Deka Group
Interim Report as at June 2015

Participation.
Not speculation

Finanzgruppe

Deka

Deka Group at a glance

Business development indicators		30 Jun 2015	31 Dec 2014	Change %
Total assets	€m	112,615	113,175	−0.5
Total customer assets	€m	234,331	220,356	6.3
thereof Securities business division	€m	196,259	184,024	6.6
thereof Real Estate business division	€m	28,482	27,829	2.3
thereof Capital Markets business division	€m	9,590	8,503	12.8
Number of securities accounts	thousand	3,993	3,922	1.8
		1st half 2015	1st half 2014	
Net sales	€m	9,979	4,045	146.7
thereof Securities business division	€m	6,662	1,184	(> 300)
thereof Real Estate business division	€m	981	709	38.4
thereof Capital Markets business division	€m	2,335	2,119	10.2
Performance indicators				
Total income	€m	843.1	745.7	13.1
thereof net interest income	€m	108.2	171.3	−36.8
thereof net commission income	€m	569.6	476.9	19.4
Total expenses	€m	476.5	423.6	12.5
thereof administrative expenses (including depreciation)	€m	479.1	422.1	13.5
Economic result	€m	366.6	322.1	13.8
Net income before tax	€m	404.9	462.1	−12.4
Key ratios				
Return on equity [1]	%	17.7	17.1	0.6%-Points
Cost/income ratio [2]	%	55.4	56.2	−0.8%-Points
Key regulatory figures		**30 Jun 2015**	**31 Dec 2014**	
Own funds (without/with transitional rules)	€m	4,927/5,052	4,431/4,520	
Total capital ratio (without/with transitional rules)	%	16.9/17.3	15.8/16.1	
Common Equity Tier 1 capital ratio (without/with transitional rules)	%	13.2/14.4	11.8/13.4	
Risk ratios				
Total risk-bearing capacity	€m	5,712	5,562	2.7
Group risk (value-at-risk) [3]	€m	2,237	2,185	2.4
Utilisation of risk-bearing capacity	%	39.2	39.3	−0.1%-Points
Non-guaranteed rating (short-term/long-term) [4]				
Moody's		P-1/Aa3	P-1/A1	
Standard & Poor's		A-1/A	A-1/A	
Key employee figures				
Number of employees		4,205	4,183	0.5
Number of full-time equivalents		3,659	3,678	−0.5

[1] Return on equity (RoE before tax) corresponds to the economic result divided by equity at the start of the financial year, including atypical silent capital contributions (figures annualised).
[2] Cost/income ratio (CIR) corresponds to the ratio resulting from total expenses (excluding restructuring expenses) and total income (before provisions for loan losses).
[3] Confidence level: 99.9%, holding period: one year.
[4] Moody's long-term rating since 2015: Longterm Senior Unsecured and Issuer Ratings.

Due to roundings, number and percentages presented throughout this report may not add up precisely to the totals provided.

Content

Foreword

Dear Shareholders and Investors,

In the face of challenging general conditions, the Deka Group delivered a strong performance in the first half of 2015. We increased our economic result to €366.6m in the first six months of this year, which represents 13.8% growth on the strong first half of 2014.

The good performance achieved in 2014 mainly resulted from cost discipline. This year, a substantial rise in income additionally boosted results compared with the same period in the previous year. The increase in income was particularly significant in the two business divisions Securities and Capital Markets. Net commission income, the key income component, grew to €569.6m in the reporting period, contributing around 68% to our total income. Conversely, net interest income was down on the previous year's figure as a result of the low interest rate environment. This trend was in line with our expectations.

An increase in total customer assets partly accounted for the high level of net commission income. We recorded customer assets totalling €234.3bn as at 30 June 2015. Growth resulted from a market-driven strong performance of investment products and a sharp rise in net sales which came to approximately €10bn for the first six months of 2015, one and a half times the previous year's figure of €4bn. Of this, €5.8bn was attributable to retail business. Accordingly, retail business has already generated higher net sales in the year to date than in 2014 as a whole (€5.2bn). These figures are proof that our strategic sales expansion is taking effect.

In view of higher standard contributions expected for the bank levy, expenses were up by 12.5% in total to €476.5m. Excluding the bank levy and write-downs, operating expenses were reduced from €177.5m to €173m. Our stringent cost management has paid off once again.

The trend in key financial ratios and risk indicators rounded off the positive picture for the reporting period. Disregarding the interim arrangement, our Common Equity Tier 1 capital ratio was 13.2% (fully loaded). Utilisation of total risk-bearing capacity consistently was at a non-critical level.

Rapid growth combined with its financial strength have ensured that the Deka Group is well under way to achieving its full-year targets for 2015.

The market environment in which we conducted our business activities during the first half of 2015 was essentially characterised by continuing low interest rates and the ECB's bond buying programme. General conditions for investment fund business were predominantly favourable in the first six months of 2015. Investor demand for asset management services and products was boosted by positive sentiment on stock exchanges, which was particularly optimistic in the first quarter of the year, rising share prices and the fact that interest on other types of investments, such as call money and time deposits, was not attractive. With investors remaining rather risk-averse, mixed funds benefited in particular. Although the upward trend in equity funds was relatively limited, these funds profited from current market conditions. The Deka Group's equity funds already provided a strong return in the double-digit percentage range by the end of the first six months of this year.

Within the eurozone, political risks as well as the ECB's measures mainly dominated the situation in the capital market. We are carefully observing developments in Greece. Although it looks as if the debt crisis may be resolved before too long, Greece still faces some difficult milestones along the way. In addition to the upcoming Spanish elections, other political developments are therefore set to remain a key driver in terms of market sentiment. At global level, the situation has also worsened following the slide in China's equity prices. Support from the country's central bank as well as fiscal policy measures have not been enough to maintain China's economic growth rate at the target level.

Similar to previous years, regulatory requirements also impacted perceptibly on the Deka Group's business model. In some cases, they affected specific business activities and in the fulfilment of extensive capital and liquidity requirements as early as the planning and/or discussion stages. Further planned changes may also have an impact on how attractive investment fund products are and the general willingness of our customers to invest.

In the coming months, the costs of meeting regulatory requirements are expected to remain high. Furthermore, we will continue to invest the Bank's own resources into its ongoing development to becoming the *Wertpapierhaus*. Together with the savings banks, we intend to further promote the Deka Group's positioning as expert solutions provider within the *Sparkassen-Finanzgruppe* for all securities-related business.

General conditions for developing in this direction remain challenging. However, we are positive about the future, especially in view of our defined role as the *Wertpapierhaus* and our ongoing close cooperation with the savings banks.

Sincerely,

Michael Rüdiger
Chief Executive Officer

Interim management report 2015

At a glance

With an economic result of €366.6m in the first half of 2015, the Deka Group – the *Wertpapierhaus* (securities service provider for the savings banks) – exceeded the previous year's encouraging figure of €322.1m. There is therefore currently a realistic prospect of achieving a full-year economic result just above the level seen in the previous year, provided the markets remain reasonably stable.

The increase in net fee and commission income made a major contribution to earnings growth. This reflects the successful reorganisation of Deka's sales units in the retail business, which provided a significant boost for mutual fund sales. At the same time, institutional business sales were substantially higher than in the previous year, thanks to the expansion of the consulting and service portfolio. At the same time, thanks to expansion of the consulting and service portfolio, institutional business sales were substantially higher than in the previous year, so that total customer assets – further boosted by strongly growing asset values – reached a new high. This was more than enough to offset the expected decline in net interest income caused by changes in volumes and market interest rates.

The Deka Group's continued progress with new initiatives as part of the transformation process has enabled it to strengthen its profile as an end-to-end provider of solutions in the securities business and drive forward growth.

Improvements in key financial and risk indicators represent further good news for the reporting period. The Common Equity Tier 1 capital ratio as calculated under the Capital Requirements Regulation (CRR) and Capital Requirements Directive IV (CRD IV) stood at 13.2%. The ratio was calculated on a fully loaded basis, without applying the transitional provisions. Utilisation of total risk-bearing capacity remained at a non-critical level throughout the period.

Thanks to its strong growth and financial strength, the Deka Group is well on the way to achieving its annual targets for 2015.

Information about the Deka Group

Structure and business model

The detailed information about the Group's structure and business model presented in the 2014 Group management report remains valid. The only changes relate to the management team, as follows:

In February 2015, DekaBank's Administrative Board appointed Manuela Better as an additional member of the Board of Management, with effect from 1 June. As the bank's new Chief Risk Officer, she is responsible for the Risk Control Capital Market Funds, Risk Control, Credit Risk Office and Legal and Compliance business units. Dr. Georg Stocker, who had been responsible for the traditional risk functions on an interim basis, will now once again concentrate on Savings Bank Sales & Marketing. Dr. Matthias Danne has now taken over responsibility for Treasury from Martin K. Müller.

Furthermore, Stefan Keitel was appointed as an Executive Manager and designated member of DekaBank's Board of Management in June 2015. He is expected to take up his post on 1 January 2016.

Deka Group strategy

The D18 transformation programme continued as planned during the reporting period. The programme forms the framework for every step DekaBank takes in its development towards becoming the *Wertpapierhaus*. DekaBank uses comprehensive, advice-oriented sales approaches and solution-based investment concepts to support the savings banks, particularly in connection with securities-related retail business and in asset/liability management for the savings banks.

In the 2015 financial year, DekaBank will focus on:

- Customers and their interests, to an even greater extent. All product and service-related processes will be designed and implemented from the customer's point of view.
- Ongoing improvements in the quality of products and services with the aim of increasing customer satisfaction, which is the most important success factor in asset management, at a time of increasing performance transparency.
- Increasing cost flexibility to improve our cost structure, allowing us to fund regulatory impacts on the one hand and investment in growth on the other.

Sales and product support for savings banks during the investment and advisory process was again stepped up in the first half of 2015. As at 30 June 2015, there were already 175 sales representatives available to the savings banks, to ensure high-quality securities advice.

DekaBank is also involved in the continued development of the portfolio strategy, which will be gradually implemented in a modular fashion. By offering a portfolio for every class of security, using DekaBank as the legal portfolio manager, savings banks should benefit from economies of scale, while at the same time being relieved of complex sales procedures and regulatory requirements.

Our successful fund marketing strategy, which was fundamentally revised in the previous year, is now complemented by a certificates campaign, which has been running for a number of months. This campaign highlights the advantages of this group of products for different investor types and market situations.

Our strong showing in benchmarking tests confirms that the steps we have taken to improve performance were the right ones. Deka received the highest possible rating of five stars in the *Fonds Kompass 2015* awards run by *Capital* business magazine for the third time in a row, placing it among the top ten of the 100 most important investment fund companies in Germany. The panel particularly highlighted DekaBank's service and the quality of its fund management, as well as the high quality of individual equity, bond and mixed funds. LBB-Invest achieved second place in the "specialist" category, nine places higher than in the previous year. Eight Deka investment funds received the highest scores in the "Euro Fund Awards". At the "Lipper Fund Awards", two bond funds came top of their respective categories.

The Deka Group has also become more attractive to investors interested in sustainability. For the Deka-Nachhaltigkeit Aktien, Renten and Balance (Deka Sustainability) funds and the Deka-Stiftungen (Deka Foundations) Balance fund, which is also managed on a sustainable basis, Deka Investment GmbH has signed up to the European Transparency Code for Sustainability Funds of the European Sustainable and Responsible Investment Forum (Eurosif). Despite considerably more challenging criteria, DekaBank secured an overall oekom Prime status of C. As at 30 June 2015, DekaBank's overall rating was 40%, placing it among the best five German banks, and making it a leader among the 84 banks rated around the world.

The consulting firm XTP Implementation Services once again awarded Deka Investment the "Best Execution Certificate" for its efficient trading process on the global bond market. The certificate acknowledges that the global bond trading activities of DekaBank's subsidiary are in the best interests of the investors and that the ordering process meets the high standards expected on the international stage.

Economic report

Economic environment

The environment for the investment fund business was largely favourable in the first half of 2015. The positive mood on stock exchanges, rising share prices and the unattractive interest rates available from alternative investments such as call money and time deposits had a beneficial influence on investor demand for securities funds. Even so, the continued strong aversion to risk among German households placed tight constraints on rises in the value of equity funds, while mixed funds flourished.

In capital market and lending business, surplus liquidity on the market and extremely low market rates of interest had a negative impact overall. Compared with the previous year, demand for short-term capital market business fell. Although yields on long-term government bonds eventually experienced a sharp rise – having started the year at a very low level – earnings opportunities in the bond markets were limited. This was only partially offset by the favourable conditions for the Bank's refinancing activities. Having narrowed in the first quarter, market spreads widened again during the next three months.

On the basis of the information available to date, the events of the Greek debt crisis have had no significant direct effect on the Deka Group's financial position. Adverse capital market reactions to events in Greece would only have a limited impact on the Group's products, as they do not include Greek government bonds and are not invested in Greek property or real estate companies. Secondary effects that might impact the market as a whole are not conclusively foreseeable at the present time.

Macroeconomic conditions

Having started the new year at a modest pace, the global economy is now growing again. The main reason for the slow start in the first quarter was a temporary slow-down in the USA, which was caused by a number of one-off factors that have subsequently been dealt with. In spite of the crisis in Greece, the recovery process in the eurozone continues to make progress as reforms gradually gain traction. Brighter global growth prospects, depreciation of the euro and falling energy prices also helped to boost growth in the eurozone.

Having expanded by just 0.3% in the first three months, the German economy again showed clear signs of growth in the second quarter. The country's domestic economy was key to this growth, and falling unemployment, positive export figures and new orders in the industrial sector also supported the positive trend.

Because of their increased share of the global economy, emerging markets are an important driver of growth worldwide, even when economic momentum is weakening. During the reporting period, there were once again differences between the performance of different emerging markets. While the economies of central Europe, particularly the Czech Republic, benefited from the general economic picture in western Europe, the Russian economy suffered a serious setback as a result of western sanctions and a lack of structural reform, which the Russian government countered by devaluing the rouble. The Chinese economy continued to grow strongly, although at a substantially lower rate than in the previous period. The Chinese government introduced a range of measures to achieve its target of 7% growth. It is also taking steps to combat the harmful effects of a 30% slump in the equity market half-way through the year. Asia remains the world's fastest growing region, while there were no significant signs of growth in Latin America.

In March, the European Central Bank (ECB) began its programme of bond purchases, whereby it intends to purchase €60bn of European government bonds per month and which is expected to run until at least September 2016. This led to an increase in surplus reserves held by European banks, thereby exerting greater downward pressure on money market rates. These can scarcely go any lower. Excess liquidity is expected to subside no sooner than the second half of 2016 if the ECB ends its bond purchasing programme as planned. The Fed also maintained its expansionary monetary policy until the middle of the year and has so far held back from raising key interest rates.

Sector-related conditions

Trends in capital markets

Thanks to looser monetary policy and the ECB's bond purchases, as well as low crude oil prices and the euro's depreciation, stock markets reached new highs. The German stock index (DAX) reached a new record level of 12,375 points in April, and the EURO STOXX and Dow Jones both reached new highs. A period of correction began during the second quarter amid high volatility. Concerns that Greece might leave the eurozone, the Ukraine crisis and resulting tensions with Russia all contributed to uncertainty among market participants. Thanks to a slowly recovering economy, favourable exchange rates and low energy costs, the earnings and profit outlook for European companies remained good.

In the bond markets, the start of the ECB's programme of government bond purchases in March initially led to a further dramatic fall in yields, primarily on long-term German government bonds. As expected, the extensive bond-buying programme also impacted the covered bond and *Pfandbrief* markets. Because of low liquidity and increasingly unsatisfactory yields, more and more market participants pulled out of bonds. In the second quarter a surprisingly strong reversal of the previous decline in yields began, causing yields on ten-year German government bonds to recover from close to zero to 1.0%. Yields on *Pfandbriefe* and covered bonds also rose in the wake of sharp price corrections on bond markets. Spreads, which were already low, initially increased by only a small amount. However, as the negotiations over a further bailout package for Greece intensified, spreads widened more sharply and demand for safe investments such as German government bonds increased.

Trends in property markets

Given the continued low level of interest rates, the options available to investors remained limited during the first half of 2015. In view of still high demand, initial yields on European property markets stayed low.

Because of short supply and high prices in core markets, investors increasingly turned their attention to secondary and regional locations. Although top yields have also fallen in those markets, they generally remained above the level of prime markets.

Business confidence returned as a result of the economic recovery in the eurozone, and this is reflected in higher overall demand in office rental markets. Nonetheless, there was a greater focus on optimising and consolidating rented spaces than on expanding the office space available. While vacancy rates at prime German locations declined once again, it proved more difficult to reduce the number of vacant properties in the rest of Europe. On average, top rents in Europe's prime locations rose.

Total income in the European property market has improved further in recent months, thanks to steadily falling yields in virtually all locations.

Demand for class A property in the USA slowed markedly in the first half of 2015 and vacancy rates increased somewhat. Even so, there were substantial rent rises in San Francisco and downtown Manhattan. Falling rents were recorded in Houston – a city with a strong concentration of commodity companies – and in Washington D.C., Los Angeles suffered a particularly sharp fall, though its rent levels rose considerably in the second half of 2014.

Having performed well in the first half of the year, Asian office markets continued to grow, and demand for office space remained stable. Vacancy rates across Asia rose again for the first time in two years. Tokyo and Shanghai were among the most active rental markets. In Australia's office market, demand for office space in Sydney and Melbourne remained high and rents increased, while Perth and Brisbane experienced a decline in net absorption and falling rents.

Investor attitudes

The economic recovery and strong performance of Germany's stock markets provided a marked stimulus to mutual fund sales during the reporting period. According to statistics from the German Investment Funds Association (BVI), net funds inflows rose to €41.4bn (excluding open-ended property funds) in the first half of 2015 (prior-year period: €16.9bn). Mixed funds in particular benefited from higher growth rates, but demand for equity and bond funds also increased.

Open-ended mutual property funds also experienced a net inflow of funds during the first six months of 2015. At €1.9bn, this was significantly higher than the comparable figure for the previous year (€0.9bn).

Net funds inflows to special funds for institutional investors increased to €69.9bn in the period from January to June 2015, more than double the previous year's figure of €34.6bn.

Regulatory provisions

Planned regulatory projects, and those under discussion, continued to be of major importance to the Deka Group in the first half of 2015. They relate both to the implementation of individual measures and to meeting extensive capital and liquidity requirements.

As part of the Basel III package of reforms, the introduction of a binding liquidity coverage ratio (LCR) is envisaged for the fourth quarter of 2015. This is the ratio of high-quality liquid assets to total net cash outflows over the next 30 days. Under the transitional arrangements, the LCR must initially be at least 60%. The Deka Group already exceeds this ratio by a clear margin today. The minimum ratio will be increased each year, reaching 100% in 2018.

In addition, mandatory adherence to the leverage ratio (the ratio of core capital to the balance sheet total, adjusted in line with regulatory requirements) is planned for 2018. The ratio, which was modified by the regulator on 17 January 2015, is already being applied in the current year as part of the management of the balance sheet.

With effect from 1 January 2015, the Bank Recovery and Resolution Directive (BRRD) was implemented in national law within the framework of the BRRD Implementation Act (*BRRD-Umsetzungsgesetz*). The EU regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions in the framework of a Single Resolution Mechanism (SRM) and a Single Resolution Fund (SRF) is due to come into force on 1 January 2016.

The SRM represents the second pillar of the banking union. The aim of the new regulations is that shareholders, bondholders and other investors should share in the losses of banks which fail. If a bank falling under the Single Supervisory Mechanism (SSM) gets into difficulties, the European Commission will decide whether it should be wound up. In the event that a bank is wound up, funding is provided by the Single Resolution Fund, which is maintained by Europe's banks and managed by a new EU institution – the Single Resolution Board (SRB). The new regulations also set out how the levies paid by the banks to the Single Resolution Fund are to be calculated. The individual payments made by the institutions (bank levy) are imposed by the Federal Agency for Financial Market Stabilisation (*Bundesanstalt für Finanzmarktstabilisierung* – FMSA) during the current year; from 2016, these will be levied by the SRB.

Some of the guidelines for the supervisory review and evaluation process (SREP) have already been incorporated into the ECB's guide to banking supervision, and are due to be applied by the relevant authorities as part of their supervisory activities by 1 January 2016. The guidelines divide institutions into four categories, which are intended to reflect the risk that an institution poses to the financial system. Along with an analysis of an institution's business model, the evaluation will focus on internal governance and controls, capital, liquidity and funding criteria and the adequacy of capital and liquidity.

The Separate Banks Act (*Trennbankengesetz*), which has its roots in Section 3 of the German Banking Act (*Kreditwesengesetz* – KWG), obliges credit institutions to cease certain proprietary business or to spin it off into legally independent subsidiaries by 1 July 2016. The European legislative process for reforming the banking structure includes plans for similar regulations, although the precise form these will take has not yet been defined. If regulatory requirements were to force the Bank to separate its securities business from its capital market activities, this would have serious implications for the Deka Group, as the interlinked nature of its business divisions is a key factor in the success and stability of its integrated business model.

The Deposit Guarantee Act (*Einlagensicherungsgesetz* – EinSiG) came into force in Germany on 3 July 2015. This law implements the new European Deposit Guarantee Directive, 2014/49/EU. Deposit protection is one of the three pillars of the European banking union. According to this pillar, every member state must arrange for one or more deposit protection schemes to be set up and officially recognised. A financial institution may not accept any deposits if it is not a member of such a government-backed deposit guarantee scheme. Each government-backed scheme must fulfil all the requirements relating to depositor compensation. In other words, it must have the financial and organisational means to compensate its depositors with up to €100,000 in a worst-case scenario. To this end, all deposit protection schemes must set aside at least 0.8% of the covered deposits of their member institutions within the next ten years. The *Sparkassen-Finanzgruppe* has further developed its existing institutional guarantee system and brought it into line with these legal requirements.

