DISCLOSURE REPORT

pursuant to Article 431 et seq. of the Capital Requirements Regulation (CRR)
including disclosures pursuant to the German Regulations
Governing Supervisory Requirements for Institutions' Remuneration
Systems (InstitutsVergV)

Reporting date: 31 December 2014

Table of Contents

Preface

The present Disclosure Report at the reporting date of 31 December 2014 is being published for the first time in accordance with the prudential requirements of the Capital Requirements Directive IV/EU Directive 2013/36/EU, which came into force on 1 January 2014.

The present report provides a comprehensive picture of the current risk profile and risk management of Berenberg. In particular, it contains information about

- the prudential and commercial structure,
- the own funds,
- the general risk management system at Berenberg, and
- the risk management of individual risk types.

Article 431 et seq. CRR obliges banks to publish qualitative and quantitative information at regular intervals about their own funds, the risks they have assumed, the risk management procedures they apply and the credit risk-mitigation techniques they employ, and to have in place formal procedures and regulations to meet these disclosure obligations.

According to Article 431 et seq. CRR, the disclosure requirements defined in the CRR are applicable to institutions that come under Article 4 para. 1 (3) CRR. Within the framework of the present Disclosure Report, Joh. Berenberg, Gossler & Co. KG (hereinafter referred to as "Berenberg" or "the Bank") presents the disclosure requirements defined in the CRR for the standalone institution (Article 432 para. 1 CRR). In compliance with Article 432 CRR, the information disclosed in the present report is subject to the principle of materiality. Information that is proprietary or confidential is not subject to disclosure.

Disclosure is not provided on the basis of the corporate group, because this additional information is not material (Article 432 para. 1 CRR). Its omission would not change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. A disclosure obligation does not exist for information that is not material or that is proprietary or confidential (Article 432 para. 2 CRR).

The adequacy and suitability of the institution's disclosure arrangements must be reviewed at regular intervals. To this end, Berenberg has drawn up framework conditions for the Disclosure Report. The operational conditions and responsibilities are additionally specified in internal instructions.

The Disclosure Report is updated annually and published promptly on the website as a separate report alongside the annual financial statements and the management report.

1. Motivation and objectives of disclosure

Pursuant to Part VIII of Regulation (EU) No. 575/2013 (hereinafter referred to as the CRR) that came into force on 1 January 2014 in conjunction with Section 26a of the German Banking Act (Kreditwesengesetz – KWG), Berenberg is required to publish qualitative and quantitative information regarding the following on an annual basis:

- Risk management objectives and policies
- Scope of application
- Own funds and capital requirements
- Exposure to counterparty credit risk
- Exposure to market price risk
- Exposure to interest rate risk on positions not included in the trading book
- Exposure to operational risk
- Unencumbered assets
- Governance arrangements
- Remuneration policy

The present report is intended to satisfy the disclosure requirements incumbent upon Berenberg at the reporting date of 31 December 2014. The Bank's website has been selected to act as the medium for publication of the present report.

Pursuant to Article 432 CRR and in conjunction with EBA/GL/2014/14 regarding the materiality and confidentiality of disclosure, the report content presented is subject to the principle of materiality. Proprietary or confidential information is not the subject of the present report. The content of the report is reviewed at regular intervals in order to ensure adequate disclosure arrangements. The corresponding responsibilities and framework conditions are specified in internal instructions. Berenberg believes that the following report content provides comprehensive information about the overall risk profile.

BERENBERG
PARTNERSHIP SINCE 1590

2. Statement pursuant to Article 435 para. 1 (e) CRR regarding the adequacy of the risk management arrangements

The purpose of Berenberg is to generate a lasting, risk-adequate return on capital invested for its shareholders. To achieve this, the Bank deliberately targets the opportunities afforded to it by the markets. In doing so, it is willing to knowingly assume risk to an economically viable extent.

The structure of the Bank's risk management system is determined by its business and risk strategies. The management is responsible for drawing up and implementing these strategies. The risk strategy is derived consistently from the Bank's permanent business strategy. This defines rules for dealing with risks arising directly or indirectly from the Bank's commercial activities. These rules form the basis for a uniform understanding of the corporate objectives in connection with risk management Bank-wide.

In particular, the risk strategy encompasses the objectives of risk management for the main commercial activities. It is an instrument geared to the market activities and the internal controlling that is revised and, if necessary, modified on an annual basis. Risk sub-strategies are defined for certain risk types and documented separately. Risk may only be assumed within the framework of the risk-bearing capacity. The necessary risk awareness is supported by functioning communication arrangements. This is only achieved to a limited extent by instructions, control measures and sanction mechanisms. Rather, risk awareness is much more an expression of an opportunity- and risk-oriented corporate culture. This in turn is significantly shaped by the way in which the management conducts its leadership and deals with risk.

