

Interim management report 2025

At a glance

The world economy proved resilient in the first half of 2025 despite the myriad global political challenges. While the various geopolitical conflicts and tariff disputes dampened sentiment, they were outweighed by positive effects driven by low unemployment rates, rising wages and a year-on-year fall in inflation rates. Low real interest rates combined with major infrastructure and defence initiatives also bolstered economic activity. Businesses, too, responded flexibly to the external challenges, leading to a further improvement in corporate results. With uncertainty the dominant theme in the first half of 2025, some European stock markets reached new highs, while markets in the United States reported more muted performance given the erratic US tariff policy.

In this environment, Deka continued to focus on supporting savings banks and institutional customers. The expert advice provided by the savings banks built customers' confidence and encouraged them to invest.

The investment fund business was again resilient in the first half of 2025, and customer interest in savings plans remained high. Savings plans performed well in the first half of 2025, with investors signing up to around 287,000 (net figure) new Deka investment savings plans (H1 2024: around 235,000). The Deka Group's total sales therefore came to €20.4bn (H1 2024: €14.5bn). Sales to private customers increased to €18.7bn (H1 2024: €12.6bn). This was owed particularly to significantly improved fund sales in the first half of the year.



See also:
Gross
certificate sales:
page 15 ff.

In the private customer segment, asset management net sales more than doubled year on year to €10.1bn. Retail customers accounted for €6.8bn of this amount (H1 2024: €3.8bn) and private banking customers for €3.2bn (H1 2024: €0.9bn). Net sales in the institutional customer segment came to €1.2bn as against €1.5bn in the first six months of 2024.

The total of the asset management and Deka certificates volume stood at €426.6bn (year-end 2024: €415.9bn).

The Deka Group achieved another good economic result of €520.1m, which compared with €512.4m in the first half of 2024.

Income amounted to €1,230.7m (H1 2024: €1,139.1m). Net commission income at €862.4m remained the main source. Thanks to the positive development of portfolio-related commission, it was a major contributor to the total income growth. Valuation effects due to changed market parameters had a smaller negative impact on net financial income than in the prior-year period. There was a fall in net interest income, however, due to market conditions. At €710.5m, expenses exceeded the prior-year level (H1 2024: €626.6m), largely due to salary rises under collective agreements, an increased headcount and investments to future-proof the business model.

The cost/income ratio was 56.9% (H1 2024: 54.8%). The return on equity before tax (balance sheet) was 15.6%, compared with 16.4% in the first half of 2024.

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. The Common Equity Tier 1 capital ratio in accordance with CRR III (without transitional provisions) stood at 19.9% at the end of June 2025, compared with 19.8% at year-end 2024 (CRR II). The risk-bearing capacity analysis showed a utilisation of risk appetite of 58.2% (year-end 2024: 57.8%).

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Deka Group profile and strategy

The Deka Group, comprising DekaBank Deutsche Girozentrale (DekaBank) and its subsidiaries in Germany and other countries, is the securities service provider (the *Wertpapierhaus*) for the German savings banks and part of the *Sparkassen-Finanzgruppe* (Savings Banks Association).

DekaBank is classified by the German Federal Financial Supervisory Authority (BaFin) as an “other systemically important institution”.

The Deka Group is the securities service provider (the *Wertpapierhaus*) for the savings banks. Through its asset management and banking activities, it acts as a service and infrastructure 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. It provides targeted sales support as a partner for savings banks and makes the necessary infrastructure available.

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 sales units work across the business divisions, providing the interface with sales partners and customers. They comprise Savings Banks Sales for private customers, which is subdivided into Retail Customers and Private Banking & Wealth Management, and Institutional Customer Sales. The latter is composed of Institutional Sales Savings Banks & Association as well as local, product-oriented sales units for institutional market clients outside the *Sparkassen-Finanzgruppe*.

The corporate centres 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 to managing the Deka Group, always considering 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 divisions: Martin K. Müller

Positioning and role within the *Sparkassen-Finanzgruppe*

The Deka Group's strategy is set out in detail in the 2024 Annual Report and provides a framework for the further development of the *Wertpapierhaus*.



See also:
Annual
Report 2024

The historical development of its predecessor institutions, together with its ownership structure, make the Deka Group a key part of the *Sparkassen-Finanzgruppe* (Savings Banks Association).

The Management Agenda is an ongoing strategic action programme that sets the direction to further develop Deka'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 make the savings banks more competitive in the securities business and to generate profitable growth.
- Technology and innovation: Technology and the possibilities it brings are being used to redesign the customer experience, i.e. all of a customer's experiences and impressions when interacting with a company. New products and services are being offered, existing products and services are being digitalised, and efficiency is being improved.
- Sustainability: Activities in this area aim to shape the Deka Group's relevant value chains and management-related processes in a way that consistently incorporates strategically important ESG dimensions. Credibility, regulatory compliance and transparency around ESG are the basis for offering customers competitive products and services.
- 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 attractiveness to existing and potential employees are key issues in ensuring Deka is fit for the future.

Digitalisation activities

As the world is increasingly transformed by digital technology, the Deka Group is focusing on three strategic directions: digital transformation of the customer experience, new digital products and services, and digital transformation of processes and infrastructure. The targeted use of technology, combined with the strength of savings banks in their respective regions, is key if we want to keep offering competitive investment services in the future. Digitalisation activities are as follows:

- Interaction with savings banks and their customers: Deka is constantly enhancing interaction with the savings banks via sales platforms such as S-Invest Manager and supports the savings banks in 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 services provided directly to end customers are being expanded. The sales support provided to the savings banks is also being further digitalised.
- Innovative digital product offerings: Digital product offerings are being developed in different areas. First, the digitalisation of traditional products and services, for example in asset management or brokerage. Second, the issue, trading and safekeeping of digital assets. We are also developing sales- and customer-centric services on a native cloud architecture so that we can offer customers frequent innovations and meet their needs.

- **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 processing and custody of digital assets. After being granted licences for crypto securities register management and crypto custody in December 2024, DekaBank can now cover the full digital asset value chain from within the *Sparkassen-Finanzgruppe* for savings bank customers and its own institutional customers. The joint venture with SWIAT GmbH supports the development of relevant blockchain technologies and makes a private permissioned blockchain available.
- **Process digitalisation:** By digitalising business and IT processes both old and new, the Deka Group is aiming 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 processes work from a customer perspective. To transform the customer experience and identify customer needs early on, data is collected and analysed as part of a structured process. Based on this, we can develop sales initiatives to boost the quality of customer communication and the satisfaction of end customers. Deka is therefore currently developing a platform to consolidate existing sales data pools.

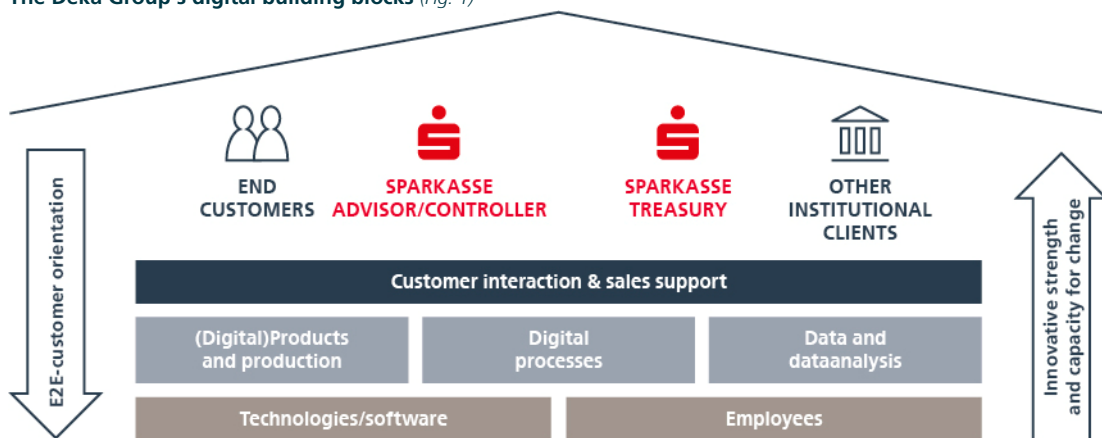
The cloud, distributed ledger technology (DLT) and artificial intelligence (AI) play a key role in our digitalisation activities. These are complemented by technologies to optimise processes, such as software robots (RPA) and workflow and low-code tools.

The Deka Group is using AI in three main areas:

- **Customer centricity:** AI is being used as a more targeted and efficient way to approach customers, as well as to enhance the customer experience.
- **Quality improvement:** AI is being used for ongoing data-driven optimisation of, and adjustments to, product and service quality.
- **Efficiency gains:** AI is being used to boost productivity by optimising and automating processes, making processes more reliable and ensuring efficient use of resources.

These strategic initiatives are being pursued as part of an iterative approach to give us the flexibility we need to respond to new requirements and findings. All AI activities have to be consistent with our corporate policies and values, the guidelines governing use of artificial intelligence in the *Sparkassen-Finanzgruppe* and the regulatory requirements.

The Deka Group's digital building blocks (Fig. 1)



Sustainability within the Deka Group (ESG)

Being fit for the future and reflecting the transformation in the economy and society requires us to integrate sustainability into our strategy and processes. As the *Wertpapierhaus* for the savings banks, the Deka Group incorporates ESG (environmental (E), social (S) and governance (G)) factors into its strategy, thereby supporting the strategic objectives of the *Sparkassen-Finanzgruppe*.

In line with the double materiality approach, the Deka Group examines sustainability from two perspectives. First, it looks at risks for the Deka Group and its products that could emerge from sustainability-related issues such as climate change (outside-in perspective). Second, it looks at the impacts, both positive and negative, that the Deka Group and its products have on the environment and people (inside-out perspective).



See also:
Sustainability
report in the
Annual
Report 2024

The Deka Group's activities are part of a drive to achieve the goal of climate neutrality ("net zero") defined in the Paris Agreement by 2050, and strategic decarbonisation targets have been prepared for its banking business, its own operations and the Asset Management Securities and Asset Management Real Estate business divisions. The climate change-related CSRD transition plans (ESRS E1-1) for these business activities are disclosed in the Group management report starting from year-end 2024.

The Deka Group's ESG ratings confirm the depth and breadth of its sustainability activities, which are weighted and evaluated by the rating agencies.

ESG ratings at a glance (Fig. 2)



Status of sustainability ratings according to annual ESG ratings reports: MSCI ESG ratings: 6 September 2024; ISS-ESG: 23 August 2023; Sustainalytics: 14 July 2025; Moody's ESG Solutions (formerly V.E): December 2024
* Copyright ©2022 MSCI, ** Copyright ©2025 Sustainalytics

Market position and awards

With fund assets (according to the BVI, the German Investment Funds Association, as at 31 May 2025) of €191.5bn and a market share of 12.2%, Deka is the fourth largest provider of mutual securities funds in Germany. It is Germany's leading provider of mutual property funds with fund assets (according to the BVI, as at 31 May 2025) of €41.9bn and a market share of 35.1%.

The Deka Group's certificates are sold through the German savings banks. According to statistics from the Structured Securities Association (*Bundesverband für strukturierte Wertpapiere*, BSW), Deka was the third-placed issuer of structured products in Germany, with a 17.6% market share by market volume at the end of March 2025.

At the 2025 Capital-Fonds-Kompass awards organised by the business magazine *Capital* together with *Institut für Vermögensaufbau*, Deka was crowned "best investment fund business of the year". Its consistent excellent performance was also confirmed by the top five-star rating, which Deka has now received 13 times running.

Deka was named "investment fund company of the year" at the 2025 Euro FundAwards. The awards presented by the publishing house Finanzen Verlag together with the editors of "€uro", "€uro am Sonntag" and "Börse-Online" in March 2025 recognised the best funds of the year. Deka's funds and ETFs won a total of 24 individual awards.

