Investitionsbank Berlin

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	AAA
Short-Term IDR	F1+
Support Rating	1
Support Rating Floor	WD

Sovereign Risk

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency Rating	AAA

Outlooks

Long-Term Foreign-Currency Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

Investitionsbank Berlin

German GAAP	31 Dec 16	31 Dec 15
Total assets (EURm)	17,765	18,943
Total equity (EURm)	997	935
Gross loans (EURm)	11,433	12,466
Net income (EURm)	23.8	78.5
Operating ROAA (%)	0.4	0.4
Operating ROAE (%)	7.1	8.7
Impaired loans/gross loans (%)	2.0	4.7
Common equity Tier 1 ratio (%)	18.3	17.5
Total regulatory capital ratio (%)	19.0	18.4

Related Research

Fitch Affirms Germany at 'AAA'; Outlook Stable (February 2018)

Fitch Affirms 11 German Laender at 'AAA'; Outlook Stable (November 2017)

Fitch Affirms 6 German Development Banks at 'AAA'; Outlook Stable (January 2018)

State of Berlin (December 2017)

Germany - December Global Economic Outlook Forecast (December 2017)

Germany (February 2018)

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Key Rating Drivers

Support Drives Ratings: Investitionsbank Berlin's (IBB) ratings are based on the explicit support of its 100% owner, the State of Berlin (Berlin, AAA/Stable). The bank benefits from an institutional maintenance obligation and an explicit guarantee for all liabilities from Berlin.

Insolvency Protected by Law: Fitch Ratings views state support for IBB as unaffected by the EU's Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism (SRM) as specific legislation exempts IBB from any insolvency proceedings. Provisions regarding contractual subordination of certain unsecured debt instruments to other senior unsecured liabilities are therefore not applicable.

Broad Policy Role: IBB conducts a broad range of promotional and development funding activities including venture capital in its home region. It focuses on economic, infrastructure and real-estate development, as outlined in the bank's laws and statutes. IBB also takes on special projects on request by its owner.

Low Margins Affect Profitability: IBB's revenue is driven by net interest income from its lending business, which declined by almost 10% in 2016. Margins remain relatively low as the bank's low wholesale funding costs, driven by its state support, are passed on to its customers. IBB cannot rely on contributions from the state but remains solely reliant on retained profits to drive capital generation. A lower planned extent of loss-making activities on behalf of Berlin moderately improves IBB's financial flexibility.

Stable Evolution of Business: IBB like its peers reported good demand for its promotional loans particularly in the housing and urban development segment. New financing commitment amounted to EUR1.7 billion in 2016 (EUR1.2 billion in 2015) but about a third was attributable to the refinancing of the state-guaranteed Berlin Brandenburg airport project.

Adequate Capitalisation: IBB's regulatory capital and leverage ratios are adequate in view of the moderate risk in its balance sheet. IBB has a significant buffer above the requirement arising from the supervisory review and evaluation process (SREP). Internal capital generation is sufficient to support medium-term capitalisation targets.

Funding Benefits from State Guarantee: IBB is primarily wholesale funded. The explicit guarantee for and regulatory zero risk-weighting of its liabilities gives the bank good access to capital markets, facilitating the expansion of its senior unsecured refinancing.

Improved Asset Quality: IBB's risk profile is characterised by moderate credit risk, considering the various support mechanisms provided by Berlin, and a high quality securities portfolio. However, some concentration risk prevails within its financial investments and its exposure to the corporate and real-estate sectors.

Rating Sensitivities

Support Unlikely to Change: IBB's ratings are directly linked to those of Berlin and Germany. Consequently, any rating action relating to these entities would also affect IBB's ratings.

Change to Support Structure: A change in Berlin's support propensity would have a profound impact on the bank's operations and funding access. Fitch considers such a change to be extremely unlikely due to the strategic importance of the bank to Germany's capital city.

State of Berlin

	31 Dec 16	31 Dec 15
Operating revenue (EURm)	25,643	23,791
Debt (EURm)	59,550	60,416
Operating balance/ operating revenue (%)	14.9	14.1
Debt service/current revenue (%)	33.7	41.8
Debt/current balance (years)	24.4	34.4
Operating balance/ interest paid (x)	2.8	2.1
Capital expenditure/ total expenditure (%)	8.7	7.4
Surplus (deficit) before debt variation/total revenue (excl. new debt) (%)	1.5	0.9
Current balance/ capital expenditure (%)	84	72

Source: State of Berlin and Fitch

Related Criteria

Global Bank Rating Criteria (November 2016)

Support

Explicit Support from Berlin

Berlin provides a statutory guarantee for the obligations of IBB, as outlined in the Investitionsbank Law (IBBG) establishing it as an independent legal entity. In addition, Berlin is committed to securing the economic viability of IBB through its institutional liability ("Anstaltslast") and ensures that its operations can continue in the event of financial difficulty. The guarantee mechanisms are similar to those of other development banks in Germany, although unlike many of its peers IBB does not benefit from a statutory guarantor liability ("Gewaehrtraegerhaftung")[1], the lack of which does not in any way diminish our view of the extremely high likelihood of Berlin providing support to IBB. This expectation is also driven by the strategic importance of IBB to Berlin, as the bank effectively carries out duties that are in the public's interest.

