

ISSUER PROFILE

21 December 2021

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DekaBank Deutsche Girozentrale

Key Facts and Statistics - Semiannual 2021 financials and additional details from the second half of 2021

Company overview

DekaBank Deutsche Girozentrale (DekaBank) is the securities service provider (Wertpapierhaus) for the German Savings Banks Finance Group (Sparkassen-Finanzgruppe). As of June 2021, DekaBank reported consolidated balance sheet assets of €94.3 billion, while its total customer assets, comprising off-balance sheet assets under management and structured notes, amounted to €368.3 billion (€181.1 billion from retail customers and €187.2 billion from institutional customers). In the third quarter of 2021, DekaBank's total customer assets have increased to €378 billion.

DekaBank provides its private and institutional clients with a range of fund-based products, covering all major asset classes. It also offers real estate funds and financing, lending, capital market-related trading and sales services, treasury facilities, including liquidity, asset and liability management, and funding.

DekaBank was established on 1 January 1999 following the merger of the DekaBank GmbH and Deutsche Girozentrale – Deutsche Kommunalbank. Since June 2011, the bank has been fully owned by the German Sparkassen (savings banks) through two joint shareholders – the Deutsche Sparkassen- und Giroverband ö.K. (DSGV ö.K., the German Savings Banks and Giro Association) and Deka Erwerbsgesellschaft mbH & Co. KG.

Sources: Company and Moody's Investors Service

Financial highlights

The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on DekaBank Deutsche Girozentrale, please see [DekaBank Deutsche Girozentrale](#) page on moodys.com.

Exhibit 1

Latest full-year results

DekaBank Deutsche Girozentrale

| (in € million) | Full year 2020 | Full year 2019 | Full year 2018 | % Change 2020/2019 | % Change 2019/2018 |
|--|----------------|----------------|----------------|--------------------|--------------------|
| Total Assets | 85,509 | 97,282 | 100,444 | (12.10) | (3.15) |
| Total Shareholders' Equity | 5,645 | 5,512 | 5,418 | 2.42 | 1.73 |
| Total Regulatory Capital | 5,763 | 5,844 | 5,762 | (1.39) | 1.42 |
| Common Equity Tier 1 Capital | 4,437 | 4,579 | 4,460 | (3.10) | 2.67 |
| Tier 1 Capital Ratio (%) | 15.7 | 15.7 | 17.1 | - | (8.19) |
| Common Equity Tier 1 Capital Ratio (%) | 14.2 | 14.2 | 15.4 | - | (7.79) |
| Net Income | 212 | 209 | 286 | 1.43 | (26.77) |

Based on consolidated financial data. Data reflect Basel III capital ratios shown under transitional rules.

Source: Company

Exhibit 2

Latest interim results

DekaBank Deutsche Girozentrale

| (in € million) | 9M/2021 | 6M/2021 | 6M/2020 | % Change from 6M/2021 to 6M/2020 |
|------------------------------------|--------------|---------|---------|----------------------------------|
| Total Assets | Not reported | 94,310 | 106,053 | (11.07) |
| Total Shareholders' Equity | Not reported | 5,841 | 5,582 | 4.64 |
| Total Regulatory Capital | 6,058 | 5,986 | 5,713 | 4.78 |
| Common Equity Tier 1 Capital | 4,668 | 4,694 | 4,481 | 4.75 |
| Tier 1 Capital Ratio (%) | 17.0 | 16.8 | 14.4 | 16.67 |
| Common Equity Tier 1 Capital Ratio | 15.0 | 15.3 | 13.0 | 17.69 |
| Net Income | Not reported | 203 | 119 | 70.45 |

Based on consolidated financial data. Data reflect Basel III capital ratios shown under transitional rules. Due to limited quarterly disclosure, 9M/2021 is not filled in all rows.

Source: Company

Business description

DekaBank operates primarily as the securities service provider for the Sparkassen-Finanzgruppe. The bank provides a range of fund-based products to private and institutional clients, covering all major asset classes, in addition to a diversified range of lending and capital market activities.

