Deka Group

Interim Report 2024

Deka

24

Finanzgruppe

Deka Group at a glance

BUSINESS DEVELOPMENT INDICATORS		30 Jun 2024	31 Dec 2023	Change (%)
Total assets	€m	95,111	84,800	12.2
Asset management volume	€m	377,397	357,730	5.5
Deka certificate volume	€m	24,806	23,216	6.8
Total of asset management volume and Deka certificate volume	€m	402,203	380,947	5.6
Number of securities accounts	thousand	5,578	5,477	1.8
		1st half 2024	1st half 2023	
Asset management net sales	€m	6,120	–14,618	141.9
Gross certificate sales	€m	8,340	11,106	–24.9
Total sales	€m	14,461	–3,512	(> 300)
PERFORMANCE INDICATORS				
Total income	€m	1,139.1	1,281.1	–11.1
Total expenses	€m	626.6	647.5	–3.2
Economic result	€m	512.4	633.6	–19.1
Total of profit or loss before tax	€m	514.7	698.4	–26.3
Return on equity before tax (balance sheet)	%	16.4	21.2	–4.9 %-Points
Cost/income ratio	%	54.8	52.0	2.9 %-Points
RISK INDICATORS – NORMATIVE PERSPECTIVE		30 Jun 2024	31 Dec 2023	
Own funds	€m	7,113	7,230	–1.6
Risk-weighted assets	€m	31,234	30,486	2.5
Total capital ratio	%	22.8	23.7	–0.9 %-Points
Common Equity Tier 1 capital ratio	%	18.3	19.2	–0.9 %-Points
Leverage ratio	%	7.7	9.2	–1.5 %-Points
MREL Ratio (RWA based)	%	54.3	54.1	0.2 %-Points
MREL Ratio (leverage ratio exposure based)	%	20.7	23.5	–2.8 %-Points
Subordinated MREL requirements (risk-weighted assets based)	%	39.3	37.7	1.7 %-Points
Subordinated MREL requirements (leverage ratio exposure based)	%	15.0	17.9	–2.9 %-Points
Net Stable Funding Ratio (NSFR)	%	121.8	120.9	1.0 %-Points
Liquidity Coverage Ratio (LCR)	%	167.7	209.0	–41.3 %-Points
RISK INDICATORS – ECONOMIC PERSPECTIVE				
Risk appetite	€m	4,300	4,300	–
Total risk	€m	2,498	2,553	–2.2
Utilisation of risk appetite	%	58.1	59.4	–1.3 %-Points
RATING LONG-TERM (SHORT-TERM)				
Moody's		Aa1 (P-1)	Aa2 (P-1)	
Standard & Poor's		A (A-1)	A (A-1)	
SUSTAINABILITY RATING				
MSCI ESG		A	A	
ISS ESG		C (Prime)	C (Prime)	
Sustainalytics		16.3 Low Risk	16.9 Low Risk	
Moody's ESG Solutions		55 / 100 Robust	55/100 Robust	
KEY EMPLOYEE FIGURES				
Number of employees		5,671	5,492	3.3
Number of active employees		4,883	4,702	3.9

Due to roundings, numbers and percentages presented in this report may not add up precisely to the total provided.

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INTERIM MANAGEMENT REPORT

Interim management report 2024

At a glance

The world economy proved robust in the first half of 2024 and found itself on a growth path despite the geopolitical tensions and conflicts and the restrictive monetary policy environment. High employment together with significant wage growth brought a respectable rise in consumer demand. On the capital markets, falling inflation rates and hopes of imminent key interest rates cuts by central banks also set the agenda. This led to positive stock market trends, which were also bolstered by global economic growth and positive corporate results. The markets were also unperturbed by the external risks and buoyed by the topic of artificial intelligence.

For Deka, supporting savings banks and institutional customers remained the focus. Investment fund business picked up again in the first half of 2024. Customers showed increased willingness to make lump-sum investments, and the number of new savings agreements was up again, too.

In the private customer segment, asset management net sales rose by €1.2bn year-on-year to €4.6bn. Net sales to institutional customers came to €1.5bn as against €–18.1bn in the first six months of 2023. The prior-year figure was affected by a major client moving to another provider. Asset management net sales in the first half of 2024 therefore came to €6.1bn, compared with €–14.6bn in the same period of the previous year. At €8.3bn, gross certificate sales were down on the equivalent prior-year figure (€11.1bn). As in the previous year, the majority of these certificate sales (€8.0bn) were to private customers (H1 2023: €11.0bn). Certificate sales to institutional customers in the reporting period came to €0.4bn (H1 2023: €0.1bn). The Deka Group's total net sales stood at €14.5bn, compared with €–3.5bn in the first half of 2023.

At €377.4bn, the asset management volume at the end of June 2024 was slightly up on the figure for year-end 2023 (€357.7bn), mainly due to market-induced positive investment performance. The Deka certificate volume increased by €1.6bn compared with year-end 2023, rising to €24.8bn. The total of the asset management and Deka certificates volume stood at €402.2bn (year-end 2023: €380.9bn).

The Deka Group achieved another good economic result of €512.4m. As expected, this was below the 2023 first-half result of €633.6m.

Income amounted to €1,139.1m (H1 2023: €1,281.1m). The decline was mainly attributable to valuation effects due to changed market parameters. Net commission income remained the main component of the Deka Group's income, accounting for €785.3m. At €626.6m, total expenses were slightly lower than in the first half of 2023 (€647.5m) due to the bank levy not applying in 2024.

The cost/income ratio was 54.8% (H1 2023: 52.0%). Return on equity before tax (balance sheet) was 16.4%, compared with 21.2% in the first half of 2023.

The Deka Group's financial position remains sound. DekaBank also has one of the best credit ratings among its peer group of German commercial banks. At the mid-point of the year, the Common Equity Tier 1 capital ratio stood at 18.3% (year-end 2023: 19.2%). The risk-bearing capacity analysis showed a utilisation of risk appetite of 58.1% (year-end 2023: 59.4%).

Information about the Deka Group

Deka Group profile and strategy

The Deka Group is the securities service provider (the *Wertpapierhaus*) for the savings banks. The Group consists of DekaBank Deutsche Girozentrale (DekaBank) and its subsidiaries in Germany and other countries.

Through its asset management and banking activities, it acts as a service provider for the investment, administration and management of assets, supporting its customers at every stage in the investment and advisory process within the securities business. It also offers comprehensive advice and solutions around investment, liquidity and risk management, and refinancing. The Deka Group acts as an all-round solution provider, serving customers' needs without bias towards particular products. This philosophy drives the development of its complete range of asset management and banking services to meet the securities business needs of savings banks and their customers and the targeted sales support it provides as a partner to the savings banks.

Organisational structure

The Deka Group divides its business into five business divisions that bring together similar activities. Asset management activities are handled by the Asset Management Securities and Asset Management Real Estate business divisions. The Group's banking business is covered by the Capital Markets and Financing business divisions. The fifth business division – Asset Management Services – provides banking services for asset management.

The cross-divisional sales units – Savings Banks Sales (which is subdivided into the regional savings bank sales departments and Private Baking & Wealth Management) and Institutional Customer Sales – act as the interface with sales partners and customers.

The corporate centres perform essential functions and support the business divisions and sales departments throughout the value chain.

Management

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

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

At the reporting date, the Board of Management consists of six members. The responsibilities are as follows:

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

See also: Annual Report 2023

Positioning and role within the *Sparkassen-Finanzgruppe*

The Deka Group is a key part of the *Sparkassen-Finanzgruppe* (Savings Banks Association) given its historical development and ownership structure. The Deka Group's detailed strategy is set out in the 2023 Annual Report and provides a framework for the further development of the *Wertpapierhaus*.

The Deka Group's Management Agenda is an ongoing strategic action programme that sets the strategic direction to further build on the Deka Group's position as the *Wertpapierhaus* for the *Sparkassen-Finanzgruppe*. This is focusing on the following elements:

- Customer orientation: Sales and the product and service portfolio are being geared to the needs of target customers in order to generate profitable growth.
- Technology and innovation: Technology and the possibilities it brings are being used to increase customer utility, improve efficiency and fully capitalise on business potential.
- Sustainability: Implementing consistent ESG governance and providing an appropriate range of products and services is ensuring competitiveness.
- Modern organisation and attractiveness as an employer: Having a consistent focus on results, being able and willing to change, orienting the Group towards overarching goals and increasing Deka's attractiveness to existing and potential employees are central aspects in ensuring the Group is fit for the future.

Digitalisation activities

As society, industry and the financial sector are increasingly transformed by digital technology, the Deka Group is focusing on three strategic directions: digitalising the customer interface, digitalising products and services, and digitalising processes and infrastructure. The use of relevant technologies is an essential tool here if we are to continue providing competitive financial services in future. These are as follows:

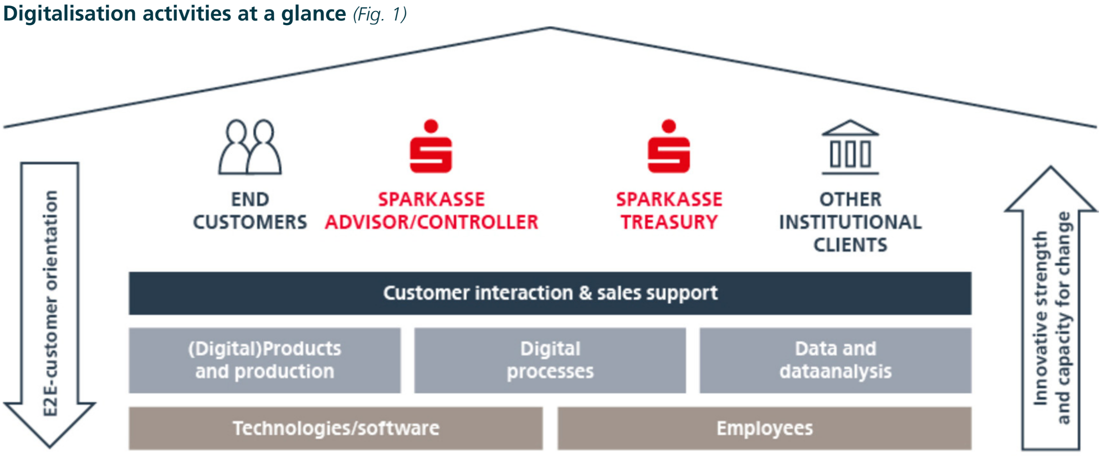
- Interaction with savings banks: Deka is constantly enhancing interaction with the savings banks via S-Invest Manager and improving the support it offers the savings banks for the provision of competitive digital customer journeys via the S-Invest app and "internet branch". To make the *Sparkassen-Finanzgruppe* more competitive, particularly in attracting young customers and execution-only clients, the Deka Group is expanding the services that Deka, S Broker and bevestor provide directly to end customers. Finally, the sales support provided to the savings banks is being further digitalised.
- Digital product offerings: Digital product offerings are being developed in two areas: First, the digitalisation of conventional products and services, for example in asset management or brokerage. Second, the issue and trading of digital assets, especially tokenised and digital securities.
- Blockchain infrastructure: The Deka Group is working to develop and establish an infrastructure for digital assets all along the value chain. This will complement existing infrastructure and ensure secure issuance, tokenisation, processing and custody of digital assets. As part of this, DekaBank acquired a licence from the German Federal Financial Supervisory Authority (BaFin) in June 2024 to maintain a crypto securities register. It has also applied for a licence for crypto custody, allowing it both to issue its own electronic securities and offer register maintenance as a service. The joint venture with SWIAT GmbH is supporting the development of relevant blockchain technologies.
- Process digitalisation: New and existing business and IT processes are being digitalised to boost the efficiency and resilience of core, management and support processes. In addition, process digitalisation supports end-to-end customer orientation by examining how things work from a customer perspective. We collect and analyse data in a structured way to identify customer needs from an early stage. Based on this, we can develop sales initiatives to boost the quality of customer communication and satisfaction among end customers. Deka is currently developing a platform to consolidate existing sales data pools.

The Deka Group already uses, or is examining the use of, artificial intelligence (AI) in three main areas:

- Approaching customers efficiently: communicating efficiently about investment opportunities based on sales data.
- Improving quality: improving the quality of products and investment decisions by analysing large volumes of data.
- Efficient processes: Using AI to help employees increase process efficiency.

The interaction between employees, suitable work processes and technologies is the basis for promoting innovation and adaptability and successfully putting end-to-end customer orientation into practice.

Digitalisation activities at a glance *(Fig. 1)*



Environmental, social and corporate governance (ESG)
As the *Wertpapierhaus* for the savings banks, the Deka Group is helping the *Sparkassen-Finanzgruppe* to get ready for the future based on the "Target vision 2025 – Guidelines on sustainability in savings banks" (*Zielbild 2025 – Leitfaden zur Nachhaltigkeit in Sparkassen*). In keeping with regulatory requirements, the Deka Group understands sustainability as an ongoing process to fully integrate ESG criteria (climate and environmental (E), social (S), and responsible governance (G) aspects) into the business model. This applies in equal measure to customers, to Deka itself and to its public engagement.

In its role as the *Wertpapierhaus* for the savings banks, the Deka Group puts customers' needs front and centre. Using a wide range of products with sustainability characteristics, from capital market- and real estate-based investment products to financing solutions, it helps its customers achieve their ambition of financing and investing in a climate-friendly and sustainable way.

The Deka Group's strategic and sustainable positioning as an organisation with regard to ESG requirements enables it to respond to risks and opportunities. This involves integrating sustainability considerations into structures and workflows. Potential ESG risks in relevant business processes are systematically identified and managed. Regulatory requirements are reliably implemented.

The Deka Group wants to be perceived by all its staff as a fair, flexible and attractive employer and has an open and participatory management culture. It values the diversity of its teams. Employees are actively involved in shaping Deka's future as a sustainable organisation.

The Deka Group's sense of social responsibility is reflected in its actions. As an active investor, it engages in dialogue with investors, businesses and issuers to closely support them with the steps to achieving their sustainability goals as part of the transformation. Following in the tradition of the savings banks and their focus on the greater good, the Deka Group supports social, environmental and cultural projects.

The Deka Group's ESG ratings confirm the good level of sustainability-related measures.

ESG ratings at a glance *(Fig. 2)*

Status of sustainability ratings according to annual ESG ratings reports: MSCI ESG ratings: 10 June 2022; ISS-ESG: 23 August 2023; Sustainalytics: 23 January 2024; Moody's ESG Solutions (formerly V.E): 5.2021
* Copyright ©2022 MSCI, ** Copyright ©2021 Sustainalytics

See also: 2023 sustainability report

In accordance with the statutory disclosure deadlines, the 2023 Sustainability Report, including the non-financial report, which does not form part of the Group management report, was published on the website at https://www.deka.de/deka-group/our-responsibility/how-we-practice-sustainability/sustainability-reports-and-ratings by the relevant deadline of the end of April 2024.

Market position and awards

With fund assets (according to the BVI, the German Investment Funds Association, as at 31 May 2024) of €167.4bn and a market share of 12.5%, Deka is the third largest provider of mutual securities funds in Germany. It is Germany's second-placed provider of mutual property funds with fund assets (according to the BVI, as at 31 May 2024) of €42.2bn and a market share of 32.7%.

At the 2024 Capital-Fonds-Kompass awards organised by the business magazine Capital together with the fund analysis firm Scope Analysis and Institut für Vermögensaufbau, Deka Investment GmbH received five stars for the twelfth time in a row. Among the universalists, Deka took first place again.

The €uro FundAwards presented by the publishing house Finanzen Verlag together with the editors of "€uro", "€uro am Sonntag" and "Börse-Online" in January 2024 recognised the best funds of the year. Deka's funds and ETFs won a total of 16 individual awards.

The German Fund Champions 2024 were crowned in January 2024. Deka was the winner again in the "bonds" category of the *Liga der Fondschampions* (league of fund champions) organised by f-fex and finanzen.net.

In the StarMine Awards from Refinitiv and Reuters, Deka's Macro Research took third place in the ranking of the eurozone's best growth forecasters in February 2024. This makes Deka one of the front-runners among the 36 institutions assessed.

In June 2024, Scope confirmed the strong operational management performance of Deka Immobilien GmbH. An AA+ asset management rating in the real estate segment was achieved for the twelfth time in a row.

The Deka Group's certificates are sold through the German savings banks. According to statistics from the German Derivatives Association (DDV), Deka has confirmed its very good position as an issuer of structured products in Germany, with a 17.8% market share by market volume at the end of March 2024.

In the annual online broker test by "€uro" magazine, S Broker impressed with its wide range of securities and trading venues in Germany and other countries. Its securities offering was ranked in second place this year, putting it among the magazine's "top brokers". For certificate savings plans, S Broker took first place as "best broker" again. It was also the "top broker" for investment fund savings plans and withdrawal plans.

Economic report

Economic environment

Macroeconomic conditions

The world economy remained resilient in the first half of 2024, with a rise in global production defying the many geopolitical tensions and conflicts and the restrictive monetary policy environment. While inflation rates dropped, central banks refrained from early cuts to key interest rates, disappointing the hopes harboured by financial markets at the beginning of the year. The US economy in particular recorded strong employment growth combined with significant wage rises in the first half of 2024. In the early months of the year, buoyant demand kept inflation rates at a level that left the US Federal Reserve no scope to lower interest rates. This reflected the continued effects of the fiscal stimulus packages. In Europe, too, stable labour markets combined with expansionary fiscal policy contributed to macroeconomic growth. With its export orientation and reliance on heavy industry, the German economy remained more exposed than most to strong protectionism, high energy prices and less resilient supply chains. Gross domestic product in Germany increased slightly in the first half of 2024 following a contraction in 2023.

An increasing factor for corporates was the ability of households to achieve real wage growth again given the lower inflation rates. This improved prospects for consumer spending. In addition to this, the expectation of rate cuts in the first half of the year also played an important role for both capital markets and business confidence, which resulted in a slight rise in survey indicators such as purchasing managers' indices. Particularly in the service sector, the situation in Europe looks reasonably favourable. Industry, meanwhile, faces a challenge to compete with conditions in the United States and China. Structural factors such as the shift to climate-neutral production, digitalisation, the shortage of skilled labour and the diversification of supply chains are also weighing on European companies.

Sector-related conditions
After dropping relatively quickly back towards stable levels in 2023, inflation continued to ease in the first half of 2024. This was true in both the US economy and the eurozone, although inflation was around 0.7 percentage points higher in the United States than in Europe as the former's economic growth continued to outstrip expectations. In principle, this has laid the ground for the eurozone to overcome the price shock without any major second-round effects. However, this will require moderation in wage agreements, with the negotiating parties factoring in both the changes to the international trade picture and recent productivity trends. The improved inflationary environment cannot be taken for granted. The inflation-reducing effects from energy prices, which have resulted in lower price growth for industrial goods, are now almost exhausted.

Starting in July 2022, the European Central Bank performed one of the sharpest interest rate turnarounds in the history of European monetary policy. Ten rate hikes lifted key interest rates by a total of 4.5 percentage points. This caused capital market interest rates, such as the yields on ten-year German government bonds, to rise by around 3.5 percentage points at their peak. Expected real interest rates – a particularly important economic metric – also rose by around three percentage points. At the same time, the European Central Bank (ECB) and national central banks cut back their purchases on the bond markets and continued to gradually reduce their holdings in the first half of 2024 by no longer fully replacing maturing bonds. In addition to this, almost all longer-term refinancing operations (TLTROs) have now been repaid. In June, the ECB cut key rates by 25 basis points.

On the bond markets in the first half of 2024, the reasonably high level of optimism about key rate cuts was repeatedly scaled back. Particularly in the United States, economic data was often positive, and the labour market proved extremely robust. This prompted sharp rises in yields on US Treasuries and a continuation of the inverted yield curve for up to ten-year yields. Bund yields followed the US lead, despite the much weaker economic growth in the eurozone and particularly in Germany. Prices on bond markets recovered somewhat in June as the signs pointed to inflation easing in the United States again. In the eurozone, the ECB cut interest rates by 25 basis points in June 2024. The long-expected and long-telegraphed nature of the turnaround in rates meant that the move did not trigger market euphoria. European capital markets suffered a setback with the results of the European Parliament elections and the announcement of new elections in France. Risk premiums on French sovereign bonds widened significantly in response, dragging other southern European spreads with them. On credit markets, the very favourable trend since last autumn continued into 2024, driven mainly by credit derivatives. In the cash bond market, yields remained slightly elevated due to vigorous new issuance activity. However, some French corporate bonds were noticeably hit by the political uncertainty.

The major stock indices saw strong gains almost worldwide in the first half of the year, led by the US markets. Significant losses occurred only in a few emerging markets. In the United States, it was once again the major technology stocks that were well ahead of the pack, in terms of both corporate results and price gains, repeatedly driving the share indices to new historic highs. Tech stocks also dominated in Europe. While economic growth here was well behind the US lead, the strong global orientation of major European corporations also enabled many companies here in Germany to clearly increase their sales and profits in the first half of 2024, often outperforming market expectations. The interest rate turnaround in June also held out the prospect of more favourable financing conditions. The results of the European elections, with significant gains for extremist, populist parties, complicated the picture, however. This was particularly the case in France, where the surprise announcement of new parliamentary elections at one point wiped out almost all the price gains from the first half of the year. This reflected the likelihood that any new government would noticeably back away from savings programmes in public spending and from pro-European policies.

The real estate markets registered a low level of transactions again in the first half of 2024. The global transaction volume was also slightly down year-on-year. This was particularly true in the market for office properties, where initial yields rose further. Buyers and sellers continued to hold back. There were only minor changes in yields for other property types. Such conditions continued to give competitive advantages to investors who purchased property with a large proportion of equity capital and had a high level of market expertise. Letting office properties was a slow process. The trend towards smaller but higher-value spaces fuelled further rises in top rents. Despite slight increases, vacancy rates remained modest overall. For retail, the market largely bottomed out and saw slightly higher demand in prime locations. Hotels benefited from rising occupancy and a sustained recovery in international travel. Demand in the logistics market stabilised at a somewhat lower level.

According to Deutsche Bundesbank statistics, the financial assets of private households rose by around €215.5bn as against the end of 2023 to €7,945.5bn (31 March 2024). This was due to strong inflows into financial assets as a whole and, to an even greater extent, growth in the value of securities investments. Holdings of cash and sight deposits were down €32.4bn compared with the previous quarter and are clearly still being hit by the higher interest rates. Holdings in term deposits, savings deposits and savings bonds saw a rise of €67.2bn, generating an overall increase in holdings of cash and deposits. High net inflows (€13.7bn) also took shares in investment funds past the trillion euro mark for the first time (31 March 2024: €1,037.2bn). The share of equities and investment funds in the total financial assets of private households increased compared with the figure as at 31 December 2023 and stood at approximately 20%.

The market performance seen in the first half of the year was also reflected in the investment statistics of the German Investment Funds Association BVI. Net assets in open-ended mutual funds increased slightly to €1,467.1bn as at 31 May 2024 (31 December 2023: €1,382.2bn). Net assets in open-ended special funds also rose to €2,121.1bn (31 December 2023: €2,079.5bn). At €10.0bn, net inflows into open-ended mutual funds in the first five months of 2024 were approximately level with the equivalent prior-year figure (€10.1bn). Net inflows were particularly attributable to bond funds. At €13.5bn, the sales figure for open-ended special funds for institutional investors was slightly below the comparative figure for the previous year (€14.4bn).

Regulatory environment

Changes to regulations, both those already initiated and those in the pipeline, have an influence on the business model and profitability of the Deka Group. Stricter capital requirements for banks could emerge from supervisory interpretations of existing legal standards and from the results of the annual Supervisory Review and Evaluation Process (SREP), for example in the context of the supervisory review of the internal models under Pillar 1 of the Basel capital framework.

The main regulatory topics for the Deka Group are described below.

Regulatory topics

On 19 June 2024, CRR III, implementing the finalised Basel III rules (also known as Basel IV) in the EU, was published in the Official Journal of the European Union. More specifically, a gradual introduction of an output floor is planned. This will stand at 50% upon introduction at the beginning of 2025 and increase to its final level of 72.5% in 2030. The level of the output floor will increase by 5 percentage points each year from 2026 to 2029 and by 2.5 percentage points in 2030. The output floor will only take full effect at the beginning of 2033, as further transitional arrangements for calculating the underlying RWAs in the Credit Risk Standardised Approach will apply until that time. The output floor will limit the benefit of internal models as compared to the standardised approach. DekaBank currently uses an internal model (IRB approach) to measure credit risk for the majority of its lending. It will therefore be particularly affected by the new output floor rules, which will lead to a rise in risk-weighted assets (RWAs) when the transitional arrangements expire. For the other risk types, DekaBank will use the specified standardised approaches in future. In addition, CRR III contains new rules on calculating RWAs for market risk from the fundamental review of the trading book (FRTB), as well as for credit valuation adjustment risk (CVA risk) and operational risk, which may also considerably increase RWAs.

Initial application of the new rules is planned at EU level for 1 January 2025. The European Commission has postponed the calculation of RWAs under the FRTB rules by means of a delegated regulation adopted on 24 July 2024, which pushes the start date back by a year to 1 January 2026. As well as the new standardised approach for calculating market risk, the FRTB also contains rules on internal risk transfers and reclassifications between the trading and banking book, which were already part of CRR II, as well as new provisions on the boundary between the banking book and the trading book. According to a publication by the EBA, these changes have also been postponed until 1 January 2026.

On 2 January 2024, the ECB started its first cyber resilience stress test (CRST) at 109 institutions. 28 selected institutions had to conduct a more in-depth recovery test and create detailed logs as evidence of their activities. As part of the standard assessment, DekaBank and the large majority of the institutions completed an extensive questionnaire by the end of February 2024 and submitted cyber incident reports to the ECB. The closing meeting with the supervisory authority took place in June, and DekaBank received the final report, including the results, at the end of July 2024. These will feed into the 2024 Supervisory Review and Evaluation Process (SREP), primarily in the form of evaluations of operational risks and qualitative requirements.

Sustainability-related regulatory proposals

The Corporate Sustainability Reporting Directive (CSRD) is expanding sustainability reporting. The aim is to increase accountability in relation to sustainability. To this end, mandatory reporting standards – the European Sustainable Reporting Standards (ESRS) – have been introduced for the first time. DekaBank continued its implementation work in the first half of 2024. This particularly included identifying material sustainability topics for the Deka Group (materiality analysis) and implementing data collection, data preparation and reporting. First-time reporting under the requirements of the CSRD will be presented in the Group management report as of 31 December 2024.

Also of relevance is the EU's Sustainable Finance Disclosure Regulation (SFDR). This comprises sustainability-related disclosure obligations at product and entity level, which aim to improve transparency and comparability for investors regarding sustainability aspects of their investment. The provision of regular information on products with sustainability characteristics has been implemented in the annual reports on an ongoing basis. Additional measures to reduce the adverse environmental and social sustainability impacts of investment management companies' investment decisions have been added to the principal adverse impact (PAI) statements of the Deka investment management companies and to the PAI statement of DekaBank. The PAI statements were published for the second time in June 2024.

In 2024, the EBA in partnership with other European supervisory authorities (ECB and ESRB) is performing a "Fit for 55" climate risk scenario analysis. This aims to assess the resilience of the financial sector in line with the EU's "Fit for 55" package of measures. Institutions' progress in collecting climate-related data in the context of the 2022 climate risk stress test is also being evaluated. DekaBank is one of around 110 institutions in the EU participating in the "Fit for 55" climate scenario analysis. The EBA is expected to publish the results of the analysis on an aggregated basis in the first quarter of 2025.

See also: Business and human rights at Deka

The EU Corporate Sustainability Due Diligence Directive (CSDDD) was formally adopted by the European Council on 24 May 2024. The CSDDD will form the European framework for the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*, LkSG). The directive entered into force 20 days after its publication in the EU's Official Journal, but Member States will have two years to transpose the new requirements into national law. Transition periods with tiered implementation deadlines will apply. It is expected that the largest companies within the Directive's scope will have to apply it from mid-May 2027.