Ratings Based on Germany's Solidarity System

The ratings of the State of Berlin reflect the stability and sustainability of the solidarity system of the German federal states. In accordance with the German constitution, the German federal government and all other federal member states have to support an individual state if it experiences extreme budgetary hardship. The German states share equal responsibilities and must be able financially to fulfil their constitutional duties while simultaneously exercising their right of autonomy. Fitch assesses all 16 Laender to have 'AAA' creditworthiness, driven by the stability of the solidarity system.

Support Unaffected by Banking Union

The implementation of the BRRD and the SRM into German legislation[2] did not affect IBB's guarantees and therefore state support. We understand that, according to the state law governing the bank's legal status (IBBG), IBB as an entity under public law cannot be subjected to insolvency proceedings[3]. In addition, Germany's bank regulator, BaFin, which oversees IBB, has emphasised that debt instruments issued by public law institutions that are not eligible for insolvency are not subject to bail-in.

Operating Environment

Strategic Relevance High Despite Berlin's Improved Budgetary Performance

The requirement for German states to run their budgets without taking on new debt from 2020 means that Berlin, like some of Germany's other federal states, has to follow a strict consolidation path over the coming years.

Berlin reported a net funding surplus of EUR390 million before debt variation in 2016 and was therefore able to reduce debt for the fifth consecutive year, by EUR865 million. According to its medium-term financial plan for 2017-2021, Berlin scheduled net maturing debt of EUR104 million in 2017 (and EUR171 million in 2018) and anticipates debt to decline gradually until 2021. Fitch therefore expects Berlin to comply with its plans and to further reduce debt in 2017 at least by the amount indicated above. This would provide some budgetary flexibility ahead of the upcoming introduction of the debt brake.

Despite some limited flexibility, it is unlikely that Berlin's budget will provide new funds for IBB to expand its promotional activities, meaning that IBB will be more reliant on its own earnings and funding capacity. Consequently, we expect that IBB's strategic importance to support

[1] IBB benefited from a Statutory Guarantor Liability until 2004. All liabilities agreed before that date fall under the protection of this statutory guarantor liability.

[2] Through the Recovery and Resolution Act (Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen (Sanierungs- und Abwicklungsgesetz – SAG)) in 2014 and the Abwicklungsmechanismusgesetz, legislation on adjusting the national banking resolution law to the Single Resolution Mechanism and the European requirements on the bank levy in 2015.

[3] See Investitionsbankgesetz Art. 17 and Berliner Gesetz ueber die Insolvenzunfaehigkeit juristischer Personen des oeffentlichen Rechts Art. 1.

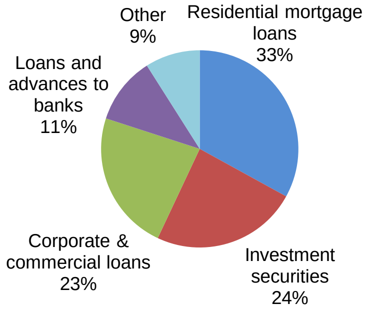
Berlin will remain high. This relates primarily to addressing Berlin's key objectives such as providing affordable housing for a growing population, creating higher employment through positive economic development in Berlin and modernisation of an aged infrastructure.

EU Proposal May Exempt IBB from the CRD-CRR Regulatory Framework

In November 2016, the European Commission issued a proposal that would enable the Commission to exempt specific institutions or categories of institutions, including public-sector development banks, from the EU Capital Requirements Directive (CRD) IV, provided that they comply with clearly defined criteria (total assets below EUR30 billion and total assets of less than 20% of the member state's GDP). IBB will continue to be obligated to comply with all regulatory requirements in full, at least until revised legislation is enacted and implemented into national law. This is likely to take several years.

Company Profile

Total Assets Breakdown
EUR17.8bn at end-2016



Source: IBB, Fitch

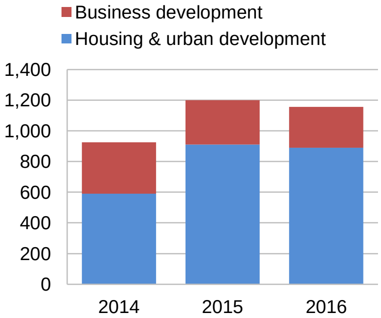
IBB is the fifth-largest regional development bank in Germany, as measured by its balance sheet size relative to its home state's GDP (see Peer Analysis). The relatively large size underlines the importance of IBB's economic and social support function to the state and, in Fitch's opinion, also increases the incentive for the state, as IBB's guarantor, to encourage sustainable and adequate capitalisation and risk management at the bank.