Another regulatory project that may impact the financial sector and DekaBank's business activities is the planned introduction of a European financial transaction tax (FTT) in ten EU member states, including Germany. The intention is to phase in the financial transaction tax gradually, with the current plan being to apply it initially to shares and certain derivatives. The first regulations were supposed to come into force no later than 1 January 2016, according to the original plan. However, based on current information, their introduction will be deferred. Taxation of purchases and sales of the Deka Group's investment funds and capital market products would have a negative impact on the Group's earnings. For example, it would make long-term pension products less attractive. However, such regulations would also affect competitors' investment products and the competitive marketplace as a whole.

In April 2014, the European Parliament adopted more stringent provisions for the Markets in Financial Instruments Directive (MiFID II). Core elements of the directive include the regulation of off-floor trading, closer supervision of commodities derivative markets, the regulation of high-frequency trading and enhanced investor protection. The new rules must be implemented in national law by 3 July 2016. The institutions concerned will then have to apply the new rules definitively from 3 January 2017 onwards. The Markets in Financial Instruments Regulation (MiFIR), which was approved at the same time, will also enter into force on this date.

In Germany, the product intervention powers of supervisory authorities provided for in MiFIR are already enshrined in the German Retail Investors Protection Act (*Kleinanlegerschutzgesetz*), much of which comes into force in July 2015. This allows the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – BaFin) to restrict or prohibit the sale of products if it is in the interests of investor protection or the proper functioning of financial or commodity markets to do so. BaFin can also place a limit or ban on specific forms of "financial activity or financial practice". However, there are not yet any indications as to whether products like those offered by the Deka Group are to be targeted.

Business development and profit performance in the Deka Group

Overall statement on the business trend and the Group's position

At €366.6m, the Deka Group's economic result was in line with the previous year's strong performance. Revenues were higher than in 2014. The value-added contribution for the savings banks, which in addition to the economic result also includes payments to the alliance partners, rose to €0.9bn (previous year: €0.7bn).

The main factor in the growth in revenue was net fee and commission income, which increased as a result of the considerable rise in total customer assets. This is based not only on growth in the value of the assets, thanks in part to the capital market environment, but also substantially better net sales. In retail business, these have already exceeded the total volume for the 2014 calendar year. The successful growth in sales is mainly a result of coordinated steps to support the investment and advisory process in the savings banks.

Total customer assets Deka Group *(Fig. 1)*

€m	30 Jun 2015	31 Dec 2014	Change	
Total customer assets Deka Group	**234,331**	**220,356**	13,975	6.3%
by customer segment				
Retail customers	119,641	110,322	9,319	8.4%
Institutional customers	114,690	110,034	4,656	4.2%
by product category				
Mutual funds and fund-based asset management	124,270	114,768	9,502	8.3%
Special funds and mandates	93,823	90,654	3,169	3.5%
Certificates	9,590	8,503	1,087	12.8%
ETFs	6,649	6,431	218	3.4%

Capital market business also achieved encouraging results. As a partner that is increasingly used for proprietary investment by the savings banks, DekaBank substantially increased its business volume in the Trading & Structuring and other units. Despite efforts to reduce operating expenses, it was not possible to offset the impact of the bank levy, which the bank was required to recognise in full in the first half of the year. Even so, the various measures undertaken to improve cost flexibility are already bearing fruit. In future, DekaBank will continue to be able to fund its development as the *Wertpapierhaus* using its own resources.

Despite the expenditure incurred as part of the transformation programme, which is expected to continue in the second half of the year, and the ever higher costs of regulatory compliance, the Deka Group aims to achieve an economic result slightly higher than in the previous year (€541.1m), provided that the economic environment remains broadly stable.

The Deka Group's financial and risk position were sound at the end of the first half of 2015. Utilisation of total risk-bearing capacity under the liquidation approach remains almost unchanged at a non-critical level. The Deka Group's liquidity position in the higher maturity bands once again improved slightly compared with year-end 2014.

The Common Equity Tier 1 capital ratio as calculated under the CRD IV/CRR stood at 13.2% as at 30 June 2015 (year-end 2014: 11.8%). The ratio was calculated on a fully loaded basis, without applying the transitional provisions. Partial reinvestment of the net income for 2014 had a favourable impact. Given the foreseeable regulatory tightening, further reinvestment of profits will be necessary in future, in spite of the increases already made. The Deka Group's capital ratios were all substantially higher than the minimum regulatory requirements.

As part of the supervisory review and evaluation process (SREP), the ECB sets individually tailored minimum ratios for each institution. The ECB communicated its decision on the specific ratios applicable to DekaBank in February 2015. The Deka Group's capital ratios were substantially higher than those set by the ECB.

Ratings

In the first half of 2015, Moody's changed its bank rating methodology to bring it into line with the current regulatory environment. In particular, bail-in mechanisms are now included in instrument ratings and the way in which state support is taken into account has been revised. The changes meant that the long-term ratings of 15 German financial institutions improved, including those of DekaBank. Specifically, the ratings analysts raised the "long-term deposits" rating and the "long-term senior unsecured and issuer rating" by one notch to Aa3. DekaBank's short-term rating from the Moody's rating agency remained unchanged at P-1.

Standard & Poor's (S&P) ratings have been A (long-term) and A-1 (short-term) since October 2013. Compared with the sector as a whole, DekaBank's ratings remain strong. The ratings for *Pfandbriefe* issued by DekaBank have not changed, with S&P providing a rating of AAA and Moody's rating them at Aaa.

Profit performance in the Deka Group

In the first half of 2015, the Deka Group achieved an economic result of €366.6m. This was 13.8% higher than the previous year's figure of €322.1m.

Income for the period once again exceeded the half-yearly figures from the previous year, which themselves were already strong. Income rose considerably compared with the previous year (€745.7m), increasing by 13.1% to €843.1m. Net fee and commission income made the largest contribution to income, and was above the previous year's level. At €476.5m, expenditure was greater than in the previous year (€423.6m), primarily as a result of the increase in the bank levy. This resulted in a cost/income ratio of around 55% (previous year: 56%).

At €108.2m, net interest income fell short of the previous year's figure (€171.3m) as expected, but nonetheless slightly exceeded expectations. As well as current market conditions, the key factors underlying this decline were the lower contribution based on customer terms, which reflects the fall in volumes, and higher interest expenses arising from taking on Additional Tier 1 capital (AT1 bond).

At €–20.6m, risk provisions were higher than the previous year's unusually low figure of €–2.5m. Net allocations in lending business were nonetheless within the expected range, standing at €–21.4m (previous year: €–5.3m), and arose as a result of specific provisions for ship and infrastructure financing. Risk provisions for securities in the categories "Loans and receivables" (lar) and "Held to maturity" (htm) were insignificant, as in the first half of the previous year.

Net commission income increased considerably to €569.6m compared with the previous year (€476.9m) – a rise of 19.4%. A large proportion of this consisted of portfolio commissions from investment fund business, which were significantly higher than in the previous year as a result of the rise in total customer assets. Commission on banking transactions substantially exceeded the comparative figure for 2014, mainly as a result of higher contributions from commission business.

Total net financial income reached €130.1m, down 18.0% on the previous year's figure of €158.6m.

Net financial income from trading book portfolios rose slightly, increasing by 2.5% to €188.8m (previous year: €184.2m). The contribution from money and currency transactions as well as repo/lending activities was slightly down on the previous year, but nonetheless still accounted for almost half of net financial income as at 30 June 2015. The Structuring & Deka Issuing Activities business unit benefited from brisk demand for structured securities and achieved a result in line with the previous year's figure. There was a small decline in derivatives trading, while the contribution to the results made by bond trading was considerably higher than in the previous year.

Net financial income from banking book portfolios of €–59.5m was considerably lower than the mid-year figure for 2014 (€–28.4m). The fall reflected negative valuation effects from Treasury bond portfolios, and smaller positive valuation effects in non-core business than in the previous year. However, the main reason for the negative overall result was the increase of €–40.0m in general provisions to cover potential risks (previous year: €–56.0m), which were set up outside the IFRS income statement without specific allocation to business divisions.

Other operating income amounted to €56.6m (previous year: €–55.8m). As a result of an increase to 2.30% in the discount rate applied to pension provisions (end of 2014: 2.00%), the 2015 interim profit figure included actuarial gains of €52.1m. These are not included in the IFRS income statement as they are posted directly in equity (revaluation reserve). However, they are reported in the economic result as profit for the period. The half-year figure in 2014 was still impacted to a large extent by charges linked to actuarial losses from pension provisions (previous year: €–39.6m). By the first half of 2014, the discount rate applied to pension provisions had fallen by 0.55 percentage points to 2.75%.

Personnel expenses increased from €218.7m in the previous year to €234.5m. The main reasons for this were tariff adjustments and higher pension contributions.

Operating expenses (excluding depreciation, amortisation and the bank levy) decreased from €177.5m to €173.0m. This is mainly due to a fall in consultancy costs, particularly for project consulting and IT. The previous year's figure included audit fees for the Asset Quality Review. This was offset by higher contributions during the reporting period to the deposit protection reserve of the *Landesbanken* and *Girozentralen* compared with the previous year.

As a result of changes to the rules, the full estimated annual amount of €60.8m for the bank levy was recognised in the first half of the year. This is based on available information concerning the EU bank levy. The European bank levy replaces the national levy that was previously imposed to cover the restructuring fund. A provision covering the pro rata contribution of €13.5m was made in the first half of 2014 in respect of the national bank levy.

Overall, levels of depreciation and amortisation were low, amounting to €10.8m. This represents only a small change compared with the previous year (€12.4m).

Restructuring expenses amounted to €–2.6m (previous year: €1.5m).

Profit performance Deka Group *(Fig. 2)*

€m	1st half 2015	1st half 2014	Change	
Net interest income	108.2	171.3	–63.1	–36.8%
Provisions for loan losses	–21.4	–5.3	–16.1	(< –300%)
Net commission income	569.6	476.9	92.7	19.4%
Net financial income [1]	130.1	158.6	–28.5	–18.0%
Other operating income	56.6	–55.8	112.4	201.4%
Total income	**843.1**	**745.7**	97.4	13.1%
Administrative expenses (including depreciation)	479.1	422.1	57.0	13.5%
Restructuring expenses	–2.6	1.5	–4.1	–273.3%
Total expenses	**476.5**	**423.6**	52.9	12.5%
Economic result	**366.6**	**322.1**	44.5	13.8%

[1] Net financial income includes risk provisions for securities in the lar and htm categories of approximately € 0.8m (previous year: €2.8m).

Business development and profit performance in the business divisions and Treasury

Business development and profit performance in the Securities business division

The reversal of the trend in the Securities business division's retail business that began in the second half of 2014 continued during the reporting period. The business division achieved strong positive net sales in mutual funds and fund-based asset management. The increased sales performance for institutional products, along with strong growth in asset values, contributed to the positive overall picture. As a result, higher net fee and commission income meant that the economic result grew substantially.

Net sales performance and total customer assets

Net sales in the Securities business division totalled €6.7bn, more than five times the figure for 2014 (€1.2bn). The pivotal factor here was the marked improvement in retail business. This rose to €3.6bn, having been negative in the previous year. Net sales to institutional customers were also high, exceeding the six-monthly figure from 2014 by €1.2bn.

Net sales Securities business division *(Fig. 3)*

€m	1st half 2015	1st half 2014
Net sales Securities business division	**6,662**	**1,184**
by customer segment		
Retail customers	3,649	–613
Institutional customers	3,013	1,797
by product category		
Mutual funds and fund-based asset management	4,101	–479
ETFs	18	163
Special funds and mandates	2,543	1,500

The net inflows of €4.1bn in mutual funds and fund-based asset management related primarily to mixed funds, direct sales of which increased considerably. Equity and bond funds performed significantly better than in the previous year, once again attracting funds inflows. In fund-based asset management, the rise in net sales was mainly due to higher inflows into the *Deka-BasisAnlage* (Deka Basic Investment) and *Deka-Vermögenskonzept* (Deka Wealth Concept) asset management funds.

Among institutional products, there was a marked improvement in master funds. This was due to a development introduced in the previous year, under which the Master KVG offering evolved into a central administration and reporting platform. In contrast, special securities funds did not fully meet the levels achieved in the previous year.

During the first six months of 2015, the business division's total customer assets rose by around €12bn to €196.3bn (end of 2014: €184.0bn). High levels of net funds inflows and a strong fund performance both had a positive impact here.

Total customer assets Securities business division *(Fig. 4)*

€m	30 Jun 2015	31 Dec 2014	Change	
Total customer assets Securities business division	**196,259**	**184,024**	12,235	6.6%
by customer segment				
Retail customers	93,512	85,547	7,965	9.3%
Institutional customers	102,748	98,477	4,271	4.3%
by product category				
Mutual funds and fund-based asset management	100,396	91,529	8,867	9.7%
thereof equity funds	24,161	22,217	1,944	8.8%
thereof bond funds	35,810	33,033	2,777	8.4%
thereof mixed funds	16,588	15,623	965	6.2%
ETFs	6,649	6,431	218	3.4%
Special funds and mandates	89,215	86,064	3,151	3.7%

Profit performance in the Securities business division

At €198.4m, the business division's economic result was up 31.7% on the previous year's figure of €150.6m. The main factor in this growth was net fee and commission income, which rose by around €69m thanks to higher portfolio commission in the investment fund business. This was more than enough to offset the decline in other income components.

As well as income growth, the business division also saw expenses fall by 2.2% to €205.6m.

Profit performance Securities business division *(Fig. 5)*

€m	1st half 2015	1st half 2014	Change	
Net commission income	394.4	325.2	69.2	21.3%
Other income	9.6	35.6	−26.0	−73.0%
Total income	**404.0**	**360.8**	43.2	12.0%
Administrative expenses (including depreciation)	209.6	208.2	1.4	0.7%
Restructuring expenses	−4.0	2.0	−6.0	−300.0%
Total expenses	**205.6**	**210.2**	−4.6	−2.2%
Economic result	**198.4**	**150.6**	47.8	31.7%

Business development and profit performance in the Real Estate business division

Net sales in the Real Estate business division rose, primarily because sales quotas for open-ended mutual property funds were met in full. This was accompanied by healthy growth in the value of the funds as a result of positive developments in the liquidity ratios and occupancy rates. The economic result slightly exceeded the previous year's figure, which was itself high.

Net sales performance and total customer assets

Net sales in the business division increased overall from €0.7bn in the previous year to €1.0bn in the first half of 2015.

Open-ended mutual property funds achieved total net sales of €0.8bn, representing a substantial increase on the previous year's figure of €0.5bn. Sales of the WestInvest InterSelect and Deka-ImmobilienGlobal funds experienced particularly strong growth, while Deka-ImmobilienEuropa sales grew by a more moderate amount, but nonetheless still accounted for the largest proportion of net sales.

Because of the planned scaling back of portfolio mandates, special funds and individual property funds did not achieve net sales at the previous year's level (€213m), reaching roughly €174m in the first six months of 2015. The strong demand for property funds could not be fully met, since the Group's focus on properties in the core segment with acceptable yield profiles currently limits the investment opportunities. In contrast, net sales of credit funds, which give institutional investors access to attractive loan assets from DekaBank's lending business, increased sharply compared with the previous year.

Net sales Real Estate business division *(Fig. 6)*

€m	1st half 2015	1st half 2014
Net sales Real Estate business division	**981**	**709**
by customer segment		
Retail customers	840	474
Institutional customers	141	234
by product category		
Mutual property funds	807	495
Special funds and individual property funds	174	213

Total customer assets in the Real Estate business division increased to €28.5bn – a rise of 2.3% compared with the figure of €27.8bn at the end of 2014. Strong sales and asset growth were offset by distributions of around €395m. However, a good proportion of these were reinvested.

Mutual property funds achieved an average annualised volume-weighted yield of 2.3% during the reporting period, placing them in line with the wider market. The main factors in the property funds' success were an average liquidity ratio of under 20% and an occupancy rate of 93.3%, which represents a further improvement on past performance. Compared with other investment products with a similar risk profile, property funds therefore continue to represent an attractive investment. With a market share of 28.8%, based on mutual property fund assets according to BVI (as at June 2015), the Deka Group continues to be one of the largest providers of mutual property funds in Germany.

Total customer assets for special funds and individual property funds stood at €4.6bn at 30 June 2015. Of this amount, €1.0bn related to credit funds (end of 2014: €0.9bn) in the property, infrastructure and transport financing categories.

Total customer assets Real Estate business division *(Fig. 7)*

€m	30 Jun 2015	31 Dec 2014	Change	
Total customer assets Real Estate business division	**28,482**	**27,829**	653	2.3%
by customer segment				
Retail customers	22,328	21,672	656	3.0%
Institutional customers	6,154	6,157	−3	0.0%
by product category				
Mutual property funds	23,874	23,239	635	2.7%
Special funds and individual property funds	4,608	4,590	18	0.4%

Real estate lending

In the first half of 2015, the business division was highly sought-after as a financing partner by major international property investors. In an environment that remains highly competitive, the business division successfully arranged €1.9bn of new business during the first six months of 2015 (previous year: €1.1bn). This figure includes extensions totalling €0.2bn. At €0.5bn, the volume placed externally also surpassed the previous year's figure (€0.2bn). As in the previous year, more than half of the loans placed with third parties were with members of the *Sparkassen-Finanzgruppe*.

Gross loan volume increased compared with the level at the end of 2014 (€6.0bn), rising to €6.9bn. The loan portfolio's rating improved considerably in the previous year, rising from 6 to 4 according to the DSGV master scale, and the improved rating was retained during the reporting period. This corresponds to a rating of BBB– on S&P's external rating scale. Including the portfolio secured by collateral, the rating according to the DSGV master scale improved by two grades to AA (equivalent to a rating of A+ on the S&P scale).

Out of the total portfolio, €5.8bn (end of 2014: €4.8bn) was attributable to commercial property financing, €0.9bn (end of 2014: €1.0bn) to open-ended property fund financing, and €0.2bn (end of 2014: €0.2bn) to public-sector construction projects, a segment which is being phased out.

Profit performance in the Real Estate business division

The Real Estate business division's economic result stood at €86.0m, representing a small increase on the previous year (€83.3m). In terms of income, the encouraging rise in net fee and commission income to €116.9m (previous year: €108.1m) was offset to a certain degree by the sharp fall in net interest income due to market conditions, and the small loss reported under net financial income. The positive changes in risk provisions so far (€3.6m; previous year €1.3m) continue to be caused by improvements in ratings and risks which have not so far materialised.

However, expenses increased slightly, to €66.0m (previous year: €64.0m). This moderate rise in costs is primarily due to higher personnel expenses.

Profit performance Real Estate business division *(Fig. 8)*

€m	1st half 2015	1st half 2014	Change	
Net interest income	30.4	34.5	–4.1	–11.9%
Provisions for loan losses	3.6	1.3	2.3	176.9%
Net commission income	116.9	108.1	8.8	8.1%
Net financial income	–0.7	1.3	–2.0	–153.8%
Other operating income	1.8	2.1	–0.3	–14.3%
Total income	**152.0**	**147.3**	4.7	3.2%
Administrative expenses (including depreciation)	66.0	63.3	2.7	4.3%
Restructuring expenses	0.0	0.7	–0.7	–100.0%
Total expenses	**66.0**	**64.0**	2.0	3.1%
Economic result	**86.0**	**83.3**	2.7	3.2%

Business development and profit performance in the Capital Markets business division

The Capital Markets business division's economic result improved, despite a highly challenging environment characterised by a surplus of liquidity.

Business development in the Capital Markets business division

Given the challenges presented by interest rates and levels of liquidity, it was not possible to achieve the same level of total income from repo/lending transactions and money market and foreign exchange trading as in the previous year.

However, high customer demand for certificates and other structured securities, as well as a substantial increase in bond trading activity meant that income rose in these areas. Thanks to strong sales of €2.3bn (previous year: €2.1bn), volumes in certificates business had already reached €9.6bn by 30 June 2015 (end of 2014: €8.5bn). As a consequence of the continued development of net sales performance as a management metric, redemptions and maturities will no longer be included in the measurement for certificate business from the 2015 reporting year onwards. This change does not apply to the net sales performance metric for investment fund business. The reason behind this is that, in certificate business, the main income impact occurs at the point when certificates are issued. If this method had been used to calculate the figures in the previous year, net sales in the first half of 2014 would have been higher by €0.3bn.

The business division's income from commission business increased, thanks to increased levels of customer activity owing to high market volatility.

Profit performance in the Capital Markets business division

At €174.0m, the business division's economic result once again substantially exceeded the previous year's figure of €138.1m, which itself reflected very positive performance. The key factor was brisk business activity consisting of issuance business, derivative trading and, in particular, bond trading. This is reflected in the rise in net financial income. The contribution from money and currency transactions, as well as repo/lending activities, was slightly down on the previous year, but nonetheless still accounted for almost half of net financial income as at 30 June 2015. Net fee and commission income from commission business was higher than in the previous year. As expected, net interest income declined as a result of the current market environment, and this restricted income growth.

Administrative expenses of €82.3m came in below the previous year's figure of €89.4m. The main reason for this was a fall in personnel and project costs.

The previous year's economic result included one-off factors totalling €–11.0m relating to expenses for legal risks. One-off factors of €+11.0m were recognised in the reporting period due to income from a partially written down receivable.