In addition to its results under International Financial Reporting Standards (IFRS), DekaBank reports an economic result to better represent its true economic position. This non-GAAP pretax measure incorporates several items not shown in the IFRS income statement, such as valuation gains and losses from hedged lending, actuarial gains and losses, potential charges and interest expense related to AT1 bonds (with the latter also being reclassified to interest expenses in our adjusted financials). This report's segment related sections are based on DekaBank's economic result disclosures.

As of June 2021, the bank reported its core activities through the following five business divisions: Asset Management Securities, Asset Management Real Estate, Asset Management Services, Capital Markets and Financing. The bank also reports an *Other* segment, which primarily comprises income and expenses that are not directly attributable to the five business divisions. As presented in exhibit 3, based on average figures from H1 2019, H1 2020 and H1 2021, the largest contributor to the bank's pretax economic result was the Asset Management Securities business division.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Asset Management Securities: This business division provides private and institutional clients with capital market-based asset management products and services. The services it offers to private investors include investment funds for all major asset classes. On behalf of its institutional investors, the bank manages special funds and has advisory mandates. This business division also includes the facilities of Master KVG,¹ which enable institutional customers to pool their total customer assets with a single investment company. Furthermore, it provides services such as private retirement pensions and exchange traded funds. In the first half of 2021, this business division reported total customer assets of €296.3 billion and accounted for 56% of the bank's pretax economic result.²

Asset Management Real Estate: This business division pools the group's property-related activities. Its products and services include property investment facilities for private and institutional investors such as open-ended mutual and special property funds and credit funds which invest in property, infrastructure and vehicle finance. Other services include the purchase and sale of property, management of such assets (real estate management), real estate lending, and product development of group-wide property-based activities. Until June 2021, this business division reported total customer assets of €47.9 billion and accounted for 17.3% of the bank's pretax economic profits.

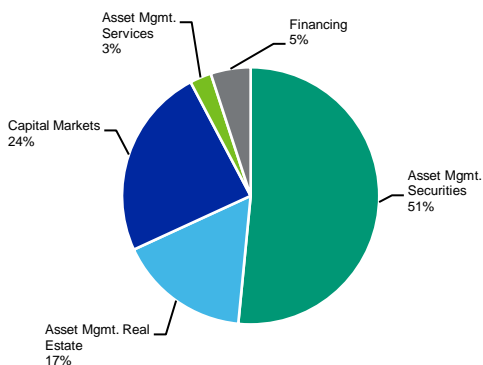
Asset Management Services: This business division offers banking services related to asset management which complements other asset management services offered by the Asset Management business divisions. It provides custody accounts with management services and offers custodial services to investment funds. In addition, it provides digital support for the securities business of the savings banks through its multi-channel solutions. In the first half of 2021, this business division accounted for 0.6% of the bank's economic result before tax.

Capital Markets: This division offers infrastructure, and support to stimulate trade between the savings banks, DekaBank, and capital investment companies, while enabling clients to access capital markets. In addition to its function as a commission agent for all relevant asset classes, this business division serves as a centre of competence for trading and structuring capital market products as well as for DekaBank's certificate issuance business. Apart from the previously mentioned customers, this division also services non-Sparkassen-Finanzgruppe customers, primarily banks, insurance companies, and pension funds. Until June 2021, this business division reported total customer assets of €24.1 billion and accounted for 15.9% of DekaBank's economic result before tax. As of September 2021, with regards to market shares, DekaBank remained the largest provider of retail structured notes in Germany.

Financing: This business division offers loans on a stand-alone basis or through syndications and club deals. Focal financing segments include trade and export financing, aircraft financing, infrastructure financing and real estate financing. Furthermore, it is a principal provider of refinancing services to savings banks. In the first half of 2021, this segment contributed 10.6% of DekaBank's pretax economic results.