The EU's Digital Operational Resilience Act (DORA) entered into force in December 2022. DORA applies to the whole financial sector in the European Union and is designed to improve resilience to operational digital disruption. DORA sets new requirements for the IT systems, processes and services of financial sector companies and encompasses aspects such as cybersecurity, data integrity, IT risk management and the ability to respond to IT disruption. Regular tests and reporting requirements are intended to ensure that weaknesses are identified and resolved at an early stage. The Deka Group is subject to DORA and has initiated projects to implement the requirements by the 17 January 2025 deadline.

Product- and service-related regulatory proposals

The EU directive on deposit guarantee schemes (Deposit Guarantee Schemes Directive) was implemented in Germany as part of the European banking union in 2015. Under the more wide-ranging ideas put forward by the European Commission, national deposit guarantee systems would create a reinsurance system via a single European Deposit Insurance Scheme (EDIS) and centralise deposit insurance at European level in future. The design of this scheme, the role of institutional guarantee systems and the timetable have not yet been determined.

In May 2023, the European Commission published its draft Retail Investment Strategy (RIS). The proposals primarily relate to processes in investment services and are therefore relevant to Deka and its collaboration with the savings banks. The European Parliament and European Council have now agreed their positions on the proposals. Trilogue negotiations between the Parliament, Council and Commission are due to start in autumn this year. DekaBank is helping the DSGV to accompany the legislative process and evaluating possible impacts.

Business development and profit performance in the Deka Group

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

The world economy proved robust in the first half of 2024 and found itself on a growth path despite the geopolitical tensions and conflicts and the restrictive monetary policy environment. High employment together with significant wage growth brought a respectable rise in consumer demand. On the capital markets, falling inflation rates and hopes of imminent key interest rates cuts by central banks also set the agenda. This led to positive stock market trends, which were also bolstered by global economic growth and positive corporate results. The markets were also unperturbed by the external risks and buoyed by the topic of artificial intelligence.

The Deka Group achieved another good economic result of €512.4m. As expected, this was below the 2023 first-half result of €633.6m.

Income amounted to €1,139.1m (H1 2023: €1,281.1m). The decline was mainly attributable to valuation effects due to changed market parameters. Net commission income remained the main component of the Deka Group's income, accounting for €785.3m. At €626.6m, total expenses were slightly lower than in the first half of 2023 (€647.5m) due to the bank levy not applying in 2024.

Investment fund business picked up again in the first half of 2024. Customers showed increased willingness to make lump-sum investments, and the number of new savings agreements was up again, too. The Deka Group's total net sales therefore stood at €14.5bn (H1 2023: €–3.5bn). Net sales to private customers fell to €12.6bn (H1 2023: €14.4bn) due to lower sales of cooperation certificates. In institutional business, sales came to €1.9bn. The prior-year figure of €–17.9bn was affected by a major client moving to another provider (approximately €–19bn).

In the private customer segment, asset management net sales rose by €1.2bn year-on-year to €4.6bn. Equity funds (€1.9bn), bond funds (€0.9bn) and real estate funds (€0.5bn) accounted for a particularly significant share of sales.

Net sales to institutional customers came to €1.5bn as against €–18.1bn in the first six months of 2023. The prior-year figure was affected by a major client moving to another provider. Asset management net sales in the first half of 2024 therefore came to €6.1bn, compared with €–14.6bn in the same period of the previous year.

At €8.3bn, gross certificate sales were down on the equivalent prior-year figure (€11.1bn). As in the previous year, the majority (€8.0bn) of these sales were to private customers (H1 2023: €11.0bn). Stepped coupon bonds (€4.1bn) and express certificates (€2.8bn) were in particular demand. Certificate sales to institutional customers in the reporting period came to €0.4bn (H1 2023: €0.1bn). The gross sales figure includes both Deka certificates and cooperation certificates. Deka certificates accounted for €5.9bn of the total (H1 2023: €5.2bn). Cooperation certificates, which complement Deka's certificate range, accounted for €2.5bn, compared with €5.9bn in the first half of 2023.

Savings plans performed well in the first half of 2024. Investors signed up to around 235,000 (net figure) new Deka investment savings plans (H1 2023: 87,000), meaning that the Deka Group manages approximately 7.9 million contracts in total, compared with around 7.6 million at the end of 2023.

The appeal of securities was also reflected in the number of securities accounts, which increased by approximately 100,000 in total to 5.6 million (year-end 2023: 5.5 million). At 69.5 million, the number of transactions was significantly up on the figure for the first half of 2023 (63.1 million).

Deka Group sales* *in €m (Fig. 3)*

	1st half 2024	1st half 2023
Asset management net sales	**6,120**	**–14,618**
by customer segment		
Private customers	4,639	3,437
Institutional customers	1,482	–18,055
by product category		
Mutual funds and fund-based asset management	4,198	3,022
Special funds and mandates	1,437	–17,455
ETFs	485	–186
Gross certificate sales	**8,340**	**11,106**
by customer segment		
Private customers	7,956	10,970
Institutional customers	384	136
Total sales (Total of net sales asset management and certificates)	**14,461**	**–3,512**

* The allocation of net sales to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The equivalent prior-year figures have been adjusted to aid comparison.

At €377.4bn, the asset management volume at the end of June 2024 was slightly up on the figure for year-end 2023 (€357.7bn), mainly due to market-induced positive investment performance. The Deka certificate volume increased by €1.6bn compared with the end of the previous year, rising to €24.8bn. The total of the asset management and Deka certificates volume came to €402.2bn (year-end 2023: €380.9bn).

Deka Group asset management volume and Deka certificate volume* *in €m (Fig. 4)*

	30 Jun 2024	31 Dec 2023	Change	
Asset management volume	**377,397**	**357,730**	19,667	5.5%
by customer segment				
Private customers	202,916	188,402	14,515	7.7%
Institutional customers	174,481	169,329	5,152	3.0%
by product category				
Mutual funds and fund-based asset management	210,714	196,787	13,927	7.1%
Special funds and mandates	152,227	147,841	4,387	3.0%
ETFs	14,457	13,103	1,354	10.3%
Deka certificate volume	**24,806**	**23,216**	1,589	6.8%
by customer segment				
Private customers	20,217	18,534	1,683	9.1%
Institutional customers	4,588	4,683	−95	−2.0%
Total of asset management volume and Deka certificate volume	**402,203**	**380,947**	21,257	5.6%

* The allocation of the volume to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The equivalent prior-year figures have been adjusted to aid comparison.

The Common Equity Tier 1 capital ratio amounted to 18.3% as at 30 June 2024, compared with 19.2% at year-end 2023. The change in this ratio resulted from a slight decrease in Common Equity Tier 1 capital accompanied by a slight increase in risk-weighted assets (RWAs). In accordance with Article 26(2) CRR, the annual profit for 2023 less foreseeable charges and dividends was already recognised in Common Equity Tier 1 capital as at the end of 2023 (dynamic approach).

See also: Capital adequacy in the first half of 2024: page 35 ff.

Common Equity Tier 1 capital amounted to €5,710m (year-end 2023: €5,848m). The decline was mainly due to a larger shortfall from the comparison of provisions and to a reduction in retained earnings caused by AT1 interest payments.

Compared with the figure for year-end 2023 (€30,486m), RWAs increased by a total of €748 m to €31,234m. Credit risk rose by €215m to €20,099m. This was mainly due to higher risk weightings and rating downgrades for real estate financing, as well as an increase in the volume of strategic investments. Market risk rose by €413m to €4,759m. This resulted primarily from changes in creditworthiness affecting specific market risk and from general market risk due to higher credit spread and interest rate risks. RWAs from operational risk increased by €229m to €5,956m due to an updated assessment of loss scenarios for tax law risks in the ex-ante perspective. CVA risk declined by €108m to €420m due to lower volumes of derivative transactions to be included.

The leverage ratio as at 30 June 2024 stood at 7.7%, compared with 9.2% at year-end 2023. The decline was due to a significantly increased leverage ratio exposure combined with slightly reduced Tier 1 capital. The minimum leverage ratio of 3.0% was significantly exceeded.

The MREL requirements as at mid-2024 were determined using an RWA- and leverage ratio exposure (LRE)-based calculation method in accordance with supervisory requirements. As at the reporting date, the MREL ratio in line with the RWA-based approach amounted to 54.3% (year-end 2023: 54.1%), while the figure under the LRE-based approach came to 20.7% (year-end 2023: 23.5%). Both ratios were well above the applicable minimum ratios.

The subordinated MREL requirements were also calculated using the RWA- and LRE-based method in accordance with supervisory requirements. As at 30 June 2024, the subordinated MREL requirements in line with the RWA-based approach came to 39.3% (year-end 2023: 37.7%), while the figure under the LRE-based approach was 15.0% (year-end 2023: 17.9%). Both ratios were well above the applicable minimum ratios.

See also: Liquidity adequacy in the first half of 2024: page 38 ff.

The liquidity coverage ratio (LCR) at the mid-year point was 167.7% (year-end 2023: 209.0%), putting it above the minimum requirement of 100%. The net stable funding ratio (NSFR) came to 121.8% (year-end 2023: 120.9%) and, at the end of June, was thus also above the required 100%. The Deka Group therefore had ample liquidity, measured using the LCR and NSFR, throughout the first half of 2024.

Economic risk-bearing capacity was at a non-critical level overall at the end of June 2024. Utilisation of risk appetite (58.1%) fell slightly versus the end of the previous year (59.4%) due to a slightly lower total risk. At 43.2%, utilisation of risk capacity was below the level seen at the end of 2023 (46.6%).

Profit performance of the Deka Group

As expected, the economic result of €512.4m was down on the figure for the first half of the previous year (€633.6m).

Income amounted to €1,139.1m, compared with €1,281.1m in the first half of 2023. The reduction was mainly attributable to the creditworthiness-related valuation result from own issues in Treasury due to spread developments. At €785.3m, net commission income remained the main component of the Deka Group's income and was on a level with the previous year. At €626.6m, total expenses were slightly lower than in the first half of 2023 (€647.5m) due to the bank levy not applying in 2024.

Due to higher interest rates, the net interest income of €257.7m was up by €24.3m on the figure for the first half of 2023 (€233.4m). The increase resulted primarily from the investment of liquidity from own funds by the Treasury function, which in turn was due to the movement in interest rates. Other major components of net interest income came from the earnings contribution made by specialised financing and real estate financing. These were moderately down overall on the same period of the previous year due to a smaller portfolio.

See also: Note 7 Risk provisions in the lending and securities business: page 66 ff.

In the lending and securities business, there was a net allocation to risk provisions in the amount of €3.4m in the first half of 2024 (H1 2023: net reversal of €35.4m). Specific provisions, primarily in real estate financing, and a positive net effect from the reversal and recognition of post-model adjustments for borrowers in the International Commercial Real Estate rating module almost cancelled each other out. In the lending business, there was a net allocation of €4.0m (H1 2023: net reversal of €39.3m). The figure for the reporting period mainly comprised a net reversal of €6.0m in the Specialised Financing subdivision and a net allocation of €10.2m in the Real Estate Financing subdivision. For the securities business, there was a net reversal of €0.6m (H1 2023: net allocation of €3.9m).

Net commission income came to €785.3m, compared with €789.1m in the first half of 2023. A decline in portfolio-related commission in the Asset Management Real Estate business division meant that commission from investment fund business was down year-on-year. Sales-related commission exceeded the prior-year figure. The lower level of market activity meant that purchasing and construction fees were slightly short of the figure for the first half of 2023. Commission from banking business was up significantly, particularly thanks to higher income from securities management. Overall commission from custody account business was moderately higher than in the same period of the previous year.

Net financial income came to €121.1m, compared with €239.9m in the first half of 2023. This figure includes all income and expense items from the trading book as well as the valuation and sale results from the banking book portfolios.

Net financial income from trading book portfolios amounted to €211.8m. The earnings contribution of the Trading & Structuring unit remained a key component, partly due to the demand for certificates. Overall, net financial income from trading book portfolios was slightly better than in the prior-year period (€192.8m). One reason for this was the market development in the first half of the year, which benefited derivatives trading.

Net financial income from the banking book was €–90.7m (H1 2023: €47.1m). The first half of 2024 saw creditworthiness-related negative net income (around €–93m) from own issues in Treasury due to spread developments. This compared with positive earnings effects (around €48m) in the previous year. As in the first half of 2023, there was no allocation in the reporting period to the general provision for potential risks. Additions to or releases from the general provision are reflected in the economic result, but do not form part of the IFRS profit or loss and are not allocated to specific business divisions.

Other operating profit was €–21.7m (H1 2023: €–16.7m). This included actuarial gains of €20.3m on provisions for pensions, partly due to the increase in the actuarial interest rate to 3.75% (year-end 2023: 3.50%). In addition, plan assets increased due to market conditions. In the same period of the previous year, actuarial losses of €8.3m were recognised on provisions for pensions, triggered by the actuarial interest rate. Actuarial effects are not included in the IFRS profit or loss as they are posted directly to equity (revaluation reserve). However, they are reported in the economic result as part of the profit or loss for the period. The figure for other operating profit also includes the negative effects of interest paid in January 2024 as a result of tax assessment notices.

Personnel expenses increased moderately to €327.7m (H1 2023: €301.7m). Increases stemmed particularly from the increase in headcount to take advantage of growth opportunities as well as from wage and salary rises under collective agreements.

Other administrative expenses including depreciation and amortisation rose slightly from €270.5m in the first half of 2023 to €279.2m. The increase resulted primarily from higher project costs for the expansion of sales and for multichannel management and digitalisation activities, as well as higher expenditure on computer equipment and machinery and on IT information services.

The annual contribution to the deposit guarantee scheme of the *Landesbanken* and *Girozentralen* amounted to €20.0m (H1 2023: 28.4m). Following the announcement by the Single Resolution Board (SRB), the bank levy is not expected to apply in 2024 (H1 2023: €46.9m).

The Deka Group operates in a growing market with the aim of realising potential income with an attractive cost/income ratio. The cost/income ratio, i.e. the ratio of total expenses (excluding restructuring expenses) to total income (before risk provisions in the lending and securities business), was 54.8% (H1 2023: 52.0%). Return on equity before tax (balance sheet) was 16.4%, compared with 21.2% in the first half of 2023.

Deka Group performance *in €m (Fig. 5)*

	1st half 2024	1st half 2023	Change	
Net interest income	257.7	233.4	24.3	10.4%
Risk provisions in the lending and securities business	–3.4	35.4	–38.8	–109.7%
Net commission income	785.3	789.1	–3.7	–0.5%
Net financial income	121.1	239.9	–118.7	–49.5%
Other operating profit	–21.7	–16.7	–5.0	–30.0%
Total income	**1,139.1**	**1,281.1**	–142.0	–11.1%
Administrative expenses (including depreciation and amortisation)	626.6	647.5	–20.8	–3.2%
thereof: personnel expenses	327.7	301.7	26.0	8.6%
thereof administrative expenses (including deprecitation and amortisation)	279.2	270.5	8.7	3.2%
thereof bank levy and deposit guarantee scheme	19.7	75.2	–55.5	–73.8%
Total expenses	**626.6**	**647.5**	–20.8	–3.2%
Economic result	**512.4**	**633.6**	–121.2	–19.1%

Business development and profit performance by business division

Business development and profit performance in the Asset Management Securities business division

The Asset Management Securities business division posted an economic result of €311.1m in the first half of 2024 (H1 2023: €286.1m). Net sales stood at €5.7bn, compared with €–15.6bn in the first half of 2023. The prior-year figure was affected by an institutional customer transferring their mandate to another provider. The asset management volume stood at €321.8bn as at 30 June 2024 (year-end 2023: €302.2bn).

Sales and volume

Asset management net sales in the Asset Management Securities business division totalled €5.7bn for the first six months of the year (H1 2023: €–15.6bn). Business with private customers remained the sales focus, accounting for 72% of net sales. Sales of mutual securities funds came to €3.7bn (H1 2023: €2.2bn). Equity funds remained in strong demand. Fund-based asset management saw inflows of €0.1bn (H1 2023: outflows of €–0.1bn). Business with institutional customers amounted to €1.6bn versus €–18.1bn in the same period of the previous year. Net sales of special funds and mandates came to €1.4bn. The sales figure of €–17.6bn for the first half of 2023 was affected by a major client transferring their mandate to another provider (approximately €–19bn). ETFs saw inflows of (€0.5bn), compared with net redemptions and maturities of €0.2bn in the prior-year period.

Net sales performance in the Asset Management Securities business division* *in €m (Fig. 6)*

	1st half 2024	1st half 2023
Asset management net sales	**5,719**	**–15,645**
by customer segment		
Private customers	4,129	2,448
Institutional customers	1,590	–18,093
by product category		
Mutual funds and fund-based asset management	3,798	2,111
ETFs	485	–186
Special funds and mandates	1,436	–17,570

* The allocation of net sales to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The equivalent prior-year figures have been adjusted to aid comparison.

The asset management volume stood at €321.8bn and was €19.6bn higher than at the end of 2023 thanks to the positive investment performance and net sales.

Volume in the Asset Management Securities business division* *in €m (Fig. 7)*

	30 Jun 2024	31 Dec 2023	Change	
Asset management volume	**321,778**	**302,227**	19,551	6.5%
by customer segment				
Private customers	164,046	149,860	14,185	9.5%
Institutional customers	157,732	152,367	5,365	3.5%
by product category				
Mutual funds and fund-based asset management	167,138	153,464	13,674	8.9%
thereof: equity funds	75,535	66,680	8,854	13.3%
thereof: bond funds	21,602	21,169	434	2.0%
thereof: mixed funds	24,391	22,915	1,476	6.4%
ETFs	14,457	13,103	1,354	10.3%
Special funds and mandates	140,183	135,660	4,522	3.3%

* The allocation of the volume to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The equivalent prior-year figures have been adjusted to aid comparison.

Profit performance in the Asset Management Securities business division

At €311.1m, the business division's economic result was up compared with the same period of the previous year (€286.1m). Net commission income of €502.2m was slightly higher than at the end of the first half of 2023 (€486.4m) due to increased portfolio- and sales-related commission. Expenses amounted to €220.8m (H1 2023: €207.7m). The increase was primarily due to higher personnel and other administrative expenses and to investments in measures and projects to implement strategic priorities. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €30.9m compared with €9.6m in the prior-year period.

Profit performance in the Asset Management Securities business division *in €m (Fig. 8)*

	1st half 2024	1st half 2023	Change	
Net commission income	502.2	486.4	15.8	3.2%
Other income	−1.3	−2.2	0.9	40.7%
Total income	**500.9**	**484.2**	16.7	3.4%
Administrative expenses (including depreciation and amortisation)	220.8	207.7	13.0	6.3%
Total expenses	**220.8**	**207.7**	13.1	6.3%
Economic result before income distribution of Treasury-function	**280.1**	**276.5**	3.6	1.3%
Income distribution of Treasury function	30.9	9.6	21.4	223.2%
Economic result	**311.1**	**286.1**	25.0	8.7%

Business development and profit performance in the Asset Management Real Estate business division

At €64.3m, the economic result in the Asset Management Real Estate business division was lower than the figure for the first half of 2023 (€85.2m). Asset management net sales came to €0.4bn (H1 2023: €1.0bn). With continued sound investment performance, the volume stood at €55.6bn, compared with €55.5bn at the end of 2023.

Net sales and volume

Partly due to investors' caution, asset management net sales of €0.4bn were unable to match the comparative figure for the previous year (€1.0bn). Nevertheless, the quota system for sales to private customers was generally maintained; this prevents excessive investment pressure in times of high demand.

The business division's asset management net sales were almost completely attributable to mutual funds. WestInvest InterSelect, which focuses on Europe, continued to register particularly high demand. Deka-ImmobilienGlobal and Deka-ImmobilienMetropolen also achieved substantial sales in the first half of 2024.

Net sales performance in the Asset Management Real Estate business division* *in €m (Fig. 9)*

	1st half 2024	1st half 2023
Asset management net sales	**401**	**1,026**
by customer segment		
Private customers	510	989
Institutional customers	–109	38
by product category		
Mutual property funds	400	911
Special funds, individual property funds and mandates	1	115

* The allocation of net sales to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The equivalent prior-year figures have been adjusted to aid comparison.

Despite distributions of €0.7bn, the volume in the Asset Management Real Estate business division rose slightly compared with year-end 2023 and came to €55.6bn (year-end 2023: €55.5bn). Euro-denominated mutual property funds achieved an average volume-weighted return of 2.2% (year-end 2023: 2.7%).

Although pricing on national and international real estate markets is still difficult following the strong rise in interest rates, the transaction volume of €0.5bn was slightly higher than the figure for the first half of 2023 (€0.4bn). There were five contractually secured property purchases and six sales. Business activities continue to centre on properties in the office, retail, logistics and hotel asset classes.

Volume in the Asset Management Real Estate business division* *in €m (Fig. 10)*

	30 Jun 2024	31 Dec 2023	Change	
Asset management volume	**55,620**	**55,503**	117	0.2%
by customer segment				
Private customers	38,871	38,541	330	0.9%
Institutional customers	16,749	16,962	–213	–1.3%
by product category				
Mutual property funds	43,575	43,323	252	0.6%
Special funds, individual property funds and mandates	12,045	12,181	–136	–1.1%

* The allocation of the volume to the customer segments was refined, resulting in shifts between the customer segments but no effect on the Group figures. The equivalent prior-year figures have been adjusted to aid comparison.

Profit performance in the Asset Management Real Estate business division

The economic result in the Asset Management Real Estate business division stood at €64.3m in the first half of 2024 compared with €85.2m in the prior-year period. Income remained noticeably below the prior-year figure. In particular, portfolio-related commission was significantly lower than in the first half of 2023. Expenses were up slightly in a year-on-year comparison. This was chiefly due to the rise in personnel and project expenses. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €9.1m compared with €7.1m in the prior-year period.

Profit performance in the Asset Management Real Estate business division *in €m (Fig. 11)*

	1st half 2024	1st half 2023	Change	
Net interest income	−0.9	−0.7	−0.3	−41.2%
Net commission income	139.8	158.8	−19.0	−12.0%
Net financial income	2.0	0.8	1.2	146.3%
Other operating profit	1.8	1.9	−0.1	−4.0%
Total income	**142.6**	**160.8**	−18.1	−11.3%
Administrative expenses (including depreciation and amortisation)	87.5	82.6	4.8	5.9%
Total expenses	**87.5**	**82.6**	4.8	5.9%
Economic result before income distribution of Treasury-function	**55.1**	**78.1**	−23.0	−29.4%
Income distribution of Treasury function	9.1	7.1	2.1	29.4%
Economic result	**64.3**	**85.2**	−20.9	−24.5%

Business development and profit performance in the Asset Management Services business division

The economic result as of the end of June 2024 was €10.1m (H1 2023: €5.4m). The number of securities accounts in Digital Multichannel Management increased by around 100,000 to 5.6 million as at the halfway point of the year. Assets under custody grew to €210.3bn due to market conditions. Assets under custody in the Depositary subdivision also saw a market-induced rise of around 6% versus the end of 2023.

Business development in the Asset Management Services business division

At mid-year, the number of custody accounts for which the division is the legal provider stood at 5.6 million (year-end 2023: 5.5 million) and the number of securities transactions came to 69.5 million (H1 2023: 63.1 million). Due to market developments in the first half of 2024, assets under custody in Digital Multichannel Management rose to €210.3bn (year-end 2023: €194.6bn).

S Broker, the Deka Group's online broker, manages around 202,000 custody accounts (year-end 2023: around 200,000) with an investment volume of €17.7 bn. This meant that the investment volume was 9.6% higher than at the end of 2023.

As of mid-year, the robo-advisory service provided by bevestor GmbH has been integrated into the sales of 337 savings banks as part of a cooperation model (year-end 2023: 348 savings banks). The decline in the number of users is due to mergers in the savings bank sector. bevestor has currently arranged an investment volume of €383.1m (year-end 2023: €299.2m) and manages around 105,000 customer custody accounts. At year-end 2023, the number of customer custody accounts was approximately 69,000.

Assets under custody rose in line with the development in asset management to €308.6bn (year-end 2023: €290.8bn). This was particularly due to the positive investment performance of mutual funds and special funds and also to new business.

Profit performance in the Asset Management Services business division

The economic result for the Asset Management Services business division was €10.1m in the first half of 2024 (H1 2023: €5.4m). Net commission income remained the main component of income. It rose to €113.8m (H1 2023: €109.8m) due to the increase in assets under custody and in the number of transactions via S Broker. At €128.3m, expenses were higher than in the first half of 2023 (€126.4m), particularly due to a rise in personnel and project expenses. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €16.0m compared with €9.5m in the prior-year period.

Profit performance in the Asset Management Services business division *in €m (Fig. 12)*

	1st half 2024	1st half 2023	Change	
Net interest income	4.9	5.8	−1.0	−16.8%
Risk provisions in the lending and securities business	0.0	0.1	−0.1	−84.2%
Net commission income	113.8	109.8	4.0	3.6%
Net financial income	1.2	2.0	−0.8	−41.7%
Other operating profit	2.6	4.6	−1.9	−42.6%
Total income	**122.5**	**122.3**	0.1	0.1%
Administrative expenses (including depreciation and amortisation)	128.3	126.4	1.9	1.5%
Total expenses	**128.3**	**126.4**	1.9	1.5%
Economic result before income distribution of Treasury-function	**−5.9**	**−4.1**	−1.8	−43.9%
Income distribution of Treasury function	16.0	9.5	6.5	69.1%
Economic result	**10.1**	**5.4**	4.7	88.1%

Business development and profit performance in the Capital Markets business division

At €204.7m, the economic result for the Capital Markets business division was slightly up on the previous year's figure of €201.3m. The Capital Markets business division continues to fulfil its role as the Deka Group's product, solution and infrastructure provider. It was supported in this by the DEA and finledger platforms.

Business development in the Capital Markets business division

In terms of income, the largest subdivision – Trading & Structuring – can look back on good performance in the first half of 2024, especially in the certificates business.

At €8.3bn, gross certificate sales were down on the high figure seen in the first half of 2023 (€11.1bn). As in the previous year, private customers accounted for the lion's share of demand. Deka certificates accounted for 70.5% of gross certificate sales in the first half of 2024 (H1 2023: 47.2%).

Gross certificate sales Capital Markets business division *in €m (Fig. 13)*

	1st half 2024	1st half 2023
Gross sales	**8,340**	**11,106**
by customer segment		
Private customers	7,956	10,970
Institutional customers	384	136
by issuer		
Deka certificates	5,878	5,248
Cooperation certificates	2,462	5,859

The volume of Deka certificates reported in the balance sheet amounted to €24.8bn (year-end 2023: €23.2bn). The volume of certificates for private customers grew by 9.1% compared with the end of 2023, while the volume of certificates for institutional customers declined slightly.

Deka certificate volume Capital Markets business division *in €m (Fig. 14)*

	30 Jun 2024	31 Dec 2023	Change	
Deka certificate volume	**24,806**	**23,216**	1,589	6.8%
by customer segment				
Private customers	20,217	18,534	1,683	9.1%
Institutional customers	4,588	4,683	−95	−2.0%

The Collateral Trading & Currency subdivision remains well positioned in the repo/lending business, among other areas. The volume traded in the first half of 2024 was below the prior-year level.

In terms of income, the Commission Business subdivision was unable to match the previous year’s turnover in business with shares, bonds, exchange-traded derivatives and supplementary services in a still challenging market environment. It therefore remained slightly short of the prior-year figure.

Profit performance in the Capital Markets business division

At €204.7m, the division’s economic result in the reporting period was slightly higher than the comparative figure for the previous year (€201.3m). Due to lower volumes in bond trading and commission business, net commission income fell short of the figure for the first half of 2023. Net financial income exceeded the figure for the comparison period, partly due to market developments. Expenses rose to €104.2m (H1 2023: €98.5m), primarily as a result of higher project and personnel expenses. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €71.1m compared with €73.7m in the prior-year period.

