Deka Group
Interim Report as at 30 June 2013

Transformation implies motion

Olympia Partner Deutschland

Finanzgruppe

DekaBank

Deka Group at a glance

Business development indicators		30.06.2013	31.12.2012	Change %
Total assets[1]	€m	121,454	129,770	−6.4
Assets under Management	€m	165,193	162,647	1.6
of which: Securities business division	€m	139,241	137,409	1.3
of which: Real Estate business division	€m	25,952	25,238	2.8
Number of securities accounts	thousand	4,036	4,149	−2.7
		1st half 2013	1st half 2012	
Net sales	€m	4,768	−1,876	(>300)
of which: Securities business division	€m	3,577	−2,989	219.7
of which: Real Estate business division	€m	1,191	1,113	7.0
Performance indicators				
Total income	€m	763.9	773.1	−1.2
of which: Net interest income	€m	198.8	229.3	−13.3
of which: Net commission income	€m	484.6	466.0	4.0
Total expenses	€m	440.1	459.3	−4.2
of which: Administrative expenses (including depreciation and bank levy)	€m	418.0	448.5	−6.8
Economic result	€m	323.8	313.8	3.2
Net income before tax[1]	€m	377.4	341.7	10.4
Key ratios				
Return on equity[2]	%	18.2	18.9	−0,7%-points
Cost/income ratio[3]	%	51.4	52.0	−0,6%-points
Key regulatory figures		**30.06.2013**	**31.12.2012**	
Capital and reserves	€m	4,065	3,836	6.0
Core capital ratio	%	15.1	14.0	1.1%-points
Core tier 1 capital ratio[4]	%	12.8	11.6	1.2%-points
Equity ratio	%	17.2	16.2	1.0%-points
Risk ratios				
Total risk-bearing capacity	€m	4,994	5,118	−2.4
Group risk (value-at-risk)[5]	€m	2,318	2,345	−1.2
Utilisation of risk-bearing capacity	%	46.4	45.8	0.6%-points
Non-guaranteed rating (short-term / long-term)				
Moody's		P-1/A1	P-1/A1	
Standard & Poor's		A-1/A	A-1/A	
Key employee figures				
Number of employees		3,990	4,040	−1.2
Number of active employees		3,467	3,506	−1.1

[1] Previous year's figures adjusted, see Note [4].
[2] 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).
[3] Cost/income ratio (CIR) corresponds to the ratio resulting from total expenses (excluding restructuring expenses) and total income (before provisions for loan losses).
[4] The core tier 1 capital ratio takes not account of silent capital contributions of €552m.
[5] Confidence level: 99.9%, holding period: one year.

Content

Foreword

Dear Shareholders and Investors,

The Deka Group is on the move, and our transformation into a fully-fledged securities service provider of the savings banks is well under way. In the first half of 2013, we continued the positive previous year's trend, achieving an economic result of €323.8m which slightly exceeded the 2012 half-year result. At the same time, we reduced expenses by more than 4 percent. Income did not quite match the previous year's level, which in part was due to the market-driven lower business volume in the Capital Markets business division. Net commission income once again was the highest income item. A strong fund performance and increased direct sales resulted in a rise in assets under management to €165.2bn at the end of June. At €4.8bn, the Deka Group's net sales were significantly up in the first six months of 2013 – an increase that was primarily attributed to institutional business and property funds.

This steady income level combined with stringent cost management provide the basic conditions for implementing our future strategy and evolving into a fully-fledged securities service provider of the savings banks. We made good progress on this path in the first half of the year and achieved several milestones. They included defining the responsibilities of a fully-fledged securities service provider within the *Sparkassen-Finanzgruppe* and aligning our organisational structure accordingly. The structure is designed on the basis of the requirements of the savings banks and their customers. We offer the securities products and services that our shareholders and sales partners in the securities business need. In addition, we have reorganised our savings bank sales to promote convergence with the savings banks. This has created the prerequisites to substantially expand retail sales and put a sharper focus on our sales partners and their customers. We will be recruiting a large number of new staff members for savings bank sales, with a view to expanding our on-site presence with around 180 new sales employees by 2015. We are confident that these important measures will have a positive impact on our securities business and will also strengthen our role as an alliance partner within the *Sparkassen-Finanzgruppe*.

One of the packages of measures we are implementing in the course of becoming a fully-fledged securities service provider involves the expansion of our product range. This has also included our successful market entry into the business with retail certificates. A total of 300 savings banks are now selling our certificates. In order to leverage further synergies, we merged ETFlab Investment GmbH with Deka Investment GmbH in July, with retrospective effect from 1 January 2013. This move makes our exchange traded funds easily identifiable as Deka products.

Another milestone in aligning the Deka Group as the joint securities service provider of the savings banks was agreeing on key points with Landesbank Berlin regarding the acquisition of its customer-oriented capital market business and the purchase of investment fund company LBB Invest. This transaction is set to be concluded by the end of the year. Acquiring LBB Invest will strengthen the Deka Group's position in the asset management market. The acquisition of LBB's customer-oriented capital market business will enhance our ability to offer the savings banks and other institutional customers even more excellent products and services. As a result of the transaction, we will gain additional expertise and new customer contacts. This demonstrates the successful consolidation within the *Sparkassen-Finanzgruppe* and reinforces DekaBank's role as a fully-fledged securities service provider of the savings banks. Outside the alliance, we intend to grow our institutional business. With this in mind, we have combined relevant products and services and expanded our offering in this segment. In the future, the new brand, Deka Institutionell, will increasingly target institutional customers outside of the *Sparkassen-Finanzgruppe*.

In the first half of 2013, we made good progress on the path to becoming a fully-fledged securities service provider of the savings banks and achieved key milestones. To ensure that we continue to meet the requirements of our shareholders and customers in the future, we need to adopt a flexible and creative approach to facing new challenges. We will continue to make every effort to do just that.

Sincerely,

Michael Rüdiger
CEO

Interim management report 2013

At a glance

In the first half of 2013, the Deka Group recorded a strong performance. The Group's economic result of €323.8m was once again at a satisfactory level despite difficult market conditions, and slightly exceeded the figure for the first six months of 2012. The market-driven decrease in net interest income was more than offset by higher net commission income and restricted expenses. In addition, lower net additions to risk provisions were required. The utilisation rate of Deka's total risk-bearing capacity was slightly up on year-end 2012. At the same time, the core tier 1 capital ratio increased from 11.6% to 12.8%.

Net fund sales were clearly in the positive range for the first time in a while. Coupled with the good performance of the investment funds, this contributed to a rise in assets under management. The Securities division recorded a plus in institutional business, and net sales of units in mutual funds, which were markedly negative in the previous year, were nearly balanced as a result of high demand for mixed funds and continuing funds inflows into the Deka-Vermögenskonzept (Deka Wealth Concept). Open-ended mutual property funds outstripped the previous year's sales success, once again confirming their unique position in a sector environment that remains difficult.

The transformation into a fully-fledged securities service provider of the savings banks is well under way in terms of products, sales and processes. As part of the D18 transformation programme, DekaBank is successfully pursuing closer integration with the investment and advisory process of the savings banks. The market entry in certificate-based business for private investors marked the first important milestone. The core initiatives of the D18 programme progressed according to schedule during the reporting period.

Strategy, structure and range of products and services of the Deka Group

Transformation programme

In the first half of 2013, DekaBank made further progress in its transformation and expansion to become a fully-fledged securities service provider of the savings banks under the D18 transformation programme, which was originally launched in 2012. D18 comprises core initiatives with a focus on the overall strategy, alongside product and customer related issues as well as cross-disciplinary aspects. The overriding goal is to position securities as an important segment in the formation of assets, in order to strengthen the savings banks' securities business in the long term.

The consistent development from product to solutions provider forms part of the programme. DekaBank works to provide its partners in the *Sparkassen-Finanzgruppe* with a comprehensive overview of their end customers' wealth – across all asset classes. In addition, the product range is being expanded. The business segment for certificates for private investors was launched at the beginning of 2013, as scheduled.

Building on its longstanding experience in the certificates business for institutional investors, DekaBank succeeded relatively quickly with its entry into the private investor-oriented business segment. For the end customers of the savings banks, certificates ideally round out individual asset structures and therefore complement the product range perfectly. The range is limited to a few simple and straightforward products tailored to the requirements of savings banks customers, the majority of whom tend to adopt a conservative investment approach. As in the past, securities business continues to focus primarily on investment funds.

The D18 campaign is deliberately broadly-based to promote the sales partnership with the savings banks, which was expanded in the first six months of 2013. To further boost sales efficiency in alliance with the savings banks in the future, a mission was developed for savings bank sales on the basis of a SWOT analysis and a comprehensive survey of the savings banks on the future direction of savings bank sales. It comprises an enhanced CRM concept and a range of services that matches the requirements of the savings banks.

Within the scope of implementing the CRM concept, DekaBank will have an increased presence within the savings banks and actively support sales managers and customer advisers, in line with the requirements and wishes of the savings banks. Further elements include more comprehensive support and on-site training for advisers. The main sales focus is defined on the basis of the savings bank finance concept. In the future, topical issues will increasingly feature in communications with end customers. To ensure efficient implementation, the organisational structure of savings bank sales will be realigned with the concept with effect from 1 August 2013.

The considerable expenses associated with the implementation of this transformation programme are a worthwhile investment for DekaBank. Funding is secured by ongoing cost control at all levels of banking operations.

Structure and corporate governance

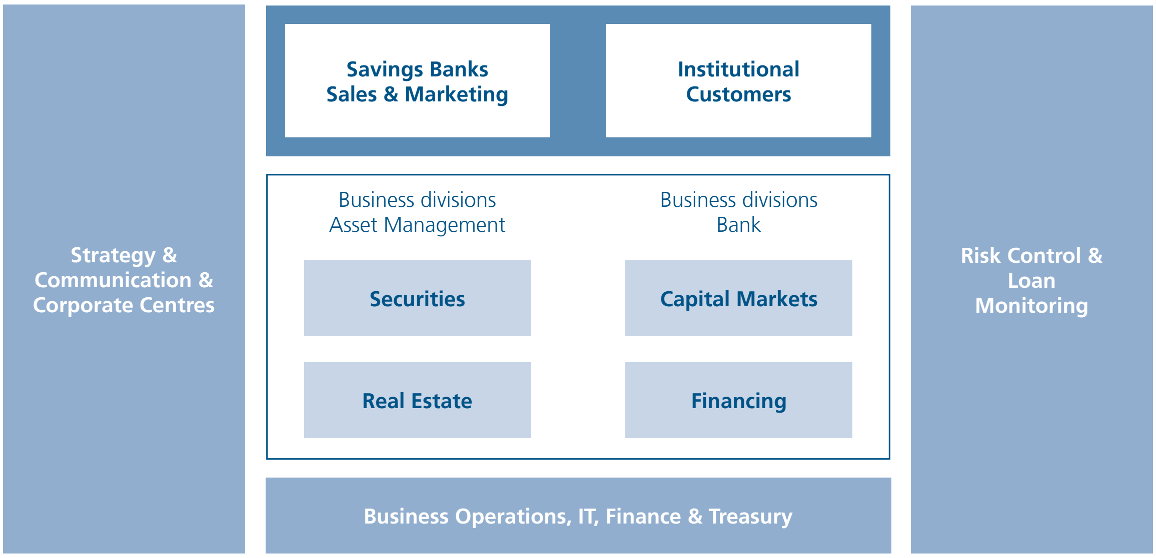
With effect from 30 June 2013, DekaBank realigned its organisational structure as part of the transformation into a fully-fledged securities provider of the savings banks. The former Corporates & Markets business division was transferred to the Capital Markets (formerly the Markets sub-division) and Financing (formerly the Credits sub-division) divisions. At the same time, the third of the former sub-divisions, Treasury, was incorporated into the overall Bank management. The previous year's segment-related figures have been adjusted accordingly. The Securities business division corresponds to the former Asset Management Capital Markets division, and has also included index-linked funds (ETFs) since the beginning of 2013. The Real Estate division continues the business of what was previously the Asset Management Property business division.

In connection with the realigned structure of the business divisions, DekaBank also introduced German names for all organisational units. This enhances transparency with regard to the corporate structure, both in-house and externally, and creates a better understanding among shareholders, sales partners and customers in the German-speaking locations. In the first half of 2013, DekaBank and Landesbank Berlin (LBB) conducted negotiations on combining customer-oriented capital market and securities business under the umbrella of DekaBank. In mid-July of this year, the Management Boards of both banks agreed on the key elements of a transaction.

The adjustment of the organisational structure is also reflected at the Board of Management level. On 1 May 2013, Martin K. Müller was appointed to the Board. Müller, who has a successful track record on the Board of Management of LBB, assumed the newly created Board of Management role, with responsibility for all financial and operating functions at the fully-fledged securities service provider of the savings banks. This also includes responsibility for Treasury and Financing, which were previously the remit of Dr. Matthias Danne, alongside his duties as the Board of Management member in charge of the property and financing business. Müller took over responsibility for operations from Dr. h. c. Friedrich Oelrich, who will concentrate on risk control and loan monitoring. This reassignment of responsibilities reflects DekaBank's implementation of the German Federal Financial Supervisory Authority's (BaFin) requirements with respect to anchoring risk control at the organisational level. The DekaBank Board of Management also includes members Michael Rüdiger, CEO and responsible for Strategy, Communications & Corporate Centres, Deputy Chairman Oliver Behrens (Institutional Customers, Securities Investments & Capital Markets) and Dr. Georg Stocker (Savings Bank Sales & Marketing). Since early April 2013, Dr. Stocker has additionally been responsible for savings bank support related to private banking activities.

The following chart provides an overview of the current organisational structure (Fig. 1):

New Deka Group structure *(Fig. 1)*



Sustainable business policy

Sustainable actions and conduct reduce the risk to the environment and society while at the same time offering opportunities for growth and increasing value. That is why the Deka Group has been setting specific and binding sustainability targets since 2009 as part of its sustainability strategy. These targets shape the Group's decisions and actions at all levels. The overriding importance of sustainability is also reflected in the Board of Management's direct responsibility for the sustainability strategy. Since March 2013, the newly established Sustainability Management business unit has been in charge of implementing and monitoring the sustainability strategy. Six areas of action form the pillars of the Group's sustainability management: sustainable corporate governance, environmental management/sustainable banking, sustainable HR management, sustainable banking products, social responsibility and communications.

Deka Investment GmbH became a signatory to the European SRI Transparency Code of the European Sustainable and Responsible Investment Forum (Eurosif) in respect of the following sustainable funds: Deka-Stiftungen Balance, Deka-Nachhaltigkeit Aktien, Deka-Nachhaltigkeit Renten and Deka-Nachhaltigkeit Balance. By signing the code, Deka Investment GmbH undertakes to fulfil the transparency requirements for sustainable investment funds. The European SRI Transparency Code for Sustainable Investment Funds was developed in 2008 on the initiative of the national trade associations for sustainable investments, which form Eurosif, the European umbrella association. As a member of the Sustainable and Responsible Investment Forum, the Deka Group has supported the promotion of sustainable financial products in the German-speaking countries since March 2011.

The adoption of the European SRI Transparency Code supplements the Deka Group's sustainability strategy. Deka Investment GmbH already set the course for the Deka Group as the asset manager for the savings banks when it signed the United Nations Principles for Responsible Investment (UN PRI) back in September 2012. In total, Deka Investment GmbH managed around €2bn in sustainable investment funds as at the reporting date.

Deka Immobilien Investment GmbH and WestInvest Gesellschaft für Investmentfonds mbH are also continually broadening their commitment to sustainability. For a large number of properties held by the investment funds, the aim is to obtain certification from recognised providers, such as the U.S. Green Building Council (Leadership in Energy and Environmental Design, LEED) and the *Deutsche Gesellschaft für Nachhaltiges Bauen* (German Sustainable Building Council, DGNB), for those properties where such certification is not already in place. As at

30 June 2013, more than 20% of the properties held in mutual investment funds have earned green building status or are certified under similar internationally recognised sustainability standards. The target is to increase the ratio of accredited buildings to 40% by the end of 2015.

Economic environment

Overall assessment of the economic environment

The economic environment for DekaBank's activities remained uncertain in the first half of 2013, although it was gradually brightening. In view of the current low interest rate level, a growing number of private investors opted for investing in investment funds again in the absence of any high-yield alternatives. However, their need for safety was still prevalent. As a result, demand primarily focused on low-risk types, such as mixed and bond funds. Demand for fund-based investment vehicles was also up in institutional business.

With regard to open-ended mutual property funds, the sector environment remained affected by the temporary closure and imminent liquidation of some competitor investment funds. Nevertheless, net sales rose, with DekaBank's yield-oriented and liquidity-oriented managed funds making a significant contribution to this rise.

The central banks' comprehensive liquidity supply to markets continued to keep interest levels in the money market and bond yields at a very low level in the first half of 2013. Against this backdrop, demand for additional liquidity was below the previous year's level. At the same time, the level of issuing activities in the capital market was still considerable and met with a high level of demand from investors. In addition, tightening spreads resulted in positive valuation effects in net terms.

Planned regulatory changes and further regulatory changes that are under discussion are pushing up costs, given that they involve more extensive reporting and higher capital requirements. They may potentially also contribute to investor uncertainty.

National debt crisis in the eurozone

The most difficult phase of the national debt crisis in Europe seems to have been overcome. Nonetheless, setbacks were repeatedly experienced during the period under review. For example, political paralysis in the wake of the parliamentary election in Italy, the courts' rejection of some elements of the Portuguese savings package and the bumpy road to the Cyprus bailout meant that structural problems in the eurozone continued to be felt in the markets.

However, the extent of distortions in the market was limited. As before, the main reason for this was the European Central Bank's (ECB's) announcement that its outright monetary transactions programme, or OMT programme, involving the unlimited buying of government bonds would start if necessary. The prerequisite for utilisation is that the governments of the countries concerned first agree a financial assistance programme with the European Stability Mechanism (ESM). This is coupled with the obligation to implement structural reforms for budget consolidation.

This process of consolidation in the crisis countries evolved at different speeds. After initially making some progress, Greece and Portugal experienced a setback following the downturn in economic output. In Greece, the slow development of privatisation projects also had an adverse impact. In Portugal, the courts' rejection of some of the elements in the adopted savings package put a dampener on consolidation efforts.

In Spain and Ireland, progress was made with consolidation. However, it too was overshadowed by a sharp downturn in economic activity. Italy and France still face a backlog of reforms, and this continues to present a risk for the stability of the eurozone. The adjustment of bank balance sheets is only progressing slowly, and this in turn is slowing down the return to growth.

The ongoing recession in the crisis-stricken countries with the associated high level of unemployment may still jeopardise the success of the adjustment programmes which are in progress. In the case of Greece, this could mean that the nation no longer has the capacity to carry the existing sovereign debt. As a result, considerable potential setbacks remain a threat in the capital markets and the real economic environment of the eurozone.

Overall economic trends

As a result of the specific adverse conditions, a mild recession persisted in the eurozone until mid-2013, although the downward trend has at least lost some of its pace in the countries affected by the crisis. However, the negative indicators of market sentiment suggest that alongside the southern European countries, core Europe is also increasingly impacted by the consequences of the crisis.

The fact that growth in the global economy remained modest in recent months was not only due to the setbacks in overcoming the national debt crisis in Europe. There were occasional rays of hope, such as some pleasing economic data from the USA. The country is ahead of the eurozone in terms of coping with the repercussions of the financial crisis. However, the positive economic signals were accompanied by a comparatively weak recovery in the labour market. Accordingly, prospects for the US economy are gloomy, given that it traditionally is highly dependent on private consumption.

Impetus for global economic growth continues to originate primarily in the emerging markets. Yet, almost all of the emerging markets entered a phase of weaker growth in the first half of 2013.

In this environment, the central banks' expansionary monetary policy once again proved to be a driving force for the global financial markets in the first six months of this year. When the Fed, the US central bank, decided at the end of 2013 to opt out of the programme of quantitative easing (QE3), capital markets worldwide were thrown into turmoil. This also affected investments in the eurozone, although its central banks are unlikely to change their course of action in the near future. The ECB recently confirmed its monetary policy and consistently maintains an unlimited supply of liquidity to the markets, even if negative interest on deposits has been rejected for the time being. A new kind of normality has prevailed in the financial markets of late, which is set to continue for a number of years. It is marked by very low and, in some cases negative, nominal interest rates, a sharp rise in the amount of central bank money, a high volume of government bonds with central banks – some of which with ratings that are below average – and shortened bank balance sheets.