Profit performance Capital Markets business division *(Fig. 9)*

€m	1st half 2015	1st half 2014	Change	
Net interest income	–2.6	14.9	–17.5	–117.4%
Provisions for loan losses	0.0	–0.1	0.1	100.0%
Net commission income	54.8	41.3	13.5	32.7%
Net financial income	192.9	181.7	11.2	6.2%
Other operating income	11.2	–10.0	21.2	212.0%
Total income	**256.3**	**227.8**	28.5	12.5%
Administrative expenses (including depreciation)	82.3	89.4	–7.1	–7.9%
Restructuring expenses	0.0	0.3	–0.3	–100.0%
Total expenses	**82.3**	**89.7**	–7.4	–8.2%
Economic result	**174.0**	**138.1**	35.9	26.0%

Business development and profit performance in the Financing business division

The volume of new business arranged in the Financing business division remained substantially lower than in the previous year, as a result of a focus on high-margin new business that can be placed externally in a market environment that is much more competitive, particularly in the areas of infrastructure and aircraft financing. The loan portfolio's rating remained at the previous year's good level.

Business development in the Financing business division

The volume of new business arranged fell to €0.8bn (previous year: €2.1bn), largely as a result of weaker demand for savings bank financing. With a volume of €0.5bn or roughly 64%, transport and export financing made up a substantial proportion of this. The size of the overall loan portfolio declined further in comparison with the previous year. The gross loan volume attributable to savings bank financing declined considerably during the reporting period, falling by €2.0bn to €9.6bn. In contrast, the gross volume for transport and export loans rose slightly, to a total of €4.6bn. In the infrastructure financing segment, loan volumes declined from €2.2bn at the end of 2014 to €2.1bn at 30 June 2015. The volume placed externally stood at €0.2bn, and remained in line with the previous year's figure.

The average rating for the loan portfolio according to the DSGV master scale remained unchanged at 4, corresponding to BBB– on S&P's rating scale.

Profit performance in the Financing business division

The division achieved an economic result of €–2.2m (previous year: €22.1m). Higher allocations to provisions for loan losses in infrastructure financing than in the previous year were the main reason for this. However, in spite of the challenging market environment, net interest income came close to the previous year's level. Administrative expenses stood at €12.9m in the first half of 2015 (previous year: €13.5m).

Profit performance Financing business division *(Fig. 10)*

€m	1st half 2015	1st half 2014	Change	
Net interest income	37.4	40.6	–3.2	–7.9%
Provisions for loan losses	–27.1	–9.5	–17.6	–185.3%
Net commission income	5.8	4.3	1.5	34.9%
Net financial income	–5.5	0.1	–5.6	(< –300%)
Other operating income	0.1	0.3	–0.2	–66.7%
Total income	**10.7**	**35.8**	–25.1	–70.1%
Administrative expenses (including depreciation)	12.9	13.5	–0.6	–4.4%
Restructuring expenses	0.0	0.2	–0.2	–100.0%
Total expenses	**12.9**	**13.7**	–0.8	–5.8%
Economic result	**–2.2**	**22.1**	–24.3	–110.0%

Business development and profit performance in non-core business

The proven strategy of reducing portfolios whilst safeguarding assets in non-core business was maintained consistently during the reporting period. As a result of maturities, repayments and selective sales, the gross loan volume of lending business and credit substitute transactions that are not part of the core business fell from €1.8bn at the end of 2014 to just €1.4bn. The substantial decline in the loan portfolio recorded in the previous year continued during the first half of the year. By 30 June 2015, the gross loan volume attributed to lending business stood at just €0.3bn. The volume of capital market credit products was €1.1bn. Thanks to measures taken to streamline the portfolio, the rating according to the DSGV master scale improved from 5 to 3 during the first half of the year.

The economic result from non-core business stood at €18.3m, which was substantially lower than the previous year's figure of €38.5m. The result in the previous year was still subject to significantly higher beneficial effects from the tightening of market spreads for capital market credit products. The fall in net interest income to €5.8m (previous year: €10.7m) reflects both changes in market interest rates and the decline in volumes. Expenses stood at €1.4m, and were therefore not materially different from the previous year's figure of €1.5m.

Profit performance of non-core business *(Fig. 11)*

€m	1st half 2015	1st half 2014	Change	
Net interest income	5.8	10.7	–4.9	–45.8%
Provisions for loan losses	2.0	3.0	–1.0	–33.3%
Net commission income	–0.1	0.1	–0.2	–200.0%
Net financial income	12.0	26.2	–14.2	–54.2%
Other operating income	0.0	0.0	0.0	n.a.
Total income	**19.7**	**40.0**	–20.3	–50.8%
Administrative expenses (including depreciation)	1.4	1.5	–0.1	–6.7%
Restructuring expenses	0.0	0.0	0.0	n.a.
Total expenses	**1.4**	**1.5**	–0.1	–6.7%
Economic result	**18.3**	**38.5**	–20.2	–52.5%

Treasury profit performance

During the reporting period, Treasury's economic result fell to €–22.5m (previous year: €25.1m) as a result of net financial income from banking book portfolios amounting to €–32.1m (previous year: €1.0m). During the same period in the previous year, the result was subject to positive valuation effects from bond portfolios. After an initial positive performance in the first quarter of 2015, the valuation result was subject to a sharp downwards correction by the end of quarter two, as a result of widening spreads. Net interest income also fell substantially compared with the figure in 2014 (€38.3m), standing at €24.5m by the end of the first half of the year. This was also due to increased interest expenses as a result of taking on additional Common Equity Tier 1 capital (AT1 bond). Administrative expenses decreased to €13.4m (previous year: €14.5m).

Profit performance Treasury *(Fig. 12)*

€m	1st half 2015	1st half 2014	Change	
Net interest income	24.5	38.3	–13.8	–36.0%
Provisions for loan losses	0.1	0.0	0.1	n.a.
Net commission income	–2.2	–2.3	0.1	4.3%
Net financial income	–31.5	3.5	–35.0	(< –300%)
Other operating income	0.0	0.1	–0.1	–100.0%
Total income	**–9.1**	**39.6**	–48.7	–123.0%
Administrative expenses (including depreciation)	13.4	14.5	–1.1	–7.6%
Restructuring expenses	0.0	0.0	0.0	n.a.
Total expenses	**13.4**	**14.5**	–1.1	–7.6%
Economic result	**–22.5**	**25.1**	–47.6	–189.6%

Financial position and assets and liabilities of the Deka Group

Financial position, capital structure, assets and liabilities

The Deka Group's balance sheet total fell compared with year-end 2014 by €0.6bn to €112.6bn as at 30 June 2015.

On the assets side, the total amount due from banks and customers rose by €4.6bn to €52.7bn compared with year-end 2014. Financial assets recognised at fair value through profit or loss decreased by €4.9bn to €54.6bn. They accounted for approximately 48% of total assets. The decisive factors for this were, in particular, lower market values for derivatives (€–2.8bn) and a lower portfolio volume for fixed-interest securities (€–3.5bn).

On the liabilities side, amounts due to banks and customers decreased by €0.5bn to €53.9bn as at 30 June 2015, corresponding to around 48% of total liabilities. Securitised liabilities increased by €2.1bn during the period under review, to €26.2bn. Financial liabilities recognised at fair value through profit or loss fell by €2.0bn to €25.1bn. Falling market values of derivatives (€–2.4bn) were the main reason behind this fall.

Balance sheet changes Deka Group *(Fig. 13)*

€m	30 Jun 2015	31 Dec 2014	Change	
Balance sheet total	**112,615**	**113,175**	–560	–0.5%
Selected items on the assets side				
Due from banks and customers	52,669	48,059	4,610	9.6%
Financial assets at fair value	54,613	59,470	–4,857	–8.2%
Financial investments	3,150	3,498	–348	–10.0%
Selected items on the liabilities side				
Due to banks and customers	53,898	54,366	–468	–0.9%
Securitised liabilities	26,191	24,122	2,069	8.6%
Financial liabilities at fair value	25,133	27,128	–1,995	–7.4%

Changes in regulatory capital

Capital adequacy is determined in accordance with the CRR/CRD IV. Alongside counterparty risk, market risk and operational risk, the credit valuation adjustment (CVA) risk is also taken into account. The capital and reserves requirements under banking supervisory law were complied with at all times during the reporting period.

The change in the Common Equity Tier 1 capital ratio, without applying the transitional provisions (fully loaded), has already been presented as part of the overall statement on the business trend and the Group's position. The total capital ratio (fully loaded) was 16.9% at 30 June 2015, compared with 15.8% at the 2014 balance sheet date.

The leverage ratio determined in accordance with the Delegated Regulation of 17 January 2015, i.e. the ratio of Tier 1 capital to the balance sheet total, adjusted in line with regulatory requirements, stood at 3.9% at 30 June 2015 without applying the transitional provisions (fully loaded), and 4.1% including the transitional provisions (phase in).

Regulatory capital Deka Group *(Fig. 14)*

€m	30 Jun 2015		31 Dec 2014	
	CRR/CRD IV (without transitional provisions)	CRR/CRD IV (with transitional provisions)	CRR/CRD IV (without transitional provisions)	CRR/CRD IV (with transitional provisions)
Common Equity Tier 1 capital	3,835	4,210	3,295	3,768
Additional Tier 1 capital	474	298	474	196
Tier 1 capital	**4,309**	**4,507**	**3,768**	**3,964**
Tier 2 capital	618	544	663	556
Own funds	**4,927**	**5,052**	**4,431**	**4,520**
Credit risk	14,672	14,672	14,179	14,179
Market risk	10,344	10,344	10,378	10,378
Operational risk	2,228	2,228	2,006	2,006
CVA risk	1,918	1,918	1,458	1,458
Risk-weighted assets (total risk exposure amount)	**29,162**	**29,162**	**28,022**	**28,022**
%				
Common Equity Tier 1 capital ratio	**13.2**	**14.4**	**11.8**	**13.4**
Tier 1 capital ratio	**14.8**	**15.5**	**13.4**	**14.1**
Total capital ratio	**16.9**	**17.3**	**15.8**	**16.1**

Liquidity and refinancing

The liquidity management requirements set out under MaRisk (Minimum Requirements for Risk Management) were more than fulfilled during the reporting period. The regulatory requirements of the German Liquidity Regulation (*Liquiditätsverordnung*) were likewise exceeded at all times during the reporting period. Details about the Deka Group's liquidity position, including the liquidity coverage ratio (LCR), can be found in the risk report.

Refinancing is carried out using conventional money market and capital market instruments, including the issuance of public sector *Pfandbriefe*, short-term bearer bonds based on the CP Programme, and medium to long-term bearer bonds based on the Debt Issuance Programme. DekaBank also uses the repo and lending markets, call money and time deposits to raise and invest liquidity.

Human resources report

At 30 June 2015, the total number of employees stood at 4,205, representing only a minor change compared with the 2014 year-end figure of 4,183. Further increases in staff levels in Savings Bank Sales & Marketing were offset by other measures to reduce the overall headcount. The number of employees relevant to the income statement fell to 3,659 (31 December 2014: 3,678). This number includes part-time employees actively involved in work processes in the Deka Group calculated as full-time equivalents.

Post balance sheet events

No major developments of particular significance occurred after the reporting date of 30 June 2015.

Forecast report and opportunities report

Forecast report

The Deka Group plans its future business development on the basis of assumptions that seem most probable from a current perspective. However, plans and statements about growth during 2015 are subject to uncertainties.

Actual trends in the international capital, money and property markets or in the Deka Group's business divisions may diverge markedly from our assumptions, which are partly based on expert estimates. The Deka Group's risk position is summarised in the risk report. If the risk scenarios referred to in the risk report should materialise, for example as a result of stress situations or counterparty default, this may result in negative differences from the forecast during the remaining months of the 2015 financial year. Conversely, opportunities may result in expectations being exceeded.

Expected macroeconomic trends

At mid-year, the attention of market participants the world over was focused on two events: the progress of the Greek crisis and the eagerly awaited change in interest rates in the USA. Increases in key interest rates in the USA may result in further depreciation of the euro against the US dollar, as long as the European Central Bank continues its expansionary monetary policy this year.

Concerns about the Greek economy notwithstanding, there are indications of growth in the eurozone. Structural reform efforts are bearing fruit, in some countries at least. Global – albeit slower – growth, a cheaper euro and lower energy prices provide Europe with the support it needs. DekaBank expects GDP growth of 1.5% within the European Union this year, while Germany is once again expected to be a reliable driver of growth, with its economy expected to expand by 1.9%. However, the positive trend is likely to be only gradually reflected in labour markets.

Supported by encouraging labour market figures and a strong economy, the USA is expected to grow by 2.4% over the year as a whole. Growth in emerging markets will weaken, but continue to outpace that of the industrialised countries. Once key interest rates in the USA rise, worsening global financing conditions may act as a brake on growth. Overall, global economic growth for the year as a whole is likely to be modest at 3.2%. There may be a slight overall increase in rates of inflation.

Expected sector-related conditions

Expected trends in the capital markets

Having got off to a good start with its programme of bond purchases – a programme that is likely to continue until its planned end date of September 2016 – the ECB will continue its expansionary monetary policy. In DekaBank's view, the ECB will increase its key interest rate for the first time no earlier than the end of 2018. In view of strong economic data in the USA, particularly in the labour market, Deka expects the Fed to hike interest rates this year. However, the pace of interest rate increases will remain modest.

In the bond market, yields in the short-term segment will remain below zero for some time, as a result of the massive supply of liquidity generated by the ECB. In view of the imminent interest-rate rise in the USA and the fact that inflation rates in the eurozone are expected to rise gradually in the medium term, yields on longer-term German government bonds could increase somewhat in the second half of the year.

Following the market correction in the second quarter, there is now potential for an upswing on the German equity market. Once concerns about the imminent initial rise in key interest rates in the USA and the Greek economy have subsided, DekaBank expects share prices to improve considerably.

Expected trends in the property markets

Reducing vacancy rates in Europe remains a tough challenge, and the outlook for rental income up to 2019 remains modest, increasing by an average of 2% per year. DekaBank still expects rent increases to remain stronger in Germany until 2017, after which growth is expected to wane. Office property prices are likely to increase further in view of continuing low interest rates on alternative investment products. They are also set to remain high in the medium term. Overall, the positive income trend in the European property market is expected to continue, as a result of further yield compression during 2015 and 2016.

Because the cycle is well advanced in the USA, rental growth there could slow in most markets in 2016. In Asia, Tokyo and Singapore are expected to remain the front runners in terms of rental growth, followed by Hong Kong and Shanghai. For the current year, DekaBank also expects a further decline in yields in Sydney, Melbourne and Tokyo, whereas a slight rise in yields is anticipated in Singapore and Hong Kong.

Expected business development and profit performance

The Deka Group will continue its transformation process throughout the rest of the year, adopting a nuanced approach to the various customer segments, continuing to improve the quality of its products and solutions and improving its cost flexibility.

In the remaining months of the 2015 financial year, the Deka Group expects a steady overall trend in its financial position. Since pressures in the form of higher risk provisions or negative valuation effects cannot be ruled out in the second half of 2015 and higher administrative expenses are expected, partly as a result of project and sales-related activities planned for the second half of the year, and given that past experience shows that earnings performance tends to be more subdued in the last six months of the year, the strong half-year results cannot be extrapolated for the full year. This was also the case in previous years. Given the assumptions made with regard to economic conditions, the aim is to achieve an economic result slightly above the strong figure achieved in the previous year. This will ensure that DekaBank remains able to distribute profits and to make the reinvestments required to strengthen its capital ratios.

We are forecasting moderate increases in net sales and total customer assets, underpinned by ongoing sales and product-related measures. Following the very promising performance during the first six months of the year, this may be significantly greater than was originally expected, provided there is no substantial deterioration in the capital market environment.

The Securities business division continues to expect the full year results to show a rise in net sales and total customer assets. The Real Estate business division's expectations remain unchanged, and positive net sales, broadly at the same level as in the previous year, along with a small increase in total customer assets are expected. Given the interest rate and liquidity environment, the Capital Markets business division is once again anticipating difficult market conditions for short-term products over the remaining months of the year. As a result of the continued strengthening of the business division's role as a hub, fulfilling a range of functions for the savings banks, along with its focus on issuance business and on developing suitable structured products and solutions, we anticipate a strong economic result. The Financing business division intends to retain its leading position in refinancing savings banks, while also generating loan assets eligible to tap the capital market in the segments of infrastructure and transport financing. The volume placed externally is expected to remain at a high level.

Expected financial and risk position

The Deka Group continues to anticipate a generally stable financial position for the full 2015 financial year. We expect the Common Equity Tier 1 capital ratio without the transitional provisions (fully loaded) to be satisfactory, and possibly slightly higher than the level at the end of 2014. Utilisation of total risk-bearing capacity at the end of the year is anticipated to be at a similar level to that reported at the end of 2014.

Risk report

Organisation of risk management and control

In certain specific areas, there have been a number of minor changes to the organisation of risk management and control compared with the description provided in the 2014 Group management report. As regards the organisational structure within Risk Control, certain specific functions are now more closely interlinked, for example in the area concerned with appraisals and determining market risk, as well as in terms of the conceptual and technical development of risk models.

In addition, the modifications to the business risk model referred to in the 2014 Group management report were implemented in the first half of 2015. The resulting changes also provide for increased differentiation in the way risk is allocated to business divisions within the model, giving substantially greater consideration to their specific characteristics.

In the interest of pursuing a forward-looking approach, the foreseeable change to the model used to measure operational risks was implemented prospectively. In anticipation of the expected implementation of the results of the validation process, the risk allocation process allowed for an increased level of risk.

In addition, aspects of the counterparty risk model have been developed further, and an expanded, more transparent method of presenting guarantee funds was implemented in the first quarter of 2015. The model validation process is currently underway, and once the results of this are implemented we expect there to be a small increase in risk over the remainder of the year.

Overall risk position of DekaBank

The risk position presented in the risk report is the Deka Group's overall risk position and is therefore in line with the definition which is also applied to the presentation of the Deka Group's expected business development and profit performance in the Group management report. This means that the report focuses on risks that are relevant from the point of view of the Group. Opportunities that might be used to counteract an increase in risk are presented separately in the opportunities report.

Risk definitions, concentrations and measurement

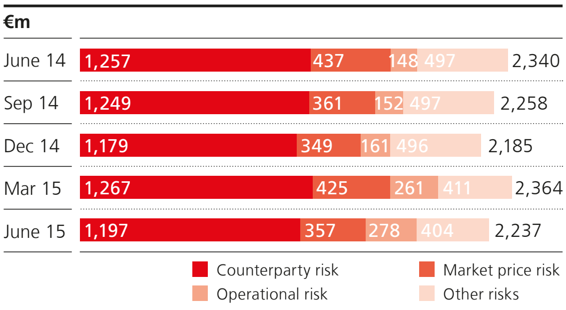
For the purposes of risk management and monitoring, individual types of risk are derived from the annual risk inventory, as has previously been the case. Risk types considered to be material continue to include market price risk, counterparty risk, operational risk, liquidity risk and business risk.

The definitions used for the individual types of risk are the same as those presented in the 2014 Group management report. The same applies to the risk profile presented here, the associated risk concentrations and areas of focus for each business division, and the risk measurement concepts based on them. The allocation of risk capital to the business divisions has been changed, not least because of the methodological improvements referred to above.

Overall risk position for the first half of 2015

The Deka Group's overall risk position has increased slightly in comparison with the end of 2014, primarily as a result of the changes already referred to in respect of operational risk. At the same time, in an environment characterised by resurgent volatility and some rating changes, there was a slight increase in counterparty and market price risk.

Change in Group risk over the course of the year *(Fig. 15)*



Under the liquidation approach, which is the primary approach used for management purposes, the Deka Group's overall risk (VaR, with a confidence level of 99.9% and a holding period of one year) stood at €2,237m at 30 June 2015 (end of 2014: €2,185m). The rise in counterparty risk was largely due to isolated rating downgrades. Overall market price risk also rose compared with the position at the end of 2014, despite portfolio reductions in the Capital Markets business division and in Treasury, which mainly occurred during the second quarter. As well as recent rises in market volatility, key reasons for this included the increase in market price risks from guarantee products in the Securities business division. Nonetheless, utilisation of limits remained at moderate levels throughout the reporting period. The increase in operational risk was mainly the result of the anticipated changes to the model. The decrease in other risk types included in risk-bearing capacity is primarily due to the more differentiated approach to business risk. In contrast, the contribution to the overall risk position made by shareholding risk, property risk and property fund risk is negligible.

The risk attributable to core business increased to €2,139m (end of 2014: €2,048m). Non-core business is being wound down, and further progress in this area meant that its VaR once again fell considerably, reaching €134m at 30 June 2015 (end of 2014: €170m).

The increase in overall risk was offset by a simultaneous rise in total risk-bearing capacity to €5,712m (end of 2014: €5,562m). The increase in total risk-bearing capacity is primarily the result of efforts to build up retained earnings by partially reinvesting profits from 2014, as well as the pro rata inclusion of the profit for the period. This is also the reason why primary risk cover potential, which does not include subordinated capital, rose to €4,455m by the end of the reporting period (end of 2014: €4,265m). There was therefore virtually no change in the utilisation of primary risk cover potential during the first six months of the year, which remained at a non-critical level of 50.2% at 30 June 2015 (end of 2014: 51.2%).