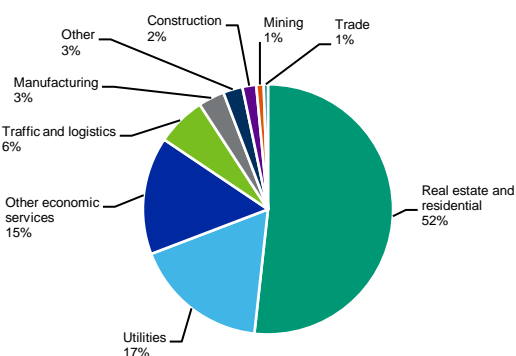
Other: In this segment, DekaBank books overhead costs, pension obligations, and income that is not directly attributable to the reportable segments. This excludes the income and expenses of treasury functions that have been allocated to the operating segments on a source-specific basis.

Exhibit 3
Average H1 shares of economic results before tax by segment from 2019 to 2021



Other segment is excluded from our calculations due to its negative contribution
Source: Company and Moody's Investors Service

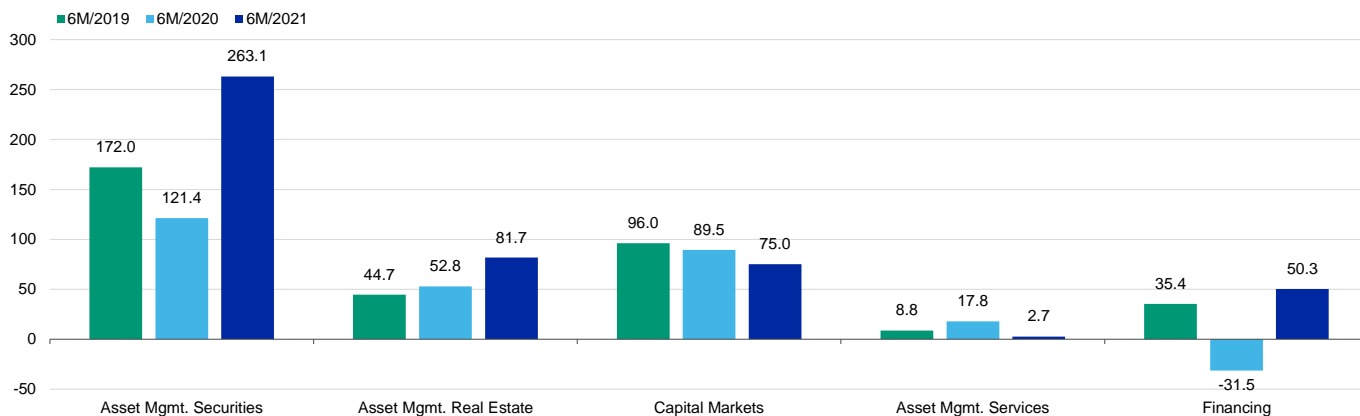
Exhibit 4
Breakdown of loans to nonfinancial private sector borrowers by industry (in %, as of June 2021)



Source: Company and Moody's Investors Service

As of June 2021, DekaBank's corporate lending exposures are focused on the real estate sector which accounted for 52% of loans to private nonfinancial borrowers. The breakdown of DekaBank's exposure by industries is illustrated in exhibit 4.

