriate,
- providing assistance and advice to the Board of Management for monitoring whether employee remuneration systems are appropriately structured and monitoring the process of identifying risk-relevant employees, in particular the regular (at least annual) review of whether
  - (i) the total amount of variable remuneration was calculated in accordance with § 7 InstitutsVergV,
  - (ii) the principles established for determining remuneration parameters, performance contributions and payment and deferral periods, including the requirements for a complete loss or partial reduction in variable remuneration, are appropriate, and
  - (iii) the remuneration systems for employees in the monitoring units satisfy the requirements of the InstitutsVergVand
- assessing the effects the remuneration systems have on the Deka Groups' risk, capital and liquidity situation and ensuring that the remuneration systems are aligned with the business strategy, the risk strategies based on it, and the remuneration strategy of the Deka Group.

The meeting schedule of the Remuneration Control Committee includes at least four meetings each financial year. Additional meetings can be called as needed.

### 3.2. Remuneration Officer

The Remuneration Officer and Deputy Remuneration Officer are appointed by the DekaBank Board of Management. Due to familiarity with the subject matter and specialised knowledge, necessary involvement in the ongoing processes of the remuneration systems and available personnel and resources, an employee in the Human Resources & Organisation area is generally appointed Remuneration Officer, while ensuring that no conflicts of interest exist in accordance with § 23 para. 4 InstitutsVergV. The head of Risk Controlling is generally appointed Deputy Remuneration Officer. Both have appropriate personnel resources to assist them in their activities.

# Remuneration report for financial year 2017

The Remuneration Officer fulfils the responsibilities he is assigned under § 24 InstitutsVergV, namely:

- monitoring the appropriateness of DekaBank remuneration systems, both with respect to new and improved conceptual developments as well as day-to-day application of the remuneration systems,
- providing assistance and advice to the Board of Management and Remuneration Control Committee in their responsibilities to monitor and structure remuneration systems,
- providing information to and working in close coordination with the chairman of the Remuneration Control Committee,
- preparing a report on the appropriateness of the structure of Deka Group remuneration systems at least once a year (Remuneration Control Report) and submitting this report to the DekaBank Board of Management, Administrative Board and Remuneration Control Committee, as well as the responsible bodies in subsidiaries.

### 3.3. Management Committee for Remuneration

The MCR works in close coordination with the DekaBank Remuneration Officer and DekaBank Remuneration Control Committee (§ 25d paragraph 12 KWG, § 15 InstitutsVergV). It appropriately involves relevant functional areas (e.g. Risk Controlling, Compliance and Internal Audit) in accordance with § 3 paragraph 3 InstitutsVergV when fulfilling its responsibilities.

The MCR's responsibilities include:

- providing assistance and advice to the Board of Management and responsible bodies in the subsidiaries for all remuneration-relevant matters, in particular for implementing the requirements for Group-wide remuneration governance and establishing the Group-wide remuneration strategy,
- providing assistance and advice to the DekaBank Remuneration Officer and DekaBank Remuneration Control Committee for fulfilling the above responsibilities (see above), in particular for preparing remuneration reports and fulfilling legal reporting and disclosure requirements related to remuneration systems,
- preparatory work for resolutions by the Board of Management on setting the total amount of variable remuneration (§ 45 paragraph 2 sentence 1 no. 5a KWG) for employees in accordance with § 7 InstitutsVergV and preparatory work for the review by the Remuneration Control Committee, and
- monitoring the appropriateness of, and new and improved conceptual developments for the remuneration systems of the Deka Group companies concerned as part of its function as the remuneration committee for the domestic and Luxembourg management companies of the Deka Group.

The MCR meets regularly at least twice every financial year. Additional meetings can be called if needed.

The MCR had the following members during the reporting period:

- Chair: Head of Human Resources & Organisation,
- Representatives from the monitoring units: Head of Risk Controlling, Head of Credit Risk Office, Head of Compliance,
- Representatives from business origination units: Head of Internal Services – Security Funds & Capital Market Business, Head of Internal Services – Real Estate & Credit,
- Representatives from other areas (in an advisory role): Head of Internal Audit, Head of Finance.