Strategic Focus on Housing, Urban and Business Development

IBB's structure, including its main objectives and activities, is governed by the development bank's law and statutes. IBB is able to focus on a narrower range of development activities in comparison to its peers. This is mainly due to Berlin's status as a "city state", which relieves IBB of the duties relating to financing municipalities' budgets.

The bank's main business lines focus on lending to housing associations and promoting business and urban development in Berlin. The Housing & Urban development business primarily offers loans to property developers, investors and individuals who seek to construct, purchase or modernise properties, particularly with a view to improving energy efficiency and accessibility. The business development division focuses on small and medium-sized businesses and new innovative enterprises partly utilising funds provided by EU institutions (including the European Region Development Fund and the European Investment Bank).

New Business Volumes
(In EURm)



Source: IBB

In addition, IBB is able to provide funding for certain public-sector projects, including its participation in funding the construction of the Berlin Brandenburg airport. IBB consolidates a small number of companies including venture capital funds. These help to fund start-up companies in Berlin.

New business volumes increased to EUR1.7 billion in 2016 (EUR1.2 billion in 2015), with about 50% and 15%, respectively, generated by the Housing & Urban Development and Business Development activities. The refinancing of the Berlin Brandenburg airport represented a relatively large part of its new business volume in 2016 but is not part of its core business.

IBB is also linked with Berlin through several larger financial transactions. It received a deficiency guarantee of about EUR869 million for specific housing loans and a general protection by Berlin within the ring-fencing of Landesbank Berlin from the risks of the former Bankgesellschaft Berlin's real-estate activities. IBB's promotional housing loans are largely funded by Berlin. Therefore, the credit risk is borne by the federal state through an agreement under which it assumes principal and other shortfalls on these loans in the event of non-payment.

Management and Strategy

Corporate Governance Framework Sets Strategic Guidelines

IBB's corporate governance framework is underpinned by its legal framework, which clearly

Strategic Financial Performance Indicators Used by IBB

- New business volume
- Economic result
- Cost/income ratio of support and promotional measures (Foerderquote)
- Total capital ratio

sets out its strategic mission and outlines permissible activities. The close co-operation between the bank and its owner and its role in managing and distributing federal and European funds means that the bank's day-to-day operations are subject to close supervision by the state but are also reviewed regularly by the European, federal and state audit offices.

The bank is supervised by BaFin and managed by a two-member board. Oversight over the bank's management is provided by a large supervisory board consisting of nine members, three of whom are delegate employee members. The majority are representatives of IBB's owners but not all have banking experience, which could constrain the board's effectiveness. The change in Berlin's regional government, which has been in office since late 2016, and the subsequent reshuffling of the board are unlikely to alter supervisory efficiency or the strategic positioning of the bank.

Strategic Goals Focus On Policy Role

IBB's key mission is to ensure that the bank is able to pursue its development mandate in the long-term given the limited financial flexibility it faces in the context of its low-margin business model. This also explains the bank's focus on risk management, controlled treasury activities and cost containment. Clear performance indicators also include liquidity buffers and limits to interest-rate risks. IBB's management hat set a digitalisation agenda to increase operational efficiency of its internal processes and improve relationships with its customers.

Risk Appetite

Conservative Risk Profile

IBB's risk-appetite and profile is shaped by its policy role and its strategic objectives. This means that due to the low level of profitability implied by its business model, risks are selected carefully with a view to minimise risk costs and protect capitalisation. Consequently, IBB is not exposed to currency risk or structured and opaque investments.

The bank's main risks are credit and interest-rate risk and to a lesser extent credit spread risk. We believe that IBB's risk management tools are adequate considering its activities.

In 2016, IBB for the first time classified risks from its equity investments, which primarily relate to its venture capital investments as a key source of risk. The risk is low in our view and represents about 3 % of its core capital. These investments are also prone to reputational risks.

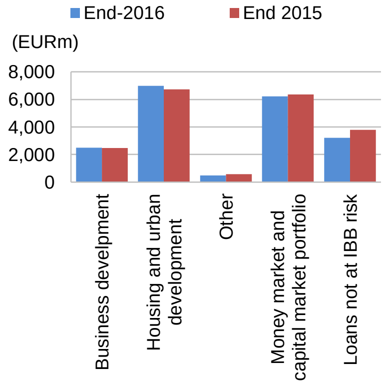
Interest-Rate Risk Dominates Market Risk

Interest-rate risk is IBB's only material market risk and arises particularly from maturity mismatches resulting from the bank's long-term real-estate financing commitments. Derivatives are only used for hedging interest-rate risk. Fitch considers interest-rate risk to be managed adequately based on value-at-risk and basis-point-value limits.

