

Annual Report  
2013



Berliner  
Volksbank

Dear Sir or Madam,  
Dear members and  
business associates,

Berliner Volksbank was able to continue its stable and successful development in the 2013 financial year. The renewed growth in its lending business was the primary factor in achieving a slight increase in interest profit in comparison with the previous year.

The historically low interest rates led to increased demand by our customers, particularly for loans in the mortgage lending business. Lending to customers reported on the balance sheet thus rose again by 8.6 percent compared with the previous year.

Above all, consistent focussing on regional cooperative banking had an impact in 2013: Our success model based on cooperative principles also works in a time of a low interest phase and a high level of strong competition. With a historically high growth by 25,618 new members, a new cooperative capital of just under 68 million euros was subscribed. This is an important building block for further growth and for the increased regulatory requirements placed on our equity. The character of the bank with its structure of small customers and stable refinancing from customers' deposits renders the bank largely independent of the global money and capital markets and guarantees sufficiently stable financing resources at all times. We will strictly adhere to our existing strategy, namely to live the core values of our cooperative and to involve our members in the success of our work intensively.



**Dr. Holger Hatje**  
CEO of Berliner Volksbank

#### The outlook in 2014:

Berliner Volksbank has a strong position for the future with an environment for all bank employees, which remains attractive. Assuming unchanged market and general conditions, Berliner Volksbank expects a slight decline in the interest result in 2014 with a further increase in the credit volume. The administrative costs are to be kept stable.

real estate or holding it as a capital investment. It was possible to increase customer deposits, including bearer bonds by a respectable 2.4 percent to 8.7 billion euros, despite the low market interest rate. As in previous years, above all overnight deposits increased.

On account of the increased contributions to the retirement reserves pursuant to Section 340f HGB [German Commercial

“We will strictly adhere to our existing strategy, namely to live the core values of our cooperative and to involve our members in the success of our work intensively.”

Dr. Holger Hatje

#### Business development

The operating result of the bank improved by 12.9 million euros to 49.2 million euros including positive effects generated by the bank's own investments. On the other hand, the provision to reduce costs of personnel sustainably led to a reduction in the result.

The commission surplus rose by 0.6 million euros in comparison with the previous year and the interest surplus increased slightly by 5.3 percent, i. e. 12.5 million euros, to 252 million euros.

The administrative costs of the bank amount to 294 million euros. This includes provisions for a sustainable reduction in personnel costs of 28.2 million euros.

With the growth in the number of members to 131,951 the reported equity of Berliner Volksbank was increased to a total of 757.7 million euros. This represents growth of 10.1 percent.

As a driver of growth, the lending business was able to establish itself with an increase of 8.6 percent to a total of 6.7 billion euros. The volume of new loans totalling 1.2 billion euros particularly reflects the unbroken interest of private and business customers in building or acquiring

Code] the net income for the year of Berliner Volksbank fell by 1.6 million euros to 13.9 million in comparison with the previous year. Of this, a total of 11.2 million euros is to be distributed to the members as a 3 percent dividend.

The balance sheet total of Berliner Volksbank increased by 253 million euros or 2.6 percent to a total of 10.1 billion euros in comparison with the previous year.

Berliner Volksbank has 2,063 employees, including 76 trainees, and 110 branches in Berlin and in many parts of Brandenburg.