# Remuneration report for financial year 2017

## 4. Structure of remuneration systems

### 4.1. General remuneration structure in the Deka Group

The remuneration structure generally applies throughout the Deka Group, unless otherwise specified below.

Remuneration comprises all financial consideration employees receive in respect of their job in the Deka Group. As a rule, employee remuneration includes fixed and variable remuneration components. In addition, employees receive monetary and non-monetary fringe benefits.

- The **fixed remuneration** as defined in § 2 para. 6 of the InstitutsVergV comprises the employee's monthly basic salary including bonuses. The monthly salaries of collective agreement employees are based on the salary brackets of the collective agreement for the private banking industry and public banks (currently 13 months' salary). The monthly salaries of non-collective agreement employees are set by individual agreements.
- **Variable remuneration** is all non-fixed remuneration (§ 2 para. 3 InstitutsVergV). It may, for example, be the annual bonus for a financial year and other special payments (e.g. project-related bonuses). As part of the performance-related bonus system, a "guideline bonus" is agreed with employees as a variable target amount for the financial year concerned. This forms the basis for determining the annual bonus that depends on the achievement of contributions to performance.
- **Fringe benefits** comprise all other normal market benefits, e.g. meal/canteen allowance, capital-building payments and the company pension plan. In addition, collective agreement employees receive benefits as stipulated in the collective pay agreement. Furthermore, company cars are made available to employees in certain roles in accordance with the applicable guidelines.

In accordance with § 25a paragraph 5 KWG, a maximum upper limit applies to the total variable remuneration for all employees of Deka Group institutions<sup>2</sup>. This may not exceed 100 per cent of the fixed remuneration for each individual employee or manager. DekaBank has not made use of the option to increase the upper limit to 200 per cent of the fixed remuneration for each individual employee or manager by means of a shareholder resolution in accordance with § 25a paragraph 5 sentence 5 KWG.

In accordance with the ESMA Guidelines of 3 July 2013, AIFM Directive and UCITS Directive, the management companies and other subsidiaries<sup>3</sup> of the Deka Group are subject to a maximum upper limit for total variable remuneration equal to 200 per cent of the fixed remuneration for each individual employee or manager.

When structuring the remuneration systems, a distinction is made between the following groups of employees in view of separate legal provisions and remuneration policy-based aims and targets:

- Board of Management<sup>4</sup>,
- Risk-relevant employees,
- Other employees (non risk-relevant employees).

The specific features of the remuneration systems for risk-relevant employees and the Board of Management are described in detail below.

### 4.2. Remuneration system for risk-relevant employees

§§ 18-22 of the InstitutsVergV and § 37 paragraph 1 KAGB impose special requirements on the structuring of the remuneration system for employees whose activities have a significant effect on the overall risk profile of DekaBank, one of the investment management companies in the Deka Group or the funds they manage ("**risk-relevant employees**").

---

<sup>2</sup> The Deka Group institutions referred to here are DekaBank Deutsche Girozentrale and DekaBank Deutsche Girozentrale Luxembourg S.A.

<sup>3</sup> Companies that are not currently directly subject to any regulatory requirements.

<sup>4</sup> The General and Nomination Committee of the Administrative Board approves and regularly reviews the remuneration of Board of Management members. It specifies the remuneration system and variable remuneration for the Board of Management after consultation with the Remuneration Control Committee.

# Remuneration report for financial year 2017

## 4.2.1. Identifying employees whose roles are risk-relevant

DekaBank identifies the risk-relevant employees in the Deka Group each year in accordance with applicable regulatory requirements, in particular the regulatory technical standards specified in Delegated Regulation No. 604/2014. The analysis process includes all non-collective agreement employees and is performed at the end of each year to identify the risk-relevant employees for the following year. The process is reviewed annually by the MCR. Changes and adjustments must be approved by the Deka-Bank Board of Management.