The German Fund Champions 2025 were crowned in January 2025. 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. It also emerged as the winner in the "ESG" category for the second time.

In the "Best investment fund companies of 2025" ranking compiled by the German business magazine *WirtschaftsWoche* for the first time in February 2025, Deka was awarded the highest rating of five stars and came third in the overall ranking.

The 2025 Scope Rating confirms the high quality of Deka's real estate funds. Deka's Real Estate business division also delivered an impressive performance again and was awarded an AA+AMR rating for the thirteenth year running. This meant Deka came in first place in the asset management rating for the first time, together with two other companies.

In *Capital* magazine's "sustainable asset managers of 2025" ranking, Deka again achieved the maximum five star rating and climbed to second place in the "banks" category. *Capital* and the Munich-based *Institut für Vermögensaufbau* examined the quality of ESG products by looking at the ESG ratings of the securities they contain as well as the purely economic risk/reward ratio.

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, 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. S Broker has also been ranked as a "top broker" in a long-term comparison since 2012.

Economic report

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Economic environment

Macroeconomic conditions

Economic growth was surprisingly resilient in the first half of 2025 despite the scale of the global political upheaval. Various geopolitical conflicts and an unpredictable US tariff policy had an overall negative impact on the world economy. On the other hand, growth was buoyed by low unemployment rates, rising wages and a year-on-year fall in inflation, which gave private households in particular more room to spend. Monetary and fiscal policy also bolstered macroeconomic demand. With the major inflation wave having subsided, real interest rates measured using the ECB's inflation target are now somewhat lower again, especially in the eurozone. Governments also stimulated growth with large-scale infrastructure and defence initiatives. In the United States, the impact of higher tariffs is not yet reflected in the economic data. Businesses have so far demonstrated flexibility in their response to the new US trade policy. In Germany, for example, frontloading of exports gave a significant boost to economic activity in the first few months of the year. The export-oriented industrial sector has been especially hit by increasing competitive pressure from China and trade diversion to Europe as a result of US tariff rises. The rising unemployment rate also weighed on the German economy.

The global economy's resilience is also owed to the experience gained by companies during the coronavirus restrictions, which is now enabling them to show similar flexibility in their response to new tariff barriers. While goods and services trade is increasingly impeded, capital flows and direct investment have remained largely unaffected. Moreover, new markets and revenue opportunities are being generated by digital technologies. The well-functioning financial system, with payments, lending and investment continuing to flow smoothly, has also contributed to the stability.

Sector-related conditions

Inflation declined in both the eurozone and the United States in the first half of 2025. Lower consumer prices for energy goods were one reason for this and followed falls in oil and gas prices (albeit with what was, in some cases, considerable volatility) on world markets since the end of last year. Service sector inflation also eased on both sides of the Atlantic. This was principally due to lower wage inflation, which came despite low unemployment rates in historical terms. Wages have now largely adjusted to the increased cost of living, resulting in a flatter, less inflationary growth trend. The US tariffs and the appreciation of the euro have not yet discernibly affected consumer prices for industrial goods. Prices in the United States have so far not significantly accelerated since the tariffs took effect, nor has inflation for industrial goods in the eurozone noticeably eased. Nevertheless, a fall in German import prices points to a cushioning effect from the stronger euro.

With inflation subsiding, the ECB cut its key interest rates by 25 basis points at each of its four meetings in the first half of the year. It also signalled, however, that it saw a lessening need for further easing. In March, it already deemed its monetary policy stance to be less restrictive, while at the ECB press conference in June, the deposit rate of 2.0% was described by the central bank's president, Christine Lagarde, as a good place to await further developments. At the same time as cutting rates, the ECB also continued to reduce its balance sheet by not reinvesting the principal from maturing bonds. Despite the resulting fall in excess reserves, banks have not significantly increased their participation in the ECB's current refinancing operations, which points to stable liquidity in the money markets. In the United States, the Fed left key interest rates unchanged throughout the first half of 2025. It explained its wait-and-see approach with the inflationary risks of the tariffs and the stable economic trend so far.

The capital markets were heavily driven in the first half of 2025 by erratic statements from the US government with regard to future tariff policy. At the beginning of the year, expectations of weaker economic growth and lower inflation dominated markets. This fuelled anticipation of further noticeable key interest rate cuts by the major central banks and triggered significant falls in yields, particularly on US Treasuries. President Trump's tariff shock in the spring, however, caused a jump in inflation expectations and yields, especially for the United States. Bund yields also had to process the German government's announcement of vast investment packages, which will entail a sharp rise in government debt. This particularly hit the long end of the yield curve, which steepened noticeably. German Bunds performed weaker than other eurozone sovereign bonds.

Corporate bonds withstood both the tariff confusion and the widening Middle East conflict remarkably well. Although spreads widened for a time on the back of significantly higher perceived risks, they quickly reversed course again. Uncertainty around US tariff policy and higher US budget deficits eroded international investors' trust in US assets, pushing the US dollar and the dollar/euro exchange rate to a three-year low. Meanwhile, the price of gold surged again. China's announcement of retaliatory tariffs pushed Trump to make extensive concessions, meaning that the worst fears were allayed for the time being. Sentiment was dented again by Israel's attack on Iranian nuclear and military facilities, which triggered a spike in the oil price. However, capital markets are so far assuming that the conflict will remain regionally contained and have responded with only a moderate flight to safer assets.

International stock markets have followed the swings in sentiment resulting from the various tariff announcements. After a favourable start to the year, the tariff shock caused share prices to plunge by around 15%. They quickly recovered this ground when the US government made concessions in response to the announcement of retaliatory tariffs. However, the performance of US stocks has been noticeably weaker than that of European assets since the start of the year, as valuations on US equities were already in above-average territory. The previously soaring "Magnificent 7" tumbled sharply, causing the MSCI World to drop behind the Euro STOXX 50 and DAX. The latter was a major beneficiary from the announcement of vast investment packages by the new German government. The spread of the Middle East conflict to Iran triggered a brief dip in equity markets. This was swiftly corrected, and US assets have made up some ground again against European indices. A number of share indices also reached new historic highs at mid-year.

The real estate markets registered a stable trend in the first half of 2025. Yields remained virtually unchanged, regardless of property type. However, uncertainty around tariffs hampered investment decisions, particularly in the office segment. Despite positive signals such as declining completions, stable demand and rental growth, turnover in the investment market remained low in a long-term comparison, especially for properties of the size and quality relevant to institutional investors. Buyers with a large proportion of equity capital and a high level of market expertise continued to have competitive advantages in these conditions. The trend towards smaller but higher-value spaces fuelled further rises in top rents in the office markets. Retail recorded stable demand in prime locations, while hotels benefited from rising occupancy and the further recovery in travel. Demand in the logistics market stabilised at a slightly lower level. Moves to safeguard supply chains and further expansion of online capacity remained fundamental demand drivers in this segment.

According to Deutsche Bundesbank statistics, the financial assets of private households in Germany rose by around €9bn as against the end of 2024 to €9,053.1bn (31 March 2025). This was due to strong inflows into cash and sight deposits and, to an even greater extent, growth in the value of securities investments. Holdings in savings deposits, savings bonds and term deposits declined. This shows that private households are moving funds from longer-term, higher-interest savings to liquid short-term deposits, which likely owes partly to the falling interest rates and partly to increased economic uncertainty. Shares in investment funds were virtually unchanged. The proportion of shares and other equity in the total financial assets of private households increased slightly compared with the figure for the close of 2024.

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 significantly to €1,691.0bn as at 31 May 2025 (31 December 2024: €1,467.1bn). Net assets in open-ended special funds also rose to €2,205.5bn (31 December 2024: €2,121.1bn). At €45.5bn, net inflows into open-ended mutual funds in the first five months of 2025 were significantly higher than the equivalent prior-year figure (€10.5bn). Net inflows were particularly attributable to equity funds, bond funds and money market funds. At €14.8bn, the sales figure for open-ended special funds for institutional investors was slightly higher than in the same period of the previous year (€13.5bn).

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

The CRR III rules for determining capital requirements came into force on 1 January 2025. DekaBank will be affected over the next few years by the phasing in of the new output floor, which limits the benefits of internal models as compared to standardised approaches. The Deka Group's own funds are reported with and without transitional provisions. The latter represents full application of the CRR/CRD framework, in which all transitional provisions are disregarded and the final target state of the regulatory requirements is reached. A delegated regulation from the European Commission has postponed the introduction of the CRR III rules on calculating RWAs for market risk under the Fundamental Review of the Trading Book (FRTB). This pushes the start date back by one year to 1 January 2026, meaning that the internal market risk model in line with CRR II is still applicable in 2025. However, the FRTB standardised approach is already being used in calculating the output floor. The date of application for other FRTB rules (internal risk transfers, reclassifications, distinction between the trading and banking book) was also amended to 1 January 2026. On 12 June 2025, the European Commission adopted a delegated act involving a further postponement of the FRTB rules until 2027. The delegated act is currently being considered by the European Parliament and the Council of the European Union.

The European Banking Authority (EBA) conducted a stress test in 2025. Like the previous stress test in 2023, this covered all risk types. The results were published on 1 August 2025. While DekaBank was not among the banks taking part in the EBA stress test directly, it was still subject to the stress test as a bank under European Central Bank (ECB) supervision. This was carried out in accordance with EBA methodology. The results of this ECB stress test feed into the calculation of the SREP ratios. DekaBank passed the stress test with a satisfactory result; in the adverse stress scenario, DekaBank remains well above the SREP minimum requirements for the Common Equity Tier 1 capital ratio.



See also:
Developments
in risk
management:
page 34 ff.
Deka Group
own funds:
page 36 ff.

Regulation (EU) 2022/2554, the Digital Operational Resilience Act (DORA), was introduced by the European Union to enhance digital operational resilience in the financial sector. DORA aims to make financial organisations more resilient to cyber threats and ICT-related incidents. The Regulation harmonises cyber security and ICT risk management requirements within the European Union and covers aspects such as ICT risk management, handling and reporting of ICT-related incidents, test measures to increase cyber defence capability and resilience, and the management of third-party ICT service providers. The Regulation has applied since 17 January 2025. DekaBank submitted the consolidated information register to the ECB by the deadline. It has published a DOR strategy and appointed a DOR officer. Overarching control and management of ICT and security risks, reporting of security incidents and management of third-party ICT service providers have also been implemented.

Sustainability-related regulatory proposals

The Corporate Sustainability Reporting Directive (CSRD) expands sustainability reporting with the aim of increasing accountability on sustainability-related issues. On 24 July 2024, the German Federal Cabinet presented a government draft of legislation transposing the Corporate Sustainability Reporting Directive (CSRD) into national law. The CSRD was due to replace the previous EU directive, the Non-Financial Reporting Directive (NFRD), as the basis for reports for the period ending 31 December 2024. However, the collapse of Germany's governing coalition at the end of the year meant that it was no longer possible in 2024 to make the legislative amendments required by the CSRD and the EU Accounting and Transparency Directive. Whether and when Germany implements the CSRD will also depend on the "Omnibus" package announced by the European Commission in February 2025, which aims to simplify sustainability-related reporting obligations. DekaBank has already fully disclosed the material sustainability matters for the Deka Group in accordance with the CSRD in the sustainability report as at 31 December 2024, which forms part of the Group management report.



See also:
Sustainability
report in the
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The Corporate Sustainability Due Diligence Directive (CSDDD) came into force on 25 July 2024. EU member states have two years to transpose the legislation into national law. The transition periods are staggered, with the biggest companies affected, including DekaBank, likely to have to apply the Directive from mid-May 2027. The German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*, LkSG) already anticipates many aspects of the CSDDD. Future amendments to the LkSG are expected, both through implementation of the CSDDD and through amendments to the CSDDD as part of the Omnibus Directive.