Inherent in the expanded volume of money is a higher risk of inflation. As a result of modest global economic growth, falling commodities prices and restricted lending by banks, this higher risk of inflation had no impact in the first half of 2013. Nevertheless, continuing low interest rates in the money and bond markets combined with positive growth rates in Germany open up the possibility of falling into the "real interest rate trap". Awareness of this risk of gradual asset erosion is spreading among investors, who increasingly seek high-yield alternatives to time deposits and money on call as well as German government bonds.

Trends in capital markets

A pleasing trend has emerged in the German, US and Japanese equity markets since the beginning of 2013. In March, the Dow Jones index was at a record high, followed in May by the DAX achieving an historical high of 8,530 points. Second liners and technology stocks saw a double-digit increase, with highs not seen for years. However, in June, a sharp downward adjustment in prices commenced, triggered by the Fed's comments on its intention to gradually phase out its expansionary monetary policy as well as renewed concern about a potential Chinese banking crisis. In the emerging markets, the adjustment had a particular impact.

Towards the end of the first half of 2013, the bond markets saw a sharp rise in yields on low-risk government bonds. German government bonds were also affected by this trend. Since the slightly higher interest levels may negatively impact on the government bond markets of the peripheral eurozone countries, the yield increase on German government bonds with a long maturity is likely to come to a halt again until such time as economic conditions in the eurozone periphery stabilise. Despite the upward trend in yields on top rated bonds, first observed in May this year, yields were generally lower and spreads tightened in the bond markets compared with the first six months of 2012, especially in the peripheral eurozone countries.

Once the crisis in Cyprus was overcome, investors became increasingly willing to take on risk and this caused a sharp fall in risk premiums on corporate bonds, forcing their yields to historical lows. At first, the rather disappointing interim reports of companies for the first quarter of 2013 were mostly ignored. Towards the end of the first half of the year, the Fed's announcement of a change in course then put pressure on yields. In view of this, issuing activities were at a pronounced level during the period under review.

Trends in property markets

Similar to low interest on the government bonds of countries with strong ratings, investors were also forced to accept low yields on top properties in the year to date. Within Europe, Germany, Scandinavia and London recorded very low net initial yields whereas yields in the southern eurozone countries rose.

The general sceptical attitude in respect of future economic developments dominated the European office rental markets during the first six months of this year. In view of the strained situation in the employment markets of many countries, demand for space decreased further. Consequently, vacancies were up in most locations. Substantial losses on top rents were again recorded in Portugal and Spain during the reporting period. In Italy, the deep recession also had an adverse effect on rental markets. Conversely, German and Scandinavian locations led the way in terms of growth in rents.

In the first six months of this year, the USA's office rental markets gradually started to recover. Although premises continued to be let predominantly to high-tech and energy companies, the demand base has broadened to include other sectors of the economy as well.

In the Asian and Australian office markets, demand remained at a moderate level. Many companies postponed relocations planned for the first half of the year in view of the weak economic outlook. Only Tokyo benefited from the economic programme following the change of government and reported high levels of demand in various sectors.

Investor attitudes and sector developments

The stabilisation of the financial markets had a positive overall impact on sales of mutual fund units. The investment statistics published by the Bundesverband Investment und Asset Management (BVI) for the first half of 2013 recorded significant funds inflows into bond and mixed funds, in particular. This reflects buoyant demand for corporate bonds on the one hand, which has been investors' response to the low in interest rates. On the other hand, the considerable funds inflows into mixed funds highlight that investors still have a marked need for safety. With regard to equity funds, the stabilisation which was already evident in the last quarter of 2012 continued at a low level. Money market funds and capital protected funds were less popular among investors.

At €32.6bn, special funds for institutional investors recorded higher net funds inflows compared with the same period in the previous year (€31.0bn). Open-ended property funds were still in demand. They recorded an increase of €3.0bn, of which one third (€1.0bn) was attributable to DekaBank's open-ended mutual property funds.

Regulatory provisions

In the first half of 2013, the European Parliament resolved the long-awaited implementation of the Basel III reform package at EU level. The new regulatory requirements have been enshrined in the form of the "Capital Requirements Regulation (CRR)" EU regulation and the "Capital Requirements Directive (CRD IV)" EU directive. The regulation will immediately be applicable after coming into force, without implementation into national law. This means that the provisions in the regulation regarding the composition of equity, capital requirements, large-scale loans and the leverage ratio as well as liquidity supply and disclosure will apply throughout the

EU starting from 1 January 2014. The CRD IV directive includes regulations on the admission and authorisation of financial institutions and securities companies as well as on governance and the supervisory framework. The act on the implementation of CRD IV will probably come into force on 1 January 2014, as requested by the EU Commission.

In June 2013, the German *Bundesrat* approved the Act on Ringfencing and Recovery and Resolution Planning for Credit Institutions and Financial Groups (*"Trennbankengesetz"*, the German Separate Banks Act), which is partly based on the German Federal Financial Supervisory Authority's (BaFin) minimum requirements for the design of recovery plans (MaSan). A key element is ensuring that banks which are too large to fail have the capacity to act in crisis situations. In accordance with the MaSan, systemically important banks, among them DekaBank, must develop recovery plans for their own businesses and update them every year. Another aspect of the German Separate Banks Act stipulates that financial institutions must undertake to hive off any parts of trading for own account that are categorised as risky into subsidiaries, which are separate and legally independent from deposit business.

At EU level, the relevant draft directive on defining a "framework for the recovery and resolution of credit institutions and investment firms", or RRD for short, is currently in trilateral negotiations between the Council, Commission and Parliament. Within DekaBank, the requirements for a recovery plan have been met in the form of a Group project, which is scheduled to be completed by the end of this year.

The Capital Investment Act (KAGB) resolved in early July 2013 introduced new provisions on returning fund units in open-ended property funds. The allowance applicable since 1 January 2013 under the Investor Protection and Capital Markets Improvement Act (AnsFuG) in respect of returned fund units of up to €30,000 per calendar half-year now only applies to investors who bought the relevant units before 22 July 2013. The 24-month minimum holding period and the 12-month return period will therefore apply to any amount above €1.00 for fund units acquired after 22 July 2013, whereas they only apply to units purchased before that date if the relevant returns exceed €30,000 per calendar half-year.

The Investment Tax Act (InvStG) is to be aligned to the amended investment legislation on the basis of the planned "Alternative Investment Fund Managers Tax Adjustment Act" (AIFM-StAnpG). For example, it provides for product tax regulation that is independent of supervisory law. Following the temporary failure of the draft law in the Mediation Committee, the existing provisions of the InvStG will continue to apply for the time being. Nevertheless, there is a chance that the new act will be passed before the end of the current legislative period and may come into force with retrospective effect from 22 July 2013.

Another regulatory project, which may have at least an indirect impact on DekaBank's business activities, is the planned introduction of a financial transaction tax (FTT). On 14 February 2013, the EU Commission presented a draft directive which substantiates the structure and content to be jointly developed by the eleven participating EU countries, including Germany, as part of the "enhanced cooperation" procedure.

The FTT is to cover a wide range of financial instruments. At present, no details are available on the exact structure of the FTT and the definitive date on which it will come into force.

Business development and profit performance in the Deka Group

Overall assessment of economic performance

With an economic result of €323.8m, DekaBank's performance was satisfactory given the present market environment. The pleasing rise in net commission income as compared with the first half of the previous year largely offset the overall decline in net interest income resulting from historically low interest rates. In a market characterised by an oversupply of liquidity and lower returns, net financial income slightly outstripped the figure for the previous year. Smaller contributions from the trading book portfolios were countered by positive valuation effects in the banking book portfolios. Provisions for loan losses were considerably below the previous year's level, but still remain comparatively high.

Current projects focused on key measures, with the result that the slight downturn in earnings was more than compensated on the expenses side. With its leaner cost structure, DekaBank now has the leeway required to implement its challenging transformation programme. This is likely to lead to additional expenditure in the second half of the year. Consequently, the economic result achieved in the first six months cannot be extrapolated to the year as a whole. Instead, DekaBank is sticking to its goal of virtually matching the previous year's figure.

The significantly positive net sales performance in securities funds is an optimistic sign for the year as a whole. However, in the first half of the year, this stemmed exclusively from gains in institutional business. The almost flat growth in mutual funds is a considerable improvement over 2012. In mutual property funds, DekaBank remains the market leader in Germany and despite the challenges in the sector, net sales outperformed the previous year.

The strong performance in sales is based to a great extent on the proven sales partnership with the savings banks. Even though the ratio of intra-alliance business was unable to reach the high figure achieved in 2012, the DekaBank sales and product initiatives now pooled in the D18 transformation programme are beginning to show initial signs of success.

DekaBank's role as the financing and liquidity centre for the savings banks is contingent on a stable financial and risk position. The rise in the core tier 1 capital ratio from 11.6% to 12.8% is notable in this context, as is the slight decrease in the group risk. However, there is still potential for setbacks on the market side. As the latest market developments show, a flare-up of the banking and financial market crisis can lead to new market distortions, which can adversely affect DekaBank's earnings position in the funds and customer-oriented capital market business, as well as in the form of higher risk provisions.

Profit performance in the Deka Group

At €328.3m, the Deka Group's economic result slightly exceeded the figure for the first half of 2012 (€313.8m). The decline in net interest income, which reflects the persistently low market interest rates in particular, was partially compensated by the rise in net commission income. Net financial income amounted to €184.7m, up 5% on the previous year.

Focusing the strategic and operating projects on the D18 transformation programme led to a reduction in operating expenses in the reporting period, which contributed significantly to the increase in the economic result. The small downturn in earnings of 1.2% was countered by a disproportionately large 4.2% decrease in expenses. The improved cost/income ratio is a prerequisite for implementing the transformation programme, which is likely to initially add to the burden on the cost side in the second half of 2013.

In core business, the result of €279.5m surpassed the previous year's figure (€255.6m), mainly due to a considerable rise in profit in the Securities and Real Estate business divisions in particular. The result for Capital Markets fell short of the high figure achieved in the previous year. The Financing business division was in marginally negative territory owing to recognition of the market-related valuation allowances required for older portfolios in ship financing and infrastructure loans. Treasury, which is an integral part of the overall bank management system, delivered an increased profit contribution totalling €54.9m. Non-core business contributed significantly to earnings and here, positive valuation effects for capital market credit products boosted the result to €44.3m. However, this still did not match the previous year's figure (€58.2m), partly because of the scheduled reduction in the portfolio.

As expected, net interest income did not reach the previous year's very high figure of €229.4m, but was still higher than forecast at €198.8m. A decline was recorded in both the Capital Markets and Financing business divisions, amongst others. Market-related lower margins for new business also had an impact. In contrast, the contribution based on fees and commission paid by customers in property finance increased slightly. Net interest income from Treasury was also up marginally on the previous year's figure.

Risk provisions totalled €–51.1m and were therefore lower than in the first six months of 2012 (€–86.2m). Of this figure, €–49.4m (previous year: €–88.8m) was attributable to lending business and related primarily to ship financing and infrastructure loans. As in the previous year, risk provisions for securities in the loans and receivables (lar) and held to maturity (htm) categories were not material.

Net commission income stood at €484.6m, topping the comparative figure for 2012 (€466.0m) by 4.0%. This was primarily due to portfolio-related commission in investment fund business in the wake of the improved sales and performance trend. As expected, commission from lending and commission business failed to match the respective figures for the previous year. Net financial income, which comprises the trading book and banking book portfolios as well as risk provisions for securities in the lar and htm categories, amounted to €184.7m (previous year: €175.9m).

In line with expectations, net financial income from trading book portfolios of €134.8m fell short of the previous year's very high figure of €220.4m. The previous year's figure was dominated by higher profit contributions from securities repurchase and lending transactions as well as positive effects in bond holdings as a result of spread tightening. In addition to repo/lending activities, derivatives and bond trading as well as the result posted by the Structuring & Own Issues unit were also down on the good half-year results recorded in 2012. In a market environment characterised by historically low interest rates and returns plus an almost unlimited supply of liquidity, net financial income from trading book portfolios in the year to date nevertheless outperformed the forecast figures. Among other things, this reflected stable customer business via the trading platform that was expanded in the previous year.

At €51.6m, net financial income from banking book portfolios was significantly positive in the reporting period following a minus of €47.1m in the previous year. The tightening of market spreads led to positive valuation results which had an impact on the result in Treasury and non-core business in particular.

A flat rate provisioning amount of €–85.0m was recognised in the reporting period to cover potential risks that may arise over the coming months. Apart from the sum of €–17.6m attributed to the Capital Markets division, this amount is included in the economic result outside the IFRS income statement, with no specific allocation to business divisions. The previous year's figure included a flat rate provisioning amount of €–80m to cover potential risks in the securities and lending business, which had decreased to €–55m by the end of 2012 and were reduced in full in the first half of 2013. In net terms, this led to a negative income effect of €–30m in net financial income for the first half of 2013.

As a result of the recognition of provisions in particular, other operating income was negative (€–54.8m) as compared with €–9.4m in the previous year.

Administrative expenses, including the bank levy of around €14m, were limited to €418.0m, which corresponds to a decrease of 6.8% versus the previous year's figure (€448.5m).

At €205.3m, personnel expenses were approximately on a par with the previous year's figure of €199.8m. The number of staff of 3,467 was virtually unchanged on the figure as at June 2012.

There was a notable decrease in operating expenses, which dropped to €202.8m as compared with the previous year (€230.3m). This primarily reflected lower project expenses, whereas higher expenses for the IT programme in particular had been recorded here in the previous year. The bank levy remained on a par with the comparative figure for 2012.

Depreciation and amortisation significantly declined as a result of lower scheduled amortisation of intangible assets compared with the first half of 2012. Restructuring expenses were higher than in the previous year due to the process of the transformation into a fully-fledged securities service provider (Fig. 2).

Profit performance in the Deka Group *(Fig. 2)*

€m	1st half 2013	1st half 2012	Change	
Net interest income	198.8	229.4	–30.6	–13.3%
Provisions for loan losses	–49.4	–88.8	39.4	44.4%
Net commission income	484.6	466.0	18.6	4.0%
Net financial income[1]	184.7	175.9	8.8	5.0%
Other operating income	–54.8	–9.4	–45.4	(< –300%)
Total income	**763.9**	**773.1**	–9.2	–1.2%
Administrative expenses (including depreciation)	418.0	448.5	–30.5	–6.8%
Restructuring expenses	22.1	10.8	11.3	104.6%
Total expenses	**440.1**	**459.3**	–19.2	–4.2%
Economic result	**323.8**	**313.8**	10.0	3.2%

[1] Net financial income includes risk provisions for securities in the lar and htm categories of approximately € –1.7m (previous year: €2.6m).

Business development and profit performance in the Securities business division

The Securities business division (formerly Asset Management Capital Markets) can look back on a positive first six months in 2013. Assets under management increased as a result of a positive trend in sales and performance. Net sales (including ETFs) climbed to €3.6bn (first half of 2012: €–3.0bn), and assets under management were consequently up €139.2bn on the figure at year-end 2012 (€137.4bn).

Net sales performance and assets under management

The net sales performance in mutual securities funds and fund-based asset management improved from €–2.1bn in the previous year to €–0.1bn and was thus almost at the break-even point (Fig. 3).

Net sales performance in the Securities business division *(Fig. 3)*

€m	1st half 2013	1st half 2012
Direct sales mutual funds	–182	–1,243
Fund-based asset management	–135	–1,084
Mutual funds and fund-based asset management	**–317**	**–2,327**
ETF index funds	239	233
Special funds and mandates	3,655	–895
Net sales Securities business division	**3,577**	**–2,989**
For information purposes:		
Net funds inflow Securities business division (according to BVI)	**2,567**	**–3,424**

In direct sales, fund unit redemptions once again predominated for equity funds and bond funds as well as capital protected funds. In contrast, mixed funds remained popular with investors, which can be seen as an indication of the sustained strong demand for security. Net sales of mixed funds in the first six months of 2013 have already exceeded the level reached for 2012 as a whole.

Net sales in fund-based asset management improved to €–0.1bn (previous year: €–1.1bn) with the Deka-Vermögenskonzept (Deka Wealth Concept) especially making a major contribution: net sales rose to €0.5bn (previous year: €0.3bn). These figures resulted in part from investments being shifted out of the Sparkassen-DynamikDepot. Funds of funds also performed considerably better than in the previous year, which was essentially owing to the success of the Deka-BasisAnlage (Deka Basic Investment).

In special securities funds, master funds and management mandates for institutional investors (advisory/management mandates), net sales performance saw a positive trend in the first half of 2013. A major mandate in master and service KAG business, with a volume of around €2bn, which was awarded to DekaBank, made a substantial contribution here. All in all, the net sales performance amounted to €3.7bn (previous year: €–0.9bn).

The rise in assets under management in the first half of 2013 is essentially due to gains in special funds and mandates. The volume in mutual funds and fund-based asset management increased slightly overall. The performance by equity funds more than offset the net outflows (Fig. 4).

Assets under Management in the Securities business division *(Fig. 4)*

€m	30.06.2013	31.12.2012	Change	
Equity funds	18,221	18,018	203	1.1%
Capital protected funds	2,464	3,243	–779	–24.0%
Bond funds	32,846	33,583	–737	–2.2%
Money market funds	235	225	10	4.4%
Mixed funds	12,610	11,666	944	8.1%
Other mutual funds	4,208	4,483	–275	–6.1%
Own mutual funds	**70,584**	**71,218**	–634	–0.9%
Partner funds, third party funds/liquidity in fund-based asset management	7,508	6,746	762	11.3%
Partner funds from direct sales	2,205	2,121	84	4.0%
Mutual funds and fund-based asset management	**80,297**	**80,085**	212	0.3%
ETF index funds	**4,537**	**4,308**	229	5.3%
Special securities funds	37,682	37,132	550	1.5%
Advisory/management mandates	8,357	8,566	–209	–2.4%
Advisory from master funds	8,368	7,318	1,050	14.3%
Special funds and mandates	**54,407**	**53,016**	1,391	2.6%
Assets under management Securities business division	**139,241**	**137,409**	1,832	1.3%
For information purposes:				
Fund assets – mutual funds Securities business division (according to BVI)	**93,831**	**94,784**	–953	–1.0%
Fund assets – special funds Securities business division (according to BVI)	**58,194**	**54,576**	3,618	6.6%

In terms of fund performance, the first half of 2013 was satisfactory for DekaBank. As at 30 June, 56% of equity funds (end of 2012: 51%) and 76% of bond funds (end of 2012: 95%) outperformed their respective benchmarks. Furthermore, 34% of the funds (end of 2012: 35%) received an above-average rating from Morningstar over a three to ten-year period.

As in previous years, DekaBank products scored well in the major comparisons with competitors with regard to their short-term and long-term performance as well as the overall high quality of fund management. Many of its investment funds won prizes in this year's €uro-FundAwards and Lipper Fund Awards, for instance.

Development in business with ETF index funds was also pleasing in the reporting period. Assets under management increased to €4.5bn with both net sales of €239m and price gains contributing to the result.

Further development of the product range

DekaBank further developed its range of products for equity funds in the first half of the year. With the new Deka-Deutschland Nebenwerte (Deka Germany Small and Mid Caps) equity fund, private investors can now invest in promising small and medium-sized companies on a targeted basis. Such companies are performing well and are consequently attracting growing attention from investors. Many private investors prefer German stocks in this regard, since they stand out due to their strong competitive position and fast-growing profits.

Profit performance in the Securities business division

At €177.6m, the economic result achieved by the Securities business division was up 17.5% on the previous year's figure (€151.1m). With earnings virtually stable, the significant cut in administrative expenses had a positive impact.

On the income-side, there was a modest rise in net commission income of 3.1% to €349.9m (previous year: €339.3m), which was mainly due to the increased fund volume.

Expenses totalled €194.2m, down €29.3m on the respective figure for 2012 (€223.5m). This was primarily due to lower project expenses as well as to limiting sundry operating expenses. The figure for the previous year also included restructuring expenses of €10.8m (Fig. 5).

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

€m	1st half 2013	1st half 2012	Change	
Net commission income	349.9	339.3	10.6	3.1%
Other income	21.9	35.3	–13.4	–38.0%
Total income	**371.8**	**374.6**	–2.8	–0.7%
Administrative expenses (including depreciation)	194.2	212.7	–18.5	–8.7%
Restructuring expenses	0.0	10.8	–10.8	–100.0%
Total expenses	**194.2**	**223.5**	–29.3	–13.1%
Economic result	**177.6**	**151.1**	26.5	17.5%

Business development and profit performance in the Real Estate business division

Bolstered by the trend towards inflation-proof assets, open-ended property funds were popular with investors in the first six months of 2013. DekaBank benefited disproportionately from this industry trend. Decisive plus points here were the comfortable liquidity levels and stable performance of the funds, which also stemmed from consistently leveraging buying and selling opportunities.