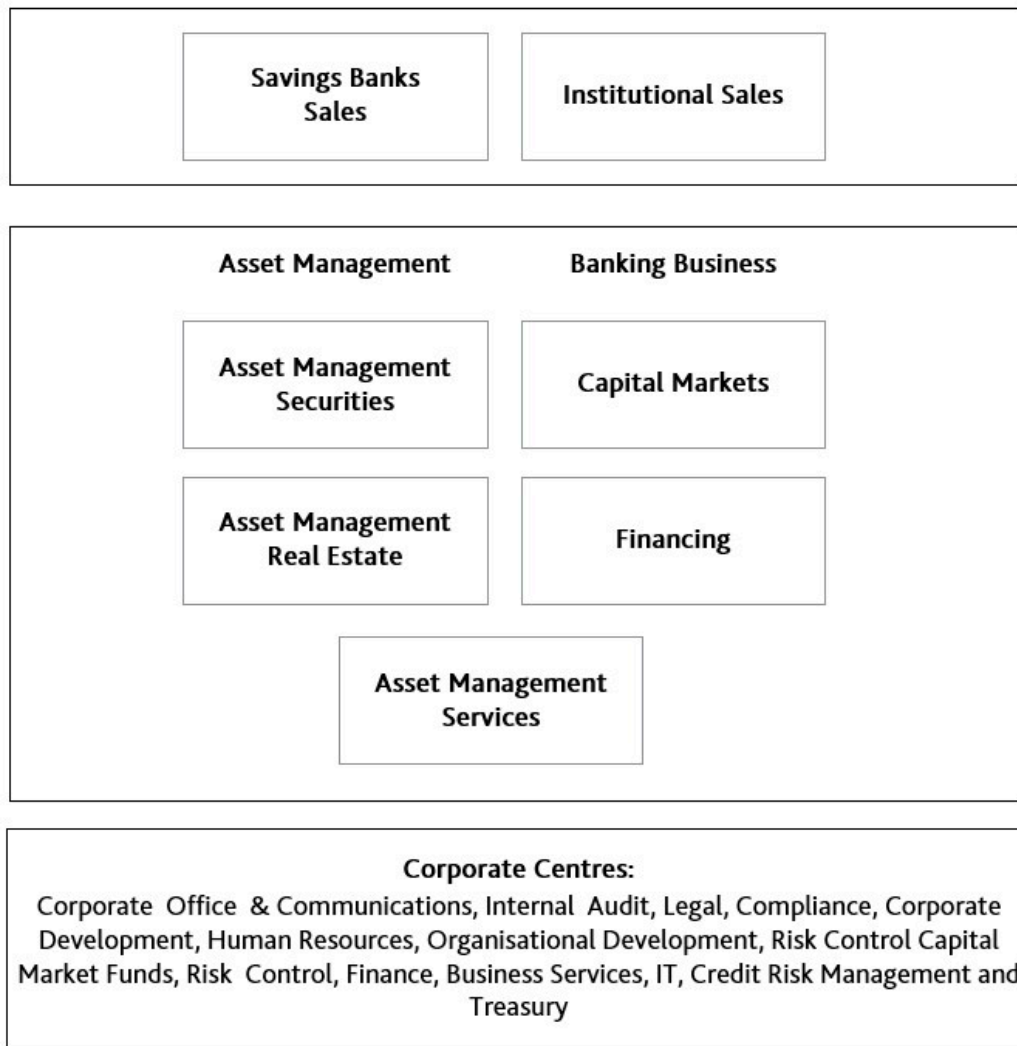
Exhibit 5
Economic result before tax per segment in the first half of 2021 (in € million)



Source: Company and Moody's Investors Service

Exhibit 6

DekaBank's organisational structure as of June 2021



Source: Company

Distribution channels

DekaBank has its head office situated in Frankfurt am Main, Germany. As of June 2021, DekaBank has branches in Luxembourg, London and Paris. The Deka Group also has companies and representative offices in Milan, New York, Salzburg, Singapore and Vienna. In addition to the DekaBank locations, Deka Immobilien Investment GmbH, as a service company for the capital management companies of the real estate management, operates permanent establishments in Amsterdam, Brussels, Madrid, Milan, Paris, Warsaw and Auckland. As the retail asset manager for the savings banks in Germany, DekaBank distributes its investment funds through its savings banks' network. As of year-end 2020, the network of savings banks comprised 377 independent entities.

Furthermore, in association with public-sector insurance companies, DekaBank offers products and consultancy services relating to company pension schemes through S-PensionsManagement GmbH, headquartered in Cologne. The bank also provides online brokerage services through its wholly-owned subsidiary SBroker, based in Wiesbaden. DekaBank enhanced its distribution capabilities through DekaNet, a centralised information and automated sales platform, which contains a set of online securities offerings and information tools. Through its wholly-owned subsidiary bevestor GmbH, the bank offers automated asset management services, including Robo-Advisory, to retail clients. In 2020, the Management Agenda 2025 was launched with a five point action plan which includes the introduction of new products and services, reductions in personnel and operating expenses and improvements in customers' digital experience. Also sustainability related targets will be important elements shaping the bank's development under its Agenda 2025 and beyond.