See also:
Business and
human rights
at Deka

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. In June 2025, the European Commission, European Parliament and European Council reached a political agreement on institutional guarantee systems as part of the crisis management and deposit insurance (CMDI) framework review. The agreements will safeguard the viability of the national institutional guarantee systems and ensure the stability of the financial markets. The CMDI review will now be finalised at technical level and will also feed into the ongoing discussion around a common European Deposit Insurance Scheme (EDIS).

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 the Deka Group and its collaboration with the savings banks. The trilogue negotiations between the European Parliament, European Council and European Commission have now begun; however, compromise will take some time to achieve. DekaBank continues to support the DSGV in accompanying the legislative process and is 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 resilient in the first half of 2025 despite the myriad global political challenges. While the various geopolitical conflicts and tariff disputes dampened sentiment, they were outweighed by positive effects driven by low unemployment rates, rising wages and a year-on-year fall in inflation rates. Low real interest rates combined with major infrastructure and defence initiatives also bolstered economic activity. Businesses, too, responded flexibly to the external challenges, leading to a further improvement in corporate results. With uncertainty the dominant theme in the first half of 2025, some European stock markets reached new highs, while markets in the United States reported more muted performance given the erratic US tariff policy.

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Income amounted to €1,230.7m (H1 2024: €1,139.1m). Net commission income at €862.4m remained the main source. Thanks to the positive development of portfolio-related commission, it was a major contributor to the total income growth. Valuation effects due to changed market parameters had a smaller negative impact on net financial income than in the prior-year period. There was a fall in net interest income, however, due to market conditions. At €710.5m, expenses exceeded the prior-year level (H1 2024: €626.6m), largely due to salary rises under collective agreements, an increased headcount and investments to future-proof the business model.

The investment fund business was again resilient in the first half of 2025. Customer interest in savings plans remained high, resulting in 3% growth versus the end of 2024. The Deka Group's total sales therefore came to €20.4bn (H1 2024: €14.5bn). Sales to private customers increased to €18.7bn (H1 2024: €12.6bn). This was owed particularly to significantly improved fund sales in the first half of the year. In the private customer segment, retail customers accounted for €13.6bn of total sales (H1 2024: €10.3bn) and private banking customers for €5.1bn (H1 2024: €2.3bn). In institutional business, sales came to €1.7bn, compared with €1.9bn in the same period of the previous year.

In the private customer segment, asset management net sales more than doubled year on year to €10.1bn. Equity funds (€3.0bn), fund-based asset management products (€2.2bn) and bond funds (€1.6bn) accounted for a particularly significant share of sales. Among private customers, retail customers accounted for €6.8bn (H1 2024: €3.8bn) and private banking customers for €3.2bn (H1 2024: €0.9bn). Net sales in the institutional customer segment came to €1.2bn as against €1.5bn in the first six months of 2024. Asset management net sales in the first half of 2025 therefore came to €11.3bn, compared with €6.1bn in the same period of the previous year.

At €9.1bn, gross certificate sales were up on the equivalent prior-year figure (€8.3bn). As in the previous year, the majority of these certificate sales (€8.6bn) were to private customers (H1 2024: €8.0bn). Fixed-rate bonds (€4.3bn) and express certificates (€3.3bn) were in particular demand. Retail customers accounted for €6.7bn of gross sales in the private customer segment (H1 2024: €6.5bn) and private banking customers for €1.9bn (H1 2024: €1.5bn). Certificate sales to institutional customers in the reporting period came to €0.5bn (H1 2024: €0.4bn). Deka certificates accounted for €5.6bn of the total (H1 2024: €5.9bn). Cooperation certificates, which complement Deka's certificate range, accounted for €3.5bn, compared with €2.5bn in the first half of 2024. The gross sales figure includes both Deka certificates and cooperation certificates.

Savings plans performed well in the first half of 2025. Investors signed up to around 287,000 (net figure) new Deka investment savings plans (H1 2024: around 235,000), meaning that the Deka Group manages approximately 8.5 million contracts in total, compared with around 8.2 million at the end of 2024.

The appeal of securities was also reflected in the number of securities accounts, which increased by approximately 150,000 in total to 5.9 million (year-end 2024: 5.7 million). At 88.2 million, the number of transactions was sharply up on the figure for the first half of 2024 (69.5 million).

Deka Group sales in €m (Fig. 3)

	1 st half 2025	1 st half 2024
Asset management net sales	11,253	6,120
by customer segment		
Private customers	10,065	4,639
Institutional customers	1,188	1,482
by product category		
Mutual funds and fund-based asset management	9,207	4,198
Special funds and mandates	1,096	1,437
ETFs	950	485
Gross certificate sales	9,127	8,340
by customer segment		
Private customers	8,630	7,956
Institutional customers	497	384
Total sales (Total of net sales asset management and certificates)	20,379	14,461

At €404.4bn, the asset management volume at the end of June 2025 was slightly up on the figure for year-end 2024 (€394.1bn) due to net sales and a market-induced positive investment performance. Retail customers accounted for €165.5bn of the asset management volume for private customers (year-end 2024: €163.4bn) and private banking customers for €57.4bn (year-end 2024: €52.2bn). The Deka certificate volume increased by €0.4bn compared with the end of the previous year, rising to €22.2bn. Certificates business with private customers amounted to €18.0bn (year-end 2024: €17.4bn). Of this total, €12.7bn was for retail customers (year-end 2024: €12.2bn) and €5.3bn for private banking customers (year-end 2024: €5.2bn). The total of the asset management and Deka certificates volume stood at €426.6bn (year-end 2024: €415.9bn).

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

	30 Jun 2025	31 Dec 2024	Change	
Asset management volume	404,406	394,132	10,274	2.6%
by customer segment				
Private customers	222,924	215,612	7,312	3.4%
Institutional customers	181,482	178,520	2,962	1.7%
by product category				
Mutual funds and fund-based asset management	228,081	222,279	5,802	2.6%
Special funds and mandates	158,776	156,161	2,616	1.7%
ETFs	17,549	15,693	1,856	11.8%
Deka certificate volume	22,166	21,724	442	2.0%
by customer segment				
Private customers	17,969	17,397	571	3.3%
Institutional customers	4,197	4,326	-129	-3.0%
Total of asset management volume and Deka certificate volume	426,572	415,856	10,717	2.6%

The Common Equity Tier 1 capital ratio in accordance with CRR III (without transitional provisions) stood at 19.9% at the end of June 2025, compared with 19.8% at year-end 2024 (CRR II).

Common Equity Tier 1 capital amounted to €6,102m (year-end 2024: €6,104m). In accordance with Article 26 (2) CRR, the year-end profit for 2024 less foreseeable charges and dividends was already recognised in Common Equity Tier 1 capital as at the end of 2024 (dynamic approach).



See also:
Capital
adequacy
in the first half
of 2025:
page 36 ff.

RWAs in accordance with CRR III (without transitional provisions) stood at €30,614m as at 30 June 2025, compared with €30,814m at year-end 2024 under CRR II. Credit risk declined by €3,550m to €15,662m. This was mainly attributable to the application of CRR III, which involves lower regulatory standard LGD values particularly for real estate financing and specialised financing. Rating upgrades and a lower volume of real estate financing and specialised financing also had a positive impact. Market risk rose by €783m to €6,041m. The increase resulted primarily from higher general interest rate and share price risks. At €7,322m, RWAs for operational risk increased by €1,352m due to the application of the new standardised approach under CRR III. The CVA risk amounted to €407m and was thus slightly higher than at year-end 2024 (€375m). This was due to the use of the basic approach under CRR III. Output floor RWAs, based on 72.5% of standardised RWAs, came to €1,183m at the reporting date.

The leverage ratio as at 30 June 2025 stood at 7.5%, compared with 8.2% at year-end 2024. This was significantly above the minimum leverage ratio of 3.0%.

The MREL requirements as at mid-2025 were calculated based on RWA and leverage ratio exposure (LRE) in accordance with regulatory requirements. Both ratios are shown without transitional provisions. As at the reporting date, the MREL ratio in line with the RWA-based approach amounted to 54.4% (year-end 2024: 53.2%), while the figure under the LRE-based approach came to 18.7% (year-end 2024: 20.0%). 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 regulatory requirements. Both ratios are shown without transitional provisions. At the mid-point of 2025, the subordinated MREL requirements in line with the RWA-based approach came to 38.1% (year-end 2024: 37.5%), while the figure under the LRE-based approach was 13.1% (year-end 2024: 14.1%). Both ratios were well above the applicable minimum ratios.



See also:
Liquidity
adequacy
in the first half
of 2025:
page 38 ff.

The liquidity coverage ratio (LCR) stood at 212.5% at mid-year (year-end 2024: 192.0%), putting it above the minimum requirement of 100%. The net stable funding ratio (NSFR) came to 130.6% (year-end 2024: 117.9%) and thus also exceeded the minimum limit of 100% at the end of June 2025. The Deka Group therefore had ample liquidity, measured using the LCR and NSFR, throughout the first half of 2025.

Economic risk-bearing capacity was at a non-critical level overall at the end of June 2025. Utilisation of risk appetite (58.2%) increased slightly versus the end of the previous year (57.8%) due to marginally higher total risk together with increased risk capacity. At 41.0%, utilisation of risk capacity was below the level seen at the end of 2024 (42.5%).

Profit performance of the Deka Group

The economic result came to €520.1m, compared with €512.4m in the first half of 2024.

Income amounted to €1,230.7m, versus €1,139.1m in the same period of the previous year. Net commission income grew by €77.1m to €862.4m. It remained the main source of income and was a major contributor to the total income growth thanks to the positive development of portfolio-related commission. The creditworthiness-related valuation result from own issues in Treasury due to spread developments had a smaller negative impact than in the prior-year period. There was a fall in net interest income, however, due to market conditions. At €710.5m, expenses significantly exceeded the prior-year level (H1 2024: €626.6m), largely due to salary rises under collective agreements, an increased headcount and investments to future-proof the business model.

Due to market factors, the net interest income of €221.2m was down by €36.5m on the figure for the first half of 2024 (€257.7m). The decline owed mainly to the investment of liquidity from own funds by the Treasury function, which was itself affected by interest rate developments.



See also:
Note 7
Risk provisions
in the lending
and securities
business:
page 67 ff.

In the lending and securities business, there was a net allocation to risk provisions in the amount of €18.4m in the first half of 2025 (H1 2024: €3.4m). The recognition of specific provisions, primarily in real estate financing, was partly offset by a positive net effect from the change in post-model adjustments for borrowers in the real estate segment. In the lending business, there was a net allocation of €18.2m (H1 2024: €4.0m). The figure for the reporting period mainly comprised a net reversal of €0.8m in the Specialised Financing subdivision and a net allocation of €19.0m in the Real Estate Financing subdivision. The securities business recorded a net allocation of €0.2m (H1 2024: net reversal of €0.6m).

Net commission income came to €862.4m, compared with €785.3m in the first half of 2024. An increase in portfolio-related commission in the Asset Management Securities business division meant that commission from investment fund business was up year on year. Sales-related commission was level with the prior-year figure. Purchasing and construction fees in the Asset Management Real Estate business division were lower in a year-on-year comparison. Commission from banking business grew strongly, particularly thanks to higher income from securities management. Overall commission from custody account business was significantly higher than in the same period of the previous year, largely due to an increased transaction volume.

Net financial income came to €167.0m, compared with €121.1m in the first half of 2024. 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.

At €188.8m, net financial income from trading book portfolios remained noticeably below the equivalent prior-year figure of €211.8m. The earnings contribution of the Trading & Structuring unit remained a key component, not least due to the demand for certificates. Derivatives trading also benefited from certificates business but was down overall in a year-on-year comparison.