Profit performance in the Capital Markets business division *in €m (Fig. 15)*

	1st half 2024	1st half 2023	Change	
Net interest income	0.9	1.0	−0.1	−7.7%
Net commission income	24.1	29.2	−5.0	−17.3%
Net financial income	211.1	194.1	17.0	8.7%
Other operating profit	1.7	1.7	0.0	1.6%
Total income	**237.9**	**226.0**	11.9	5.3%
Administrative expenses (including depreciation and amortisation)	104.2	98.5	5.8	5.9%
Total expenses	**104.2**	**98.5**	5.8	5.9%
Economic result before income distribution of Treasury-function	**133.6**	**127.5**	6.1	4.8%
Income distribution of Treasury function	71.1	73.7	−2.6	−3.6%
Economic result	**204.7**	**201.3**	3.5	1.7%

Business development and profit performance in the Financing business division
The Financing business division achieved an economic result of €97.3m for the first six months of 2024 (H1 2023: €123.9m). Gross loan volume in the division posted a fall of 3.6% versus year-end 2023 to €26.2bn at the mid-point of the year.

Business development in the Financing business division
Around 60% of the business division's gross loan volume of €26.2bn (year-end 2023 (€27.2bn) was attributable to specialised financing. The proportion was the same at end of 2023. The proportion of real estate financing was unchanged at around 40%.

The new business volume in the Financing business division amounted to €1.1bn at the end of the first half of 2024 (H1 2023: €3.1bn). New business in the Specialised Financing subdivision came to €0.6bn, compared with €2.0bn at the end of the first half of 2023. At €0.6bn, the Real Estate Financing subdivision also fell short of the previous year's figure (€1.2bn). Loans to savings banks accounted for 11% of total new business in the division (H1 2023: 45%).

The total volume of placements declined along with new business and stood at €0.2bn, compared with €0.3bn at the mid-point of 2023. Around 20% of this total was placed within the *Sparkassen-Finanzgruppe*.

Repayments of around €2.1bn (H1 2023: around €1.8bn) were the main factor reducing the portfolio.

Gross loan volume in the Specialised Financing subdivision *in €bn (Fig. 16)*

	30 Jun 2024	31 Dec 2023	Change
Infrastructure financing	3.7	4.0	–8.9%
Renewable energies	1.2	1.5	–21.0%
Transport financing	3.0	3.3	–7.5%
Aviation	1.7	1.8	–7.2%
Shipping	1.2	1.3	–6.0%
Export financing	0.9	1.0	–10.7%
Public sector financing	3.0	3.1	–3.6%
Savings bank financing	4.5	4.6	–0.4%
Total	**15.1**	**16.0**	–5.2%

Gross loan volume in the Real Estate Financing subdivision *in €bn (Fig. 17)*

	30 Jun 2024	31 Dec 2023	Change
Commercial real estate financing	8.1	8.3	–2.1%
Financing of open-ended real estate funds	3.0	2.9	1.4%
Total	**11.1**	**11.2**	–1.2%

For materiality reasons, segments with a gross loan volume of less than €1bn are not reported.

Commercial real estate financing continues to focus on financing in Europe (€4.1bn) and North America (€4.0bn). At year-end 2023, the figures were €4.3bn in Europe and €4.0bn in North America. Office properties were the main use type in commercial real estate financing with a share of 75.6% (year-end 2023: 75.8%). Retail property financing accounted for 9.3% (year-end 2023: 9.1%) and hotel financing for 3.9% (year-end 2023: 3.7%) of the gross loan volume in commercial real estate financing. For the loan to values in commercial real estate financing, Deka follows a conservative policy on lending values.

At 8, the average rating for the loan portfolio as a whole according to the DSGV master scale was unchanged from the end of 2023. This corresponds to a rating of BB on S&P's external rating scale. The average rating for Specialised Financing improved by one notch compared with year-end 2023 (DSGV master scale: 7, S&P: BB) and stood at 6 (S&P: BB+). The rating for Real Estate Financing dropped by one notch compared with the end of 2023, from 8 to 9 (S&P: from BB to BB–). Taking account of collateralised assets, the average rating for Real Estate Financing at mid-year was 4 on the DSGV master scale (S&P: BBB–) and was unchanged from year-end 2023.

Profit performance in the Financing division

The Financing business division ended the first six months of 2024 with an economic result of €97.3m (H1 2023: €123.9m). Net interest income did not reach the previous year's level. This was mainly due to the smaller loan portfolio. Risk provisioning requirements for the first half of 2024 amounted to €–4.2m (H1 2023: reversal of €39.3m). During the reporting period, specific provisions, primarily in real estate financing, were set against a positive net effect from the reversal and recognition of post-model adjustments for borrowers in the International Commercial Real Estate rating module. In the prior-year period, there was an overall reversal of specific provisions and post-model adjustments. Expenses increased slightly year-on-year to €38.7m, particularly due to higher personnel and other administrative expenses. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €64.8m compared with €49.9m in the prior-year period.

Profit performance in the Financing business division *in €m (Fig. 18)*

	1st half 2024	1st half 2023	Change	
Net interest income	65.9	67.8	–2.0	–2.9%
Risk provisions in the lending and securities business	–4.2	39.3	–43.5	–110.6%
Net commission income	7.4	6.9	0.6	8.6%
Net financial income	1.6	–2.6	4.3	162.5%
Other operating profit	0.5	0.5	0.0	4.4%
Total income	**71.3**	**111.9**	–40.6	–36.3%
Administrative expenses (including depreciation and amortisation)	38.7	37.9	0.8	2.1%
Total expenses	**38.7**	**37.9**	0.8	2.1%
Economic result before income distribution of Treasury-function	**32.5**	**73.9**	–41.4	–56.0%
Income distribution of Treasury function	64.8	49.9	14.8	29.7%
Economic result	**97.3**	**123.9**	–26.6	–21.4%

Financial position of the Deka Group

Changes in the Deka Group balance sheet

The Deka Group's total assets increased by 12.2% as against the end of 2023 to €95.1bn (year-end 2023: €84.8bn). This was largely due to a customer-induced increase in repo and money market transactions, customer deposits and certificates. There was also a market-induced increase in securitised liabilities.

The amount due from banks and customers rose during the reporting period by a total of €5.0bn to €60.6bn, due in particular to newly concluded reverse repo transactions. There was a significant increase of €3.2bn in financial assets reported at fair value, taking them to €20.2bn. This was attributable particularly to the increase in shares and bonds in synthetic lending transactions as a result of higher volumes. Financial investments of €12.1bn also exceeded the year-end 2023 figure. This was mainly due to purchases in the liquidity management portfolio.

Amounts due to banks and customers saw a significant overall rise of €5.7bn, taking the total to €41.3bn. This movement resulted mainly from higher customer deposits. Term deposits and repo transactions by banks also increased. In addition to this, securitised liabilities rose sharply in the reporting period, increasing by €4.7bn to €15.6bn. This was due to the issue of bearer bonds and commercial papers in the first half of 2024. Financial liabilities at fair value were stable at €28.4bn (year-end 2023: €28.4bn).

Changes in the Deka Group balance sheet *in €m (Fig. 19)*

	30 Jun 2024	31 Dec 2023	Change	
Total assets	**95,111**	**84,800**	10,311	12.2%
Selected asset items				
Due from banks and customers	60,649	55,627	5,022	9.0%
Financial assets at fair value	20,162	16,979	3,183	18.7%
Financial investments	12,057	10,165	1,892	18.6%
Selected liability items				
Due to banks and customers	41,274	35,564	5,710	16.1%
Securitised liabilities	15,622	10,920	4,702	43.1%
Financial liabilities at fair value	28,430	28,389	41	0.1%

See also:
Risk report:
page 34 ff.

Capital and liquidity adequacy

Full details of capital and liquidity adequacy in the first half of 2024 are provided in the risk report.

Ratings

DekaBank's ratings remained among the best in its peer group of German commercial banks at the 2024 mid-year point. This enables access to the money and capital markets on stable and competitive terms.

The rating assessments from S&P and Moody's reflect the high strategic importance of the Deka Group to the savings bank sector as well as the adequate capital and liquidity base for its business model.

Ratings overview *(Fig. 20)*

	Standard & Poor's	Moody's
Bank Ratings		
Issuer Rating	A (stable) Issuer Credit Rating	Aa1 (stabil) Issuer Rating*
Counterparty Rating	N/A	Aa1 Counterparty Risk Rating*
Deposit Rating	N/A	Aa1 Bank Deposits*
Own financial strength	bbb Stand-alone Credit Profile	baa2 Baseline Credit Assessment
Short-term rating	A–1 Short-term Rating	P–1 Short-term Rating
Issuance Ratings		
Preferred Senior Unsecured Debt	A Senior Unsecured Debt	Aa1 (stabil) Senior Unsecured Debt*
Non-Preferred Senior Unsecured Debt	A– Senior Subordinated Debt	A1 Junior Senior Unsecured Debt*
Subordinated Debt (Tier 2)	N/A	A3 Subordinate Debt*
Additional Tier 1 debt	N/A	Baa2 (hyb) Preferred Stock Non-cumulative*
Public Sector Covered Bonds	N/A	Aaa Public Sector Covered Bonds
Mortgage Covered Bonds	N/A	Aaa Mortgage Covered Bonds

*Rating upgrade by Moody's on 15 March 2024

Moody's lifted DekaBank's long-term ratings by one notch in March 2024. This was due to the reassessment of the *Sparkassen-Finanzgruppe's* institutional guarantee system. Moody's has now put the support assumed from the *Sparkassen-Finanzgruppe* if needed in the "affiliate-backed" category rather than the "very high" category.

The ratings issued by S&P are unchanged so far in 2024.

Human resources report

The Deka Group employed a total of 5,671 people as of 30 June 2024 (year-end 2023: 5,492). The number of employees is determined by counting the number of employment contracts (temporary and permanent) in existence at the reporting date, including inactive employees, trainees and interns. At 4,883, the number of earnings-relevant full-time equivalents was slightly higher than at the end of 2023 (4,702). The number includes part-time employees actively involved in work processes in the Deka Group, who are counted *pro rata* on the basis of their working hours.

See also: 2023 sustainability report

Further key indicators and information regarding sustainable HR management can be found in the sustainability report as at 31 December 2023.

Forecast report

Forward-looking statements

The Deka Group's planning is based on the assumptions about future economic development that appear the most probable from a current standpoint. However, plans and statements about expected developments and the course of business during the second half of 2024 are subject to uncertainty.

Actual trends in the international money, capital and property markets and in the Deka Group may diverge significantly from our assumptions, which are partly based on expert estimates.

See also: Risk report: page 34 ff.

The Deka Group's risk position is explained in full in the risk report. If the risk scenarios referred to in the risk report should materialise, for example as a result of stress situations or counterparty default, this may result in negative differences from the forecast during the remaining months of the 2024 financial year. Conversely, opportunities may result in expectations being exceeded. The Deka Group's opportunities are presented in the opportunities report in the 2023 Annual Report; there have been no significant changes as of mid-2024.

If the war in Ukraine or the conflict in the Middle East worsen and spread to other countries in the region, or if other geopolitical tensions escalate, this may be reflected in damage to economic growth and capital markets in the second half of 2024. The future inflationary trend and its implications for the monetary policy environment set by central banks will be particularly crucial. There is potential for setbacks on the equity and bond markets if the central banks feel forced to maintain the tight monetary policy for longer than is currently anticipated and if risks from the rising government debt in many industrialised countries materialise. Future market developments therefore remain uncertain, and the earnings, risk and capital situation, as well as the corresponding key management indicators, may show less favourable development than that presented.

Expected economic trends

Expected macroeconomic trends

The world economy is increasingly leaving behind the legacy of the pandemic and the recent high rates of inflation. Despite the still restrictive impact of monetary policy, global gross domestic product is likely to grow by 3.2% in 2024. While fiscal stimulus is fading, real wage growth is now back in positive territory, causing an expansion in consumer spending in the industrialised countries. At present, however, there is no prospect of the barnstorming growth that would be needed to fill unused capacity. The already extremely low unemployment in the eurozone and in the United States leaves little scope for employment levels to drive growth momentum. The anticipated key rate cuts are supporting the economy but are not triggering any rush to invest.

Any escalation of geopolitical conflicts could hit world trade and business and consumer sentiment, which would adversely affect both economic growth and inflation. There is no doubt that the desired transition to climate neutrality, further digitalisation and demographic changes fundamentally bring a need for extensive investment designed to boost productivity. However, the intensified competition between the major economic blocs of America, Europe and Asia is challenging the business models of long-established companies. The positive effects of structural change will only prevail in the medium and long term.

Expected sector-related conditions

Ongoing risks to the medium-term inflation outlook, arising primarily from wages and corporate profit margins, are likely to slow the easing of monetary policy. The current expectation is for the ECB to cut key rates by 25 basis points each quarter until the deposit rate has reached a roughly neutral level of 2.0%. The ECB will also further reduce its balance sheet. As the majority of the long-term refinancing operations (TLTRO III) have already been repaid, this process will increasingly shift to running down the ECB's bond holdings. In the longer term, the ECB is planning a money market regime in which the level of excess reserves is determined by banks' demand for refinancing operations. This means we can expect EURIBOR rates to be just above the main refinancing rate in this scenario, while the €STR remains just below the deposit facility rate. In line with this approach, the ECB will therefore set the spread between these two key interest rates to 15 basis points starting from September.

In the United States, there are increasing signs of an economic slowdown. After a relatively strong first half of the year, the predominant expectation is for slower but still positive economic growth in the second half. With inflation rates trending downwards at the same time, gradual cuts to key interest rates can be expected to begin soon. The presidential election in the United States also has the potential to trigger a short-term increase in volatility across all segments of the financial market. With little significant difference between the economic programmes of the main presidential candidates, however, the election result is not expected to trigger any long-lasting departures from existing financial trends.

The ECB has already begun cutting rates and will weigh up inflation and growth risks as it decides how to proceed further. Wages and core inflation are likely to level off only slowly. Meanwhile, further moderate economic growth is expected. Against this backdrop, two key rate cuts of 25 basis points each should be anticipated before the end of the year. Next year, too, the ECB is likely to continue with small quarterly rate cuts. As capital markets have already more than priced this in, Bund yields are set to move sideways initially. Yields at the long end of the Bund curve will also be reined in by developments in the United States, where faster key interest rate cuts by the Fed will cause yields on long-dated US Treasuries to fall somewhat. Spreads in the eurozone are likely to remain volatile. France needs particular mention in this regard, since the country's new parliamentary make-up means there is now little prospect of budgetary savings. Corporate bonds, meanwhile, should benefit from the interest rate turnaround and are also unlikely to be hit too hard by the economic uncertainty.

On the stock markets, the starting point for the second half of the year remains constructive given the sufficiently stable global growth outlook. Amid an easing in inflation and interest rate pressure, the moderate valuations and attractive dividend yields for eurozone stocks point to higher prices in the long run – all the more so given the prospect of a slight economic upturn combined with a sound outlook for corporate profits. In the United States, the impressive strength of the economy and companies' earnings prospects provide very sound medium- and long-term foundations for the US stock markets as well as for global corporations in general. In the short term, however, the high valuations, particularly for major technology companies, will limit upside potential, as will the unexpectedly stubborn inflationary pressure. Persistently high interest rates will also slow US growth at least somewhat. Temporary price setbacks should therefore not come as too much of a surprise. While tech firms are unlikely to be able to sustain their recent pace of sales and earnings growth, companies across the wider economy can be expected to catch up somewhat. From a global perspective, the present risks lie in the political unpredictability of the various conflicts currently simmering, a major escalation of tariff disputes and the upcoming US election.

Real estate asset management remains an appealing asset class. The peak of the construction cycle in office markets, deferred several times in recent years, is likely to arrive this year. Completions are set to fall from 2025 onwards, primarily due to the sharp rise in construction and financing costs. Rents are likely to rise further. However, DekaBank expects this to be at a significantly slower pace in the next few years. Polarisation of the market will intensify, favouring high-quality and sustainable buildings in central locations with good transport links. A more stable financing environment following the first key interest rate cuts should allow growing acceptance of the new price structure and invigorate the investment market.

Expected business development and profit performance

The Management Agenda is an ongoing strategic action programme that sets the direction to further build on the Deka Group's position as the *Wertpapierhaus* for the *Sparkassen-Finanzgruppe*. This agenda remains focused on the broad themes of technology, innovation and sustainability.

It remains scarcely possible to fully predict the impacts particularly of geopolitical tensions and conflicts in the second half of 2024. Their spread or escalation may hit economic growth and the capital markets. There is also uncertainty around the impact of restrictive monetary policy, which could change the assessment of the economic growth picture. In addition, future market developments remain highly uncertain, which means that the earnings, risk and capital situation, as well as the corresponding key management indicators, may show less favourable development than expected.

Given the geopolitical tensions and challenging economic environment the 2023 Group management report forecast an economic result of approximately €700m for 2024 as a whole. This forecast is confirmed at the mid-way point of 2024.

The Deka Group continues to operate in a growing market with the aim of realising potential income with an attractive cost/income ratio. In line with its profit performance, the Deka Group continues to aim for a cost/income ratio of around 60% and a return on equity before tax (balance sheet) of around 11% for the 2024 financial year.

The particular focus of sales activities will be on the certificates business and on expanding investment fund business that maintains lasting value. Given the caution in the real estate funds business, Deka expects total sales in 2024 to be slightly below the figure of around €35bn forecast at the end of 2023. The Deka Group continues to anticipate a significant year-on-year rise in the asset management volume in 2024.

The Asset Management Securities business division will continue its proven strategic direction in the second half of 2024 and concentrate on continuing to develop its range of high-quality products and services in close coordination with the sales units. Digitalisation, the use of AI, and sustainability, both in processes and the product range, remain important aspects. There will be a continued focus on investment fund business designed to maintain lasting value, on products for regular saving and on digital multichannel sales. The business division expects an overall rise in net sales and the asset management volume compared with year-end 2023.

Risks to the investment fund business in the Asset Management Securities business division may arise from the spread of global political and geopolitical conflicts, changes in supply chains and structural changes in energy prices, which could bring significantly more volatile economic development along with impacts on corporate profitability. High inflation and restrictive monetary policy may also weigh on the securities markets and investment fund business. In addition, a changed interest rate environment may affect Deka's own business and that generated by the savings banks. This and other factors may hit investors' risk appetite and result in outflows of funds and reluctance to invest. In addition, a pronounced stock market correction could negatively affect the asset management volume.

The Asset Management Real Estate business division's mission in 2024 remains to provide the savings banks with high-quality real estate- and real estate financing-based investment products with sustainable features. The products can be used for both customer business and proprietary investment activities. Portfolio and property risk management will be continuously developed, taking advantage of potential for digitalisation. The product range in the area of sustainability will be gradually expanded. In open-ended real estate funds for private customers, the business division plans to build on what is already an excellent market position without compromising on quality or stability. In the institutional business, it is seeking to at least maintain its market position despite the current investment restraint among customers. Net sales for the year as a whole are expected to be below the figure from year-end 2023. The asset management volume will increase year-on-year. The division expects a below-average transaction volume again in the second half of 2024.

Risks to the performance of the Asset Management Real Estate business division may arise from the consequences of global geopolitical conflicts. Rising interest rates may make real estate funds less attractive in comparison with possible substitute products, even if property portfolio valuations are on the conservative side. The still incomplete pricing process on real estate markets currently means a difficult market environment for transaction planning. Risks are also expected from continued high regulatory pressure. The same applies to spillover risks from the difficult industry environment.

For the remainder of 2024, the Asset Management Services business division is aiming for a moderate increase in assets under custody in line with the targeted asset management growth. The Digital Multichannel Management subdivision will continue with its strategic orientation. It aims to realise efficiency gains through its multichannel offering, which involves the seamless integration of physical branches and other sales channels for the securities products offered by the savings banks.

As in previous years, the Depositary subdivision is aiming to maintain a strong competitive position and to constantly grow the volume of assets under custody in its business involving mutual and special funds, third-party mandates and investment managers. It continues to focus on developing a comprehensive asset servicing solution (master KVG and depositary). Custody of crypto securities is being introduced in the Depositary subdivision as part of the Group-wide digitalisation activities.

There are risks to Digital Multichannel Management from a stagnation of sales due to delays in the enhancement of the product offering for the sales channels. Risks may also arise for custody account business from disruption to product development with a knock-on effect on custody account sales. Risks to business performance in the Depositary subdivision include rising pressure on margins as well as market-induced outflows of assets under custody. In addition, a pronounced stock market correction, for which the consequences of wars and trade disputes are a potential trigger, may adversely affect assets under custody and thus the income achievable in this subdivision.

The Capital Markets business division will continue its proven strategic direction as a customer-centric product and solution provider focused on DekaBank's structured products and the derivatives, issuance and trading business in the second half of 2024. In the certificates business, gross sales for private customers will remain front and centre. A repeat of 2023's unusually high sales is not expected, however.

Risks to the development of the Capital Markets business division arise particularly from negative capital market developments and may result in lower customer activity levels. The unpredictable consequences of military conflicts around the world and of energy prices, global trade disputes and supply chain difficulties are central to this. Additional risks may arise from regulatory intervention in the design of products and definition of terms and conditions and from further increased market pressure on fees. Regulatory or adverse monetary policy escalations leading to additional capital backing or reporting obligations may also affect business performance.

For its business activities in the remainder of 2024, the Financing business division will concentrate on its defined and well-established segments: specialised financing and real estate financing in liquid markets. The division will seek to generate new business where this contributes to its objectives and to appropriate management of the balance sheet structure. The size of the financing portfolio at the end of 2024 is expected to be on a level with the 2023 figure. The business division will maintain its stability-focused and risk-conscious strategy.

Risks for the Financing business division may arise from the consequences of global geopolitical conflicts and the development of interest rates and inflation. This may adversely affect the quality of loan exposures, leading to higher risk provisions and increased capital requirements due to rating downgrades. Further risks may arise from specific creditworthiness risks on the part of borrowers, which could adversely affect the economic outlook for lending segments in which we operate. This could also lead to a need for higher loan loss provisions, or to increased capital adequacy requirements as a result of a downgrading of our credit ratings. A worsening of other global political crises may trigger similar effects. Business performance may also be negatively affected by increasing competitive pressure for project and infrastructure financing if institutional investors act as direct lenders.

Expected financial and risk position

For the remaining months of the year, the Deka Group is anticipating a continued sound financial position. The planning assumption is for total assets of around €90bn at year-end 2024.

The Deka Group expects to maintain an adequate capital and liquidity base in both the normative and economic perspective for the remaining six months of 2024. To retain sufficient flexibility in the event of unfavourable market developments, the Deka Group aims for a Common Equity Tier 1 capital ratio at an appropriate level above the strategic target of 13%.

Balance sheet management is geared towards ensuring compliance with an appropriate leverage ratio well above the minimum ratio of 3%, as well as compliance with the requirements for RWA- and LRE-based MREL and with the subordinated MREL requirements.

In terms of risk-bearing capacity analysis, risk appetite utilisation is expected to remain at a non-critical level.

The Group's liquidity position is forecast to remain at a comfortable level. Likewise, all relevant ratios such as LCR and NSFR are expected to be comfortably adhered to with sufficient flexibility.

Risk report

Risk policy and strategy

The basic principles underlying the Deka Group's risk policy remain largely unchanged from those described in the Group management report for 2023. Noteworthy developments in risk management are explained in the sections below. In order to achieve its commercial objectives, the Deka Group accepts certain risks in line with strategic requirements. These risks are limited by a comprehensive risk management system that covers all types of risk and all business divisions, sales units and corporate centres in order to ensure the success of the Deka Group as a business. The framework for business and risk management is provided by the general concept of risk appetite (Risk Appetite Framework – RAF), which forms the main basis for assessing the adequacy of internal capital and liquidity (Internal Capital Adequacy Assessment Process (ICAAP)/Internal Liquidity Adequacy Assessment Process (ILAAP)) and is an integral part of the Deka Group's strategy system. A strong risk culture for the Deka Group is key to the lasting achievement of the business policy objectives set out in the business strategy.

Developments in risk management

To improve the modelling of the liquidity balance in market-wide stress scenario funding matrices, the modelling of current account positions was enhanced. There were also improvements to the modelling of loans in funding matrices, particularly to better capture unscheduled repayments.

The methodology used in the business risk model to estimate expenses in the 99.9% quartile was revised in the first half of the year, with a risk-increasing effect. The relevant planned earnings figures used in the business risk model were adjusted with a view to consistency in the risk-bearing capacity calculation, and the average margin used in the model for the Asset Management Real Estate business division was enhanced. Both adjustments had a risk-reducing effect.

A dedicated Non-Financial Risk unit was established on 1 April 2024, marking another milestone in realising the Board of Management's vision for the integrated management of these risks. The Information Security Management department, which reported directly to the Board of Management and encompassed the Information Security, Business Continuity Management, Operational Data Protection and Central Outsourcing Management functions, has been merged into this new corporate centre. Non-Financial Risk sets Group-wide rules in these areas, monitors adherence to them and identifies the resulting risks. The Operational Risk group within the new corporate centre has responsibility for aggregating and plausibility checking decentralised risk assessments and for overarching reporting on non-financial and reputational risks.

For ESG risks, 2024 has again seen the systematic, risk type-specific identification and measurement of the material risk types, which takes place at regular intervals. As before, management and reporting is calibrated to the results of the risk materiality analysis, and quantitative, qualitative and process-related guidance is in place. Given the pace of developments in related market standards and regulatory requirements (e.g. the EBA's Consultation on draft Guidelines on the management of ESG risks), the approaches used continue to constantly evolve.

As part of the implementation of the EBA Guidelines on PD estimation, LGD estimation and treatment of defaulted assets, IRB reviews have been carried out since 2021 for a total of eight modules so far in connection with the corresponding model change notifications. Of the eight modules reviewed, five have now gone live following supervisory approval. The latest of these was the module for project finance. The modules for national real estate financing and funds are due to go live in the third quarter of 2024.

The potential economic impact of changes to the Credit Risk Standardised Approach (CRSA) and the Internal Ratings Based Approach (IRBA) that are currently planned as part of the finalisation of Basel III (Basel IV) continues to be monitored. The same applies to the Fundamental Review of the Trading Book (FRTB). The measures needed to meet the requirements of the new FRTB standardised approach, which involves replacing the internal market risk model with the standardised process, will be implemented by the first reporting date, including the extended requirements regarding reporting to the supervisory authority. The planned introduction of the Standardised Measurement Approach (SMA) as the new method for calculating operational risk capital is also being monitored. The expected effects for Basel IV have been taken into account in normative capital planning.

Capital adequacy in the first half of 2024

The Deka Group held adequate capital throughout the reporting period. In particular, the Common Equity Tier 1 capital ratio and utilisation of risk capacity and of the risk appetite remained at non-critical levels relative to the limits and early warning thresholds and to the internal thresholds and external minimum requirements throughout.

Economic perspective (current situation)

During the reporting period, the models employed by the Deka Group for economic risk management continued to reflect the corporate and market situation in an appropriate and timely manner. The Deka Group’s total risk (value-at-risk, VaR; confidence level 99.9%; holding period one year) stood at €2,498m at the end of the first half of the year. As such, it showed a slight decrease relative to the position at the end of 2023 (€2,553m). The decline in counterparty risk and business risk were partly offset by increased market price risk, operational risk and investment risk.

Change in Deka Group risk over the course of the year *in €m (Fig. 21)*

	30 Jun 2024	31 Dec 2023	Change	
Counterparty risk	1,045	1,199	–154	–12.9%
Investment risk	27	26	1	4.7%
Market price risk	728	606	121	20.0%
Operational risk	476	458	18	4.0%
Business risk	222	263	–42	–15.9%
Total risk	**2,498**	**2,553**	–55	–2.2%

Over the same period, risk capacity rose to €5,780m (year-end 2023: €5,478m). This increase was driven primarily by the positive overall development of correction and deduction items. The utilisation of risk capacity was down as against the end of 2023 (46.6%) to 43.2%, meaning that it remains at a non-critical level.

The risk appetite of €4,300m (unchanged since the end of 2023) was 58.1% utilised as at 30 June 2024 (year-end 2023: 59.4%). This utilisation ratio was therefore also at a non-critical level.

Normative perspective (current situation)
Capital adequacy is determined in accordance with the CRR. Alongside counterparty risk, market risk and operational risk, the credit valuation adjustment (CVA) risk is also taken into account. In accordance with Article 26(2) CRR, the year-end profit less foreseeable charges and dividends was recognised in Common Equity Tier 1 capital within the same period as at the end of 2023 (dynamic approach).

The Deka Group's regulatory own funds as of 30 June 2024 stood at €7,113m (year-end 2023: €7,230m).

