

Independent Auditor's Report

To DekaBank Deutsche Girozentrale AöR, Berlin/Frankfurt am Main

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Opinions

We have audited the consolidated financial statements of DekaBank Deutsche Girozentrale AöR, Berlin/Frankfurt am Main, and its subsidiaries (the Group), which comprise the statement of profit or loss and other comprehensive income for the financial year from January 1, 2017 to December 31, 2017, the balance sheet as of December 31, 2017, and the statement of changes in equity and the statement of cash flows for the financial year from January 1, 2017 to December 31, 2017, and notes to the consolidated financial statements. In addition, we have audited the group management report of DekaBank Deutsche Girozentrale AöR for the financial year from January 1, 2017 to December 31, 2017.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2017, and of its financial performance for the financial year from January 1, 2017 to December 31, 2017, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2017 to December 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Measurement of financial assets valued at fair value

For the accounting policies applied, please refer to notes 9, 17 and 55 in the notes to the consolidated financial statements.

THE CONSOLIDATED FINANCIAL STATEMENT RISK

As of December 31, 2017, the Deka Group recognized "financial assets valued at fair value" totaling EUR 32.0 billion. At 34.1% of total assets this represents a significant item on the assets side for DekaBank and contains securities and derivatives, for which there is a quoted price on an active market and those for which a valuation method was used based on observable and/or unobservable market data (this corresponds to the fair value categories 1 to 3 of IFRS 13).

The financial statement risk could lie in particular in no appropriate market prices, valuation methods and models as well as the valuation parameters incorporated as part of this being used when calculating the fair value in line with IFRS 13.

OUR AUDIT APPROACH

Based on our risk assessment and evaluation of the risks of material misstatement, we developed an audit approach, which encompasses both controls testing as well as substantive audit procedures. We therefore performed the following audit procedures, among others:

For our assessment, we inspected documentation and conducted surveys, and also tested the functionality of key controls. In particular we evaluated the key processes and controls of DekaBank regarding

- the procurement and validation of the independent verification of quoted prices and observable market data,
- the validation of the valuation method and models,
- the fair value measurement of securities and derivatives as well as
- the calculation and recording of valuation adjustments to determine the fair value

in respect of their adequacy and effectiveness. In addition, we also audited the effectiveness of the general IT controls in the IT systems that are in use.

With the involvement of internal KPMG experts (valuation specialists) we carried out, inter alia, the following substantive audit procedures for selected portfolios of securities and derivatives as of December 31, 2017:

- Performance of an independent price verification in the event that there is a quoted price on an active market.
- Where there are no quoted prices on an active market, we carried out a re-evaluation using an independent valuation methods, parameters and models.

OUR OBSERVATIONS

Based on the results of the controls testing and the substantive audit procedures we conclude that the market prices, valuation methods and models used by DekaBank to value the financial assets valued at fair value are reasonable and the parameters used were properly derived.

The determination and recognition of net commission income from the fund business

For the accounting policies used, please refer to notes 5 and 33 in the notes to the consolidated financial statements.

THE CONSOLIDATED FINANCIAL STATEMENT RISK

The net commission income from the Deka Group's fund business is, in terms of amount, a key component of both the overall net commission income as well as the net income of the DekaBank Group. In the notes to the consolidated financial statements for the 2017 financial year the Deka Group recognized commission income from the fund business of EUR 2,093.5 million and commission expenses from the fund business of EUR 1,049.3 million.

The Deka Group generates commission income from the administration and/or sale of investment fund units when the preconditions pursuant to IAS 18 are satisfied. Accordingly, commission expenses, which mainly arise from remuneration to sales partners, are recognized with the commission income with which they are associated.

The invoicing system and posting logic for commission income and expenses from the fund business of the Deka Group is multi-faceted. This multi-faceted nature is reflected in particular in the different types of commission in the fund business as well as the settlement of acquisition, issuance, invoicing and payment transactions between funds, the asset management companies of the Deka Group and DekaBank as well as the savings banks (*Sparkassen*).

The consolidated financial statement risk could arise due to net commission income from the fund business not being properly presented in the consolidated financial statements due to the inappropriate determination and recognition of the corresponding commission income and expenses.

OUR AUDIT APPROACH

Based on our risk assessment and evaluation of the risks of material misstatement, we developed an audit approach, which encompasses both controls testing as well as substantive audit procedures. We therefore performed the following audit procedures, among others:

In order to audit the net commission income from the fund business we evaluated the key internal accounting-related processes and controls pertaining to

- the proper order entry
- the recognition and maintenance of fund and custodial account master data and
- the presentation for accounting purposes of commission income and expenses from the fund business

in respect of their adequacy and effectiveness. In addition, we also audited the effectiveness of the general IT controls in the IT systems that in use.

