

Report of the Administrative Board for the 2017 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 2017, 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 2018 to 2020 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 2016 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 DekaBank's transformation programme to become the Wertpapierhaus for the savings banks. Another key issue was the passing of resolutions on matters relating to the Board of Management.

During 2017, the Administrative Board also held two full-day training events. In February, it turned its attention to the topic of capital markets business. The event held in October concerned financial reporting and auditing.

Administrative Board Committees

The Administrative Board reorganised its committee structure with effect from 1 April 2017. The functions of the audit committee and risk committee, which were previously combined in a single body, were separated. The risk committee functions were transferred to the pre-existing Credit Committee, membership of which was increased from four members to six.

Since 1 April 2017, the Administrative Board has thus had a General and Nomination 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 Nomination Committee met four times during the past year, focusing primarily on the business model and the strategic development of DekaBank. 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 Nomination Committee issued recommendations on the re-appointment of Board of Management members and on the appointment of new members to the Administrative Board.

The Remuneration Supervision Committee met four times in 2017. It discussed the remuneration report and the remuneration supervision report for 2016, 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 2017, including one meeting of the former Audit and Risk Committee. It conducted a detailed review of the financial statements and consolidated financial statements. It also monitored the requisite independence of the auditors and 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 took note of the report on the internal control system (ICS). 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 year, including one meeting of the former Credit Committee. 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 or legal and reputational risks. 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 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 individual committees reported to the Administrative Board on a regular basis concerning the results of consultations held by the respective committees.

Audit and approval of 2017 financial statements and consolidated financial statements

At DekaBank's Shareholders' Meeting, KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) was appointed as auditor for the 2017 financial year. KPMG audited DekaBank's 2017 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 2017 financial statements and submitted a proposal to the Shareholders' Meeting regarding the appropriation of accumulated profit.

Changes to the Board of Management and Administrative Board

During 2017, the Administrative Board extended the appointment of Martin K. Müller, a member of the Board of Management, for a further five years with effect from 1 May 2018.

Georg Fahrenschon stood down as President of the German Savings Banks and Giro Association as of 24 November 2017. He thereupon ceased to be a member of the Administrative Board of DekaBank, of which he had been Chairman since 16 May 2012. The Administrative Board thanks Mr Fahrenschon for his successful endeavours and for his great personal commitment to the Deka Group.

In the period from 24 November 2017 to 31 December 2017, the role of Chairman of the Administrative Board was fulfilled by Helmut Schleweis as First Deputy Chairman. Since taking office as President of the German Savings Bank and Giro Association on 1 January 2018, Mr Schleweis has been Chairman of the Administrative Board of DekaBank pursuant to section 10(1a) of the statutes.

The following persons were elected as members of the Administrative Board in 2017: Frank Saar, member of the Board of Management of Sparkasse Saarbrücken, Prof. Dr Liane Buchholz, President of the Westfalen-Lippe Savings Bank Association (both from 1 April 2017), Andreas Fohrmann, Chairman of the Board of Management of Sparkasse Südholstein (from 15 July 2017), Burkhard Wittmacher, Chairman of the Board of Management of Kreissparkasse Esslingen-Nürtingen (from 1 October 2017) and Ingo Buchholz, Chairman of the Board of Management of Kasseler Sparkasse (from 1 January 2018).

The following persons ceased to be members of the Administrative Board during 2017: Dr Rolf Gerlach (on 31 March 2017), Rainer Burghardt (on 30 June 2017), Georg Sellner and Carsten Claus (both on 30 September 2017). The Administrative Board would like to thank the members who have left the Board for their valuable contributions and the constructive support they have given to the company and the Board of Management.

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

DekaBank performed well in the 2017 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, 21 March 2018

The Administrative Board

Helmut Schleweis
Chairman of the Administrative Board