Net financial income from banking book portfolios was €−21.8m, compared with €−90.7m at the end of first half of 2024. Creditworthiness-related negative net income (around €11m) from own issues was recorded in Treasury in the first half of 2025 due to spread developments (H1 2024: around €93m). There was no allocation to the general provision for potential risks in either the reporting period or the first half of 2024. 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 €−1.5m (H1 2024: €−21.7m). This included actuarial gains of €9.8m on provisions for pensions, which resulted partly from the increase in the actuarial interest rate to 3.95% (year-end 2024: 3.55%), while plan assets decreased due to market conditions. Actuarial gains, amounting to €20.3m, were also recognised on provisions for pensions in the same period of the previous year, 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 equivalent prior-year figure includes the negative impact of interest paid in January 2024 as a result of tax assessment notices.

Personnel expenses showed a noticeable increase to €365.8m (H1 2024: €327.7m). Increases stemmed particularly from wage and salary rises under collective agreements as well as the increase in headcount as part of investments to make Deka fit for the future.

Other administrative expenses including depreciation and amortisation rose moderately from €279.2m in the first half of 2024 to €304.7m. 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 €40.0m (H1 2024: €20.0m). As in the previous year, no bank levy is due in 2025.

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 56.9% (H1 2024: 54.8%). The return on equity before tax (balance sheet) was 15.6%, compared with 16.4% in the first half of 2024.

Deka Group performance in €m (Fig. 5)

	1 st half 2025	1 st half 2024	Change	
Net interest income	221.2	257.7	-36.5	-14.2%
Risk provisions in the lending and securities business	-18.4	-3.4	-15.0	(< -300%)
Net commission income	862.4	785.3	77.1	9.8%
Net financial income	167.0	121.1	45.9	37.9%
Other operating profit	-1.5	-21.7	20.2	93.2%
Total income	1,230.7	1,139.1	91.6	8.0%
Administrative expenses (including depreciation and amortisation)	710.5	626.6	83.9	13.4%
thereof: personnel expenses	365.8	327.7	38.1	11.6%
thereof administrative expenses (including depreciation and amortisation)	304.7	279.2	25.5	9.1%
thereof bank levy and deposit guarantee scheme	40.0	19.7	20.3	102.6%
Total expenses	710.5	626.6	83.9	13.4%
Economic result	520.1	512.4	7.7	1.5%

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 €347.1m in the first half of 2025 (H1 2024: €311.1m). Net sales stood at €11.4bn, compared with €5.7bn in the first half of 2024. The positive net sales and investment performance took the asset management volume to €349.5bn at mid-year (year-end 2024: €339.0bn).

Sales and volume

Asset management net sales in the Asset Management Securities business division almost doubled in the first six months of this year and totalled €11.4bn (H1 2024: €5.7bn). Business with private customers remained the sales focus, accounting for around 87% of net sales. Sales of mutual securities funds came to €7.0bn (H1 2024: €3.7bn). Equity funds remained in particularly strong demand. Sales of bond funds and money market funds also performed very positively. Fund-based asset management saw inflows of €2.3bn (H1 2024: €0.1bn). Business with institutional customers amounted to €1.5bn versus €1.6bn in the same period of the previous year. This included net sales of special funds and mandates of €1.2bn (H1 2024: €1.4bn). ETF sales came to €0.9bn, compared with €0.5bn in the prior-year period.

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

	1 st half 2025	1 st half 2024
Asset management net sales	11,433	5,719
by customer segment		
Private customers	9,920	4,129
Institutional customers	1,514	1,590
by product category		
Mutual funds and fund-based asset management	9,249	3,798
ETFs	950	485
Special funds and mandates	1,235	1,436

The asset management volume stood at €349.5bn and was €10.6bn higher than at the end of 2024 thanks to positive net sales and investment performance.

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

	30 Jun 2025	31 Dec 2024	Change	
Asset management volume	349,533	338,981	10,552	3.1%
by customer segment				
Private customers	183,981	176,565	7,416	4.2%
Institutional customers	165,552	162,416	3,136	1.9%
by product category				
Mutual funds and fund-based asset management	184,923	178,812	6,111	3.4%
thereof: equity funds	82,356	80,935	1,421	1.8%
thereof: bond funds	25,139	23,223	1,916	8.3%
thereof: mixed funds	25,847	25,423	424	1.7%
ETFs	17,549	15,693	1,856	11.8%
Special funds and mandates	147,062	144,477	2,585	1.8%

Profit performance in the Asset Management Securities business division

At €347.1m, the business division's economic result was noticeably up on the same period of the previous year (€311.1m). Net commission income of €567.5m was significantly higher than at the end of the first half of 2024 (€502.2m), largely due to increased portfolio-related commission. Expenses amounted to €244.6m (H1 2024: €220.8m). Higher personnel, project and administrative expenses were the main reason for the increase. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €24.1m, compared with €30.9m in the prior-year period.

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

	1 st half 2025	1 st half 2024	Change	
Net commission income	567.5	502.2	65.3	13.0%
Other income	0.0	-1.3	1.3	102.3%
Total income	567.6	500.9	66.7	13.3%
Administrative expenses (including depreciation and amortisation)	244.6	220.8	23.8	10.8%
Total expenses	244.6	220.8	23.9	10.8%
Economic result before income distribution of Treasury-function	323.0	280.1	42.8	15.3%
Income distribution of Treasury function	24.1	30.9	-6.8	-22.0%
Economic result	347.1	311.1	36.0	11.6%

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

At €51.5m, the economic result in the Asset Management Real Estate business division was lower than the figure for the first half of 2024 (€64.3m). Asset management net sales came to €-0.2bn (H1 2024: €0.4bn). With continued positive investment performance, the business division's asset management volume amounted to €54.9bn, compared with €55.2bn at year-end 2024.

Net sales and volume

At €-0.2bn, asset management net sales failed to match the previous year's figure (€0.4bn). Net sales to private customers fell significantly. The gross sales of over €1bn were set against an increased redemption volume; net sales were nevertheless positive. Net sales to institutional customers were negative again in the first half of 2025 (€-0.3bn), partly due to investor restraint. Mutual property funds saw net redemptions, albeit at a low level (H1 2024: net sales of €0.4bn).

Net sales of the funds directly managed by Deka Immobilien Investment GmbH for private investors remained positive at €0.1bn (H1 2024: €0.4bn). The Europe-focused WestInvest InterSelect, Deka-ImmobilienGlobal and Deka-ImmobilienMetropolen showed a positive sales performance.

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

	1 st half 2025	1 st half 2024
Asset management net sales	-181	401
by customer segment		
Private customers	145	510
Institutional customers	-326	-109
by product category		
Mutual property funds	-42	400
Special funds, individual property funds and mandates	-139	1

Despite distributions of €0.7bn, the volume in the Asset Management Real Estate business division remained stable compared with the end of 2024 at €54.9bn (year-end 2024: €55.2bn). Euro-denominated mutual property funds achieved an average volume-weighted return of 2.1% (year-end 2024: 2.1%).

The slow recovery of national and international property markets enabled a year-on-year increase in transaction volume in the first half of 2025 to €1.2bn (H1 2024: €0.5bn). There were four contractually secured property purchases and nine 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 2025	31 Dec 2024	Change	
Asset management volume	54,873	55,151	-278	-0.5%
by customer segment				
Private customers	38,944	39,047	-103	-0.3%
Institutional customers	15,930	16,104	-174	-1.1%
by product category				
Mutual property funds	43,158	43,467	-309	-0.7%
Special funds, individual property funds and mandates	11,715	11,684	31	0.3%

Profit performance in the Asset Management Real Estate business division

The economic result in the Asset Management Real Estate business division stood at €51.5m in the first half of 2025, compared with €64.3m in the prior-year period. Income remained slightly below the prior-year figure. In particular, purchasing and construction fees, which lag behind new contracts, were lower than in the first half of 2024. Expenses rose noticeably 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 €8.3m compared with €9.1m in the prior-year period.

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

	1 st half 2025	1 st half 2024	Change	
Net interest income	-0.3	-0.9	0.6	63.6%
Net commission income	137.6	139.8	-2.2	-1.6%
Net financial income	0.3	2.0	-1.8	-87.5%
Other operating profit	2.3	1.8	0.5	26.6%
Total income	139.8	142.6	-2.9	-2.0%
Administrative expenses (including depreciation and amortisation)	96.6	87.5	9.2	10.5%
Total expenses	96.6	87.5	9.2	10.5%
Economic result before income distribution of Treasury-function	43.1	55.1	-12.0	-21.8%
Income distribution of Treasury function	8.3	9.1	-0.8	-8.5%
Economic result	51.5	64.3	-12.8	-19.9%

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

The economic result as of the end of June 2025 was €-10.6m (H1 2024: €10.1m). Investments to future-proof the business model were one of the main reasons for the drop in this figure. The number of securities accounts in Digital Multichannel Management increased by around 150,000 to 5.9 million as at the halfway point of the year. Assets under custody grew to €224.8bn due to market conditions. Assets under custody in the Depository subdivision also saw a market-induced rise of around 4% versus the end of 2024 and came to €339.0bn.

Business development in the Asset Management Services business division

The number of custody accounts for which the division is the legal provider stood at 5.9 million at mid-year (year-end 2024: 5.7 million) and the number of securities transactions came to 88.2 million (H1 2024: 69.5 million). This continued to be driven by the sales figures for savings plans, with around 287,000 additional savings plans in the first half of 2025. Due to market developments in the first half of 2025, assets under custody in the Digital Multichannel Management subdivision rose to €224.8bn (year-end 2024: €218.1bn).

S Broker, the Deka Group's online broker, manages around 207,000 custody accounts (year-end 2024: around 203,000) with an investment volume of €19.8 bn. This meant that the investment volume was 7.0% higher than at the end of 2024.

As of mid-year, the robo-advisory service provided by bevestor GmbH has been integrated into the sales of 327 savings banks as part of a cooperation model (year-end 2024: 337). The decline in the number of users is due to mergers in the savings bank sector. As of mid-2025, bevestor GmbH had arranged an investment volume of €634.8m (year-end 2024: €506.0m) and managed around 181,000 customer custody accounts. At year-end 2024, the number of customer custody accounts was approximately 138,000.

Assets under custody rose in line with the development in asset management to €339.0bn (year-end 2024: €327.4bn). 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 division was €–10.6m in the first half of 2025 (H1 2024: €10.1m). Net commission income remained the main component of income. It rose to €125.0m (H1 2024: €113.8m) due to the increase in assets under custody and in the number of transactions via S Broker. At €158.5m, expenses were higher than in the first half of 2024 (€128.3m), particularly due to a rise in project, administrative and personnel expenses. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €12.4m, compared with €16.0m in the prior-year period.

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

	1 st half 2025	1 st half 2024	Change	
Net interest income	5.4	4.9	0.5	10.2%
Net commission income	125.0	113.8	11.2	9.9%
Net financial income	2.1	1.2	1.0	83.7%
Other operating profit	3.0	2.6	0.3	13.0%
Total income	135.5	122.5	13.0	10.6%
Administrative expenses (including depreciation and amortisation)	158.5	128.3	30.2	23.5%
Total expenses	158.5	128.3	30.2	23.5%
Economic result before income distribution of Treasury-function	-23.0	-5.9	-17.2	-293.1%
Income distribution of Treasury function	12.4	16.0	-3.6	-22.4%
Economic result	-10.6	10.1	-20.8	-205.1%

Business development and profit performance in the Capital Markets business division

At €155.4m, the economic result reported by the Capital Markets business division was down on the previous year's high figure of €204.7m. The Capital Markets business division continues to fulfil its role as the Deka Group's product, solution and infrastructure provider. It is supported in this by the DEA and finledger platforms.

