

Statement of cash flows from 1 January to 31 December 2016

€m	31 Dec 2016	31 Dec 2015
Net income	264.0	329.9
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	207.5	92.1
on intangible assets and property, plant and equipment	18.1	20.2
+/- Allocation to/reversal of provisions	27.3	90.7
+/- Profit or loss from fair value hedges in accordance with IAS 39	-2.4	4.1
+/- Other non-cash items	-26.6	171.7
+/- Profit or loss on the disposal of financial investments and property, plant and equipment	2.2	-47.6
+/- Other adjustments	138.4	-406.2
= Sub-total	628.5	254.9
Change to assets and liabilities arising from operating activities		
+/- Due from banks	6,520.6	-2,500.9
+/- Due from customers	-555.6	807.2
+/- Financial assets at fair value	17,262.5	5,547.2
+/- Financial investments	-154.4	-55.9
+/- Other assets arising from operating activities	7.2	346.8
+/- Due to banks	-6,749.1	-2,624.1
+/- Due to customers	-6,660.9	1,895.7
+/- Securitised liabilities	-8,850.1	-4,192.0
+/- Financial liabilities at fair value	-1,718.3	2,898.9
+/- Other liabilities arising from operating activities	29.4	-486.5
+ Interest received	1,076.2	1,674.5
+ Dividends received	19.0	33.7
- Interest paid	-754.8	-1,088.1
- Income tax payments	-214.9	-189.5
Cash flow from operating activities	-114.7	2,321.9
+ Proceeds from the disposal or redemption of		
financial investments classified as held to maturity	373.8	540.5
equity investments	4.1	8.7
property, plant and equipment	0.0	54.9
intangible assets	0.0	0.0
- Disbursements for the purchase of		
financial investments classified as held to maturity	0.0	0.0
intangible assets	-19.2	-5.4
property, plant and equipment	-2.7	-1.4
+ 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	-0.4	-3.6
+ Dividends received	0.0	0.3
+/- Changes in scope of consolidation and other changes	-4.3	0.0
Cash flow from investing activities	351.3	594.0
+ Proceeds from issue of new equity capital	0.0	0.0
- Payments to company owners and minority interests	-48.1	-20.6
- Dividends paid	-67.9	-65.6
+ Inflow of funds from subordinated capital	0.0	0.0
- Outflow of funds from subordinated capital	-40.9	-9.0
+/- Changes in scope of consolidation and other changes	0.0	9.0
Cashflow from financing activities	-156.9	-86.2
= Changes to cash and cash equivalents	79.7	2,829.7
+/- Other effects	0.0	0.0
+ Cash and cash equivalents at the start of the period	3,608.1	778.4
Cash and cash equivalents at the end of the period	3,687.8	3,608.1

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 [40]).

The cash flow from operating activities is determined using the indirect method, i.e. net income is adjusted first by non-cash items, especially revaluations and allocations 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.

The 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 encompass equity as well as cash flows from atypical silent capital contributions and from subordinated capital.

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.