Best Regards,

Dr. Holger Hatje

# Assets

Balance sheet as of December 31, 2013				2013	2012
	€	€	€	€	T€
<b>1. Liquid funds</b>					
a) Cash			142,361,882.81		140,114
b) Balances with central banks thereof: with Deutsche Bundesbank	235,581,843.61		235,581,843.61		137,303 (137,303)
c) Balances with postal giro accounts				377,943,726.42	–
<b>2. Debt instruments issued by public bodies and bills of exchange eligible for refinancing with central banks</b>					
a) Treasury bills and non-interest bearing treasury notes and similar debt instruments issued by public bodies thereof: refinancable at Deutsche Bundesbank	–		–		– (–)
b) Bills of exchanges			–	–	–
<b>3. Receivables from banks</b>					
a) Due on demand			136,846,234.67		258,476
b) Other receivables			74,543,279.78	211,389,514.45	99,952
<b>4. Receivables from customers</b>				6,722,867,559.32	6,192,356
thereof: secured by mortgage charges	3,409,834,464.68				(2,985,849)
thereof: municipal loans	309,487,320.14				(250,066)
<b>5. Debt securities and other fixed-interest securities</b>					
a) Money market paper					
aa) issued by public bodies thereof: eligible as collateral at Deutsche Bundesbank	–	–			– (–)
ab) issued by others thereof: eligible as collateral at Deutsche Bundesbank	–	–	–		– (–)
b) Bonds and debt securities					
ba) issued by public bodies thereof: eligible as collateral at Deutsche Bundesbank	779,829,005.27	779,829,005.27			557,357 (557,357)
bb) issued by others thereof: eligible as collateral at Deutsche Bundesbank	201,484,346.29	224,142,507.29	1,003,971,512.56		199,340 (199,340)
c) Own debt securities Nominal amount	733,000.00		748,079.70	1,004,719,592.26	9,541 (9,240)
<b>6. Shares and other variable-yield securities</b>				1,400,562,270.12	1,960,363
<b>6a. Held for trading</b>				0.00	7,749
<b>7. Investments and capital shares with cooperatives</b>					
a) Investments			165,879,273.54		72,082
thereof: in banks	2,788,846.99				(2,773)
thereof: in financial service institutions	1,499,975.00				(–)
b) Capital shares with cooperatives			66,050.00	165,945,323.54	76
thereof: in cooperative banking institutions	–				(–)
thereof: in financial service institutions	–				(–)
<b>8. Shares in affiliated undertakings</b>				33,326,442.00	37,518
thereof: in banks	–				(–)
thereof: in financial service institutions	–				(–)
<b>9. Trust assets</b>				3,700,585.04	4,142
thereof: trust loans	3,700,585.04				(4,142)
<b>10. Compensation receivables from public bodies, including debt securities arising from their exchange</b>				–	–
<b>11. Intangible assets</b>					
a) Self-produced industrial property rights and similar rights and values			–		–
b) Purchased concessions, industrial property rights and similar rights and values as well as licenses thereto			2,020,302.09		2,214
c) Goodwill			–		–
d) Advance payments			285,896.87	2,306,198.96	239
<b>12. Tangible fixed assets</b>				79,238,077.20	85,229
<b>13. Other assets</b>				17,656,913.92	10,313
<b>14. Prepaid and deferred items</b>				932,735.80	1,511
<b>15. Deferred tax assets</b>				84,182,652.93	76,299
<b>16. Excess of plan assets over pension liability</b>				18,133.14	20
<b>Total assets</b>				10,104,789,725.10	9,852,194

# Liabilities and equity

Balance sheet as of December 31, 2013				2013	2012
	€	€	€	€	T€
<b>1. Liabilities to banks</b>					
a) Payable on demand			3,529,834.43		13,293
b) With an agreed term or notice period			372,916,759.18	376,446,593.61	392,861
<b>2. Liabilities to customers</b>					
a) Savings deposits					
aa) with an agreed notice period of three months	1,116,565,830.26				1,106,846
ab) with an agreed notice period of more than three months	14,775,377.11	1,131,341,207.37			16,204
b) Other liabilities					
ba) payable on demand	7,427,834,669.27				7,065,738
bb) with an agreed term or notice period	86,643,518.89	7,514,478,188.16		8,645,819,395.53	211,861
<b>3. Certificated liabilities</b>					
a) Debt securities issued			84,341,751.87		127,704
b) Other certificated liabilities				84,341,751.87	-
thereof: money market paper	-				(-)
thereof: own acceptances and promissory notes outstanding	-				(-)
<b>3a. Held for trading</b>				0.00	52
<b>4. Trust liabilities</b>				3,700,585.04	4,142
thereof: trust loans	3,700,585.04				(4,142)
<b>5. Other liabilities</b>				17,890,825.79	22,965
<b>6. Deferred items</b>				12,151,537.99	12,471
<b>6a. Deferred tax liabilities</b>				-	-
<b>7. Accrued expenses</b>					
a) Pensions and similar commitments			78,646,568.17		71,298
b) Tax accruals			4,785,337.71		14,908
c) Other accrued expenses			123,266,988.00	206,698,893.88	103,562
<b>8. no longer applies</b>				-	-
<b>9. Subordinated liabilities</b>				-	-
<b>10. Capital with participation rights</b>				-	-
thereof: due within two years	-				(-)
<b>11. Special items from currency conversion</b>				6,326.64	2
thereof: special item pursuant to Section 340e (4) HGB	6,326.64				(2)
<b>12. Equity</b>					
a) Subscribed capital			417,212,068.00		349,285
b) Capital reserve			-		-
c) Revenue reserves					
ca) legal reserve	153,807,083.21				152,247
cb) other revenue reserves	172,714,663.54	326,521,746.75			171,155
d) Unappropriated earnings			14,000,000.00	757,733,814.75	15,600
<b>Total liabilities and equity</b>				10,104,789,725.10	9,852,194
<b>1. Contingent liabilities</b>					
a) Contingent liabilities from the endorsement of bills rediscounted			-		-
b) Contingent liabilities from guarantees and indemnity agreements	176,752,534.70				181,641
c) Contingent liabilities from sureties pledged as collateral security on behalf of third parties	-	176,752,534.70			-
<b>2. Other commitments</b>					
a) Liabilities from non-genuine repurchase agreements			-		-
b) Placement and underwriting commitments			-		-
c) Irrevocable lines of credit granted	916,345,304.11	916,345,304.11			740,575
thereof: delivery obligations from interest-related forward transactions	-				(-)

