

Report of the Administrative Board for the 2018 financial year

During the reporting year, the Administrative Board and its committees carried out the duties assigned to them by law, the Bank's statutes and its rules of procedure. The members of the Administrative Board and its committees regularly advised the Board of Management on management issues and oversaw proper conduct of the Bank's affairs by the management. They were involved in all fundamentally significant decisions regarding the company.

Key issues of Administrative Board meetings

A total of four meetings took place in 2018, during which the Board of Management informed the Administrative Board about the Bank's current business trends and profit performance, its risk position and the Deka Group's strategic direction. The Board of Management reported on and discussed business and risk strategies with the Administrative Board in accordance with the minimum requirements for risk management of German credit institutions (MaRisk). The Administrative Board approved the medium-term plan for the years 2019 to 2021 that was prepared on this basis and submitted by the Board of Management. The reports on the activities of Audit and Compliance, along with the remuneration report for the 2017 financial year, were also submitted to the Administrative Board.

Between meetings, the Board of Management informed the Administrative Board of any significant events in writing. Important topics and pending decisions were discussed regularly between the Chairman of the Administrative Board and the Chairman of the Board of Management.

The Administrative Board was provided with regular reports about the implications of developments in the international capital markets for the Bank's earnings, liquidity and risk position, as well as management measures taken by the Board of Management. In addition, the Administrative Board received regular updates concerning the status of ongoing projects, particularly the continued implementation of the strategic programme, DekaPro. The Administrative Board also discussed matters concerning equity investments (including in relation to S-Pensions-Management GmbH) and regulatory issues (such as the risk culture framework and implementation of the EBA Guidelines on internal governance). Another key issue was the passing of resolutions on matters relating to the Board of Management.

During 2018, the Administrative Board also held two full-day training events. In February, it turned its attention to the topic of "risk culture and risk control". The training event in October covered the topic of "IT and digitalisation".

Administrative Board Committees

The Administrative Board has a General and Nominating Committee, a Remuneration Supervision Committee, an Audit Committee and a Risk and Credit Committee. The committees are made up of the members of the Administrative Board. They support the work of the Administrative Board and carry out preparatory work on the issues and resolutions to be discussed in the main Board meetings. The committees' duties are specified in the Administrative Board's rules of procedure.

The General and Nominating Committee met four times during the past year, focusing primarily on the business model and the strategic development of the Deka Group. It also took decisions on a number of matters relating to the Board of Management, including the allocation of duties to Board of Management members and the establishment of policies on contractual arrangements and remuneration. In addition, the General and Nominating Committee issued recommendations on the election of new members to the Administrative Board.

The Remuneration Supervision Committee met four times in 2018. It discussed the remuneration report and the remuneration supervision report for 2017, gave consideration to whether the remuneration systems for the Board of Management and employees were set up appropriately and prepared resolutions covering Board of Management members' remuneration and targets.

The Audit Committee met five times in 2018. It conducted a detailed review of the financial statements and consolidated financial statements. It also monitored the requisite independence of the auditors, discussed and approved the additional services they performed, engaged the auditors to perform their audit based on the key audit priorities established and concluded a fee agreement.

The Audit Committee extensively reviewed the Deka Group's financial accounting. It obtained reports on the audit activities of external auditors, Internal Audit and Compliance, as well as on the resulting action to be taken. The committee discussed the report on the internal control system (ICS) and the Sustainability Report, which constitutes the separate non-financial report pursuant to section 289b (3) of the German Commercial Code (Handelsgesetzbuch – HGB), as well as the matter of the share trades conducted by DekaBank around the dividend record date in the period from 2008 to 2015. It also received regular reports at its meetings on the status of national and international regulatory projects of relevance to DekaBank.

The members of the Risk and Credit Committee met four times during the reporting year. At its meetings, the committee conducted a detailed examination of DekaBank's risk position. This examination included credit, market price, liquidity and operational risks, as well as other types of risk, such as business and shareholding risks, legal and reputational risks or risks arising from guarantee

commitments in relation to pension products. Other key issues addressed by the Risk and Credit Committee included discussing the business and risk strategies, updating the recovery plan and carrying out preparatory work for the resolution plan to be prepared by the competent resolution authorities.

In its capacity as a loan approval body, the Committee passed relevant resolutions and familiarised itself with the risk position in lending business. As part of this process, it again gave particular attention to developments in the ship financing portfolio. The Risk and Credit Committee also held discussions with the Board of Management covering the business policy for lending business.

The Chairmen or the Deputy Chairmen of the respective committees reported to the Administrative Board on a regular basis concerning the results of consultations held by the respective committees.

Audit and approval of 2018 financial statements and consolidated financial statements

At DekaBank's Shareholders' Meeting, KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) was appointed as auditor for the 2018 financial year. KPMG audited DekaBank's 2018 financial statements and management report, as well as the consolidated financial statements, notes and Group management report, and issued an unqualified audit opinion on them.

These financial statements and associated documents were forwarded promptly to the members of the Administrative Board, along with KPMG's reports. The auditors attended both the corresponding meetings of the Audit Committee and the accounts meeting of the Administrative Board held today. The auditors reported on the findings of their audit and provided additional information where required. The Administrative Board took note of the auditors' findings and, following its own examination, raised no objections.

The Administrative Board approved the 2018 financial statements and submitted a proposal to the Shareholders' Meeting regarding the appropriation of accumulated profit.

The Administrative Board also discussed the Group's separate non-financial report for the 2018 financial year, which forms part of the Deka Group's Sustainability Report. AGIMUS GmbH, which was appointed to audit the Group's separate non-financial report, found that the Group's separate non-financial report met the legal requirements. Following its own examination, the Administrative Board also raised no objections.

Changes to the Board of Management and Administrative Board

The CEO of DekaBank, Michael Rüdiger, will step down from his post at the end of 2019 at his own request and leave the Bank. The Administrative Board has accepted Mr Rüdiger's decision with great regret. The Administrative Board resolved in its meeting today to appoint the Deputy CEO, Dr. Georg Stocker, as the new CEO with effect from 1 January 2020. At today's meeting, the Administrative Board also appointed Daniel Kapffer as a member of the Board of Management with effect from 1 May 2019.

Ralf Fleischer, CEO of Sparkasse München, was elected as a member of the Administrative Board with effect from 1 June 2018. With effect from 1 April 2018, the Administrative Board elected Walter Strohmaier as the first Deputy Chairman of the Administrative Board.

The Administrative Board's new five-year term of office began on 1 January 2019. The election of new members did not give rise to any changes in the composition of the Administrative Board. As President of Deutscher Sparkassen- und Giroverband ö. K., Helmut Schleweis continues to serve as Chairman of the Administrative Board. Walter Strohmaier and Thomas Mang were elected first and second Deputy Chairman of the Administrative Board respectively.

Supervision of DekaBank is exercised by the Federal Minister of Finance.

DekaBank performed well in the 2018 financial year, in a persistently difficult market environment. This reflects the valuable work performed by DekaBank's Board of Management and employees. The Administrative Board would like to thank them for their achievements and considerable personal commitment.

Frankfurt am Main, 4 April 2018

The Administrative Board

Helmut Schleweis
Chairman of the Administrative Board