Macro-economic stress scenarios are analysed on a regular basis, and total risk-bearing capacity was also assured under all of these at 30 June 2015. Forecast utilisation at 30 June 2015 was in the 80% and above range under one scenario. Early warning thresholds were exceeded in certain isolated scenarios during the reporting period, and steps were taken to bring the results of these scenarios back within acceptable limits. Among other things, these included the targeted reduction of individual positions within capital markets business and Treasury.

Under the going concern approach, which is applied as a supplementary test, utilisation declined slightly compared with the end of 2014. With a core tier 1 capital ratio of 10.5%, utilisation of the remaining risk cover potential (with a confidence level of 95%) was 37.1% at 30 June 2015 (end of 2014: 39.2%), and was therefore also at a non-critical level.

Market price risk

At 30 June 2015, market price risk for Treasury, the Capital Markets business division and non-core business was slightly below the level reported at the end of 2014, standing at €47.9m (end of 2014: €48.6m) as measured by value at risk, with a confidence level of 99% and a holding period of ten days. At 30 June 2015, utilisation of the operating management limit for Treasury and the Capital Markets business divisions was unchanged at 46% and therefore remained at a non-critical level.

Value-at-risk for Treasury, Capital Markets business division and non-core business[1)]
(Confidence level 99%, holding period 10 days) *(Fig. 16)*

€m	30 Jun 2015			31 Dec 2014			
Category	**Treasury and Capital Markets business division**	**Non-core business**	**Treasury, Capital Markets business division and non-core business**	**Treasury and Capital Markets business division**	**Non-core business**	**Treasury, Capital Markets business division and non-core business**	**Change in risk**
Interest rate risk	44.6	8.4	47.3	45.3	8.2	48.5	–2.5%
Interest rate – general	9.1	2.2	8.4	9.1	2.1	9.5	–11.6%
Spread	44.4	7.9	47.0	45.1	8.4	47.9	–1.9%
Share price risk	3.1	0.0	3.1	1.6	0.0	1.6	93.8%
Currency risk	1.6	0.8	2.3	1.6	1.0	2.7	–14.8%
Total risk	**45.1**	**8.4**	**47.9**	**45.4**	**8.3**	**48.6**	–1.4%

1) Risk ratios for interest rate risk and total risk taking account of diversification; includes issue-specific credit risk spread.

Credit spread risk was also slightly lower, totalling €47.0m (end of 2014: €47.9m) at the reporting date, largely because of the overall reduction by Treasury and the Capital Markets business division in risk positions in issues of financial institutions and domestic public-sector authorities. This was more than enough to offset the increase in risk resulting from the rise in credit spread volatility that occurred over the same period. General interest rate risk fell from €9.5m to €8.4m due to changes in diversification effects between the Treasury/Capital Markets sub-portfolios and non-core business during the first six months of the year. Over the same period, share price risk increased to €3.1m (end of 2014: €1.6m), but remains of relatively minor significance in view of the overall risk position.

The same is true of currency risk, in particular that arising from positions in US dollars. At €2.3m, currency risk was slightly lower than the 2014 year-end figure of €2.7m.

Counterparty risk

The counterparty risk determined using credit value at risk, or CVaR (confidence level of 99.9% and a holding period of one year) increased somewhat during the reporting period, reaching €1,197m at 30 June 2015 (end of 2014: €1,179m). This was due to increased risk resulting from certain rating downgrades, which could not be fully countered by reducing risk positions or refining the methodology to provide more transparency around guarantee funds.

Gross loan volume at 30 June 2015 totalled €141.6bn (end of 2014: €140.3bn). There were two reasons for the €1.3bn increase. First, volumes of short-term money-market transactions with savings banks increased because of higher demand for liquidity, and second, gross loan volume in the corporates risk segment rose, primarily because of an increase in collateralised equity transactions. Portfolios in the transport & export financing and real estate lending segments were also increased as a result of the return to more stable market conditions. In contrast, volumes with financial institutions fell. In particular, the volume of securities was lower than at the end of

2014 as a result of maturities and the aforementioned reductions made to the portfolio, especially during the second quarter. Gross loan volume with the domestic and international public sectors also fell. Once again, this was mainly because of lower levels of bond holdings.

Gross loan volume *(Fig. 17)*

€m	30 Jun 2015	31 Dec 2014
Financial institutions	60,771	63,649
Public sector Germany	18,442	19,198
Savings banks	15,645	13,446
Corporates	16,043	13,527
Funds (transactions and units)	12,215	12,016
Property risk	7,099	6,261
Transport and export finance	4,588	4,060
Energy and utility infrastructure	1,530	1,523
Other	5,261	6,584
Total	**141,592**	**140,264**

Overall, changes in net loan volume were similar to those in gross loan volume. At 30 June 2015, net loan volume was €55.5bn, compared with €54.6bn at the end of 2014. Again, the higher volume of short-term liquidity provided to savings banks, the expanded portfolio of corporate bonds held by Treasury and the increased number of derivative transactions in the funds risk segment were offset by a corresponding reduction in volumes with financial institutions and the international public sector. There were only minor changes in the remaining risk segments.

Net loan volume *(Fig. 18)*

€m	30 Jun 2015	31 Dec 2014
Financial institutions	16,012	17,923
Public sector Germany	3,720	3,972
Savings banks	14,272	10,897
Corporates	7,647	7,127
Funds (transaction and units)	6,837	6,267
Property risk	1,408	1,469
Transport and export finance	647	564
Energy and utility infrastructure	1,494	1,483
Other	3,494	4,895
Total	**55,531**	**54,596**

Lending remained heavily focused on the eurozone at 30 June 2015, even though the proportion of gross loan volume of 72.3% attributable to the eurozone was slightly lower than it had been six months previously (75.0%), mainly as a result of maturities. Counterparties in Germany continued to account for just under half of the total gross loan volume. A large share was also attributable to Great Britain, France and Luxembourg.

The loan volume relating to borrowers in Italy, Spain, Ireland and Portugal once again declined slightly compared with the figure at the end of 2014 (€3.6bn). Overall, 2.5% (end of 2014: 2.6%) of the total gross loan volume was with counterparties from these countries at the reporting date. A significant proportion of the decline was linked to promissory loan notes falling due in Spain. As was already the case at the end of 2014, none of the loan volume was attributable to borrowers from the high-risk country of Greece at 30 June 2015. The gross loan volume attributable to counterparties in Russia totalled €0.5bn (end of 2014: €0.6bn), the majority of which (€0.4bn) is covered by ECA guarantees from the Federal Republic of Germany. DekaBank has no exposure in Ukraine.

In terms of maturities, DekaBank's loan portfolio continues to be strongly focused on short-term lending. As a result, 48.1% of gross loan volume (end of 2014: 46.6%) related to business with a residual term of under one year. Overall, the average legal residual term of gross loan volume declined slightly, to 2.5 years (end of 2014: 2.7 years). This was primarily the result of an increase in short-term monetary transactions with savings banks.

In terms of risk concentrations within the portfolio, 33.9% of gross loan volume at 30 June 2015 related to borrower units defined as 'clusters'. Thanks to the range of maturities and the reductions that have been made in the portfolio, this proportion was below the level reported at the end of 2014 (34.9%). Since the vast majority of this is collateralised, and given the creditworthiness of these counterparties, the current level of risk concentration is deemed to be reasonable and appropriate.

At end of the first six months of 2015, the average rating for the gross loan volume remained unchanged at 2 on the DSGV master scale. However, the probability of default increased slightly, to just under 13 bps, compared with 12 bps at the end of 2014. Amongst other things, this was because a number of individual bonds with very good ratings fell due, and certain individual ratings went down. Just under 95% of net loan volume remained in the same grouping (determined by rating class) as at the end of 2014. As has previously been the case, savings banks were rated AAA.

On balance, the rating remained unchanged at 2, while the probability of default increased slightly during the reporting period, rising by 3 bps to 14 bps. Nonetheless, the Bank still achieved its target rating of investment grade for the portfolio as a whole.

Net loan volume by risk segment and rating *(Fig. 19)*

€m	Average PD in bps	Average rating 30 Jun 2015	30 Jun 2015	Average PD in bps	Average rating 31 Dec 2014	31 Dec 2014
Financial institutions	24	4	16,012	9	A–	17,923
Savings banks	1	AAA	14,272	1	AAA	10,897
Corporates	14	2	7,647	14	2	7,127
Public sector international	6	A+	2,579	4	AA–	3,863
Public sector Germany	1	AAA	3,720	1	AAA	3,972
Public infrastructure	37	5	565	60	6	665
Transport and export finance	117	8	647	97	7	564
Energy and utility infrastructure	58	6	1,494	80	7	1,483
Property risk	18	3	1,408	25	4	1,469
Retail portfolio	7	A	264	11	2	282
Funds (transaction and units)	15	3	6,837	15	3	6,267
Equity investments	18	3	85	39	5	85
Total	**14**	**2**	**55,531**	**11**	**2**	**54,596**

Provisions for loan losses reported on the balance sheet increased from a total of €207.0m at the end of 2014 to €235.0m at 30 June 2015. This was mainly caused by higher specific provisions.

Provisions for loan losses by risk segment *(Fig. 20)*

€m	Financial institutions	Funds	Transport and export finance	Energy and utility infrastructure	Property risk	Public infrastructure	Corporates	Other	30 Jun 2015	31 Dec 2014
Impaired gross loan volume [1]	**0.0**	**0.0**	**410.7**	**33.7**	**37.0**	**106.9**	**0.0**	**0.9**	**589.2**	**523.5**
Collateral at fair value	**0.0**	**0.0**	**155.4**	**0.0**	**19.7**	**0.0**	**0.0**	**0.0**	**175.1**	**163.1**
Impaired net loan volume [1]	**0.0**	**0.0**	**255.3**	**33.7**	**17.3**	**106.9**	**0.0**	**0.9**	**414.1**	**360.4**
Provisions for loan losses [2]	**23.4**	**0.0**	**127.0**	**17.8**	**24.2**	**39.3**	**2.6**	**0.7**	**235.0**	**207.0**
Specific valuation allowances	0.0	0.0	111.8	9.5	22.1	38.7	0.0	0.1	182.2	146.7
Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.4
Portfolio valuation allowances for country risks	0.0	0.0	2.2	1.9	0.0	0.0	0.0	0.0	4.1	4.2
Portfolio valuation allowances for creditworthiness risk	23.4	0.0	13.0	6.4	2.1	0.6	2.6	0.2	48.3	55.7

[1] Gross and net loan volumes impaired by specific and country valuation allowances.
[2] Provisions for loan losses in balance sheet exceed the net loan volume because portfolio valuation allowances and specific provisions have been built.

Operational risk

At 30 June 2015, the VaR determined for operational risks, using an advanced measurement approach (AMA), with a confidence level of 99.9% and a holding period of one year, stood at €278m. This represents a significant increase in risk compared with the end of 2014 (€161m) and is due to a €100m increase for the expected implementation of validation results, as well as a fundamental reworking of the scenario analysis. Nonetheless, utilisation of risk capital after the corresponding adjustments remained at a non-critical level.

Overall, the number and size of the internal loss events reported during the period were higher than in 2014. Among other things, this is a result of work which was begun in the previous year to complete the loss event history so as to take into account the expanded definition of operational risk vis-à-vis legal risks. Accordingly, this change does not represent a general trend, meaning that there is no reason to expect further increases in the number of cases in future.

In fact the OR loss potential identified in the Group-wide risk inventory fell further, reaching €40.2m at 30 June 2015 (end of 2014: €43.3m). The increase in risk resulting from the expanded definition of legal risk was more than offset here by the ongoing consolidation of risk scenarios in the Securities business division.

Liquidity risk

At the 2015 interim reporting date, the Deka Group continued to have a high liquidity potential that is readily convertible at short notice. The Group has access to a large portfolio of liquid securities, which for the most part are eligible as central bank collateral, as well as to surplus cover available within the cover pool and corresponding repo transactions. There were clear positive liquidity balances in all the maturity bands considered within the funding matrix used for management purposes – the "combined stress scenario" – for periods of up to 20 years. Once again, the liquidity balances in the later maturity bands of up to three months were higher than at the end of 2014. As in the previous year, a substantial part of the Group's liquidity generation and provision was attributable to business with savings banks and funds. There were no limit overruns at any time during the whole reporting period.

The accumulated liquidity balance of the Deka Group's "combined stress scenario" funding matrix in the short-term range (up to one week) stood at €11.5bn at 30 June 2015 (end of 2014: €6.0bn). In the maturity band of up to one month, the liquidity surplus totalled €16.2bn (end of 2014: €9.3bn), and in the medium to long-term range (three months) it was €21.0bn (end of 2014: €16.9bn).

At 30 June 2015, 62.6% of the Group's total refinancing was obtained via money market products and 37.4% from capital market products. In terms of its maturity structure, the refinancing profile for lending business remained balanced. Most of the investors in money market refinancing are financial service providers such as clearing houses, stock exchanges and funds, or large banks and savings banks. This means that the Group's refinancing continued to be broadly diversified by investor group.

The regulatory requirements of the German Liquidity Regulation (*Liquiditätsverordnung*) were exceeded at all times during the first six months of 2015. The average liquidity ratio in the first maturity band, determined on a daily basis, was 1.86 during the reporting period. It fluctuated within a range of 1.63 to 2.03. The ratio stood at 1.87 at 30 June 2015 (end of 2014: 1.62).

Combined stress scenario funding matrix of Deka Group as at 30 Jun 2015 *(Fig. 21)*

€m	D1	> D1 – 1M	> 1M – 12M	> 12M – 5Y	> 5Y – 20Y	> 20Y
Liquidity potential (accumulated)	20,555	27,816	1,101	– 37	– 33	– 5
Net cash flows from derivatives (accumulated) [1]	– 109	2,406	5,681	4,604	3,251	3,247
Net cash flows from other products (accumulated)	– 10,546	– 14,048	2,747	9,201	2,186	– 4,202
Liquidity balance (accumulated)	**9,901**	**16,174**	**9,529**	**13,769**	**5,404**	**– 961**
For information purposes:						
Net cash flows from derivatives by legal maturity (accumulated)	– 109	304	160	– 2,103	– 2,875	3,247
Net cash flows from other products by legal maturity (accumulated)	– 7,974	– 17,419	– 29,137	– 7,001	– 4,707	– 4,719
Net cash flows by legal maturity (accumulated)	**– 8,083**	**– 17,115**	**– 28,976**	**– 9,104**	**– 7,582**	**– 1,471**

[1] Including lending substitute transactions and issued CLNs.

Business risk

At 30 June 2015, the VaR for business risk totalled €340m, which was substantially lower than the figure at the end of 2014 (€423m). First of all, methodological improvements based on the validation carried out in the previous year led to a lower capital requirement. In addition, the use of new risk drivers for fund business and changes to the overall approach contributed to the reduction in the level of risk.

Other risks

The fall in property fund risk was largely due to the reduction in the volume of fund units held in the Bank's own portfolio – a process which was completed during the first six months of the year. Along with shareholding risk and property risk, both of which remained virtually unchanged, property fund risk was also of only minor importance.

Structured capital market credit products

Structured capital market credit products comprise the securitisation portfolio of DekaBank's former Liquid Credits portfolio, which has not been considered to be strategic since 2009 and is being reduced while safeguarding assets. It is assigned to non-core business.

Also in terms of volume, this portfolio is no longer a significant part of DekaBank's overall portfolio, given that the business is being wound down. As a result of maturities and repayments, the net nominal value at 30 June 2015 was only €0.6bn (end of 2014: €0.7bn).

At the end of the reporting period, 95.0% of the portfolio (end of 2014: 93.4%) consisted of investment-grade securities. As before, the remaining portfolio is focused on western Europe. At 30 June 2015, 83.9% of the securitisations related to the European market.

Based on current expectations, around half of the remaining securitised positions will be repaid or will expire by the end of 2018.

Based on a confidence level of 99% and a holding period of ten days, the credit spread risk for the securitisation positions in non-core business totalled €3.6m at 30 June 2015 (end of 2014: €5.6m).

Interim financial statements

Statement of profit or loss and other comprehensive income for the period from 1 January to 30 June 2015

€m	Notes	1st half 2015	1st half 2014 1)	Change	
Interest and similar income		561.5	849.0	–287.5	–33.9%
Interest expenses		448.8	697.0	–248.2	–35.6%
Net interest income	[6]	**112.7**	**152.0**	–39.3	–25.9%
Provisions for loan losses	[7]	**–21.3**	**–5.3**	–16.0	(<–300%)
Net interest income after provisions for loan losses		**91.4**	**146.7**	–55.3	–37.7%
Commission income		1,075.2	871.3	203.9	23.4%
Commission expenses		506.5	396.1	110.4	27.9%
Net commission income	[8]	**568.7**	**475.2**	93.5	19.7%
Trading profit or loss	[9]	**189.0**	**154.3**	34.7	22.5%
Profit or loss on financial instruments designated at fair value	[10]	**28.5**	**136.2**	–107.7	–79.1%
Profit or loss from fair value hedges in accordance with IAS 39		**0.2**	**2.5**	–2.3	–92.0%
Profit or loss on financial investments	[11]	**1.4**	**1.8**	–0.4	–22.2%
Administrative expenses	[12]	**479.1**	**422.1**	57.0	13.5%
Other operating income	[13]	**4.8**	**–32.5**	37.3	114.8%
Net income before tax		**404.9**	**462.1**	–57.2	–12.4%
Income taxes	[14]	**143.6**	**172.6**	–29.0	–16.8%
Interest expenses for atypical silent capital contributions		**26.1**	**20.1**	6.0	29.9%
Net income		**235.2**	**269.4**	–34.2	–12.7%
Of which:					
Attributable to non-controlling interests		0.0	0.0	0.0	n/a
Attributable to the shareholders of DekaBank		235.2	269.4	–34.2	–12.7%
Changes not recognised in income					
Items reclassified into profit or loss					
Financial instruments valuation reserve Available for sale		4.2	–0.6	4.8	(> 300%)
Cash flow hedges valuation reserve		–18.6	–9.6	–9.0	–93.8%
Current translation reserve		4.9	0.4	4.5	(> 300%)
Deferred taxes on items reclassified into profit or loss		4.6	3.2	1.4	43.8%
Items not reclassified into profit or loss					
Revaluation gains/losses on defined benefit pension obligations		52.1	–39.6	91.7	231.6%
Deferred taxes on items not reclassified into profit or loss		–12.6	12.6	–25.2	–200.0%
Other comprehensive income		**34.6**	**–33.6**	68.2	203.0%
Net income for the period under IFRS		**269.8**	**235.8**	34.0	14.4%
Of which:					
Attributable to non-controlling interests		0.0	0.0	0.0	n/a
Attributable to the shareholders of DekaBank		269.8	235.8	34.0	14.4%

1) Previous year's figures adjusted, see note [8].

Balance sheet as at 30 June 2015

€m	Notes	30 Jun 2015	31 Dec 2014	Change	
Assets					
Cash reserves		**1,121.0**	**778.4**	342.6	44.0%
Due from banks	[15]	**28,573.2**	**24,670.1**	3,903.1	15.8%
(net after provisions for loan losses amounting to)	[17]	(1.0)	(2.5)	–1.5	–60.0%
Due from customers	[16]	**24,096.2**	**23,388.7**	707.5	3.0%
(net after provisions for loan losses amounting to)	[17]	(209.0)	(178.1)	30.9	17.3%
Financial assets at fair value	[18]	**54,612.7**	**59,470.0**	–4,857.3	–8.2%
(of which deposited as collateral)		(10,654.5)	(10,596.4)	58.1	0.5%
Positive market values from derivative hedging instruments		**323.3**	**328.0**	–4.7	–1.4%
Financial investments	[19]	**3,149.6**	**3,498.3**	–348.7	–10.0%
(net after provisions for loan losses amounting to)		(23.3)	(24.2)	–0.9	–3.7%
(of which deposited as collateral)		(140.5)	(607.5)	–467.0	–76.9%
Intangible assets	[20]	**196.7**	**203.7**	–7.0	–3.4%
Property, plant and equipment	[21]	**16.5**	**30.0**	–13.5	–45.0%
Current income tax assets		**151.4**	**165.1**	–13.7	–8.3%
Deferred income tax		**86.2**	**137.5**	–51.3	–37.3%
Other assets	[22]	**288.3**	**504.8**	–216.5	–42.9%
Total assets		**112,615.1**	**113,174.6**	–559.5	–0.5%
Liabilities					
Due to banks	[23]	**22,034.6**	**26,739.0**	–4,704.4	–17.6%
Due to customers	[24]	**31,863.5**	**27,626.8**	4,236.7	15.3%
Securitised liabilities	[25]	**26,191.0**	**24,121.7**	2,069.3	8.6%
Financial liabilities at fair value	[26]	**25,133.1**	**27,128.5**	–1,995.4	–7.4%
Negative market values from derivative hedging instruments		**53.7**	**118.8**	–65.1	–54.8%
Provisions	[27]	**498.5**	**518.6**	–20.1	–3.9%
Current income tax liabilities		**87.9**	**92.5**	–4.6	–5.0%
Deferred income tax		**62.8**	**62.3**	0.5	0.8%
Other liabilities		**672.6**	**919.6**	–247.0	–26.9%
Subordinated capital	[28]	**1,144.4**	**1,170.7**	–26.3	–2.2%
Atypical silent capital contributions		**52.4**	**52.4**	0.0	0.0%
Equity	[29]	**4,820.6**	**4,623.7**	196.9	4.3%
a) Subscribed capital		191.7	191.7	0.0	0.0%
b) Additional capital components		473.6	473.6	0.0	0.0%
c) Capital reserves		190.3	190.3	0.0	0.0%
d) Reserves from retained earnings		3,848.0	3,855.3	–7.3	–0.2%
e) Revaluation reserve		–135.6	–165.3	29.7	18.0%
f) Currency translation reserve		17.4	12.5	4.9	39.2%
g) Accumulated profit/loss (consolidated profit)		235.2	65.6	169.6	258.5%
h) Minority interests		0.0	0.0	0.0	n/a
Total liabilities		**112,615.1**	**113,174.6**	–559.5	–0.5%

Condensed statement of changes in equity for the period from 1 January to 30 June 2015

€m	Subscribed capital	Additional capital components [1]	Capital reserves	Reserves from retained earnings	Consolidated profit / loss
Holdings as at 1 Jan 2014	**191.7**	**–**	**190.3**	**3,365.0**	**58.7**
Net income for the year					269.4
Other comprehensive income					
Net income for the period under IFRS	**–**	**–**	**–**	**–**	**269.4**
Changes in the scope of consolidation and other changes				1.6	
Distribution					−58.7
Holdings as at 30 June 2014	**191.7**	**–**	**190.3**	**3,366.6**	**269.4**
Net income for the year					285.9
Other comprehensive income					
Net income for the period under IFRS	**–**	**–**	**–**	**–**	**285.9**
Changes in the scope of consolidation and other changes		473.6		−1.0	
Allocations to reserves from retained earnings				489.7	−489.7
Holdings as at 30 December 2014	**191.7**	**473.6**	**190.3**	**3,855.3**	**65.6**
Net income for the year					235.2
Other comprehensive income					
Net income for the period under IFRS	**–**	**–**	**–**	**–**	**235.2**
Changes in the scope of consolidation and other changes					
Distribution				−7.3	−65.6
Holdings as at 30 June 2015	**191.7**	**473.6**	**190.3**	**3,848.0**	**235.2**

[1] Comprises the issue of AT1 bonds, which are classified as equity capital under IFRS.