IBB's interest-rate risk appetite is comparable with other German development banks. At end-2016, a 200bp parallel interest-rate shift would have had a negative impact of EUR135 million on the present value of the bank, equal to a high 14% of its Fitch Core Capital.

IBB's financial profile reflects its policy role and is characterised by robust asset quality, including state guarantees, adequate capitalisation and conservative liquidity management.

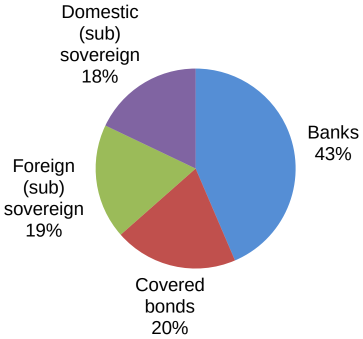
Total Loan Portfolio



Source: IBB

Securities Portfolio

(End-2015)



Source: IBB

German GAAP/IFRS Reconciliation

(End-2016)	GAAP	IFRS
Net interest income	123.3	135.5
Commission income	3.1	3.1
Other income	86.2	79.3
Total net revenues	**212.6**	**217.9**
Operating expenses	-80.0	-79.5
Profit before impairments/LLP/340f	**132.5**	**138.4**
Loan-loss provisions	-80.0	5.4
Fair-value results and income from securities	0.0	10.2
Net income	**52.5**	**154.0**
Berlin-Beitrag[a]	**-28.7**	**-26.6**

[a] See Management Section for further details

Source: IBB, Fitch

Financial Profile

Due to the share in equity holdings, IBB is the only regional development bank required to report under IFRS. However, the bank sets targets for capitalisation, profitability and profit distribution based on German GAAP accounts.

Fitch does not assign Viability Ratings to Germany's development banks because their operations are largely determined by their policy role and they have limited commercial operations. Therefore, IBB's policy role has a high influence on its "standalone" profile.

Asset Quality

State Guarantees Mitigate High Concentration

Asset-quality indicators reflect IBB's policy role. Its lending business is focused on regional, corporate lending and lending to housing associations (exclusively to borrowers in Berlin). The quality of the loan book underpins our view that IBB has a good understanding of the credit quality of its borrowers. Real estate exposure is typically backed by collateral.

The main risks to IBB arise from large exposures, especially to the corporate and real estate sectors. The potential impact of single-event losses could therefore be significant.

IBB also has high exposures to banks. Credit risk in the EUR4.2 billion securities portfolio is also concentrated. The risk is mitigated by high credit quality because the portfolio is almost exclusively investment grade. Geographically the focus lies on financial institutions in Europe and Germany.

IBB does not bear risk for about 17% of its total loan exposure at end-2016, as this these loans are either backed by state guarantees or because the end-borrowers' bank bears the credit risk from the related lending.

Impaired loans are mostly related to corporate and larger real estate commitments. Overdue and provisioned loans have fallen to a moderate 2% of gross loans at end-2016 (end-2015: 4.7%). We understand that almost all these loans are principal-guaranteed by Berlin and therefore not provisioned for, which also explains IBB's low coverage ratio. The value of loans rated in the internal default rating classes fell to EUR70 million at end-2016 (1% of gross loans); this figure includes some loans that are still performing. The migration of customers towards higher rating classes continued.

Earnings and Profitability

Lower Earnings due to Business Model

IBB's earnings capacity, similar to that of its peers, is constrained by its low margin business model with a high reliance on interest income, including a significant contribution from treasury activities. Its cost base is sticky. As a result, earnings are inherently volatile.

IBB's net interest and commission income are relatively similar across the two accounting standards. However, fair-value volatility under IFRS, which arises from IBB's large securities portfolio, and the less transparent loan-loss disclosure under German GAAP, created some material differences between reported pre-tax profit under German GAAP and IFRS in 2016.

Impairment charges for banks that report under German GAAP can be misleading, because they also include allocations to the 340f reserve, a hidden reserve for general banking risks. In Fitch's financial spreadsheets, we adjust loan impairment charges and show allocations to the 340f reserve as "non-recurring expense".

Loss-Making Promotional Activities

IBB undertakes promotional activities on behalf of the state of Berlin, which over the past five years have generated annual pre-tax losses of about EUR32 million, which the bank accounts as an operational expense. We understand that IBB has reached an agreement with Berlin to reduce this cost to about EUR20 million each year from 2018 onwards to support IBB's financial flexibility. The related costs will in future be paid out of a newly established fund ("Berlin-Foerder-Fonds") to which IBB allocated EUR45 million to in 2016 mirrored by the increase in its fund for general banking risks (Art. 340g HGB).