The decline of 2.3% in Common Equity Tier 1 capital compared with year-end 2023 to €5,710m was mainly due to a larger shortfall from the comparison of provisions and to a reduction in retained earnings caused by AT1 interest payments.

Additional Tier 1 (AT 1) capital was unchanged as against year-end 2023. Tier 2 capital at the reporting date amounted to €804m (year-end 2023: €784m). Newly issued subordinated liabilities, which can be included in Tier 2 capital, were the main factor behind the increase.

Compared with the figure for year-end 2023 (€30,486m), RWAs increased by a total of €748 m to €31,234m. Credit risk rose by €215m to €20,099m. This was mainly due to higher risk weightings and rating downgrades for real estate financing and an increase in the volume of strategic investments. Market risk rose by €413m to €4,759m. The increase resulted primarily from changes in creditworthiness affecting specific market risk and from general market risk due to higher credit spread and interest rate risks. RWAs from operational risk increased by €229m to €5,956m due to an updated assessment of loss scenarios for tax law risks in the ex-ante perspective. CVA risk declined by €108m to €420m due to lower volumes of derivative transactions to be included.

As of 30 June 2024, the Common Equity Tier 1 capital ratio stood at 18.3% (year-end 2023: 19.2%). The Tier 1 capital ratio as of the reporting date was 20.2% (year-end 2023: 21.1%). The total capital ratio fell from 23.7% as of 31 December 2023 to 22.8% at the reporting date.

Taking account of the requirements of the SREP (Supervisory Review and Evaluation Process), DekaBank had to comply at Group level with a Common Equity Tier 1 capital ratio of at least 8.94% as at 30 June 2024. This capital requirement is made up of the Pillar 1 minimum requirement (4.50%) plus the Pillar 2 requirement (1.5%) taking into account partial coverage of P2R by Tier 2 capital reduced to 1.125% for the Tier 1 capital ratio and 0.844% for the Common Equity Tier 1 capital ratio, the capital conservation buffer (2.50%), the countercyclical capital buffer (approximately 0.76% as at the end of June 2024), the capital buffer for systemic risks (0.09%) and the capital buffer for other systemically important banks (0.25%). The capital requirement for the Tier 1 capital ratio was 10.73%. For the total capital ratio, it was 13.10%. These requirements were clearly exceeded at all times.

Deka Group own funds *in €m (Fig. 22)*

	30 Jun 2024	31 Dec 2023	Change	
Common Equity Tier 1 (CET 1) capital	5,710	5,848	–137	–2.3%
Additional Tier 1 (AT 1) capital	599	599	0	0.0%
Tier 1 capital	**6,309**	**6,446**	–137	–2.1%
Tier 2 (T2) capital	804	784	20	2.6%
Own funds	**7,113**	**7,230**	–117	–1.6%
Credit risk	20,099	19,884	215	1.1%
Market risk	4,759	4,347	413	9.5%
Operational risk	5,956	5,727	229	4.0%
CVA risk	420	528	–108	–20.4%
Risk-weighted assets	**31,234**	**30,486**	748	2.5%
%				
Common Equity Tier 1 capital ratio	**18.3**	**19.2**		–0.9%-Points
Tier 1 capital ratio	**20.2**	**21.1**		–0.9%-Points
Total capital ratio	**22.8**	**23.7**		–0.9%- Points

The leverage ratio, i.e. the ratio of Tier 1 capital to total assets adjusted in line with regulatory requirements (leverage ratio exposure, LRE), stood at 7.7% as at 30 June 2024 (year-end 2023: 9.2%). The decline was due to an increased leverage ratio exposure combined with slightly reduced Tier 1 capital. The applicable minimum leverage ratio of 3.0% was thus significantly exceeded at all times.

The MREL requirements are calculated using an RWA- and LRE-based calculation method in accordance with supervisory requirements. The total of own funds and MREL-eligible liabilities is expressed in relation to RWA and LRE. As at the reporting date, the MREL ratio in line with the RWA-based approach amounted to 54.3% (year-end 2023: 54.1%), while the figure under the LRE-based approach came to 20.7% (year-end 2023: 23.5%). Both ratios were well above the applicable minimum ratios. As at 30 June 2024, own funds and MREL-eligible liabilities came to €17.0bn (year-end 2023: €16.5bn). As of the reporting date, this figure was composed of own funds of €7.1bn, senior non-preferred issues of €5.6bn, senior preferred issues of €4.7bn and unsecured subordinated liabilities of €0.2bn. The repurchases recently approved by the SRB in accordance with the CRR were deducted for the calculation of the MREL ratios.

The subordinated MREL requirements were also calculated using the RWA- and LRE-based method in accordance with supervisory requirements. The total of own funds and all subordinated liabilities eligible based on statutory requirements is expressed in relation to RWA and LRE. As at the reporting date, the subordinated MREL requirements in line with the RWA-based approach came to 39.3% (year-end 2023: 37.7%), while the figure under the LRE-based approach was 15.0% (year-end 2023: 17.9%). Both ratios were well above the applicable minimum ratios.

Macroeconomic stress tests

The in-depth analysis of the results of the regular macroeconomic standard stress scenarios in both perspectives also takes into account the probability of occurrence and lead time of the scenarios, calculated each quarter, as well as the possible mitigation measures available if necessary. Under this approach, the internal thresholds were complied with at all times during the reporting period and at the reporting date in all the scenarios examined, and no immediate action was required in relation to capital adequacy.

Climate scenarios including the medium- and long-tern impacts of climate and environmental risks were also calculated as of 31 March 2024. The result showed that no immediate action was required in relation to capital adequacy.

Liquidity adequacy in the first half of 2024

On the refinancing markets, expectations that the European Central Bank would cut interest rates shaped the first half of 2024. The ECB met this market expectation in early June with its first rate cut for almost five years. After leaving rates at a record high for almost nine months, the ECB cut its key rate by 0.25 percentage points to 4.25%. Refinancing costs on the money and capital markets were down in the first half of the year, resulting in cheaper issuing terms for banks in general, including DekaBank, while the supply of liquidity remained sufficient.

The Deka Group had sufficient liquidity, measured using the liquidity balances and normative indicators, throughout the first half of 2024. Internal limits and emergency triggers, along with the internal thresholds and external minimum LCR and NSFR, were met at all times during the period under review.

Economic perspective

There were clear positive liquidity balances in all relevant maturity bands of the "combined stress scenario" funding matrix for periods of up to 20 years. This was also the case for the alternative stress scenarios. Limits and emergency triggers were complied with throughout the reporting period.

As at 30 June 2024, the accumulated liquidity balance of the Deka Group's "combined stress scenario" funding matrix in the short-term range (up to one week) stood at €5.8bn (year-end 2023: €7.8bn). In the maturity band of up to one month, the liquidity surplus totalled €9.8bn (year-end 2023: €9.4bn), and in the medium range (three months) it was €12.1bn (year-end 2023: €10.2bn).

In relation to the net cash flows of approximately €–6.1bn on day 1, the Deka Group has a high liquidity potential (around €11.8bn) that is readily convertible at short notice. The Group has access to a large portfolio of liquid securities which are eligible as collateral for central bank borrowings, as well as to available surplus cover in the cover pool and corresponding repo transactions. The strict requirements concerning the liquidity potential ensure that the securities used for this purpose can generate liquidity even in a stressed market environment.

"Combined stress scenario" funding matrix of Deka Group as at 30 June 2024 *in €m (Fig. 23)*

	D1	>D1 to D5	>D5 to 1M	>1M to 3M	>3M to 12M	>12M to 5Y	>5Y to 20Y	>20Y
Liquidity potential (accumulated)	11,790	12,138	11,667	7,659	366	−515	−55	−4
Net cash flows from derivatives (accumulated)[1]	−170	527	2,584	3,618	5,453	6,723	6,529	6,524
Net cash flows from other products (accumulated)	−5,913	−6,844	−4,416	836	7,246	7,408	−1,782	−6,590
Liquidity balance (accumulated)	**5,707**	**5,820**	**9,835**	**12,113**	**13,065**	**13,616**	**4,693**	**−69**
For information purposes:								
Net cash flows from derivatives by legal maturity (accumulated)[1]	−170	−194	−256	−222	434	1,167	2,556	6,735
Net cash flows from other products by legal maturity (accumulated)	−23,318	−24,068	−23,721	−22,626	−25,546	−9,733	−8,547	−6,589
Net cash flows by legal maturity (accumulated)	**−23,488**	**−24,262**	**−23,977**	**−22,848**	**−25,112**	**−8,566**	**−5,991**	**146**

[1] Including lending substitute transactions and issued CLNs

As at 30 June 2024, repo transactions, overnight and time deposits and other money market products accounted for 54.7% of total refinancing (year-end 2023: 51.4%). The remainder of the refinancing concerned capital market products, primarily with longer maturity profiles. The refinancing profile for lending business was well balanced, given the maturity structure.

Normative perspective

The internal thresholds and external minimum LCR and NSFR were met throughout the period under review.

The LCR as at 30 June 2024 stood at 167.7% (year-end 2023: 209.0%). Net cash outflows increased more strongly in percentage terms relative to holdings of high-quality, liquid assets. This resulted in a 41.3 percentage point reduction in the LCR at Deka Group level compared to 31 December 2023. The average during the first half of 2024 was 148.3% (average for H1 2023: 144.2%). The LCR fluctuated within a range from 161.1% to 175.3%. It was thus always significantly above the applicable minimum limit of 100%.

The NSFR came to 121.8% at the end of June (year-end 2023: 120.9%) and was thus above the minimum 100% required. Available stable funding increased by more than required stable funding.

Both perspectives (macroeconomic stress tests)

The internal thresholds were complied with at all times, even in the macroeconomic stress testing.

Individual risk types

Counterparty risk

Current risk situation

Counterparty risk, as determined on the basis of the credit value at risk (CVaR) with a confidence level of 99.9% and a holding period of one year, fell significantly in the first half of 2024 to €1,045m (year-end 2023: €1,199m). The development of risk was mainly attributable to decreased migration risks. Risk capital allocated to counterparty risk stood at €1,555m (year-end 2023: €1,505m) and was 67.2% utilised (year-end 2023: 79.7%). The level of risk capacity utilisation therefore remained non-critical.

The risk position of the cluster portfolio was assessed using an expected shortfall redistribution. The result, in contrast to the overall portfolio, was an increase in absolute terms compared with the end of 2023 to €131m (year-end 2023: €95m). The relative share of the cluster portfolio in the overall portfolio has thus risen from 8% to 13%. Risk concentration remained in line with the Deka Group’s credit risk strategy.

Gross loan volume increased slightly by 5.7% as against the end of 2023 (€120.7bn) to reach €127.6bn. The overall increase of €6.9bn compared with year-end 2023 was based primarily on increased volumes in the commercial banks, industrial sector, service sector and funds risk segments. In the case of commercial banks, the increase in gross loan volume was mainly due to higher repo volumes and an increased bond volume. The increase in the industrial and service sector risk segments resulted primarily from a larger securities portfolio. In the funds risk segment, the gross loan volume increased due to more securities issued as collateral as part of borrowing transactions and also due to guarantee fund units. In the other financial institutions risk segment, there was a risk-reducing effect chiefly from fewer securities issued as collateral. The savings banks risk segment also decreased the gross loan volume, primarily as a result of money market transactions. The share of gross loan volume attributable to the shipping risk sub-segment fell slightly to 0.9% (year-end 2023: 1.1%). The share of the aviation risk sub-segment stood at 1.5% (year-end 2023: 1.7%). Real estate financing (excluding real estate funds) accounted for 6.4% of gross loan volume at the end of June 2024 (year-end 2023: 6.9%).

Gross loan volume *in €m (Fig. 24)*

	30 Jun 2024	31 Dec 2023
Commercial banks	26,786	20,110
Other financial institutions	27,569	28,740
Savings banks	10,733	13,699
Insurance companies	995	949
Industrial sector	5,816	4,233
Service sector	2,672	1,733
Public sector	7,787	7,047
State-affiliated and supranational institutions	12,060	11,611
Transport sector	3,402	3,445
Renewable energies	1,158	1,471
Conventional energies and infrastructure	4,281	4,337
Real estate sector (including real estate funds)	11,222	11,355
Retail sector	47	60
Funds (transactions and units)	13,060	11,943
Total	**127,588**	**120,731**

Net loan volume increased by 1.0% as against the end of 2023 (€65.7bn) to reach €66.3bn. Collateralisation meant that the changes in gross loan volume observed for repo lending transactions (especially in the commercial banks, other financial institutions and funds segments) had relatively small effects on net loan volume. A larger bond portfolio and changes in the value of derivative hedging instruments in the commercial banks risk segment, along with an increased bond volume in the public sector and state-affiliated and supranational institutions risk segments, were the main risk-increasing effects in net loan volume. The higher volume of guarantee fund units also had a risk-increasing effect in net loan volume and gross loan volume in the funds risk segment. In net terms, lower investments reduced the volume in the savings banks risk segment. In contrast, the share of real estate financing (excluding real estate funds) in net loan volume rose to 0.8% at the end of the first half of 2024 (year-end 2023: 0.7%), partly due to reduced collateral value for real estate.

Net loan volume *in €m (Fig. 25)*

	30 Jun 2024	31 Dec 2023
Commercial banks	11,442	9,511
Other financial institutions	5,506	5,704
Savings banks	10,284	13,278
Insurance companies	198	231
Industrial sector	2,169	2,093
Service sector	1,087	1,048
Public sector	5,638	4,929
State-affiliated and supranational institutions	11,743	11,154
Transport sector	748	656
Renewable energies	1,158	1,471
Conventional energies and infrastructure	3,276	3,280
Real estate sector (including real estate funds)	3,264	3,163
Retail sector	47	60
Funds (transactions and units)	9,775	9,113
Total	**66,337**	**65,689**

The gross loan volume in the eurozone rose by a total of €3.2bn. This was due to the increased securities volume with German and Dutch counterparties and increased repo lending transactions with counterparties in Spain. Against the backdrop of a higher gross loan volume overall, the eurozone's share of gross loan volume declined by 1.7 percentage points compared with the end of 2023 and stood at 76.6%. The volume movements in America resulted primarily from increased exposure to repo lending business with US counterparties.

Gross loan volume by region *in €m (Fig. 26)*

	30 Jun 2024	31 Dec 2023
Eurozone	97,678	94,477
Europe excluding eurozone	12,680	12,861
America	12,921	9,752
Asia	2,986	2,419
Other regions	1,323	1,222
Total	**127,588**	**120,731**

The gross loan volume attributable to Germany increased by €1.0bn to €58.9bn and equated to 46.1% of the overall portfolio at the mid-year point. In the eurozone, €15.0bn or 11.8% of the gross loan volume was attributable to counterparties in Luxembourg and 9.9% to counterparties in France. The 8.2% share attributable to counterparties in the United Kingdom resulted chiefly from repo lending transactions and from real estate financing. The proportion of the gross loan volume attributable to counterparties in the United States increased by 1.6 percentage points to 7.0%, mainly due to repo lending transactions.

Gross and net loan volume: regional concentration *in €m (Fig. 27)*

	Gross loan volume 30 Jun 2024	Percentage of Gross loan volume	Net loan volume 30 Jun 2023	Percentage of Net loan volume
Germany	58,857	46.1%	42,366	63.9%
Luxembourg	15,014	11.8%	4,411	6.6%
United Kingdom	10,478	8.2%	2,670	4.0%
France	12,571	9.9%	4,995	7.5%
United States	8,918	7.0%	2,394	3.6%
Other	21,750	17.0%	9,501	14.3%
Total	**127,588**	**100.0%**	**66,337**	**100.0%**

In terms of countries of geopolitical relevance, counterparties in China accounted for an unchanged 0.2% of gross loan volume and counterparties in Hong Kong for 0.2%. Counterparties in Israel accounted for an unchanged 0.1%. In all three cases, the counterparties were mostly in the transport sector. There was no gross loan volume attributable to counterparties in Taiwan. The gross loan volume for counterparties in Russia was down to just €3m. Due to the securing of loans through ECA guarantees for energy supply financing, the net loan volume attributable to Russia was lower than the gross loan volume at around only €0.1m. There remained no gross loan volume attributable to counterparties in Ukraine or Belarus at the end of June 2024 and no country limit.

Gross loan volume by risk segment for selected countries *€m (Fig. 28)*

	Germany	Luxembourg	UnitedKingdom	United States	France
Commercial banks	9,791	771	1,085	2,054	6,156
Other financial institutions	2,874	9,303	6,789	1,736	2,552
Savings banks	10,733	-	-	-	-
Insurance companies	233	-	7	-	706
Industrial sector	3,093	10	416	431	322
Service sector	565	31	269	825	254
Public sector	5,199	-	51	401	599
State-affiliated and supranational institutions	11,123	1	-	-	239
Transport sector	589	-	160	648	143
Renewable energies	123	-	102	-	175
Conventional energies and infrastructure	2,079	141	141	121	306
Real estate sector (including real estate funds)	4,104	0	1,459	2,702	1,119
Retail sector	47	0	-	-	-
Funds (transactions and units)	8,303	4,757	-	-	-
Total	**58,857**	**15,014**	**10,478**	**8,918**	**12,571**
Change in risk vs year-end 2023					
Commercial banks	3,584	–5	275	718	156
Other financial institutions	–2,214	–536	480	1,306	536
Savings banks	–2,966	-	-	-	-
Insurance companies	33	-	0	-	–13
Industrial sector	900	–3	29	–19	22
Service sector	458	31	–9	273	–110
Public sector	502	-	–2	106	–41
State-affiliated and supranational institutions	77	-	-	-	87
Transport sector	229	–37	–82	–24	28
Renewable energies	–7	-	–2	-	0
Conventional energies and infrastructure	95	–1	–20	17	37
Real estate sector (including real estate funds)	5	0	–109	76	–72
Retail sector	–12	0	-	-	-
Funds (transactions and units)	361	756	-	-	-
Total	**1,043**	**205**	**559**	**2,453**	**630**

The gross loan volume remained focused primarily on the short-term segment at mid-year 2024. The proportion of transactions with a time to maturity of less than one year was 42.2% at the end of the first half of 2024 (year-end 2023: 44.0%). The proportion of maturities longer than ten years was 4.5%, compared with 4.8% at 31 December 2023. The average legal residual term of gross lending was therefore down to 2.8 years (year-end 2023: 2.9 years).

The level of risk concentration in the loan portfolio rose slightly during the first half of 2024. As at 30 June, 16.2% (year-end 2023: 12.8%) of total gross loan volume was attributable to borrower units with a gross limit of at least €2.5bn or an overall net limit of at least €1.0bn (counterparty clusters). At 24, the number of counterparty clusters was unchanged from the end of 2023.

Of the gross loan volume attributable to the cluster portfolio, 20.0% related to public sector counterparties, savings banks, and state-affiliated and supranational institutions. A total of 11.6% of net loan volume related to counterparty clusters (year-end 2023: 8.2%).

As was already the case at the end of 2023, shadow banking entities under the principal approach (limit utilisation of total net risk position: 11%) accounted for less than 1% of the net loan volume as at the 30 June 2024 reporting date. The average rating for shadow banking entities under the fallback approach cannot be determined given the lack of limit utilisation as of the end of June 2024. Utilisation under the principal approach is considered acceptable. The shadow banking entities had an average rating of 7 on the DSGV master scale (corresponds to BB on the S&P scale).

The average rating for the gross loan volume remained at a score of 4 on the DSGV master scale (S&P: BBB–). The average probability of default dropped to 29 basis points (bps) (year-end 2023: 31 bps), partly due to improved ratings for ECA-backed export loans and ECA-backed financing of cruise ships in the United States. This was offset by rating downgrades for various US and British real estate financing counterparties as well as a rating downgrade on a Swedish wind power financing counterparty, for which a specific provision was recognised. The average rating for the net loan volume remained stable at 3 (S&P: BBB) with a virtually unchanged average probability of default of 16 bps, down by just 3 bps compared with year-end 2023 (19 bps).

Gross and net loan volume by rating grade *€m (Fig. 29)*

	AAA	AA+ to AA–	A+ to A–	2 to 3	4 to 5	6 to 7	8 to 15	16 to 18	No rating
Gross loan volume	35,066	19,280	42,521	15,139	8,488	1,403	4,211	852	627
Net loan volume	31,548	8,054	13,886	6,654	4,344	182	876	356	437

The Bank continues to achieve its target rating of investment grade (5 or better) for the portfolio as a whole without difficulty, with regard to both its gross and net loan volume. 94% of net loan volume remained in the same grouping (determined by rating class) compared with the end of 2023.

Net loan volume by risk segment and rating *in €m (Fig. 30)*

	Average PD in bps	Average rating 30 Jun 2024	30 Jun 2024	Average PD in bps	Average rating 31 Dec 2023	31 Dec 2023
Commercial banks	3	AA	11,442	3	AA	9,511
Other financial institutions	7	A	5,506	6	A	5,704
Savings banks	1	AAA	10,284	1	AAA	13,278
Insurance companies	15	3	198	14	2	231
Industrial sector	31	4	2,169	30	4	2,093
Service sector	15	3	1,087	14	2	1,048
Public sector	2	AA+	5,638	4	AA–	4,929
State-affiliated and supranational institutions	1	AAA	11,743	1	AAA	11,154
Transport sector	41	5	748	105	7	656
Renewable energies	412	11	1,158	436	11	1,471
Conventional energies and infrastructure	27	4	3,276	24	4	3,280
Real estate sector (including real estate funds)	57	6	3,264	52	6	3,163
Retail sector	N/A	N/A	47	N/A	N/A	60
Funds (transactions and units)	15	3	9,775	14	3	9,113
Total	**16**	**3**	**66,337**	**19**	**3**	**65,689**

Market price risk

Current risk situation

Market price risk at Deka Group level (measured using VaR with a confidence level of 99.9% and a holding period of one year) increased from €606m at the end of 2023 to €728m. This development was mainly due to an increase in exposures and, to a lesser extent, also to the current market situation with increased interest rates and volatility in interest rate markets. Utilisation of the allocated risk capital for market price risk stood at €1,750m (year-end 2023: €1,730m). This represents a non-critical utilisation level of 41.6%.

Measured as the VaR with a confidence level of 99.0% and a holding period of ten days, market price risk for the Deka Group (excluding risks on guarantee products) as at 30 June 2024 was €97.5m (year-end 2023: €78.5m). Utilisation of the operational management limit at Deka Group level (excluding guarantees) stood at €120.5m as of the reporting date. This represented a utilisation level of 81% and was therefore non-critical.

Deka Group value-at-risk excluding risks from guarantee products[1] (confidence level 99%, holding period ten days) *in €m (Fig. 31)*

	30 Jun 2024						
Category	**Asset Management Securities business division**	**Asset Management Real Estate business division**	**Asset Management Services business division**	**Capital Markets business division**	**Treasury**	**Deka Group excluding guarantees**	Change in risk vs 31 Dec 2023
Interest rate risk	2.2	0.0	11.1	19.7	81.2	100.2	24.1%
Interest rate (general)	0.1	0.0	11.1	10.1	8.0	18.5	8.3%
Credit spread risk	2.2	0.0	8.2	18.4	79.6	102.8	29.0%
Share price risk	1.0	0.7	0.9	5.7	0.1	5.8	– 12.9%
Currency risk	0.4	0.0	0.1	1.8	3.8	2.7	–26.9%
Commodity risk	-	-	-	0.0	-	0.0	0.0%
Total risk	**2.3**	**0.7**	**11.3**	**20.1**	**81.6**	**97.5**	24.2%

[1] Risk indicators interest rate risk and total risk take diversification into account. Including an issue-specific spread risk.

The change in interest rate risk (excluding risks on guarantee products) was associated in particular with the development of credit spread risk. The VaR for credit spread risk increased compared with the 2023 year-end position (€79.7m) to €102.8m. The rise was due to an increase in bond exposures, particularly in the Treasury corporate centre. In line with the business model, risk concentration in terms of credit spread risk was mainly attributable to European and US bonds issued by financial institutions, corporates and the public sector. At Deka Group level (excluding guarantees), general interest rate risk as at the reporting date has risen slightly to €18.5m (year-end 2023: €17.1m).

Share price risk fell from €6.7m at the end of 2023 to €5.8m at the reporting date. In addition to current market developments, a reduction in exposures in the Capital Markets business division was behind this fall. Macro hedges in the Treasury corporate centre, which have a risk-reducing effect at Group level, made only a small contribution to share price risk. Share price risk remains of low significance at Group level.

Currency risk fell in the reporting period from €3.7m at the end of 2023 to €2.7m. Currency risk at the reporting date resulted principally from positions in pound sterling, Canadian dollars and US dollars.

In market price risk, a new VaR limit for commodity risk was introduced in the Capital Markets business division in early June for the possibility of trading of CO_2 certificates (European Emission Allowances (EUA)). However, there was no such trading in the reporting period.

Operational risk

Current risk situation

The VaR for operational risk (confidence level of 99.9%, holding period of one year) increased moderately from €458m at year-end 2023 to €476m. This development was mainly due to the updated assessment of various loss scenarios for tax law risks in the ex-ante perspective. In the ex-post perspective, by contrast, the still relatively low number of newly occurring material loss events from operational risks meant that there were barely any risk-increasing effects.

The OR loss potential identified in the Group-wide risk inventory also increased moderately to €88m (year-end 2023: €83m). Along with the updated scenario analysis for tax law risks, this was due in particular to the inclusion of the specific legal risk from an ongoing legal dispute connected to the incorrect handling of a capital measure by a service provider. Risk capital allocated to operational risk stood at €535m (year-end 2023: €550m). Utilisation of this amount was 89.1% and thus remains at a non-critical level.

On 15 July 2021, a revised Federal Ministry of Finance (BMF) circular dated 9 July 2021 was published on the tax treatment of share trades transacted around the dividend record date. Compared to the original BMF circular dated 17 July 2017, this BMF circular sets out more specific details regarding the requirements for relief from capital yields tax (*Kapitalertragsteuer*), as well as with regard to the legal consequences in the event of a refusal by tax authorities to allow relief for share trades transacted around the dividend record date. Based on the revised BMF circular of 9 July 2021 on the tax treatment of share trades transacted around the dividend record date, tax risks exist in connection with relief from capital yields tax on share transactions made around the dividend record date in 2013 and subsequent years. In December 2023, the tax authority issued tax assessment notices in which relief from all capital yields tax relating to share trades conducted around the dividend record date was refused for the years concerned.

In issuing these tax notices, the tax authority stated that it was not possible to review the substance of the share trades and that changes in the amounts of tax relief may follow in future (subject to later review). An appeal has been lodged in each case. DekaBank paid the stipulated amounts, including interest, in January 2024.

DekaBank's risk assessment regarding an ultimate victory in fiscal court proceedings has not changed. This is consistent with the view of its tax adviser. All matters are reported in the interim management report and interim financial statements as at 30 June 2024 in accordance with DekaBank's interpretation of the relevant tax regulations and accounting standards.

In the past, transactions were concluded with business partners in connection with share trades transacted around the dividend record date, for which the tax office refused in full or in part to allow the relief from capital yields tax (*Kapitalertragsteuer*) claimed by these business partners. Corresponding agreements were reached with some of the business partners in 2022 to settle the matter. An agreement was reached with a further business partner at the end of 2023. Such agreements may in principle be reached with other affected business partners, which may result in further payments of approximately €27m. This amount could not be reported in the interim financial statements as at 30 June 2024, as the preconditions for recognition were not met.

In addition, DekaBank began voluntary investigations to ascertain whether its involvement enabled third parties to conduct share trades around the dividend record date and make use of abusive tax structures or whether it was otherwise involved in such structures. In light of ongoing investigations in relation to share trades transacted around the dividend record date, the Bank, in principle, faces the risk of a fine under section 30 of the Administrative Offences Act (*Ordnungswidrigkeitengesetz*, OWiG) and confiscation of potential proceeds. Based on the findings of these investigations available to it, DekaBank considers it unlikely that the tax authority will be able to make a claim in relation to these matters beyond what has been recognised in the financial statements as at 30 June 2024 or that a fine or confiscation of proceeds will apply. The official search of DekaBank's premises in June 2022, the additional information obtained as part of the search and further voluntary investigations carried out on this basis do not change the assessment at the present time. The situation is being constantly reviewed.