The risk management arrangements encompass all activities relating to the systematic handling of risk in the corporate sphere. These include the identification, analysis, evaluation, controlling and documentation of risk within the organisation, the operational monitoring of the success of the controlling measures and the monitoring of the effectiveness and adequacy of the risk management measures.

To summarize, Berenberg believes that the implemented methods, models and processes are suitable to ensure that the risk management arrangements are geared to the strategy and the overall risk profile at all times.

The Management

Andreas Brodtmann	Dr Hans-Walter Peters	Hendrik Riehmer

3. General disclosures

The prudential consolidated group used to determine the capital charges is defined in accordance with Section 10a KWG in conjunction with Article 18 et seq. CRR.

By contrast, the commercial consolidated group is drawn up exclusively in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB).

3.1 Name of the institution

Joh. Berenberg, Gossler & Co. KG (Article 436 (a) CRR)

Berenberg operates in four business divisions: Private Banking, Investment Banking, Asset Management and Corporate Banking.

3.2 Basic differences in consolidation for accounting and prudential purposes, including presentation of the scope of consolidation

Disclosures pursuant to Article 436 (b) CRR

Pursuant to Section 340a (1) in conjunction with Section 290 (1) 1 HGB, the Bank is required to prepare consolidated financial statements in accordance with the provisions of commercial law.

Consolidation principles

Consolidation was carried out using the revaluation method pursuant to Section 301 (1) 2 HGB by setting the book values of the Bank against the proportionate share of the subsidiaries' capital. The calculation is performed on the basis of the amounts recognised at the acquisition date of the subsidiaries.

Pursuant to Section 312 (1) HGB, consolidation using the equity method is determined by the book value method. The calculation is performed on the basis of the amounts recognised at the consolidated date of the associated enterprise.

Scope of consolidation under commercial law

The following entities are included in the consolidated financial statements of the Berenberg Group:

- Joh. Berenberg, Gossler & Co. KG, Hamburg - Berenberg
- Berenberg Bank (Schweiz) AG, Zurich
- Berenberg Lx Invest S.A., Luxembourg
- Berenberg Beteiligungsholding GmbH, Hamburg
- Berenberg Americas LLC, Boston
- Berenberg Capital Markets LLC, Boston
- Berenberg Asset Management LLC, New York
- Berenberg Private Capital GmbH, Hamburg
- Berenberg Privat-Treuhand GmbH, Hamburg

In addition, Universal Investment Gesellschaft mbH is consolidated as an associated enterprise using the equity method.

No further Group companies have been included in consolidation, as these companies and the associated enterprises are immaterial for the net assets, financial position and results of operations compliant with Section 296 (2) HGB and Section 311 (2) HGB, respectively.

Receivables and liabilities, and income and expenses, resulting from intra-Group activities are eliminated. There are no intercompany profits or losses.

Further disclosures regarding consolidated companies can be found in section 6, "Exposures in equities not included in the trading book".

Scope of prudential consolidation

For prudential purposes, institutions, investment firms, financial institutions and ancillary service undertakings are consolidated pursuant to Article 18 CRR in conjunction with Section 10a (1) KWG. The following table shows how the various undertakings are included in the financial statements:

		Prudential treatment					
Designation	**Name**	Fully consolidated pursuant to Art. 18 CRR	Excluded pursuant to Art. 19 CRR	Included pursuant to Art. 470 para. 2b and 3 CRR (threshold method)	Deducted from CET1 pursuant to Sect. 32 SolvV	Risk-weighted participations	Consolidation fully by accounting standard
Credit institution	Joh. Berenberg, Gossler & Co. KG	x					x
Credit institution	Berenberg Bank (Schweiz) AG	x					x
Investment firm	Berenberg Lux Invest S.A.	x					x
Financial institution	Berenberg Beteiligungsholding GmbH	x					x
Financial institution	Berenberg Americas LLC	x					x
Financial institution	Berenberg Capital Markets LLC	x					x
Other undertaking	Berenberg Asset Management LLC					x	x
Other undertaking	Berenberg Private-Treuhand GmbH					x	x
Other undertaking	Berenberg Private Capital GmbH					x	x
Other undertaking	Beteiligungsgesellschaft Berenberg GmbH					x	
Other undertaking	LTW Verwaltungs-gesellschaft mbH					x	
Other undertaking	Berenberg Consult G.m.b.H.					x	
Other undertaking	Berenberg Capital Management GmbH					x	
Financial institution	Berenberg Asset Holding GmbH		x			x	
Other	Berenberg Treuhand					x	