Net sales performance and assets under management

At €1.2bn, the net sales performance in the Real Estate division (formerly Asset Management Property) in the first half of 2012 slightly exceeded the previous year's high figure (€1.1bn) (Fig. 6).

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

€m	1st half 2013	1st half 2012
Mutual property funds	1,025	931
Property funds of funds	−5	−6
Special funds (including credit funds)	151	121
Individual property funds	20	67
Net sales Real Estate business division	**1,191**	**1,113**
of which to institutional investors	171	257
For information purposes:		
Net funds inflow Real Estate business division (according to BVI)	**1,182**	**994**

As a result of strong demand, the sales quotas for open-ended mutual property funds were already utilised to a large extent in the first six months of the year. Deka-ImmobilienEuropa topped its positive net sales performance of the previous year and accounted for more than half of net sales of mutual funds. The net sales performance of WestInvest InterSelect also outstripped the previous year's figure, while development in Deka-ImmobilienGlobal was stable.

Due to the sales success and performance of the funds, at €26.0bn. assets under management in the Real Estate business division were up 2.8% as compared to the figure at year-end 2012 (€25.2bn) (Fig. 7). The Deka Group remains the market leader in mutual funds in Germany and is one of the ten largest real estate asset managers in Europe. Worldwide, the Real Estate division is thus one of the top 15 businesses in the sector.

Assets under management in the Real Estate business division *(Fig. 7)*

€m	30.06.2013	31.12.2012	Change	
Mutual property funds	22,014	21,361	653	3.1%
Property funds of funds	70	76	−6	−7.9%
Special funds (including credit funds)	3,119	2,985	134	4.5%
Individual property funds	749	816	−67	−8.2%
Assets under management Real Estate business division	**25,952**	**25,238**	714	2.8%
For information purposes:				
Fund assets Real Estate business division (according to BVI)	**24,588**	**23,788**	800	3.4%

The pleasing net sales performance has increased the funds' scope for property acquisitions, and thus a series of acquisition opportunities in the European real estate markets were utilised for fund investors. In the first six months of 2013, purchases with a total volume of more than €600m were carried out, while nine properties were sold during the same period in order to leverage selling opportunities and align the property portfolios with the fund strategies.

Through prudent management of liquidity and returns, open-ended mutual property funds generated an average annualised volume-weighted yield of 1.8%. Retail funds in the Real Estate business division therefore remain an attractive investment from a risk/return perspective.

The Real Estate business division was awarded a rating of AA+ by rating agency Scope. At the same time, DekaBank's individual property funds once again achieved high valuations. This also applies with regard to the sustainability aspects that were included in the assessment for the first time.

Real estate lending

In real estate lending, Deka Bank consistently maintained its focus during the reporting period on loans with capital market viability in the countries that are also of key importance for the property funds.

Against the backdrop of the present renewed competition in pricing, the volume of new business arranged dropped from €1.4bn in the previous year to €0.8bn. At €0.6bn, the volume of loans placed with third parties was again pleasing, although it fell short of the above-average figure for the previous year (€0.9bn) because of the low level of new business. Once more, over half of these loans were successfully placed externally with the *Sparkassen-Finanzgruppe*. As a result of the restraint in new business as well as redemptions and currency effects, the gross loan volume was down on year-end 2012 (€7.7bn) at €6.9bn.

The average rating in the loan portfolio improved in the past six months from 7 to 6, corresponding to BB+ on the S&P rating scale. Including the portion secured by collateral, the rating now stands at 2 (BBB+) versus 4 (BBB–) at the end of last year.

Of the total portfolio, commercial property financing accounted for a €5.3bn share (end of 2012: €5.7bn), financing for open-ended property funds for a €1.3bn share (end of 2012: €1.6bn), and €0.4bn (end of 2012: €0.4bn) was attributable to financing for public sector construction projects, a segment which is being phased out.

Profit performance in the Real Estate business division

At €78.0m, the Real Estate business division significantly increased its economic result versus the previous year's figure (€20.6m). While expenses in the business division remained stable, a considerable rise was recorded in income. In addition to commission income, development in the risk provisions for real estate lending has been positive in the year to date, unlike the previous year when the figure was adversely affected by additions.

Net commission income increased year-on-year by approximately €16m to the present level of €98.0m, primarily as a result of portfolio-related commission totalling €55.1m. The positive net figure for loan loss provisions was predominantly due to improved ratings in lending business, and at €6.7m, loan loss provisions were substantially lower than in the previous year (€–27.7m). Despite the decline in the portfolios, at €38.5m net interest income almost matched the level of the previous year (€40.4m), thanks to the positive trend in the margin in lending business. Administrative expenses amounted to €63.8m (previous year: €62.9m) and there were no notable changes within the individual expense items (Fig. 8).

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

€m	1st half 2013	1st half 2012	Change	
Net interest income	38.5	40.4	–1.9	–4.7%
Provisions for loan losses	6.7	–27.7	34.4	124.2%
Net commission income	98.0	81.8	16.2	19.8%
Net financial income	–1.5	–9.2	7.7	83.7%
Other operating income	0.1	–1.8	1.9	105.6%
Total income	**141.8**	**83.5**	58.3	69.8%
Administrative expenses (including depreciation)	63.8	62.9	0.9	1.4%
Restructuring expenses	0.0	0.0	0.0	n/a
Total expenses	**63.8**	**62.9**	0.9	1.4%
Economic result	**78.0**	**20.6**	57.4	278.6%

Business development and profit performance in the Capital Markets business division

Business development in the Capital Markets business division

Business development in the Capital Markets business division (formerly Markets sub-division in the Corporates & Markets business division) outstripped expectations in the first half of 2013 but fell short of the good result posted in the first six months of 2012. In the previous year, the reporting period was characterised by a highly volatile market environment and positive valuation effects.

In a market with an oversupply of liquidity, the level achieved in repo/lending business was pleasing once again. Despite the decline versus the first half of 2012, the volume was slightly higher than forecast. Against the backdrop of tighter spreads and general stabilisation in the market, customer activity in the bond market was also positive. The demand on the part of savings banks and other institutional customers for *Pfandbriefe* and other bonds as well as structured products was largely stable and developed in line with forecasts. Derivatives and bond trading as well as commission business were all slightly down on the high figures achieved in the previous year, but the levels were still on a par with forecasts.

Profit performance in the Capital Markets business division

The business division's earnings declined due to the drop in business volume. Additional expenses of around €64m arose due to non-recurring effects resulting from the recognition of provisions and a flat rate provisioning amount for potential risks which date back to previous years. After €289.1m in the previous year, earnings amounted to only €140.0m. Expenses were significantly reduced to stand at just €87.3m (previous year: €100.9m). The segment thus posted an economic result of €52.7m. Excluding non-recurring effects, the economic result totals €116.5m, which as expected is lower than the exceptionally good result for the first half of 2012 (€188.2m). In operating business, repo/lending activities, bond trading and commission business in particular all outperformed the forecast for the current financial year. As a result of strong demand for fixed income securities, the development in bond trading was especially pleasing. Derivatives trading was slightly lower than the forecast due to somewhat restrained customer activity as a result of low interest rates (Fig. 9).

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

€m	1st half 2013	1st half 2012	Change	
Net interest income	14.4	22.9	−8.5	−37.1%
Provisions for loan losses	−0.4	0.0	−0.4	n/a
Net commission income	38.8	42.4	−3.6	−8.5%
Net financial income	132.9	222.5	−89.6	−40.3%
Other operating income	−45.7	1.3	−47.0	(< −300%)
Total income	**140.0**	**289.1**	−149.1	−51.6%
Administrative expenses (including depreciation)	87.3	100.7	−13.4	−13.3%
Restructuring expenses	0.0	0.2	−0.2	−100.0%
Total expenses	**87.3**	**100.9**	−13.6	−13.5%
Economic result	**52.7**	**188.2**	−135.5	−72.0%

Further development of the product range

As announced, DekaBank launched its certificate business for private investors in the first quarter of 2013. This centres on straightforward and transparent standard products, which are tailored to the needs of the savings banks and their end customers and suitable for selling on a broad scale. These products include equity linked bonds, interest rate products, capital protection certificates as well as express, discount and bonus structures. With regard to the underlying assets, the focus is on recognised indices such as the DAX and EURO STOXX as well as selected individual stocks. DekaBank has already been issuing individual certificates for investments by the savings banks and institutional customers for their own account for the past ten years and thus has an established infrastructure in this business segment.

Business development and profit performance in the Financing business division

Business development in the Financing business division

The Financing business division (formerly Credits sub-division in the Corporates & Markets business division) is very active in refinancing for the savings banks and also concentrates on selected segments of the lending business (infrastructure, transport and loans with (state-organised) ECA cover. In new business, the focus is on loans with capital market viability, where placement with an existing Deka credit fund, institutional investor such as insurance company or pension fund or bank/savings bank is already secured for part of the loan when the deal is closed. In the reporting period for example, a credit fund with a focus on transport finance and a similar arrangement for infrastructure lending were set up – both in the interests of pension funds. As expected, the gross loan volume of €22.1bn was below the figure at year-end 2012 (€23.3bn). Arranged new business was up on the previous year (€0.2bn) at €1.8bn, in particular with a significant increase in new business with savings banks. Only €0.1bn was attributable to other credit segments.

The external placement volume also stood at €0.1bn (previous year: €0.2bn).

The average rating in the portfolio according to the DSGV master scale was 5 (corresponds to BB+ in the S&P rating scale).

Profit performance in the Financing business division

At €–19.0m, the economic result was on a par with the previous year (€–19.0m). With expenses virtually unchanged, the result in the first half of 2013 was once again dominated by additions to risk provisions totalling €–54.8m (previous year: €–58.7m), which were primarily attributable to older portfolios relating to ship financing and infrastructure loans that no longer fit with the credit risk strategy that was revised several years ago. Despite the lower gross loan volume, at €50.1m net interest income remained almost constant due to the slight rise in margins, especially with regard to infrastructure and transport finance (Fig. 10).

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

€m	1st half 2013	1st half 2012	Change	
Net interest income	50.1	56.7	–6.6	–11.6%
Provisions for loan losses	–54.8	–58.7	3.9	6.6%
Net commission income	0.7	5.2	–4.5	–86.5%
Net financial income	–1.5	–6.7	5.2	77.6%
Other operating income	0.1	0.1	0.0	0.0%
Total income	**–5.4**	**–3.4**	–2.0	–58.8%
Administrative expenses (including depreciation)	13.6	15.6	–2.0	–12.8%
Restructuring expenses	0.0	0.0	0.0	n/a
Total expenses	**13.6**	**15.6**	–2.0	–12.8%
Economic result	**–19.0**	**–19.0**	0.0	0.0%

Business development and profit performance in non-core business

In non-core business, DekaBank continued to pursue its strategy of reducing the portfolio whilst safeguarding assets. The gross loan volume of lending business and credit substitute transactions, which do not represent core business, decreased to €3.7bn as at 30 June 2013 (end of 2012: €4.3bn). This development helped to limit the risk level of the Deka Group.

The gross loan volume of the lending portfolio decreased from €2.4bn to €2.0bn within the space of six months, while capital market credit products recorded a modest decline from €1.9bn to €1.7bn. In addition to the final maturity of several positions, this was due to selective sales.

As in the previous year (€58.2m), the economic result of €44.3m is essentially attributable to the valuation result for capital market credit products, with the positive development here due to tighter market spreads. The small drop in net interest income reflects the lower lending volume. At €1.9m, expenses for non-core business were once again down on the previous year's low figure (€2.6m) (Fig. 11).

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

€m	1st half 2013	1st half 2012	Change	
Net interest income	17.8	18.3	−0.5	−2.7%
Provisions for loan losses	−0.9	−2.4	1.5	62.5%
Net commission income	0.0	0.2	−0.2	−100.0%
Net financial income	29.3	44.7	−15.4	−34.5%
Other operating income	0.0	0.0	0.0	n/a
Total income	**46.2**	**60.8**	−14.6	−24.0%
Administrative expenses (including depreciation)	1.9	2.6	−0.7	−26.9%
Restructuring expenses	0.0	0.0	0.0	n/a
Total expenses	**1.9**	**2.6**	−0.7	−26.9%
Economic result	**44.3**	**58.2**	−13.9	−23.9%

Financial position and assets and liabilities

Balance sheet changes

Compared with year-end 2012, the Deka Group's total assets had decreased by €8.3bn to €121.5bn as at 30 June 2013. On the assets side, cash reserves were down by €1.4bn to €2.0bn due to lower deposits with the Deutsche Bundesbank. The amount due from banks and customers dropped slightly by €1.1bn to €61.8bn compared with year-end 2012. This included an amount of €16.9bn in lendings to savings banks. Financial assets valued at fair value through profit or loss fell sharply by €5.6bn to €52.5bn. They accounted for around 43% of total assets. The decline mainly resulted from lower market values for derivatives (€–4.3bn) and a portfolio reduction of fixed-income securities (€–1.7bn).

On the liabilities side, amounts due to banks and customers were down by €1.5bn to €59.5bn as at 30 June 2013, and therefore accounted for approximately 49% of total assets.

Financial liabilities valued at fair value through profit or loss decreased considerably by €6.9bn to €28.0bn. Of this amount, €17.9bn related to the market values of derivative financial instruments which, as on the assets side, were down by €4.7bn. In addition, covered short selling of securities accounted for €1.1bn and own issues valued at fair value for €9.0bn. Securitised liabilities were virtually unchanged on the figure at the end of 2012 (Fig. 12).

Balance sheet changes in the Deka Group *(Fig. 12)*

€m	30.06.2013	31.12.2012	Change	
Balance sheet total	**121,454**	**129,770**	–8,316	–6.4%
Selected items on the assets side:				
Due from banks and customers	61,845	62,960	–1,115	–1.8%
Financial assets at fair value	52,454	58,101	–5,647	–9.7%
Financial investments	4,106	4,226	–120	–2.8%
Selected items on the liabilities side:				
Due to banks and customers	59,511	61,024	–1,513	–2.5%
Securitised liabilities	27,378	27,376	2	0.0%
Financial liabilities at fair value	28,007	34,956	–6,949	–19.9%

Equity and liquidity management

Capital adequacy is determined in accordance with the Solvency Regulation (SolvV). In addition to default risks and market risk positions, amounts for operational risks are taken into account when calculating capital adequacy. The capital and reserves requirements under banking supervisory law were complied with at all times during the reporting period, both at the Bank and at Deka Group level. Silent capital contributions are not included when calculating the core tier 1 capital ratio; these are not covered by the scope of the transitional arrangements under Basel III and are no longer available as core tier 1 capital. Accordingly, the core tier 1 capital ratio amounted to 12.8% as at 30 June 2013. The rise compared with the year-end 2012 figure (11.6%) is attributable to growth in core capital while risk-weighted assets only increased minimally as a result of higher market price risk positions (Fig. 13).

Breakdown of equity in the Deka Group *(Fig. 13)*

€m	30.06.2013	31.12.2012	Change
Core capital	3,585	3,301	8.6%
Supplementary capital	480	535	–10.3%
Tier III capital	–	–	n/a
Capital and reserves	**4,065**	**3,836**	6.0%
Default risks	15,663	15,813	–0.9%
Market risk positions	6,325	6,088	3.9%
Operational risks	1,684	1,710	–1.5%
Risk weighted assets	**23,672**	**23,611**	0.3%
%			Change %-points
Core capital ratio	**15.1**	**14.0**	1.1
Core tier 1 capital ratio (excluding silent capital contributions) [1]	**12.8**	**11.6**	1.2
Equity ratio	**17.2**	**16.2**	1.0

[1] Excluding potential RWA effects (risk-waiting assets) resulting from Basel III.

As a capital market-oriented financial institution, DekaBank must comply with the requirements for liquidity management under the Minimum Requirements for Risk Management (MaRisk). These stipulate that banks must have sufficient funds and highly liquid assets that are eligible as security for central bank borrowing, enabling them to bridge a short-term refinancing requirement in a stress scenario for a minimum of one week. For a period of at least one month, further components of the liquidity reserve may be used, provided that they can be turned into cash without significant loss in value and that regulatory requirements are complied with. Both requirements were fulfilled by a very comfortable margin.

At DekaBank, the current mandatory liquidity ratio to be complied with in Germany in accordance with the Liquidity Directive ranged from 1.24 to 1.37 during the reporting period and exceeded the minimum requirement of 1.0 at all times.

Employees

The number of employees decreased slightly in the first half of 2013 to 3,467 (end of 2012: 3,506). This figure includes all persons who are actively involved in DekaBank's work processes pro rata of their working hours. The overall number of employees was slightly down by 1.2% to 3,990 (end of 2012: 4,040). With regard to the number of employees, the number of existing contracts of employment (fixed-term and permanent) as at the reporting date is counted, including any suspended contracts as well as part-time contracts of employment, trainee contracts and internship contracts.

On average for the first six months of 2013, 83.9% of the staff employed were in full-time posts (2012: 84.0%). The average age of active employees was 45.1 years (end of 2012: 44.8 years).

Post balance sheet events

On 17 July 2013, the Board of Management members of Landesbank Berlin (LBB) and DekaBank agreed on the key points of the sale of parts of LBB's customer-oriented capital market business and of LBB-INVEST, an investment fund company, to DekaBank. Subject to approval from the competent committees, it was agreed that DekaBank will take over LBB-Invest with managed fund assets totalling approximately €10bn at the end of 2013/ beginning of 2014, continuing the business as an independent company with registered office in Berlin.

Also in July 2013, ETFlab Investment GmbH was merged with Deka Investment GmbH with retroactive effect from 1 January 2013. This completed the already existing functional assignment of ETF business to the Board of Management responsibility of Institutional Clients, Securities Investments & Capital Markets in legal terms.

Forecast report

Forward-looking statements

Future business developments are planned on the basis of assumptions that seem the most probable from today's standpoint. In spite of this, planning and statements about future growth are, by nature, subject to uncertainties in the current market environment.

The actual trends in the international capital, money and property markets, or in the DekaBank business divisions, may diverge markedly from the assumptions made. For the purpose of providing a balanced presentation of the major opportunities and risks, these are broken down according to business division. In addition, the risk report included in the interim management report (cf. pages 26f.) contains a summarised presentation of the Deka Group's current risk position.

Anticipated external conditions

Expected macro-economic trends

The European debt crisis remains the principal topic at the present moment. However, there are signs that it will slowly be overcome. From the second half of 2013 onwards, a gradual economic recovery is expected in the crisis-stricken countries, despite the fact that the rapid consolidation of public budgets represents an enormous burden on national economies. Realisation of a political union is not on the horizon for now and is unlikely to be widely accepted by the public as necessary until such time as budgets in the eurozone periphery have successfully been consolidated.

Until the achievement of this goal is in sight, the global economy is set to be affected by developments. For this reason, and also because different factors are having a negative impact in other parts of the world, a protracted phase of weak global economic growth is expected. According to DekaBank's forecasts, global GDP is set to increase by 2.8% in 2013 and by 3.5% in the following year.

In the eurozone, a further moderate decrease in GDP of 0.6% is anticipated in 2013, which is essentially driven by the economic downturn in the peripheral eurozone countries. Economic problems are also set to have a negative effect on economic growth in parts of Eastern Europe. The EU-28 face a reduction in GDP of 0.2%. A recovery is not anticipated before 2014, when 1.2% GDP growth should be recorded.

The USA remains on course for modest growth, although the disproportionally weak trend in the labour market compared with earlier phases of recovery remains a problematic factor. For 2013, a rise in the USA's GDP of 1.7% is expected and growth of 2.3% in 2014.

In the emerging markets, the relevant economic data points to a slowing down of the economy in all the regions. Although the downward trend in growth rates is not dramatic, the slowing pace is contributing to weak global economic growth. Following an increase of 4.9% in the previous year, economic growth in the emerging markets is again expected to be unusually low at 4.7% in 2013. In 2014, it could be up to 5.2%.

Initially, China will not find it easy to match the level achieved in times of double-digit growth rates. DekaBank's forecasts indicate GDP growth of 7.4% for the current year and 7.3% in 2014.

Expected trends in the capital markets

Low rates of inflation continue to provide the central banks with the necessary scope to continue their expansionary monetary policy. The exit from the programme of quantitative easing announced by the US central bank will only happen towards the end of this year. Since the process of recovery of the US banking system is still in progress and US labour market data is not providing signals of an easing in the near future, the trend reversal in interest rates introduced is unlikely to go very far for the time being. Such processes of structural change tend to take a long time. Accordingly, the first key interest rate increases are not expected before mid-2015.