Based on year-end 2020 results, the geographical distribution of DekaBank's consolidated pretax profits, in accordance with IFRS and excluding income distributions from treasury functions, was as follows:

Exhibit 7

DekaBank's consolidated pretax profits per geographical segment (in % of DekaBank's consolidated pretax profits)

| Geographical segments | Full year 2020 | Full year 2019 |
|-----------------------|----------------|----------------|
| Germany | 79.4 | 69.9 |
| Luxembourg | 19.9 | 29.5 |
| Other | 0.7 | 0.6 |
| Total | 100.0 | 100.0 |

Source: Company and Moody's Investors Service

Ownership structure

DekaBank is a German institution incorporated under public law. The bank is wholly-owned by the German savings banks through two joint shareholders – DSGV ö.K. and Deka Erwerbsgesellschaft mbH & Co. KG.

As of 1 March 2021, the ownership structure of the bank was as follows:

- » 50% owned by Germany's savings banks through DSGV ö.K.
- » 50% owned by Germany's savings banks through Deka Erwerbsgesellschaft mbH & Co. KG

As of the same date, the detailed ownership structure of DekaBank was as follows:

Exhibit 8

DekaBank Deutsche Girozentrale

| Shareholder | % Held |
|--|--------|
| DSGV ö.K. | 50.00 |
| of which | |
| Sparkassenverband Baden-Württemberg | 7.71 |
| Rheinischer Sparkassen- und Giroverband | 6.56 |
| Sparkassenverband Niedersachsen | 6.46 |
| Sparkassenverband Bayern | 6.32 |
| Sparkassenverband Westfalen-Lippe | 6.18 |
| Sparkassen- und Giroverband Hessen-Thüringen | 5.81 |

| | |
|--|---------------|
| Sparkassenverband Rheinland-Pfalz | 3.21 |
| Sparkassenverband Berlin / Landesbank Berlin | 1.90 |
| Ostdeutscher Sparkassenverband | 1.83 |
| Sparkassen- und Giroverband für Schleswig-Holstein | 1.78 |
| Sparkassenverband Saar | 1.37 |
| Hanseatischer Sparkassen- und Giroverband | 0.91 |
| Shareholder | % Held |
| Deka Erwerbengesellschaft mbH & Co. KG | 50.00 |
| of which | |
| Sparkassenverband Bayern | 8.40 |
| Sparkassenverband Baden-Württemberg | 8.14 |
| Ostdeutscher Sparkassenverband | 8.00 |
| Rheinischer Sparkassen- und Giroverband | 7.66 |
| Sparkassen- und Giroverband Hessen-Thüringen | 5.47 |
| Sparkassenverband Westfalen-Lippe | 3.69 |
| Sparkassenverband Niedersachsen | 2.04 |
| Sparkassenverband Rheinland-Pfalz | 1.87 |
| Sparkassenverband Berlin / Landesbank Berlin | 1.57 |
| Sparkassen- und Giroverband für Schleswig-Holstein | 1.48 |
| Hanseatischer Sparkassen- und Giroverband | 1.27 |
| Sparkassenverband Saar | 0.43 |

Source: Company

Subsidiaries

As of June 2021, DekaBank's consolidated subsidiaries (affiliated companies) and joint ventures were as follows:

Exhibit 9

DekaBank Deutsche Girozentrale

Consolidated affiliates and joint ventures accounted for under the equity method as of June 2021 (all other connected entities, including structured entities, are excluded from the list)

