

Foreword by the Board of Management

Dear Shareholders and Investors,

We are looking back on a year that was far from easy for our company. The war in Ukraine sent energy prices spiralling and inflation rates soaring to new heights. At the same time, the consequences of the pandemic were still being clearly felt. In the eurozone, prices surged by almost 8% over the year, including the strongest price rises in Germany since the modern Federal Republic was founded in 1949. The European Central Bank threw all its might against the rising inflation and implemented a series of significant interest rate hikes. Although this is likely to ease the situation somewhat, inflation rates look set to remain relatively high for quite some time to come. For many investors, the difficult market environment in the past year resulted in a real-terms loss in the value of their assets. Investing money has become a particularly challenging business.

More positively, however, we have also seen in the past year that confidence in securities investing remains. Customers of the savings banks and Deka alike know that, when it comes to building long-term capital or providing for retirement, there is no ignoring the value of securities saving. In times of stock market volatility, regular saving over a longer period makes particular sense. In 2022, the number of Deka savings plans increased by some 368,000 (net figure), taking the total to 7.4 million contracts. While the pace of lump-sum investments in funds, by contrast, eased off from the middle of the year, we remain satisfied with our sales figures. Total net sales came to 27.4 billion, of which three-quarters was attributable to the retail business.

Its sound business performance enabled Deka to steer a safe course through the choppy waters. Given the favourable development in operating activities and positive valuation effects due to changed market parameters, Deka achieved an economic result of €984.8m. This was significantly higher than the previous year's €847.8m. At 17.0%, the return on equity before tax was at the upper end of the figures posted by the European peer group, while we maintained a low cost/income ratio of 55.0%.

With this result, we showed once again that our business model is working well and that we are a reliable partner to the institutions in the Sparkassen-Finanzgruppe. We have the financial strength and stability to make the investments needed, which will enable us to remain on track with our growth path using our own resources.

We have made significant progress in the strategically important areas of digitalisation, sustainability and "New Work". Key technologies such as blockchain, artificial intelligence and the cloud are part of our everyday working life and are here to stay. We are often playing a pioneering role in these areas: S-Invest-Manager – the new cloud-based platform we have developed for the savings banks – makes the securities business more efficient and transparent. With SWIAT, we offer a network for blockchain transactions that has the potential to set new standards in securities trading.

Our goal is to recognise trends early on and enable our customers to reap the benefits of them. We aim to strengthen our position as an innovation leader in the Sparkassen-Finanzgruppe and to act as a point of contact for the topics of the future.

We are also supporting the transformation of the German economy in our role as an asset manager. Our hard work and commitment to a sustainable economy is more important than ever. After all, it is vital that our planet remains liveable for future generations. With the capital entrusted to us, and through active engagement at shareholders' meetings and in regular dialogue with business, we aim to support the shift to a climate-friendly and resource-efficient economy in the best possible way.

The 2020s are proving to be a transformative decade – and not only when it comes to sustainability. Companies, including Deka, are having to rethink traditional processes and approaches. Technological change and new ways of working require digital expertise, agility and lifelong learning. This also comes in the context of demographic change. Millions of people are poised to leave the labour market by the end of the decade, and the financial sector is among those about to experience a generational shift.

This backdrop explains why we attach such high importance to attractive working conditions. For us, agility is not just a toolbox of methods but also a mindset that shapes the way we work together. Our new office building in Frankfurt-Niederrad, for example, offers ultra-modern workstations and spaces where some 3,500 employees can be creative and share ideas. In the coming year, we plan to move more people to Four, a new skyscraper in Frankfurt city centre. We are investing in the future and continuously offering training and development opportunities for the young talent at our company. In future, we plan to recruit 100 new trainees a year.

With its innovative capacity, financial strength and readiness for the future, Deka is well equipped for the challenges of the years ahead. Whatever continued uncertainty 2023 may bring, the return of inflation means that active asset management – our core task – is more important than ever.

Sincerely,



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Birgit Dietl-Benzin



Daniel Kapffer



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