In view of the continuing low in interest rates, investors are increasingly seeking high-yield investment options again. However, marked risk aversion is still prevalent. The yield on 10-year German government bonds may fluctuate around 1.7% in the second half of 2013. Without further stimuli from the ECB, money market rates should slowly start to go up, driven by the repayment of long-term tender and the associated gradual reduction of surplus reserves in the banking system.

Given the lack of high-yield alternatives, equity markets are likely to continue to rise sharply in the second half of this year. Provided that the economic trend will not be weaker than expected, the focus of investors will turn back to the earnings power of companies, so that the equity markets will return to their long-term growth path. Towards year-end, the DAX could hit the 8,600 points mark again in this scenario.

Expected trends in the property markets

The ongoing unresolved debt crisis is set to continue to affect the rental markets for office property in the current year. A gradual economic recovery that will provide new impetus is only expected in 2014. In view of the currently already strained situation in the employment markets of many countries, demand for space is likely to be modest up to the end of this year. This will result in an increase in vacancies in most locations. Owing to the low new construction volume since 2010, the increase should only be relatively limited. From 2014 onwards, the vacancy rate throughout Europe will probably decrease again slowly following a moderate economic recovery.

In view of the expected rise in vacancy rates, the top rents for European office property are expected to increasingly come under pressure in the next few quarters. However, regional differentiation applies. The German markets should continue to be among the winners. Here, the positive economic development has resulted in a considerable reduction in vacancy rates. The supply of attractive space has therefore shrunk, providing lessors with better arguments for charging higher rents. Significant losses in top rents are expected in the Portuguese, Spanish and Italian markets during the current and coming year.

The trend in top rents is also likely to reflect the European debt crisis and its economic consequences in the coming years. At regional level, the German markets within the European Monetary Union and locations outside the EMU where liquidity is high (London) or the economy is strong (Scandinavia) in particular will seem low-risk and will thus be the focus of investor interest.

The developments in the rental and investment markets described above point to a difficult time in terms of overall income from European office property. After two years of high income levels, the overall income on typical and ideal investments is set to be very modest up to 2014.

The US investment market is experiencing a phase of consolidation. The focus of national and international investors has remained on core properties. Limited supply is keeping prices at a high level. According to DekaBank's assessment, yields in the top segment are likely to stagnate up to the end of this year. DekaBank expects the fastest growth in rents in locations that are centres for technology, software and energy.

In Asia, the rental markets are stagnating due to low demand for space. A sideways movement is also expected in Australia.

Expected business development and profit performance

Based on the positive trend in the first half of the year, the Deka Group aims to achieve an economic result for 2013 as a whole that will virtually match the strong level reported in 2012, reflecting the forecast provided at the end of financial year 2012. Beyond 2013, the Bank forecasts moderate growth.

The slightly lower income level of the first six months of this year is also expected to remain below the previous year's level at year-end. According to expectations, the market-driven decrease in net interest income and net financial income from trading book portfolios is particularly set to affect income. The positive trend in net commission income of the first half of 2013 is likely to continue, provided that fund sales and the performance build on the favourable developments seen in the first six months of the year. The reduction in income is to be accompanied by strict cost discipline. However, the projects about to be launched as part of the D18 transformation programme, including intensified sales, will probably result in higher expenses in the second half of the year than in the first six months of 2013. For this reason, it is not possible to extrapolate the good half-year results to the full year.

Securities business division

The Securities business division will continue to consistently implement its strategy, as presented in detail in the 2012 Group management report, and thus make a significant contribution to DekaBank's economic result. In the remaining months of the year, the focus will stay on expanding the range of products and services in line with the requirements of the savings banks and their customers.

Net sales are set to be in the positive range, based on the full-year view. This means that the previous year's figure is expected to be considerably exceeded.

Major risks arise if the market developments and net funds outflows differ from the assumed figures.

Real Estate business division

The Real Estate business division will once again pursue its proven management of property funds. The system of sales quotas and the buying and selling policy are aligned with the liquidity situation of investment funds and market conditions. In view of the fact that sales quotas have already largely been utilised, net sales are expected to be substantially lower in the second half of the year.

Institutional business is to be further expanded. In property financing, DekaBank aims to position itself in the markets that are globally the most important for the Bank. Proactive external placement activities will continue to limit the loan volume in the future.

Following the positive trend in the first half of 2013, the Real Estate business division is expected to make a somewhat higher contribution to the economic result. Risks mainly arise from changes in the legal conditions for open-ended property funds. This also includes the impact of the Alternative Investment Fund Managers Tax Adjustment Act (AIFM-StAnpG) – although it did not come into force together with the new Capital Investment Act (KAGB) on 22 July 2013, as was originally planned – as well as potential unexpected fluctuations in value in the property markets.

Capital Markets business division

Customer-driven business will remain at the centre of activities in the Capital Markets business division.

The comprehensive liquidity supply by the ECB is expected to continue in the second half of 2013. It is associated with lower demand for short-term liquidity, which is also affecting DekaBank's Capital Markets business division. Consequently, the business division is unlikely to deliver a contribution to the economic result that is similar to the very high level achieved in the previous year. Excluding the charges resulting from non-recurring factors in the first half of this year, income is still expected to be in line with the forecast.

Financing business division

In the Financing business division, DekaBank adheres to its strategy and only makes new commitments if they fully meet the strategic requirements specified. This will considerably restrict new business. Conversely, activities relating to the funding of savings banks will continue at a high level. In the prevailing low interest rate environment, demand for loan participation and credit funds is likely to increase further in the long term.

The Financing business division is forecast to outstrip the previous year's results, mainly in view of the expected reduction in the risk provisions required for existing commitments. Income growth is restricted by strategic requirements and the temporary focus on reducing risk-weighted assets in existing portfolios.

A material risk in terms of future developments is associated with a potentially higher requirement for risk provisions than currently expected as a result of worsening market conditions.

Non-core business

In non-core business, DekaBank will continue to adhere to its strategy of reducing the portfolio while safeguarding assets at the same time. In all three sub-segments (Capital Market Credit Products, Loan Portfolio and Public Finance), further reductions of the portfolio volume are envisaged in the coming financial years. Decisions regarding selling, holding or hedging specific positions will continue to be made on a case-by-case basis at regular intervals, taking into account the expected revaluation, default risk and contribution to net interest income.

Risk report

Organisation of risk management and control

The organisation of the Deka Group's risk management and control system essentially corresponds to the description provided in the 2012 Group management report (pages 47 to 49). In addition to the corporate bodies presented in the Group management report 2012 (Fig. 14), the Risk Management Committee was set up in the first half of 2013. This cross-divisional and cross-departmental committee deals with matters or changes in circumstances which may have a material impact on the risk profile. The committee is at the divisional manager level and mainly comprises representatives from risk controlling business units. The adjustments to the structure of business divisions implemented in the first half of 2013 are reflected in the organisation of the risk management. However, they have not resulted in significant changes to the risk management system. As part of the switch to German names for the business divisions and Corporate Centres to be used in German-speaking countries (see page 5), only the actual names were changed.

The 4th MaRisk amendment (German Minimum Requirements for Risk Management) came into force at the start of 2013. The new requirements, with which compliance will be mandatory as of 31 December 2013, have largely already been implemented by DekaBank. The Bank has also initiated relevant activities regarding the implementation of other new requirements which have a later implementation deadline, such as the liquidity transfer pricing system. The expanded requirements stipulated in the amended MaRisk in terms of the risk-bearing capacity concepts of banks had already been implemented at DekaBank by the end of 2012. With regard to capital management, the liquidation perspective (gone concern) remains the leading approach in this context, but has been supplemented by a complementary approach based on the continuation perspective (going concern). Please refer to the 2012 Group management report for further details (page 49).

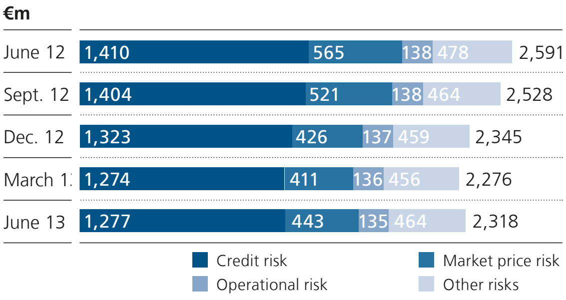
In connection with the maturity of subordinated capital components, DekaBank has modified some aspects of its system for presenting the risk cover potential. The definition of total risk-bearing capacity remains unchanged. However, the primary and secondary cover potential definitions have been revised. The previous division based on the capital source has been abandoned in favour of a sub-division by capital purpose. The secondary cover potential is now defined as a fixed amount which, as was also the case before, acts as a buffer for potential stress situations and, new since the start of this year, also for risks arising in connection with pension commitments. It is not generally available for the purpose of capital allocation. The basis of capital allocation remains the primary cover potential, as before. It results from the difference between the total risk-bearing capacity and the above-mentioned capital buffers that represent the secondary cover potential.

Another change has occurred with regard to quantifying market price risks. They have been supplemented by specific items relating to market price risks arising from guaranteed funds, *Riester* products and partial retirement contracts, all of which have become more important. In this context, the risk capital attributable to the Securities business division was moderately increased.

Overall risk position of DekaBank

DekaBank presents its risk position differentiated by market price risks, credit risks, liquidity risks and operational risks. In addition, there are further specific risks which are taken into account when determining and analysing the Deka Group's overall risk: shareholding risk, property/property fund risk as well as business risk. The risk definitions have remained unchanged and are described in the Group management report 2012 (pages 50 to 51).

Deka Group risk over the course of the year *(Fig. 14)*



Despite the aforementioned change in the method for determining market price risk, the Deka Group's overall risk established across all risk types (value-at-risk, confidence level of 99.9%, holding period of one year) was slightly reduced by 1.1% to €2,318m, as compared with year-end 2012 (€2,345m). This also reflects the relatively relaxed situation in the financial and capital markets during the first half of 2013. In addition, the lower risk of potential rating downgrades (migration risk) resulted in a reduced credit risk overall in particular. This more than offset the minor rise in market price risk, which was mainly attributable to the first-time inclusion of guaranteed products. Changes in the other risks that are taken into account in the calculation of risk-bearing capacity were insignificant (Fig. 14).

The risk ascribed to core business was €2,020m as at 30 June 2013 (end of 2012: €2,040m). In non-core business, it was reduced by a further €35m to €369m in the six-month period. In particular, the continuing reduction of positions had an impact on this figure.

Although the overall risk level was down, utilisation of the total risk-bearing capacity barely changed, applying the leading liquidation approach. As at 30 June 2013, it amounted to 46.4% (end of 2012: 45.8%). The reason for this was a simultaneous decrease in the total risk-bearing capacity of €125m to €4,994m. The higher reserves from retained earnings accumulated from the 2012 annual result were overcompensated, partly as a result of some subordinated liabilities falling due. These are only included in the total risk-bearing capacity if they have a remaining term of more than one year, which means that capital instruments expiring in February 2014 were no longer taken into account.

Utilisation of the primary cover potential rose slightly in the first six months of 2013, from 60.9% at year-end 2012 to 61.7%. However, this remains at a moderate level. The primary cover potential itself was down in line with the overall risk-bearing capacity. It amounted to €3,761m as at 30 June 2013 (end of 2012: €3,849m). In the macro-economic stress scenarios analysed, total risk-bearing capacity was guaranteed at all times throughout the reporting period. As at 30 June 2013, the utilisation rate of the overall risk-bearing capacity forecast for year-end 2013 was below 90% in all of the examined scenarios.

In the continuation approach, which is additionally considered, utilisation as at the reporting date of 30 June 2013 also remained uncritical. Taking into account a core tier 1 capital ratio of 10.5%, for the risk cover potential still available, the utilisation rate decreased from 45.4% to 41.6% in the past six months (confidence level: 95%). The reduction in the utilisation rate primarily resulted from the increased reserves from retained earnings accumulated from the 2012 annual result.

In the remaining months of this year, a minimal increase is expected in the utilisation rate under both of the approaches analysed. This is partly due to methodological adjustments in line with internal rating procedures.

Market price risks

The value-at-risk (VaR) in terms of the market price risk arising from the Capital Markets business division, Treasury and non-core business was slightly down in the first six months of 2013 and equated to a value of €44.2m as at the reporting date of 30 June 2013, following a figure of €45.3m as at 31 December 2012 (holding period: ten days, confidence level: 95%), (Fig. 15). A modest decrease was recorded in the spread risk, while the general interest rate risk was higher. At the risk-bearing capacity level, the inclusion of market price risks related to guaranteed products also pushed up the risk level.

Value-at-risk in Treasury and in the Capital Markets business division and non-core business [1)]
(Confidence level 95%, holding period ten days) *(Fig. 15)*

€m Category	Treasury and Capital Markets business division	Non-core business	30.06.2013 Treasury, Capital Markets business division and non-core business	Treasury and Capital Markets business division	Non-core business	31.12.2012 Treasury, Capital Markets business division and non-core business	Change in risk
Interest rate risk	42.4	9.1	44.0	41.8	13.3	44.5	–1.1%
Interest rate – general	9.1	2.0	7.9	2.7	1.5	2.7	190.7%
Spread	41.5	8.7	43.1	41.5	13.2	44.4	–2.9%
Share price risk	5.0		5.0	3.1		3.1	60.0%
Currency risk	1.2	0.8	0.5	1.7	1.3	0.6	–11.7%
Total risk	**42.5**	**9.3**	**44.2**	**42.3**	**13.5**	**45.3**	–2.3%

[1)] Risk ratios interest rate risk and total risk take account of diversification. Including issuance specific credit spread risk.

As at 30 June 2013, the credit spread risk of €43.1m had fallen somewhat below the already low risk level recorded at year-end 2012 (€44.4m). The level of spread curves as well as their volatilities saw a sharp decrease in the first half of 2013. However, this effect was countered by the expansion of bond positions in the Treasury banking book, especially during the second quarter of the year. The general interest rate risk rose from €2.7m as at 31 December 2012 to €7.9m in mid-2013. This development was mainly driven by a sharp rise in the interest rate level in bond markets and greater interest rate volatility.

Compared with year-end 2012 (€3.1m), the share price risk increased to €5.0m. This was primarily caused by the expansion of risk positions in the Treasury banking book. The currency risk, which was predominantly attributable to the pound sterling, the US dollar and Japanese yen, remained at an immaterial level of €0.5m (end of 2012: €0.6m).

Credit risks

The credit risk at Deka Group level was down by €46m to €1,277m in the first six months of 2013, primarily as a result of the lower migration risks. The increase due to several rating downgrades, especially of banks, and the expansion of positions in a few risky areas was overcompensated.

Compared with the figure at year-end 2012 (€157.6bn), the gross loan volume was virtually unchanged and totalled €151.6bn. In the financial institutions risk segment, a decrease in the volume was mainly attributable to derivatives positions and collateralised securities lending transactions. At the same time, positions held by savings banks increased, primarily as a result of the higher liquidity made available on the basis of money on call and time deposits. The corporates risk segment also recorded slight growth. Here, the volume of bonds rose in particular. Financial institutions and savings banks together once again accounted for a share of around 60% of the gross loan volume (Fig. 16).

Gross loan volume *(Fig. 16)*

€m	30.06.2013	31.12.2012
Financial institutions	74,258	77,948
Public sector finance Germany	17,820	19,827
Savings banks	18,630	17,339
Corporates	12,002	11,905
Funds (transactions and units)	9,726	10,091
Property risk	7,372	8,202
Transport & trade finance	4,732	5,192
Utility & project finance	2,208	2,345
Other	4,829	4,717
Total	**151,579**	**157,565**

The eurozone remained the primary focus of the loan portfolio, representing 72.0% of the total volume (end of 2012: 72.4%). While a slight decrease in the eurozone was mainly attributable to German counterparties, positions in the other EU countries were expanded to €24.0bn in total (end of 2012: €21.0bn). The moderate rise in the loan volume outside the EU made no significant impact.

The average legal maturity of the gross loan volume dropped again slightly to 2.9 years (end of 2012: 3.0 years). 38.1% of loans (end of 2012: 35.9%) had a maturity of less than one year.

Calculated according to the DSGV master scale, the average rating remained unchanged at 3 on a gross basis. The average probability of default was 17 basis points.

The net loan volume of €52.1bn was also close to the 2012 year-end figure (€50.7bn). The concentration of the net portfolio according to borrower units was essentially the same as six months earlier (Fig. 17).

Net loan volume *(Fig. 17)*

€m	30.06.2013	31.12.2012
Financial institutions	19,089	19,878
Savings banks	13,420	11,122
Corporates	6,042	5,933
Funds (transactions and units)	5,680	5,331
Property risk	1,862	2,252
Transport & trade finance	816	775
Utility & project finance	2,109	2,242
Other	3,103	3,184
Total	**52,121**	**50,717**

With regard to the net loan volume, the probability of default was reduced from 24 to 21 basis points, with the rating slightly improving from 4 to 3. Only approximately 5% of the net loan volume was affected by rating changes relating to rating groups. However, in this respect downgrades were predominant (Fig. 18).

Net loan volume by risk segment and rating *(Fig. 18)*

€m	Average PD in bps	Average rating 30.06.2013	30.06.2013	Average PD in bps	Average rating 31.12.2012	31.12.2012
Financial institutions	9	A–	19,089	7	A	19,878
Savings banks	1	AAA	13,420	1	AAA	11,122
Corporates	32	5	6,042	30	4	5,933
Public sector finance international	9	A–	1,412	8	A–	1,431
Public sector finance Germany	1	AAA	224	1	AAA	209
Public infrastructure	104	7	1,040	211	9	1,069
Transport & trade finance	272	10	816	153	8	775
Utility & project finance	118	8	2,109	151	8	2,242
Property risk	56	6	1,862	77	7	2,252
Retail portfolio	16	3	335	25	4	381
Funds (transactions and units)	15	3	5,680	14	3	5,331
Equity investments	116	8	92	113	8	92
Total result	**21**	**3**	**52,121**	**24**	**4**	**50,717**

A greater number of repo and securities transactions with bank counterparties with strong ratings produced a moderate rise in the gross loan volume attributed to the eurozone countries that are under discussion: Italy, Spain, Ireland, Greece and Portugal. Following a volume of €4.4bn as at the 2012 reporting date, the corresponding mid-year figure amounted to €4.9bn. However, in net terms, the change in volume was insignificant. The total volume ascribed to the above-mentioned core countries declined further in the first half of 2013 (Fig. 19).

Gross loan volume by PIIGS countries and sector as at 30 June 2013 *(Fig. 19)*

€m	Greece	Ireland	Spain	Italy	Portugal	Total
Core country	0	3	72	187	9	271
Public sector	0	0	94	0	0	94
Banks	0	100	1,529	972	52	2,653
Corporates	198	403	462	632	50	1,745
Other	0	12	51	98	0	160
Total result	**198**	**519**	**2,207**	**1,889**	**111**	**4,923**
Change vs. previous year						
Core country	0	0	–21	–15	–3	–40
Public sector	0	0	–13	0	0	–13
Banks	0	–37	575	267	1	805
Corporates	–61	–27	–84	–16	1	–187
Other	0	–8	1	–16	0	–22
Total result	**–61**	**–72**	**459**	**220**	**–2**	**543**

On-balance sheet risk provisions fell from €724.1m as at year-end 2012 to €713.8m as at 30 June 2013, primarily as a result of the utilisation of specific valuation allowances. Currency effects reduced the risk. Portfolio valuation allowances for country and creditworthiness risks as well as provisions for portfolio risks changed only negligibly as compared with the 2012 reporting date (Fig. 20).

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

€m	Financial institu-tions	Funds	Transport & trade finance	Utility & project finance	Property risk	Public infra-structure	Cor-porates	Other	30.06.2013	31.12.2012
Impaired gross loan volume [1]	**527.5**	**0.0**	**420.6**	**52.5**	**142.6**	**263.2**	**22.8**	**0.1**	**1,429.3**	**1,368.9**
Collateral at fair value	**0.0**	**0.0**	**180.4**	**0.0**	**2.6**	**0.0**	**0.0**	**0.0**	**183.0**	**275.1**
Impaired net loan volume [1]	**527.5**	**0.0**	**240.2**	**52.5**	**140.0**	**263.2**	**22.8**	**0.1**	**1,246.3**	**1,093.8**
Provisions for loan losses [2]	**379.7**	**1.1**	**170.1**	**21.4**	**63.9**	**53.4**	**23.4**	**0.8**	**713.8**	**724.1**
Specific valuation allowances	372.0	0.0	148.4	7.3	55.2	48.9	16.9	0.1	648.8	658.2
Provisions	0.0	0.0	0.0	2.0	0.0	1.4	0.7	0.0	4.1	2.7
Portfolio valuation allowances for country risks	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	1.2	1.3
Portfolio valuation allowances for credit-worthiness risks	7.7	1.1	20.5	12.1	8.7	3.1	5.8	0.7	59.7	61.9

[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 as portfolio valuation allowances have been recognised.