Business risk

The VaR of business risk was €222m as at 30 June 2024, significantly lower than the level of €263m at the end of 2023. The reduction in this risk was due in particular to the increased asset management volume in the Asset Management Securities and Asset Management Services business divisions. Against this, the methodological adjustments had a risk-increasing effect overall. The allocated risk capital, which was reduced to €420m (year-end 2023: €475m) was 52.7% utilised.

Reputational risk

The VaR of reputational risk was €210m at the end of June 2024 and was therefore slightly higher than at the end of the previous year (year-end 2023: €203m). The increase in risk resulted from the higher reference (planned) figures, updated on a rolling basis, and therefore higher expected income. The most relevant scenarios causing reputational risk are associated with the perception of reputational stakeholders in relation to inadequate controls, management decisions and insufficiently attractive products.

Other risks

Investment risk

The VaR of investment risk was €27m at mid-year 2024. This represented a moderate increase from the level at the end of the previous year (year-end 2023: €26m) due to increases in the IFRS carrying values of individual equity investments as part of the regular remeasurement of equity investments at mid-year. The risk capital allocated to investment risks remained unchanged at €40m, with utilisation of 68.7%.

INTERIM FINANCIAL STATEMENTS

Interim financial statements

Statement of profit or loss and other comprehensive income
for the period from 1 January to 30 June 2024

€m	Notes	1st half 2024	1st half 2023	Change
Interest income		1,432.9	1,203.7	19.0%
(thereof calculated using the effective interest method)		1,048.7	921.7	13.8%
Interest expenses		1,278.7	1,078.5	18.6%
Net interest income	[6]	**154.2**	**125.1**	23.3%
Risk provisions in the lending and securities business	[7], [21]	**–3.4**	**35.4**	–109.6%
Net interest income after provisions		**150.8**	**160.5**	–6.0%
Commission income		1,724.0	1,580.8	9.1%
Commission expenses		938.5	791.1	18.6%
Net commission income	[8]	**785.5**	**789.7**	–0.5%
Net income from the derecognition of financial assets measured at amortised cost	[9]	**–1.2**	**–1.3**	11.5%
Trading profit or loss	[10]	**232.7**	**390.8**	–40.5%
Profit or loss on financial assets mandatorily measured at fair value	[11]	**7.7**	**7.6**	1.1%
Profit or loss on financial instruments designated at fair value	[12]	**2.0**	**1.7**	14.8%
Profit or loss from fair value hedges	[13]	**2.7**	**–6.4**	142.8%
Profit or loss on financial investments	[14]	**0.3**	**–1.7**	117.1%
Administrative expenses	[15]	**626.6**	**647.5**	–3.2%
(thereof expenses for the bank levy and deposit guarantee scheme)		19.7	75.2	–73.7%
Other operating profit	[16]	**–39.2**	**5.0**	(< –300%)
Total of profit or loss before tax		**514.7**	**698.4**	–26.3%
Income taxes	[17]	**157.1**	**223.6**	–29.7%
Total of profit or loss		**357.6**	**474.9**	–24.7%
Thereof:				
Attributable to non-controlling interests		–	–	o.A.
Attributable to the shareholders of DekaBank		357.6	474.9	–24.7%
Changes not recognised in profit or loss	[31]			
Items reclassified to profit or loss				
Change in reserve for financial assets measured at fair value through other comprehensive income		–8.9	2.4	(< –300%)
Change of the foreign currency basis spread of hedging derivatives		12.4	–4.2	(> 300%)
Change in currency translation reserve		0.1	–0.2	150.0%
Deferred taxes on items reclassified to profit or loss		–1.1	0.6	–283.3%
Items not reclassified to profit or loss				
Revaluation gains/losses on defined benefit pension obligations		20.3	–8.3	(> 300%)
Change in valuation reserve for own credit risk of financial liabilities designated at fair value		–0.4	0.8	–150.0%
Deferred taxes on items not reclassified to profit or loss		–2.9	4.6	–163.0%
Other comprehensive income		**19.5**	**–4.3**	(> 300%)
Comprehensive income for the period under IFRS		**377.1**	**470.6**	–19.9%
Thereof:				
Attributable to non-controlling interests		–	–	o.A.
Attributable to the shareholders of DekaBank		377.1	470.6	–19.9%

Statement of financial position as at 30 June 2024

€m	Notes	30 Jun 2024	31 Dec 2023	Change
Assets				
Cash reserves	[18]	**348.1**	**328.2**	6.1%
Due from banks	[19]	**35,322.2**	**30,202.6**	17.0%
Due from customers	[20]	**25,326.7**	**25,424.0**	–0.4%
Financial assets at fair value	[22]	**20,162.0**	**16,979.2**	18.7%
(of which deposited as collateral)		4,078.6	3,303.1	23.5%
Trading portfolio		18,700.8	16,183.3	15.6%
Financial assets mandatorily measured at fair value and shareholdings		1,461.1	795.9	83.6%
Financial assets designated at fair value		–	–	o.A.
Positive market values of derivative hedging instruments		**35.0**	**250.7**	–86.0%
Financial investments	[23]	**12,057.2**	**10,165.2**	18.6%
(of which deposited as collateral)		1,233.0	1,656.0	–25.5%
Financial assets measured at amortised cost		10,061.5	8,475.0	18.7%
Financial assets measured at fair value through other comprehensive income		1,976.3	1,670.4	18.3%
Shares in at-equity accounted companies		19.3	19.8	0.0%
Intangible assets and purchased Goodwill	[24]	**250.9**	**228.9**	9.6%
Property, plant and equipment and right-of-use assets for leases	[25]	**287.8**	**301.1**	–4.4%
Current income tax assets		**343.7**	**191.2**	79.8%
Deferred income tax assets		**296.9**	**312.3**	–4.9%
Other assets		**680.9**	**416.6**	63.5%
Total assets		**95,111.4**	**84,800.0**	12.2%
Liabilities				
Due to banks	[26]	**10,204.4**	**8,613.9**	18.5%
Due to customers	[27]	**31,069.5**	**26,950.5**	15.3%
Securitised liabilities	[28]	**15,621.7**	**10,919.9**	43.1%
Financial liabilities at fair value	[29]	**28,430.3**	**28,389.3**	0.1%
Trading portfolio		28,303.6	28,243.8	0.2%
Financial liabilities designated at fair value		126.7	145.5	–12.9%
Negative market values of derivative hedging instruments		**253.3**	**192.5**	31.6%
Provisions	[30]	**234.0**	**222.1**	5.3%
Current income tax liabilities		**31.5**	**143.6**	–78.0%
Deferred income tax liabilities		**137.7**	**91.9**	49.9%
Other liabilities		**716.8**	**872.9**	–17.9%
Subordinated capital		**1,108.0**	**1,150.2**	–3.7%
Equity	[31]	**7,304.3**	**7,253.1**	0.7%
Subscribed capital		191.7	191.7	0.0%
Additional capital components		598.6	598.6	0.0%
Capital reserve		239.5	239.5	0.0%
Retained earnings		5,890.8	5,916.6	–0.4%
Revaluation reserve		26.0	6.6	296.2%
Accumulated profit (consolidated profit)		357.6	300.1	19.2%
Minority interest		–	–	o.A.
Total liabilities		**95,111.4**	**84,800.0**	12.2%

Condensed statement of changes in equity for the period from 1 January to 30 June 2024

€m	Subscribed capital	Additional capital components	Capital reserve	Retained earnings	Consolidated profit	Provisions for pensions[1]
Equity as at 1 January 2023	**191.7**	**598.6**	**239.5**	**5,489.4**	**200.2**	**34.7**
Total of profit or loss	–	–	–	–	474.9	–
Other comprehensive income	–	–	–	–	–	–8.3
Comprehensive income for the period under IFRS	**–**	**–**	**–**	**–**	**474.9**	**–8.3**
Changes in the scope of consolidation	–	–	–	–		–
Other changes[2]	–	–	–	–25.9	–	–
Allocation to reserves from retained earnings	–	–	–	–	–	–
Distribution	–	–	–	–	–200.2	–
Equity as at 30 June 2023	**191.7**	**598.6**	**239.5**	**5,463.5**	**474.9**	**26.4**
Total of profit or loss	–	–	–	–	278.3	–
Other comprehensive income	–	–	–	–	–	–19.7
Comprehensive income for the period under IFRS	**–**	**–**	**–**	**–**	**278.3**	**–19.7**
Allocation to reserves from retained earnings	–	–	–	453.1	–453.1	–
Equity as at 31 December 2023	**191.7**	**598.6**	**239.5**	**5,916.6**	**300.1**	**6.7**
Total of profit or loss	–	–	–	–	357.6	–
Other comprehensive income	–	–	–	–	–	20.3
Comprehensive income for the period under IFRS	**–**	**–**	**–**	**–**	**357.6**	**20.3**
Other changes[2]	–	–	–	–25.8	–	–
Distribution	–	–	–	–	–300.1	–
Equity as at 30 June 2024	**191.7**	**598.6**	**239.5**	**5,890.8**	**357.6**	**27.1**

[1] Revaluation gains/losses on defined benefit obligations

[2] Comprises the payment of interest of the Additional Tier 1 bonds, which are classified as equity capital under IFRS

Revaluation reserve					Total before minority interest	Minority interest	Equity
Change of the foreign currency basis spread of hedging derivatives	Financial assets measured at fair value through other comprehensive income	Own credit risk of financial liabilities designated at fair value	Currency translation reserve	Deferred taxes			
−0.9	**−27.8**	**−1.2**	**0.7**	**11.9**	**6,736.8**	**–**	**6,736.8**
–	–	–	–	–	474.9	–	474.9
−4.2	2.4	0.8	−0.2	5.2	−4.3	–	−4.3
−4.2	**2.4**	**0.8**	**−0.2**	**5.2**	**470.6**	**–**	**470.6**
–	–	–	–	–	–	–	–
–	–	–	–	–	−25.9	–	−25.9
–	–	–	–	–	–	–	–
–	–	–	–	–	−200.2	–	−200.2
−5.1	**−25.4**	**−0.4**	**0.5**	**17.1**	**6,981.3**	**–**	**6,981.3**
–	–	–	–	–	278.3	–	278.3
−24.2	22.9	0.2	0.1	14.2	−6.5	–	−6.5
−24.2	**22.9**	**0.2**	**0.1**	**14.2**	**271.8**	**–**	**271.8**
–	–	–	–	–	–	–	–
−29.3	**−2.5**	**−0.2**	**0.6**	**31.3**	**7,253.1**	**–**	**7,253.1**
–	–	–	–	–	357.6	–	357.6
12.4	−8.9	−0.4	0.1	−4.0	19.5	–	19.5
12.4	−8.9	−0.4	0.1	−4.0	377.1	–	377.1
–	–	–	–	–	−25.8	–	−25.8
–	–	–	–	–	−300.1	–	−300.1
−16.9	**−11.5**	**−0.7**	**0.7**	**27.3**	**7,304.3**	**–**	**7,304.3**

Condensed statement of cash flows for the period from 1 January to 30 June 2024

€m	1st half 2024	1st half 2023
Cash and cash equivalents at the start of the period	328.2	346.7
Cash flow from operating activities	578.0	168.5
Cash flow from investing activities	–31.2	–8.7
Cash flow from financing activities	–526.9	–64.9
Cash and cash equivalents at the end of the period	**348.1**	**441.6**

The definitions of the individual cash flow components are the same as those in the 2023 consolidated financial statements. The statement of cash flows is of minor importance for banks as it does not provide any information about the actual liquidity position. For details of Deka Group's liquidity risk management, please see the risk report within the interim management report.

Notes

Segment reporting

1 Segmentation by operating business divisions

Segment reporting under IFRS 8 is based on the management approach. Segment information is presented in line with internal reporting as submitted to the Chief Operation Decision Maker on a regular basis for decision-making, resource allocation and performance assessment purposes. The Deka Group's management reporting is based on IFRS.

As total of profit or loss before tax is of limited suitability for the internal management of the business divisions, the economic result has been defined as the key management indicator. Due to the requirements of IFRS 8, the economic result has also been included in external reporting as material segment information.

In addition to total profit or loss before tax (IFRS), the economic result also includes results from scenarios that are recognised in other comprehensive income in IFRS accounting. These include the change in the revaluation reserve (before taxes) and the interest expense (accrued interest) associated with the AT1 bond recognised directly in equity (in retained earnings) in line with IAS 32.

In addition, the economic result also reflects scenarios that cannot be reflected in IFRS accounting. These include the interest rate-induced and currency-induced valuation result of financial instruments recognised at amortised cost that are economically hedged using derivatives. This allows economic hedges that do not meet the criteria for hedge accounting under the IFRS to be fully reflected for internal management purposes. Provisions for management-related effects are also recognised in the economic result for business management purposes. This general provision for potential charges serves to cover potential risks that could materialise in the future, but which may not yet be reported under IFRS because they are not sufficiently substantiated. The general provision is recognised in the segment reporting under "Other". It is not allocated to the individual reporting segments.

There are also differences in how income and expense items are recognised for management reporting purposes on the one hand, and are to be presented in the IFRS consolidated financial statements on the other. The measurement and presentation differences between the economic result and total profit or loss before tax (IFRS) are shown in the segment reporting in a separate "Reconciliation" column. For further information, please refer to the explanatory information on the reconciliation column provided in this note.

In addition to the economic result, return on equity and the cost/income ratio are fixed components of internal management. At Group level, return on equity is defined as the ratio of the economic result to balance sheet equity and shows the return on the capital that has been invested in the Deka Group. For the purposes of operational management at business division level, the figure used for return on equity is the ratio of the economic result to regulatory capital employed. The cost/income ratio is an indicator of cost efficiency. The two management indicators – return on equity and the cost/income ratio – lead to a focus on profitability and efficiency, meaning that they directly support the strategic targets.

In addition, the asset management volume and the Deka certificate volume represent other key ratios for the operating segments. The total of the asset management volume plus the Deka certificate volume primarily comprises the income-relevant assets of the mutual and special funds under management (including ETFs) in the Asset Management Securities and Asset Management Real Estate business divisions, as well as Deka certificates issued by the Deka Group. Other components are the volume of direct investments in cooperation partner funds, the cooperation partner, third-party fund and liquidity portions of fund-based asset management as well as advisory/management mandates and master funds. The asset management volume also includes fund units of €0.3bn held as part of the proprietary portfolio (31 December 2023: €0.3bn). These mainly relate to start-up financing for investment funds.

Based on the definition of section 19(1) of the German Banking Act (*Kreditwesengesetz*, KWG), gross loan volume includes additional risk exposures such as underlying risks from equity derivative transactions and transactions for the purposes of covering guarantee payments on guarantee funds, as well as the volume of off-balance sheet credit risks.

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

Asset Management Securities

The Asset Management Securities reporting segment focuses on the active fundamental and quantitative management of mutual securities funds and special funds, advisory mandates and asset management products and services, passive exchange-traded funds and combinations of these forms of investment. This offering is rounded off by services covering all aspects of the fund value chain. These include, in particular, asset servicing, which is used by institutional investors to pool various asset classes in master funds. The Deka Group’s investment funds cover all major asset classes: equity, bond, money market and mixed funds, capital protected funds and combinations of these funds. One particular focal point is the continuation of activities aimed at expanding sustainability in the range of products and services offered, as well as in the Deka Group’s own investment and business risk processes. Group-wide coordination facilitates a consistent and demand-driven approach to meeting increased demand among customers and increasingly stringent regulatory requirements. The range of quantitative asset management services is supplemented and enhanced by the products and services offered by the fund manufacturer IQAM Invest GmbH, primarily for institutional customers.

Asset Management Real Estate

The Asset Management Real Estate reporting segment provides fund products and advisory services relating to real estate, infrastructure or real estate financing for the savings banks’ and other institutional investors’ customer and proprietary business. The product range includes open-ended mutual property funds, special property funds with either an open-ended or closed-ended structure, real estate and infrastructure funds of funds, credit funds that invest in real estate, infrastructure or transport financing, and residential property funds offered together with external partners that are experienced in this segment. In order to meet environmental and social criteria and to respond to investor requirements, sustainability aspects are taken into account in the fund and investment processes. In addition to portfolio management, risk management and development of property-related products, the segment also covers the purchase and sale of real estate and the management of such assets, including all other property- and fund-related services (property and fund management).

Asset Management Services

The Asset Management Services reporting segment provides banking and other services that complement the offerings of the asset management divisions. These range from supporting the sales departments with multichannel solutions to managing custody accounts for customers and offering custodial services for investment funds.

Capital Markets

The Capital Markets reporting segment is the central product, solution and infrastructure provider and service provider in the Deka Group's customer-focused capital markets business. It offers investment solutions to savings banks, their customers and institutional customers and helps them to put their asset and risk management decisions into practice. With its range of services relating to securities repurchase transactions, securities lending and foreign exchange trading, the segment also acts as the central securities and collateral platform for the Savings Banks Association. In addition to its function as a commission agent for all relevant asset classes, it serves as a centre of competence for trading and structuring capital market products for structured issues (Deka certificates and cooperation certificates), as well as the debt capital markets business (third-party issues). Institutional customers are provided with clearing services and support with the efficient fulfilment of regulatory requirements.

Financing

The Financing reporting segment is made up of real estate financing and specialised financing, including financing of the savings banks. Lending is taken onto our own statement of financial position via the banking book, as well as being packaged as an investment product for other banks and savings banks or other institutional investors via club deals or syndications. Priority is given to placements within the *Sparkassen-Finanzgruppe*. The specialised financing business concentrates on selected core segments, such as infrastructure financing, transport financing, financing covered by ECAs, public sector financing and savings bank financing. Real estate financing relates mainly to commercial real estate and is focused on marketable properties in the office, logistics, retail and hotel segments in liquid markets in Europe and North America.

Other

The Other segment primarily comprises income and expenses that are not attributable to the reporting segments. These essentially comprise overheads, actuarial gains and losses resulting from the measurement of pension obligations, the bank levy and the deposit guarantee scheme, as well as a general provision for potential losses that are not directly allocable to any operating segment. The income and expenses of the Treasury function are allocated to the other segments on a source-specific basis and are therefore shown in the presentation of the economic result of the respective segments.

Reconciliation of segment results to the IFRS result

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

At €512.4m, the Deka Group's economic result in the first half of 2024 was €2.3m lower than the total profit or loss before tax (IFRS) of €514.7m.

This difference can be attributed primarily to the recognition of the change in the revaluation reserve before tax in the economic result in the amount of €23.4m (H1 2023: €–9.5m). Of this total, €20.3m (H1 2023: €–8.3m) was attributable to the change in the revaluation reserve in connection with defined benefit pension obligations. The economic result also reflects a valuation loss of €–18.2m (H1 2023: €–45.5m) from the interest rate-induced and currency-induced valuation of financial instruments recognised at amortised cost that are economically hedged using derivatives. The interest expense (accrued interest) associated with the AT1 bond in the amount of €–12.9m (H1 2023: €–12.8m) was also recognised in the economic result. The provision to cover potential risks that could materialise in the coming months remained unchanged as against 31 December 2023 at €–335.0m. As in the same period of the previous year, it therefore had no impact on the economic result.

The reconciliation column also shows the differences in the presentation of income items between management reporting and the IFRS consolidated financial statements, mainly between net interest income and net financial income.

	Asset Management Securities		Asset Management Real Estate		Asset Management Services		Capital Markets	
	Economic result							
€m	1st half 2024	1st half 2023	1st half 2024	1st half 2023	1st half 2024	1st half 2023	1st half 2024	1st half 2023
Net interest income	–3.7	–1.0	–0.9	–0.7	4.9	5.8	0.9	1.0
Risk provisions	–	–	–	–	0.0	0.1	–	–
Net commission income	502.2	486.4	139.8	158.8	113.8	109.8	24.1	29.2
Net financial income[1]	4.3	2.1	2.0	0.8	1.2	2.0	211.1	194.1
Other operating profit[2]	–1.9	–3.3	1.8	1.9	2.6	4.6	1.7	1.7
Total income without income distribution from Treasury function	**500.9**	**484.2**	**142.6**	**160.8**	**122.5**	**122.3**	**237.9**	**226.0**
Administrative expenses (including depreciation and amortisation)	220.8	207.7	87.5	82.6	128.3	126.4	104.2	98.5
Restructuring expense[2]	–	–	–	–	–	–	–	–
Total expenses	**220.8**	**207.7**	**87.5**	**82.6**	**128.3**	**126.4**	**104.2**	**98.5**
(Economic) result before tax excluding income distribution Treasury function	**280.1**	**276.5**	**55.1**	**78.1**	**–5.9**	**–4.1**	**133.6**	**127.5**
Income distribution of Treasury function	30.9	9.6	9.1	7.1	16.0	9.5	71.1	73.7
(Economic) result before tax	**311.1**	**286.1**	**64.3**	**85.2**	**10.1**	**5.4**	**204.7**	**201.3**
Cost/income ratio[3] in %	44.1	42.9	61.3	51.4	104.8	103.5	43.8	43.6
	30 Jun 2024	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**
Return on equity before tax (balance sheet)[4] in %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Return on equity before tax (regulatory)[5] in %	83.9	97.7	49.9	103.1	–4.0	–4.2	25.0	12.9
Risk-weighted assets	5,267	4,956	1,720	1,613	2,368	2,232	7,947	8,739
Total risk[6]	518	570	163	175	317	302	463	504
Gross loan volume	8,596	8,054	57	57	878	945	68,041	60,218
Total of asset management and Deka certificate volume	321,778	302,227	55,620	55,503	–	–	24,806	23,216

[1] 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, the net income from the derecognition of financial assets measured at amortised cost as well as the result from repurchased own issues.
[2] Restructuring expense are disclosed in the Group financial statements under Other operating profit.
[3] Calculation of the cost/income ratio does not take into account the restructuring expense or risk provisions
[4] The return on equity before tax (balance sheet) is calculated as the annualised economic result divided by the average adjusted equity (excluding additional Tier 1 capital (AT1) and adjusted for intangible assets). The average is calculated on the basis of the previous year's end-of-year financial statements and the most recent quarterly financial statements.
[5] The return on equity before tax (regulatory) is calculated as the annualised economic result (before allocation of income to the treasury function) in relation to the average regulatory equity. The average is calculated using the monthly risk-weighted assets multiplied by 13 percent (as the strategic target level of regulatory capital) starting at the end of the previous year.
[6] Value-at-risk for risk capacity with confidence level of 99.9% and holding period of one year. Due to the diversification within market price risk the risk for the Deka Group is not cumulative.
[7] No cost/income ratio is presented for the segment Other because as this is deemed of limited economic informative value.

	Financing		Other		Deka Group		Reconciliation		Deka Group	
			Economic result						Total profit or loss before tax (IFRS)	
	1st half 2024	1st half 2023	1st half 2024	1st half 2023	1st half 2024	1st half 2023	1st half 2024	1st half 2023	1st half 2024	1st half 2023
	65.9	67.8	190.7	160.4	257.7	233.4	–103.5	–108.3	154.2	125.1
	–4.2	39.3	0.7	–4.1	–3.4	35.4	–	–	–3.4	35.4
	7.4	6.9	–2.0	–1.9	785.3	789.1	0.2	0.6	785.5	789.7
	1.6	–2.6	–99.1	43.5	121.1	239.9	123.0	150.8	244.2	390.7
	0.5	0.5	–26.5	–22.0	–21.7	–16.7	–17.5	21.7	–39.2	5.0
	71.3	**111.9**	**63.9**	**175.8**	**1,139.1**	**1,281.1**	**2.3**	**64.8**	**1,141.3**	**1,345.9**
	38.7	37.9	47.1	94.2	626.6	647.5	–	–	626.6	647.5
	–	–	–	–	–	–	–	–	–	–
	38.7	**37.9**	**47.1**	**94.2**	**626.6**	**647.5**	**–**	**–**	**626.6**	**647.5**
	32.6	**73.9**	**16.8**	**81.6**	**512.4**	**633.6**	**2.3**	**64.8**	**514.7**	**698.4**
	64.8	49.9	–191.9	–149.8	–	–	–	–	–	–
	97.3	**123.9**	**–175.1**	**–68.2**	**512.4**	**633.6**	**2.3**	**64.8**	**514.7**	**698.4**
	51.3	52.3	– [7]	– [7]	54.8	52.0				
	30 Jun 2024	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**				
	N/A	N/A	N/A	N/A	16.4	15.8				
	4.8	–3.9	–	–	–	–				
	10,583	9,865	3,349	3,082	31,234	30,486				
	328	458	832	753	2,498	2,553				
	26,202	27,171	23,815	24,287	127,588	120,731				
	–	–	–	–	402,203	380,947				

General information

2 Accounting principles

Pursuant to section 115 of the Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG) in conjunction with section 117 no. 2 WpHG, these condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The applicable IFRS rules are those published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) into European law at the time the financial statements are prepared. These consolidated interim financial statements meet the requirements set out in IAS 34 “Interim Financial Reporting”.

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

The present consolidated interim report has been reviewed by our year-end auditor and should be read in conjunction with our audited 2023 consolidated financial statements. The majority of disclosures on risks relating to financial instruments are presented in the risk report section of the interim management report.

3 Accounting policies and estimates

Accounting policies

The consolidated interim financial statements are based on the same accounting policies as those applied in the 2023 consolidated financial statements.

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.

Estimation uncertainty and discretion

Both discretionary decisions and estimates are necessary as part of IFRS accounting. These are made in accordance with the relevant standards and reviewed on an ongoing basis. They are based on experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances. Risks and uncertainties regarding the extent to which future developments and results can be forecast arise from the unpredictable global macroeconomic environment, which was characterised by moderate global economic growth, lower inflation and high but falling interest rates in the first half of 2024. Further uncertainties affecting estimates may also arise from the ongoing geopolitical tension and conflicts, restrictive monetary policy and trade disputes between major economies, such as the United States and China. Further explanatory information on the macroeconomic environment and information on exposure to countries affected by crisis can be found in the interim management report.

Where discretionary management decisions or estimates have a material impact on items or scenarios, these are explained in detail either in the section on accounting policies or in the notes to the relevant items.

Discretionary decisions, estimates or a combination of the two arise in connection with, inter alia, the recognition of risk provisions in the lending and securities business (see note [7] and note [21] "Risk provisions in the lending and securities business"), the recognition of provisions (see note [30] "Provisions"), the recognition of contingent liabilities (see note [36] "Contingent liabilities and other obligations") and the fair value measurement of financial instruments (see note [32] "Fair value disclosures for financial instruments").

4 Accounting standards applied for the first time and to be applied in future

There were no new or amended standards and interpretations significant to the Deka Group that had to be applied in the first half of 2024. For further information on new or amended standards and interpretations, we refer to our 2023 Annual Report, Note [2] "Accounting standards applied for the first time and to be applied in future".

New standards and interpretations and amendments to existing standards and interpretations published by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) which do not have to be applied until subsequent financial years were not applied early. Changes relevant to the Deka Group are presented below.

Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments". These amendments result from the post-implementation review, conducted in 2022, of the corresponding part of IFRS 9 "Financial Instruments".

The amendments adopted clarify the classification of financial assets with ESG-linked or similar features. The extent to which these ESG-linked features of financial instruments affect subsequent recognition, i.e. recognition at amortised cost or fair value, has been a topic of debate among practitioners. Subsequent recognition depends on the cash flow characteristics of the financial asset. The IASB is using the amendments to clarify how the contractual cash flows of these instruments are to be assessed within this context.

The amendment also addresses the settlement of liabilities using electronic payment systems. The debate focused on problems applying the derecognition rules in IFRS 9 for financial assets or liabilities in cases involving electronic payment transfer. First, the amendments clarify when a financial asset or financial liability is derecognised. Second, they introduce an accounting policy choice to allow an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met. Application of the new rules is mandatory for financial years beginning on or after 1 January 2026. Voluntary early application is permitted subject to an endorsement of the amendments, which is still outstanding. Implementation of the amendments is not likely to have any effect on the Deka Group.