Revaluation reserve				Currency translation reserve	Total before minority interests	Minority interests	Equity
Provisions for pensions	Cash flow hedges	Financial instruments available for sale	Deferred taxes				
–88.8	**15.2**	**0.6**	**23.2**	**12.1**	**3,768.0**	**–**	**3,768.0**
					269.4		**269.4**
–39.6	–9.6	–0.6	15.8	0.4	**–33.6**		**–33.6**
–39.6	**–9.6**	**–0.6**	**15.8**	**0.4**	**235.8**	**–**	**235.8**
					1.6	**–**	**1.6**
					–58.7		**–58.7**
–128.4	**5.6**	**0.0**	**39.0**	**12.5**	**3,946.7**	**–**	**3,946.7**
					285.9		**285.9**
–81.4	–32.1	0.0	32.0	0.0	**–81.5**		**–81.5**
–81.4	**–32.1**	**0.0**	**32.0**	**0.0**	**204.4**	**–**	**204.4**
					472.6	**–**	**472.6**
					–		–
–209.8	**–26.5**	**–**	**71.0**	**12.5**	**4,623.7**	**–**	**4,623.7**
					235.2		**235.2**
52.1	–18.6	4.2	–8.0	4.9	**34.6**		**34.6**
52.1	**–18.6**	**4.2**	**–8.0**	**4.9**	**269.8**	**–**	**269.8**
					0.0	**–**	**0.0**
					–72.9		**–72.9**
–157.7	**–45.1**	**4.2**	**63.0**	**17.4**	**4,820.6**	**–**	**4,820.6**

Condensed cash flow statement for the period from 1 January to 30 June 2015

€m	1st half 2015	1st half 2014
Cash and cash equivalents at the beginning of the period	**778.4**	**527.3**
Cash flow from operating activities	68.3	–419.4
Cash flow from investing activities	374.3	108.5
Cash flow from financing activities	–100.0	–15.9
Effects of changes in the scope of consolidation	0.0	–67.9
Cash and cash equivalents at the end of the period	**1,121.0**	**132.6**

The definitions for the individual cash flow components are the same as in the 2014 consolidated financial statements.

Notes

Segment reporting

1 **Segmentation by operating business divisions**
Segment reporting is based on the management approach in accordance with IFRS 8. Segment information is presented in line with internal reporting as submitted to the Chief Operating Decision Maker on a regular basis for decision-making, resource allocation and performance assessment purposes. The Deka Group's management reporting is based on the IFRS reporting standards.

However, as the suitability of net income before tax for the purposes of internally managing the business divisions is limited, the economic result has been defined as the key management indicator. Due to the requirements of IFRS 8, the economic result has also been included in external reporting as material segment information since 2007.

In addition to net income before tax, the economic result includes changes to the revaluation reserve before tax as well as the interest rate and currency-related valuation result from original lending and issuance business. This refers to financial instruments in the loans and receivables, held to maturity and other liabilities categories, which are measured at amortised cost in the consolidated financial statements and whose valuation result is also included in internal reporting. Consequently, the existing economic hedges which do not meet the criteria for hedge accounting under IAS 39 are presented in full for internal management purposes. Effects relevant for management are also taken into account in the economic result. The measurement and reporting differences versus the IFRS consolidated financial statements are shown in the reconciliation to Group income before tax in the "reconciliation" column.

In addition to the economic result, total customer assets represent another key ratio for the operating segments. Total customer assets primarily comprise the income-relevant fund assets of the mutual and special funds under management (including ETFs) in the Securities and Real Estate business divisions, as well as certificates issued by the Deka Group. Other components are the volume of direct investments in cooperation partner funds, the cooperation partner fund, third party fund and liquidity portions of fund-based asset management as well as advisory/management mandates and master funds. Total customer assets also include DekaBank's own portfolios of €1.3bn (31 December 2014: €1.3bn). These mainly relate to start-up financing for newly launched investment funds.

Based on the definition of Section 19 (1) of the German Banking Act (*Kreditwesengesetz* – KWG), the gross loan volume includes additional risk positions such as, among other things, underlying risks from equity derivative transactions and transactions for the purposes of mapping the guarantees of guarantee funds, as well as the volume of off-balance sheet counterparty risks.

The following segments are essentially based on the business division structure of the Deka Group, as also used in internal reporting. The segments are defined by the different products and services of the Deka Group:

Securities
The Securities segment consists of all the Deka Group's activities relating to capital-market based asset management for private and institutional customers. In addition to investment funds and structured investment concepts, the product range also includes products from selected international cooperation partners. The Deka Group's investment funds cover all the major asset classes, sometimes in conjunction with guarantee, discount and bonus structures. The offering for private retirement pensions encompasses fund-based Riester and Rürup products. The segment also comprises advisory, management and asset management mandates for institutional customers as well as institutional customer sales. In addition, the segment includes business involving listed Exchange-Traded Funds (ETFs). The range of services offered by the segment also includes Master KVG activities, which institutional customers can use to pool their assets under management with one investment company. Furthermore, the Securities segment offers services for custodial accounts, fund administration and central fund management services.

Real Estate

All property-related activities of the Deka Group are pooled in the Real Estate segment. The main focus is on the provision of property investment products for private and institutional investors. The product range includes open-ended property mutual funds, property special funds and individual property funds, as well as property finance and infrastructure finance funds. Alongside the fund management and development of property (financing) related products, the segment also includes the purchase and sale of property and the management of these assets including all other property-related services (property management), as well as the management of property owned or used by the Deka Group. The Real Estate Financing unit serves as a credit provider for the Asset Management business, by offering financial solutions for third parties to professional property investors with a focus on markets, business partners and usage categories relevant to fund business.

Capital Markets

The Capital Markets segment is the central product, solution and infrastructure provider for everything connected to DekaBank's capital market activities. The segment focuses on customer-originated business between the savings banks, DekaBank and capital management companies, thus providing the link between customers and the capital markets. To fully utilise the platform, services are also offered to selected customers outside the *Sparkassen-Finanzgruppe*, in particular to banks, insurance companies and pension funds.

Financing

In addition to providing refinancing for the savings banks, the Financing segment conducts lending business that is suitable for asset management business, where loans can be passed on to other banks or institutional investors. The lending business concentrates on selected segments that are suitable for asset management business. These include infrastructure financing, ship and aircraft financing and ECA-covered export finance.

Treasury

The Treasury corporate centre is part of the Bank's overall management system. Key areas are the management of market price risks relating to the banking book as well as liquidity management liquidity and the long-term refinancing of the Deka Group. Treasury supports all business divisions in its role as central resource manager. Treasury is listed as a separate segment in segment reporting.

Other

The segment Other primarily comprises income and expenses that are not attributable to the other operating segments. These essentially relate to overheads, actuarial gains and losses resulting from the measurement of pension obligations as well as a general provision for potential losses that are not directly allocable to any operating segment.

Non-core business

Business activities that are being discontinued have been pooled in non-core business since 2009. Securitisations and loans that no longer form part of the core business are managed in non-core business and reduced while safeguarding assets.

Reconciliation of segment results to the IFRS result

In principle, income and expenses are allocated on a source-specific basis to the relevant segment. Segment expenditure comprises direct expenses as well as those allocated on the basis of cost and service accounting.

During the reporting period, the reporting and measurement differences between IFRS net income before tax and internal reporting amounted to €–38.3m (first half of 2014: €–140.0m).

The valuation result not recognised in income amounted to €–61.9m during the reporting period (first half of 2014: €–89.7m). Of this, €2.0m (first half of 2014: €–34.5m) related to interest rate and currency-related valuation results from original lending and issuing business, €–23.9m (first half of 2014: €0.8m) was attributable to securities in the held to maturity category which are offset in IFRS net income before tax by valuation results from the corresponding interest rate swaps, and €–40.0m (first half of 2014: €–56.0m) arose from accounting for effects relevant for management.

Effects relevant for management relate to a provision for potential charges that are taken into account within corporate management activities as a result of the use of the economic result for management purposes, but which cannot be reported under IFRS at the present time because they are not sufficiently substantiated.

To cover potential risks that could materialise in the coming months, a general provision was recognised for the first time in the 2012 financial year. As at 30 June 2015, the effects relevant for management amounted to €–152.6m (first half of 2014: €–123.6m). The €–40.0m impact (first half of 2014: €–56.0m) on the economic result is reported under Other.

	Securities		Real Estate		Capital Markets		Financing	
	Economic result							
€m	**1st half 2015**	**1st half 2014**	**1st half 2015**	**1st half 2014**	**1st half 2015**	**1st half 2014**	**1st half 2015**	**1st half 2014**
Net interest income	12.8	32.5	30.4	34.5	–2.6	14.9	37.4	40.6
Provisions for loan losses	–	–	3.6	1.3	–	–0.1	–27.1	–9.5
Net commission income	394.4	325.2	116.9	108.1	54.8	41.3	5.8	4.3
Net financial income [1]	0.8	5.7	–0.7	1.3	192.9	181.7	–5.5	0.1
Other income [2]	–4.0	–2.6	1.8	2.1	11.2	–10.0	0.1	0.3
Total income	**404.0**	**360.8**	**152.0**	**147.3**	**256.3**	**227.8**	**10.7**	**35.8**
Administrative expenses (including depreciation)	209.6	208.2	66.0	63.3	82.3	89.4	12.9	13.5
Restructuring expenses	–4.0	2.0	–	0.7	–	0.3	–	0.2
Total expenses	**205.6**	**210.2**	**66.0**	**64.0**	**82.3**	**89.7**	**12.9**	**13.7**
(Economic) result before tax	**198.4**	**150.6**	**86.0**	**83.3**	**174.0**	**138.1**	**–2.2**	**22.1**
Cost/income ratio [3]	0.52	0.58	0.44	0.43	0.32	0.39	0.34	0.30
	30 Jun 2015	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**
Group risk (value-at-risk) [4]	585	585	170	176	462	383	243	263
Total customer assets	196,259	184,024	28,482	27,829	9,590	8,503	–	–
Gross loan volume [6]	8,449	6,546	7,036	6,167	89,456	84,150	16,341	17,915

[1] This includes the results components from the trading book portfolio, the results from valuation and disposals in the banking book portfolio and the risk provision for securities in the loans and receivables and held to maturity categories in the amount of €0.8m (first half 2014: €2.8m).
[2] Income effects from actuarial profits and losses before taxes are shown separately under Other. In the first half 2014 this amounted to €52.1m (first half 2014: €–39.6m).
[3] Calculation of the cost/income ratio does not take into account the restructuring expenses or the loan loss provision for lending business.
[4] Value-at-Risk uses the liquidation approach with a confidence level of 99.9% and a holding period of one year in each case. Due to the diversification within market price risk between the segments (including Other and Non-core business) the risk for core business and the risk for the Deka Group are not cumulative.

In addition, the economic result includes the full interest expense (including accrued interest) in respect of the AT1 bonds in the portfolio, amounting to €–14.1m (first half of 2014: €0.0m). Distributions made were recorded directly in equity, in accordance with IAS 32.

The bank also hedges future credit margins on fixed-interest and variable-interest foreign currency loans (original position) against currency fluctuations. The accounting and valuation rules for cash flow hedges were applied to economic hedges. Accordingly, the valuation result from hedging instruments amounting to €–18.6m (first half of 2014: €–9.7m) is reported in the revaluation reserve with no impact on income and hence forms part of the economic result. Also recorded in the economic result is the change in the revaluation reserve from actuarial gains and losses in the amount of €52.1m (first half of 2014: €–39.6m) as well as from available for sale portfolios in the amount of €4.1m (first half of 2014: €–0.6m).

The other amounts shown in the reconciliation column refer to reporting differences between management reporting and the consolidated financial statements. Of these, €10.4m (first half of 2014: €21.7m) relates to internal transactions which are reported in the economic result. The majority of these are included within net interest income, while the corresponding offsetting income effects are reported under net financial income. There are also reporting differences in net financial income and in other operating income amounting to €–2.0m (first half of 2014: €–14.9m) arising from differences in the allocation of income effects from the repurchase of own issues.

Treasury		Other [7]		Total core business		Non-core business		Deka Group		Reconciliation		Deka group	
				Economic result								IFRS result before tax	
1st half 2015	1st half 2014	1st half 2015	1st half 2014	1st half 2015	1st half 2014	1st half 2015	1st half 2014	1st half 2015	1st half 2014	1st half 2015	1st half 2014	1st half 2015	1st half 2014
24.5	38.3	–0.1	–0.2	102.4	160.6	5.8	10.7	108.2	171.3	4.5	–19.3	112.7	152.0
0.1	–	–	–	–23.4	–8.3	2.0	3.0	–21.4	–5.3	0.1	–	–21.3	–5.3
–2.2	–2.3	–	0.2	569.7	476.8	–0.1	0.1	569.6	476.9	–0.9	–1.7	568.7	475.2
–31.5	3.5	–37.9 [5]	–59.9 [5]	118.1	132.4	12.0	26.2	130.1	158.6	89.0	136.2	219.1	294.8
–	0.1	47.5	–45.7	56.6	–55.8	–	–	56.6	–55.8	–54.4	24.8	2.2	–31.0
–9.1	**39.6**	**9.5**	**–105.6**	**823.4**	**705.7**	**19.7**	**40.0**	**843.1**	**745.7**	**38.3**	**140.0**	**881.4**	**885.7**
13.4	14.5	93.5	31.7	477.7	420.6	1.4	1.5	479.1	422.1	–	–	479.1	422.1
–	–	1.4	–1.7	–2.6	1.5	–	–	–2.6	1.5	–	–	–2.6	1.5
13.4	**14.5**	**94.9**	**30.0**	**475.1**	**422.1**	**1.4**	**1.5**	**476.5**	**423.6**	**–**	**–**	**476.5**	**423.6**
–22.5	**25.1**	**–85.4**	**–135.6**	**348.3**	**283.6**	**18.3**	**38.5**	**366.6**	**322.1**	**38.3**	**140.0**	**404.9**	**462.1**
o. A.	0.37	–	–	0.56	0.59	0.08	0.04	0.55	0.56				
30 Jun 2015	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**				
698	667	–	–	2,139	2,048	134	170	2,237	2,185				
–	–	–	–	234,331	220,356	–	–	234,331	220,356				
18,874	23,618	85	86	140,241	138,482	1,351	1,782	141,592	140,264				

5) This includes effects relevant for management purposes of €–40.0m (first half 2014: €–56.0m) related to a provision for potential losses. This is additional information provided on a voluntary basis and does not form part of the IFRS notes.
6) In gross loan volume, participations are not allocated to the relevant segments but rather are presented separately under Other.
7) No cost/income ratio or total risk data are presented for the segment Other as these are deemed of limited economic informative value.

General information

2 Accounting principles

Pursuant to Section 37w of the Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG) in conjunction with Section 37y No. 2 of the WpHG, these condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The applicable standards and associated interpretations (SIC/IFRIC) are those published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) into European law at the time the financial statements were prepared. In preparing the financial statements, particular attention was paid to the requirements of IAS 34 (Interim Financial Reporting).

The consolidated interim financial statements, which are reported in euros, comprise a balance sheet, statement of profit or loss and other comprehensive income, condensed statement of changes in equity, condensed cash flow statement and selected explanatory notes. All amounts are rounded in accordance with standard commercial practice. This may result in small discrepancies in the calculation of totals within tables.

The present interim report was reviewed by our year-end auditor and should be read in conjunction with our audited 2014 consolidated financial statements. The majority of disclosures on risks relating to financial instruments are presented in the risk report section of the interim management report.

3 Accounting policies

The interim report is based on the accounting policies applied in the 2014 annual financial statements. In accordance with IAS 34, the accounting recognition of a transaction is based on an independent evaluation as at the current reporting date and not in anticipation of the annual financial statements.

As at 30 June 2015, the rules set out in IFRS 5 "Non-current assets held for sale and discontinued operations" were applied within the Deka Group. Non-current assets held for sale are recognised in other assets. The classification of non-current assets as "held for sale" did not result in any adjustments to the comparative figures. Please see note [22] for detailed information.

In principle, income and expenses are recognised in the period to which they may be assigned in economic terms. Items allocable evenly over several periods are accrued or deferred on a pro rata basis.

Estimates and assessments required as part of accounting and measurement under IFRS are carried out in accordance with the respective standard on a best estimate basis and are continually re-evaluated. They are based on empirical values and other factors, including expectations regarding future events that appear reasonable under the given circumstances. Among other factors, estimation uncertainties arise in connection with loan loss provisions as well as provisions and other liabilities. Where material estimates were required, the assumptions made are explained in detail below in the notes on the relevant line items.

4 Accounting standards applied for the first time

The new or revised IFRS relevant for the Group and taken into consideration when preparing the present condensed consolidated interim financial statements are described below.

Changes published by the IASB in December 2013 to a total of four existing standards were implemented on 1 January 2015. These changes arose as part of the Annual Improvements Project 2011-2013. Implementation of these changes had no impact on the consolidated financial statements of the Deka Group.

5 Changes in the scope of consolidation

In addition to DekaBank as parent company, as in the previous period, 10 domestic and 8 foreign subsidiaries in which DekaBank directly or indirectly holds the majority of voting rights are included in the consolidated financial statements. In addition, 10 structured entities (31 December 2014: 11) controlled by DekaBank are consolidated. In the first half of 2015, the structured entity Deka Investors Spezial-Investmentaktiengesellschaft mit veränderlichem Kapital und Teilgesellschaftsvermögen, Teilgesellschaftsvermögen Deka Realkredit Klassik was deconsolidated.

A total of 14 (31 December 2014: 14) affiliated companies controlled by the Deka Group were not consolidated because they are of minor significance for the presentation of the assets, financial position and earnings of the Group. The shares held in these subsidiaries are reported under financial investments. Likewise, structured entities are not consolidated due to their minor importance to the consolidated financial statements. The units in unconsolidated investment funds are recognised at fair value through profit or loss. These are shown in the balance sheet under financial assets at fair value.

The subsidiaries (affiliated companies and structured entities), joint ventures and associated companies, as well as the companies and equity investments not included in the consolidated financial statements on materiality grounds are shown in the list of shareholdings (note [35]).

Notes to the statement of profit or loss and other comprehensive income

6 Net interest income

In addition to interest income and expenses, this item includes pro-rated reversals of premiums and discounts from financial instruments. Net interest income from items in the trading book and the associated refinancing expenses are not included as they are reported in trading profit or loss. Under IAS 32, silent capital contributions are classified as debt and the payments to typical silent partners are reported in interest expenses.

€m	1st half 2015	1st half 2014	Change
Interest income from			
Lending and money market transactions	293.0	417.8	–124.8
Interest rate derivatives (economic hedges)	116.2	153.0	–36.8
Fixed-interest securities and debt register claims	113.5	158.7	–45.2
Hedging derivatives (hedge accounting)	24.3	23.7	0.6
Current income from			
Shares and other non fixed-interest securities	12.6	93.9	–81.3
Equity investments	1.9	1.9	–
Total interest income	**561.5**	**849.0**	–287.5
Interest expenses for			
Liabilities	207.3	301.4	–94.1
Interest rate derivatives (economic hedges)	155.6	262.5	–106.9
Hedging derivatives (hedge accounting)	18.4	40.6	–22.2
Securitised liabilities	47.5	73.9	–26.4
Subordinated capital	16.0	8.8	7.2
Typical silent capital contributions	4.0	9.8	–5.8
Total interest expenses	**448.8**	**697.0**	–248.2
Net interest income	**112.7**	**152.0**	–39.3

Net interest income includes interest income of €1.3m and interest expenses of €1.9m arising from negative interest rates.