# Statement of income

for the period January 1 to December 31, 2013		2013	2012
	€	€	€
			T€
1. Interest income from			
a) Loans and money market transactions	286,332,318.12		288,763
b) Fixed-interest securities and government-inscribed debt	5,507,948.87	291,840,266.99	8,805
2. Interest expense		46,741,149.50	245,099,117.49
3. Income from			
a) Shares and other variable-yield securities		3,330,537.58	18,119
b) Investments and capital shares with cooperatives		1,833,044.43	256
c) Shares in affiliated undertakings		217,395.85	5,380,977.86
4. Income from profit pooling, profit transfer and partial profit transfer agreements			1,011,758.56
5. Commission income		103,675,669.71	103,191
6. Commission expense		12,181,529.94	91,494,139.77
7. Net income from financial trading operations			38,728.39
8. Other operating income			21,030,185.98
9. no longer applies			–
10. General administrative expense			
a) Personnel expense			
aa) wages and salaries	120,033,082.03		114,413
ab) social security contributions, pensions and welfare expense thereof: for pensions	52,285,232.98	172,318,315.01	52,561
	33,113,500.33		(33,496)
b) Other administrative expenses		112,797,328.96	285,115,643.97
11. Amortisation, depreciation and write-down of intangible and tangible fixed assets			8,627,049.12
12. Other operating expenses			20,451,767.53
13. Write-downs of and provisions against receivables and certain securities and additions to accruals relating to the credit business		24,105,286.93	17,798
14. Income from reversal of write-downs of receivables and certain securities and income from release of accruals relating to the credit business		–	–24,105,286.93
15. Write-downs of and provisions against investments, shares in affiliated undertakings and securities treated as non-current assets		–	0
16. Income from reversal of write-downs of investments, shares in affiliated undertakings and securities treated as non-current assets		2,537,162.25	2,537,162.25
17. Expense from losses assumed			–
18. no longer applies			–
19. Result from ordinary operations			28,292,322.75
20. Extraordinary income			–
21. Extraordinary expense		2,417,379.67	2,417
22. Extraordinary result			–2,417,379.67
23. Income tax		11,574,326.57	8,473
thereof: deferred taxes	–7,883,734.05		(–16,416)
24. Other taxes, if not included under caption 12		356,862.83	11,931,189.40
25. Earnings for the year			13,943,753.68
26. Earnings/loss carried forward from previous year			56,246.32
			14,000,000.00
27. Transfers from revenue reserves			
a) From legal reserve		–	–
b) From other revenue reserves		–	–
			14,000,000.00
28. Transfers to revenue reserves			
a) To legal reserve		–	–
b) To other reserves		–	–
29. Total income			14,000,000.00
			15,600

# Berliner Volksbank

## Company profile in brief

- A privately organized financial institution and one of the largest regional cooperative banks in Germany with 131,951 cooperative members
- 2,063 competent and friendly employees
- An extremely dense network of 110 branches in the German Federal States Berlin and Brandenburg
- Traditional association with and particular obligation to small- and medium-sized enterprises
- Fitch-Rating: A+, outlook: stable
- Standard + Poor's Rating: AA–, outlook: stable

## The perfect basis for a partnership

- As a cooperative financial institution, partnership-based cooperation with our international customers and correspondent banks has always been a matter of course for us.
- The combination of our choice location in the heart of Europe, our optimum size and our many decades of experience in international banking have made us an ideal partner in Europe.
- As one of the largest regional cooperative banks in Germany, we guarantee cost-effective, efficient and rapid handling of your international business and transactions.
- At the same time, we are flexible enough to offer our partners and customers individual solutions whenever needed.

Mortgage loans, insurance, leasing, home loan and savings transactions, investment or real estate funds – all cooperative banks, irrespective of their size, offer their customers the entire range of financial services provided by the Volksbanken Raiffeisenbanken cooperative financial group. The decentralized association system offers a wide range of services without centralized administration. The following enterprises are part of this network:

- Bausparkasse Schwäbisch Hall AG
- R+V Versicherung AG
- The Union Investment Group
- Deutsche Genossenschafts-Hypothekenbank AG
- Münchener Hypothekenbank eG
- TeamBank AG
- The cooperative's central institutions: DZ BANK AG and WGZ Bank AG
- VR LEASING AG and VR FACTOREM GmbH

## How to reach us

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## Important note

This Summary Report is for information purposes only and has no legal binding character.

Our legally binding German Annual Report 2013 is obtainable at address shown on the left or on our website [www.berliner-volksbank.de/geschaeftsbericht](http://www.berliner-volksbank.de/geschaeftsbericht)

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