

Interim management report 2017

At a glance

DekaBank – the *Wertpapierhaus* for the savings banks – remains on a stable footing. In the first half of 2017, the Deka Group generated an economic result of €241.3m, slightly higher than the comparative figure for 2016 (€229.8m). Net commission income in particular exceeded the previous year's figure.

Net sales to both retail and institutional customers in the first six months of the year were significantly higher than in the prior-year period, thanks to sustained positive growth trends in 2017. Both funds and retail certificates exceeded the previous year's figures, helped by strong demand for securities products. This, together with positive performance, meant that total customer assets grew to €270.4bn compared with €256.8bn at year-end 2016.

Investments in Deka's business model and product quality continue to pay off. Initiatives in digital multi-channel management were a priority on the retail side. In institutional business, activities focused on the expansion of fund solutions via the Deka Alternative Investments (DALI) platform, including advisory services based on this system.

The Deka Group safely complied with regulatory requirements during the first six months of the current year. The Common Equity Tier 1 capital ratio (fully loaded) improved to 18.0% (end of 2016: 16.7%). The leverage ratio (fully loaded) of 4.7% was slightly below the level seen at the end of 2016 (5.1%). Liquidity was adequate at all times and the risk position was non-critical throughout.

The Deka Group expects its financial position to remain stable and anticipates an economic result on a par with the previous year for 2017.

Information about the Deka Group

Legal structure and corporate governance

The Deka Group reorganised its divisional structure as of 1 January 2017 in order to implement the adopted strategy effectively for the future. Key aspects of the reorganisation include efforts to strengthen governance and achieve an even clearer separation between banking business and asset management. Activities will henceforward be divided into five business divisions.

The Asset Management Securities business division comprises all the Deka Group's activities relating to capital-market based asset management for private and institutional customers. As well as investment fund solutions and ETFs, the product portfolio also includes advisory, management and asset management mandates as well as asset servicing for institutional customers.

The Asset Management Real Estate business division focuses on providing property investment products for private and institutional investors. This business division also covers the purchase and sale of properties and management of such assets.

The new Asset Management Services business division is focused on providing banking services for asset management. The services range from managing custody accounts for customers to custodial services for investment funds. Especially by providing multi-channel solutions, the sales departments are additionally supported.

The Capital Markets business division is the central product, solution and infrastructure provider, while also providing services in the Deka Group's customer-focused capital markets business. Its role as a securities and risk hub also contributes to the Group's success.