

Cash flow statement for the period from 1 January to 31 December 2017

€m	31 Dec 2017	31 Dec 2016
Net income	261.3	264.0
Non-cash items in net income and adjustments to reconcile net profit with cash flow from operating activities		
+/- Write-downs and write-backs		
on receivables and financial investments	5.9	207.5
on intangible assets and property, plant and equipment	19.2	18.1
+/- Allocation to/reversal of provisions	71.4	27.3
+/- Profit or loss from fair value hedges according to IAS 39	0.6	-2.4
+/- Other non-cash items	-180.0	-26.6
+/- Profit or loss on the disposal of financial investments and property, plant and equipment	-4.7	2.2
+/- Other adjustments	202.8	138.4
= Sub-total	376.5	628.5
Change to assets and liabilities arising from operating activities		
+/- Due from banks	-5,788.9	6,520.6
+/- Due from customers	2,159.1	-555.6
+/- Financial assets at fair value	714.1	17,262.5
+/- Financial investments	-266.7	-154.4
+/- Other assets arising from operating activities	-9.9	7.2
+/- Due to banks	1,895.0	-6,749.1
+/- Due to customers	3,279.6	-6,660.9
+/- Securitised liabilities	3,164.9	-8,850.1
+/- Financial liabilities at fair value	1,909.3	-1,718.3
+/- Other liabilities arising from operating activities	-5.0	29.4
+ Interest paid	960.7	1,076.2
+ Dividends received	20.9	19.0
- Interest paid	-936.9	-754.8
- Income tax payments	-161.2	-214.9
Cash flow from operating activities	7,311.5	-114.7
+ Proceeds from the disposal or redemption of		
financial investments classified as held to maturity	0.0	373.8
equity investments	17.1	4.1
property, plant and equipment	0.0	0.0
intangible assets	0.2	0.0
- Disbursements for the purchase of		
financial investments classified as held to maturity	-578.7	0.0
intangible assets	-11.7	-19.2
property, plant and equipment	-14.8	-2.7
+ Proceeds from the sale of shares in affiliated, non-consolidated companies	0.0	0.0
- Disbursements for the acquisition of shares in affiliated, non-consolidated companies	0.0	-0.4
+ Dividends received	2.2	0.0
+/- Changes in scope of consolidation and other changes	0.0	-4.3
Cash flow from investing activities	-585.7	351.3
+ Proceeds from issue of new equity capital	0.0	0.0
- Payments to company owners and minority interests	-124.5	-48.1
- Dividends paid	-70.7	-67.9
+ Inflow of funds from subordinated capital	0.0	0.0
- Outflow of funds from subordinated capital	-178.6	-40.9
+/- Changes in scope of consolidation and other changes	0.0	0.0
Cash flow from financing activities	-373.8	-156.9
= Changes to cash and cash equivalents	6,352.0	79.7
+/- Other effects	0.0	0.0
+ Cash and cash equivalents at the start of the period	3,687.6	3,608.1
Cash and cash equivalents at the end of the period	10,039.6	3,687.8

The cash flow statement shows the change in the Deka Group's cash balance during the financial year. The item cash and cash equivalents corresponds to the balance sheet item cash reserves (see note [41]).

Cash flow from operating activities was determined using the indirect method. In other words, the consolidated profit or loss for the year was adjusted to eliminate non-cash items such as measurement results and additions to provisions. The item other adjustments mainly includes the reclassification of interest and dividends received as cash and interest and income tax payments made during the financial year which have to be reported separately in accordance with IAS 7.

Cash flow from investing activities shows the proceeds and disbursements relating to items whose purpose relates in principle to long-term investment or use.

Financing activities include equity as well as cash flows from atypical silent capital contributions and from subordinated capital. The table below provides an overview of movements in financing liabilities.

	2016	Cash changes	Non-cash changes			2017
		Acquisition	Foreign exchange movement	Fair value changes		
Subordinated liabilities	906.6	-1.1	-	-	-5.8	899.7
Typical silent capital contributions	211.9	-177.5	-	-	-7.0	27.4
Total subordinated capital	1,118.5	-178.6	-	-	-12.8	927.1
Atypical silent capital contributions	52.4	-	-	-	-	52.4

The cash flow statement is of minor importance for banks as it does not provide any information about the actual liquidity position. For details of Deka Group's liquidity risk management, please see the risk report.