Operational risks

The value-at-risk relating to operational risks (confidence level of 99.9%, risk horizon of one year), which is determined using an advanced measurement approach, was slightly down to €135m at the Deka Group level as compared with the 2012 year-end figure of €137m. This change occurred while loss events remained at a modest level. The estimated loss potential was largely constant, primarily as a result of the more accurate illustration of loss trends as part of scenario analyses. Based on these factors, the risk level can be assessed as uncritical, as was previously the case.

Legal risks may arise from a change in legal conditions, the non-enforceability of the Bank's own legal position or in-house errors. DekaBank has set up comprehensive provisions for material legal risks. No further significant risks from current proceedings have been identified.

Liquidity risks

The Deka Group's liquidity position remains very comfortable. As at 30 June 2013, DekaBank's potential liquidity that is readily convertible into cash remains at a high level even in stress scenarios. It has access to a high portfolio of liquid securities, most of which are eligible as collateral for central bank borrowings, the available surplus cover in the cover pool and the corresponding repo transactions.

As at the half-year reporting date, the accumulated balance of the Deka Group's combined stress scenario funding matrix in the short-term range (of up to one week) amounted to €7.2bn and was therefore up on the year-end 2012 figure (€5.3bn). In the maturity band of up to one month, the funding surplus totalled €5.7bn (year-end of 2012: €3.8bn), while it was €10.4bn in the medium to long-term range (three months) compared with €9.5bn at year-end 2012 (Fig. 21). A substantial portion of the liquidity raised and supplied is driven by business with the savings banks. In all maturity bands with maturities of up to 20 years, the funding matrices were clearly positive. This also applies to the alternative stress scenarios considered, as well as the continuation approach. The refinancing profile also remains very well balanced. As at 30 June 2013, money market products accounted for 66% of total refinancing and capital market products for 34%. The refinancing was also broadly diversified by investor group.

Intended holding period funding matrix of Deka Group as at 30 June 2013 *(Abb. 21)*

€m	D1	>D1–1M	>1M–12M	>12M–5Y	>5Y–20Y	>20Y
Liquidity potential (accumulated)	13,430	28,599	7,104	–56	0	0
Net cash flows (accumulated)	–7,485	–22,854	1,808	9,129	5,125	65
Liquidity balance	**5,945**	**5,745**	**8,912**	**9,073**	**5,125**	**65**
For informational purposes:						
Net cash flows by legal maturity	–3,694	–23,812	–24,733	–3,639	–1,678	–434

In accordance with the regulatory definition, highly liquid securities cover a potential cash outflow in the combined stress scenario across all maturity bands, instead of only the first month specified in the MaRisk. DekaBank's liquidity position also remains very strong under the stress conditions analysed separately. In the short-term maturity band of up to one month, liquidity surpluses were shown in all of the stress scenarios considered.

The regulatory requirements of the Liquidity Directive were also surpassed throughout the reporting period. The half-yearly average for the liquidity ratio of the first maturity band, determined on a daily basis, was 1.30 (previous year: 1.50). It ranged from 1.24 to 1.37 over the period. As at 30 June 2013, the ratio stood at 1.32 (end of 2012: 1.27).

Other risks

In the reporting period, there were generally few changes in the other risks arising for the Deka Group. The business risk rose slightly from €405m at year-end 2012 to €409m, primarily driven by a minor increase in provisions which are used as a basis for determining risk. The shareholding risk amounted to €37m (end of 2012: €37m). With a VaR of €6m (end of 2012: €6m), the property risk remained of secondary importance. At €11m (previous year: €11m), the property fund risk was also at an insignificant level.

The liquidity shortage risk did not represent a major risk for DekaBank as at the reporting date.

Structured capital market credit products

The structured capital market credit products comprise the securitisation portfolio of the former Liquid Credits portfolio, which has no longer been considered as strategic since 2009. It is therefore being reduced while safeguarding assets and is assigned to non-core business.

The net nominal value decreased further following the significant reduction in the previous year, standing at €1.3bn as at 30 June 2013 (end of 2012: €1.5bn). Alongside the sale of positions, repayments had an impact on this figure, as did currency effects, although these to a lesser extent.

A market-oriented approach is used for the valuation of structured capital market credit products categorised at fair value. Accordingly, any changes in the value of the positions categorised at fair value are reported directly in the income statement. No actual nominal or interest defaults occurred in the tranches during the first six months of 2013. Likewise, no specific valuation allowances were required as part of impairment tests. Indicative prices from pricing service agencies and brokers are used to establish the book values of assets in the at fair value category as at 30 June 2013. The book values of loans and receivables (lar) positions are determined on the basis of amortised costs. No specific valuation allowance was required for any of these positions as part of an impairment test. With regard to lar positions, no nominal and interest defaults occurred.

A total of 85.7% of the portfolio (end of 2012: 90.0%) was investment grade. The number of upgrades and downgrades was approximately the same. Positions were mainly reduced in areas with poorer ratings (Fig. 22).

Structured capital market credit products by rating class (nominal value in €m) *(Fig. 22)*

Product		AAA	AA	A	BBB	Non investment grade	Unrated	Total (previous year)
Structured	ABS	14	0	10	4	25	0	53 (73)
	RMBS	26	20	194	51	23	0	315 (361)
	CMBS	172	19	136	9	49	0	384 (486)
	CLO	14	236	98	68	19	0	435 (454)
	CSO	0	0	0	0	75	0	75 (75)
	Structured Finance CDO	0	0	0	20	0	0	20 (20)
Alternative	CPPI	0	50	0	0	0	0	50 (50)
Total		**226**	**326**	**438**	**152**	**191**	**0**	**1,333 (1,519)**

The focus of the remaining portfolio continues to be on Western Europe. As at 30 June 2013, 75.2% of securitisations related to the European market. With regard to CMBS positions, a large proportion were securitisations from the Benelux states, which was in line with market distribution. The only noteworthy positions outside of Europe are CLO and CSO securitisation transactions as well as CPPI. As at 30 June 2013, the anticipated remaining term of positions was 4.5 years. According to current expectations, around half of the remaining securitisation positions will be repaid or will expire by the end of 2017 (Fig. 23).

Structured capital market credit products by risk country (nominal value in €m) *(Fig. 23)*

Product	Structured						Alternative	Total
Country	ABS	RMBS	CMBS	CLO	CSO	Structured Finance CDO	CPPI	(previous year)
Germany	0	16	103	0	0	0	0	119 (146)
UK	14	93	97	0	0	0	0	203 (281)
Spain	1	72	0	0	0	0	0	73 (76)
Italy	7	107	13	0	0	0	0	127 (151)
Benelux	0	26	172	0	0	0	0	198 (207)
Rest of Europe	0	0	0	261	75	20	0	356 (316)
USA	32	0	0	174	0	0	50	256 (343)
Total	**53**	**315**	**384**	**435**	**75**	**20**	**50**	**1,333 (1,519)**

Based on a confidence level of 95% and a holding period of ten days, the spread risk for the securitisation positions in non-core business totalled €8.0m as at 30 June 2013 (end of 2012: €12.4m).

Interim financial statements

Statement of comprehensive income for the period from 1 January to 30 June 2013

€m	Notes	1st half 2013	1st half 2012[1)]	Change	
Interest and similar income		1,147.8	1,434.5	–286.7	–20.0%
Interest expenses		989.5	1,249.4	–259.9	–20.8%
Net interest income	[6]	**158.3**	**185.1**	–26.8	–14.5%
Provisions for loan losses	[7]	**–49.4**	**–88.8**	39.4	44.4%
Net interest income after provisions for loan losses		**108.9**	**96.3**	12.6	13.1%
Commission income		1,143.0	1,097.1	45.9	4.2%
Commission expenses		659.0	631.1	27.9	4.4%
Net commission income	[8]	**484.0**	**466.0**	18.0	3.9%
Trading profit or loss	[9]	**169.4**	**299.4**	–130.0	–43.4%
Profit or loss on financial instruments designated at fair value	[10]	**108.0**	**–61.2**	169.2	276.5%
Profit or loss from fair value hedges in accordance with IAS 39		**4.0**	**9.1**	–5.1	–56.0%
Profit or loss on financial investments	[11]	**0.5**	**5.5**	–5.0	–90.9%
Administrative expenses	[12]	**418.0**	**447.6**	–29.6	–6.6%
Other operating profit	[13]	**–79.4**	**–25.8**	–53.6	–207.8%
Net income before tax		**377.4**	**341.7**	35.7	10.4%
Income taxes	[14]	**138.3**	**115.6**	22.7	19.6%
Interest expenses for atypical silent capital contributions		**20.7**	**24.7**	–4.0	–16.2%
Net income		**218.4**	**201.4**	17.0	8.4%
Of which:					
Attributable to non-controlling interests		0.0	0.0	0.0	n/a
Attributable to the shareholders of DekaBank		218.4	201.4	17.0	8.4%
Changes not recognised in income					
Items that will be reclassified into profit or loss					
Reserve from the measurement of available for sale financial instruments		–0.6	0.3	–0.9	–300.0%
Reserve from the measurement of cash flow hedges		7.2	–3.6	10.8	300.0%
Reserve from currency translation		–1.0	0.7	–1.7	–242.9%
Deferred taxes on items that can be reclassified into profit or loss		–2.1	1.1	–3.2	–290.9%
Items that will not be reclassified into profit or loss					
Revaluation gains/losses on defined benefit pension obligations		0.0	0.0	0.0	n/a
Deferred taxes on items that cannot be reclassified into profit or loss		0.0	0.0	0.0	n/a
Results not recognised in income		**3.5**	**–1.5**	5.0	(> 300%)
Net income for the period under IFRS		**221.9**	**199.9**	22.0	11.0%
Of which:					
Attributable to non-controlling interests		0.0	0.0	0.0	n/a
Attributable to the shareholders of DekaBank		221.9	199.9	22.0	11.0%

1) Previous year's figures adjusted, see Note [4].

Balance sheet as at 30 June 2013

€m	Notes	30.06.2013	31.12.2012[1]	Change	
Assets					
Cash reserves		**1,975.9**	**3,387.7**	–1,411.8	–41.7%
Due from banks	[15]	**34,774.9**	**32,335.6**	2,439.3	7.5%
(net after provisions for loan losses amounting to)	[17]	(366.7)	(367.4)	–0.7	–0.2%
Due from customers	[16]	**27,070.0**	**30,624.3**	–3,554.3	–11.6%
(net after provisions for loan losses amounting to)	[17]	(324.5)	(339.0)	–14.5	–4.3%
Financial assets at fair value	[18]	**52,454.5**	**58,100.6**	–5,646.1	–9.7%
(of which deposited as collateral)		(23,749.1)	(11,169.6)	12,579.5	112.6%
Positive market values from derivative hedging instruments		**349.1**	**431.2**	–82.1	–19.0%
Financial investments	[19]	**4,106.1**	**4,225.7**	–119.6	–2.8%
(net after provisions for loan losses amounting to)		(13.5)	(11.7)	1.8	15.4%
(of which deposited as collateral)		(765.4)	(734.4)	31.0	4.2%
Intangible assets	[20]	**94.6**	**102.2**	–7.6	–7.4%
Property, plant and equipment	[21]	**31.4**	**32.3**	–0.9	–2.8%
Current income tax assets		**167.5**	**90.8**	76.7	84.5%
Deferred income tax assets		**146.1**	**159.3**	–13.2	–8.3%
Other assets		**284.4**	**280.6**	3.8	1.4%
Total assets		**121,454.5**	**129,770.3**	–8,315.8	–6.4%
Liabilities					
Due to banks	[22]	**35,176.9**	**37,690.5**	–2,513.6	–6.7%
Due to customers	[23]	**24,334.1**	**23,333.7**	1,000.4	4.3%
Securitised liabilities	[24]	**27,378.1**	**27,376.2**	1.9	0.0%
Financial liabilities at fair value	[25]	**28,006.6**	**34,956.4**	–6,949.8	–19.9%
Negative market values from derivative hedging instruments		**243.4**	**363.4**	–120.0	–33.0%
Provisions	[26]	**352.8**	**289.5**	63.3	21.9%
Current income tax liabilities		**97.6**	**63.6**	34.0	53.5%
Deferred income tax liabilities		**23.8**	**27.1**	–3.3	–12.2%
Other liabilities		**815.6**	**784.5**	31.1	4.0%
Subordinated capital	[27]	**1,291.3**	**1,314.8**	–23.5	–1.8%
Atypical silent capital contributions		**52.4**	**52.4**	0.0	0.0%
Equity	[28]	**3,681.9**	**3,518.2**	163.7	4.7%
a) Subscribed capital		191.7	191.7	0.0	0.0%
b) Capital reserves		190.3	190.3	0.0	0.0%
c) Reserves from retained earnings		3,127.3	3,126.8	0.5	0.0%
d) Revaluation reserve		–58.0	–62.5	4.5	7.2%
e) Currency translation reserve		12.2	13.2	–1.0	–7.6%
f) Accumulated profit/loss (consolidated profit)		218.4	58.7	159.7	272.1%
g) Minority interests		0.0	0.0	0.0	n/a
Total liabilities		**121,454.5**	**129,770.3**	–8,315.8	–6.4%

[1] Previous year's figures adjusted, see Note [4].

Condensed statement of changes in equity for the period from 1 January to 30 June 2013

	Paid-in equity		Group equity generated	
€m	Subscribed capital	Capital reserves	Reserves from retained earnings	Consolidated profit/loss
Holdings as at 31.12.2011	**191.7**	**190.3**	**2,899.4**	**67.5**
Revaluation gains/losses on defined benefit pension obligations (retrospective adjustments)				
Holdings as at 01.01.2012	**191.7**	**190.3**	**2,899.4**	**67.5**
Net income				201.4
Currency translation adjustments				
Change in revaluation reserve for cash flow hedges				
Profit or loss on available-for-sale financial instruments not recognised in income				
Changes in deferred taxes not recognised in income				
Income not recognised in profit or loss				
Net income for the period under IFRS	**–**	**–**	**–**	**201.4**
Changes in the scope of consolidation and other changes			−0.6	
Distribution				−67.5
Holdings as at 30.06.2012 [1]	**191.7**	**190.3**	**2,898.8**	**201.4**
Net income				84.4
Currency translation adjustments				
Change in revaluation reserve for cash flow hedges				
Profit or loss on available-for-sale financial instruments not recognised in income				
Revaluation gains/losses on defined benefit pension obligations				
Changes in deferred taxes not recognised in income				
Income not recognised in profit or loss				
Net income for the period under IFRS	**–**	**–**	**–**	**84.4**
Changes in the scope of consolidation and other changes			0.9	
Allocation to reserves from retained earnings			227.1	−227.1
Holdings as at 31.12.2012 [1]	**191.7**	**190.3**	**3,126.8**	**58.7**
Net income				218.4
Currency translation adjustments				
Change in revaluation reserve for cash flow hedges				
Profit or loss on available-for-sale financial instruments not recognised in income				
Changes in deferred taxes not recognised in income				
Income not recognised in profit or loss				
Net income for the period under IFRS	**–**	**–**	**–**	**218.4**
Changes in the scope of consolidation and other changes			0.5	
Distribution				−58.7
Holdings as at 30.06.2013	**191.7**	**190.3**	**3,127.3**	**218.4**

[1] Previous year's figures adjusted, see Note [4].

Income not recognised in profit or loss				
Revaluation reserve	Currency translation reserve	Total before minority interests	Minority interests	Equity
−21.6	**12.9**	**3,340.2**	**–**	**3,340.2**
1.2		**1.2**	**–**	**1.2**
−20.4	**12.9**	**3,341.4**	**–**	**3,341.4**
		201.4		**201.4**
	0.7			
−3.6				
0.3				
1.1				
−2.2	0.7	**−1.5**	**–**	**−1.5**
−2.2	**0.7**	**199.9**	**–**	**199.9**
		−0.6	**–**	**−0.6**
		−67.5		**−67.5**
−22.6	**13.6**	**3,473.2**	**–**	**3,473.2**
		84.4		**84.4**
	−0.4			
26.5				
−0.4				
−84.4				
18.4				
−39.9	−0.4	**−40.3**		**−40.3**
−39.9	**−0.4**	**44.1**	**–**	**44.1**
		0.9	**–**	**0.9**
		–		**–**
−62.5	**13.2**	**3,518.2**	**–**	**3,518.2**
		218.4		**218.4**
	−1.0			
7.2				
−0.6				
−2.1				
4.5	−1.0	**3.5**	**–**	**3.5**
4.5	**−1.0**	**221.9**	**–**	**221.9**
		0.5	**–**	**0.5**
		−58.7		**−58.7**
−58.0	**12.2**	**3,681.9**	**–**	**3,681.9**

Condensed cash flow statement for the period from 1 January to 30 June 2013

€m	1st half 2013	1st half 2012
Cash and cash equivalents at the beginning of the period	**3,387.7**	**368.2**
Cash flow from operating activities	–1,317.6	21.7
Cash flow from investing activities	–3.2	63.8
Cash flow from financing activities	–91.0	–269.8
Cash and cash equivalents at the end of the period	**1,975.9**	**183.9**

The definitions for the individual cash flow components are the same as in the 2012 consolidated financial statements.

Notes

Segment reporting

1 Segmentation by 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 net income before tax is only conditionally suitable for internally managing the business divisions, the economic result was defined as the central management indicator. Due to the requirements of IFRS 8, since 2007 the economic result has also been included in external reporting as material segment information.

	Securities		Real Estate		Capital Markets		Financing	
	Economic result							
€m	1st half 2013	1st half 2012	1st half 2013	1st half 2012	1st half 2013	1st half 2012	1st half 2013	1st half 2012
Net interest income	21.4	35.8	38.5	40.4	14.4	22.9	50.1	56.7
Provisions for loan losses	–	–	6.7	–27.7	–0.4	–	–54.8	–58.7
Net commission income	349.9	339.3	98.0	81.8	38.8	42.4	0.7	5.2
Net financial income [2]	3.3	1.8	–1.5	–9.2	132.9 [5]	222.5 [5]	–1.5	–6.7
Other operating income [3]	–2.8	–2.3	0.1	–1.8	–45.7	1.3	0.1	0.1
Total income	**371.8**	**374.6**	**141.8**	**83.5**	**140.0**	**289.1**	**–5.4**	**–3.4**
Administrative expenses (including depreciation)	194.2	212.7	63.8	62.9	87.3	100.7	13.6	15.6
Restructuring expenses [3]	–	10.8	–	–	–	0.2	–	–
Total expenses	**194.2**	**223.5**	**63.8**	**62.9**	**87.3**	**100.9**	**13.6**	**15.6**
(Economic) result before tax	**177.6**	**151.1**	**78.0**	**20.6**	**52.7**	**188.2**	**–19.0**	**–19.0**
Cost/income ratio [4]	0.52	0.57	0.47	0.57	0.62	0.35	0.28	0.28

1) There is no figure for cost/income ratio and group risk for Other as these figures are not meaningful here.
2) This includes the result from assets held for trading (trading book portfolio), the result from non-trading assets (banking book portfolio), the result from other financial investments as well as the result from repurchased own issues. In addition, this includes the risk provision for securities in the loans and receivables and held to maturity categories in the amount of €–1.7m (first half of 2012: €+2.6m).
3) Restructuring expenses are reported separately in segment reporting instead of under other operating income according to the balance sheet.
4) Calculation of the cost/income ratio excluding restructuring expenses and provisions for loan losses.

The material changes in variables and ratios are shown in the following table:

	Securities		Real Estate		Capital Markets		Financing	
€m	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Group risk (value-at-risk) [1]	490	453	183	216	351	336	309	382
Assets under Management [2]	139,241	137,409	25,952	25,238	–	–	–	–
Gross loan volume	6,304	6,173	6,978	7,716	90,515	93,627	22,082	23,265

1) Value-at-risk based on the liquidation value method with confidence level of 99.9% and holding period of one year as at 30 June and 31 December. As a result of the diversification between the segments (including Other and non-core business) taken into account in market price risk, the risk for core business and the risk for the Deka Group are not determined by adding the values for the segments together.
2) Assets under management include fund units in the Group's own portfolio amounting to €1,183.0m (31 December 2012: €1,136.9m). From 1 January 2013 onwards, exchange traded funds (ETFs) will also be reported in the segment Securities.
3) The gross loan volume includes equity investments not allocated to the respective segments but illustrated separately under Other.

