

Information about the Deka Group

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Deka Group profile and strategy

Together with its subsidiaries, DekaBank is the securities service provider (the *Wertpapierhaus*) for the savings banks. Through its asset management and banking activities, it acts as a service provider for the investment, administration and management of assets, supporting savings banks, their customers and institutional investors at every stage in the investment process within the securities business. 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.

Organisational structure

The Deka Group divides its business into five business divisions that bring together similar activities. Asset management activities are handled by the Asset Management Securities and Asset Management Real Estate business divisions. The Group's banking business is covered by the Capital Markets and Financing business divisions. The fifth business division – Asset Management Services – provides banking services for asset management. The sales units Savings Banks Sales and Institutional Customer Sales serve as the interface with sales partners and customers. The corporate centres support the business divisions and sales departments throughout the value chain.

Management

DekaBank is managed collectively by the Board of Management. The Board of Management takes a holistic approach, always considering the entirety of the Deka Group and the strategic direction and risks.

The Board is divided into divisions, each under the responsibility of a designated member. This ensures a clear distribution of roles and core competencies in the Board of Management.

Torsten Knappmeyer started in his role as Chief Sales Officer on 1 April 2021. The Board of Management now consists of six members. The responsibilities are as follows:

- CEO: Dr. Georg Stocker
- Deputy CEO & Asset Management: Dr. Matthias Danne
- Risk (CRO): Birgit Dietl-Benzin
- Finance (CFO) & Operations (COO): Daniel Kapffer
- Sales: Torsten Knappmeyer
- Banking business: Martin K. Müller

Sustainable corporate governance

The more and more massive impact of climate change highlights the need for swift and decisive action to limit the negative implications of global warming for society at large, the environment and the economy. With its "Target vision 2025 – Guidelines on sustainability in savings banks" (*Zielbild 2025 – Leitfaden zur Nachhaltigkeit in Sparkassen*) produced in 2020, the German Savings Banks Association (DSGV) has laid the foundations that will allow the *Sparkassen-Finanzgruppe* to further systematically integrate the challenges associated with climate change and sustainable development into all areas of business activity. The particular significance of climate change is underlined by the "Commitment by German savings banks to climate-friendly and sustainable business practices" (*Selbstverpflichtung deutscher Sparkassen für klimafreundliches und nachhaltiges Wirtschaften*), which DekaBank was the first member of the *Sparkassen-Finanzgruppe* to sign at the end of 2020.

The regulatory environment of the EU Action Plan on Financing Sustainable Growth defines cornerstones for the design of sustainable investment products in the form of a taxonomy and expands transparency obligations, both for providers of sustainable investments and for the investment products themselves. The investor's preferences regarding the consideration of sustainability criteria have also been made a compulsory part of any consultation.

The Deka Group's positioning in terms of sustainability, which Deka has been building on continuously since 2009, is still rated very highly by sustainability rating agencies.

- MSCI ESG (2021): AA
- ISS ESG (2020): C+ Prime "Industry Leader"
- Sustainalytics (2021): 17.4 "Low risk"

In addition, DekaBank was awarded a rating of 55% in the second-highest "robust" category by the rating agency V.E (formerly Vigeo-Eiris) in 2021, ranking it 13th out of 97 in its peer group.

In accordance with the statutory disclosure deadlines under the CSR Directive Implementation Act, the 2020 Sustainability Report, including the non-financial report, which does not form part of the Group management report, was published on the website by the relevant deadline in March 2021.



See also:
2020
Sustainability
Report

Positioning and role within the *Sparkassen-Finanzgruppe*

As the *Wertpapierhaus* of the savings banks, DekaBank sees itself as a force driving innovation within the *Sparkassen-Finanzgruppe*, of which it is a key part. The further development of the strategy is presented in detail in the Annual Report 2020.

The COVID-19 crisis has significantly accelerated trends that were already emerging before the pandemic: in the course of this decade, digitalisation and sustainability will result in radical and fundamental changes to the economy. It goes without saying that this also applies to the Deka Group, which is why both these topics are cornerstones of our strategy.