Risk-relevant DekaBank employees were identified using the qualitative and quantitative criteria in Delegated Regulation No. 604/2014. The qualitative criteria are based on the formal function of a risk-relevant employee. Employees who satisfy one of these criteria must be classified as risk-relevant. The quantitative criteria are based on total remuneration. The results of the quantitative analysis are checked using a score card procedure.

Risk-relevant employees in the management companies and other subsidiaries are identified using a multi-step process that takes into account both quantitative and qualitative key indicators and criteria. In this process, particular consideration was given to the extent to which each employee is in a position to create risk positions for the Deka Group based on their specific roles and decision-making powers. The results of the analysis were checked at a qualitative level, using a score card procedure (qualitative validation).

As a rule, employees who are classified as risk-relevant for only part of a financial year are treated as risk-relevant employees for the full financial year in question with respect to the structuring of their variable remuneration.

In financial year 2017, 194 risk-relevant employees (not including the Board of Management, and excluding employees classified as risk-relevant for part of the year and S Broker) were identified in the Deka Group.

## 4.2.2. Sustainability and performance-related structuring of remuneration

The variable remuneration of risk-relevant employees is generally performance-related, i.e., the amount is determined on the basis of the individual performance contribution of the employee and the performance contributions of the business area and the Deka Group.

For risk-relevant employees of DekaBank who report directly to the Board of Management (area management and board of management members of subsidiaries), it is mandatory to defer 60 per cent of variable remuneration for a minimum period of three years. The deferred share is 40 per cent of variable remuneration for risk-relevant employees below the level of area head and risk-relevant employees of management companies and other subsidiaries below the board of management level.

The deferred share of the remuneration is risk-based during the deferral period, i.e., in the event of negative performance of the employee, business area or the Deka Group as a whole, it may be reduced or might not be paid at all (malus clause). The deferred share is vested pro rata temporis. Vested tranches are no longer subject to the malus clause.

In addition, a share of at least 50 per cent of both the deferred and non-deferred variable remuneration is granted in the form of instruments (performance units), which depend on the sustainable performance of Deka Group.

The deferred (sustainable) components of variable compensation consequently consist of a cash portion ("cash deferral"), which is paid when vested, and a share granted in the form of performance units ("long-term PU"), which is subject to a further blocking period of one year after vesting.

The non-deferred component of compensation also consists of a cash portion ("cash bonus"), which is paid when due, and a portion granted in the form of performance units ("short-term PU"), which are also subject to a blocking period of one year after granting.

Risk-relevant employees of institutions whose variable remuneration for financial year 2017 is less than EUR 50,000 receive their variable remuneration fully paid out in cash.



# Remuneration report for financial year 2017

The remuneration system for risk-relevant employees of the domestic management companies and other subsidiaries of the Deka Group generally corresponds to the remuneration model above. In particular, a sustainable instrument based on the performance of the management company and the funds managed by the division was also introduced for risk-relevant employees of the management companies. A threshold of EUR 75,000 applies to risk-relevant employees of domestic management companies and other subsidiaries of the Deka Group.

Where non-risk relevant non-collective agreement employees and collective agreement employees receive performance-related variable remuneration in accordance with the provisions applicable to them, the full amount is paid in cash when due and is not deferred.

Total variable remuneration is therefore divided as follows depending on the employee category:

	Cash bonus	Short-term PU	Cash deferral	Long-term PU
Risk-relevant employees at the area management/board of management level (base amount > EUR 50,000 <sup>5</sup> )	20%	20%	30%	30%
Risk-relevant employees (base amount > EUR 50,000 <sup>6</sup> )	30%	30%	20%	20%
Non-risk relevant, non-collective agreement employees	100%	-	-	-
Collective agreement employees	100%	-	-	-

## 4.3. Remuneration system for the Board of Management

The remuneration system for members of the DekaBank Board of Management essentially corresponds to the remuneration system described above for risk-relevant employees under the InstitutsVergV and is in accordance with DekaBank remuneration principles. The specific details of the remuneration system for the Board of Management are specified by the General and Nomination Committee of DekaBank's Administrative Board in accordance with regulatory requirements and in consultation with the Remuneration Control Committee.