7 Provisions for loan losses

The breakdown of provisions for loan losses in the statement of profit or loss and other comprehensive income is as follows:

€m	1st half 2015	1st half 2014	Change
Allocations to provisions for loan losses	–40.8	–30.1	–10.7
Direct write-downs on receivables	–	–3.6	3.6
Reversals of provisions for loan losses	19.0	20.1	–1.1
Income on written-down receivables	0.5	8.3	–7.8
Provisions for loan losses	**–21.3**	**–5.3**	–16.0

The risk provision for securities in the "loans and receivables" and "held to maturity" categories is reported under profit or loss on financial investments (note [11]).

8 Net commission income

€m	1st half 2015	1st half 2014 [1)]	Change
Commission income from			
Investment fund business	962.0	781.0	181.0
Securities business	69.7	60.8	8.9
Lending business	26.0	17.5	8.5
Other	17.5	12.0	5.5
Total commission income	**1,075.2**	**871.3**	203.9
Commission expenses for			
Investment fund business	485.3	381.2	104.1
Securities business	9.3	8.8	0.5
Lending business	10.9	5.2	5.7
Other	1.0	0.9	0.1
Total commission expenses	**506.5**	**396.1**	110.4
Net commission income	**568.7**	**475.2**	93.5

1) During the reporting year 2014, for the first time front-end loads received were offset against bonuses granted as part of the issue of fund units, to provide a more meaningful presentation of the earnings position. Thus, in the item commission income from investment fund business, bonus expenses of €230,1m as at 30 June 2014, which formerly had been shown as commission expenses from investment fund business, were directly deducted from income from front-end loads.

Commission income from investment fund business essentially comprises management fees, front-end loads and sales commission. The vast majority of net commission income stems from portfolio-related, and therefore ongoing, commission relating to existing business. Performance-related remuneration and income from lump sum costs are also shown under commission income from investment fund business. The corresponding expenses relating to the lump sum costs are reported in the respective expenses item – mainly in administrative expenses – on a source-specific basis. Commission expenses are primarily attributable to services provided to sales partners.

9 Trading profit or loss

Trading profit or loss comprises sale and valuation results as well as commission from financial instruments in the "held for trading" sub-category. Net interest income from derivative and non-derivative financial instruments for trading book positions, together with related refinancing expenses, are also reported under this item.

€m	1st half 2015	1st half 2014	Change
Sales and revaluation results	–175.4	–156.4	–19.0
Net interest income and current income from trading transactions	373.6	320.2	53.4
Commission on trading transactions	–9.2	–9.5	0.3
Trading profit or loss	**189.0**	**154.3**	34.7

10 Profit or loss on financial instruments designated at fair value

This item includes profit or loss on financial instruments allocated to the "designated at fair value" sub-category as well as the profit or loss on derivatives in the banking book. Interest and dividend income are reported in net interest income along with refinancing expenses and income from reinvestments.

€m	1st half 2015	1st half 2014	Change
Sales and valuation results	29.2	128.1	–98.9
Foreign exchange profit or loss	–0.6	8.2	–8.8
Commission	–0.1	–0.1	–
Profit or loss on financial instruments designated at fair value	**28.5**	**136.2**	–107.7

In the reporting period, the valuation results from financial instruments designated at fair value included a net expense of €0.5m that is attributable to changes in the credit risk.

11 Profit or loss on financial investments

€m	1st half 2015	1st half 2014	Change
Sales and valuation results from securities	–0.2	–1.3	1.1
Sales and valuation results from share ownership	–	–0.9	0.9
Net income from investments valued at equity	0.8	1.2	–0.4
Reversal of/allocation to risk provision for securities	0.8	2.8	–2.0
Net income from financial investments	**1.4**	**1.8**	–0.4

12 Administrative expenses

€m	1st half 2015	1st half 2014	Change
Personnel expenses	234.5	218.7	15.8
Operating expenses	233.8	191.0	42.8
Depreciation of property, plant and equipment and intangible assets	10.8	12.4	–1.6
Administrative expenses	**479.1**	**422.1**	57.0

Operating expenses include an allocation to provisions to cover the estimated annual contribution to the European Union's Single Resolution Fund, amounting to €60.8m. This contribution falls due for the first time in 2015. This European bank levy replaces the national levy that was previously imposed to cover the restructuring fund. A provision covering a pro rata contribution of €13.5m was created for this purpose in the first half of 2014. Because the 2014 and 2015 provisions cover different periods of time, and the method for calculating the contributions has changed, the two figures are not comparable. The actual annual contribution should be set by 30 November 2015 at the latest.

13 Other operating income

The breakdown of other operating income is as follows:

€m	1st half 2015	1st half 2014	Change
Income from repurchased debt instruments	**–2.0**	**–14.9**	12.9
Other operating income	34.7	8.1	26.6
Other operating expenses	27.9	25.7	2.2
Other operating income	**4.8**	**–32.5**	37.3

The increase in other operating income is due to the revaluation of a receivable, amongst other things.

14 Income taxes

Based on the corporation tax and trade tax rates applicable for 2015, the combined tax rate for the companies in the DekaBank fiscal group is unchanged compared with the previous year at 31.9%. In accordance with its articles of incorporation, DekaBank is obliged to refund to shareholders that portion of corporation tax payable by the shareholders (7.21% of 15.825% including solidarity surcharge), as DekaBank is treated for tax purposes as an atypical silent partnership. As in the previous year, this portion of the tax expense is shown as part of income tax expenses.

Notes to the balance sheet

15 Due from banks

€m	30 Jun 2015	31 Dec 2014	Change
Domestic banks	20,341.3	16,951.6	3,389.7
Foreign banks	8,232.9	7,721.0	511.9
Due from banks before risk provision	**28,574.2**	**24,672.6**	3,901.6
Provisions for loan losses	–1.0	–2.5	1.5
Total	**28,573.2**	**24,670.1**	3,903.1

16 Due from customers

€m	30 Jun 2015	31 Dec 2014	Change
Domestic borrowers	6,748.4	5,962.3	786.1
Foreign borrowers	17,556.8	17,604.5	–47.7
Due from customers before risk provision	**24,305.2**	**23,566.8**	738.4
Provisions for loan losses	–209.0	–178.1	–30.9
Total	**24,096.2**	**23,388.7**	707.5

17 Provisions for loan losses

Default risks in the lending business are recognised through the creation of specific and collective provisions and through the creation of provisions for off-balance sheet liabilities. The collective provisions for creditworthiness risks reflect the assumptions concerning impairments in the loan portfolio that have already occurred but are not yet known as at the reporting date. Transfer risk is taken into account by recognising collective provisions for country risks.

€m	30 Jun 2015	31 Dec 2014	Change
Provisions for loan losses – due from banks			
Portfolio valuation allowances for creditworthiness risks	1.0	2.5	–1.5
Provisions for loan losses – due from customers			
Specific valuation allowances	182.2	146.7	35.5
Portfolio valuation allowances for creditworthiness risks	22.7	27.2	–4.5
Portfolio valuation allowances for country risks	4.1	4.2	–0.1
Total	**210.0**	**180.6**	29.4

The following tables show the movement in provisions for loan losses:

€m	Opening balance 1 Jan 2015	Allocation	Utilisation	Reversal	Changes in the scope of consoli-dation	Currency effects	Closing balance 30 Jun 2015
Provisions for loan losses – due from banks							
Portfolio valuation allowances for creditworthiness risks	2.5	–	–	1.5	–	–	1.0
Sub-total	**2.5**	**–**	**–**	**1.5**	**–**	**–**	**1.0**
Provisions for loan losses – due from customers							
Specific valuation allowances	146.7	39.8	0.5	11.5	–	7.7	182.2
Portfolio valuation allowances for creditworthiness risks	27.2	1.0	–	5.3	0.2	–	22.7
Portfolio valuation allowances for country risks	4.2	–	–	0.2	–	0.1	4.1
Sub-total	**178.1**	**40.8**	**0.5**	**17.0**	**0.2**	**7.8**	**209.0**
Provisions for credit risks							
Specific risks	0.4	–	–	–	–	–	0.4
Portfolio risks	1.8	–	–	0.5	–	–	1.3
Sub-total	**2.2**	**–**	**–**	**0.5**	**–**	**–**	**1.7**
Total	**182.8**	**40.8**	**0.5**	**19.0**	**0.2**	**7.8**	**211.7**

€m	Opening balance 1 Jan 2014	Allocation	Utilisation	Reversal	Reclassi-fication	Currency effects	Closing balance 31 Dec 2014
Provisions for loan losses – due from banks							
Portfolio valuation allowances for creditworthiness risks	3.5	–	–	1.0	–	–	2.5
Sub-total	**3.5**	**–**	**–**	**1.0**	**–**	**–**	**2.5**
Provisions for loan losses – due from customers							
Specific valuation allowances	179.2	63.6	60.4	55.5	8.5	11.3	146.7
Portfolio valuation allowances for creditworthiness risks	30.8	0.2	–	3.8	–	–	27.2
Portfolio valuation allowances for country risks	1.3	2.6	–	–	–	0.3	4.2
Sub-total	**211.3**	**66.4**	**60.4**	**59.3**	**8.5**	**11.6**	**178.1**
Provisions for credit risks							
Specific risks	3.3	7.8	0.1	3.0	–8.5	0.9	0.4
Portfolio risks	3.5	–	–	1.7	–	–	1.8
Sub-total	**6.8**	**7.8**	**0.1**	**4.7**	**–8.5**	**0.9**	**2.2**
Total	**221.6**	**74.2**	**60.5**	**65.0**	**–**	**12.5**	**182.8**

Key ratios for provisions for loan losses:

%	30 Jun 2015	31 Dec 2014
Reversal / allocation ratio as at reporting date[1] (Quotient from net allocation and lending volume)	–0.08	–0.03
Default rate as at reporting date (Quotient from loan defaults and lending volume)	0.00	0.18
Average default rate (Quotient from loan defaults in 5-year average and lending volume)	0.44	0.45
Net provisioning (Quotient from provisions for loan losses and lending volume)	0.76	0.61

[1] Reversal ratio shown without leading sign.

Calculations of the above key ratios are based on a lending volume in the balance sheet of €27.8bn (31 December 2014: €30.2bn).

Provisions for loan losses by risk segment:

	Valuation allowances and provisions for loan losses		Loan defaults[1]		Net allocations to[2] / reversals of valuation allowances and provisions for loan losses	
€m	**30 Jun 2015**	**31 Dec 2014**	**2015**	**2014**	**2015**	**2014**
Customers						
Transport & export finance	127.0	109.3	0.2	31.6	–10.4	–17.6
Public infrastructure	39.3	26.4	–	–	–12.9	–4.7
Property risks	24.2	27.8	–0.2	–0.6	3.7	10.1
Energy and utility infrastructure	17.6	13.3	–	12.4	–4.2	–4.2
Corporates	1.0	1.1	–	12.1	0.1	6.7
Other	1.6	2.4	–	–	0.4	–0.5
Total customers	**210.7**	**180.3**	**–**	**55.5**	**–23.3**	**–10.2**
Banks	**1.0**	**2.5**	**–**	**–**	**1.5**	**1.0**
Total	**211.7**	**182.8**	**–**	**55.5**	**–21.8**	**–9.2**

[1] Including payments received on written-down receivables.
[2] Negative in the column.

Further disclosures on default risks are provided in the risk report section of the interim management report.

18 Financial assets at fair value

In addition to securities and receivables in the categories held for trading and designated at fair value, financial assets at fair value through profit or loss include positive market values from derivative financial instruments in the trading book and derivative financial instruments from economic hedges that do not meet the criteria for hedge accounting under IAS 39.

€m	30 Jun 2015	31 Dec 2014	Change
Held for trading			
Bonds and debt securities	17,692.7	17,900.0	−207.3
Positive market values from derivative financial instruments (trading)	9,620.0	12,277.1	−2,657.1
Shares	5,937.0	4,215.6	1,721.4
Investment fund units	635.8	713.2	−77.4
Loan claims	635.4	762.6	−127.2
Money market securities	50.0	377.1	−327.1
Other non fixed-interest securities	–	0.1	−0.1
Total– held for trading	**34,570.9**	**36,245.7**	−1,674.8
Designated at fair value			
Bonds and debt securities	16,915.7	19,795.4	−2,879.7
Investment fund units	1,533.6	662.9	870.7
Positive market values from derivative financial instruments (economic hedges)	1,067.3	1,195.0	−127.7
Amounts due from securities repurchase agreements	501.0	1,504.6	−1,003.6
Money market securities	19.0	61.0	−42.0
Participating certificates	5.2	5.4	−0.2
Total– designated at fair value	**20,041.8**	**23,224.3**	−3,182.5
Total	**54,612.7**	**59,470.0**	−4,857.3

19 Financial investments

€m	30 Jun 2015	31 Dec 2014	Change
Loans and receivables			
Debt securities and other fixed-interest securities	528.7	502.9	25.8
Held to maturity			
Debt securities and other fixed-interest securities	2,579.4	2,959.5	−380.1
Shareholdings			
Equity investments	35.0	30.8	4.2
Shares in affiliated, non-consolidated companies	28.6	28.1	0.5
Shares in associated companies not accounted for under the equity method	1.0	1.0	–
Shares in companies valued at equity	0.2	0.2	–
Financial investments before risk provisions	**3,172.9**	**3,522.5**	−349.6
Risk provision	−23.3	−24.2	0.9
Total	**3,149.6**	**3,498.3**	−348.7

The decline in the balance of debt securities and other fixed-interest securities within the IFRS category “held to maturity” is mainly due to scheduled redemptions of securities.

20 Intangible assets

€m	30 Jun 2015	31 Dec 2014	Change
Purchased goodwill	148.1	148.1	–
Software	25.6	30.6	–5.0
Other intangible assets	23.0	25.0	–2.0
Total	**196.7**	**203.7**	–7.0

As in the previous period, the purchased goodwill item includes €95.0m from the acquisition of Landesbank Berlin Investment GmbH and €53.1m from the acquisition of WestInvest Gesellschaft für Investmentfonds mbH.

21 Property, plant and equipment

€m	30 Jun 2015	31 Dec 2014	Change
Land and buildings	–	12.8	–12.8
Plant and equipment	14.8	15.2	–0.4
Technical equipment and machines	1.7	2.0	–0.3
Total	**16.5**	**30.0**	–13.5

The decline in property, plant and equipment is a result of the reclassification of land and buildings to the "held for sale" category during the first half of the year (see Note [3] and [22]).

22 Other assets

€m	30 Jun 2015	31 Dec 2014	Change
Amounts due from investment funds	117.8	125.6	–7.8
Amounts due from non-banking business	25.3	29.6	–4.3
Amounts due or refunds from other taxes	1.7	1.5	0.2
Other miscellaneous assets	92.6	319.9	–227.3
Prepaid expenses	38.3	28.2	10.1
Non-current assets held for sale	12.6	–	12.6
Total	**288.3**	**504.8**	–216.5

The other assets item includes non-current assets amounting to €12.6m that are classified as held for sale. This relates to a building complex owned by the Deka Group at a city centre location in Frankfurt am Main's banking quarter. The property is allocated to the Real Estate segment. The purchase agreement was concluded on 1 June 2013, subject to a condition precedent. It came into effect on 28 May 2015 by virtue of a supplement to the agreement. The purchase price is to be paid in two tranches, with the first payable ten working days after the agreement comes into effect, and the second payable no later than 31 December 2016. Payment of the first tranche, which was received in June 2015, is reported on the balance sheet under other assets. No impairment losses or reversals had to be recognised during the first half of 2015 as a result of the measurement rules to be applied at the time of classification under IFRS 5.

23 Due to banks

€m	30 Jun 2015	31 Dec 2014	Change
Domestic banks	14,094.1	21,560.3	–7,466.2
Foreign banks	7,940.5	5,178.7	2,761.8
Total	**22,034.6**	**26,739.0**	–4,704.4

24 Due to customers

€m	30 Jun 2015	31 Dec 2014	Change
Domestic customers	19,051.1	18,277.5	773.6
Foreign customers	12,812.4	9,349.3	3,463.1
Total	**31,863.5**	**27,626.8**	4,236.7

25 Securitised liabilities

Securitised liabilities include bonds and other liabilities for which transferable certificates are issued. Under IAS 39, the own bonds held in the Deka Group with a nominal amount of €0.8bn (31 December 2014: €1.5bn) were deducted from the issued bonds.

€m	30 Jun 2015	31 Dec 2014	Change
Debt securities issued	18,817.6	18,153.8	663.8
Money market securities issued	7,373.4	5,967.9	1,405.5
Total	**26,191.0**	**24,121.7**	2,069.3

26 Financial liabilities at fair value

In addition to trading issues and liabilities in the designated at fair value category, financial liabilities at fair value include negative market values from derivative financial instruments in the trading book as well as economic hedges which do not meet the criteria for hedge accounting in accordance with IAS 39. Securities short portfolios are also reported in this line item.

€m	30 Jun 2015	31 Dec 2014	Change
Held for trading			
Trading issues	9,606.9	8,497.5	1,109.4
Securities short portfolios	721.4	925.2	−203.8
Negative market values from derivative financial instruments (trading)	9,859.9	12,390.9	−2,531.0
Total – held for trading	**20,188.2**	**21,813.6**	−1,625.4
Designated at fair value			
Issues	3,103.1	3,572.3	−469.2
Negative market values from derivative financial instruments (economic hedges)	1,841.8	1,742.6	99.2
Total – designated at fair value	**4,944.9**	**5,314.9**	−370.0
Total	**25,133.1**	**27,128.5**	−1,995.4

The fair value of issues in the designated at fair value category includes cumulative effects of changes in that liability's own credit risk amounting to €24.1m (31 December 2014: €23.7m).

27 Provisions

€m	30 Jun 2015	31 Dec 2014	Change
Provisions for pensions and similar commitments	216.0	252.3	– 36.3
Provisions for restructuring measures	12.3	25.5	– 13.2
Provisions for credit risks	1.7	2.2	– 0.5
Provisions for legal proceedings and recourses	9.5	9.2	0.3
Provisions for human resources	0.5	0.5	–
Sundry other provisions	258.5	228.9	29.6
Total	**498.5**	**518.6**	– 20.1

The actuarial interest rate underlying the calculation of pension provisions stood at 2.3% as at 30 June 2015, 0.3 percentage points higher than the actuarial interest rate applied at 31 December 2014. Actuarial valuations were used to calculate a revaluation gain of €52.1m (31 December 2014: a revaluation loss of €– 121.0m), which was recognised in other comprehensive income (OCI).

Depending on their original nature, some of the provisions for restructuring measures are reclassified as provisions for pensions and similar commitments in the subsequent year. This meant that an amount of €8.1m was reclassified during the first half of 2015. Furthermore, the reduction in provisions for restructuring measures was due to the utilisation of €6.1m of provisions during the first half of the year.

The increase in sundry other provisions is mainly due to an addition in respect of future bank levy contributions (see note [12]).

Sundry other provisions include a provision of €56.9m for the contingent purchase price payment in connection with the acquisition of the shares of Landesbank Berlin Investment GmbH. The contingent purchase price is to be determined on the basis of future growth in total customer assets. The potential non-discounted sum of all future payments that DekaBank could be committed to under the contingent purchase price agreement lies between zero and a maximum of around €74.4m.

Amongst other things, the Deka Group's range of products includes investment funds with guarantees of various types. In this context, provisions were created for the funds described below with formal guarantees and targeted returns.

At maturity of the fund or at the end of the investment period, the capital management company guarantees the capital invested less charges or the unit value at the start of the respective investment period. The amount of the provision is determined from the forecast shortfall at the guarantee date, which represents the difference between the expected and guaranteed unit value. Provisions of €7.3m (31 December 2014: €8.5m) were made on the balance sheet based on the development of the respective fund assets. As at the reporting date, the guarantees covered a maximum total volume of €4.7bn (31 December 2014: €4.5bn) at the respective guarantee dates. The market value of the corresponding fund assets totalled €4.9bn (31 December 2014: €4.7bn). These also include the funds described below with a forecast return performance of €2.1bn (31 December 2014: €2.1bn).

Investment funds, whose return is forecast and published on the basis of current money market interest rates set by the Group, exist in two fund varieties with and without a capital guarantee. However, the forecast return is not guaranteed. Although the Deka Group is not contractually obliged to meet the funds' target returns, it retains the right to support the desired performance of the fund and has set aside the necessary amount. The level of the provision is determined using potential loss scenarios taking account of the risks related to liquidity, interest rate structure, duration and spreads. As at the reporting date, provisions of €69.7m (31 December 2014: €69.7m) had been made. The underlying total value of the funds amounted to €5.4bn (31 December 2014: €5.7bn), of which €2.1bn (31 December 2014: €2.1bn) related to funds with a capital guarantee and €3.3bn (31 December 2014: €3.6bn) related to funds without a capital guarantee.

28 Subordinated capital

€m	30 Jun 2015	31 Dec 2014	Change
Subordinated liabilities	936.6	947.7	–11.1
Capital contributions of typical silent partners	207.8	223.0	–15.2
Total	**1,144.4**	**1,170.7**	–26.3

29 Equity

€m	30 Jun 2015	31 Dec 2014	Change
Subscribed capital	286.3	286.3	–
Less own shares	94.6	94.6	–
Additional capital components	473.6	473.6	–
Capital reserve	190.3	190.3	–
Reserves from retained earnings	3,848.0	**3,855.3**	–7.3
Revaluation reserve			
For provisions for pensions	–157.7	–209.8	52.1
For cash flow hedges	–45.0	–26.4	–18.6
For financial instruments in the available for sale category	4.1	–0.0	4.1
Applied deferred taxes	63.0	70.9	–7.9
Total revaluation reserve	**–135.6**	**–165.3**	29.7
Currency translation reserve	17.4	12.5	4.9
Consolidated profit/loss	235.2	65.6	169.6
Total	**4,820.6**	**4,623.7**	196.9

The change in retained earnings amounting to €–7.3 is due to distributions in respect of the AT1 bonds issued in the second half of 2014. Pursuant to IAS 32, these distributions were recognised directly in equity.