| Company | Registered Office | % Held |
|---|-------------------|--------|
| Subsidiaries | | |
| bevestor GmbH | Frankfurt | 100.00 |
| Deka Beteiligungs GmbH | Frankfurt | 100.00 |
| Deka Far East Pte. Ltd. | Singapore | 100.00 |
| Deka Immobilien Investment GmbH | Frankfurt | 100.00 |
| Deka Immobilien Luxembourg S.A. | Luxembourg | 100.00 |
| Deka International S.A. | Luxembourg | 100.00 |
| Deka Investment GmbH | Frankfurt | 100.00 |
| Deka Real Estate International GmbH | Frankfurt | 100.00 |
| Deka Real Estate Services USA Inc. | New York | 100.00 |
| Deka Vermögensmanagement GmbH | Frankfurt | 100.00 |
| Deka Vermögensverwaltungs GmbH | Frankfurt | 100.00 |
| Deka Verwaltungsgesellschaft Luxembourg S.A. | Luxembourg | 100.00 |
| S Broker Management AG | Wiesbaden | 100.00 |
| S Broker AG & Co. KG | Wiesbaden | 100.00 |
| IQAM Invest GmbH* | Salzburg | 100.00 |
| IQAM Partner GmbH | Vienna | 100.00 |
| WestInvest Gesellschaft für Investmentfonds mbH** | Düsseldorf | 99.74 |
| WIV GmbH & Co. Beteiligungs KG | Frankfurt | 94.90 |
| Joint Ventures | | |
| S PensionsManagement GmbH | Cologne | 50.00 |
| Dealis Fund Operations GmbH | Frankfurt | 50.00 |

* 25.5% is held by IQAM Partner GmbH

** 5.1% is held by WIV GmbH & Co. Beteiligungs KG

Source: Company

Company management

Exhibit 10

DekaBank Deutsche Girozentrale

| Board of Management | Affiliation |
|---------------------|--|
| Dr. Georg Stocker | Chairman of the Board of Management |
| Dr. Matthias Danne | Deputy Chairman of the Board of Management |
| Birgit Dietl-Benzin | Chief Risk Officer and Member of Board of Management |
| Daniel Kapffer | Chief Financial Officer, Chief Operating Officer and Member of Board of Management |
| Torsten Knapmeyer | Chief Sales Officer and Member of Board of Management |
| Martin K. Muller | Member of Board of Management |

Source: Company's investor relations website as of 12 December 2021

Exhibit 11

DekaBank Deutsche Girozentrale

| Administrative Board | Affiliation |
|----------------------------------|--|
| Helmut Schleweis | Chairman of the Administrative Board |
| Walter Strohmaier | First Deputy Chairman of the Administrative Board |
| Thomas Mang | Second Deputy Chairman of the Administrative Board |
| Michael Bräuer* | Member of the Administrative Board |
| Michael Breuer* | Member of the Administrative Board |
| Ingo Buchholz* | Member of the Administrative Board |
| Prof. Dr. Liane Buchholz* | Member of the Administrative Board |
| Dr. Michael Ermrich* | Member of the Administrative Board |
| Ralf Fleischer* | Member of the Administrative Board |
| Katrin Rohmann* | Member of the Administrative Board |
| Michael Fröhlich | Member of the Administrative Board |
| Gerhard Grandke* | Member of the Administrative Board |
| Melanie Kehr* | Member of the Administrative Board |
| Beate Läsch-Weber* | Member of the Administrative Board |
| Ludwig Momann* | Member of the Administrative Board |
| Tanja Müller-Ziegler* | Member of the Administrative Board |
| Prof. Dr. Ulrich Reuter* | Member of the Administrative Board |
| Frank Saar* | Member of the Administrative Board |
| Peter Schneider* | Member of the Administrative Board |
| Dr. Harald Vogelsang* | Member of the Administrative Board |
| Burkhard Wittmacher* | Member of the Administrative Board |
| Alexander Wüerst* | Member of the Administrative Board |
| Barbara Wörfel** | Member of the Administrative Board |
| Edwin Quast** | Member of the Administrative Board |
| Dr. Uwe Brandl*** | Member of the Administrative Board |
| Helmut Dedy*** | Member of the Administrative Board |
| Prof. Dr. Hans-Günter Henneke*** | Member of the Administrative Board |

*Representatives elected by the General Meeting of Shareholders

**Employee Representatives appointed by the Staff Council

***Representatives of the Federal Association of Local Authority Central Organizations

Source: Company's investor relations website as of 12 December 2021

Company history

DekaBank was created on 1 January 1999 following the merger of Deutsche Girozentrale – Deutsche Kommunalbank and the DekaBank GmbH. The former was a wholesale bank established in 1918 that specialised in public-sector and commercial financing. The latter was founded in 1956 and was both the central fund manager for the German savings bank sector and the country's second-largest mutual fund manager.