Capitalisation Metrics Comparison

(End-2016)	GAAP	IFRS
Tier 1 capital ratio (%)	18.3	18.4
Total capital ratio (%)	19.0	18.4

Source: IBB, Fitch

Capitalisation and Leverage

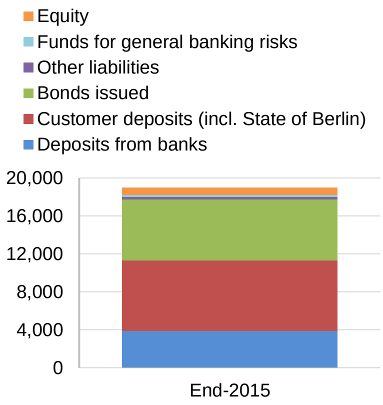
Adequate Capitalisation – Core Capital and Total Capital

IBB reported a satisfactory regulatory common equity Tier 1 (CET1) and leverage ratio of 18.3% and 5.1% at end-2016 respectively. We expect the bank's regulatory capitalisation to stay well above the minimum requirements. IBB could, at its own discretion, transfer Art. 340f hidden reserves into CRD IV-compliant capital (Art 340g reserves for general banking risks) by booking them as a reduction of net risk charges in the income statement.

The bank's earnings should be sufficient for a moderate internal capital generation build. However, sustainable capital generation is vulnerable to limited revenue diversification and the inherent volatility in the revenue mix. In addition, profit distributions have been material.

Liabilities Structure

(Local GAAP) in EURm



Source: IBB

Funding and Liquidity

Stable Funding

IBB's owner's guarantee commitments and its 'AAA' rating ensure stable access to the capital markets and to ECB funding on favourable terms. IBB's debt is 0% risk-weighted and benefits from Level 1 treatment for the liquidity coverage ratio. The bank has been issuing senior unsecured bonds regularly since 2004. Investors are mainly German banks and savings banks, funds, and insurance and pension funds. Berlin and KfW are additional important sources of funding for IBB.

Conservative Liquidity Management, Large Portfolio of Unencumbered Assets

IBB maintains a relatively high share of unencumbered assets of EUR14.7 billion at end-2016 (versus EUR3.8 billion encumbered). Its unencumbered liquidity reserve of about EUR3 billion is managed separately from its other liquidity portfolio. IBB conducts regular liquidity stress tests, has a contingency planning in place and voluntarily adheres to a 180-day survival period (versus a 30-day regulatory requirement).

Peer Analysis

German Federal States: End 2016 Comparison

(EURbn)	(GDP)	Total assets regional development bank(s)[b,c]	Development bank assets/GDP (%)
Baden-Wuerttemberg	477	75	16
Bavaria[a]	568	46	8
Berlin	129	18	14
Brandenburg	69	13	19
Bremen	32	1	4
Hamburg	111	5	5
Hesse	269	17	6
Mecklenburg-Western Pomerania	41	2	4
Lower Saxony	264	4	1
North Rhine-Westphalia	670	142	21
Rhineland-Palatinate	139	10	7
Saarland	35	1	4
Saxony	118	8	6
Saxony-Anhalt	59	2	3
Schleswig-Holstein	89	19	21
Thuringia	61	4	7
Germany	3131	369	12

[a] Total Assets: Sum of LfA Förderbank Bayern and Bayerische Landesbodenkreditanstalt
[b] Including trust assets
[c] Excl. KfW and Landwirtschaftliche Rentenbank (active throughout Germany)
Source: Statistisches Bundesamt and annual reports, regulatory transparency reporting banks