Business development in the Capital Markets business division

The largest subdivision, Trading & Structuring, benefited particularly from good certificates business in the first half of 2025.

Gross sales of certificates stood at €9.1bn, compared with €8.3bn at the end of June 2024. As in the previous year, private customers accounted for the lion's share of demand. Deka certificates accounted for 61.8% of gross certificate sales in the first half of 2025 (H1 2024: 70.5%).

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

	1 st half 2025	1 st half 2024
Gross sales	9,127	8,340
by customer segment		
Private customers	8,630	7,956
Institutional customers	497	384
by issuer		
Deka certificates	5,640	5,878
Cooperation certificates	3,486	2,462

The volume of Deka certificates reported in the balance sheet amounted to €22.2bn (year-end 2024: €21.7bn).

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

	30 Jun 2025	31 Dec 2024	Change	
Deka certificate volume	22,166	21,724	442	2.0%
by customer segment				
Private customers	17,969	17,397	571	3.3%
Institutional customers	4,197	4,326	-129	-3.0%

The Collateral Trading & Currency subdivision remains well positioned in the repo/lending business. The volume traded in the first half of 2025 exceeded the prior-year level.

In terms of income, the Commission Business subdivision achieved a year-on-year increase in its turnover in business with shares, bonds, exchange-traded derivatives and supplementary services in a still challenging market environment.

Profit performance in the Capital Markets business division

The business division achieved an economic result of €155.4m, which compared with €204.7m in the same period of the previous year. Due to higher volumes in bond trading and commission business, net commission income was up on the figure for the first half of 2024. Net financial income came to €188.7m, compared with €211.1m in the prior-year period. The earnings contribution from Trading & Structuring remained a key component, not least due to the demand for certificates. Derivatives trading also benefited from this but was down overall in a year-on-year comparison. Expenses increased to €118.5m (H1 2024: €104.2m), primarily due to higher project, personnel and administrative expenses. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €55.1m, compared with €71.1m in the prior-year period.

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

	1 st half 2025	1 st half 2024	Change	
Net interest income	0.1	0.9	-0.8	-91.3%
Net commission income	27.6	24.1	3.5	14.6%
Net financial income	188.7	211.1	-22.4	-10.6%
Other operating profit	2.4	1.7	0.7	37.8%
Total income	218.8	237.9	-19.1	-8.0%
Administrative expenses (including depreciation and amortisation)	118.5	104.2	14.3	13.7%
Total expenses	118.5	104.2	14.3	13.7%
Economic result before income distribution of Treasury-function	100.3	133.6	-33.3	-25.0%
Income distribution of Treasury function	55.1	71.1	-16.0	-22.5%
Economic result	155.4	204.7	-49.3	-24.1%

Business development and profit performance in the Financing business division

In the first half of 2025, the Financing business division achieved an economic result of €49.2m (H1 2024: €97.3m). Gross loan volume in the division posted a fall of 6.3% versus year-end 2024 to €24.1bn 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 €24.1bn was attributable to specialised financing. This was unchanged from year-end 2024 (€25.7bn). The proportion of real estate financing was unchanged at around 40%.

The new business volume in the Financing business division amounted to €1.3bn at the end of the first half of 2025 (H1 2024: €1.1bn). As in the prior-year period, new business in the Specialised Financing subdivision came to €0.6bn. At €0.7bn, the Real Estate Financing subdivision slightly exceeded the previous year's figure (€0.6bn). Loans to savings banks accounted for 7% of the total new business (H1 2024: 11%).

The total volume of placements increased along with new business and stood at €0.3bn, compared with €0.2bn at the mid-point of 2024. The majority of this total was placed within the *Sparkassen-Finanzgruppe*.

Repayments of around €1.8bn (H1 2024: around €2.1bn) were the main factor reducing the portfolio.

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

	30 Jun 2025	31 Dec 2024	Change
Infrastructure financing	3.5	3.5	-0.4%
Renewable energies	0.9	1.0	-5.3%
Transport financing	2.4	2.9	-17.6%
Aviation	1.3	1.6	-19.0%
Shipping	1.0	1.2	-17.3%
Export financing	0.6	0.8	-21.3%
Public sector financing	3.0	3.0	2.0%
Savings bank financing	4.2	4.4	-4.7%
Total	13.8	14.7	-5.8%

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

	30 Jun 2025	31 Dec 2024	Change
Commercial real estate financing	7.4	8.0	-7.0%
Financing of open-ended real estate funds	2.8	3.0	-7.0%
Total	10.2	11.0	-7.0%

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 (€3.8bn) and North America (€3.6bn). At year-end 2024, the figures were €3.9bn in Europe and €4.1bn in North America. Office properties were the main use type in commercial real estate financing with a share of 77.1% (year-end 2024: 78.1%). Retail property financing accounted for 6.0% (year-end 2024: 6.6%) and hotel financing for 3.7% (year-end 2024: 3.8%) 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 the mid-point of 2025, the loan portfolio as a whole had an average rating of 7 according to the DSGV master scale (year-end 2024: 8). This corresponds to a rating of BB on S&P's external rating scale, unchanged from year-end 2024. The average rating for Specialised Financing improved by one notch compared with year-end 2024 (DSGV master scale: 7, S&P: BB) and stood at 6 (S&P: BB+). The rating for Real Estate Financing also improved by one notch compared with the end of 2024, from 9 to 8 (S&P: from BB- to BB). Taking account of collateralised assets, the average rating for Real Estate Financing according to the DSGV master scale was 3 (S&P: BBB) and has improved by one notch since the end of 2024 (DSGV master scale: 4, S&P: BBB-).

Profit performance in the Financing business division

In the first half of 2025, the Financing business division achieved an economic result of €49.2m (H1 2024: €97.3m). Net interest income remained level year on year, despite a slightly smaller loan portfolio. There was a net allocation to risk provisions of €18.3m in the first half of 2025 (H1 2024: €4.2m). The recognition of specific provisions, primarily in real estate financing, was partly offset by a positive net effect from the change in post-model adjustments for borrowers in the real estate segment. Expenses increased slightly year on year to €40.7m, particularly due to higher personnel and project expenses. There was a positive earnings contribution from the income distribution of the Treasury function, which amounted to €37.8m, compared with €64.8m in the prior-year period.

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

	1 st half 2025	1 st half 2024	Change	
Net interest income	65.6	65.9	-0.3	-0.4%
Risk provisions in the lending and securities business	-18.3	-4.2	-14.1	(< -300%)
Net commission income	6.3	7.4	-1.2	-15.8%
Net financial income	-2.1	1.6	-3.8	-230.9%
Other operating profit	0.6	0.5	0.1	16.1%
Total income	52.0	71.3	-19.3	-27.0%
Administrative expenses (including depreciation and amortisation)	40.7	38.7	1.9	4.9%
Total expenses	40.7	38.7	1.9	4.9%
Economic result before income distribution of Treasury-function	11.4	32.6	-21.2	-65.0%
Income distribution of Treasury function	37.8	64.8	-27.0	-41.6%
Economic result	49.2	97.3	-48.1	-49.5%

Financial position of the Deka Group

Changes in the Deka Group balance sheet

The Deka Group's total assets increased by 3.4% as against the end of 2024 to €96.1bn (year-end 2024: €92.9bn). This was mainly due to a customer-induced increase in deposits and money market transactions, which led both to an increased use of the deposit facility with Deutsche Bundesbank and to an expansion of the liquidity management portfolio.

Amounts due from banks and customers rose by a total of €1.3bn in the period under review to reach €56.4bn. The increase was due in particular to an increased investment of balances (overnight deposits) with Deutsche Bundesbank in the form of a deposit facility, which are reported as amounts due from banks on demand. There was an increase of €0.7bn in financial assets at fair value, taking them to €22.0bn. Financial investments stood at €14.9bn, slightly exceeding the year-end 2024 figure (€14.1bn). This was due to increased securities holdings, primarily as a result of purchases in the liquidity management portfolio.

Amounts due to banks and customers saw an overall rise of €4.8bn, taking the total to €44.0bn. This movement resulted mainly from higher customer deposits and transactions. Securitised liabilities declined by €1.3bn in the reporting period to €15.5bn. This was due to expiring transactions in commercial paper in the first half of 2025. Financial liabilities at fair value were stable at €26.5bn (year-end 2024: €26.4bn).

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

	30 Jun 2025	31 Dec 2024	Change	
Total assets	96,063	92,917	3,146	3.4%
Selected asset items				
Due from banks and customers	56,401	55,144	1,257	2.3%
Financial assets at fair value	22,018	21,272	746	3.5%
Financial investments	14,932	14,097	835	5.9%
Selected liability items				
Due to banks and customers	44,032	39,267	4,765	12.1%
Securitised liabilities	15,542	16,885	-1,343	-8.0%
Financial liabilities at fair value	26,472	26,397	75	0.3%



Capital and liquidity adequacy

Full details of capital and liquidity adequacy in the first half of 2025 are provided in the risk report.

See also:
Risk report:
page 34 ff.

Ratings

DekaBank's ratings remained among the best in its peer group of German commercial banks at the 2025 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 (stable) 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 (stable) 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

In April 2025, S&P increased DekaBank's issuer rating from A to A+. The issuance ratings were also increased by one notch. The outlook following the rating upgrade is stable. S&P affirmed DekaBank's A-1 short-term rating. The upgrade is based on a re-evaluation of the German savings bank sector's financial strength. S&P anticipates that the sector will remain resilient even in an uncertain economic environment thanks to its robust balance sheet, improved earnings capacity and strengthened institutional guarantee system. The financial strength and strategic importance of DekaBank as the central investment services provider to the savings bank sector also contributed to this assessment.

The ratings issued by Moody's have remained unchanged so far in 2025.

Human resources report

The Deka Group employed a total of 5,855 people as of 30 June 2025 (year-end 2024: 5,727). 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 5,065, the number of earnings-relevant full-time equivalents was slightly higher than at the end of 2024 (4,971). 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.

Further key indicators and information regarding sustainable HR management can be found in the sustainability report as at 31 December 2024.



See also:
Sustainability
report in the
Annual
Report 2024

Forecast report

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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 2025 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 2025 financial year. Conversely, opportunities may result in expectations being exceeded. The Deka Group's opportunities are presented in the opportunities report in the 2024 Annual Report; there have been no significant changes as of mid-year 2025.

If the war in Ukraine or the conflict in the Middle East worsen further and spread to other countries in the region, or if there is an escalation in other geopolitical tensions, this may be reflected in damage to economic growth and capital markets in the second half of 2025. There is potential for setbacks in the equity and bond markets if further risks materialise from the trade policy of the US government or from rising government debt in many industrialised countries. 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

Following the extreme economic swings of the COVID-19 pandemic, the global economy has been expanding more or less steadily since 2023 at a new normal growth rate of around 3%. Global gross domestic product is expected to expand by 2.8% in 2025. Despite this stable momentum, the world economy is likely to enter a soft patch in the second half of the year. Particularly in the United States, a slowdown is expected if companies pass on the tariff burden to their customers. However, this will not apply in Europe, where fiscal policy and public investment (not least in Germany) will contribute to better growth in relative terms.

Structural upheaval is another factor shaping economies. The transition to net zero, the digital transformation and demographic change require large-scale investment to boost productivity. At the same time, the competition between the major economic blocs of America, Europe and Asia is challenging established business models. Only in the medium and long term will the positive effects of structural change prevail.