## 4.4. Remuneration system for S Broker AG & Co. KG and S Broker Management AG

As the largest shareholder at the time, DekaBank acquired all of the shares of Sparkassen Broker in 2016. Sparkassen Broker ("S Broker") therefore became a wholly owned subsidiary of DekaBank. To fulfil the disclosure requirements at the consolidated level in accordance with § 16 in conjunction with § 27 para. 1 InstitutsVergV, S Broker has been included in the Deka Group remuneration report for the first time.

All of the company's employees are employees of S Broker AG & Co. KG, except for the board of management and their assistants. They are employees of S Broker Management AG, which is wholly owned by S Broker AG & Co. KG.

As a rule, the remuneration of the employees of S Broker AG & Co. KG and the board of management assistants includes fixed and variable remuneration elements. Employees also receive non-monetary fringe benefits.

- The **fixed remuneration** as defined in § 2 para. 6 of the InstitutsVergV comprises the employee's monthly basic salary. The annual fixed salary consists of twelve salary payments. S Broker is not subject to a collective agreement. Salaries are individually negotiated in accordance with the market.
- **Variable remuneration** is all non-fixed remuneration (§ 2 para. 3 InstitutsVergV). It may, for example, be the annual bonus for a financial year and other special payments (e.g. project-related bonuses). Every employee has a variable share set by their employment agreement. This forms the basis for determining the annual bonus that depends on the achievement of contributions to performance.
- The fringe benefits include benefits like cafeteria subsidies.

<sup>5</sup> A base amount > EUR 75,000 applies to risk-relevant employees of domestic management companies and unregulated subsidiaries in the Deka Group.

<sup>6</sup> See footnote 5.

# Remuneration report for financial year 2017

In accordance with § 25a paragraph 5 KWG, a maximum upper limit applies to the total variable remuneration for all employees. This may not exceed 100 per cent of the fixed remuneration for each individual employee or manager. S Broker has not made use of the option to increase the upper limit to 200 per cent of the fixed remuneration for each individual employee or manager by means of a shareholder resolution in accordance with § 25a paragraph 5 sentence 5 KWG.

When structuring the remuneration systems, a distinction is made between the following groups of employees in view of separate legal provisions and remuneration policy-based aims and targets:

- Board of Management
- Risk-relevant employees
- Other employees (non risk-relevant employees)

As a significant institution, S Broker is required to identify employees that have a major influence on the risk profile of the institution (so-called risk-relevant employees). S Broker uses the criteria specified in Delegated Regulation (EU) No. 604/2014 for identifying these employees and therefore follows a process similar to that used to identify risk-relevant employees at DekaBank (see section 4.2.1).

In financial year 2017, 12 risk-relevant employees (not including the board of management) were identified at S Broker.

The deferral system corresponds to the DekaBank system described in section 4.2.2.

The remuneration system for members of the S Broker board of management generally corresponds to the remuneration system for risk-relevant employees specified in the InstitutsVergV.

## **4.5. Remuneration systems in international subsidiaries**

### **4.5.1. Luxembourg**

The remuneration system for employees of Luxembourg subsidiaries corresponds to the Group-wide remuneration system. It is in line with the provisions of Circulars 10/437 dated 01/02/2010, 11/505 dated 11/03/2011 and 17/658 dated 16/06/2017 from the Commission de Surveillance du Secteur Financier (CSSF).

As risk-relevant employees have been identified in the Luxembourg subsidiaries for financial year 2017, the models of deferred payment for risk-relevant employees described in section 4.2.2. above apply. A threshold of EUR 100,000 also applies to the Luxembourg investment management companies, i.e. variable remuneration is not deferred unless the base amount is greater than EUR 100,000.