Investitionsbank Berlin
Income Statement

	31 Dec 2016 Year End EURm Audited - Unqualified	31 Dec 2015 Year End EURm Audited - Unqualified	31 Dec 2014 Year End EURm Audited - Unqualified	31 Dec 2013 Year End EURm Audited - Unqualified
1. Interest Income on Loans	267	324	367	377
2. Other Interest Income	70	83	85	79
3. Dividend Income	0	11	0	0
4. Gross Interest and Dividend Income	**337**	**418**	**451**	**456**
5. Interest Expense on Customer Deposits	n.a.	n.a.	n.a.	n.a.
6. Other Interest Expense	195	266	302	314
7. Total Interest Expense	**195**	**266**	**302**	**314**
8. Net Interest Income	**142**	**152**	**149**	**142**
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	n.a.	n.a.
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	n.a.	n.a.
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	n.a.	n.a.
12. Net Insurance Income	n.a.	n.a.	n.a.	n.a.
13. Net Fees and Commissions	3	5	6	8
14. Other Operating Income	89	78	7	7
15. Total Non-Interest Operating Income	**92**	**82**	**13**	**15**
16. Personnel Expenses	50	49	49	50
17. Other Operating Expenses	59	71	62	55
18. Total Non-Interest Expenses	**110**	**120**	**110**	**105**
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	n.a.	n.a.
20. Pre-Impairment Operating Profit	**124**	**114**	**52**	**52**
21. Loan Impairment Charge	56	35	25	15
22. Securities and Other Credit Impairment Charges	n.a.	0	0	n.a.
23. Operating Profit	**69**	**79**	**26**	**37**
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	n.a.	n.a.
25. Non-recurring Income	n.a.	n.a.	n.a.	0
26. Non-recurring Expense	45	n.a.	n.a.	0
27. Change in Fair Value of Own Debt	n.a.	n.a.	n.a.	n.a.
28. Other Non-operating Income and Expenses	n.a.	n.a.	n.a.	0
29. Pre-tax Profit	**24**	**79**	**26**	**37**
30. Tax expense	0	0	0	0
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	n.a.	n.a.
32. Net Income	**24**	**79**	**26**	**37**
33. Change in Value of AFS Investments	n.a.	n.a.	n.a.	n.a.
34. Revaluation of Fixed Assets	n.a.	n.a.	n.a.	n.a.
35. Currency Translation Differences	n.a.	n.a.	n.a.	n.a.
36. Remaining OCI Gains/(losses)	n.a.	n.a.	n.a.	n.a.
37. Fitch Comprehensive Income	**24**	**79**	**26**	**37**
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	n.a.	n.a.
39. Memo: Net Income after Allocation to Non-controlling Interests	24	79	26	37
40. Memo: Common Dividends Relating to the Period	7	26	37	45
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	n.a.	n.a.
Exchange rate	USD1 = EUR0.	USD1 = EUR0.	USD1 = EUR0.	USD1 = EUR0.7251