Expected sector-related conditions

Lower energy commodity prices and the appreciation of the euro are likely to push average eurozone inflation just below the 2% target in the second half of the year. However, these effects will be temporary, with the longer-term inflation outlook hinging more on domestic factors. Flattening wage growth means that further falls in inflation can be anticipated particularly in the service sector. Wage rises have now largely offset the loss of purchasing power in recent years and are therefore likely to be more moderate in future. Nevertheless, the low unemployment rates and the shortage of labour should continue to propel slight real wage growth and prevent any lasting fall in inflation to below 2%. The issue of tariffs dominates the inflation outlook for the United States in the second half of the year. Although import tariffs have only moderately fed through to consumers so far, inflation could quickly rise. This effect, too, is likely to be temporary, however. Companies will face resistance to sharp price hikes in a weaker economic environment, which should limit any second-round effects.

At its June meeting and in the subsequent commentaries, the ECB signalled that it regarded monetary policy normalisation as largely completed. This followed a cumulative key interest rate cut of 200 basis points since June 2024. At the same time, however, a number of Council members also emphasised the possibility of a further easing in the event that the stronger euro or trade disruption due to US tariffs increase downside risks to inflation. Market expectations of a further 25-basis-point cut in the deposit rate before the end of the year seem realistic in this context. A further easing into unequivocally expansionary territory, by contrast, is only likely if the labour market noticeably worsens and dampens domestically generated inflation. The ECB is set to continue reducing its balance sheet by not reinvesting the principal from maturing bonds. The resulting decline in surplus reserves in the banking system is unlikely to elicit a significant reaction on money markets. Having left key interest rates unchanged throughout the first half of 2025, the US Federal Reserve can be expected to resume its monetary policy normalisation in the foreseeable future if the labour market cools and the inflationary impacts of import tariffs remain moderate.

The changes in US tariff policy and the rising government debt in many regions triggered sharp price volatility and a steepening of yield curves in the first half of 2025, particularly at the long end. The same issues are also set to dominate the second half of the year on bond markets. At the long end of the yield curve, the lack of budget discipline and the unpredictability of policy under Donald Trump are likely to keep term premiums elevated in the United States. However, governments in Europe too, and especially in Germany, now need to finance the fiscal packages they have promised. While the volumes involved are already known, it remains to be seen how well the capital market absorbs them.

Even though no substantial changes in the level of long-term bond yields are expected in the second half of the year, persistently high volatility is likely, especially at the long end of the yield curve. With the ECB seeing itself near the end of the rate-cutting cycle at a deposit rate of 2%, only minor fluctuation is expected at the short end of the Bund curve. Compared with other eurozone sovereign bonds, Bund spreads are likely to widen somewhat further given Germany's increasing government debt. A similar scenario can be assumed for French sovereign bonds if another government crisis manifests itself there. Despite considerable uncertainty, corporate bond spreads remain low, supported by the global trend for falling key interest rates. As these expectations are already largely priced in, there is little prospect of additional performance from falling spreads and yields. Nevertheless, the ongoing returns continue to offer attractive investment opportunities.

Businesses and economies have performed better than expected amid the trade uncertainty of 2025. Large companies have demonstrated their resilience by reporting surprisingly positive results for the first half of the year. The global economic environment, too, is fairly robust at present and offers a basis for moderate profit growth. After sharp downward revisions since the beginning of the year, analysts are now adjusting their profit expectations upwards. However, not only are the impacts of tariffs on companies' business activities still uncertain, but fears of US intervention in capital flows could also reignite. Stock prices will therefore likely be prone to volatility in the coming months, though this should not be a threat to the generally positive trend. The strong performance of European equity markets relative to their US counterparts is set to continue and increasingly extend to small and mid caps. While European markets, too, are now valued slightly higher than their long-term averages, the absolute valuation levels remain unproblematic and the discounts relative to US stocks very large. The argument is even more compelling for European small and mid caps. The unpredictability of US policy, encouraging capital flows to gradually migrate to Europe, also points to a sustained outperformance of European equity markets. Even slight changes in allocation are likely to provide a strong underpinning for share prices in Europe in the second half of 2025.

Real estate asset management remains an appealing asset class. The construction cycle on office property markets peaked in 2024. As new construction activity will decline considerably this year and next, especially in Germany, excess demand for prime properties priced in line with the market is expected to emerge in the medium term. 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 should also revive the office investment market. DekaBank expects a largely sideways trend in initial yields.

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 customer-centric, innovative and sustainable *Wertpapierhaus* for the *Sparkassen-Finanzgruppe*.

Uncertainty will remain high in the second half of 2025, particularly due to geopolitical tensions and conflicts such as the war in Ukraine or the Middle East conflict. An escalation or regional spread could have repercussions for growth and capital markets. US trade policy and the rising government debt in many industrialised countries create the potential for setbacks in equity and bond markets. Overall, there remains the risk that the earnings, risk and capital situation, as well as the key management indicators, may develop less favourably than expected.

In view of the geopolitical tensions and conflicts and the challenging economic conditions, the impacts of which are scarcely possible to fully predict, the 2024 Group management report forecast an economic result of approximately €800m for 2025 as a whole. This forecast is confirmed at the mid-way point of 2025.

The Deka Group continues to operate in a growing market with the aim of realising potential income with an attractive cost/income ratio. The forecast cost/income ratio of around 60% remains unchanged. For financial year 2025, the Deka Group continues to aim for a return on equity before tax (balance sheet) of around 12%.

Sales activities will focus in particular on further expanding the investment fund business. The certificates business is expected to make another significant contribution to total sales. Deka is also maintaining its forecast for total sales and the asset management volume. Total sales of around €35bn are expected for 2025 with a slight increase in the asset management volume compared with the end of 2024.

The Asset Management Securities business division will maintain its proven strategic direction in the second half of 2025 and focus on providing and enhancing digital, highly performing processes, services and products. Deka's product range for private customers is being adapted to reflect the market environment and customer needs. It continues to focus on funds designed to maintain lasting value, multi-asset-class fund solutions, regular savings, retirement provision and digital multichannel sales. The business division is driving further development in institutional sales and continuously analysing the use of blockchain technologies in asset management. It still expects to report a year-on-year increase in net sales at year-end 2025 as well as a slight increase in the asset management volume.

Risks may arise from global political and geopolitical conflicts, trade disputes and changes in supply chains and energy prices, potentially resulting in volatile economic conditions and impacts on corporate profitability. Political uncertainty and weak growth with restrictive monetary policy could have an adverse impact on securities markets and investment fund business. 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. A pronounced stock market correction could also negatively affect the asset management volume.

The Asset Management Real Estate business division's mission remains to provide the savings banks with high-quality real estate- and real estate financing-based investment products with sustainable features. These products are suitable for both customer business and proprietary investment activities. Portfolio and property risk management will be continuously developed. In open-ended real estate funds for private customers, the business division plans to build on its leading market position without compromising on quality or stability. In the institutional business, it is seeking to at least maintain its market position despite investment restraint among customers. For private customers, gross sales for 2025 are expected to be in line with redemptions, resulting in neutral net sales. Net sales to institutional customers, however, are expected to be negative. The business division expects the asset management volume at year-end 2025 to be on a level with the previous year. It continues to anticipate a transaction volume below the multi-year average again in the second half of 2025.

Risks to the performance of the Asset Management Real Estate business division may arise from global geopolitical conflicts, trade disputes and the consequences of these events. Risks may also arise from the negative media coverage around real estate funds in relation to the legal dispute involving a third-party real estate capital management company and the use of the summary risk indicator (SRI). Sales risks also arise from competition with alternative sources of return, potential spillover risks in the event of industry upheaval and the risks from the continued high regulatory pressure.

The Asset Management Services business division is still aiming to increase assets under custody in 2025 in line with asset management growth. The Digital Multichannel Management subdivision is focusing on efficiency gains from integrating physical branches and other sales channels for the securities products offered by the savings banks. Innovative services such as the brokerage app from S Broker, digital asset management and S-Invest Manager are designed to safeguard savings banks' access to their end customers. The Depository subdivision's aim remains to establish a strong competitive position and grow the volume of assets under custody in its business involving mutual and special funds, third-party mandates and investment managers, focusing on developing a comprehensive asset servicing solution. It will continue to pursue a holistic approach to asset servicing by improving connectivity with external asset managers and investment management companies and making settlement routines more flexible. Custody of crypto securities is being developed as part of the Group-wide digitalisation activities.

There are risks to Digital Multichannel Management from a stagnation of sales due to potential delays in enhancing the product offering for the sales channels. In the custody account business, disruption to product development could also have a knock-on effect on custody account sales. Risks to the Depository subdivision include rising pressure on margins as well as market-induced outflows of assets under custody. A pronounced stock market correction triggered by wars and trade conflicts may adversely affect assets under custody and thus the income achievable in the Depository subdivision.

In 2025, the Capital Markets business division is maintaining its proven strategic direction as a customer-centric product and solution provider focused on structured products and the derivatives, issuance and trading business. By expanding platforms such as DEA and integrating them into the savings banks' IT landscape, it will continue to help savings banks and institutional customers manage their proprietary portfolios. This will be complemented by products and services with an ESG focus such as green bonds, certificates with sustainability features and instruments for carbon offsetting. In certificates business, gross sales are not expected to match the 2024 level.

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

For its business activities in 2025, the Financing business division will continue to concentrate on its well-established segments: specialised financing and real estate financing in liquid markets. It will generate new business where this contributes both to its objectives and to appropriate management of the balance sheet structure. The business division will maintain its stability-focused and risk-conscious strategy, with the loan portfolio to remain largely stable in the course of 2025.

Risks for the Financing business division may arise from global geopolitical and trade 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 are associated with specific creditworthiness risks relating to borrowers, which could adversely affect the economic outlook for the lending segments. This could also lead to a need for higher loan loss provisions, or to increased capital adequacy requirements. A worsening of 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 expectation is for total assets of around €90bn at year-end 2025.

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 2025. 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

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Risk policy and strategy



See also:
Risk report
in the Annual
Report 2024

The basic principles underlying the Deka Group's risk policy remain largely unchanged from those described in the Group management report for 2024. 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 is key to the Deka Group sustainably achieving the business policy objectives set out in its business strategy.

Developments in risk management

CRR III applies starting from 2025. The Deka Group's own funds are reported with and without transitional provisions. Application of CRR III results in the following material effects: The use of lower regulatory standard LGD values frees up capital and reduces RWAs for real estate financing and specialised financing. At the same time, a new standardised approach for operational risk, calculated based on defined income components, leads to an increase in RWAs. The introduction of an output floor also increases RWAs by resulting in additional credit risk RWAs under the standardised approach. Market price risk under the new FRTB (Fundamental Review of the Trading Book) standardised approach is also included in the output floor calculation. When the FRTB capital requirements regime comes into force, the new standardised approach will also replace the internal market risk model.

Given the introduction of the new Standardised Measurement Approach (SMA) as the new method for calculating operational risk capital, the previous quantification model, approved as an Advanced Measurement Approach (AMA), has been refined for use as a pure Pillar 2 model. Various methodological refinements were developed in this context and implemented as of 31 March 2025. These refinements aim to develop the scenario analyses on the ex-ante side directly on the basis of the qualitative NFR assessments and to continue to ensure conservative treatment of the observed operational loss profile in the ex-post perspective.

To further synchronise management between the ICAAP and ILAAP, an amber threshold was introduced for the liquidity balances in the macroeconomic stress scenarios for the economic perspective of the ILAAP as of 31 March 2025.

For ESG risks, a systematic, risk type-specific identification and measurement of the material risk types, which is performed at regular intervals, was initiated in the first half of 2025. 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 (EBA guidelines on the management of ESG risks), the approaches used continue to constantly evolve.

Capital adequacy in the first half of 2025

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 exposure (value-at-risk, VaR; confidence level 99.9%; holding period of one year) stood at €2,618m at the end of the first half of the year. As such, it showed a slight increase relative to the position at the end of 2024 (€2,601m). The increase in counterparty risk, operational risk and business and investment risk was partly offset by lower market price risk.