With effect from 30 June 2013, DekaBank realigned its organisational structure as part of its transformation into a fully-fledged securities service provider for the savings banks. The former Corporates & Markets business division was transferred into the Capital Markets and Financing business divisions, while what was previously the Treasury sub-division is now part of the overall bank management system. The segment-related figures for the previous year were adjusted accordingly. The Securities business division corresponds to the former Asset Management Capital Markets business division and since the start of 2013 has also included business with index funds (ETFs), while the Real Estate business division encompasses the same activities as the former Asset Management Property business division.

	Treasury		**Other[1]**		**Total core business**		**Non-core business**		**Group**		**Reconciliation**		**Group**	
	Economic result												**Net income before tax according to IFRS**	
	1st half 2013	**1st half 2012**	**1st half 2013**	**1st half 2012**	**1st half 2013**	**1st half 2012**	**1st half 2013**	**1st half 2012**	**1st half 2013**	**1st half 2012**	**1st half 2013**	**1st half 2012**	**1st half 2013**	**1st half 2012**
	56.6	54.6	–	0.7	181.0	211.1	17.8	18.3	198.8	229.4	–40.5	–44.3	158.3	185.1
	–	–	–	–	–48.5	–86.4	–0.9	–2.4	–49.4	–88.8	–	–	–49.4	–88.8
	–2.8	–2.2	–	–0.7	484.6	465.8	–	0.2	484.6	466.0	–0.6	–	484.0	466.0
	18.2	12.6	4.0 [6]	–89.8 [6]	155.4	131.2	29.3	44.7	184.7	175.9	97.2	76.9	281.9	252.8
	0.2	0.2	–6.7	–6.9	–54.8	–9.4	–	–	–54.8	–9.4	–2.5	–5.6	–57.3	–15.0
	72.2	**65.2**	**–2.7**	**–96.7**	**717.7**	**712.3**	**46.2**	**60.8**	**763.9**	**773.1**	**53.6**	**27.0**	**817.5**	**800.1**
	17.3	21.9	39.9	32.1	416.1	445.9	1.9	2.6	418.0	448.5	–	–0.9 [7]	418.0	447.6 [7]
	–	–	22.1	–0.2	22.1	10.8	–	–	22.1	10.8	–	–	22.1	10.8
	17.3	**21.9**	**62.0**	**31.9**	**438.2**	**456.7**	**1.9**	**2.6**	**440.1**	**459.3**	**–**	**–0.9**	**440.1**	**458.4**
	54.9	**43.3**	**–64.7 [6]**	**–128.6 [6]**	**279.5**	**255.6**	**44.3**	**58.2**	**323.8**	**313.8**	**53.6**	**27.9**	**377.4**	**341.7**
	0.24	0.34	–	–	0.54	0.56	0.04	0.04	0.51	0.52				

[5] This includes the provision for potential losses resulting from management-relevant effects in the amount of €–17.6m (first half of 2012: €0.0m).
[6] This includes the provision for potential losses resulting from management-relevant effects in the amount of €–12.4m (first half of 2012: €–80.0m). This is additional information provided on a voluntary basis and is not an integral part of the IFRS disclosures.
[7] Previous year's figures adjusted due to first-time application of the amended IAS 19 standard.

	Treasury		**Other**		**Total core business**		**Non-core business**		**Group**	
	30.06.2013	**31.12.2012**	**30.06.2013**	**31.12.2012**	**30.06.2013**	**31.12.2012**	**30.06.2013**	**31.12.2012**	**30.06.2013**	**31.12.2012**
	715	678	–	–	2,020	2,040	369	404	2,318	2,345
	–	–	–	–	165,193	162,647	–	–	165,193	162,647
	21,913	22,379	92 [3]	92 [3]	147,884	153,252	3,695	4,313	151,579	157,565

In addition to net income before tax, the economic result comprises changes in the revaluation reserve as well as interest rate and currency-related valuation result from original lending business and underwriting business. This essentially refers to financial instruments of 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 illustrated in full for internal management purposes. The measurement and reporting differences versus the IFRS consolidated financial statements are shown in reconciliation to Group income before tax in the "reconciliation" column. Furthermore, the economic result also includes management-related effects.

Based on the definition of Section 19 (1) of the German Banking Act (KWG), the gross loan volume includes additional risk positions such as, for example, underlying risks from equity derivatives transactions and transactions for the purpose of mapping the guarantees of guarantee funds, as well as the volume of off-balance-sheet counterparty risks.

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

Securities

The segment Securities consists of all the Group's activities concerning capital market-based asset management for private and institutional customers. In addition to funds and structured investment concepts, the product range also includes products from selected international cooperation partners. The Group's investment funds cover all the major asset classes, sometimes in conjunction with guaranteed, 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 Sales. Since January 2013, activities relating to exchange traded funds (ETFs) have also been integrated into this segment. The range of services offered by the segment also includes the Master KAG activities, which institutional customers can use to pool their assets under management with one investment company. Furthermore, the Securities segment comprises services for custodial accounts, fund administration as well as central fund management services.

Real Estate

All property-related activities of the Deka Group are pooled in the Real Estate segment. This encompasses property investment products for private and institutional investors. The product range includes open-ended mutual and special property funds, individual property funds, property funds of funds as well as real estate finance and infrastructure finance funds. The segment also includes the purchase and sale of property, management of these assets including all other property-related services (real estate management) as well as product development of Group-wide property-based activities. Real estate lending completes the Asset Management services offered with financial solutions for third parties, thus offering professional property investors various exit routes.

Capital Markets

The Capital Markets segment is the central product and infrastructure provider as well as a service provider for the savings banks for DekaBank capital market products. The segment focuses on customer business between the savings banks, DekaBank and the capital investment companies and here it provides the link between customers and the capital markets. To fully utilise the platform, services are also offered to selected customers outside of the *Sparkassen-Finanzgruppe*, in particular to banks, insurance companies and pension funds.

Financing

Lending activities that are suitable for Asset Management are pooled in the Financing segment. The lending business consists of the management and product launch of credit finance, e.g. trade/export finance, public sector and infrastructure financing, which are suitable for Asset Management or meet the needs of institutional customers. The focus here is on loans that can be passed on to other banks or institutional investors. In addition, the Financing segment is the central point of contact regarding refinancing for the savings banks.

Treasury

The Treasury segment manages market price risks relating to the banking book, Group liquidity as well as Group refinancing and in addition manages the Bank’s surplus liquidity. Furthermore, the profit or loss on the investment of capital and reserves at the risk-free interest rate is allocated to this segment.

Other

Income and expenses that are not attributable to other reporting segments are reported primarily under Other. These essentially relate to overhead costs as well as management related effects.

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 consolidated financial statements

In the reporting period, the reporting and measurement differences between internal reporting and IFRS net income before tax amount to €–53.6m (first half of 2012: €–27.9m).

This includes a valuation result of €–59.8m (first half of 2012: €–21.2m) from interest rate and currency-related capital market effects as well as management-related effects. Of this amount, €–35.4m (first half of 2012: €–20.6m) relates to trading book portfolios.

The management-related effects refer to a provision for potential charges that are taken into account in corporate management due to the management function of the economic result, but cannot be recorded in IFRS reporting at the present time due to the lack of sufficient reliability.

Management-related effects amounting to €–80.0m were taken into account as at the reporting date of 30 June 2012. These were reduced to €–55.0m by the year-end and reduced in full in the first half of 2013. To cover potential risks that could arise in the coming months, a general provisioning amount of €–85.0m was recognised in the reporting period in respect of effects relevant for management purposes. The effect on income thus amounts to €–30m in the first half of 2013. Of this figure, €–17.6m is attributable to the Capital Markets segment. In addition, €–12.4m is reported under Other.

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. The valuation result from hedging instruments (€7.2m; first half of 2012: €–3.5m) is reported accordingly in the revaluation reserve with no impact on income and thus as part of the economic result. Also recorded in the economic result is the change in the revaluation reserve for available for sale portfolios in the amount of €–0.6m (first half of 2012: €0.3m).

The other reconciliation amounts shown in the reconciliation column refer to reporting differences between management reporting and the consolidated financial statements. Of these, €36.6m (first half of 2012: €45.1m) relates to internal transactions which are reported in the economic result in net interest income and the corresponding contrary income effects in net financial income. There are also reporting differences in net financial income and in other operating income from the different allocation of income effects from repurchased own issues.

General information

2 Accounting principles

The interim report of DekaBank Deutsche Girozentrale has been prepared in accordance with the International Financial Reporting Standards (IFRS). The standards published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) at the time the financial statements were prepared and their interpretation by the IFRS Interpretations Committee (IFRS IC, formerly the International Financial Interpretations Committee (IFRIC)) and the former Standing Interpretations Committee (SIC) apply.

The present condensed interim financial statements were prepared in accordance with Section 37y of the Securities Trading Act (WpHG) in conjunction with Section 37w WpHG, with particular account taken of the requirements of IAS 34 (Interim financial reporting).

The consolidated interim financial statements, which are reported in euros, comprise a balance sheet, statement of comprehensive income, condensed statement of changes in equity, condensed cash flow statement and selected explanatory notes.

3 Accounting policies

The interim report is based on the accounting policies of the 2012 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. The present interim report was reviewed by our year-end auditor and should be read in conjunction with our audited 2012 consolidated financial statements. The disclosures on risks relating to financial instruments are essentially provided in the risk report of the interim management report.

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 in line with accounting policies under IFRS are carried out in accordance with the respective standard on a best estimate basis and are continually revalued and 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 outlined in detail below in the explanation for the relevant line items.

4 Accounting regulations applied for the first time

New or revised accounting regulations were applied by the Deka Group for the first time in the first half of 2013. The new or revised International Financial Reporting Standards (IFRS) taken into consideration when preparing the present interim report are described below.

The amendments to IAS 1 “Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (OCI)” published in June 2011, which apply to reporting periods beginning on or after 1 July 2012, were accordingly taken into account in the statement of comprehensive income. The amendments required that the items reported in other comprehensive income as well as the associated tax amounts be subdivided into two categories within the statement of comprehensive income – according to whether or not they can be reclassified into the profit and loss account in future.

The new regulations resulting from the amendments to IAS 19 “Employee Benefits” published in June 2011 were applied in the Deka Group for the first time in the first half of 2013. The application of the amended IAS 19 standard means in particular that the corridor method previously used by DekaBank for the accounting treatment of actuarial gains and losses ceases to apply. In accordance with the rules in the amended IAS 19 standard, these actuarial gains and losses are to be reported in equity in the year in which they arise and may no longer be reclassified into the statement of comprehensive income in subsequent years.

Furthermore, in accordance with the amended IAS 19 standard, net interest costs are to be determined when pension commitments are covered by plan assets. This involves calculating the interest on the net debt or net assets (defined benefit obligation minus fair value of plan assets) using a uniform interest rate. This net interest figure replaces the interest rates used for adding interest to the pension commitment and the expected income from plan assets.

As a result of the retrospective amendments arising from the first-time application of the amended IAS 19 standard, the revaluation reserve increased by €1.2m to €–20.4m as at 1 January 2012 and decreased by €56.5m to €–62.5m as at 31 December 2012. The provisions for pensions and similar commitments dropped by €1.8m as at 1 January 2012 and rose by €80.9m as at 31 December 2012. In addition, as at 31 December 2012 deferred income tax assets have increased by €26.3m and deferred income tax liabilities by €0.7m (€+0.6m as at 1 January 2012). Furthermore, the amendments affected administrative expenses in the amount of €–0.9m and income taxes in the amount of €+0.3m in the first half of 2012. This resulted in an increase in consolidated net income of €0.6m as at 30 June 2012 and a rise in reserves from retained earnings of €1.2m as at 31 December 2012. The corresponding figures for 2012 have been adjusted accordingly.

The implementation of the amendments to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities", published in December 2011 and which apply to reporting periods beginning on or after 1 January 2013, did not have any material impact on the consolidated financial statements. The additional disclosures in the notes required in this regard are provided in the present interim report in Note [31] "Offsetting financial assets and financial liabilities".

There was no notable impact on the statement of comprehensive income or the balance sheet from the first-time application of the new IFRS 13 standard, which was published in May 2011 and applies to reporting periods beginning on or after 1 January 2013. The more detailed disclosures in the notes required under IFRS 13 are provided in Note [30] "Fair value data for financial instruments".

The amendments to five existing standards, which were published in May 2012 as part of the annual improvement project (Improvements to IFRS 2009-2011 Cycle) and apply to reporting periods beginning on or after 1 January 2013, did not have any significant effects for the Deka Group.

5 Changes in the scope of consolidation

As at the end of 2012, in addition to DekaBank as parent company, a total of 11 domestic and 8 foreign subsidiaries in which DekaBank directly or indirectly holds more than 50.0% of voting rights are included in the consolidated financial statements. Furthermore, the scope of consolidation includes 8 (31 December 2012: 9) special funds and continues to include one mutual fund that are controlled as defined in SIC-12. The number of special funds was reduced in the reporting period by a fund merger. There were no material effects on earnings as a result.

In total, 17 (31 December 2012: 17) companies in which DekaBank has direct or indirect holdings were not consolidated. They are of minor significance for the presentation of the assets, financial position and earnings of the Group. The shares held in these companies are reported under financial investments.

Notes to the statement of comprehensive income

6 Net interest income

In addition to interest income and expenses, this item includes prorated reversals of premiums and discounts from financial instruments. Net interest income from items in the trading book allocated to the held for trading category 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 2013	1st half 2012	Change
Interest income from			
Lending and money market transactions	549.1	703.4	–154.3
Interest rate derivatives (economic hedges)	305.4	330.9	–25.5
Fixed-interest securities and debt register claims	165.4	237.3	–71.9
Hedging derivatives (hedge accounting)	62.8	48.2	14.6
Current income from			
Shares and other non fixed-interest securities	63.5	112.5	–49.0
Equity investments	1.6	2.2	–0.6
Total interest income	**1,147.8**	**1,434.5**	–286.7
Interest expenses for			
Liabilities	373.2	487.2	–114.0
Interest rate derivatives (economic hedges)	415.8	433.3	–17.5
Hedging derivatives (hedge accounting)	56.4	71.2	–14.8
Securitised liabilities	120.7	223.0	–102.3
Subordinated capital	13.6	16.7	–3.1
Typical silent capital contributions	9.8	18.0	–8.2
Total interest expenses	**989.5**	**1,249.4**	–259.9
Net interest income	**158.3**	**185.1**	–26.8

7 Provisions for loan losses

The breakdown of provisions for loan losses in the statement of comprehensive income is as follows:

€m	1st half 2013	1st half 2012	Change
Allocations to provisions for loan losses	–75.0	–108.5	33.5
Direct write-downs on receivables	–0.4	–0.2	–0.2
Reversals of provisions for loan losses	25.3	19.3	6.0
Income on written-down receivables	0.7	0.6	0.1
Provisions for loan losses	**–49.4**	**–88.8**	39.4

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 2013	1st half 2012	Change
Commission income from			
Investment fund business	1,062.9	1,000.6	62.3
Securities business	53.7	56.8	–3.1
Lending business	11.9	24.4	–12.5
Other	14.5	15.3	–0.8
Total commission income	**1,143.0**	**1,097.1**	45.9
Commission expenses for			
Investment fund business	644.1	614.6	29.5
Securities business	7.3	8.4	–1.1
Lending business	6.4	7.1	–0.7
Other	1.2	1.0	0.2
Total commission expenses	**659.0**	**631.1**	27.9
Net commission income	**484.0**	**466.0**	18.0

Commission income from investment fund business essentially comprises front-end loads, management fees, asset management fees and sales commission. The vast majority of the net commission income stems from portfolio-related sustained 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. In principle, the valuation results are determined using market prices. If no market prices are available, the market values are calculated based on current market data using standard valuation models. Net interest income from derivative and non-derivative financial instruments for trading positions, together with related refinancing expenses, are also reported under this item.

€m	1st half 2013	1st half 2012	Change
Sales and valuation results	–327.3	–293.5	–33.8
Net interest income and current income from trading transactions	502.0	598.9	–96.9
Commission on trading transactions	–5.2	–6.0	0.8
Trading profit or loss	**169.5**	**299.4**	–129.9

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. In principle, the valuation results are determined using market prices. If no market prices are available, the market values are calculated based on current market data using standard valuation models.

€m	1st half 2013	1st half 2012	Change
Sales and valuation results	115.8	–60.2	176.0
Foreign exchange profit or loss	–7.7	–1.0	–6.7
Commission	–0.1	–	–0.1
Total	**108.0**	**–61.2**	169.2

Interest and dividend income as well as refinancing expenses and reinvestment gains are reported in net interest income.

11 Profit or loss on financial investments

€m	1st half 2013	1st half 2012	Change
Sales and valuation results from securities	0.5	0.2	0.3
Sales and valuation results from share ownership	–0.1	1.7	–1.8
Net income from investments valued at equity	1.8	1.0	0.8
Reversal of/allocation to risk provision for securities	–1.7	2.6	–4.3
Net income from financial investments	**0.5**	**5.5**	–5.0

12 Administrative expenses

€m	1st half 2013	1st half 2012	Change
Personnel expenses	205.3	198.9	6.4
Other administrative expenses	202.8	230.3	–27.5
Depreciation of property, plant and equipment and intangible assets	9.9	18.4	–8.5
Administrative expenses	**418.0**	**447.6**	–29.6

Other administrative expenses include the pro rata contribution to the restructuring fund for credit institutions (bank levy) amounting to €13.9m (first half of 2012: €14.2m). The decrease in administrative expenses is essentially due to lower project expenses as well as declining scheduled amortisation of intangible assets.

13 Other operating income

The breakdown in other operating income is as follows:

€m	1st half 2013	1st half 2012	Change
Income from repurchased debt instruments	–2.2	–5.6	3.4
Other operating income	6.6	7.3	–0.7
Other operating expenses	83.8	27.5	56.3
Other operating income	**–79.4**	**–25.8**	–53.6

The rise in other operating expenses results in part from restructuring expenses relating to the transformation process into a fully-fledged securities service provider as well as a non-recurring effect resulting from the recognition of a provision.

14 Income taxes

Based on the corporation tax and trade tax rates applicable for 2013, the combined tax rate for the companies in the DekaBank fiscal group is unchanged on the previous year at 31.9%. In accordance with the 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 consolidated balance sheet

15 Due from banks

€m	30.06.2013	31.12.2012	Change
Domestic banks	25,117.3	23,674.8	1,442.5
Foreign banks	10,024.3	9,028.2	996.1
Due from banks before risk provisions	**35,141.6**	**32,703.0**	2,438.6
Provisions for loan losses	–366.7	–367.4	0.7
Total	**34,774.9**	**32,335.6**	2,439.3

16 Due from customers

€m	30.06.2013	31.12.2012	Change
Domestic borrowers	9,712.1	12,666.5	–2,954.4
Foreign borrowers	17,682.4	18,296.8	–614.4
Due from customers before risk provision	**27,394.5**	**30,963.3**	–3,568.8
Provisions for loan losses	–324.5	–339.0	14.5
Total	**27,070.0**	**30,624.3**	–3,554.3

17 Provisions for loan losses

Default risks in the lending business are recognised through the creation of specific and portfolio valuation allowances and the recognition of provisions for off-balance sheet liabilities. The portfolio valuation allowances 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. Account is taken of the transfer risk through the recognition of portfolio valuation allowances for country risks.