In the course of our substantive audit procedures we verified the proper entry into the accounts of commission income and expenses by reconciling the invoices with the underlying documents, which represent the basis for the determination and recognition of commission income and expenses, for individual transactions.

In addition, we also carried out plausibility assessments of ratios and industry trends in the course of our analytical audit procedures.

OUR OBSERVATIONS

Based on the results of the controls testing and substantive audit procedures we conclude that the commission income and expenses from the fund business have been properly determined and recognized.

Recognition of tax claims from share trading transactions settled around the dividend date

For the accounting policies applied by DekaBank Deutsche Girozentrale AöR regarding tax refunds received and tax claims from share trading transactions settled around the dividend date from the years 2013 to 2015, please refer to the notes to the consolidated financial statements (note 23, 73) and the group management report in the "Operational risks" section.

THE CONSOLIDATED FINANCIAL STATEMENT RISK

For assessment periods from 2013 to 2015 that are not yet statute-barred, DekaBank obtained dividends from share trading transactions settled around the dividend date and reported the withholding tax due therefrom for tax crediting or a tax refund and reported corresponding tax refund claims as assets or had already received the tax refund. Due to the existing legal uncertainty regarding the final tax assessment on basis of the BMF circular dated July 17, 2017 on the part of the tax authorities and tax jurisdiction, the recognition of tax claims resulting from such transactions could be subject to uncertainty for DekaBank. The assessment made by DekaBank regarding the risk of the tax authorities refusing to recognize these tax claims requires judgement. Thus, the financial statement risk could be that if the tax claims were subsequently not recognized, the current tax assets recognized pursuant to IAS 12 (line item: current income tax assets) would be impaired, then a provision pursuant to IAS 12 would have to be recognized for repaying tax refunds already received and the notes disclosures on the contingent liabilities would not correspond fully to the requirements set out in the accounting standards.

OUR AUDIT APPROACH

Based on our risk assessment and evaluation of the risks of material misstatement, we have developed an audit approach, which encompasses both a process audit as well as substantive audit procedures. We therefore performed the following audit procedures, among others, with the involvement of our employees who are specialists in tax law:

For our assessment we conducted discussions with the Board of Management and employees from the departments concerned and gained an understanding of the procedure carried out by DekaBank to derive to an estimation regarding this matter. We assessed and critically scrutinized the appropriateness of the assumptions requiring judgement used by DekaBank, in particular with regard to the complete identification and grouping of share trading transactions around the dividend date. In addition, based on the assessment made by DekaBank and using external opinions we verified the assessment of the risk that the tax authorities will subsequently refuse to recognize the tax claims from the types of share transactions identified around the dividend date.

Using data analyses prepared by DekaBank of the share trading transactions settled around the dividend date we verified the amount of the tax claims resulting from this and in particular the allocation of the individual offsetting items from the withholding tax for the periods from 2013 to 2015 by comparing the data analysis prepared by DekaBank with supplementary analyses and evidence.

Furthermore, we evaluated the completeness and appropriateness of the corresponding explanatory disclosure notes on contingent liabilities in the notes to the consolidated financial statements with regard to the requirements set out by accounting standards.

OUR OBSERVATIONS

Based on our audit procedures we conclude that the assessment carried out by DekaBank of the tax risks stemming from the tax authorities possibly not recognizing tax claims that have been made is reasonable. The presentation of tax claims and the resulting risks including the explanatory disclosure notes on contingent liabilities in the notes to the consolidated financial statements was prepared in line with the requirements set out by respective accounting standards.

Other Information

The Board of Management is responsible for the other information. The other information comprises the remaining parts of the annual report, with the exception of the audited consolidated financial statements and group management report and our auditor's report.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Board of Management and the Administrative Board for the Consolidated Financial Statements and the Group Management Report

The Board of Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Board of Management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Board of Management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Board of Management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Administrative Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Board of Management and the reasonableness of estimates made by the Board of Management and related disclosures.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Board of Management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Board of Management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on March 30, 2017. We were engaged by the Administrative Board on June 16, 2017. We have been the group auditor of the DekaBank without interruption since the financial year 2013.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to group entities services that are not disclosed in the consolidated financial statements or in the group management report.

In addition to the consolidated financial statements, we audited the annual financial statements of DekaBank and carried out a review of the half-year financial report. In addition, we audited the financial statements of various subsidiaries. Furthermore, we also performed other assurance services, including inter alia custody account audits/audits pursuant to the German Securities Trading Act [WpHG], an assurance engagement pursuant to ISAE 3402 (e.g. investment compliance testing), issuing of letters of comfort as well as other assurance services required by supervisory law and tax advisory services for Asset Management.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Markus Fox.

Frankfurt am Main, 22 February 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft

Pukropski

Fox

Wirtschaftsprüfer

Wirtschaftsprüfer