IFRS 18

On 9 April 2024, the IASB published its new standard IFRS 18 "Presentation and Disclosures in Financial Statements" that will replace IAS 1 "Presentation of Financial Statements". IFRS 18 sets out new rules on the presentation of the income statement, as well as new requirements regarding disclosures on what are known as management-defined performance measures. Going forward, IFRS 18 will provide for three categories, "operating", "investing" and "financing", to which income and expenses are to be allocated in the statement of profit or loss. Allocation is based on an entity's main business activity, with the operating category serving as a residual category. Two mandatory sub-totals have also been defined: "operating profit or loss" and "profit or loss before financing and income taxes". Different regulations apply to entities with specific business activities, including banks. The fundamental requirements set out in IAS 1, for example those relating to significant accounting policies and sources of estimation uncertainty, have been adopted unchanged. Application of the new rules is mandatory for financial years beginning on or after 1 January 2027. Voluntary early application is permitted subject to an endorsement of the amendments, which is still outstanding. The Deka Group is currently in the process of reviewing the impact of the new IFRS 18 on the presentation of future annual financial reports, as well as implications for the reporting process.

5 Scope of consolidation

In addition to DekaBank as the parent company, the consolidated interim financial statements include a total of 11 (31 December 2023: 11) domestic companies and 6 (31 December 2023: 6) foreign companies in which DekaBank directly or indirectly holds the majority of the voting rights. The scope of consolidation also includes 1 structured entity (31 December 2023: 1).

A total of 9 other affiliated companies (31 December 2023: 9) controlled by the Deka Group were not consolidated, because they are of minor significance, both individually and collectively, for the presentation of the financial position and financial performance of the Group. The interests held in these subsidiaries are reported under financial assets at fair value. Likewise, structured entities are not consolidated if they are of minor significance to the consolidated interim financial statements. Units in unconsolidated investment funds are measured at fair value through profit or loss. These are shown in the statement of financial position under financial assets at fair value.

The consolidated subsidiaries (affiliated companies and structured entities), joint ventures and associated companies, as well as the companies (affiliated companies and structured entities) and equity investments not included in the scope of consolidation on materiality grounds, are shown in the list of shareholdings (note [37], "List of shareholdings").

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

6 Net interest income

In addition to interest income and expenses, this item includes the pro rata unwinding of premiums and discounts on financial instruments. Net interest income from items in the trading book and the associated refinancing expenses are not included as they are reported in trading profit or loss.

€m	1st half 2024	1st half 2023	Change
Interest income from			
Financial assets measured at amortised cost	**1,019.9**	**905.5**	114.4
thereof: lending and money market transactions	915.1	830.0	85.1
thereof: fixed-interest securities	104.8	75.6	29.3
Financial assets measured at fair value through other comprehensive income	**29.1**	**18.1**	11.0
thereof: fixed-interest securities	29.1	18.1	11.0
Financial assets measured at fair value through profit or loss	**157.7**	**128.8**	28.9
Trading portfolio			
thereof: lending and money market transactions	3.6	3.9	–0.2
thereof: interest rate derivatives (economic hedges)	131.4	108.2	23.2
Financial assets mandatorily measured at fair value through profit or loss			
thereof: lending and money market transactions	5.5	7.2	–1.8
thereof: fixed-interest securities	13.6	7.8	5.8
thereof: current income from shares and other non-fixed-interest securities	2.2	0.5	1.7
thereof: current income from equity investments	1.4	1.2	0.1
hedge derivatives (hedge accounting)	**226.1**	**149.8**	76.3
Negative interest from liabilities	**0.1**	**1.4**	–1.3
Total interest income	**1,432.9**	**1,203.7**	229.3
Interest expenses for			
Financial liabilities measured at amortised cost	**958.7**	**701.2**	257.4
thereof: lending and money market transactions	774.4	572.8	201.6
thereof: securitised liabilities	162.0	108.3	53.7
thereof: subordinated liabilities	22.2	20.1	2.1
Financial liabilities measured at fair value through profit or loss	**261.7**	**342.1**	–80.4
Trading portfolio			
thereof: lending and money market transactions	19.8	38.6	–18.8
thereof: interest rate derivatives (economic hedges)	239.3	299.5	–60.2
Financial liabilities designated at fair value			
thereof: lending and money market transactions	2.6	4.0	–1.4
thereof: securitised liabilities	–	–	–
hedge derivatives (hedge accounting)	**58.2**	**33.6**	24.6
Negative interest on money-market transactions and fixed-interest securities	**0.2**	**1.6**	–1.4
Total interest expenses	**1,278.7**	**1,078.5**	200.2
Net interest income	**154.2**	**125.1**	29.1

The increase in interest income and interest expenses is attributable primarily to the rise in market interest rates, with the investment of liquidity from own funds within the Treasury function playing a decisive role in the positive year-on-year change in net interest income.

7 Risk provisions in the lending and securities business

This item primarily includes expenses and income from changes in risk provisions for financial instruments in the measurement categories "Financial assets measured at amortised cost" (AC) and "Financial assets measured at fair value through other comprehensive income" (FVOCI), as well as for loan commitments and financial guarantee contracts insofar as they fall within the scope of the impairment rules set out in IFRS 9. Risk provisions in the lending and securities business are recognised in the statement of profit or loss and other comprehensive income as follows:

€m	1st half 2024	1st half 2023	Change
Allocation to risk provisions/provisions for credit risks	–117.1	–44.2	–72.9
Reversal of risk provisions/provisions for credit risks	115.2	83.6	31.5
Direct write-downs on receivables	–	–0.1	0.1
Income on written-down receivables	0.6	0.0	0.6
Net income from modifications in the lending business (stage 3 or POCI)	–2.6	–0.1	–2.5
Risk provisions in the lending business	**–4.0**	**39.3**	–43.3
Allocation to risk provisions for securities	–1.2	–10.1	8.9
Reversal of risk provisions for securities	1.7	6.2	–4.4
Direct write-downs on securities	–	–	–
Net income from modifications in the securities business (stage 3 or POCI)	–	–	–
Risk provisions in the securities business	**0.6**	**–3.9**	4.5
Risk provisions in the lending and securities business	**–3.4**	**35.4**	–38.8

In the first half of 2024, risk provisions in the lending and securities business in the net amount of €3.4m were set up (H1 2023: reversal of €35.4m). The increase in risk provisions in the lending business is due to allocations to specific provisions for real estate financing and infrastructure financing. There was also income resulting from the reversal of specific provisions for aircraft financing. Furthermore, there was a positive net effect in the first half of 2024 from the reversal and recognition of post-model adjustments for borrowers in the International Commercial Real Estate rating module (see Note [21] "Risk provisions in the lending and securities business").

8 Net commission income

Net commission income by type of service is as follows:

€m	1st half 2024	1st half 2023	Change
Commission income from			
Investment fund business	1,528.9	1,408.6	120.3
Securities business	171.7	151.5	20.1
Lending business	13.0	8.6	4.5
Other	10.4	12.1	–1.6
Total commission income	**1,724.0**	**1,580.8**	143.2
Commission expenses for			
Investment fund business	824.0	689.8	134.2
Securities business	107.4	97.7	9.7
Lending business	5.3	1.3	4.0
Other	1.7	2.3	–0.6
Total commission expenses	**938.5**	**791.1**	147.4
Net commission income	**785.5**	**789.7**	–4.1

As part of its activities as an asset manager, the Deka Group receives commission from contracts with customers which varies according to product category (e.g. mutual or special funds) and asset category (e.g. shares, bonds or real estate). The income is calculated and collected as described in the corresponding sales prospectuses and investment conditions of the investment funds concerned. The main types of income are explained in more detail below.

Commission income from investment fund business arises in the Asset Management Securities and Asset Management Real Estate business divisions.

In the Asset Management Securities business division, the Deka Group generates income from management and administrative activities and from the asset management of fund-based products. For this service, the Deka Group receives (asset) management fees, sales commission, performance-related remuneration and income from lump-sum cost allowances. Additional commission income arises in the investment fund business as a result of brokerage services provided during the reporting period. The performance obligation is fulfilled on an ongoing basis and the consideration is collected and recognised in income on a monthly basis. In addition to portfolio-related commission, the Deka Group also earns sales-related commission (front-end loads) when issuing certain units in investment funds, where appropriate. The amount of the front-end load is based on the unit value at the time of issue.

In the Asset Management Real Estate business division, management fees are collected for ongoing management activities in relation to the average investment fund holdings. In the case of retail products, the amount of the management fee varies, within specified ranges, depending on the performance of the investment fund's unit value over the fund financial year. These fees are settled on a monthly basis. Fees resulting from the management of the properties held in the real estate funds are collected to cover the ongoing management of these real estate funds. These fees are settled on a monthly basis. In addition, the Asset Management Real Estate business division collects front-end loads in cases involving the issue of certain units in investment funds. The Deka Group also collects purchase and sales fees from investment funds that invest in real estate. The service is deemed to have been rendered when the property in question is added to, or removed from, the investment fund. This is a one-time payment which is usually calculated based on the underlying transaction volume.

Part of the commission income from the investment fund business is passed on to the sales partners in accordance with the regulatory requirements. The corresponding expense is reported under commission expenses for the investment fund business.

In the Asset Management Services business division, the Deka Group provides various services for which income is reported under commission income from the securities business. These include, for example, the assumption of the role of custodian and the safekeeping of securities in securities accounts. As a custodian, the Deka Group receives a custodian fee for its ongoing activities and a securities account fee for the safekeeping of securities. The custodian fee is paid and collected monthly as a general rule and is based on the average values of the fund assets. The securities account fee also relates to a specific period. The annual fee to be paid is a fixed fee per securities account.

In the context of asset management for savings banks and institutional customers, the Deka Group receives commission fees for support services relating to the procurement and settlement of securities and financial derivatives. The fee is calculated for securities as a percentage of the transaction price, while for financial derivatives it is calculated depending on the number of contracts. Services are rendered and settled when the securities are delivered (value date). These fees are allocated to the Capital Markets business division and are also reported under commission income from the securities business.

Commission income from the lending business relates almost exclusively to services in connection with the administration of loans and is not directly related to the origination of the loans. The fees are levied irrespective of the term and generally fall due at the beginning of the credit relationship (one-off amount). Commission income from the lending business is allocated to the Financing business division. Commission income from syndications is allocated to the Capital Markets business division on a pro rata basis.

Segment reporting in note [1] shows the net commission income for each business division pursuant to IFRS 8. Commission income and commission expenses are offset and reported in net terms, meaning that the figure shown includes revenue from contracts with customers pursuant to IFRS 15.

9 Net income from the derecognition of financial assets measured at amortised cost

This item comprises the net income from the early disposal of financial assets measured at amortised cost. In the first half of 2024, receivables and loans have been derecognised due to early repayments made by debtors.

€m	1st half 2024	1st half 2023	Change
Gains arising from the derecognition of financial assets measured at amortised costs	2.8	3.7	– 0.8
Losses arising from the derecognition of financial assets measured at amortised costs	4.0	5.0	– 1.0
Net income from the derecognition of financial assets measured at amortised cost	**– 1.2**	**– 1.3**	0.2

10 Trading profit or loss

This item comprises sale and valuation results, dividends as well as commission from financial instruments in the trading portfolio sub-category. It also includes all results from the currency translation of financial assets and liabilities, regardless of their measurement category. In general, the net interest income from derivative and non-derivative financial instruments in this sub-category, together with any related refinancing expenses, is also reported under this item. However, net interest income from economic hedging derivatives (banking book portfolios) is reported under net interest income.

€m	1st half 2024	1st half 2023	Change
Sale and valuation results	73.4	251.9	– 178.5
Net interest income and current income from trading transactions	162.8	143.3	19.5
Foreign exchange profit or loss	2.7	2.5	0.2
Commission	– 6.2	– 6.9	0.7
Trading profit or loss	**232.7**	**390.8**	– 158.2

Trading profit or loss was down year-on-year. This was due primarily to a credit rating-induced negative result from own issues due to spread developments. This item included positive earnings effects in the same period of the previous year.

11 Profit or loss on financial assets mandatorily measured at fair value

This item mainly comprises gains or losses on the disposal and measurement of financial instruments in the "financial assets mandatorily measured at fair value" sub-category. However, net interest income and dividend income from financial instruments in this sub-category are disclosed under net interest income.

€m	1st half 2024	1st half 2023	Change
Sale and valuation results	7.5	7.0	0.5
Commission	0.2	0.5	– 0.4
Profit or loss on financial assets mandatorily measured at fair value	**7.7**	**7.6**	0.1

12 Profit or loss on financial instruments designated at fair value

This item mainly comprises gains or losses on the disposal and measurement of financial instruments designated at fair value. However, interest expenses and income on financial instruments in this sub-category are disclosed under net interest income.

€m	1st half 2024	1st half 2023	Change
Sale and valuation results	2.0	1.7	0.3
Commission	–	–	–
Profit or loss on financial instruments designated at fair value	**2.0**	**1.7**	0.3

13 Profit or loss from fair value hedges

The net valuation result is composed as follows, grouped by the type of risk hedged:

€m	1st half 2024	1st half 2023	Change
Interest rate fair value hedges			
Net valuation result from hedging financial assets	4.2	–8.1	12.3
Net valuation result from hedging financial liabilities	1.5	6.5	–5.0
Currency fair value hedges			
Net valuation result from hedging financial assets	–3.0	–4.8	1.8
Profit or loss from fair value hedges	**2.7**	**–6.4**	9.1

14 Profit or loss on financial investments

This item primarily comprises the gains or losses on the disposal of financial assets measured at fair value through other comprehensive income and the pro rata annual profit or loss from shares in associated companies and joint ventures accounted for using the equity method.

€m	1st half 2024	1st half 2023	Change
Sale results	0.7	–1.7	2.5
Commission	–	–	–
Net income from equity-accounted companies	–0.4	0.0	–0.5
Profit or loss on financial investments	**0.3**	**–1.7**	2.0

15 Administrative expenses

Administrative expenses comprise personnel expenses, other administrative expenses and depreciation and amortisation:

€m	1st half 2024	1st half 2023	Change
Personnel expenses	327.7	301.7	26.0
Other administrative expenses	267.2	313.9	–46.6
Amortisation	31.7	31.9	–0.2
Property, plant and equipment	3.5	2.8	0.6
Intangible assets	6.1	7.4	–1.3
Rights-of-use assets for leases	22.1	21.7	0.5
Administrative expenses	**626.6**	**647.5**	–20.8

The increase in personnel expenses can be attributed primarily to the increase in headcount to take advantage of growth opportunities as well as to wage and salary rises under collective agreements. Other administrative expenses include the annual contribution to the deposit guarantee scheme of the *Landesbanken* and *Girozentralen* amounting to €20.0m (H1 2023: €28.4m). Following the announcement made by the Single Resolution Board (SRB), no bank levy is expected to be due for 2024. In the first half of 2023, other administrative expenses still included a contribution to the European Union's Single Resolution Fund amounting to €46.9m.

16 Other operating profit

The breakdown of other operating profit is as follows:

€m	1st half 2024	1st half 2023	Change
Income from repurchased debt instruments	**2.6**	**13.1**	–10.5
Other operating income	8.2	9.7	–1.6
Other operating expenses	49.9	17.8	32.1
Other operating profit	**–39.2**	**5.0**	–44.2

Other operating profit also includes the negative impact of interest paid in January 2024 as a result of tax assessment notices.

17 Income taxes

The combined tax rate applied was unchanged at 31.9% (trade tax plus corporation tax of 15.0% and a solidarity surcharge of 5.5%).

Notes to the statement of financial position

18 Cash reserves

€m	30 Jun 2024	31 Dec 2023	Change
Cash on hand	0.0	0.0	–0.0
Balances with central banks	348.1	328.2	20.0
Total	**348.1**	**328.2**	20.0

19 Due from banks

Amounts due from banks can be broken down by business type as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Deposit facility with Deutsche Bundesbank	9,553.5	9,855.3	–301.8
Current accounts	402.9	503.2	–100.2
Daily and time deposits	6,025.6	8,197.1	–2,171.5
Lending business	4,716.8	4,738.2	–21.3
Genuine repurchase agreements and collateralised securities lending transactions	14,623.7	6,909.2	7,714.5
Due from banks before risk provisions	**35,322.5**	**30,203.0**	5,119.5
Risk provisions in the lending business	–0.3	–0.3	0.0
Total	**35,322.2**	**30,202.6**	5,119.6

The breakdown of amounts due from banks by region is as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Domestic banks	23,662.1	24,821.2	–1,159.1
Foreign banks	11,660.4	5,381.8	6,278.6
Due from banks before risk provisions	**35,322.5**	**30,203.0**	5,119.5
Risk provisions in the lending business	–0.3	–0.3	0.0
Total	**35,322.2**	**30,202.6**	5,119.6

20 Due from customers

Amounts due from customers can be broken down by business type as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Current accounts	372.1	208.6	163.6
Daily and time deposits	707.0	700.5	6.4
Lending business	20,314.2	21,184.6	–870.4
Genuine repurchase agreements and collateralised securities lending transactions	4,280.6	3,669.9	610.7
Due from customers before risk provisions	**25,673.9**	**25,763.5**	–89.6
Risk provisions in the lending business	–347.2	–339.6	–7.7
Total	**25,326.7**	**25,424.0**	–97.3

The breakdown of amounts due from customers by region is as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Domestic borrowers	7,124.8	7,421.2	–296.3
Foreign borrowers	18,549.1	18,342.4	206.7
Due from customers before risk provisions	**25,673.9**	**25,763.5**	–89.6
Risk provisions in the lending business	–347.2	–339.6	–7.7
Total	**25,326.7**	**25,424.0**	–97.3

21 Risk provisions in the lending and securities business

Default risks in lending and securities business are recognised through provisions, including provisions for off-balance sheet commitments. The accumulated provisions for debt instruments in the AC measurement category are offset against the gross carrying amounts on the asset side. For debt instruments in the FVOCI measurement category, the provisions are reported on the liabilities side in other comprehensive income (OCI). Risk provisions for credit risks from off-balance sheet commitments are reported on the liabilities side under provisions. Risk provisions in the first half of 2024 were as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Risk provisions in the lending business	**367.9**	**348.6**	19.4
Risk provisions for loan losses – due from banks	0.3	0.3	–0.0
Risk provisions for loan losses – due from customers	347.2	339.6	7.7
Provisions for off-balance sheet commitments	20.4	8.7	11.7
Risk provisions in the securities business	**13.5**	**14.0**	–0.6
Risk provisions for securities[1]	13.5	14.0	–0.6
Total	**381.4**	**362.6**	18.8

[1] Including risk provisons for financial assets measured at fair value through other comprehensive income

Compared to 31 December 2023, there has been no change in the methods and processes used to calculate risk provisions. The key assumptions and parameters used in determining risk provisions are reviewed and updated on a regular basis as part of the risk management processes.

The expected credit loss (ECL) is calculated using prospective information, including macroeconomic factors. Macroeconomic forecasts are produced based on the process used by the Macro Research department for the purposes of preparing the official research opinion (baseline scenario) of the Deka Group using a large volume of external information. The statements relate to the analysis and forecasting of fundamental economic data and financial market indicators. The baseline scenario represents the most probable event and is supplemented by a positive and a negative scenario to cover a wide range of possible macroeconomic developments. The probabilities of occurrence for the scenarios used to calculate risk provisions as at 30 June 2024 were as follows: baseline scenario = 70% (31 December 2023: 70%), negative scenario = 20% (31 December 2023: 20%) and positive scenario = 10% (31 December 2023: 10%). The forecast horizon spans a period of three years (2024-2026), and the forecast relates to those countries that account for the largest gross carrying amounts relevant to risk provisions.

The varied and mutually reinforcing risk drivers witnessed in the first half of 2024 are hitting the real estate sector particularly hard. As a result, the decision was made to multiply the probability of default (PD) used to calculate expected credit losses for borrowers in the International Commercial Real Estate rating module by a factor of 4.70 for the first year, and by a factor of 1.43 and 1.32 respectively for the second and third year, as at 30 June 2024. This post-model adjustment, which was based on expert estimates and on the analysis of observable historical data, was applied to reflect the need to consider all available, up-to-date customer and macroeconomic data as at the reporting date. As at 30 June 2024, this resulted in a post-model adjustment (including effects from the special scenario) of €60.1m (31 December 2023: €81.3m). Post-model adjustments set up at the end of 2023 were reversed in full.

Movements in risk provisions in the first half of 2024 were as follows:

Risk provisions for assets measured at amortised cost

€m	Stage 1	Stage 2	Stage 3	POCI	Total
Due from banks					
Position as at 1 January 2024	**0.3**	**–**	**–**	**–**	**0.3**
Transfer to other stages	–	–	–	–	–
Transfer from other stages	–	–	–	–	–
Change in position including new business	–0.0	–	–	–	–0.0
Allocation	0.0	–	–	–	0.0
Reversal	–0.0	–	–	–	–0.0
Utilisation	–	–	–	–	–
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–	–	–	–
Exchange rate-related and other changes	–0.0	–	–	–	–0.0
Position as at 30 June 2024	**0.3**	**–**	**–**	**–**	**0.3**
Due from customers					
Position as at 1 January 2024	**10.2**	**161.6**	**167.8**	**0.1**	**339.6**
Transfer to other stages	–1.8	–17.7	–	–	–19.5
Transfer from other stages	1.4	1.8	16.3	–	19.5
Change in position including new business	–0.1	–15.0	–2.8	–	–17.9
Allocation	0.9	43.4	58.2	4.7	107.0
Reversal	–3.3	–41.5	–51.4	–	–96.1
Utilisation	–	–	–0.0	–	–0.0
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	0.0	0.1	–	–	0.1
Changes in the scope of consolidation	–	–	–	–	–
Exchange rate-related and other changes	0.2	2.6	10.9	0.8	14.6
Position as at 30 June 2024	**7.5**	**135.4**	**198.8**	**5.5**	**347.2**
Financial investments					
Position as at 1 January 2024	**2.3**	**11.6**	**–**	**–**	**13.8**
Transfer to other stages	–	–	–	–	–
Transfer from other stages	–	–	–	–	–
Change in position including new business	–0.1	–	–	–	–0.1
Allocation	0.7	0.3	–	–	1.0
Reversal	–0.4	–1.1	–	–	–1.5
Utilisation	–	–	–	–	–
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–	–	–	–
Exchange rate-related and other changes	0.0	–	–	–	0.0
Position as at 30 June 2024	**2.6**	**10.7**	**–**	**–**	**13.2**

€m	Stage 1	Stage 2	Stage 3	POCI	Total
Due from banks					
Position as at 1 January 2023	**0.3**	**–**	**–**	**–**	**0.3**
Transfer to other stages	–	–	–	–	–
Transfer from other stages	–	–	–	–	–
Change in position including new business	–0.1	–	–	–	–0.1
Allocation	0.2	–	–	–	0.2
Reversal	–0.1	–	–	–	–0.1
Utilisation	–	–	–	–	–
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–	–	–	–
Exchange rate-related and other changes	–0.0	–	–	–	–0.0
Position as at 30 June 2023	**0.4**	**–**	**–**	**–**	**0.4**
Due from customers					
Position as at 1 January 2023	**13.6**	**84.6**	**108.5**	**–**	**206.7**
Transfer to other stages	–3.4	–0.9	–	–	–4.3
Transfer from other stages	0.9	3.4	0.0	–	4.3
Change in position including new business	1.1	–2.8	–29.8	–	–31.5
Allocation	2.5	27.1	21.3	–	50.9
Reversal	–3.2	–27.8	–18.7	–	–49.7
Utilisation	–	–	–1.8	–	–1.8
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–1.7	1.1	–	–0.6
Changes in the scope of consolidation	–	–	–	–	–
Exchange rate-related and other changes	–0.1	–0.6	4.9	–	4.2
Position as at 30 June 2023	**11.5**	**81.3**	**85.5**	**–**	**178.3**
Financial investments					
Position as at 1 January 2023	**4.7**	**5.1**	**–**	**–**	**9.9**
Transfer to other stages	–0.0	–0.3	–	–	–0.3
Transfer from other stages	0.3	0.0	–	–	0.3
Change in position including new business	–0.2	–0.2	–	–	–0.3
Allocation	0.3	9.6	–	–	10.0
Reversal	–2.6	–2.9	–	–	–5.6
Utilisation	–	–	–	–	–
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–	–	–	–
Exchange rate-related and other changes	–0.0	–0.0	–	–	–0.0
Position as at 30 June 2023	**2.5**	**11.4**	**–**	**–**	**14.0**

Risk provisions for financial assets measured at fair value through other comprehensive income

€m	Stage 1	Stage 2	Stage 3	POCI	Total
Financial investments					
Position as at 1 January 2024	**0.2**	**–**	**–**	**–**	**0.2**
Transfer to other stages	–	–	–	–	–
Transfer from other stages	–	–	–	–	–
Change in position including new business	–0.0	–	–	–	–0.0
Allocation	0.0	–	–	–	0.0
Reversal	–0.0	–	–	–	–0.0
Utilisation	–	–	–	–	–
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–	–	–	–
Exchange rate-related and other changes	–	–	–	–	–
Position as at 30 June 2024	**0.2**	**–**	**–**	**–**	**0.2**

€m	Stage 1	Stage 2	Stage 3	POCI	Total
Financial investments					
Position as at 1 January 2023	**0.3**	**–**	**–**	**–**	**0.3**
Transfer to other stages	–	–	–	–	–
Transfer from other stages	–	–	–	–	–
Change in position including new business	–0.1	–	–	–	–0.1
Allocation	0.1	–	–	–	0.1
Reversal	–0.2	–	–	–	–0.2
Utilisation	–	–	–	–	–
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–	–	–	–
Exchange rate-related and other changes	–	–	–	–	–
Position as at 30 June 2023	**0.1**	**–**	**–**	**–**	**0.1**

Provisions for credit risks from off-balance sheet commitments

€m	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments and financial guarantee contracts					
Position as at 1 January 2024	**0.4**	**5.1**	**3.2**	**–**	**8.7**
Transfer to other stages	–0.0	–1.4	–	–	–1.4
Transfer from other stages	–	0.0	1.4	–	1.4
Change in position including new business	–0.2	–0.4	–3.5	–	–4.1
Allocation	0.0	2.0	14.8	–	16.8
Reversal	–0.1	–0.6	–0.6	–	–1.3
Utilisation	–	–	–	–	–
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–	–	–	–
Exchange rate-related and other changes	0.0	0.0	0.2	–	0.2
Position as at 30 June 2024	**0.1**	**4.7**	**15.6**	**–**	**20.4**

€m	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments and financial guarantee contracts					
Position as at 1 January 2023	**0.7**	**11.8**	**0.0**	**–**	**12.6**
Transfer to other stages	–0.0	–0.1	–	–	–0.1
Transfer from other stages	0.1	0.0	–	–	0.1
Change in position including new business	0.7	–4.9	–0.0	–	–4.2
Allocation	0.5	5.0	–	–	5.5
Reversal	–0.1	–9.8	–	–	–10.0
Utilisation	–	–	–	–	–
Changes due to model changes	–	–	–	–	–
Changes due to non-substantial modifications	–	–	–	–	–
Exchange rate-related and other changes	–0.0	–0.2	–	–	–0.2
Position as at 30 June 2023	**1.8**	**1.9**	**0.0**	**–**	**3.8**

In order to examine the sensitivity of the ECL model to possible future developments, the Bank performed further calculations related to the changes at stages 1 and 2 of the impairment model. An extreme weighting of 100% for each of the scenarios on which the ECL plausibility check is based (baseline, negative and positive scenario) was applied. These simulations do not include any post-model adjustment. Instead, they apply the scenario-specific simulated probability of default profiles. In the baseline scenario, risk provisions would be approximately 1% higher, while they would be approximately 2% higher in the negative scenario and virtually unchanged in the positive scenario.

Key ratios for risk provisions:

%	30 Jun 2024	31 Dec 2023
Reversal/allocation ratio as at reporting date[1)]		
(Ratio of net allocation/-reversal to gross carrying values relevant for risk provisions)	–0.01	–0.28
Default rate as at reporting date		
(Ratio of defaults to gross carrying values relevant for risk provisions)	0.00	0.00
Average default rate		
(Ratio of defaults on a 5-year average to gross carrying values relevant for risk provisions)	0.05	0.05
Net provisioning ratio as at reporting date		
(Ratio of risk provisions to gross carrying values relevant for risk provisions)	0.87	0.80

1) Reversal ratio shown without negative lending sign

The calculations of the figures above are based on a gross carrying amount relevant for risk provisioning purposes of €44.0bn (31 December 2023: €45.2bn).