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

	30 Jun 2025	31 Dec 2024	Change	
Counterparty risk	1,115	1,029	86	8.3%
Investment risk	30	28	2	7.0%
Market price risk	720	810	-90	-11.1%
Operational risk	485	478	8	1.6%
Business risk	267	256	11	4.4%
Total risk	2,618	2,601	17	0.6%

Over the same period, risk capacity rose to €6,381m (year-end 2024: €6,117m). This increase was driven primarily by the positive development of income components. The utilisation of risk capacity was down as against the end of 2024 (42.5%) to 41.0%, meaning that it remains at a non-critical level.

The risk appetite of €4,500m (unchanged since the end of 2024) was 58.2% utilised as at 30 June 2025 (year-end 2024: 57.8%). This utilisation ratio was therefore also at a non-critical level.

Normative perspective (current situation)

CRR III has entered into force starting from 2025. The Deka Group's own funds are reported with and without transitional provisions. No retrospective disclosure is provided for the new requirements, as this is not stipulated by the CRR.

Alongside credit risk, market risk and operational risk, the credit valuation adjustment (CVA) risk is also taken into account. Settlement risk is not shown separately here as it is of minor significance. Instead, it is included in counterparty risk.

At €6,102m, Common Equity Tier 1 capital was virtually unchanged from the end of 2024 (€6,104m). In accordance with Article 26 (2) CRR, the year-end profit for 2024 less foreseeable charges and dividends was recognised in Common Equity Tier 1 capital as at the end of 2024 (dynamic approach).

Additional Tier 1 capital was also unchanged as against year-end 2024. Tier 2 capital at the reporting date amounted to €711m (year-end 2024: €746m). The main reason for the decline was the recognition of subordinated liabilities in the five years before their maturity.

The Deka Group's regulatory own funds as of 30 June 2025 stood at €7,412m (year-end 2024: €7,448m).

RWAs in accordance with CRR III (without transitional provisions) stood at €30,614m as at 30 June 2025, compared with €30,814m at year-end 2024 under CRR II. Credit risk declined by €3,550m to €15,662m. This was mainly attributable to the application of CRR III, which involves lower regulatory standard LGD values particularly for real estate financing and specialised financing. Rating upgrades and a lower volume of real estate financing and specialised financing also had a positive impact. Market risk rose by €783m to €6,041m. The increase resulted primarily from higher general interest rate and share price risks. At €7,322m, RWAs for operational risk increased by €1,352m due to the application of the new standardised approach under CRR III. The CVA risk amounted to €407m and was thus slightly higher than at year-end 2024 (€375m). This was attributable to the use of the basic approach under CRR III. Output floor RWAs, based on 72.5% of standardised RWAs, came to €1,183m at the reporting date.

The table below shows the development in capital components, RWAs and capital ratios:

Deka Group own funds in €m (Fig. 22)

	30 Jun 2025		31 Dec 2024
	CRR III (without transitional provisions)	CRR III (with transitional provisions)	CRR II
Common Equity Tier 1 (CET 1) capital	6,102	6,102	6,104
Additional Tier 1 (AT 1) capital	599	599	599
Tier 1 capital	6,701	6,701	6,702
Tier 2 (T2) capital	711	711	746
Own funds	7,412	7,412	7,448
Credit risk	15,662	15,196	19,212
Market risk	6,041	6,041	5,257
Operational risk	7,322	7,322	5,969
CVA risk	407	407	375
Output Floor-RWA	1,183	–	–
Risk-weighted assets	30,614	28,965	30,814
%			
Common Equity Tier 1 capital ratio	19.9	21.1	19.8
Tier 1 capital ratio	21.9	23.1	21.7
Total capital ratio	24.2	25.6	24.2

Taking account of the requirements of the SREP, DekaBank had to comply at Group level with the following regulatory minimum capital requirements:

Regulatory minimum capital requirement as at 30 June 2025 (Fig. 23)

	Common Equity Tier 1 capital ratio	Tier 1 capital ratio	Total capital ratio
Regulatory minimum requirement (Art. 92(1) CRR)	4.5%	6.0%	8.0%
Additional requirements in accordance with SREP (P2R)	0.84%	1.13%	1.50%
	5.34%	7.13%	9.50%
Capital conservation buffer (Section 10c KWG)	2.50%	2.50%	2.50%
Countercyclical capital buffer (Section 10d KWG)	0.74%	0.74%	0.74%
Capital buffer for systemic risks (Section 10e KWG)	0.08%	0.08%	0.08%
Capital buffer for other system relevance (Section 10g KWG)	0.25%	0.25%	0.25%
Total requirement	8.91%	10.69%	13.07%

The total requirement for the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio and the total capital ratio was significantly exceeded at all times both with and without transitional provisions. The SREP Pillar 2 requirements (P2R) remain unchanged for 2025.

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 7.5% as at 30 June 2025 (year-end 2024: 8.2%). The decline was due to an increased leverage ratio exposure combined with minimally 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 regulatory requirements. The total of own funds and MREL-eligible liabilities is expressed in relation to RWAs and LRE. Both ratios are shown without transitional provisions. As at the reporting date, the MREL ratio in line with the RWA-based approach amounted to 54.4% (year-end 2024: 53.2%), while the figure under the LRE-based approach came to 18.7% (year-end 2024: 20.0%). Both ratios were well above the applicable minimum ratios. As at 30 June 2025, own funds and MREL-eligible liabilities came to €16.7bn (year-end 2024: €16.4bn). As of the reporting date, this figure was composed of own funds of €7.4bn, senior non-preferred issues of €4.8bn, senior preferred issues of €5.0bn and unsecured subordinated liabilities of €0.1bn. 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 regulatory requirements. The total of own funds and all subordinated liabilities eligible based on statutory requirements is expressed in relation to RWAs and LRE. Both ratios are shown without transitional provisions. The repurchases recently approved by the SRB in accordance with the CRR were deducted for the calculation of the subordinated MREL requirements. At the reporting date, the subordinated MREL requirements in line with the RWA-based approach came to 38.1% (year-end 2024: 37.5%), while the figure under the LRE-based approach was 13.1% (year-end 2024: 14.1%). 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. The same applies to the results of the climate scenarios calculated as at the 30 June 2025 reporting date.

Liquidity adequacy in the first half of 2025

The Deka Group had sufficient liquidity, measured using the liquidity balances and normative indicators, throughout the first half of 2025. 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 2025, 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 €8.7bn (year-end 2024: €6.7bn). In the maturity range of up to one month, the liquidity surplus totalled €11.2bn (end of 2024: €11.7bn), and in the medium-term range (three months) it was €14.6bn (year-end 2024: €10.7bn).

In relation to the net cash flows of approximately €–9.4bn on day 1, the Deka Group has a high liquidity potential (around €17.9bn) 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 2025 €m (Fig. 24)

	D1	>D1 to D5	>D5 to 1M	>1M to 3M	>3M to 12M	>12M to 5Y	>5Y to 20Y	>20Y
Liquidity potential (accumulated)	17,915	17,003	16,669	12,827	1,210	–487	–126	–2
Net cash flows from derivatives (accumulated) ¹⁾	–155	143	1,360	2,802	4,638	6,150	5,928	5,923
Net cash flows from other products (accumulated)	–9,236	–8,495	–6,823	–1,017	10,196	7,626	–761	–5,759
Liquidity balance (accumulated)	8,524	8,651	11,206	14,612	16,044	13,289	5,042	163
For information purposes:								
Net cash flows from derivatives by legal maturity (accumulated) ¹⁾	–155	–129	–192	–84	340	1,589	2,776	6,146
Net cash flows from other products by legal maturity (accumulated)	–25,768	–24,811	–24,892	–25,006	–24,833	–9,432	–7,320	–5,757
Net cash flows by legal maturity (accumulated)	–25,924	–24,939	–25,084	–25,090	–24,493	–7,843	–4,544	389

¹⁾ Including lending substitute transactions and issued CLNs

As at 30 June 2025, 58.7% (year-end 2024: 56.8%) of total refinancing related to repo transactions, daily and time deposits and other money market products. 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 2025 stood at 212.5% (year-end 2024: 192.0%). The increase in the LCR at Deka Group level compared with 31 December 2024 resulted from a significant increase in holdings of high-quality, liquid assets combined with virtually unchanged net cash outflows. The average during the first half of 2025 was 177.7% (average for the first half of 2024: 161.1%). The LCR fluctuated within a range from 158.1% to 212.5%. It was thus always significantly above the applicable minimum limit of 100%.

The NSFR came to 130.6% at the end of June (year-end 2024: 117.9%) and was thus above the minimum 100% required. Available stable funding increased, while required stable funding decreased.

Both perspectives (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 liquidity adequacy.

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, increased slightly in the first half of 2025 to €1,115m (year-end 2024: €1,029m). The development of risk was mainly attributable to an increase in exposures and slightly increased migration risks. Risk capital allocated to counterparty risk stood at €1,535m (year-end 2024: €1,535m) and was 72.6% utilised (year-end 2024: 67.1%). 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, as with the overall portfolio, was an increase in absolute terms compared with the end of 2024 to €195m (year-end 2024: €179m). The relative share of the cluster portfolio in the overall portfolio has thus risen only slightly from 17% to 18%. Risk concentration remained in line with the Deka Group's credit risk strategy.

Gross loan volume increased by 6.4% as against the end of 2024 (€126.2bn) to reach €134.3bn. The overall increase of €8.0bn compared with year-end 2024 was based primarily on increased volumes in the state-affiliated and supranational institutions, other financial institutions and commercial banks risk segments. In the case of the state-affiliated and supranational institutions risk segment, the increase in gross loan volume was mainly attributable to increased deposits with Deutsche Bundesbank. The increases in the commercial banks and other financial institutions risk segments resulted primarily from an increased repo lending volume. The lending business volume (especially in the real estate and transport sector risk segments) was down on the figure for year-end 2024. The share of gross loan volume attributable to the shipping risk sub-segment fell slightly to 0.8% (year-end 2024: 1.0%). The share of the aviation risk sub-segment stood at 1.2% (year-end 2024: 1.6%). Real estate financing (excluding real estate funds) accounted for 5.5% of gross loan volume at the end of June 2025 (year-end 2024: 6.3%).

Gross loan volume in €m (Fig. 25)

	30 Jun 2025	31 Dec 2024
Commercial banks	29,758	28,247
Other financial institutions	30,434	26,723
Savings banks	8,770	9,110
Insurance companies	1,320	1,264
Industrial sector	5,966	6,096
Service sector	2,489	2,667
Public sector	9,764	9,338
State-affiliated and supranational institutions	12,778	8,714
Transport sector	2,923	3,433
Renewable energies	1,035	1,041
Conventional energies and infrastructure	4,630	4,600
Real estate sector (including real estate funds)	10,397	11,200
Retail sector	31	37
Funds (transactions and units)	13,969	13,753
Total	134,264	126,223

Net loan volume increased by 7.7% as against the end of 2024 (€63.7bn) to reach €68.6bn. Collateralisation meant that the changes in gross loan volume observed for repo lending transactions (especially in the commercial banks and other financial institutions segments) had relatively small effects on net loan volume. As with gross loan volume, a risk-increasing effect in net loan volume resulted especially from increased deposits with Deutsche Bundesbank in the state-affiliated and supranational institutions risk segment. The higher bond volume also had a risk-increasing effect in net loan volume and gross loan volume in the public sector risk segment. In net terms, lower investments reduced the volume in the savings banks risk segment.