Investitionsbank Berlin
Balance Sheet

	31 Dec 2016 Year End EURm	31 Dec 2015 Year End EURm	31 Dec 2014 Year End EURm	31 Dec 2013 Year End EURm
Assets				
A. Loans				
1. Residential Mortgage Loans	5,856.2	6,390.8	6,847.3	6,856.4
2. Other Mortgage Loans	n.a.	n.a.	n.a.	n.a.
3. Other Consumer/ Retail Loans	n.a.	n.a.	n.a.	n.a.
4. Corporate & Commercial Loans	4,077.5	4,494.8	5,072.4	5,556.2
5. Other Loans	1,498.9	1,580.4	1,614.2	2,054.6
6. Less: Reserves for Impaired Loans	31.8	48.6	50.8	66.3
7. Net Loans	**11,400.8**	**12,417.4**	**13,483.1**	**14,400.9**
8. Gross Loans	**11,432.6**	**12,466.0**	**13,533.9**	**14,467.2**
9. Memo: Impaired Loans included above	231.7	587.4	697.8	869.3
10. Memo: Loans at Fair Value included above	n.a.	n.a.	n.a.	n.a.
B. Other Earning Assets				
1. Loans and Advances to Banks	1,964.8	2,108.8	2,153.2	1,363.8
2. Reverse Repos and Cash Collateral	n.a.	n.a.	n.a.	n.a.
3. Trading Securities and at FV through Income	n.a.	n.a.	n.a.	n.a.
4. Derivatives	n.a.	n.a.	n.a.	n.a.
5. Available for Sale Securities	n.a.	n.a.	n.a.	n.a.
6. Held to Maturity Securities	n.a.	n.a.	n.a.	n.a.
7. Equity Investments in Associates	133.4	108.4	98.3	94.4
8. Other Securities	4,196.7	4,246.3	4,170.9	4,375.2
9. Total Securities	**4,330.1**	**4,354.7**	**4,269.2**	**4,469.6**
10. Memo: Government Securities included Above	1,051.3	1,099.1	1,116.8	1,227.1
11. Memo: Total Securities Pledged	n.a.	n.a.	n.a.	n.a.
12. Investments in Property	n.a.	n.a.	n.a.	n.a.
13. Insurance Assets	n.a.	n.a.	n.a.	n.a.
14. Other Earning Assets	n.a.	n.a.	n.a.	n.a.
15. Total Earning Assets	**17,695.7**	**18,880.9**	**19,905.5**	**20,234.3**
C. Non-Earning Assets				
1. Cash and Due From Banks	26.7	15.4	21.2	24.3
2. Memo: Mandatory Reserves included above	n.a.	n.a.	n.a.	n.a.
3. Foreclosed Real Estate	n.a.	n.a.	n.a.	n.a.
4. Fixed Assets	24.6	26.2	26.6	28.7
5. Goodwill	n.a.	n.a.	n.a.	n.a.
6. Other Intangibles	0.8	1.3	1.6	0.3
7. Current Tax Assets	n.a.	n.a.	n.a.	n.a.
8. Deferred Tax Assets	n.a.	n.a.	n.a.	n.a.
9. Discontinued Operations	n.a.	n.a.	n.a.	n.a.
10. Other Assets	17.2	18.9	23.8	28.8
11. Total Assets	**17,765.0**	**18,942.7**	**19,978.7**	**20,316.4**
Liabilities and Equity				
D. Interest-Bearing Liabilities				
1. Customer Deposits - Current	841.6	873.4	935.3	778.6
2. Customer Deposits - Savings	n.a.	n.a.	n.a.	n.a.
3. Customer Deposits - Term	5,559.6	6,505.7	7,144.3	7,251.6
4. Total Customer Deposits	**6,401.2**	**7,379.1**	**8,079.6**	**8,030.2**
5. Deposits from Banks	3,998.8	3,896.3	3,377.6	3,891.2
6. Repos and Cash Collateral	n.a.	n.a.	n.a.	n.a.
7. Commercial Paper and Short-term Borrowings	n.a.	n.a.	n.a.	n.a.
8. Total Money Market and Short-term Funding	**10,400.0**	**11,275.4**	**11,457.2**	**11,921.4**
9. Senior Unsecured Debt (original maturity > 1 year)	n.a.	n.a.	n.a.	n.a.
10. Subordinated Borrowing	n.a.	n.a.	n.a.	0.0
11. Covered Bonds	n.a.	n.a.	n.a.	n.a.
12. Other Long-term Funding	6,078.5	6,442.1	7,332.5	7,195.9
13. Total LT Funding (original maturity > 1 year)	**6,078.5**	**6,442.1**	**7,332.5**	**7,195.9**
14. Derivatives	n.a.	n.a.	n.a.	n.a.
15. Trading Liabilities	n.a.	n.a.	n.a.	n.a.
16. Total Funding	**16,478.5**	**17,717.5**	**18,789.7**	**19,117.3**
E. Non-Interest Bearing Liabilities				
1. Fair Value Portion of Debt	n.a.	n.a.	n.a.	n.a.
2. Credit impairment reserves	n.a.	n.a.	n.a.	n.a.
3. Reserves for Pensions and Other	112.6	178.0	193.5	176.8
4. Current Tax Liabilities	n.a.	n.a.	n.a.	n.a.
5. Deferred Tax Liabilities	n.a.	n.a.	n.a.	n.a.
6. Other Deferred Liabilities	168.5	106.8	107.8	123.4
7. Discontinued Operations	n.a.	n.a.	n.a.	n.a.
8. Insurance Liabilities	n.a.	n.a.	n.a.	n.a.
9. Other Liabilities	8.0	5.4	5.3	5.5
10. Total Liabilities	**16,767.6**	**18,007.7**	**19,096.3**	**19,423.0**
F. Hybrid Capital				
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	n.a.	0.0
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	n.a.	n.a.
G. Equity				
1. Common Equity	997.4	935.0	882.4	893.4
2. Non-controlling Interest	n.a.	n.a.	n.a.	n.a.
3. Securities Revaluation Reserves	n.a.	n.a.	n.a.	n.a.
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	n.a.	n.a.
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	n.a.	n.a.
6. Total Equity	**997.4**	**935.0**	**882.4**	**893.4**
7. Total Liabilities and Equity	**17,765.0**	**18,942.7**	**19,978.7**	**20,316.4**
8. Memo: Fitch Core Capital	996.6	933.7	880.8	893.1
Exchange rate	USD1 = EUR0.	USD1 = EUR0.	USD1 = EUR0.	USD1 = EUR0.7251