Risk provisions by risk segment:

€m	Valuation allowances and provisions in the lending and securities business 30 Jun 2024	31 Dec 2023	Defaults[1] 1st half 2024	1st half 2023	Net allocations to[2]/reversals of valuation allowances and provisions for credit risk 1st half 2024	1st half 2023
Customers						
Real estate sector (including real estate funds)	296.0	271.2	–0.5	0.9	–20.0	–2.4
Transport sector	3.9	18.1	–0.1	0.9	13.3	28.5
Renewable energies	58.7	50.8	–	–	–9.2	2.2
Conventional energies and infrastructure	6.0	4.4	–	–	–1.9	9.7
Public sector	0.5	1.3	–	–	0.8	0.7
Industrial sector	1.6	1.7	–	–	0.2	0.4
Other financial institutions	0.4	0.4	–	–	–0.0	0.1
Service sector	0.0	0.0	–	–	0.0	0.1
Other	0.5	0.4	–0.0	–	14.8	0.2
Total customers	**367.6**	**348.2**	**–0.6**	**1.8**	**–2.0**	**39.5**
Banks						
Commercial banks	0.0	0.0	–	–	0.0	0.1
Savings banks	0.3	0.3	–	–	0.0	–0.1
Other financial institutions	0.0	0.0	–	–	0.0	–
Total banks	**0.3**	**0.3**	**–**	**–**	**0.0**	**–0.0**
Securities						
Renewable energies	–	–	–	–	–	0.3
Conventional energies and infrastructure	0.3	0.3	–	–	–0.0	1.6
Industrial sector	3.5	3.2	–	–	–0.3	2.3
Service sector	0.5	0.4	–	–	–0.1	1.2
Commercial banks	8.7	9.8	–	–	1.1	–9.5
Transport sector	0.1	0.0	–	–	–0.0	0.0
Other	0.3	0.2	–	–	–0.1	0.3
Total securities	**13.5**	**14.0**	**–**	**–**	**0.6**	**–3.9**
Total	**381.4**	**362.6**	**–0.6**	**1.8**	**–1.4**	**35.5**

[1] Includes utilisation, direct write-downs and income on written-down receivables and securities
[2] Excludes the result from modifications. Negative in the column

22 Financial assets at fair value

This item includes debt securities, equities, units in investment funds and derivatives held for trading purposes. Derivatives forming part of economic hedging relationships that do not meet the requirements for hedge accounting under IFRS 9 (economic hedging derivatives) are also disclosed here. In addition, this item includes holdings in unconsolidated subsidiaries, joint ventures and associated companies, as well as other equity investments.

€m	30 Jun 2024	31 Dec 2023	Change
Trading portfolio			
Debt securities and other fixed-interest securities	8,317.5	7,380.7	936.7
Bonds and debt securities	8,293.0	7,274.8	1,018.3
Money market securities	24.4	105.9	–81.5
Shares and other non fixed-interest securities	1,659.4	453.4	1,206.0
Shares	1,499.3	311.7	1,187.6
Units in investment funds	160.1	141.7	18.4
Positive market values of derivative financial instruments	8,197.2	7,723.4	473.8
Positive market values of derivative financial instruments (trading)	8,089.4	7,662.5	426.9
Positive market values of derivative financial instruments (economic hedging derivatives)	107.9	61.0	46.9
Loan receivables	526.7	625.8	–99.0
Total – trading portfolio	**18,700.8**	**16,183.3**	2,517.5
Financial assets mandatorily measured at fair value through profit or loss			
Debt securities and other fixed-interest securities	926.5	304.2	622.2
Bonds and debt securities	926.5	304.2	622.2
Money market securities	–	–	–
Shares and other non fixed-interest securities	260.2	262.0	–1.7
Shares	4.4	4.0	0.3
Units in investment funds	255.5	257.7	–2.2
Other non fixed-interest securities	0.3	0.2	0.1
Loan receivables	242.5	200.2	42.3
Shareholdings	31.9	29.5	2.4
Equity investments	31.2	28.8	2.4
Shares in affiliated companies	0.6	0.6	–
Holdings in joint ventures	–	–	–
Shares in associated companies	0.2	0.1	0.0
Total – financial assets mandatorily measured at fair value through profit or loss	**1,461.1**	**795.9**	665.2
Total	**20,162.0**	**16,979.2**	3,182.7

23 Financial investments

€m	30 Jun 2024	31 Dec 2023	Change
Financial assets measured at amortised cost			
Debt securities and other fixed-interest securities	10,074.7	8,488.9	1,585.9
Financial assets measured at fair value through other comprehensive income			
Debt securities and other fixed-interest securities	1,976.3	1,670.4	305.9
Shareholdings			
Shares in at-equity accounted companies	19.3	19.8	– 0.4
Financial investments before risk provisions	**12,070.4**	**10,179.0**	1,891.4
Risk provisions for securities (AC)	– 13.2	– 13.8	0.6
Total	**12,057.2**	**10,165.2**	1,892.0

24 Intangible assets and goodwill

€m	30 Jun 2024	31 Dec 2023	Change
Purchased goodwill	155.9	155.9	–
Software	79.5	56.1	23.3
Purchased	44.4	33.4	11.0
Developed in-house	35.1	22.8	12.3
Other intangible assets	15.5	16.9	– 1.3
Total	**250.9**	**228.9**	22.0

Purchased goodwill includes €95.0m in goodwill from the acquisition of Deka Vermögensmanagement GmbH, €53.1m in goodwill from the acquisition of WestInvest Gesellschaft für Investmentfonds mbH and €7.8m in goodwill from the acquisition of IQAM Invest GmbH and IQAM Partner GmbH.

25 Property, plant and equipment and right-of-use assets for leases

€m	30 Jun 2024	31 Dec 2023	Change
Plant and equipment	26.2	23.0	3.2
Technical equipment and machines	7.7	9.0	– 1.3
Right-of-use assets for leases (leasing assets)	253.9	269.1	– 15.2
Total	**287.8**	**301.1**	– 13.3

26 Due to banks

Amounts due to banks can be broken down by business type as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Overdrafts	835.7	824.5	11.2
Daily and time deposits	5,930.8	5,620.0	310.8
Promissory note loans and registered bonds	1,539.7	1,650.0	–110.3
Collateralised registered bonds and promissory note loans	105.1	129.4	–24.3
Unsecured registered bonds and promissory note loans	1,434.6	1,520.6	–86.0
Genuine repurchase agreements and collateralised securities lending transactions	1,615.6	228.3	1,387.3
Borrowings	282.6	291.1	–8.5
Total	**10,204.4**	**8,613.9**	1,590.5

The regional breakdown of amounts due to banks is as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Domestic banks	7,494.9	8,033.8	–538.9
Foreign banks	2,709.4	580.0	2,129.4
Total	**10,204.4**	**8,613.9**	1,590.5

27 Due to customers

Amounts due to customers can be broken down by business type as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Overdrafts	19,427.1	17,555.5	1,871.6
Daily and time deposits	9,861.8	7,598.8	2,262.9
Promissory note loans and registered bonds	1,501.3	1,569.0	–67.6
Collateralised registered bonds and promissory note loans	165.3	247.1	–81.8
Unsecured registered bonds and promissory note loans	1,336.1	1,321.9	14.2
Genuine repurchase agreements and collateralised securities lending transactions	145.9	95.1	50.8
Borrowings	133.5	132.1	1.4
Total	**31,069.5**	**26,950.5**	4,119.0

The regional breakdown of amounts due to customers is as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Domestic customers	25,665.8	22,412.1	3,253.7
Foreign customers	5,403.8	4,538.4	865.4
Total	**31,069.5**	**26,950.5**	4,119.0

28 Securitised liabilities

Securitised liabilities include bonds and other liabilities for which transferable certificates are issued. Under IFRS 9, own bonds held by the Deka Group with a nominal amount of €133.7m (31 December 2023: €60.3m) were deducted from the issued bonds.

€m	30 Jun 2024	31 Dec 2023	Change
Uncovered debt securities issued	10,419.1	7,583.8	2,835.3
Covered debt securities issued	3,077.8	3,336.1	–258.3
Money market securities issued	2,124.8	–	2,124.8
Total	**15,621.7**	**10,919.9**	4,701.8

29 Financial liabilities at fair value

Financial liabilities at fair value comprise trading issues and liabilities designated at fair value. This item also includes the negative market values of derivative financial instruments held for trading and the negative market values of hedging derivatives that are used as hedging instruments but do not meet the requirements of IFRS 9 for hedge accounting (economic hedging derivatives). Securities short portfolios are also reported in this line item.

€m	30 Jun 2024	31 Dec 2023	Change
Trading portfolio			
Trading issues	17,962.2	18,432.0	–469.8
Securities short portfolios	1,184.7	1,144.1	40.6
Negative market values of derivative financial instruments (trading)	9,122.2	8,648.8	473.4
Negative market values of derivative financial instruments (economic hedging derivatives)	34.5	18.9	15.6
Total – trading portfolio	**28,303.6**	**28,243.8**	59.8
Financial liabilities designated at fair value			
Issues	126.7	145.5	–18.8
Financial liabilities designated at fair value – total	**126.7**	**145.5**	–18.8
Total	**28,430.3**	**28,389.3**	41.0

Issues are broken down by product type as follows:

€m	30 Jun 2024	31 Dec 2023	Change
Trading portfolio			
Uncovered trading issues			
Bearer bonds issued	15,621.3	16,010.2	–388.9
Registered bonds issued	893.2	874.5	18.7
Promissory notes raised	1,447.7	1,547.3	–99.6
Total	**17,962.2**	**18,432.0**	–469.8
Financial liabilities designated at fair value			
Uncovered issues			
Registered bonds issued	93.7	110.9	–17.2
Covered issues	33.0	34.6	–1.6
Total	**126.7**	**145.5**	–18.8

30 Provisions

€m	30 Jun 2024	31 Dec 2023	Change
Provisions in investment funds business	88.5	88.1	0.4
Provisions for credit risks	20.4	8.7	11.7
Provisions for pensions and similar commitments	17.5	16.8	0.7
Provisions for operational risks	7.3	8.1	–0.9
Provisions for legal risks	5.9	5.9	–
Provisions in human resources	1.3	1.2	0.1
Sundry other provisions	93.1	93.3	–0.2
Total	**234.0**	**222.1**	11.8

Provisions in investment funds business are created, among other things, for the funds with formal guarantees described below.

The Deka Group's range of products includes investment funds with guarantees of various types. With these funds, the investment management company guarantees, at the very beginning of the investment period, that the investor will receive a defined capital or unit value at a specific point in time (usually at the end of the investment period or on the fund's defined maturity date). The amount of the provision is the forecast shortfall at the guarantee date, which is the difference between the expected unit value and the unit value guaranteed. Deka also offers a short-term bond fund featuring a capital guarantee at the end of the guarantee period that is renewed every six months. The redemption price on the last trading day of June and December is guaranteed. As at the reporting date, €19.1m (31 December 2023: €19.2m) was set aside based on the changes in the respective fund assets. The guarantees as at the reporting date covered a maximum total volume of €2.4bn (31 December 2023: €2.0bn) at the respective guarantee dates. The market value of the corresponding fund assets totalled €2.7bn (31 December 2023: €2.3bn). For the fund-based Riester products offered as private pensions, DekaBank provides a capital guarantee at the start of the disbursement phase, for which a provision of €52.2m (31 December 2023: €52.1m) was recognised. Potential obligations from fund-based pension products totalled €6.3bn (31 December 2023: €6.1bn). The market value of the fund-based pension products totalled €9.1bn (31 December 2023: €8.1bn).

€11.2m of the increase in provisions for credit risks is attributable to a Stage 3 borrower for which risk provisions for irrevocable lending commitments were set up.

The actuarial interest rate underlying the measurement of pension provisions as at 30 June 2024 was 3.75%, 0.25 percentage points above the actuarial interest rate applied at 31 December 2023. Based on actuarial valuations, a (pre-tax) revaluation gain of €20.3m (31 December 2023: revaluation loss of €28.0m) was recognised in other comprehensive income.

DekaBank has undertaken voluntary investigations to ascertain whether its involvement enabled third parties to conduct share trades around the dividend record date and make use of abusive tax structures or whether it was otherwise involved in such structures. The possibility of a claim in the amount of €6.7m being asserted against DekaBank in this regard due to its function as custodian cannot be ruled out in all probability. As a result, a provision for operational risks was set up in the amount of €3.8m as at 31 December 2020. As at 31 December 2022, the amount of the provision was increased by €2.9m to €6.7m based on further analyses. No further risks in this regard were evident as at 30 June 2024.

The sundry other provisions were established in respect of liabilities arising from a range of issues. Sundry other provisions once again chiefly comprise a provision of €88.3m, created in the 2019 financial year, for a capital-strengthening measure in relation to a company in the equity investment portfolio.

31 Equity

€m	30 Jun 2024	31 Dec 2023	Change
Subscribed capital	**286.3**	**286.3**	–
Own shares (deduction)	**–94.6**	**–94.6**	–
Additional capital components (AT1 bonds)	**598.6**	**598.6**	–
Capital reserve	**239.5**	**239.5**	–
Retained earnings	**5,890.8**	**5,916.6**	–25.8
Statutory reserve	1.1	1.1	–
Other retained earnings	5,889.7	5,915.5	–25.8
Revaluation reserve	**26.0**	**6.6**	19.5
For provisions for pensions	27.1	6.8	20.3
For foreign currency basis spreads of hedging derivatives	–16.9	–29.2	12.4
For financial assets measured at fair value through other comprehensive income	–11.5	–2.5	–8.9
For own credit risk of financial liabilities designated at fair value	–0.7	–0.3	–0.4
Currency translation reserve	0.7	0.6	0.1
Deferred taxes	27.3	31.3	–4.0
Accumulated profit (consolidated profit)	**357.6**	**300.1**	57.5
Total	**7,304.3**	**7,253.1**	51.2

Notes on financial instruments

32 Disclosures on the fair value of financial instruments

Classes, categories and fair values of financial instruments

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

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

Where no prices are available on an active market, valuation models are used that are considered appropriate for the financial instruments in question. 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 depending on the 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 estimates made by the Bank in the valuation. The Bank is also responsible for selecting suitable modelling techniques and appropriate parameters and assumptions. The assumptions underlying financial valuation models can have a considerable effect on the fair value determined. Where there are no prices from active markets, the fair value is therefore deemed to be the model value as at the reporting date, which reflects a realistic estimate of how the market would be likely to value the financial instrument.

Where bid and ask prices are available for assets and liabilities, the provisions of IFRS 13 state that the price to be used to determine the fair value is that which best reflects the fair value within the bid-ask spread, with the use of mid-market pricing being an acceptable valuation convention. DekaBank generally measures financial instruments at mid-market prices. For illiquid financial instruments assigned to level 3 of the fair value hierarchy, bid-ask adjustments are taken into account.

Furthermore, the Bank takes credit valuation adjustments (CVAs) or debit valuation adjustments (DVAs) into consideration when measuring OTC derivatives in order to allow for its own credit risk or that of counterparties, unless these are already included elsewhere in the valuation model. If a netting agreement exists for counterparties, the calculation is performed at the level of the counterparty based on the net position. In other cases, the calculation is performed using the individual positions. The Deka Group takes a funding valuation adjustment (FVA) into account, which represents the implicit market refinancing costs for uncollateralised derivative positions. The maturity structure of funding is thus considered to be an important component of fair value for uncollateralised derivatives.

Furthermore, the Deka Group recognises a margin valuation adjustment (MVA) at counterparty level when determining the fair value of derivatives. The MVA is used to reflect the expected future funding costs from initial margin payments in net present value terms. The MVA is taken into account in pricing and, as a result, also in the valuation carried out independently of trading activities. The MVA has the same form as the FVA, namely that of collateralisation costs over the entire term of the derivative for the initial margin.

In the Deka Group, financial instruments are classified as per IFRS 7 by balance sheet line item and IFRS measurement category. The carrying values and fair values of financial assets and financial liabilities are divided among the measurement categories and classes of financial instruments as follows:

	30 Jun 2024		31 Dec 2023	
€m	Fair value	Carrying value	Fair value	Carrying value
Assets				
Financial assets measured at amortised cost				
Cash reserves	348.1	348.1	328.2	328.2
Due from banks	35,284.0	35,322.2	30,145.3	30,202.6
Due from customers	24,867.7	25,326.7	24,679.8	25,424.0
Financial investments	9,825.2	10,061.5	8,211.8	8,475.0
Other assets	207.7	207.7	213.8	213.8
Financial assets measured at fair value through other comprehensive income				
Financial investments	1,976.3	1,976.3	1,670.4	1,670.4
Financial assets measured at fair value through profit or loss				
Trading portfolio				
Financial assets at fair value	18,700.8	18,700.8	16,183.3	16,183.3
Financial assets mandatorily measured at fair value through profit or loss				
Financial assets at fair value	1,461.1	1,461.1	795.9	795.9
Other assets	10.6	10.6	8.3	8.3
Positive market values of derivative hedging instruments	35.0	35.0	250.7	250.7
Total asset items	**92,716.5**	**93,450.0**	**82,487.5**	**83,552.2**
Liabilities				
Financial liabilities measured at amortised cost				
Due to banks	10,161.6	10,204.4	8,557.1	8,613.9
Due to customers	31,007.5	31,069.5	26,883.8	26,950.5
Securitised liabilities	15,170.7	15,621.7	10,434.0	10,919.9
Subordinated capital	1,110.4	1,108.0	1,146.5	1,150.2
Other liabilities	367.0	367.0	490.0	490.0
Financial liabilities measured at fair value through profit or loss				
Trading portfolio				
Financial liabilities at fair value	28,303.6	28,303.6	28,243.8	28,243.8
Other liabilities	11.5	11.5	7.0	7.0
Financial liabilities designated at fair value				
Financial liabilities at fair value	126.7	126.7	145.5	145.5
Negative market values of derivative hedging instruments	253.3	253.3	192.6	192.6
Total liability items	**86,512.3**	**87,065.7**	**76,100.3**	**76,713.4**

Assets and liabilities measured at fair value in the balance sheet

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 inputs influencing their valuation:

Level 1: (Prices listed on active markets): Financial instruments whose fair value can be derived directly from prices on active, liquid markets are allocated to this level.
Level 2: (Valuation method based on observable market data): Financial instruments whose fair value can be determined either from similar financial instruments traded on active and liquid markets, from similar or identical financial instruments traded on less liquid markets, or based on valuation methods with directly or indirectly observable inputs, are allocated to this level.
Level 3: (Valuation method not based on observable market data): Financial instruments whose fair value is determined based on valuation models using, among other things, inputs not observable in the market, provided they are significant for the valuation, are allocated to this level.

The tables below show the fair values of the financial instruments carried in the balance sheet at fair value according to their level in the fair value hierarchy:

	Prices listed on active markets (level 1)		Valuation method based on observable market data (level 2)		Valuation method based on observable market data (level 3)	
€m	**30 Jun 2024**	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**
Financial assets measured at fair value through profit or loss						
Debt securities, other fixed-interest securities and loan receivables	3,621.2	3,525.3	5,805.3	4,511.4	586.6	474.2
Shares and other non fixed-interest securities	1,773.3	569.1	92.6	94.5	53.8	51.8
Derivative financial instruments	108.3	81.8	7,970.8	7,589.6	118.1	52.1
Interest-rate-related derivatives	–	–	4,617.7	4,771.7	40.3	45.0
Currency-related derivatives	–	–	65.1	126.3	–	–
Share and other price-related derivatives	108.3	81.8	3,288.1	2,691.6	77.8	7.1
Shareholdings	–	–	–	–	31.9	29.5
Positive market values of derivative hedging instruments	–	–	35.0	250.7	–	–
Financial assets measured at fair value through other comprehensive income						
Debt securities and other fixed-interest securities	1,250.6	1,238.8	725.8	406.5	–	25.1
Total	**6,753.4**	**5,415.0**	**14,629.5**	**12,852.7**	**790.4**	**632.7**

€m	Prices listed on active markets (level 1) 30 Jun 2024	Prices listed on active markets (level 1) 31 Dec 2023	Valuation method based on observable market data (level 2) 30 Jun 2024	Valuation method based on observable market data (level 2) 31 Dec 2023	Valuation method based on observable market data (level 3) 30 Jun 2024	Valuation method based on observable market data (level 3) 31 Dec 2023
Financial liabilities measured at fair value through profit or loss						
Securities short portfolios	861.2	803.9	323.5	340.3	–	–
Derivative financial instruments	131.5	78.2	8,979.7	8,547.8	45.5	41.6
Interest-rate-related derivatives	–	–	7,232.4	6,826.3	–	–
Currency-related derivatives	–	–	55.7	96.6	–	–
Share and other price-related derivatives	131.5	78.2	1,691.6	1,624.9	45.5	41.6
Issues	–	–	18,069.2	18,564.0	19.7	13.5
Negative market values of derivative hedging instruments	–	–	253.3	192.6	–	–
Total	**992.7**	**882.1**	**27,625.7**	**27,644.7**	**65.2**	**55.1**

Reclassifications

The following reclassifications between level 1 and level 2 of the fair value hierarchy took place in respect of assets and liabilities measured at fair value and held in the portfolio at the reporting date:

€m	Reclassifications from level 1 to level 2 2024	Reclassifications from level 1 to level 2 2023	Reclassifications from level 2 to level 1 2024	Reclassifications from level 2 to level 1 2023
Financial assets measured at fair value through profit or loss				
Debt securities, other fixed-interest securities and loan receivables	1,031.6	107.2	555.5	1,084.3
Derivative financial instruments	21.2	3.9	25.7	4.8
Share and other price-related derivatives	21.2	3.9	25.7	4.8
Financial liabilities measured at fair value through profit or loss				
Securities short portfolios	99.2	21.2	65.6	114.0
Derivative financial instruments	4.6	7.9	58.0	23.9
Share and other price-related derivatives	4.6	7.9	58.0	23.9

Financial instruments were transferred from level 1 to level 2 during the period under review because prices on an active market could no longer be demonstrated for these financial instruments. Financial instruments were also transferred from level 2 to level 1 because, at the reporting date, prices were available for these financial instruments on an active market which could be used unchanged for valuation purposes.

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

Measurement principles and input factors for determining fair value

Fair value hierarchy level 1
Where securities and derivatives are traded on active markets with sufficient liquidity, and hence where stock market prices or executable broker quotations are available, these prices are used to determine the fair value.

The fair value of units in unconsolidated investment funds is generally determined from the redemption price published by the investment management company.

Fair value hierarchy level 2
Fair values for insufficiently liquid bearer bonds are determined on the basis of discounted future cash flows (the discounted cash flow model). Instrument-specific and issuer-specific interest rates are used for discounting. Discount rates are determined from market prices of similar liquid securities, selected according to criteria in the categories of issuer, sector, rating, rank and maturity.

Derivative financial instruments are measured using standard valuation models, such as the Black-Scholes model, the Black-76 model, the SABR model, the Bachelier model, the G1PP model, the G2PP model or the local volatility model. The models are always calibrated using observable market data.

Interest rate and interest rate/currency swaps and unlisted interest rate futures are measured on the basis of the discounted cash flow model using the market interest rates applying to the remainder of the term of the financial instruments. The tenor structures of the individual interest rates are taken into account by means of separate forward yield curves. Interest rate swaps are discounted using the currency-specific yield curve. This is used for bootstrapping the forward yield curves. For the foreign currency cash flows in interest rate/currency swaps, discounting is carried out taking into account the cross-currency basis.

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

Fair values of single name and index credit default swaps are determined using a standard hazard rate model calibrated to the respective par CDS spreads.

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

If no price is observable on an active market for financial liabilities in relation to issuing business, the fair value is calculated by discounting the contractually agreed cash flows. Discounting uses a risk-adjusted market interest rate corresponding to the liability category. This is based on DekaBank’s credit risk and is derived from market information. Any existing collateralisation structure is taken into account, such as that used for covered bonds (*Pfandbriefe*), for example.

Fair value hierarchy level 3
Fair values of amounts due from banks or due from customers relating to lending business are determined using the present value method. Future cash flows from receivables are discounted at a risk-adjusted market rate based on the categories of borrower, sector, rating, rank and maturity.

If loan receivables are recognised at fair value, a granular analysis is carried out when determining the first spread component. In particular, side agreements such as the borrower’s rights of termination or floors are taken into account. These side agreements are each taken into account using suitable, recognised valuation procedures. Loans are allocated to level 3 irrespective of their IFRS category.

The debt securities, other fixed-interest securities and loan receivables disclosed under financial assets measured at fair value through profit or loss are bonds, promissory note loans and originated loans.

The fair value of the bonds is calculated either using the discounted cash flow model based on credit spreads that cannot be observed on the market or on the basis of indicative quotations that implicitly result in a valuation spread. The promissory note loans are also measured using the discounted cash flow model based on credit spreads that cannot be observed on the market. Assuming an average uncertainty of five basis points relating to the credit spreads, the fair value of the bonds and promissory note loans could have been €–0.2m lower or higher.

Determining the fair value of loan receivables also involves the use of spreads that are not observable in the market. Assuming an average uncertainty of 50 basis points relating to the credit spreads, the fair value of the loan receivables measured at fair value could have been €–3.1m lower or higher.

The Bank also allocates to level 3 a limited number of equity, credit and interest rate derivatives or issues with embedded equity, credit and interest rate derivatives, for example if unobservable valuation parameters are used which are significant for their valuation. For equity and interest rate derivatives whose valuation requires correlations, the Bank typically uses historical correlations with the relevant share prices or interest rate fixings, or changes to these. The sensitivity of the share option positions concerned was around €–0.3m as at 30 June 2024. For interest rate derivatives based on an index spread, the sensitivity in terms of the correlation between the relevant reference indices is mapped via shifts in the model parameters. The resulting change in the correlation is approximately 1.21%, giving rise to a measurement difference of €+0.1m. There are also equity derivatives with a maturity that is longer than the equivalent (based on the underlying) exchange-traded equity (index) options. The temporal extrapolation uncertainty as at 30 June 2024 is approximately €–576.8m. For credit default swaps (CDS) and credit linked notes with a longer maturity than CDS spreads quoted on the market, a temporal extrapolation uncertainty of five basis points is assumed. As at 30 June 2024, this results in a value of €0.1m.

There are no publicly quoted market prices for the company shares listed as shareholdings. The fair value of company shares is determined using the dividend discount model, provided that the company pays dividends on a sustained basis. Other company shares are measured on the basis of the net asset value approach.

For transactions assigned to fair value hierarchy level 3 on the reporting date, a day-one loss of €1.9m was deferred on the reporting date (H1 2023: day-one profit of €0.1m). This item will be reversed over the residual term to maturity of the financial instruments concerned over the coming financial years.

As at 30 June 2024, 100.0% of bonds and other fixed-income securities allocated to level 3 for which an external rating was available were rated as investment grade.