Digitalisation

Deka is aiming to be the *Wertpapierhaus* for the savings banks in the digital arena as well. This quest involves enabling savings banks to offer their customers competitive, digital customer journeys in the securities business, to implement innovative products and services and to use digital technologies to improve process quality and efficiency. One example at the customer interface is the S-Invest app, which has now been downloaded almost 750,000 times.

Policy-makers have recognised the importance of digitalisation in the financial services sector and have established a framework for digital assets with the Electronic Securities Act (eWpG). By using these developments early on to expand the investment options available to customers and significantly streamline settlement processes, Deka has already set standards in the market.

Together with other market participants, Deka has created finledger, Germany's first blockchain-based platform for the processing of issued promissory note loans. finledger has already been successfully used to process several issues.

In addition, the Digital Collateral Protocol (DCP), a blockchain-based settlement system for securities, has been implemented with the potential to more than halve the external costs for international securities transactions. The DCP presents an opportunity to standardise and fundamentally change national and, most importantly, international transactions involving conventional securities. The DCP has already been in use for legally effective lending transactions since the end of last year.

Deka is making use of all key technologies in its efforts to digitalise its business processes: physical documents are being digitalised using optical character recognition (OCR), workflows are being automated using workflow/low code and robotics, and artificial intelligence is being used to process unstructured information. One example is Deka's move to digitalise real estate-related information and its further processing.

Sustainability

For the Deka Group, sustainability not only has an environmental component but an economic and social one, too. The Group is convinced that the necessary ecological transformation can only be achieved by working with people and not against them.

DekaBank is helping the *Sparkassen-Finanzgruppe* to get ready for the future, particularly by further expanding its range of sustainable capital market- and real estate-based investment products and sustainable financing solutions. It also provides an option for calculating and offsetting unavoidable greenhouse gas emissions from own business operations. With Deka Easy Access, for example, Deka offers a multi-level support service for savings banks and institutional customers. The treasury platform also allows customers to calculate their own carbon footprint and, in a second step, highlights options for reducing carbon emissions. A third step offers opportunities to offset the remaining emissions using climate protection certificates.

We are using our corporate governance activities at annual general meetings, where sustainability plays a central role, to support this process of transformation. For many of our customers, this commitment is also a key source of motivation to invest their assets with Deka.



See also:
2020
Sustainability
Report

Market position and awards

With fund assets (according to the BVI, the German Investment Funds Association, as at 31 May 2021) of €144.1bn and a market share of 12.0%, Deka is the fourth-largest provider of mutual securities funds in Germany. It is Germany's second-placed provider of mutual property funds with fund assets (according to the BVI, as at 31 May 2021) of €37.3bn and a market share of 30.8%. With an increase in the market volume for certificates in the first three months of 2021, the Deka Group confirmed its position as market leader in the overall market for derivative securities in Germany, where it has a market share of 24.0% (end of March 2021).

Since the beginning of the year Deka won numerous awards. At the Euro FundAwards 2021 once again Deka was successful across all asset classes. This year Deka received 39 awards for 21 funds and two ETFs. At the Capital-Fonds-Kompass 2021 awards ceremony, Deka's consistently good performance was confirmed yet again. The online awards ceremony organised by the business magazine *l* saw Deka build on its good ratings from the previous year and improve its overall ranking by two positions to fifth place out of 100 companies. Among those providers with at least 31 funds distributed in Germany (universalists), Deka made it into the top three. The German Institute for Service Quality (DISQ) crowned the Deka-Nachhaltigkeit Impact fund "Financial Product of the Year" and awarded it a "very good/good" rating. In the 2021 Scope rating, the excellent "AA" and "AMR" rating awarded to Deka's real estate funds in the pre-COVID years was confirmed. Deka-Immobilien Global and WestInvest InterSelect received particularly good ratings.