Investitionsbank Berlin
Reference Data

	31 Dec 2016 Year End EURm	31 Dec 2015 Year End EURm	31 Dec 2014 Year End EURm	31 Dec 2013 Year End EURm
A. Off-Balance Sheet Items				
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	n.a.	n.a.
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	n.a.	n.a.
3. Guarantees	137.4	110.3	123.7	122.5
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	n.a.	n.a.
5. Committed Credit Lines	809.1	428.5	825.1	859.0
7. Other Off-Balance Sheet items	n.a.	n.a.	n.a.	n.a.
8. Total Assets under Management	n.a.	n.a.	n.a.	n.a.
B. Average Balance Sheet				
Average Loans	11,949.3	13,000.0	14,000.6	14,379.4
Average Earning Assets	18,288.3	19,393.2	20,069.9	19,985.9
Average Assets	18,353.9	19,460.7	20,147.6	20,063.9
Average Managed Securitized Assets (OBS)	n.a.	n.a.	n.a.	n.a.
Average Interest-Bearing Liabilities	17,098.0	18,253.6	18,953.5	18,874.3
Average Common equity	966.2	908.7	887.9	867.4
Average Equity	966.2	908.7	887.9	867.4
Average Customer Deposits	6,890.2	7,729.4	8,054.9	8,071.4
C. Maturities				
Asset Maturities:				
Loans & Advances < 3 months	495.3	933.6	1,007.8	1,136.4
Loans & Advances 3 - 12 Months	336.2	334.1	615.8	333.3
Loans and Advances 1 - 5 Years	2,046.8	2,215.9	2,401.9	2,649.3
Loans & Advances > 5 years	8,522.5	8,933.8	9,457.6	10,281.9
Debt Securities < 3 Months	n.a.	n.a.	n.a.	n.a.
Debt Securities 3 - 12 Months	854.7	928.8	715.6	849.8
Debt Securities 1 - 5 Years	n.a.	n.a.	n.a.	n.a.
Debt Securities > 5 Years	3,344.5	3,314.2	3,305.2	3,375.4
Loans & Advances to Banks < 3 Months	585.3	568.3	301.9	275.0
Loans & Advances to Banks 3 - 12 Months	777.2	860.7	963.9	370.5
Loans & Advances to Banks 1 - 5 Years	235.0	316.7	441.1	448.2
Loans & Advances to Banks > 5 Years	96.3	119.9	161.8	182.0
Liability Maturities:				
Retail Deposits < 3 months	627.6	590.5	937.3	811.2
Retail Deposits 3 - 12 Months	306.0	462.6	185.3	106.7
Retail Deposits 1 - 5 Years	1,077.2	677.6	667.4	736.0
Retail Deposits > 5 Years	3,548.8	4,775.0	5,354.3	5,597.7
Other Deposits < 3 Months	n.a.	n.a.	n.a.	n.a.
Other Deposits 3 - 12 Months	n.a.	n.a.	n.a.	n.a.
Other Deposits 1 - 5 Years	n.a.	n.a.	n.a.	n.a.
Other Deposits > 5 Years	n.a.	n.a.	n.a.	n.a.
Deposits from Banks < 3 Months	1,443.2	1,422.6	1,409.7	1,742.7
Deposits from Banks 3 - 12 Months	554.2	587.6	119.6	297.5
Deposits from Banks 1 - 5 Years	697.4	721.1	1,077.6	994.8
Deposits from Banks > 5 Years	1,149.4	1,108.1	743.1	770.6
Senior Debt Maturing < 3 months	n.a.	n.a.	n.a.	n.a.
Senior Debt Maturing 3-12 Months	1,935.0	1,645.0	2,214.0	1,910.0
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	n.a.	n.a.
Senior Debt Maturing > 5 Years	4,149.7	4,797.1	5,118.5	5,285.9
Total Senior Debt on Balance Sheet	6,084.7	6,442.1	7,332.5	7,195.9
Fair Value Portion of Senior Debt	n.a.	n.a.	n.a.	n.a.
Subordinated Debt Maturing < 3 months	n.a.	n.a.	n.a.	n.a.
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	n.a.	n.a.
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	n.a.	n.a.
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	n.a.	n.a.
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	n.a.	0.0
Fair Value Portion of Subordinated Debt	n.a.	n.a.	n.a.	n.a.
D. Risk Weighted Assets				
1. Risk Weighted Assets	5,032.7	4,851.8	5,351.1	4,560.2
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Asse	n.a.	n.a.	n.a.	n.a.
3. Fitch Core Capital Adjusted Risk Weighted Assets	5,032.7	4,851.8	5,351.1	4,560.2
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
5. Fitch Adjusted Risk Weighted Assets	5,032.7	4,851.8	5,351.1	4,560.2
E. Equity Reconciliation				
1. Equity	997.4	935.0	882.4	893.4
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	n.a.	n.a.
3. Add: Other Adjustments	n.a.	n.a.	n.a.	n.a.
4. Published Equity	997.4	935.0	882.4	893.4
F. Fitch Core Capital Reconciliation				
1. Total Equity as reported (including non-controlling interests)	997.4	935.0	882.4	893.4
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.0	0.0
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.0	0.0
4. Goodwill	0.0	0.0	0.0	0.0
5. Other intangibles	0.8	1.3	1.6	0.3
6. Deferred tax assets deduction	0.0	0.0	0.0	0.0
7. Net asset value of insurance subsidiaries	0.0	0.0	0.0	0.0
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.0	0.0
9. Fitch Core Capital	**996.6**	**933.7**	**880.8**	**893.1**
Exchange Rate	USD1 = EUR0.	USD1 = EUR0.	USD1 = EUR0.	USD1 = EUR0.7251

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.