

Group management report

At a glance

In the year of its centenary, DekaBank, the *Wertpapierhaus* for the savings banks, can look back on a successful financial year in 2017. The Deka Group's economic result of €448.9m was 8.1% higher than the previous year's figure, with improved net commission income playing a substantial role.

The growth trend in securities business is continuing. Record net sales of €25.7bn, together with encouraging capital growth in our securities and real estate funds, caused total customer assets to rise to €282.9bn.

The D18 programme for the implementation of the *Wertpapierhaus* strategy, which we began in 2013, has made a considerable contribution not only to the sustainable turnaround of retail and institutional sales but also to the increase in demand for advisory and infrastructure services. By carrying out measures to boost sales in the savings banks and in online securities business, as well as to improve the quality of our products and services, Deka has carved out a strong position within the competitive field. This is reflected in the receipt of numerous accolades, such as our first-ever overall victory in Capital magazine's "Fonds-Kompass" awards.

The conclusion of the D18 programme at the end of 2017 was followed by the start of the successor programme, "DekaPro", in January this year. DekaPro takes up some of the themes of D18 and aims to continue the roll-out of our *Wertpapierhaus* strategy with an even stronger customer focus. The intention is to realise growth potential in our business with savings banks, savings bank customers and institutional investors. The programme also covers the optimisation of business processes, so that we can handle the higher volumes of business we are aiming for more efficiently and respond proactively to the opportunities and challenges created by regulatory change.

The success of the measures carried out in 2017 has enabled the Deka Group to create significant added value for the savings bank association. Other key ratios as at the end of 2017 underline the strong foundations of the *Wertpapierhaus*. These include a Common Equity Tier 1 capital ratio (fully loaded) of 16.7%, a leverage ratio (fully loaded) of 4.7% and a liquidity coverage ratio of 152.5%, well above the minimum requirements, as well as moderate risk capacity utilisation of 34.4% (based on overall risk-bearing capacity).

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Deka Group profile and strategy

DekaBank is the *Wertpapierhaus* for the savings banks. The Deka Group is made up of DekaBank and its subsidiaries. Through its asset management and banking activities, it acts as a service provider for the investment, administration and management of assets, supporting the savings banks, their customers and institutional investors at every stage in the investment process. It also offers comprehensive advice and solutions both to the savings banks and to institutional customers outside the *Sparkassen-Finanzgruppe* on investing, liquidity and risk management, and refinancing.

Legal structure and corporate governance

DekaBank Deutsche Girozentrale is a German federal institution incorporated under public law with registered offices in Frankfurt am Main and Berlin. It is wholly owned by the German savings banks. 50%