### **4.5.2. Other countries**

The regulatory provisions of each country concerning the structure of remuneration systems are generally taken into account. In DekaBank branches, representative offices and regional offices, the German regulatory requirements are also implemented on the basis of the Group-wide remuneration system.

# Remuneration report for financial year 2017

## 5. Disclosure

### 5.1. Total figures by business area

The total remuneration for financial year 2017 shown below in accordance with Art. 450 paragraph 1 lit. g) of Regulation (EU) 575/2013 for employees and officers<sup>7</sup> of the Deka Group includes the fixed remuneration for 2017 as well as the total variable remuneration for financial year 2017 (including deferred amounts).

Composition of remuneration for 2017<sup>8</sup>:

In EUR	Corporate Centres	Sparkasse Bank Distribution & Marketing	Institutional client sales	Real Estate	Securities	AM Services	Capital Markets	Financing	Board of Management	Total
<b>Total remuneration</b>	147,695,061	56,809,118	17,505,974	47,244,080	56,607,441	40,966,583	18,247,300	13,984,532	5,462,692	404,522,782
■ of which fixed remuneration	125,503,684	46,211,981	12,475,940	38,836,231	43,115,421	35,559,078	11,246,066	10,087,788	3,262,692	326,298,881
■ of which variable remuneration	22,191,378	10,597,137	5,030,034	8,407,848	13,492,020	5,407,505	7,001,235	3,896,744	2,200,000	78,223,900
Number of people	1,854	637	129	557	526	572	99	108	5	4,487

Differences may occur due to rounding.

<sup>7</sup> Information relating to board of management members of subsidiaries is not shown separately but on an aggregated basis for each division.

<sup>8</sup> Data as at June 2018 for the period 01/01/2017 – 31/12/2017.

# Remuneration report for financial year 2017

## 5.2. Total figures for risk-relevant employees

The table below shows the total remuneration for risk-relevant employees of the Deka Group, including members of the Deka-Bank Board of Management, for financial year 2017 in accordance with Art. 450 paragraph 1 lit. h) of Regulation (EU) 575/2013. The total remuneration shown includes the fixed remuneration for 2017 as well as the probable total variable remuneration for financial year 2017 (100% including all deferred amounts). In accordance with data protection law and § 16 paragraph 4 sentence 5 of the InstitutsVergV, aggregate amounts are shown for Institutional Client Sales and the Securities business division.

Composition of remuneration for 2017<sup>9</sup>:

In EUR	Corporate Centres	Sparkasse Bank Distribution & Marketing	Real Estate	Securities + Institutional Client Sales	AM Services	Capital Markets	Financing	Board of Management	Total
<b>Total remuneration</b>	<b>15,801,934</b>	<b>3,665,000</b>	<b>4,387,511</b>	<b>7,406,770</b>	<b>3,711,142</b>	<b>15,291,615</b>	<b>2,282,597</b>	<b>5,462,692</b>	<b>58,009,261</b>
■ of which fixed remuneration	10,434,101	2,090,000	2,518,744	4,410,915	2,824,353	9,057,081	1,410,597	3,262,692	36,008,484
■ of which variable remuneration	5,367,832	1,575,000	1,868,767	2,995,855	886,788	6,234,534	872,000	2,200,000	22,000,777
Number of risk-relevant people	73	8	13	19	18	71	8	5	215
<b>Bonus payments in 2017</b>	<b>5,357,332</b>	<b>1,575,000</b>	<b>1,868,767</b>	<b>2,995,250</b>	<b>885,288</b>	<b>6,232,534</b>	<b>872,000</b>	<b>2,200,000</b>	<b>21,986,172</b>
of which deferred remuneration	3,152,590	630,000	1,188,967	1,533,098	512,484	4,003,332	467,192	880,000	12,367,663
■ Cash bonus	2,130,582	315,000	962,367	962,499	345,386	2,437,785	233,596	440,000	7,827,216
■ Short-term performance units	1,022,008	315,000	226,600	570,599	167,098	1,565,546	233,596	440,000	4,540,448
of which amounts deferred	2,204,742	945,000	679,800	1,462,152	372,804	2,229,202	404,808	1,320,000	9,618,508
■ Cash deferral	1,102,371	472,500	339,900	731,076	186,402	1,114,601	202,404	660,000	4,809,254
■ Long-term performance units	1,102,371	472,500	339,900	731,076	186,402	1,114,601	202,404	660,000	4,809,254
of which subject to the malus clause	2,204,742	945,000	679,800	1,462,152	372,804	2,229,202	404,808	1,320,000	9,618,508
<b>Deferred remuneration</b>	<b>7,867,334</b>	<b>2,733,000</b>	<b>1,685,268</b>	<b>3,940,827</b>	<b>1,143,308</b>	<b>8,436,813</b>	<b>1,555,336</b>	<b>6,419,990</b>	<b>33,781,876</b>
of which vested as at 31/12/2017	704,688	158,000	37,000	244,730	80,334	837,472	155,170	831,626	3,049,020
of which not vested as at 31/12/2017	5,896,396	2,417,000	1,516,867	3,195,345	959,140	6,067,511	1,124,496	4,551,480	25,728,235
of which paid in 2017	1,266,250	158,000	131,401	500,752	103,834	1,531,830	275,670	1,036,884	5,004,621
Reduction due to malus rule									
Differences may occur due to rounding.									

<sup>9</sup> Data as at June 2018 for the period 01/01/2017 – 31/12/2017.

# Remuneration report for financial year 2017

Statement of the (i) guaranteed bonuses individually guaranteed in financial year 2017 as part of the start of new employment ("**guaranteed bonuses**") and (ii) severance payments made for termination of employment ("**severance**") in accordance with Art. 450 paragraph 1 lit. h) of Regulation (EU) 575/2013:

In EUR	Corporate Centres / Sparkasse Sales & Marketing	Securities / AM Services / Real Estate	Capital Markets / Financing	Board of Management	Total
<b>Guaranteed bonuses in 2017</b>					
No. of beneficiaries					
<b>Severance payments in 2017</b>					
of which paid in 2017					
No. of beneficiaries					
of which granted in 2017 <sup>10</sup>					
No. of beneficiaries					
Highest severance payment made					

## 5.3. Disclosure of "high earners"

In financial year 2017, there were two employees in the Deka Group with remuneration of EUR 1 million or more requiring disclosure in accordance with Art. 450 paragraph 1 lit. i) of Regulation (EU) 575/2013, both of whom received remuneration between EUR 1 million and EUR 1.5 million. The two employees are members of the Board of Management.

## 5.4. Disclosure of Administrative Board and Board of Directors remuneration

Administrative board and board of directors remuneration must be disclosed in accordance with § 25d paragraph 5 of the German Banking Act (Kreditwesengesetz – KWG) in conjunction with Art. 450 of Regulation (EU) No. 575/2013. The remuneration received by members of the DekaBank Administrative Board and DekaBank Luxembourg S.A. Board of Directors in financial year 2017 is disclosed in the respective annual reports of these companies in the section titled "Board remuneration", and is therefore not disclosed here.

DekaBank  
Deutsche Girozentrale

Michael Rüdiger

Manuela Better

Dr. Matthias Danne

Martin K. Müller

Dr. Georg Stocker

Frankfurt am Main, 21/08/2018

<sup>10</sup> All severance payments promised in 2017, but not yet paid out.



**DekaBank**  
**Deutsche Girozentrale**  
Mainzer Landstraße 16  
60325 Frankfurt  
P.O. Box 11 05 23  
60040 Frankfurt

Phone: (0 69) 7147 - 0  
Fax: (0 69) 7147 - 1376  
[www.deka.de](http://www.deka.de)

 **Finanzgruppe**