Other disclosures

30 Fair value data for financial instruments

Fair value is deemed to be the amount that would be received on the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants at the measurement date.

The fair value of financial instruments is determined on the basis of market prices or observable market data as at the reporting date, and using generally recognised valuation models.

Valuation models which are deemed to be appropriate for the respective financial instruments are used where no prices are available from an active market. Observable market data is always used as the basis where available. However, the availability of observable stock market prices, valid prices or market data varies from financial instrument to financial instrument and can change over time. Furthermore, the valuation models are periodically readjusted and validated as required. Depending on the financial instrument and market situation, it may be necessary to include assumptions and assessments made by the Bank in the valuation. The Bank is also responsible for selecting suitable modelling techniques, appropriate parameters and assumptions. Where there are no prices from active markets, the fair value is therefore deemed to be the model value as at the reporting date, which reflects a realistic estimate of how the market would be likely to value the financial instrument.

Where bid and ask prices are available for assets and liabilities, the provisions of IFRS 13 state that the price to be used to determine the fair value is that which best reflects the fair value within the bid-ask spread, with the use of mid-market pricing being an acceptable valuation convention. DekaBank generally measures financial instruments at mid-market prices. For illiquid financial instruments assigned to level three of the fair value hierarchy, bid-ask adjustments are taken into account.

Furthermore, the Bank takes Credit Value Adjustments (CVA) or Debit Value Adjustments (DVA) into consideration when measuring OTC derivatives in order to allow for its own credit risk or that of counterparties, provided these are not already included elsewhere in the valuation model. If a netting agreement exists for counterparties, the calculation is performed at the level of the counterparty based on the net position. In other cases, the calculation is performed on the basis of the individual positions.

In the Deka Group, financial instruments are classified by balance sheet item or IFRS categories in accordance with IFRS 7. The following table shows the fair values of financial assets and liabilities, classified by balance sheet item or IFRS category, compared to the respective carrying values.

	30 Jun 2015		31 Dec 2014	
€m	**Fair value**	**Carrying value**	**Fair value**	**Carrying value**
Asset items				
Cash reserves				
Loans and receivables	1,121.0	1,121.0	778.4	778.4
Due from banks				
Loans and receivables	28,842.3	28,573.2	25,015.2	24,670.1
Due from customers				
Loans and Receivables	24,293.3	24,096.2	23,706.9	23,388.7
Financial assets at fair value				
Held for trading	34,570.9	34,570.9	36,245.7	36,245.7
Designated at fair value	20,041.8	20,041.8	23,224.3	23,224.3
Positive market values from derivative hedging instruments	323.3	323.3	328.0	328.0
Financial investments				
Loans and receivables	478.4	528.3	452.3	502.2
Held to maturity	2,685.4	2,556.5	3,104.7	2,936.0
Available for sale	64.8	64.8	60.1	60.1
Other assets				
Loans and receivables	186.2	186.2	187.2	187.2
Total asset items	**112,607.3**	**112,062.2**	**113,102.8**	**112,320.7**
Liability items				
Due to banks				
Other liabilities	22,260.3	22,034.6	27,005.0	26,739.0
Due to customers				
Other liabilities	32,250.7	31,863.5	28,086.2	27,626.8
Securitised liabilities				
Other liabilities	26,295.8	26,191.0	24,254.6	24,121.7
Financial liabilities at fair value				
Held for trading	20,188.2	20,188.2	21,813.6	21,813.6
Designated at fair value	4,944.9	4,944.9	5,314.9	5,314.9
Negative market values from derivative hedging instruments	53.7	53.7	118.8	118.8
Subordinated capital				
Other liabilities	1,229.4	1,144.4	1,267.1	1,170.7
Other liabilities				
Other liabilities	146.4	146.4	419.3	419.3
Total liability items	**107,369.4**	**106,566.7**	**108,279.5**	**107,324.8**

For short-term financial instruments or those due on demand, fair value corresponds to the amount payable as at the reporting date. Therefore, the carrying value represents a reasonable approximation of the fair value. These include, among other things, the cash reserves, overdraft facilities and demand deposits owed to banks and customers, as well as financial instruments included in the other assets or liabilities item. In the following table of the fair value hierarchy, financial assets amounting to €2,406.4m (31 December 2014: €1,562.6m) and financial liabilities amounting to €12,631.0m (31 December 2014: €7,679.7m) are not allocated to any level of the fair value hierarchy.

Financial instruments in the held to maturity category are bearer bonds for which there was a liquid market on initial recognition. Their fair values correspond to market prices or were determined on the basis of observable market parameters.

Interests in affiliated unlisted companies and other equity investments in the amount of €64.8m (31 December 2014: €60.1m) included in financial investments allocated to the "available for sale" category, for which neither prices from active markets nor the factors relevant for valuation models can be reliably determined, are measured at cost. There is currently no intention to sell these assets. These financial instruments are not allocated to any level of the fair value hierarchy in the table below.

Fair value hierarchy

Financial instruments carried at fair value in the balance sheet, as well as financial instruments that are not measured at fair value but for which the fair value is disclosed must be allocated to the following levels of the fair value hierachy according to IFRS 13, depending on the input factors used to measure fair value.

Level 1 (Prices on active markets): Financial instruments whose fair value can be derived directly from prices on active, liquid markets are allocated to this level.

Level 2 (Valuation method based on observable market data): Financial instruments whose fair value can be determined either from similar financial instruments traded on active and liquid markets, from similar or identical financial instruments traded on less liquid markets or based on valuation methods with directly or indirectly observable input factors are allocated to this level.

Level 3 (Valuation method not based on observable market data): Financial instruments whose fair value is determined based on valuation models using, among other things, input factors not observable in the market, provided they are significant for the valuation, are allocated to this level.

The table below shows the carrying value (including accrued interest) of the financial instruments carried in the balance sheet at fair value and the fair value of the financial instruments not carried in the balance sheet at fair value, allocated to the respective level of the fair value hierarchy.

€m	30 Jun 2015 Prices on active markets (Level 1)	30 Jun 2015 Valuation method based on observable market data (Level 2)	30 Jun 2015 Valuation method not based on observable market data (Level 3)	31 Dec 2014 Prices on active markets (Level 1)	31 Dec 2014 Valuation method based on observable market data (Level 2)	31 Dec 2014 Valuation method not based on observable market data (Level 3)
Financial assets measured at fair value						
Debt securities, other fixed-interest securities and loan claims	22,562.7	10,917.9	1,832.2	25,727.8	10,619.7	2,548.7
Shares and other non fixed-interest securities	8,103.0	8.6	–	3,132.1	2,455.1	9.9
Derivative financial instruments						
Interest-rate-related derivatives	–	6,800.6	17.8	–	9,165.0	0.5
Currency-related derivatives	–	345.5	–	–	178.1	–
Share-price and other price-related derivatives	252.6	3,262.2	8.6	682.4	3,439.5	6.6
Receivables arising from securities repurchase agreements	–	501.0	–	–	1,504.6	–
Positive market values from derivative hedging instruments	–	323.3	–	–	328.0	–
Assets measured at amortised cost						
Due from banks	5.7	19,803.3	8,216.1	812.8	13,061.2	10,775.3
Due from customers	–	8,999.1	15,012.1	195.5	8,950.1	14,330.2
Financial investments	1,214.4	619.2	1,330.2	1.443.6	586.3	1,527.1
Total	**32,138.4**	**51,580.7**	**26,417.0**	**31,994.2**	**50,287.6**	**29,198.3**
Financial liabilities measured at fair value						
Securities short portfolios	674.4	47.0	–	826.4	97.7	1.1
Derivative financial instruments						
Interest-rate-related derivatives	–	7,151.4	13.3	–	8,940.0	0.8
Currency-related derivatives	–	317.0	–	–	136.5	–
Share-price and other price-related derivatives	580.3	3,626.5	13.2	828.6	4,217.3	10.3
Trading issues/issues	–	12,275.1	434.9	–	11,831.7	238.1
Negative market values from derivative hedging instruments	–	53.7	–	–	118.8	–
Liabilities measured at amortised cost						
Due to banks	–	19,388.3	2,552.3	–	23,990.2	2,896.5
Due to customers	–	17,852.9	2,232.9	134.6	18,679.1	2,130.4
Securitised liabilities	–	26,295.8	–	–	24,254.6	–
Subordinated capital	–	–	1,229.4	–	313.3	953.8
Total	**1,254.7**	**87,007.7**	**6,476.0**	**1,789.6**	**92,579.2**	**6,231.0**

During the reporting period, debt securities and other fixed-interest securities and shares and other non-fixed-interest securities in the amount of €3.4bn (31 December 2014: €0.6bn) were transferred from level 2 to level 1, because, at the reporting date, prices were available for these financial instruments on an active market which could be used unchanged for valuation purposes. On the other hand, debt securities and other fixed-interest securities in the amount of €0.7bn (31 December 2014: €3.9bn) were transferred from level 1 to level 2, because it could no longer be demonstrated that an active market existed for these instruments.

Fair value hierarchy level 1

Where securities and derivatives with sufficient liquidity are traded on active markets, and hence where stock market prices or executable broker quotations are available, these prices are used to determine the fair value.

In principle, the redemption price published by the respective investment company is used to determine the fair value of unconsolidated funds.

Fair value hierarchy level 2

Fair values for insufficiently liquid bearer bonds are determined on the basis of discounted future cash flows (the discounted cash flow model). Instrument-specific and issuer-specific interest rates are used for discounting. Interest rates are determined from market prices of similar liquid securities, selected according to criteria in the categories of issuer, sector, rating, rank and maturity. Issues measured at fair value with a carrying value of €0.4bn are subject to a guarantee obligation from the German Federal Government, which was taken into account in their measurement.

If no price is observable on an active market for long-term financial liabilities, the fair value is determined by discounting the contractually agreed cash flows using an interest rate at which comparable liabilities could have been issued. Any existing collateralisation structure is taken into account, such as that used for *Pfandbriefe*, for example.

Provided that they are not products traded on the stock market, derivative financial instruments are in principle measured using standard valuation models, such as the Black-Scholes model, the Black-76 model, the Hull-White 1 and 2 factor models, displaced diffusion models or the local volatility model. The models are always calibrated using observable market data.

Furthermore, in some individual cases and under restrictive conditions, options traded on the stock market are measured using the Black-Scholes model. This case-by-case regulation applies to special EUREX options where the published price is not based on sales or actual trading volume, but on the valuation using a theoretical EUREX model.

Interest rate swaps and interest rate/currency swap agreements as well as unlisted interest rate futures are measured on the basis of the discounted cash flow model using the market interest rates applying to the remainder of the term of the financial instruments. The tenor structures of the individual interest rates are taken into account by means of separate curves. Discounting for instruments in the currencies EUR, CHF, GBP, JPY and USD is carried out with the currency-specific yield curve. These are used for bootstrapping the forward yield curve. For all other currencies, the respective standard swap curves are used.

Fair values for foreign exchange forward contracts are determined at the reporting date on the basis of the future rates, which in turn are quoted by FX swap points in the market.

Fair values of single name and index credit default swaps are determined using a standard hazard rate model calibrated to the respective par CDS spreads. For tranched basket credit swaps, a Gaussian Copula model is used, whose parameters are determined on the basis of iTraxx and CDX index tranche spreads.

The fair value of deposits and borrowings is determined by discounting future cash flows using discount rates that are customary for similar financial transactions with similar terms on liquid or less liquid markets.

The fair value of receivables and liabilities from genuine securities repurchase agreements is calculated by discounting future cash flows using the corresponding discount rate adjusted for credit risk. The discount rate applied takes into account the collateral criteria agreed at the time of concluding the genuine securities repurchase agreement.

Fair value hierarchy level 3

The fair values of amounts due from banks or due from customers relating to lending business are determined using the present value method. Future cash flows from receivables are discounted at a risk-adjusted market rate based on the categories of borrower, sector, rating, rank and maturity. For the valuation of collateralised loans, the collateral structure is also taken into account. The interest rate for a comparable unsecured loan is adjusted according to the collateralisation category and percentage.

Financial investments reported under assets measured at amortised cost are bonds and securitisation positions for which DekaBank had no current market price information as at the reporting date. Bonds are valued using the discounted cash flow model, applying risk-adjusted market interest rates. The differing credit ratings of issuers are taken into account through appropriate adjustments in the discount rates.

The bonds and other fixed-interest securities reported under financial assets at fair value essentially relate to non-synthetic securitisations allocated to the “designated at fair value” category, which the Bank has been winding down whilst safeguarding assets since the start of 2009. The fair value of non-synthetic securitisation positions in the portfolio is determined on the basis of indicative quotations or via spreads derived from indicative quotations for similar bonds. These quotations are obtained from various brokers as well as from market price providers, such as S&P. The bid-ask spreads from the price indications available were used to determine an average spread for the individual segments, which was used to approximate price sensitivity. This results in an average bid-ask spread of 0.56 percentage points across the portfolio. If the half bid-ask spread had been used, the market value of the securitisation positions concerned could have been €1.8m lower or higher.

The Bank also allocates to level 3 a limited number of equity and interest rate derivatives or issues with embedded equity and interest rate derivatives, for example if unobservable valuation parameters are used which are significant for their valuation. For equity and interest rate derivatives whose valuation requires correlations, the Bank typically uses historical correlations with the respective share prices or interest rate fixings, or changes to these. Using a 14.0% shift in the correlations, the sensitivity of the equity option positions concerned as at 30 June 2015 amounted to around €–4.3m. The size of the shift was determined on the basis of relevant historical fluctuations in the correlations. For interest rate derivatives based on an index spread, the sensitivity in terms of the correlation between the relevant reference indices is mapped via shifts in the model parameters. The resulting change in the correlation is approximately +3%, giving rise to a measurement difference of €–0.1m.

Under subordinated liabilities, DekaBank essentially reports positions of a hybrid capital nature which are allocated to level 3 due to the absence of indications of spreads tradable on the market. They are valued using the discounted cash flow model based on an interest rate which is checked at the relevant reporting date.

The fair values of amounts due to banks or due to customers relating to issuing business are determined using the present value method. The future cash flows of the liabilities are discounted at a risk-adjusted market rate that is based on DekaBank’s credit risk. For the valuation of collateralised issues, the collateral structure is also taken into account. The interest rate for a comparable unsecured issue is adjusted according to the collateralisation category and percentage.

Performance of financial instruments in fair value hierarchy level 3

The movement in financial instruments carried at fair value in the balance sheet in level 3 is shown in the table below. This is based on fair values (excluding accrued interest).

	Financial assets measured at fair value				Financial liabilities measured at fair value			
€m	Debt securities, other fixed interest securities and loan claims	Shares and other non fixed-interest securities	Interest-rate-related derivatives	Share-price and other price-related derivatives	Securities short portfolios	Interest-rate-related derivatives	Share-price and other price-related derivatives	Trading issues / issues
As at 1 January 2014	1,849.0	–	0.9	5.9	–	0.8	11.7	116.5
Additions through purchase	690.4	–	–	–	–	–	–	–
Disposals through sale	73.7	–	–	–	–	–	–	–
Additions through issues	–	–	–	–	–	–	–	186.5
Maturity/repayments	267.8	–	–	–	–	–	2.3	72.6
Transfers								
To level 3	285.2	9.9	–	–	1.1	–	–	–
From level 3	–	–	–	–	–	–	–	–
Changes arising from measurement/disposal								
Recognised in profit or loss	62.4	–	−0.4	0.7	–	0.2	−0.9	−7.4
Recognised in other comprehensive income	–	–	–	–	–	–	–	–
As at 31 December 2014	**2,545.5**	**9.9**	**0.5**	**6.6**	**1.1**	**0.6**	**10.3**	**237.8**
Additions through purchase	780.0	–	3.9	0.1	–	–	2.7	–
Disposals through sale	48.1	–	–	–	–	–	0.3	–
Additions through issues	–	–	–	–	–	–	–	173.5
Maturity/repayments	465.6	–	–	–	–	–	–	88.6
Transfers								
To level 3	78.0	–	13.9	1.9	–	13.3	0.5	157.1
From level 3	1,077.6	9.9	0.5	–	1.1	0.6	–	43.8
Changes arising from measurement/disposal								
Recognised in profit or loss	16.9	–	–	0.1	–	–	−0.1	2.0
Recognised in other comprehensive income	–	–	–	–	–	–	–	–
As at 30 June 2015	**1,829.0**	**–**	**17.7**	**8.6**	**–**	**13.3**	**13.2**	**434.0**

In the first half of 2015, positive market values from derivative financial instruments amounting to €15.8m and negative market values from derivative financial instruments in the amount of €13.8m were transferred from level 2 to level 3. This was due to a more detailed analysis of the market data used, whereby, in particular, illiquid maturities were placed at level 3. In addition, €1.1bn was transferred from level 3 to level 2. This primarily concerns two variable rate bonds maturing on 15 July 2015. Because of the short remaining maturity, the credit spread no longer constitutes a material measurement parameter. Hence at 30 June 2015, the bonds were measured at the redemption rate of 100.0%, justifying their allocation to level 2.

Within the Deka Group, reclassifications between the different levels of the fair value hierarchy are deemed to have taken place as at the end of the relevant reporting period.

Profit or loss on financial instruments in fair value hierarchy level 3 as at the reporting date

	Financial assets measured at fair value					
	Debt securities, other fixed interest securities and loan claims		Interest-rate-related derivatives		Share-price and other price-related derivatives	
€m	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
All realised profits and losses of the period recognised in the total result:[1)]						
Net interest income	1.6	3.2	–	–	–	–
Trading profit or loss	0.5	0.7	–	–	–	–
Profit or loss on financial instruments designated at fair value	0.0	5.5	–	–	–	–
All unrealised profits and losses of the period recognised in the total result:[1)]						
Net interest income	2.1	3.9	–	–	–	–
Trading profit or loss	–5.1	0.2	–	–0.3	0.1	0.4
Profit or loss on financial instruments designated at fair value	17.7	27.1	–	–	–	–

[1)] For assets, positive amounts indicate profits and negative amounts losses. For liabilities, positive amounts indicate losses and negative amounts profits.

Measurement processes for financial instruments in fair value hierarchy level 3

For all transactions in the trading book and the banking book, DekaBank generally performs a daily valuation independent of trading operations, which provides the basis for the calculation of results. Responsibility for the valuation process lies with Risk Control, the different tasks being assigned to various specialist teams as part of the valuation process. The models used for theoretical valuation of transactions must undergo validation and initial acceptance before they are employed in the valuation process. Adequacy checks are carried out on a regular basis as part of normal operations. The main steps in the process are the provision of market data that is independent of trading activities, parameterisation, performance of the valuation and quality assurance. The above mentioned steps and processes are designed and conducted by one team each.

Finance and Risk Control analyse and provide commentary on any notable changes in the valuation carried out independently of trading activities. The economic income statement determined on the basis of this valuation is made available to the trading units on a daily basis for the trading book and on a weekly basis for the banking book. To support the process, a committee has been established within Risk Control which plans and coordinates the medium to long-term development of the valuation process.

Valuation models are always used where no reliable external prices are available. External price quotations are obtained from established providers such as stock exchanges and brokers. Every price is subject to a monitoring process which assesses its quality and establishes whether it is appropriate for use in the valuation process. Unless the level of quality is assessed as inadequate, a theoretical valuation is carried out.

Financial liabilities measured at fair value					
	Interest-rate-related derivatives		Share-price and other price-related derivatives		Trade issues/issues
30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
–	–	–	–	–	–
–	–	0.1	0.1	–	−0.3
–	–	–	–	−1.7	–
–	–	–	–	–	–
–	−0.1	−0.2	−0.6	–	−7.0
–	–	–	–	3.7	–

For financial instruments whose present value is determined using a valuation model, the prices needed to calibrate the model are either found directly, independently of trading, or are checked via an independent price verification process (IPV) to ensure they are consistent with the market, and are corrected if necessary. The valuation models used are either validated by Risk Control or implemented in Risk Control independently of trading. The appropriateness of the models is examined by Risk Control on a regular basis, and at least annually. The results of the examination form the basis for a joint recommendation agreed between Risk Control, Finance and the trading units on whether the valuation models should continue to be used or require further development.

When new financial instruments are introduced, existing valuation processes are examined to determine whether they can be applied to the new instrument and modified or expanded if necessary. Valuation processes may be expanded to include new price sources or apply new valuation models. Where new models are introduced, Risk Control checks for the presence of model risks as part of the implementation and validation process. If model risks are present, a corresponding model reserve is taken into account.

31 Credit exposure in individual European countries

The following table shows the exposure to selected European countries from an accounting perspective. In addition to receivables and securities, this comprises credit linked notes issued by the Bank that are referenced to these states as well as credit default swaps from both the protection buyer and protection seller perspectives.