On 1 January 2004, the bank increased its interest in WestInvest Gesellschaft für Investmentfonds mbH to 99.7% from 40.0% and assumed responsibility for its real estate funds.

On 9 June 2011, the German savings banks increased their stake in DekaBank to 100% from 50%. As part of the transaction, the German Landesbanks divested their 50% ownership, DekaBank acquired part of its own capital (€1 billion), and the savings banks acquired the remainder.

On 1 January 2013, the bank's subsidiary ETFlab Investment GmbH merged with Deka Investment GmbH (another DekaBank subsidiary).

As of 31 December 2013, DekaBank acquired Landesbank Berlin AG's (LBB) capital market activities (to the extent this business was customer-related) and, with effect from 1 January 2014, the regional fund manager and research house LBB-Invest.

On 30 June 2016, DekaBank purchased the remaining 69.4% shares of S Broker for €16.0 million and now holds a 100% share in the company.

In September 2019, Deka Immobilien GmbH was merged with Deka Immobilien Investment GmbH to further streamline divisional structures. All activities performed by Deka Immobilien GmbH were moved to Deka Immobilien Investment GmbH.

On 8 October 2019, the Sparkassen-Finanzgruppe, the sole owner of DekaBank Deutsche Girozentrale and majority owner of Landesbank Hessen-Thüringen GZ, said that the two institutions would engage in discussions about closer cooperation or even a potential merger. Due to the turmoil created by the coronavirus outbreak, S-Group announced on 13 August 2020 that the talks would be called off for the time being.

In 2020, as a part of DekaBank's realignment strategy in Luxembourg, all banking activities of DekaBank Deutsche Girozentrale Luxembourg S.A. were transferred to DekaBank Deutsche Girozentrale Niederlassung Luxemburg and renamed to Deka Verwaltungsgesellschaft Luxembourg S.A. Subsequently, DekaBank's Luxembourg representation consists of Deka International S.A., Deka Immobilien Luxembourg S.A., Deka Vermögensmanagement GmbH (Luxembourg branch) and Deka Verwaltungsgesellschaft Luxembourg S.A.

On 1 January 2021, DekaBank acquired IQAM Invest GmbH, an Austrian fund manufacturer. The acquisition helps the bank to strengthen its position as a quantitative product provider. DekaBank targets an improved quantitative product offering as both involved entities can combine existing research capacities and create synergies.

As of year-end 2021, DekaBank, in competition with other Landesbanks, is aiming to acquire Berlin Hyp which is currently fully-owned by Landesbank Berlin and a leading commercial real estate financing provider in Germany.

Peer group

- » [Landesbank Baden-Wuerttemberg](#)
- » [Landesbank Hessen-Thuringen GZ](#)
- » [Bayerische Landesbank](#)
- » [Norddeutsche Landesbank GZ](#)
- » [DZ BANK AG](#)

Related websites and information sources

For additional information, please see:

The company's website

- » [DekaBank Deutsche Girozentrale](#)

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Moody's related publications

Issuer page on Moodys.com

- » [DekaBank Deutsche Girozentrale](#)

Credit Opinion

- » [DekaBank Deutsche Girozentrale: Update to credit analysis \(1301335\)](#)

Industry Outlook

- » [Banking System Outlook Update - Germany: Solid credit performance shifts our outlook to stable from negative \(1305378\)](#)
- » [European Banking System Outlook: The outlook for European banks is stable \(1306833\)](#)

Sector in-depth

- » [Retail Banks - Germany: More cost cuts and higher rates are keys to improving profitability \(1301913\)](#)

Rating Methodology

- » [Banks Methodology, July 2021 \(1269625\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available on the issuer's page. All research may not be available to all clients.

Endnotes

- 1 An investment company that functions as a specialised service KVG (capital investment company) to outsource portfolio management tasks for individual mandates to external asset managers.
- 2 Throughout this section, such percentages exclude the *Other* segment due to its negative contribution. The calculations are based on *Economic results before tax* from DekaBank's segment related disclosure.

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