Net loan volume in €m (Fig. 26)

	30 Jun 2025	31 Dec 2024
Commercial banks	11,856	11,934
Other financial institutions	5,547	5,515
Savings banks	8,311	8,715
Insurance companies	242	292
Industrial sector	2,769	2,585
Service sector	1,525	1,234
Public sector	6,859	6,326
State-affiliated and supranational institutions	12,687	8,473
Transport sector	724	690
Renewable energies	1,035	1,041
Conventional energies and infrastructure	3,549	3,456
Real estate sector (including real estate funds)	3,188	3,360
Retail sector	31	37
Funds (transactions and units)	10,283	10,039
Total	68,605	63,697

The gross loan volume in the eurozone rose by a total of €8.3bn. This was due to the increase in deposits with the Bundesbank, in repo lending transactions with counterparties in Germany and Luxembourg, and in the securities volume with German counterparties. With a higher gross loan volume overall, the eurozone's share of gross loan volume increased by 1.6 percentage points compared with the end of 2024 and stood at 77.8%. The volume movements in America resulted primarily from reduced securities exposure to US and Canadian counterparties and a lower lending volume in US real estate financing.

Gross loan volume by region in €m (Fig. 27)

	30 Jun 2025	31 Dec 2024
Eurozone	104,442	96,148
Europe excluding eurozone	14,614	14,038
America	11,695	12,460
Asia	1,783	2,109
Other regions	1,731	1,467
Total	134,264	126,223

The gross loan volume attributable to Germany increased by €8.0bn to €61.2bn and equated to 45.6% of the overall portfolio at the mid-year point. In the eurozone, €14.8bn or 11.1% of the gross loan volume was attributable to counterparties in France and 10.9% to counterparties in Luxembourg. The 7.9% 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 fell by 0.8 percentage points to 6.8%, mainly due to reduced securities and loan portfolios.

Gross and net loan volume: regional concentration in €m (Fig. 28)

	Gross loan volume 30 Jun 2025	Percentage of Gross loan volume	Net loan volume 30 Jun 2025	Percentage of Net loan volume
Germany	61,170	45.6%	42,475	61.9%
Luxembourg	14,600	10.9%	4,169	6.1%
United Kingdom	10,559	7.9%	2,872	4.2%
France	14,844	11.1%	5,148	7.5%
United States	9,165	6.8%	2,661	3.9%
Other	23,928	17.8%	11,280	16.4%
Total	134,264	100.0%	68,605	100.0%

In terms of countries of geopolitical interest, counterparties in China accounted for 0.1% of gross loan volume (year-end 2024: 0.2%), counterparties in Hong Kong for less than 0.1% and counterparties in Israel for an unchanged 0.1%. In all three cases, the counterparties were mostly in the transport sector. There was no loan volume attributable to counterparties in Taiwan. There remained no gross loan volume attributable to counterparties in Russia, Ukraine or Belarus at the end of June 2025 and no country limit.

Gross loan volume by risk segment for selected countries €m (Fig. 29)

	Germany	Luxembourg	United Kingdom	United States	France
Commercial banks	10,006	422	558	2,035	7,528
Other financial institutions	4,580	9,286	7,457	2,448	2,723
Savings banks	8,770	–	–	–	–
Insurance companies	206	–	10	–	1,078
Industrial sector	3,341	8	279	543	501
Service sector	451	32	311	772	301
Public sector	5,926	–	88	373	529
State-affiliated and supranational institutions	11,458	0	–	–	474
Transport sector	628	–	244	508	121
Renewable energies	109	–	93	–	50
Conventional energies and infrastructure	2,492	94	150	148	490
Real estate sector (including real estate funds)	3,969	1	1,369	2,337	1,050
Retail sector	31	0	–	–	–
Funds (transactions and units)	9,202	4,757	–	–	–
Total	61,170	14,600	10,559	9,165	14,844
Change in risk vs year-end 2024					
Commercial banks	1,339	–386	118	–133	–386
Other financial institutions	2,533	921	257	273	–117
Savings banks	–340	–	–	–	–
Insurance companies	14	–	2	–	38
Industrial sector	542	–1	–85	–36	66
Service sector	–156	0	39	21	52
Public sector	219	–	–2	–34	–45
State-affiliated and supranational institutions	3,855	–	–	–	131
Transport sector	–6	–	33	–107	–8
Renewable energies	–7	–	–7	–	–
Conventional energies and infrastructure	159	–29	0	35	84
Real estate sector (including real estate funds)	–256	–2	16	–382	–48
Retail sector	–6	0	–	–	–
Funds (transactions and units)	108	240	–	–143	–
Total	7,999	742	372	–506	–233

The gross loan volume remained focused primarily on the short-term segment at mid-year 2025. The proportion of transactions with a time to maturity of less than one year was 45.5% at the end of the first half of 2025 (year-end 2024: 42.5%). The proportion of maturities upwards of ten years was 3.7%, compared with 4.0% at 31 December 2024. Maturities longer than 20 years consisted primarily of financing in the public sector and conventional energies & infrastructure risk segments, as well as collateralised bonds in the public sector risk segment. The average legal residual term of gross lending therefore fell to 2.6 years (year-end 2024: 2.8 years).

The level of risk concentration in the loan portfolio rose only slightly during the first half of 2025. As at 30 June, 19.9% (year-end 2024: 19.7%) 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 23, the number of counterparty clusters was unchanged from the end of 2024.

Of the gross loan volume attributable to the cluster portfolio, 26.5% related to public sector counterparties, savings banks, and state-affiliated and supranational institutions. A total of 15.0% of net loan volume related to counterparty clusters (year-end 2024: 14.9%).

As was already the case at the end of 2024, shadow banking entities under the principal approach (limit utilisation of total net risk position: 10%) accounted for less than 1% of the net loan volume as at the 30 June 2025 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 2025. Utilisation under the principal approach is considered acceptable. The shadow banking entities had an average rating of 6 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 21 basis points (bps) (year-end 2024: 29 bps) due to upgraded credit ratings for two Norwegian wind power financing counterparties and the increased volume with Deutsche Bundesbank. This was offset by rating downgrades for various US, Canadian, French and German real estate financing counterparties. The average rating for net loan volume improved by one notch to a rating of 2 (S&P: BBB+) with a probability of default of 13 bps, down by 5 bps compared with year-end 2024 (18 bps).

Gross and net loan volume by rating grade €m (Fig. 30)

	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	35,599	23,173	46,166	18,945	3,765	2,150	3,051	1,046	371
Net loan volume	32,057	8,042	16,100	9,506	1,152	501	609	432	205

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 2024.

Net loan volume by risk segment and rating in €m (Fig. 31)

	Average PD in bps	Average rating 30 Jun 2025	30 Jun 2025	Average PD in bps	Average rating 31 Dec 2024	31 Dec 2024
Commercial banks	3	AA	11,856	3	AA	11,934
Other financial institutions	8	A-	5,547	7	A	5,515
Savings banks	1	AAA	8,311	1	AAA	8,715
Insurance companies	7	A	242	6	A	292
Industrial sector	48	5	2,769	46	5	2,585
Service sector	11	2	1,525	12	2	1,234
Public sector	2	AA+	6,859	2	AA+	6,326
State-affiliated and supranational institutions	1	AAA	12,687	1	AAA	8,473
Transport sector	29	4	724	39	5	690
Renewable energies	349	10	1,035	570	12	1,041
Conventional energies and infrastructure	18	3	3,549	21	4	3,456
Real estate sector (including real estate funds)	38	5	3,188	48	6	3,360
Retail sector	N/A	N/A	31	N/A	N/A	37
Funds (transactions and units)	12	2	10,283	12	2	10,039
Total	13	2	68,605	18	3	63,697

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) fell from €810m at the end of 2024 to €720m. This development was mainly due to declining volatilities in the 750-day observation period for credit spread risk. Utilisation of the allocated risk capital for market price risk stood at €1,910m (year-end 2024: €1,910m). This represents a non-critical utilisation level of 37.7%.

Market price risk for the Deka Group (excluding risks on guarantee products) as at 30 June 2025 was €95.9m (year-end 2024: €108.6m), measured as the VaR with a confidence level of 99.0% and a holding period of ten days. Utilisation of the operational management limit at Deka Group level (excluding guarantees) stood at €156.5m as of the reporting date. This represented a utilisation level of 61% and was therefore non-critical.

Deka Group value-at-risk excluding risks from guarantee products¹⁾ (confidence level 99%, holding period ten days) in €m (Fig. 32)

Category	30 Jun 2025						Change in risk vs 31 Dec 2024
	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	
Interest rate risk	2.1	0.0	8.6	22.5	76.8	96.3	-12.1%
Interest rate (general)	0.1	0.0	8.9	13.0	7.7	23.0	23.2%
Credit spread risk	2.1	0.0	5.4	21.4	76.5	99.8	-12.0%
Share price risk	0.5	0.3	1.0	4.8	0.3	4.9	-62.2%
Currency risk	0.3	0.0	0.0	0.8	2.6	2.1	-19.2%
Commodity risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total risk	2.1	0.3	8.7	22.5	76.9	95.9	-11.7%

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 decreased from €113.4m at the close of 2024 to €99.8m. Declining volatilities in the 750-day observation period were behind the lower figure. 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 rose from €18.6m at year-end 2024 to €23.0m at the reporting date due to correlation effects.

Share price risk fell from €13.0m at the end of 2024 to €4.9m at the reporting date. The decline was due to changes in fair value for existing macro hedges in the Treasury corporate centre. Share price risk remains of low significance at Group level.

Currency risk fell in the reporting period from €2.6m at the end of 2024 to €2.1m. Currency risk at the reporting date resulted principally from positions in Canadian dollars, pound sterling and US dollars.

Commodity risk remained non-existent 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 slightly from €478m at year-end 2024 to €485m. This was mainly attributable to model changes given the discontinuation of the AMA approach, particularly to address model uncertainties in the ex-post perspective. In the ex-ante perspective, potential efficiencies were unlocked and consistency with qualitative NFR management increased by foregoing OR self-assessments and modelling a detailed scenario analysis for all material risks in accordance with the common, Group-wide NFR assessment matrix.

The figure for OR expected loss from potentially serious loss events, which was recalculated for the Group-wide risk inventory as part of the model change, came to €45m at the end of June 2025. Risk capital allocated to operational risk stood at €585m (year-end 2024: €585m). Utilisation of this amount was 82.9% 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 the years 2013 to 2015. In December 2023, the tax authority issued tax assessment notices for the period from 2013 to 2015 that refused to allow any relief from capital yields tax relating to share trades around the dividend record date for these years. Despite the new provision in section 36a of the Income Tax Act (*Einkommensteuergesetz*, EStG), applicable since 1 January 2016, the tax authority applied the same approach in its tax assessment notices for 2016 and 2017 (issued in December 2023) and in the tax assessment notice for 2018 (issued in November 2024).

In the context of these assessment notices, the tax authorities 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 all of the stipulated amounts, including interest, in 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 management report and consolidated financial statements as at 30 June 2025 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 2025, as the preconditions for recognition have still not been 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 related to these trades. 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 2025 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 €267m as at 30 June 2025, moderately higher than the level of €256m at the end of 2024. The allocated risk capital remained unchanged at €425m (year-end 2024: €425m) and was 62.9% utilised.

Reputational risk

The VaR of reputational risk was €219m at the end of June 2025 and was therefore slightly higher than at the end of the previous year (year-end 2024: €214m). Calculation of reputational risk is based on cause and effect scenarios. The most relevant scenarios causing reputational risk are associated with the perception of reputational stakeholders in relation to inadequate controls, insufficiently attractive products and management decisions.

Other risks**Investment risk**

The VaR of investment risk was €30m at mid-year 2025 and exceeded the level at the end of the previous year (year-end 2024: €28m). Risk capital allocated to investment risk remained unchanged at €45m (year-end 2024: €45m) and was 66.4% utilised.