€m	30.06.2013	31.12.2012	Change
Provisions for loan losses – due from banks			
Specific valuation allowances	363.0	365.1	–2.1
Portfolio valuation allowances for creditwothiness risks	3.7	2.3	1.4
Provisions for loan losses – due from customers			
Specific valuation allowances	276.8	284.1	–7.3
Portfolio valuation allowances for country risks	1.2	1.3	–0.1
Portfolio valuation allowances for creditworthiness risks	46.5	53.6	–7.1
Total	**691.2**	**706.4**	–15.2

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

€m	Opening balance 01.01.2013	Allocation	Utilisation	Reversal	Reclassi-fication	Currency effects	Closing balance 30.06.2013
Provisions for loan losses – due from banks							
Specific valuation allowances	365.1	–	–	–	–2.1	–	363.0
Portfolio valuation allowances for creditworthiness risks	2.3	1.4	–	–	–	–	3.7
Sub-total	**367.4**	**1.4**	**–**	**–**	**–2.1**	**–**	**366.7**
Provisions for loan losses – due from customers							
Specific valuation allowances	284.1	68.7	54.8	16.3	–	–4.9	276.8
Portfolio valuation allowances for country risks	1.3	–	–	0.1	–	–	1.2
Portfolio valuation allowances for creditworthiness risks	53.6	1.4	–	8.5	–	–	46.5
Sub-total	**339.0**	**70.1**	**54.8**	**24.9**	**–**	**–4.9**	**324.5**
Provisions for credit risks							
Specific risks	2.7	1.7	–	0.4	–	0.1	4.1
Portfolio risks	3.3	1.8	–	–	–	–	5.1
Sub-total	**6.0**	**3.5**	**–**	**0.4**	**–**	**0.1**	**9.2**
Total	**712.4**	**75.0**	**54.8**	**25.3**	**–2.1**	**–4.8**	**700.4**

€m	Opening balance 01.01.2012	Allocation	Utilisation	Reversal	Reclassi-fication	Currency effects	Closing balance 30.06.2012
Provisions for loan losses – due from banks							
Specific valuation allowances	376.8	–	7.4	0.4	–3.9	–	365.1
Portfolio valuation allowances for creditworthiness risks	1.1	1.2	–	–	–	–	2.3
Sub-total	**377.9**	**1.2**	**7.4**	**0.4**	**–3.9**	**–**	**367.4**
Provisions for loan losses – due from customers							
Specific valuation allowances	236.7	216.2	149.6	7.1	–	–12.1	284.1
Portfolio valuation allowances for country risks	13.7	–	0.7	11.5	–	–0.2	1.3
Portfolio valuation allowances for creditworthiness risks	52.7	0.9	–	–	–	–	53.6
Sub-total	**303.1**	**217.1**	**150.3**	**18.6**	–	**–12.3**	**339.0**
Provisions for credit risks							
Specific risks	2.2	2.6	0.1	1.9	–	–0.1	2.7
Portfolio risks	6.4	–	–	3.1	–	–	3.3
Sub-total	**8.6**	**2.6**	**0.1**	**5.0**	**–**	**–0.1**	**6.0**
Total	**689.6**	**220.9**	**157.8**	**24.0**	**–3.9**	**–12.4**	**712.4**

Key ratios for provisions for loan losses:

%	30.06.2013	31.12.2012
Reversal / allocation ratio as at reporting date[1] (Quotient from net allocation and lending volume)	–0.14	–0.50
Default rate as at reporting date (Quotient from loan defaults and lending volume)	0.15	0.40
Average default rate (Quotient from loan defaults in 5-year average and lending volume)	0.16	0.17
Net provisioning ratio as at reporting date (Quotient from provisions for loan losses and lending volume)	1.94	1.82

[1] Reversal ratio shown without leading sign.

The calculations of the key ratios are based on a lending volume in the balance sheet of €36.0bn (31 December 2012: €39.2bn).

Provisions for loan losses by risk segment:

	Value allowances and provisions for loan losses		Loan defaults[1]		Net allocations to[2] / reversals of valuation allowances and provisions for loan losses	
€m	**30.06.2013**	**31.12.2012**	**2013**	**2012**	**2013**	**2012**
Customers						
Transport & export finance	170.1	165.2	29.2	5.2	–33.2	–93.9
Property risks	63.8	72.8	–0.2	61.0	2.5	–18.9
Public infrastructure	53.4	28.4	–	–	–24.9	–0.7
Corporates	22.9	33.4	6.6	13.0	4.0	–11.0
Energy and utility infrastructure	21.3	42.8	18.5	71.0	3.1	–69.9
Other	1.2	2.4	–	–	1.2	–1.7
Total customers	**332.7**	**345.0**	**54.1**	**150.2**	**–47.3**	**–196.1**
Banks	**367.7**	**367.4**	**0.4**	**5.8**	**–2.4**	**–0.8**
Total	**700.4**	**712.4**	**54.5**	**156.0**	**–49.7**	**–196.9**

[1] Payments received on written-down receivables – negative in the column.
[2] Negative in the column.

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

18 Financial assets at fair value through profit or loss

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

€m	30.06.2013	31.12.2012	Change
Held for trading			
Bonds and debt securities	18,552.7	21,758.3	–3,205.6
Positive market values from derivative financial instruments (trading)	11,829.4	15,097.2	–3,267.8
Investment fund units	910.4	816.6	93.8
Shares	735.4	432.8	302.6
Money market securities	427.0	186.8	240.2
Promissory note loans	121.5	135.3	–13.8
Other non fixed-interest securities	–	0.5	–0.5
Total – held for trading	**32,576.4**	**38,427.5**	–5,851.1
Designated at fair value			
Bonds and debt securities	15,252.4	13,982.9	1,269.5
Amounts due from securities repurchase agreements	2,513.8	2,517.1	–3.3
Positive market values from derivative financial instruments (economic hedges)	1,553.3	2,558.3	–1,005.0
Investment fund units	443.3	427.0	16.3
Money market securities	110.2	145.3	–35.1
Participating certificates	5.1	5.2	–0.1
Shares	–	26.9	–26.9
Promissory note loans	–	2.0	–2.0
Other financial instruments designated at fair value	–	8.4	–8.4
Total – designated at fair value	**19,878.1**	**19,673.1**	205.0
Total	**52,454.5**	**58,100.6**	–5,646.1

19 Financial investments

€m	30.06.2013	31.12.2012	Change
Loans and receivables			
Bonds and other fixed-interest securities	928.0	1,021.9	–93.9
Held to maturity			
Bonds and other fixed-interest securities	3,111.9	3,110.6	1.3
Available for sale			
Bonds and other fixed-interest securities	18.1	44.5	–26.4
Shares and other non fixed-interest securities	0.4	0.6	–0.2
Equity investments	35.3	35.3	–
Shares in affiliated, non-consolidated companies	1.1	1.5	–0.4
Shares in companies valued at equity	24.8	23.0	1.8
Financial investments before risk provision	**4,119.6**	**4,237.4**	–117.8
Risk provision	–13.5	–11.7	–1.8
Total	**4,106.1**	**4,225.7**	–119.6

20 Intangible assets

€m	30.06.2013	31.12.2012	Change
Purchased goodwill	53.1	53.1	–
Software	41.5	49.1	–7.6
Total	**94.6**	**102.2**	–7.6

21 Property, plant and equipment

€m	30.06.2013	31.12.2012	Change
Land and buildings	13.5	13.7	–0.2
Plant and equipment	16.1	16.4	–0.3
Technical equipment and machines	1.8	2.2	–0.4
Total	**31.4**	**32.3**	–0.9

22 Due to banks

€m	30.06.2013	31.12.2012	Change
Domestic banks	14,961.1	19,890.5	–4,929.4
Foreign banks	20,215.8	17,800.0	2,415.8
Total	**35,176.9**	**37,690.5**	–2,513.6

23 Due to customers

€m	30.06.2013	31.12.2012	Change
Domestic customers	19,020.0	18,016.7	1,003.3
Foreign customers	5,314.1	5,317.0	–2.9
Total	**24,334.1**	**23,333.7**	1,000.4

24 Securitised liabilities

The securitised liabilities include bonds and other liabilities for which transferable certificates are issued. Under IAS 39, the own bonds held in the Group in the nominal amount of €1.7bn (31 December 2012: €1.9bn) were deducted from the issued bonds.

€m	30.06.2013	31.12.2012	Change
Bonds issued	20,862.9	21,560.2	–697.3
Money market securities issued	6,515.2	5,816.0	699.2
Total	**27,378.1**	**27,376.2**	1.9

25 Financial liabilities at fair value

In addition to trading issues and liabilities in the designated at fair value sub-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	30.06.2013	31.12.2012	Change
Held for trading			
Trading issues	3,292.2	2,509.8	782.4
Securities short portfolios	1,080.9	1,533.3	–452.4
Negative market values from derivative financial instruments (trading)	15,736.2	19,310.4	–3,574.2
Total – held for trading	**20,109.3**	**23,353.5**	–3,244.2
Designated at fair value			
Issues	5,701.8	8,329.5	–2,627.7
Negative market values from derivative financial instruments (economic hedges)	2,195.5	3,273.4	–1,077.9
Total – designated at fair value	**7,897.3**	**11,602.9**	–3,705.6
Total	**28,006.6**	**34,956.4**	–6,949.8

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 €76.3m (31 December 2012: €95.6m).

26 Provisions

€m	30.06.2013	31.12.2012	Change
Provisions for pensions and similar commitments	106.4	102.4	4.0
Provisions for restructuring measures	29.4	8.7	20.7
Provisions for credit risks	9.3	6.0	3.3
Provisions for legal proceedings and recourses	1.5	1.5	–
Provisions in human resources	1.0	2.3	–1.3
Other provisions	205.2	168.6	36.6
Total	**352.8**	**289.5**	63.3

The increase of provisions for restructuring measures is mainly due to restructuring expenses relating to the transformation into a fully-fledged securities service provider.

Other provisions essentially refer to the following:

Amongst other things, the Deka Group's range of products includes investment funds with market value guarantees of varying degrees. For fixed-term funds with agreed maturity, the capital invested less charges is guaranteed as at the maturity date, while a minimum unit value is agreed for specific cut-off dates for funds without a fixed term. The amount of the provision is determined from the forecast shortfall at the guarantee date, which yields a difference between the expected and guaranteed unit value. On the reporting date, €1.8m (31 December 2012: €1.1m) was set aside based on the development of the respective fund assets. As at the reporting date, the guarantees covered a maximum volume of €5.5bn (31 December 2012: €5.9bn) at the respective guarantee dates. The market value of the corresponding assets totalled €5.6bn (31 December 2012: €6.1bn).

In addition, the product range includes investment funds, whose return is forecast on the basis of current money market interest rates set by the Group. However, this does not constitute a guarantee or assurance that the forecast performance will actually be achieved. Although the Deka Group is not contractually obliged to support these funds, the Group retains the right to support the desired performance of the fund. The level of the provision is determined using possible loss scenarios taking account of the risks related to liquidity, interest rate structure, duration and spreads. As at the reporting date, €76.9m (31 December 2012: €77.2m) was set aside. The underlying total value of the funds amounted to €6.3bn (31 December 2012: €6.2bn).

27 Subordinated capital

€m	30.06.2013	31.12.2012	Change
Subordinated liabilities	760.9	765.7	–4.8
Profit participation capital	20.6	21.3	–0.7
Capital contributions of typical silent partners	509.8	527.8	–18.0
Total	**1,291.3**	**1,314.8**	–23.5

28 Equity

€m	30.06.2013	31.12.2012	Change
Subscribed capital	191.7	191.7	–
Capital reserve	190.3	190.3	–
Reserves from retained earnings	3,127.3	3,126.8	0.5
Revaluation reserve			
For pension provisions	–82.6	–82.6	–
For cash flow hedges	–3.0	–10.2	7.2
For financial investments in the available for sale category	0.7	1.2	–0.5
Applicable deferred taxes	26.9	29.1	–2.2
Total revaluation reserve	**–58.0**	**–62.5**	4.5
Currency translation reserve	12.2	13.2	–1.0
Consolidated profit/loss	218.4	58.7	159.7
Total	**3,681.9**	**3,518.2**	163.7

Other information

29 Financial instruments under IAS 39 – valuation categories

At DekaBank, financial instruments are classified by balance sheet line item and IFRS categories in accordance with IFRS 7:

€m	30.06.2013	31.12.2012	Change
Asset items			
Loans and receivables			
Due from banks	34,774.9	32,335.6	2,439.3
Due from customers	27,070.0	30,624.3	–3,554.3
Financial investments	927.2	1,021.2	–94.0
Held to maturity			
Financial investments	3,099.3	3,099.5	–0.2
Available for sale			
Financial investments	79.6	105.0	–25.4
Held for trading			
Financial assets at fair value	32,576.4	38,427.5	–5,851.1
Designated at fair value			
Financial assets at fair value	19,878.1	19,673.1	205.0
Positive market values from derivative hedging instruments	349.1	431.2	–82.1
Total asset items	**118,754.6**	**125,717.4**	–6,962.8
Liability items			
Other liabilities			
Due to banks	35,176.9	37,690.5	–2,513.6
Due to customers	24,334.1	23,333.7	1,000.4
Securitised liabilities	27,378.1	27,376.2	1.9
Subordinated capital	1,291.3	1,314.8	–23.5
Held for trading			
Financial liabilities at fair value	20,109.4	23,353.5	–3,244.1
Designated at fair value			
Financial liabilities at fair value	7,897.2	11,602.9	–3,705.7
Negative market values from derivative hedging instruments	243.4	363.4	–120.0
Total liability items	**116,430.4**	**125,035.0**	–8,604.6

30 Fair value data for financial instruments

Fair value is deemed to be the amount that would be received to sell an asset or paid to transfer a liability in an orderly 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 generally recognised valuation models. Where securities and derivatives with sufficient liquidity are traded on active markets and stock market prices are accordingly available, or prices that can be traded by active market participants are provided, these prices are used to determine the fair value.

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 by the Bank in the valuation. The Bank also selects 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 probably value the financial instrument.

Fair values for foreign exchange future contracts are determined on the basis of the future rates as at the reporting date. The fair value of credit default swaps is determined using standard valuation procedures (e.g. hazard rate and Copula models).

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

The following table shows the fair values of financial assets and liabilities compared to the respective book values.

	30.06.2013			31.12.2012		
€m	**Fair value**	**Book value**	**Difference**	**Fair value**	**Book value**	**Difference**
Asset items						
Cash reserve	1,975.9	1,975.9	–	3,387.7	3,387.7	–
Due from banks (Loans and receivables)	35,240.2	34,774.9	465.3	32,979.2	32,335.6	643.6
Due from customers	27,349.9	27,070.0	279.9	31,005.3	30,624.3	381.0
Financial assets at fair value	52,454.5	52,454.5	–	58,100.6	58,100.6	–
Positive market values from derivative hedging instruments	349.1	349.1	–	431.2	431.2	–
Loans and receivables	844.6	927.2	–82.6	961.6	1,021.2	–59.6
Held to maturity	3,272.8	3,099.3	173.5	3,296.5	3,099.5	197.0
Available for sale	79.6	79.6	–	105.0	105.0	–
Financial investments	4,197.0	4,106.1	90.9	4,363.1	4,225.7	137.4
Total asset items	**121,566.6**	**120,730.5**	**836.1**	**130,267.1**	**129,105.1**	**1,162.0**
Liability items						
Due to banks	35,383.9	35,176.9	207.0	38,007.4	37,690.5	316.9
Due to customers	24,826.6	24,334.1	492.5	23,982.5	23,333.7	648.8
Securitised liabilities	27,393.9	27,378.1	15.8	27,419.3	27,376.2	43.1
Financial liabilities at fair value	28,006.6	28,006.6	–	34,956.4	34,956.4	–
Negative market values from derivative hedging instruments	243.4	243.4	–	363.4	363.4	–
Subordinated liabilities	1,278.9	1,291.3	–12.4	1,330.2	1,314.8	15.4
Total liability items	**117,133.3**	**116,430.4**	**702.9**	**126,059.2**	**125,035.0**	**1,024.2**

For financial instruments due on demand, the fair value corresponds to the respective amount payable as at the reporting date. These include cash on hand and overdraft facilities and sight deposits with regard to banks and customers.

The fair values of amounts due from banks or customers are determined using the present value method. The future cash flows from receivables are discounted at a risk-adjusted market rate. The differing credit ratings of borrowers are taken into account through appropriate adjustments in the discount rate. This procedure also applies to securities held as loans and receivables. The fair value determined on the basis of financial valuation models can be considerably affected by the underlying assumptions. The fair value is therefore to be seen as the model value as at the reporting date, which could not necessarily be realised through the direct sale or settlement of the financial instrument.

Financial instruments in the held to maturity category are fixed-interest securities for which there was a liquid market on acquisition. The fair values here correspond to the market prices.

Interests in associated unlisted companies and other equity investments allocated to the available for sale category and for which neither prices from active markets nor the factors relevant for valuation models can be reliably determined, are stated at cost. There are no plans at present to dispose of these assets.

The fair value of long-term liabilities is determined on the basis of market prices as well as by discounting the contractually agreed cash flows. The interest rates used are those at which the Group could issue comparable debt securities on the reporting date.

Fair value hierarchy

Financial instruments carried at fair value in the balance sheet are to be allocated to the following three fair value hierarchy levels specified in IFRS 13, depending on the input factors influencing their valuation:

Level 1 (prices quoted on active markets): Financial instruments whose fair value can be derived directly from quoted 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 or based on valuation methods with 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 among others on the basis of input factors that are unobservable in the market, where these are significant for the valuation, are allocated to this level.

The following table shows the book value (including accrued interest) of the financial instruments carried at fair value, allocated to the respective fair value hierarchy level:

	30.06.2013				31.12.2012			
€m	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets								
Derivative financial instruments	760.7	14,665.9	6.3	15,432.9	1,063.6	18,294.2	71.2	19,429.0
Bonds and other fixed-interest securities	22,486.7	9,043.8	1,969.1	33,499.6	22,481.2	10,405.6	2,031.3	34,918.1
Shares and other non fixed-interest securities	1,370.7	5.1	–	1,375.8	1,061.4	643.0	–	1,704.4
Other financial assets at fair value	–	2,513.8	–	2,513.8	–	2,525.5	–	2,525.5
Liabilities								
Derivative financial instruments	388.8	21,487.6	52.7	21,929.1	690.9	24,951.9	46.2	25,689.0
Other financial instruments	1,059.0	5,261.9	–	6,320.9	3,071.7	6,559.1	–	9,630.8

Provided that they are not products traded on the stock market, derivative financial instruments are in principle measured using standard valuation models based on observable market data and are consequently allocated to level 2. Furthermore, in some individual cases and under restrictive conditions, derivatives traded on the stock market have also been measured using standard, accepted valuation models. 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.

Fair values for insufficiently liquid securities as well as interest rate swaps and interest rate/currency swap agreements as well as unlisted interest rate futures are determined on the basis of discounted future cash flows (the discounted cash flow model). The market interest rates applying to the remaining term of the financial instruments are always used. The transactions valued using this method are allocated to level 2.

In the reporting period, transfers out of level 2 and into level 1 amounting to €1.6bn were carried out, as prices in an active market were available for these financial instruments on the reporting date and could be used for the valuation without adjustment. Furthermore, financial instruments amounting to €1.7bn were migrated from level 1 into level 2 since there was no longer an active market. In the Deka Group, reclassifications between the individual levels in the fair value hierarchy are deemed to have been carried out as at the end of the respective reporting period.

Disclosures relating to financial instruments in fair value hierarchy level 3

The transactions reported under debt securities and other fixed-interest securities essentially relate to synthetic and non-synthetic securitisations which the Bank has been reducing whilst safeguarding assets since the start of 2009.

The fair value of synthetic securitisation transactions is determined using Copula models calibrated to the market prices of index tranches. When valuing the bespoke CSO positions, DekaBank uses one of the standard base correlation mapping procedures. However, as there is a large number of alternative mapping techniques, none of which is particularly superior, DekaBank also de,termines the difference compared with these alternative valuations. A discount of 7.0% on the model price was used here. Accordingly, the market value of bespoke CSOs as at 30 June 2013 could have been €5.3m lower.

In some cases, the fair value for non-synthetic securitisation transactions was calculated using the discounted cash flow model. Where the spreads currently observable for the relevant transaction were deemed to be valid, the market interest rate was used as the input for the discounted cash flow model. Otherwise, the spreads for comparable instruments were used. If price indicators for individual transactions were deemed to be valid, these were used by the Bank.

The cash flows used for the theoretical valuation of securitisations are based on detailed analyses of securitised transactions. Among other things, subjective assumptions have to be made, e.g. for the exercise of call rights or the likelihood of refinancing for expiring loans, which facilitate alternative scenarios. In addition to the standard scenario, DekaBank determines a scenario with less favourable market development. The difference between the scenarios essentially lies in the constant default rate (CDR) and constant prepayment rate (CPR) input parameters used. The standard scenario assumes a constant default rate between 0.01 and 100.0% and a constant prepayment rate between 4.0 and 5.0%. In the scenario where market development is less favourable for the Bank, the corresponding input parameters vary from the standard scenario by a range of 20.0%. In a valuation of all securitisation positions as at 30 June 2013, the market value could accordingly have been €11.0m lower.

Furthermore, variation ranges were derived from available prices and price indicators, which were used as estimates for price sensitivity. Using a variation range of 1.25 percentage points, the market value of the relevant positions could have been €7.5m lower or higher.

To a small extent, the Bank also allocates equity and interest rate derivatives to level 3, if among other things unobservable valuation parameters are used which are significant for their valuation. For equity and interest rate derivatives requiring correlations in the valuation, the Bank typically uses historical correlations with the respective share prices or interest rate fixings or changes to these. Using a 14.0% shift, the sensitivity of the positions concerned as at 30 June 2013 amounts to less than €0.2m. The size of the shift was determined on the basis of relevant historical fluctuations in the correlations.