Performance of financial instruments in fair value hierarchy level 3
The movement in level 3 assets carried at fair value is shown in the table below:

€m	Debt securities, other fixed-interest securities and loan receivables	Shares and other non fixed-interest securities	Interest-rate-related derivatives	Share and other price-related derivatives	Share-holdings	Positive market values of derivative hedging instruments	Total
As at 1 January 2023	**929.0**	**52.1**	**104.2**	**32.8**	**26.4**	**–**	**1,144.5**
Additions through purchase	3,857.7	–	–	3.0	–	–	3,860.7
Disposals through sale	3,889.5	–	–	–0.1	–	–	3,889.4
Maturity/repayments	106.4	–	–	11.0	–	–	117.4
Transfers							
To Level 3	26.0	–	–	2.9	–	–	28.9
From Level 3	307.9	–	55.0	12.9	–	–	375.8
Changes arising from measurement/disposal							
Recognised in profit or loss[1]	–9.6	–0.3	–4.2	–7.8	3.1	–	–18.8
Recognised in other comprehensive income[2]	–	–	–	–	–	–	–
As at 31 December 2023	**499.3**	**51.8**	**45.0**	**7.1**	**29.5**	**–**	**632.7**
Movement in unrealised gains or losses in respect of assets in the portfolio at the balance sheet date[3]	**8.4**	**–0.3**	**–4.2**	**–6.4**	**3.1**	**–**	**0.6**
As at 1 January 2024	**499.3**	**51.8**	**45.0**	**7.1**	**29.5**	**–**	**632.7**
Additions through purchase	1,298.7	–	–	9.3	0.1	–	1,308.1
Disposals through sale	1,358.4	–	–	0.2	0.9	–	1,359.5
Maturity/repayments	12.2	–	–	–	–	–	12.2
Transfers							
To Level 3	210.2	–	–	17.4	–	–	227.6
From Level 3	60.5	–	8.0	2.8	–	–	71.3
Changes arising from measurement/disposal							
Recognised in profit or loss[1]	9.5	2.0	3.3	47.0	3.2	–	65.0
Recognised in other comprehensive income[2]	–	–	–	–	–	–	–
As at 30 June 2024	**586.6**	**53.8**	**40.3**	**77.8**	**31.9**	**–**	**790.4**
Movement in unrealised gains or losses in respect of assets in the portfolio at the balance sheet date[3]	**2.4**	**2.0**	**3.3**	**46.7**	**3.2**	**–**	**57.6**

[1] Gains and losses recognised in profit or loss from the measurement/disposal of level 3 financial instruments are included in net interest income, trading profit or loss, profit or loss on financial instruments mandatorily measured at fair value and profit or loss on financial instruments designated at fair value.
[2] Gains and losses recognised in other comprehensive income from the measurement of level 3 financial instruments are included in the revaluation reserve.
[3] Unrealised profits or losses from level 3 financial instruments are presented within net interest income, trading profit or loss, profit or loss on financial instruments required to be measured at fair value, profit or loss on financial instruments designated at fair value as well as revaluation reserve. In the reporting period, the mirror "performance of financial instruments in fair value hierarchy level 3" was standardised with regard to the presentation of the different financial instruments for reasons of better readability. In the case of disposals of derivative financial instruments, for example, the value in the opening balance is now also divided into disposal value and realised profit and loss for the period.

The movement in level 3 liabilities carried at fair value is shown in the table below:

€m	Interest-rate-related derivatives	Share and other price-related derivatives	Issues	Total
As at 1 January 2023	**447.1**	**26.4**	**2,357.6**	**2,831.1**
Additions through purchase	–	17.8	3.1	20.9
Disposals through sale	–	–0.7	–	–0.7
Additions through issues	–	–	8.4	8.4
Maturity/repayments	–	0.9	441.7	442.6
Transfers				
To Level 3	–	22.1	–	22.1
From Level 3	447.1	2.1	1,920.2	2,369.4
Changes arising from measurement/disposal				
Recognised in profit or loss[1]	–	22.4	–6.3	16.1
Recognised in other comprehensive income[2]	–	–	–	–
As at 31 December 2023	**–**	**41.6**	**13.5**	**55.1**
Movement in unrealised gains or losses in respect of liabilities in the portfolio at the balance sheet date[3]	**–**	**18.5**	**7.5**	**26.0**
As at 1 January 2024	**–**	**41.6**	**13.5**	**55.1**
Additions through purchase	–	19.3	5.0	24.3
Disposals through sale	–	–0.2	–	–0.2
Additions through issues	–	–	–	–
Maturity/repayments	–	–4.6	–	–4.6
Transfers				
To Level 3	–	31.6	10.0	41.6
From Level 3	–	9.3	5.6	14.9
Changes arising from measurement/disposal				
Recognised in profit or loss[1]	–	42.5	3.2	45.7
Recognised in other comprehensive income[2]	–	–	–	–
As at 30 June 2024	**–**	**45.5**	**19.7**	**65.2**
Movement in unrealised gains or losses in respect of liabilities in the portfolio at the balance sheet date[3]	**–**	**37.0**	**0.2**	**37.2**

[1] Gains and losses recognised in profit or loss from the measurement/disposal of level 3 financial instruments are included in net interest income, trading profit or loss, profit or loss on financial instruments mandatorily measured at fair value and profit or loss on financial instruments designated at fair value.

[2] Gains and losses recognised in other comprehensive income from the measurement of level 3 financial instruments are included in the revaluation reserve.

[3] Unrealised profits or losses from level 3 financial instruments are presented within net interest income, trading profit or loss, profit or loss on financial instruments required to be measured at fair value, profit or loss on financial instruments designated at fair value as well as revaluation reserve. In the reporting period, the mirror "performance of financial instruments in fair value hierarchy level 3" was standardised with regard to the presentation of the different financial instruments for reasons of better readability. In the case of disposals of derivative financial instruments, for example, the value in the opening balance is now also divided into disposal value and realised profit and loss for the period.

During the reporting period, positive market values of debt securities, other fixed-interest securities and loan receivables amounting to €210.2m were transferred to level 3, with €60.5m being transferred from level 3. Interest rate-related derivatives amounting to €8.0m were also transferred from level 3. Positive market values of share- and other price-related derivatives amounting to €17.4m were transferred to level 3, with €2.8m being transferred from level 3. In addition, negative market values of issues amounting to €5.6m were transferred from level 3, with €10.0m being transferred to level 3. Additionally, negative market values of share- or price-related derivatives amounting to €31.6m were transferred to level 3, with €9.3m being transferred from level 3. This was due to a more detailed analysis of the market data used for valuation.

As at 30 June 2024, analyses for level 3 financial instruments were performed with regard to the materiality of spread curves, correlation matrices, volatility surfaces and dividend expectations. In the case of spread curves, the valuation is performed without a spread or with a spread of zero. If the resulting change in present value is insignificant, the product can be assigned to level 2. For financial instruments whose valuation involves the use of a correlation matrix (historical 250-day correlations), sensitivity to a change in the correlation matrix is a relevant factor. For interest rate correlations, sensitivity is mapped via shifts in the model parameters for the relevant reference indices. This sensitivity is expressed in relation to the present value of the financial instrument. If the sensitivity is insignificant, the product can be assigned to level 2. For volatility surfaces and dividend expectations, the materiality of the unobservable area is determined via shifts. If the resulting change in present value is insignificant, the products can be assigned to level 2. When it comes to credit default swaps, materiality is determined using various extrapolation methods. On the reporting date, a volume with a market value of €–6,532.60m was transferred from level 3 to level 2.

Measurement processes for financial instruments in fair value hierarchy level 3

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

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

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

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

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

33 Information on the quality of financial assets

Non-performing exposures

The following table shows the breakdown of non-performing exposures by risk segment.

€m	Transport sector	Renewable energies	Real estate sector	Conventional energies and infrastructure	Total 30 Jun 2024	Total 31 Dec 2023
Non-performing exposures[1]	35.8	67.8	742.1	3.2	848.9	728.9
Collateral[2]	35.3	–	520.8	3.2	559.3	557.8
Provisions for loan losses/credit rating-related changes in fair value	–	18.3	201.6	–	219.9	171.1

[1] The figures shown represent the cross carrying value of the credit risk-bearing financial asset classified as non-performing.
[2] Recognition of measurable collateral. Indication of market or fair value not exceeding the underlying exposure.

Exposures with forbearance measures

The table below shows the breakdown of forborne exposures by risk segment.

€m	Transport sector	Renewable energies	Real estate sector	Conventional energies and infrastructure	Total 30 Jun 2024	Total 31 Dec 2023
Forborne exposures[1]	200.2	184.4	1,526.1	–	1,910.7	1,462.2
thereof: Performing	174.6	184.4	944.6	–	1,303.6	927.2
thereof: Non-Performing	25.6	–	581.5	–	607.1	535.0
Collateral[2]	198.0	–	1,371.5	–	1,569.5	1,204.0
Provisions for loan losses/credit rating-related changes in fair value	0.9	29.9	137.3	–	168.1	129.2

[1] The figures shown represent the cross carrying value of the credit risk-bearing financial asset classified as forborne.
[2] Recognition of measurable collateral. Indication of market or fair value not exceeding the underlying exposure.

The increase in exposures with forbearance measures is attributable largely to commercial real estate financing.

Key ratios for non-performing and forborne exposures:

%	30 Jun 2024	31 Dec 2023
NPE ratio at the reporting date		
(Ratio of non-performing exposures to maximum credit risk)	0.92	0.87
NPE coverage ratio, including collateral, at the reporting date		
(Ratio of risk provisions, including collateral, to non-performing exposures)	91.80	99.99
NPE coverage ratio, excluding collateral, at the reporting date		
(Ratio of risk provisions, excluding collateral, to non-performing exposures)	25.91	23.47
Forborne exposure ratio, at the reporting date		
(Ratio of forborne exposures to maximum credit risk)	2.07	1.75

The maximum credit risk underlying the ratio of non-performing and forborne exposures is determined based on IFRS 7.35K(a)/IFRS 7.36(a) using credit risk-bearing financial assets and the corresponding off-balance sheet commitments. As at the reporting date, it amounted to €92.2bn (31 December 2023: €83.7bn).

34 Derivative transactions

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

€m	Nominal value 30 Jun 2024	Nominal value 31 Dec 2023	Positive fair values 30 Jun 2024	Positive fair values 31 Dec 2023	Negative fair values 30 Jun 2024	Negative fair values 31 Dec 2023
Interest rate risks	900,948.4	790,693.5	22,986.1	22,477.1	22,727.4	22,047.3
Currency risks	23,916.4	22,556.9	113.8	306.1	347.8	312.7
Share and other price risks	72,919.0	65,541.6	3,470.7	2,768.0	1,937.3	1,831.7
Total	**997,783.8**	**878,792.0**	**26,570.6**	**25,551.2**	**25,012.5**	**24,191.7**
Net amount disclosed in the statement of financial position[1]			**8,232.3**	**7,974.2**	**9,412.0**	**8,862.3**

[1] The lower balance sheet value of the derivatives in the trading portfolio compared to the market values is due to the offsetting of the market values against the variation margin.

Other disclosures

35 Regulatory capital (own funds)

Regulatory capital and the capital ratios were calculated as at 30 June 2024 on the basis of the capital requirements currently applicable under the Capital Requirements Regulation (CRR).

The disclosures below were determined based on full application of the regulations. Own funds are calculated based on the figures from the IFRS consolidated financial statements.

The composition of own funds is shown in the following table:

€m	30 Jun 2024	31 Dec 2023
Common Equity Tier 1 (CET 1) capital	5,710	5,848
Additional Tier 1 (AT 1) capital	599	599
Tier 1 capital	**6,309**	**6,446**
Tier 2 (T2) capital	804	784
Own funds	**7,113**	**7,230**

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

€m	30 Jun 2024	31 Dec 2023	Change
Credit risk	20,099	19,884	215
Market risk	4,759	4,347	413
Operational risk	5,956	5,727	229
CVA risk	420	528	– 108
Risk-weighted assets	**31,234**	**30,486**	748

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

%	30 Jun 2024	31 Dec 2023
Common Equity Tier 1 capital ratio	18.3	19.2
Tier 1 capital ratio	20.2	21.1
Total capital ratio	22.8	23.7

Regulatory own funds requirements were met at all times during the reporting period.

36 Contingent liabilities and other obligations

€m	30 Jun 2024	31 Dec 2023	Change
Irrevocable lending commitments	436.8	590.4	– 153.6
Other liabilities	49.7	383.8	– 334.1
Total	**486.4**	**974.2**	– 487.8

The bank guarantees provided by DekaBank are financial guarantees under IFRS and are stated net. The nominal amount of the guarantees in place as at the reporting date was €84.3m (31 December 2023: €120.6m).

In a circular dated 9 July 2021, the Federal Ministry of Finance (BMF) presented revised rules for the tax treatment of share trades around the dividend record date, and noted, *inter alia*, that certain transaction types may fall under the scope of section 42 of the German Tax Code (*Abgabenordnung,* AO) and that, in certain cases, beneficial ownership pursuant to section 39 AO does not pass to the recipient of the shares. In December 2023, the tax authority issued tax assessment notices for 2013 and subsequent years that refused to allow any relief from capital yields tax (*Kapitalertragsteuer*) relating to share trades around the dividend record date for these years. In the context of these assessment notices, the tax authority pointed out that the content of the share trades could not be reviewed, and that changes to the tax relief amounts could be made in the future (subject to a review). An appeal has been lodged in each case. DekaBank paid the stipulated amounts, including interest, in January 2024. DekaBank's risk assessment with regard to ultimate victory in fiscal court proceedings has not changed and continues to match the view taken by its tax advisor.

As a result, even in light of the above, DekaBank still sees no convincing reason to believe that the share trades it transacted around the dividend record date will fall under the scope of section 42 AO. In the case of its share trades, DekaBank also believes that there was a transfer of beneficial ownership and therefore considers it more unlikely than not that a final claim will be made in this regard. Consequently, there are no grounds to create provisions for financial burdens arising from the refusal by tax authorities to allow relief from capital yields tax. Since a degree of uncertainty remains as to how the tax authorities and fiscal courts will ultimately assess the share trades concerned, it cannot be definitively ruled out that an adverse financial impact of €48.6m may arise in this regard. As DekaBank continues to assume that its legal view will be confirmed in the final instance of fiscal court proceedings, tax refund claims of €476.8m are recognised in this context.

37 List of shareholdings

DekaBank Deutsche Girozentrale, Frankfurt/Berlin, is entered in Commercial Register A of the Local Court (*Amtsgericht*) of Frankfurt am Main under the number HRA 16068. The following information on shareholdings is a supplementary disclosure required under section 315e of the German Commercial Code (*Handelsgesetzbuch,* HGB). No comparative information is therefore presented in respect of the previous period.

Consolidated subsidiaries (affiliated companies):

Name, registered office	Share of equity % 30 Jun 2024
bevestor GmbH, Frankfurt/Main	100.00
Deka Beteiligungs GmbH, Frankfurt/Main	100.00
Deka Far East Pte. Ltd., Singapore	100.00
Deka Immobilien Investment GmbH, Frankfurt/Main	100.00
Deka International S.A., Luxembourg	100.00
Deka Investment GmbH, Frankfurt/Main	100.00
Deka Real Estate International GmbH, Frankfurt/Main	100.00
Deka Real Estate Services USA Inc., New York	100.00
Deka Vermögensmanagement GmbH, Frankfurt/Main	100.00
Deka Vermögensverwaltungs GmbH, Frankfurt/Main	100.00
Deka Verwaltungsgesellschaft Luxembourg S.A., Luxembourg	100.00
IQAM Invest GmbH, Salzburg	100.00[1)]
IQAM Partner GmbH, Vienna	100.00
S Broker AG & Co. KG, Wiesbaden	100.00
S Broker Management AG, Wiesbaden	100.00
WestInvest Gesellschaft für Investmentfonds mbH, Düsseldorf	99.74[2)]
WIV GmbH & Co. Beteiligungs KG, Frankfurt/Main	94.90

1) 25.5% is held by IQAM Partner GmbH.
2) 5.1% is held by WIV GmbH & Co. Beteiligungs KG.

Consolidated subsidiaries (structured entities):

Name, registered office	Share in fund assets % 30 Jun 2024
S Broker 1 Fonds, Frankfurt/Main	100.00

Joint ventures accounted for under the equity method:

Name, registered office	Share of equity % 30 Jun 2024	Equity €'000 30 Jun 2024	Total of profit or loss €'000 2024
S-PensionsManagement GmbH, Cologne[1)]	50.00	42,774.2	–65,390.6
Dealis Fund Operations GmbH i.L., Frankfurt/Main[1)]	50.00	33,742.3	787.2
SWIAT GmbH, Frankfurt/Main	30.00	9,301.5	–4,660.1

[1)] Amounts reported in financial statements for the year ended 31 December 2023

Associated companies not accounted for under the equity method:

Name, registered office	Share of equity % 30 Jun 2024
DPG Deutsche Performancemessungs-Gesellschaft für Wertpapierportfolios mbH, Frankfurt/Main	22.20
Merry Hill NewCo Limited, Jersey	21.37

Unconsolidated subsidiaries (affiliated companies):

Name, registered office	Share of equity % 30 Jun 2024
Deka Investors Spezial InvAG m.v.K. und TGV, Frankfurt/Main	
Teilgesellschaftsvermögen Deka Investors Unternehmensaktien, Frankfurt/Main	100.00
Deka Treuhand Erwerbsgesellschaft mbH, Frankfurt/Main	100.00
Deka Treuhand GmbH, Frankfurt/Main	100.00
Deka Vorratsgesellschaft 03 mbH, Frankfurt/Main	100.00
Deka Vorratsgesellschaft 04 mbH, Frankfurt/Main	100.00
Deka Vorratsgesellschaft 05 mbH, Frankfurt/Main	100.00
LBG Leasing Beteiligungs-GmbH, Frankfurt/Main	100.00
IQAM Research der DekaBank GmbH, Frankfurt/Main	100.00
WIV Verwaltungs GmbH, Frankfurt/Main	94.90

Unconsolidated structured entities:

Name, registered office	Fund assets €m 30 Jun 2024	Share of equity/fund assets % 30 Jun 2024
Deka-MultiFactor Global Corporates, Luxembourg	31.15	93.86
Connect-ESG Aktien Gesundheit, Frankfurt/Main	1.25	90.82
Connect-ESG Aktien Gesellschaftlicher Wandel, Frankfurt/Main	1.17	90.72
Connect-ESG Aktien Technologie, Frankfurt/Main	1.41	90.71
Deka-BoutiqueSelect, Frankfurt/Main	2.16	87.89
Deka SP 500 UCITS, Frankfurt/Main	42.51	87.28
Deka-Globale Aktien Value, Luxembourg	14.03	87.27
Connect-Aktien Gesellschaftlicher Wandel, Frankfurt/Main	1.24	85.76
Connect-Aktien Gesundheit, Frankfurt/Main	1.38	81.94
Connect-Aktien Technologie, Frankfurt/Main	1.60	80.28
Connect-ESG Aktien, Frankfurt/Main	8.57	68.24
Connect-Aktien, Frankfurt/Main	10.83	54.03
Deka Nasdaq-100® UCITS ETF, Frankfurt/Main	39.83	52.44
Deka-MultiFactor Emerging Markets Corporates, Luxembourg	30.21	44.78
Deka-MultiFactor Global Corporates HY, Luxembourg	35.39	39.45
Premium Invest Ertrag Ausschüttungsfokus, Luxembourg	13.18	38.32
Premium Invest Chance Ausschüttungsfokus, Luxembourg	19.16	26.20
Deka Investors Spezial InvAG m.v.K. und TGV, Frankfurt/Main		
Teilgesellschaftsvermögen Mittelstandskreditfonds I, Frankfurt/Main	2.30	23.02

38 Related party disclosures

The Deka Group has business dealings with related parties. These include DekaBank's shareholders, subsidiaries that are not consolidated on materiality grounds, joint ventures, associated companies and their respective subsidiaries as well as individuals in key positions and their relatives, and companies controlled by these individuals. Individuals in key positions exclusively comprise the members of the Board of Management and Administrative Board of DekaBank. Unconsolidated own mutual funds and special funds where the Deka Group's holding exceeds 10.0% as at the reporting date are shown as subsidiaries, associated companies or other related parties in accordance with their equity holding.

Transactions are carried out with related parties under arm's length terms and conditions as part of the ordinary business activities of the Deka Group. These relate, inter alia, to loans, daily and time deposits and derivatives. The liabilities of the Deka Group to mutual funds and special funds essentially comprise bank balances from the temporary investment of liquid funds. The tables below show the extent of these transactions.

Business dealings with shareholders of DekaBank and unconsolidated subsidiaries:

	Shareholders		Subsidiaries	
€m	**30 Jun 2024**	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**
Asset items				
Due from customers	–	–	0.2	0.5
Financial assets at fair value	–	–	–	–
Other assets	–	–	0.1	0.1
Total asset items	**–**	**–**	**0.2**	**0.6**
Liability items				
Due to customers	410.3	107.3	3.9	4.0
Financial liabilities at fair value	–	–	–	–
Other liabilities	–	–	0.0	0.0
Total liability items	**410.3**	**107.3**	**3.9**	**4.0**

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

	Joint ventures/ associated companies		Other related parties	
€m	**30 Jun 2024**	**31 Dec 2023**	**30 Jun 2024**	**31 Dec 2023**
Asset items				
Due from customers	115.7	116.7	3.9	5.8
Financial assets at fair value	2.3	2.0	2.0	2.6
Other assets	0.0	0.0	0.1	0.1
Total asset items	**118.0**	**118.8**	**6.0**	**8.5**
Liability items				
Due to customers	20.2	117.1	176.7	136.2
Financial liabilities at fair value	15.3	15.1	8.1	9.4
Other liabilities	0.6	0.5	–	–
Total liability items	**36.1**	**132.6**	**184.8**	**145.6**

39 Additional miscellaneous information

Events after the reporting period

No major developments of particular significance occurred between the reporting date of 30 June 2024 and the time at which these interim financial statements were prepared.

The consolidated interim financial statements were approved for publication on 14 August 2024 by DekaBank's Board of Management.

Assurance of the Board of Management

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

Frankfurt/Main, 14 August 2024

DekaBank
Deutsche Girozentrale

The Board of Management

Dr. Stocker
Dr. Danne
Dietl-Benzin

Kapffer
Knapmeyer
Müller

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

Report on review of interim financial information

To DekaBank Deutsche Girozentrale AöR, Berlin/Frankfurt am Main

We have reviewed the condensed interim consolidated financial statements, which comprise the statement of financial position, the statement of profit and loss and other comprehensive income, the condensed statement of cash flows, the condensed statement of changes in equity as well as selected explanatory notes, and the interim group management report of DekaBank Deutsche Girozentrale AöR, Berlin/Frankfurt am Main, for the period from 1 January 2024 to 30 June 2024, that are part of the half-year financial information under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the 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 executive directors of the Company. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation 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. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of DekaBank Deutsche Girozentrale AöR, Berlin/Frankfurt am Main, 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 am Main, 14 August 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

(Klaus Löffler)	(Stephanie Fischer)
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

OTHER INFORMATION

Administrative Board and Board of Management of DekaBank

(as of 1 August 2024)

Administrative Board

Prof. Dr. Ulrich Reuter
(since 1 January 2024)
Chairman
President of the German Savings Banks and Giro Association e.V., Berlin
President of the German Savings Banks and Giro Association – public law entity, Berlin
Chairman of the General and Nominating Committee
Chairman of the Remuneration Control Committee

Walter Strohmaier
First Deputy Chairman
Chairman of the Management Board of Sparkasse Niederbayern-Mitte, Straubing
First Deputy Chairman of the General and Nominating Committee
First Deputy Chairman of the Remuneration Control Committee
Member of the Audit Committee
(until 30 June 2024)
Chairman of the Risk and Credit Committee (since 1 July 2024)

Thomas Mang
(until 30 June 2024)
Second Deputy Chairman
President of the Savings Banks Association Lower Saxony, Hanover
Chairman of the Risk and Credit Committee
Second Deputy Chairman of the General and Nominating Committee
Second Deputy Chairman of the Remuneration Control Committee

Michael Breuer
(until 30 June 2024)
President of the Rhineland Savings Banks and Giro Association, Düsseldorf
Chairman of the Audit Committee
Member of the General and Nominating Committee

(since 1 July 2024)
Second Deputy Chairman
President of the Rhineland Savings Banks and Giro Association, Düsseldorf
Chairman of the Audit Committee
Second Deputy Chairman of the General and Nominating Committee

Further representatives selected by the Shareholders' Meeting:

Cord Bockhop
(since 1 July 2024)
President of the Savings Banks Association Lower Saxony, Hanover
Member of the General and Nominating Committee
Member of the Remuneration Control Committee

Michael Bräuer
(until 30 June 2024)
Chairman of the Management Board of Sparkasse Oberlausitz-Niederschlesien, Zittau
Member of the General and Nominating Committee
Member of the Risk and Credit Committee
Member of the Remuneration Control Committee

Ingo Buchholz
Chairman of the Management Board of Kasseler Sparkasse, Kassel
Deputy Chairman of the Audit Committee

Prof. Dr. Liane Buchholz
President of the Savings Banks Association Westfalen-Lippe, Münster
Member of the General and Nominating Committee
Second Deputy Chairwoman of the Remuneration Control Committee
(since 1 July 2024, member until 30 June 2024)
Member of the Audit Committee
Member of the Risk and Credit Committee

Matthias Dießl
(since 1 January 2024)
President of the Savings Banks Association Bavaria, Munich
Member of the General and Nominating Committee
Member of the Remuneration Control Committee
Member of the Audit Committee

Johannes Hartig
Chairman of the Management Board of Sparkasse Osnabrück, Osnabrück
Member of the Risk and Credit Committee

Christoph Helmschrott
(since 1 August 2024)
Chairman of the Management Board of Sparkasse Passau, Passau

Thomas Hirsch
President of the Savings Banks Association Rhineland-Palatinate, Mainz
Member of the Audit Committee
(since 1 August 2024)

Melanie Kehr
Member of the Management Board of Kreditanstalt für Wiederaufbau, Frankfurt/Main
Member of the Risk and Credit Committee

Dr. Stefan Kram
Chairman of the Management Board of Kreissparkasse Duchy of Lauenburg, Mölln

Ulrich Lepsch
(since 1 August 2024)
Chairman of the Management Board of Sparkasse Spree-Neiße, Cottbus
Member of the General and Nominating Committee
Member of the Remuneration Control Committee
Member of the Risk and Credit Committee

Dr. Matthias Neth
(since 1 May 2024)
President of the Savings Banks Association Baden-Württemberg, Stuttgart
Member of the General and Nominating Committee
Member of the Remuneration Control Committee

Nancy Plaßmann
Member of the Management Board of Berliner Sparkasse, Berlin
Member of the Risk and Credit Committee

Stefan G. Reuß
Managing President of the Savings Banks and Giro Association Hesse-Thuringia, Frankfurt/Main
Member of the General and Nominating Committee
Member of the Remuneration Control Committee

Klaus Richter
(since 1 January 2024)
Chairman of the Management Board of Sparkasse Münsterland Ost, Münster

Katrin Rohmann
Freelance Auditor, Birkenwerder
Member of the Audit Committee

Frank Saar
Chairman of the Management Board of Sparkasse Saarbrücken, Saarbrücken
Deputy Chairman of the Risk and Credit Committee

Jürgen Schäfer
(until 31 March 2024)
Chairman of the Management Board of Sparkasse Aschaffenburg-Alzenau, Aschaffenburg

Peter Schneider
(until 30 April 2024)
President of the Savings Banks Association Baden-Württemberg, Stuttgart
Member of the General and Nominating Committee
Member of the Remuneration Control Committee

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

Ludger Weskamp
Managing President of the East German Savings Banks Association, Berlin

Burkhard Wittmacher
Chairman of the Management Board of Kreissparkasse Esslingen-Nürtingen, Esslingen
Member of the Audit Committee

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

Employee Representatives appointed by the Staff Committee:

Marion Blume
(since 24 July 2024)
Chairwoman of the Staff Committee, DekaBank Deutsche Girozentrale, Frankfurt/Main

Edwin Quast
(until 17 July 2024)
Member of the Staff Committee, DekaBank Deutsche Girozentrale, Frankfurt/Main

Barbara Wörfel
Second Deputy Chairwoman of the Staff Committee, DekaBank Deutsche Girozentrale, Frankfurt/Main

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

Helmut Dedy
Chief Executive Officer of the German Association of Cities, Berlin

Prof. Dr. Hans-Günter Henneke
Managing Member of the Presiding Board of the German County Association, Berlin
Member of the General and Nominating Committee
Member of the Remuneration Control Committee

Ralph Spiegler
(since 1 January 2024)
Mayor of the Association of Municipalities of Nieder-Olm, Nieder-Olm

Board of Management

Dr. Georg Stocker
Chairman of the Board of Management

Dr. Matthias Danne
Deputy Chairman of the Board of Management

Birgit Dietl-Benzin
Member of the Board of Management

Daniel Kapffer
Member of the Board of Management

Torsten Knapmeyer
Member of the Board of Management

Martin K. Müller
Member of the Board of Management

Executive Manager

Manfred Karg

Internet website
The 2024 Interim Report can be found at www.deka.de/deka-gruppe under the heading "Investor Relations/Reports and presentations" and as an online version in German and English. The financial reports, presentations and other publications are also available for download.

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

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

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