	30 Jun 2015			31 Dec 2014		
€m	**Nominal[1)]**	**Carrying value**	**Fair value**	**Nominal[1)]**	**Carrying value**	**Fair value**
Ireland						
Debt securities (held for trading category)	30.0	31.4	31.4	30.0	32.7	32.7
Italy						
Debt securities (held for trading category)	265.0	263.8	263.8	280.0	278.8	278.8
Credit default swaps (protection seller transaction)	112.6	0.0	0.0	30.0	−0.3	−0.3
Credit default swaps (protection buyer transaction)	−10.0	0.0	0.0	–	–	–
Credit linked notes[2)] (held for trading category)	–20.0	−19.7	−19.7	−20.0	−19.6	−19.6
Portugal						
Credit default swaps (protection seller transaction)	–	–	–	9.1	0.0	0.0
Credit default swaps (protection buyer transaction)	–	–	–	−9.1	−0.0	−0.0
Spain						
Receivables (loans and receivables category)	1.0	1.0	1.0	2.0	2.0	1.9
Debt securities (held for trading category)	116.0	117.2	117.2	96.0	99.6	99.6
Securities forward contracts	−35.0	0.2	0.2	–	–	–
Credit default swaps (protection seller transaction)	34.7	0.1	0.1	20.3	0.1	0.1
Credit default swaps (protection buyer transaction)	−3.0	−0.0	−0.0	−3.0	−0.0	−0.0
Credit linked notes[2)] (held for trading category)	−17.8	−18.1	−18.1	−17.0	−17.3	−17.3
Total	**473.5**	**375.9**	**375.9**	**418.3**	**376.0**	**375.9**

1) The nominal values for protection buyer transactions are shown with a negative leading sign.
2) The figure shown is the fair value of the credit linked notes issued by the Bank and relating to a liability of the respective country.

In addition to exposure to the government of Spain, the Bank also has exposure to Spanish banks. This mainly relates to bonds with a nominal value of €537.8m (31 December 2014: €240.2m), including one bond in the "held to maturity" category with a nominal value of €25.0m (31 December 2014: €25.0m). The remaining bonds are measured at fair value through profit or loss. There are also receivables from securities repurchase agreements and collateralised securities lending transactions amounting to €234.2m (31 December 2014: €532.2m), as well as liabilities from securities repurchase agreements and collateralised securities lending transactions amounting to €330.6m. The receivables and liabilities were allocated to the "loans and receivables" and "other liabilities" categories, respectively. A loan allocated to the "loans and receivables" category, with a nominal value of €150.0m, was repaid in full during the reporting period.

DekaBank also holds loan receivables with a nominal value of €259.0m (31 December 2014: €257.4m) allocated to the "loans and receivables" category in respect of companies that are majority state-owned by Russia. There is no exposure to Ukraine. As was already the case at the end of 2014, there was no exposure to borrowers classified under Greek country risk as at 30 June 2015.

32 Derivative transactions

The derivative financial instruments used in the Deka Group can be broken down by hedged risk as follows:

	Nominal value		Positive fair values[1]		Negative fair values[1]	
€m	**30 Jun 2015**	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**
Interest rate risks	485,147.7	472,731.8	10,633.6	13,805.5	9,755.9	12,849.9
Currency risks	24,376.2	19,855.1	692.1	398.6	1,769.4	1,092.8
Share price and other price risks	53,032.4	44,985.0	3,580.8	4,141.2	4,223.5	5,066.8
Total	**562,556.3**	**537,571.9**	**14,906.5**	**18,345.3**	**15,748.8**	**19,009.5**
Net amount presented on the balance sheet			**11,010.6**	**13,800.1**	**11,755.4**	**14,252.3**

[1] Positive/negative fair values before offsetting against variation margin paid or received.

33 Capital and reserves under banking supervisory law

As at 30 June 2015, the capital and reserves under banking supervisory law and the capital ratios have been calculated on the basis of the capital requirements that came into force on 1 January 2014 pursuant to the regulation on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR) and directive on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive IV – CRD IV), which are subject to certain transitional provisions.

The figures presented below are shown in accordance with the transitional provisions as well as pursuant to full application of the new regulations.

The composition of capital and reserves is shown in the following table:

	30 Jun 2015		31 Dec 2014	
€m	**CRR/CRD IV (without transitional provisions)**	**CRR/CRD IV (with transitional provisions)**	**CRR/CRD IV (without transitional provisions)**	**CRR/CRD IV (with transitional provisions)**
Common Equity Tier 1 (CET 1) capital	3,835	4,210	3,295	3,768
Additional Tier 1 (AT 1) capital	474	298	474	196
Tier 1 capital	**4,309**	**4,507**	**3,768**	**3,964**
Tier 2 (T 2) capital	**618**	**544**	**663**	**556**
Own funds	**4,927**	**5,052**	**4,431**	**4,520**

The items subject to a capital charge are shown in the following table:

	30 Jun 2015		31 Dec 2014	
€m	**CRR/CRD IV (without transitional provisions)**	**CRR/CRD IV (with transitional provisions)**	**CRR/CRD IV (without transitional provisions)**	**CRR/CRD IV (with transitional provisions)**
Credit risk	14,672	14,672	14,179	14,179
Market risk	10,344	10,344	10,378	10,378
Operational risk	2,228	2,228	2,006	2,006
CVA risk	1,918	1,918	1,458	1,458
Risk-weighted assets (total risk exposure amount)	**29,162**	**29,162**	**28,022**	**28,022**

As at the reporting date, the ratios for the Deka Group were as follows:

%	30 Jun 2015 CRR/CRD IV (without transitional provisions)	30 Jun 2015 CRR/CRD IV (with transitional provisions)	31 Dec 2014 CRR/CRD IV (without transitional provisions)	31 Dec 2014 CRR/CRD IV (with transitional provisions)
Common Tier 1 capital ratio	13.2	14.4	11.8	13.4
Tier 1 capital ratio	14.8	15.5	13.4	14.1
Total capital ratio	16.9	17.3	15.8	16.1

The capital and reserves requirements under banking supervisory law were complied with at all times during the reporting period. The ratios for the Deka Group are considerably higher than the statutory minimum values.

34 Contingent and other liabilities

€m	30 Jun 2015	31 Dec 2014	Change
Irrevocable lending commitments	839.6	495.2	344.4
Other liabilities	123.7	60.8	62.8
Total	**963.2**	**556.0**	407.2

The guarantees provided by DekaBank are deemed to be financial guarantees under IFRS, which are stated net in accordance with IAS 39. The nominal amount of the guarantees in place as at the reporting date remains unchanged at €0.1bn.

35 List of shareholdings

The information on shareholdings presented here constitutes an additional disclosure in accordance with Section 315a of the German Commercial Code. As a result, no information on the prior year is presented.

Consolidated subsidiaries (affiliated companies):

Name, registered office	Equity share in %
Aked Vorratsgesellschaft mbH, Frankfurt/Main	100.00
Deka Beteiligungs GmbH, Frankfurt/Main	100.00
Deka Grundstücksverwaltungsgesellschaft I (GbR), Frankfurt/Main	100.00
Deka Immobilien GmbH, Frankfurt/Main	100.00
Deka Immobilien Investment GmbH, Frankfurt/Main	100.00
Deka Immobilien Luxembourg S.A., Luxembourg	100.00
Deka International S.A., Luxembourg	100.00
Deka Investment GmbH, Frankfurt/Main	100.00
Deka Real Estate Lending k.k., Tokyo	100.00
DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg	100.00
DKC Deka Kommunal Consult GmbH, Düsseldorf	100.00
ExFin AG i.L., Zurich	100.00
International Fund Management S.A., Luxembourg	100.00
Landesbank Berlin Investment GmbH, Berlin	100.00
Roturo S.A., Luxembourg	100.00
VM Bank International S.A. i.L., Luxembourg	100.00
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	99.74[1)]
WIV GmbH & Co. Beteiligungs KG, Frankfurt/Main	94.90

[1)] 5.1% are held by WIV GmbH & Co. Beteiligungs KG.

Consolidated subsidiaries (structured entities):

Name, registered office	Share in fund assets in %
A-DGZ-FONDS, Frankfurt/Main	100.00
A-DGZ 2-FONDS, Frankfurt/Main	100.00
A-DGZ 5-FONDS, Frankfurt/Main	100.00
A-DGZ 13-FONDS, Luxembourg	100.00
A-DKBankLUX1-FONDS, Luxembourg	100.00
A-Treasury 2000-FONDS, Frankfurt/Main	100.00
A-Treasury 93-FONDS, Frankfurt/Main	100.00
BG-Asset-Fonds, Berlin	100.00
DDDD-FONDS, Frankfurt/Main	100.00
Deka Treasury Corporates-FONDS, Frankfurt/Main	100.00

Joint ventures and associated companies accounted for at equity:

Name, registered office	Equity share in %
Joint ventures	
S PensionsManagement GmbH, Cologne	50.00
Dealis Fund Operations GmbH, Frankfurt/Main	50.00
Associated companies	
S Broker AG & Co. KG, Wiesbaden	30.64

Joint ventures and associated companies not accounted for at equity:

Name, registered office	Equity share in %
Joint ventures	
Deka-Neuburger Institut für wirtschaftsmathematische Beratung GmbH, Frankfurt/Main	50.00
Associated companies	
DPG Deutsche Performancemessungs-Gesellschaft für Wertpapierportfolios mbH, Frankfurt/Main	20.00

Unconsolidated subsidiaries (affiliated companies):

Name, registered office	Equity share in %
Datogon S.A., Luxembourg	100.00
Deka Immobilien Beteiligungsgesellschaft mbH, Frankfurt/Main	100.00
Deka Investors Spezial Inv. AG m.v.K. und TGV, Frankfurt/Main	
Teilgesellschaftsvermögen Deka Investors Unternehmensaktien	100.00
Deka Treuhand GmbH, Frankfurt/Main	100.00
Deka Vermögensverwaltungs GmbH, Frankfurt/Main	100.00
Deka Verwaltungs GmbH, Frankfurt/Main	100.00
Deka Vorratsgesellschaft 01 mbH, Frankfurt/Main	100.00
Deka Treuhand Erwerbsgesellschaft mbH, Frankfurt/Main	100.00
Deutsche Landesbankenzentrale AG, Berlin	100.00
Europäisches Kommunalinstitut S.à.r.l., Luxembourg	100.00
LBG Leasing Beteiligungs-GmbH, Frankfurt/Main	100.00
Perfeus S.A., Luxembourg	100.00
Privates Institut für quantitative Kapitalmarktforschung der DekaBank GmbH, Frankfurt/Main	100.00
WIV Verwaltungs GmbH, Frankfurt/Main	94.90

Unconsolidated structured entities:

Name, registered office	Fund assets in €m	Share in capital / fund assets in %
Deka-Immobilien Nordeuropa, Frankfurt/Main	0.0	100.00
Deka-BR 45, Frankfurt/Main	6.2	100.00
Teilgesellschaftsvermögen Deka Darlehen, Frankfurt/Main	50.2	100.00
Teilgesellschaftsvermögen Deka Darlehen II, Frankfurt/Main	0.0	100.00
Teilgesellschaftsvermögen Deka Darlehen III, Frankfurt/Main	0.0	100.00
Renten 3-7, Luxembourg	5.1	100.00
DekaLux-Institutionell Renten Europa, Luxembourg	40.2	100.00
Deka Deutsche Boerse EUROGOV® France UCITS ETF, Frankfurt/Main	8.9	99.83
Deka-DiscountStrategie 1/2016, Frankfurt/Main	15.7	97.49
Deka-BasisStrategie Aktien, Frankfurt/Main	25.8	90.80
Deka-DiscountStrategie 12/2015, Frankfurt/Main	10.6	88.70
MLIS Multi-Strategy Fund of UCITS Fund, Luxembourg	9.8	87.44
Deka-RentenStrategie Global, Frankfurt/Main	31.3	79.14
Deka MSCI Europe ex EMU UCITS ETF, Frankfurt/Main	56.9	74.87
IFM Euroaktien I (A), Luxembourg	10.0	72.88
Deka-Globale Renten High Income, Frankfurt/Main	42.2	70.16
Deka EURO STOXX 50® (thesaurierend) UCITS ETF, Frankfurt/Main	10.0	67.44
Deka Deutsche Boerse EUROGOV® Germany 3-5 UCITS ETF, Frankfurt/Main	70.9	65.88
Deka MSCI Europe MC UCITS ETF, Frankfurt/Main	11.0	62.65
RE-FundMaster, Frankfurt/Main	27.9	57.40
Deka-Immobilien PremiumPlus – Private Banking, Luxembourg	70.2	53.46
Deka Deutsche Boerse EUROGOV® Germany UCITS ETF, Frankfurt/Main	421.2	51.76
Mix-Fonds: Select ChancePlus, Luxembourg	1.9	46.88
Deka-DividendenStrategie Europa, Frankfurt/Main	38.4	45.70
Deka MSCI Japan MC UCITS ETF, Frankfurt/Main	5.9	42.41
Deka MSCI Japan UCITS ETF, Frankfurt/Main	20.4	39.22
Deka-EuroFlex Plus, Luxembourg	140.3	38.40
Deka DAX® ex Financials 30 UCITS ETF, Frankfurt/Main	44.0	37.92
Deka Deutsche Boerse EUROGOV® Germany 5-10 UCITS ETF, Frankfurt/Main	247.8	37.06
Deka-RentSpezial EM 3/2021, Frankfurt/Main	146.7	33.93
Deka STOXX® Europe Strong Growth 20 UCITS ETF, Frankfurt/Main	5.7	29.17
IP Bond-Select P, Luxembourg	14.4	25.52
Deka-Nachhaltigkeit Renten, Luxembourg	75.6	23.53
Comtesse DTD Ltd., London	–	9.99[1]

[1] Differing voting rights 25.1%.

36 Related party disclosures

The Deka Group has business dealings with related parties. These include DekaBank's shareholders, subsidiaries that are not consolidated on materiality grounds, joint ventures, associated companies and their respective subsidiaries as well as individuals in key positions and their relatives, and companies controlled by these individuals. Individuals in key positions exclusively comprise the members of the Board of Management and Administrative Board of DekaBank. Non-consolidated own mutual funds and special funds where the holding of the Deka Group exceeds 10% as at the reporting date are shown as subsidiaries, associated companies or other related parties in accordance with their equity holding.

Transactions are carried out with related parties under normal market terms and conditions as part of the ordinary business activities of the Deka Group. These relate amongst others to loans, call money, time deposits and derivatives. The liabilities of the Deka Group to mutual funds and special funds essentially comprise balances with banks from the temporary investment of liquid funds. The tables below show the extent of these transactions.

Business relationships with shareholders of DekaBank and unconsolidated subsidiaries:

	Shareholders		Subsidiaries	
€m	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
Asset items				
Due from customers	45.0	45.0	0.9	0.2
Financial assets at fair value	–	–	2.7	5.6
Other assets	–	–	0.4	0.7
Total asset items	**45.0**	**45.0**	**4.0**	**6.5**
Liability items				
Due to customers	95.9	56.0	27.4	33.3
Financial liabilities at fair value	–	–	–	–
Total liability items	**95.9**	**56.0**	**27.4**	**33.3**

Business relationships with joint ventures, associated companies and other related parties:

	Joint ventures / associated companies		Other related parties	
€m	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
Asset items				
Due from customers	3.6	0.8	–	0.1
Financial assets at fair value	–	–	–	–
Other assets	0.2	1.9	0.1	0.1
Total asset items	**3.8**	**2.7**	**0.1**	**0.2**
Liability items				
Due to customers	26.4	24.6	3.7	3.8
Financial liabilities at fair value	30.7	31.9	–	–
Total liability items	**57.1**	**56.5**	**3.7**	**3.8**

37 Additional miscellaneous information

The consolidated interim financial statements were approved for publication on 12 August 2015 by DekaBank's Board of Management.

Assurance of the Board of Management

We declare that, to the best of our knowledge, the consolidated interim financial statements prepared in accordance with the reporting standards applicable to interim financial reporting and generally accepted accounting principles convey a true and fair view of the net assets, financial position and results of operations of the Group and that the interim management report conveys a true and fair view of the business performance including the business results and position of the Group and suitably presents the material risks and opportunities and likely development of the Group over the remainder of the financial year.

Frankfurt/Main, 12 August 2015

DekaBank
Deutsche Girozentrale

The Board of Management

Rüdiger   Better   Dr. Danne

Müller   Dr. Stocker

Review report

To DekaBank Deutsche Girozentrale AöR, Berlin/Frankfurt am Main

We have reviewed the condensed interim consolidated financial statements – comprising balance sheet, statement of comprehensive income, condensed statement of changes in equity, condensed cash flow statement and selected explanatory notes – together with the interim group management report of the DekaBank Deutsche Girozentrale AöR, Berlin/Frankfurt am Main, for the period from January 1 to June 30, 2015 that are part of the semi annual financial report according to § 37 w WpHG ['*Wertpapierhandelsgesetz*': 'German Securities Trading Act']. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt/Main, August 13, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Pukropski	Fox
Wirtschaftsprüfer	Wirtschaftsprüfer

Administrative Board and Board of Management of DekaBank

(as of August 2015)

Administrative Board

Georg Fahrenschon
Chairman
President of the German Savings Banks and Giro Association e. V., Berlin, and of the German Savings Banks and Giro Association e. V. – public law entity, Berlin
Chairman of the General and Nominating Committee
Chairman of the Remuneration Supervision Committee
Permanent Guest on the Audit and Risk Committee
Permanent Guest on the Credit Committee

Helmut Schleweis
First Deputy Chairman
Chairman of the Management Board of Sparkasse Heidelberg, Heidelberg
First Deputy Chairman of the General and Nominating Committee
First Deputy Chairman of the Remuneration Supervision Committee
Member of the Audit and Risk Committee

Thomas Mang
Second Deputy Chairman
President of the Savings Banks Association Lower Saxony, Hanover
Chairman of the Credit Committee
Second Deputy Chairman of the General and Nominating Committee
Second Deputy Chairman of the Remuneration Supervision Committee
Permanent Guest the Audit and Risk Committee

Representatives elected by the Shareholders' Meeting:

Michael Bräuer
Chairman of the Management Board of Sparkasse Oberlausitz-Niederschlesien, Zittau
Member of the General and Nominating Committee
Member of the Remuneration Supervision Committee

Michael Breuer
President of the Rhineland Savings Banks and Giro Association, Düsseldorf
Member of the Audit and Risk Committee

Rainer Burghardt
Chairman of the Management Board of Kreissparkasse Herzogtum Lauenburg, Ratzeburg

Carsten Claus
Chairman of the Management Board of Kreissparkasse Böblingen, Böblingen
Member of the Audit and Risk Committee

Dr. Michael Ermrich
Managing President of the East German Savings Banks Association, Berlin

Dr. Johannes Evers
Chairman of the Management Board of Berliner Sparkasse and President of the Savings Banks Association Berlin, Berlin
Deputy Chairman of the Credit Committee

Dr. Rolf Gerlach
President of the Savings Banks Association Westphalia-Lippe, Münster
Chairman of the Audit and Risk Committee
Member of the General and Nominating Committee
Member of the Remuneration Supervision Committee
Permanent Guest on the Credit Committee

Gerhard Grandke
Managing President of the Savings Banks and Giro Association Hesse-Thuringia, Frankfurt/Main
Member of the General and Nominating Committee
Member of the Remuneration Supervision Committee

Hans-Heinrich Hahne
Chairman of the Management Board of Sparkasse Schaumburg, Rinteln
Member of the Credit Committee

Dr. Christoph Krämer
Chairman of the Management Board of Sparkasse Iserlohn, Iserlohn

Beate Läsch-Weber
President of the Savings Banks Association Rhineland-Platinate, Budenheim

Dr. Ulrich Netzer
President of the Savings Banks Association Bavaria, Munich

Hans-Werner Sander
Chairman of the Management Board of Sparkasse Saarbrücken, Saarbrücken
Member of the Credit Committee

Peter Schneider
President of the Savings Banks Association Baden-Wuerttemberg, Stuttgart
Member of the General and Nominating Committee
Member of the Remuneration Supervision Committee

Georg Sellner
Chairman of the Management Board of Stadt- und Kreis-Sparkasse Darmstadt, Darmstadt
Deputy Chairman of the Audit and Risk Committee

Walter Strohmaier
Chairman of the Management Board of Sparkasse Niederbayern-Mitte, Straubing
Member of the General and Nominating Committee
Member of the Audit and Risk Committee
Member of the Remuneration Supervision Committee

Dr. Harald Vogelsang
Spokesman of the Management Board of Hamburger Sparkasse AG, Hamburg and President of the Hanseatic Savings Banks and Giro Association

Alexander Wüerst
Chairman of the Management Board of Kreissparkasse Köln, Cologne
Member of the General and Nominating Committee
Member of the Remuneration Supervision Committee

Representatives appointed by the Federal Organisation of Central Municipal Organisations (in an advisory capacity):

Dr. Stephan Articus
Executive Director of the German Association of Cities, Berlin and Cologne
Member of the General and Nominating Committee

Prof. Dr. Hans-Günter Henneke
Managing Member of the Presiding Board of the German County Association, Berlin

Roland Schäfer
Mayor of the City of Bergkamen and President of the German Association of Towns and Municipalities, Berlin

Employee Representatives appointed by the Staff Committee:

Michael Dörr
Chairman of the Staff Committee of DekaBank Deutsche Girozentrale, Frankfurt/Main

Erika Ringel
Member of the Staff Committee of DekaBank Deutsche Girozentrale, Frankfurt/Main

(End of the term of office: 31 December 2018)

Board of Management

Michael Rüdiger
CEO

Manuela Better
(From 1 June 2015)

Dr. Matthias Danne

Martin K. Müller

Dr. Georg Stocker

Executive Manager:

Manfred Karg

Internet website
The specialist terms used are explained in the interactive online version of this report, which you can view in English or German on our website at www.dekabank.de under "Investor Relations/Reports". Previously published annual reports and interim reports are also available for download here.

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Gender clause
In this annual report, words in the masculine include words in the feminine; in parts of the report, the masculine form has solely been used to make the document easier to read.

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