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

€m	Opening balance 01.01.2013	Purchases	Disposals	Issues	Maturity/ repayment	Valuation result	Closing balance 30.06.2013
Assets							
Derivative financial instruments	71.1	1.2	66.4		–	0.4	6.3
Bonds and other fixed-interest securities	2,028.4	–	22.6		62.9	23.8	1,966.7
Total assets	**2,099.5**	**1.2**	**89.0**	**–**	**62.9**	**24.2**	**1,973.0**
Liabilities							
Derivative financial instruments	45.2	0.1	0.1	8.9	–	1.9	52.2

€m	Opening balance 01.01.2012	Migration additions to level 3	Reclassifications out of level 3	Disposals	Maturity/ repayment	Valuation result	Closing balance 31.12.2012
Assets							
Derivative financial instruments	57.3	–	0.3	0.4	–	14.5	71.1
Other financial instruments	2,258.2	–	–	111.9	165.2	47.3	2,028.4
Total assets	**2,315.5**	**–**	**0.3**	**112.3**	**165.2**	**61.8**	**2,099.5**
Liabilities							
Derivative financial instruments	39.3	0.4	–	0.9	–	−6.4	45.2

As at the reporting date, a valuation result of €2.3m (previous year: €−5.8m) was attributable to the level 3 financial instruments in the portfolio, which are allocated to the held for trading sub-category; this was reported in trading profit or loss. The valuation result for the financial instruments in the designated at fair value sub-category and the level 3 derivative financial instruments in the banking book amounted to €18.4m (previous year: €51.2m) and is reported in profit or loss on financial instruments designated at fair value. The valuation result also includes reversals of premiums and discounts amounting to €5.4m (previous year: € 9.9m), which is reported in net interest income.

A profit of €10.1m (previous year: €19.7m) was realised on the sale of non-derivative financial instruments, of which €1.8m (previous year: €2.4m) was reported under net interest income and €8.3m (previous year: €17.3m) under profit or loss on financial instruments designated at fair value. A profit of €0.9m was realised on the sale of derivative financial instruments, of which €0.1m was reported in trading profit or loss and €0.8m in profit or loss on financial instruments designated at fair value.

31 Offsetting financial assets and liabilities

The following table contains disclosures concerning the effects of offsetting on the Deka Group's consolidated balance sheet. Offsetting is currently only carried out for receivables and liabilities from genuine securities repurchase agreements.

€m	Financial assets/ liabilities (gross)	Offset financial assets/ liabilities	Financial assets/liabilities shown in the balance sheet (net)	Associated amounts not offset in the balance sheet: Collateral – securities	Collateral – cash	Net amount
Assets						
Receivables arising from securities repurchase agreements	23,662.5	7,248.9	16,413.6	16,413.6	–	0.0
Liabilities						
Liabilities arising from securities repurchase agreements	27,976.5	7,248.9	20,727.6	20,727.6	–	0.0

In principle, securities repurchase agreements eligible for offsetting are concluded in the Group with Central Counterparties on the basis of standardised framework contracts. Offsetting is carried out provided that the netting arrangements agreed in the contracts are in accordance with the offsetting criteria under IAS 32.42.

32 Government-based credit exposure in individual European countries

The following table shows the exposure in selected European states from an accounting point of view. 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:

	30.06.2013			31.12.2012		
€m	Nominal amount[1]	Book value	Fair value	Nominal amount[1]	Book value	Fair value
Ireland						
Credit default swaps[2]	3.0	0.0	0.0	3.0	0.0	0.0
Credit linked notes[3] (held for trading category)	–3.0	–3.2	–3.2	–3.0	–3.2	–3.2
Italy						
Debt securities (held for trading category)	150.0	149.4	149.4	149.0	147.7	147.7
Credit default swaps[2]	25.0	–1.8	–1.8	25.0	–2.0	–2.0
Credit linked notes[3] (held for trading category)	–20.0	–17.9	–17.9	–30.0	–17.7	–17.7
Spain						
Receivables (loans and receivables category)	22.0	21.9	21.7	34.6	34.6	34.3
Credit default swaps[2]	31.6	–1.0	–1.0	27.9	–1.0	–1.0
Credit linked notes[3] (held for trading category)	–17.0	–16.2	–16.2	–30.0	–9.2	–9.2
Total	**191.6**	**131.2**	**131.0**	**176.5**	**149.2**	**148.9**

[1] For a net view, the nominal values of receivables, securities and protection seller transactions are set off against protection buyer transactions with negative nominal values.
[2] The fair value reflects the net fair value of credit default swaps that relate to sovereign liabilities of the respective country.
[3] The figure shown is the fair value of credit linked notes issued by the Bank and relating to a liability of the respective country.

Receivables related to Greek borrowers still consist of project financing for infrastructure restructuring amounting to €38.1m (31 December 2012: €38.2m), of which €30.5m (31 December 2012: €21.1m) is subject to a valuation allowance. In the event of default, a direct receivable is due from Greece. In addition, the Bank still holds a bond from a Portuguese credit institution with a nominal value of €46.7m (31 December 2012: €46.7m) allocated to the held to maturity category. Valuation allowances of €9.0m remained unchanged for this bond.

In addition to exposure to the government of Spain, the Bank also has exposure to Spanish municipal authorities and the Spanish banking sector, amongst others. There are receivables from Spanish municipal authorities with a nominal value of €72.2m (31 December 2012: €74.6m). Receivables from Spanish banks primarily consist of bonds with a nominal value of €397.5m (31 December 2012: €122.2m), including a bond in the held to maturity category with a nominal value of €25.0m (31 December 2012: €25.0m), and additionally a loan with an unchanged nominal value of €250.0m allocated to the loans and receivables category. There are also receivables from securities repurchase agreements amounting to €462.5m (31 December 2012: €98.1m), of which €98.1m remains predominantly secured with securities from Spanish issuers.

33 Derivative transactions

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

	Positive fair values		Negative fair values	
€m	**30.06.2013**	**31.12.2012**	**30.06.2013**	**31.12.2012**
Interest rate risks[1)]	7,706.3	10,683.1	7,031.1	10,034.6
Currency risks	506.5	404.7	884.8	879.3
Share and other price risks[1)]	5,556.9	7,002.9	10,291.9	12,044.8
Total	**13,769.7**	**18,090.7**	**18,207.8**	**22,958.7**

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

34 Equity under banking supervisory law

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

€m	**30.06.2013**	**31.12.2012**	Change
Subscribed capital	286.3	286.3	–
Less own shares repurchased	94.6	94.6	–
Open reserves	808.6	761.0	47.6
Silent capital contributions	552.4	552.4	–
Fund for general banking risks	2,089.0	1,809.6	279.4
Deductions under Section 10 (2a) KWG	44.9	12.6	32.3
Deductions under Section 10 (6) and (6a) KWG (half)	11.7	1.6	10.1
Of which deduction amounts under Section 10 (6a) No. 1 and 2 KWG	11.7	1.6	10.1
Core capital	**3,585.1**	**3,300.5**	284.6
Subordinated liabilities	535.0	535.0	–
Other components	–43.8	1.8	–45.6
Deductions under Section 10 (6) and (6a) KWG (half)	11.7	1.6	10.1
Of which deduction amounts under Section 10 (6a) No. 1 and 2 KWG	11.7	1.6	10.1
Supplementary capital	**479.5**	**535.2**	–55.7
Modified available capital	**4,064.6**	**3,835.7**	228.9
Capital and reserves	**4,064.6**	**3,835.7**	228.9

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

€m	30.06.2013	31.12.2012	Change
Default risks	15,663.0	15,813.0	–150.0
Market risk positions	6,325.0	6,088.0	237.0
Operational risks	1,684.0	1,710.0	–26.0

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

%	30.06.2013	31.12.2012	Change
Core capital ratio	15.1	14.0	1.1
Core tier 1 capital ratio	12.8	11.6	1.2
Equity ratio	17.2	16.2	1.0

Silent capital contributions are not considered in the calculation of the core tier 1 capital ratio; these do not come under the transitional provisions of Basel III and as of the start of 2013 are no longer usable as core tier 1 capital.

The capital and reserves requirement under banking supervisory law was complied with at all times during the reporting period and stands considerably above the statutory minimum values.

35 Contingent and other liabilities

€m	30.06.2013	31.12.2012	Change
Irrevocable lending commitments	807.5	1,262.3	–454.8
Other liabilities	1,480.8	1,326.3	154.5
Total	**2,288.3**	**2,588.6**	–300.3

The decrease in payment obligations arising from irrevocable lending commitments in the first half of 2013 is due to lending commitments that have expired or have been utilised.

The guarantees provided by DekaBank refer to financial guarantees under IFRS, which are stated net in compliance with IAS 39. The nominal amount of the guarantees in place as at the reporting date remains unchanged at €0.3bn.

36 List of shareholdings

DekaBank directly or indirectly holds at least 20% of the shares in the following companies:

Consolidated subsidiaries:

Name, registered office	Equity share in %
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 Investors Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, Frankfurt/Main	
Teilgesellschaftsvermögen Deka Realkredit Klassik	77.41
Teilgesellschaftsvermögen Deka Infrastrukturkredit	31.63
Deka Real Estate Lending k.k., Tokyo	100.00
Deka(Swiss) Privatbank AG, Zurich	80.00[1]
DekaBank Deutsche Girozentrale Luxembourg S.A., Luxembourg	100.00
DKC Deka Kommunal Consult GmbH, Düsseldorf	100.00
ETFlab Investment GmbH, Munich[2]	100.00
Gesellschaft für Mittelstandskreditfonds der Sparkassen-Finanzgruppe mbH, Frankfurt/Main	100.00
International Fund Management S.A., Luxembourg	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
WIV GmbH & Co. Beteiligungs KG, Frankfurt/Main	94.90

[1] Consolidation ratio based on economic ownership 100.00%.
[2] Merger into Deka Investment GmbH in July 2013 with retroactive effect as of 1 January 2013.

Consolidated funds:

Name, registered office	Equity share 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
DDDD-FONDS, Frankfurt/Main	100.00
Deka Treasury Corporates-FONDS, Frankfurt/Main	100.00

Associated companies and joint ventures consolidated at equity:

Name, registered office	Equity share in %
S PensionsManagement GmbH, Cologne	50.00
Dealis Fund Operations GmbH, Frankfurt/Main	49.90
S Broker AG & Co. KG, Wiesbaden	30.64

Non-consolidated companies:

Name, registered office	Equity share in %
Banking Services Luxembourg S.à.r.l. i.L., Luxembourg	100.00
Datogon S.A., Luxembourg	100.00
Deka Immobilien Beteiligungsgesellschaft mbH, Frankfurt/Main	100.00
Deka Investors Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, 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
STIER Immobilien AG, Frankfurt/Main	100.00
WIV Verwaltungs GmbH, Frankfurt/Main	94.90
Deka-Neuburger Institut für wirtschaftsmathematische Beratung GmbH, Frankfurt/Main	50.00

Non-consolidated funds:

Name, registered office	Fund volume €m	Equity share in %
RE-AVT-FundMaster, Frankfurt/Main	75.2	100.00
Deka-BR 45, Frankfurt/Main	5.4	100.00
Deka Deutsche Börse EUROGOV® France UCITS ETF, Munich[1)]	8.8	99.83
Deka-PB Ausgewogen, Frankfurt/Main	10.5	99.72
Deka-PB Offensiv, Frankfurt/Main	10.9	99.14
Deka-DiscountStrategie 1/2016, Frankfurt/Main	11.9	97.81
Deka Deutsche Börse EUROGOV® France 1-3 UCITS ETF, Munich[1)]	6.9	87.49
Mix-Fonds: Select ChancePlus, Luxembourg	1.2	84.45
TORRUS – Merrill Lynch Multi Strategy Funds, Luxembourg	56.7	79.27
Deka MSCI Europe MC UCITS ETF, Munich[1)]	6.0	76.83
Deka EURO STOXX 50® Daily Short UCITS ETF, Munich[1)]	5.4	73.19
Deka-DiscountStrategie 12/2015, Frankfurt/Main	12.1	70.64
Deka-Nachhaltigkeit Renten, Luxembourg	25.0	69.68

Non-consolidated funds:

Name, registered office	Fund volume €m	Equity share in %
Deka MSCI Europe UCITS ETF, Munich[1)]	44.8	62.97
Deka-Institutionell Aktien Europa, Frankfurt/Main	7.8	62.61
Deka MSCI Europe LC UCITS ETF, Munich[1)]	40.5	58.55
RE-FundMaster, Frankfurt/Main	31.7	57.14
Deka EURO STOXX® Select Dividend 30 UCITS ETF, Munich[1)]	92.7	55.46
Deka Deutsche Börse EUROGOV® France 5-10 UCITS ETF, Munich[1)]	9.8	54.17
Deka MSCI Emerging Markets UCITS ETF, Munich[1)]	20.4	52.21
Deka iBoxx EUR Liquid Sovereign Diversified 10+ UCITS ETF, Munich[1)]	14.9	50.49
Deka-Zielfonds 2045-2049, Frankfurt/Main	3.1	47.64
Deka Deutsche Börse EUROGOV® Germany 3-5 UCITS ETF, Munich[1)]	392.0	47.41
Deka-Immobilien PremiumPlus - Private Banking, Luxembourg	71.5	47.14
Deka Deutsche Börse EUROGOV® France 3-5 UCITS ETF, Munich[1)]	15.0	44.72
Deka-Nachhaltigkeit Balance, Luxembourg	24.6	40.69
Deka Deutsche Börse EUROGOV® Germany 10+ UCITS ETF, Munich[1)]	32.2	37.80
Deka Deutsche Börse EUROGOV® Germany 5-10 UCITS ETF, Munich[1)]	308.5	36.88
Deka iBoxx EUR Liquid Sovereign Diversified 3-5 UCITS ETF, Munich[1)]	7.6	35.05
Deka MSCI Japan UCITS ETF, Munich[1)]	14.9	33.62
Deka Deutsche Börse EUROGOV® Germany UCITS ETF, Munich[1)]	472.4	32.53
Deka MSCI Japan MC UCITS ETF, Munich[1)]	5.4	31.04
Deka-Treasury AktienStrategie, Luxembourg	97.2	25.96
Deka-EuroFlex Plus, Luxembourg	204.6	24.49
Deka STOXX® Europe Strong Growth 20 UCITS ETF, Munich[1)]	2.0	22.39
IFM Euroaktien, Luxembourg	40.3	20.53

[1)] Name of fund changed due to merger of ETFlab Investment GmbH into Deka Investment GmbH.

37 Related party disclosures

The Deka Group has business dealings with related parties. These include DekaBank's shareholders, subsidiaries that are not consolidated due to lack of materiality, 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 at normal market terms and conditions as part of the ordinary business activities. 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 dealings with shareholders of DekaBank and non-consolidated subsidiaries:

	Shareholders		Subsidiaries	
€m	**30.06.2013**	**31.12.2012**	**30.06.2013**	**31.12.2012**
Assets				
Due from customers	45.0	45.0	7.3	–
Financial assets at fair value	–	–	7.0	7.8
Other assets	–	–	0.1	1.2
Total assets	**45.0**	**45.0**	**14.4**	**9.0**
Liabilities				
Due to customers	143.7	19.6	61.1	9.6
Financial liabilities at fair value	–	–	0.1	0.3
Total liabilities	**143.7**	**19.6**	**61.2**	**9.9**

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

	Joint ventures / associated companies		Other related parties	
€m	**30.06.2013**	**31.12.2012**	**30.06.2013**	**31.12.2012**
Assets				
Due from customers	0.2	5.0	–	–
Financial assets at fair value	2.8	24.1	–	–
Other assets	3.9	1.0	0.1	–
Total assets	**6.9**	**30.1**	**0.1**	**–**
Liabilities				
Due to customers	12.7	15.5	3.3	2.4
Financial liabilities at fair value	33.6	33.3	–	–
Total liabilities	**46.3**	**48.8**	**3.3**	**2.4**

Assurance of the Board of Management

We assure that, to the best of our knowledge, the consolidated interim financial statements prepared in accordance with the applicable reporting standards for interim reporting in compliance with the generally accepted German 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 rest of the financial year.

Frankfurt/Main, 8 August 2013

DekaBank
Deutsche Girozentrale

The Board of Management

Rüdiger	Behrens	Dr. Danne
Müller	Dr. h. c. Oelrich	Dr. Stocker

Review report

To DekaBank Deutsche Girozentrale, 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, Berlin/Frankfurt am Main, for the period from 1 January to 30 June, 2013 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, 9 August, 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

Pukropski	Fox
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Administrative Board and Board of Management of DekaBank

(as of 1 August 2013)

Administrative Board

Georg Fahrenschon
Chairman
President of the German Savings Banks and Giro Association e.V., Berlin

Helmut Schleweis
First Deputy Chairman
Chairman of the Management Board of Sparkasse Heidelberg, Heidelberg

Thomas Mang
Second Deputy Chairman
President of the Savings Banks Association Lower Saxony, Hanover

Representatives elected by the Shareholders' Meeting

Michael Breuer
President of the Rhineland Savings Banks and Giro Association, Düsseldorf

Dr. Johannes Evers
President of the Savings Banks Association Berlin and Chairman of the Management Board of Landesbank Berlin AG, Berlin

Dr. Rolf Gerlach
President of the Savings Banks Association Westphalia-Lippe, Münster

Volker Goldmann
Chairman of the Management Board of Sparkasse Bochum, Bochum

Gerhard Grandke
Managing President of the Savings Banks and Giro Association Hesse-Thuringia, Frankfurt/Main

Walter Kleine
Chairman of the Management Board of Sparkasse Hannover, Hanover

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

Harald Menzel
Chairman of the Management Board of Sparkasse Mittelsachsen, Freiberg

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

Eugen Schäufele
Chairman of the Management Board of Kreissparkasse Reutlingen, Reutlingen

Siegmund Schiminski
Chairman of the Management Board of Sparkasse Bayreuth, Bayreuth

Peter Schneider
President of the Savings Banks Association Baden-Wuerttemberg, Stuttgart

Georg Sellner
Chairman of the Management Board of Stadt- und Kreis-Sparkasse Darmstadt, Darmstadt

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

Johannes Werner
Chairman of the Management Board of Mittelbrandenburgische Sparkasse in Potsdam, Potsdam

Alexander Wüerst
Chairman of the Management Board of Kreissparkasse Köln, Cologne

Theo Zellner
President of the Savings Banks Association Bavaria, Munich

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, Cologne

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

Roland Schäfer
Major 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, DekaBank Deutsche Girozentrale, Frankfurt/Main

Heike Schillo
Savings Banks Sales South Germany, DekaBank Deutsche Girozentrale, Frankfurt/Main

(End of the term of office: 31 December 2013)

Board of Management

Michael Rüdiger
CEO

Oliver Behrens
Deputy CEO

Dr. Matthias Danne
Member

Martin K. Müller
Member
(from 1 May 2013)

Dr. h. c. Friedrich Oelrich
Member

Dr. Georg Stocker
Member

Executive Managers

Manfred Karg

Osvin Nöller

Financial calendar

November 2013: Interim Report as at 30 September 2013

Publication dates are preliminary and subject to change.

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.

Ordering reports
We would be pleased to send you a printed copy of the Interim Report 2013 of the Deka Group (German version). If you would like to receive our annual reports or interim reports on a regular basis, please contact our Corporate Communications department:
Phone: +49 (0) 69 71 47-14 54.

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Cologne, Frankfurt/Main, Berlin, Munich, Hamburg

Photography/Picture credits
Olaf Hermann, Langen

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.

Disclaimer
The interim management report as well as the Interim Report in other respects contain forward-looking statements as well as expectations and forecasts. These are based on the information available to us at this time, which we have deemed to be reliable after careful consideration. We do not assume an obligation to update based on new information and future events after the publication of this information. We have derived our estimations and conclusions from these forward-looking statements, expectations and forecasts. We expressly point out that all of our future-oriented statements are associated with known or unknown risks or imponderables and are based on conclusions relating to future events, which depend on risks, uncertainties and other factors that are outside of our area of influence. Such developments can result from, among other things, a change in the general economic situation, the competitive situation, the development of the capital markets, changes in the tax law and legal framework as well as from other risks. The events actually occurring in the future may thus turn out to be considerably different from our forward-looking statements, expectations, forecasts and conclusions. We can therefore assume no liability for their correctness and completeness or for the actual occurrence of the information provided. The English translation of the Interim Report is provided for convenience only. The German original is definitive.

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