		Prudential treatment					
Designation	**Name**	Fully consolidated pursuant to Art. 18 CRR	Excluded pursuant to Art. 19 CRR	Included pursuant to Art. 470 para. 2b and 3 CRR (threshold method)	Deducted from CET1 pursuant to Sect. 32 SolvV	Risk-weighted participations	Consolidation fully by accounting standard
undertaking	G.m.b.H.						
Financial institution	Diligentia Beteiligungsgesellschaft m.b.H.		x			x	
Other undertaking	Berenberg Real Estate Asset Management GmbH					x	
Other undertaking	KVG Binnenalster Invest AG					x	
Other undertaking	KVG Binnenalster Fondsmanagement GmbH					x	
Financial institution	PBG Parkhausfonds Beteiligungsges. mbH		x			x	
Financial institution	Parkhausfonds Equity Invest GmbH & Co. KG		x			x	
Other undertaking	Parkhausfonds Objekt Leipzig GmbH & Co. KG					x	
Other undertaking	Parkhausfonds Objekt Villingen GmbH & Co. KG					x	
Other undertaking	Parkhausfonds Objekt Schwenningen GmbH & Co. KG					x	
Other undertaking	Parkhausfonds Objekt Potsdam GmbH & Co. KG					x	
Financial institution	BPC Grundbesitz Verwaltungs GmbH		x			x	
Financial institution	Bergos AG		x			x	

There were no subsidiaries without adequate capital cover at the reporting date. (Article 436 (c) and (d) CRR)

There are no current or foreseen material practical or legal impediments to the prompt transfer of own funds for the repayment of liabilities among the Bank and its subsidiaries.

4. The Bank's own funds

4.1 Description of the key features

The following table shows the key features of the Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments issued by Berenberg.

Key features of the capital instruments		Instrument I	Subordinated Loan I	Subordinated Loan II	Subordinated Loan III	Subordinated Loan IV	Subordinated Loan V
1	Issuer	Joh. Berenberg, Gossler & Co. KG	Joh. Berenberg, Gossler & Co. KG	Joh. Berenberg, Gossler & Co. KG	Joh. Berenberg, Gossler & Co. KG	Joh. Berenberg, Gossler & Co. KG	Joh. Berenberg, Gossler & Co. KG
2	Standard identifier	n/a	n/a	n/a	n/a	n/a	n/a
3	Law applicable to the instrument	German law	German law	German law	German law	German law	German law
	Prudential treatment						
4	CRR transition arrangements	Common Equity Tier1 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
5	CRR arrangements after the transition period	Common Equity Tier1 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Eligible at standalone/ corporate / standalone and corporate level	Standalone and corporate level	Standalone and corporate level	Standalone and corporate level	Standalone and corporate level	Standalone and corporate level	Standalone and corporate level
7	Instrument type	Capital contributions by general and limited partners	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated loan
8	Eligible amount for regulatory own funds	150,000,000.00	10,000,000.00	10,000,000.00	5,000,000.00	10,000,000.00	10,000,000.00
9	Nominal value of the instrument	150,000,000.00	10,000,000.00	10,000,000.00	5,000,000.00	10,000,000.00	10,000,000.00
9a	Issue price	100%	100%	100%	100%	100%	100%
9b	Redemption price	n/a	100%	100%	100%	100%	100%
10	Accounting classification	Subscribed capital	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated loan
11	Original issue date	Various	02/06/2008	25/06/2008	18/12/2008	03/12/2009	30/11/2009
12	Open-ended or with expiry date	Open-ended	01/06/2018	25/06/2018	07/01/2019	03/01/2020	30/01/2020
13	Original due date	n/a	01/06/2018	25/06/2018	07/01/2019	03/01/2020	30/01/2020
14	Callable by issuer with prior consent of supervisors	No	Yes	Yes	Yes	Yes	Yes
15	Selectable termination date, conditional termination dates and redemption amount	n/a	6 months to next interest due date	6 months to next interest due date	6 months to next interest due date	6 months to next interest due date	6 months to next interest due date
16	Later termination dates, if applicable	n/a	n/a	n/a	n/a	n/a	n/a
	Coupons / dividends		6.55%	6.80%	6.25%	6.00%	6.00%

Key features of the capital instruments		Instrument I	Subordinated Loan I	Subordinated Loan II	Subordinated Loan III	Subordinated Loan IV	Subordinated Loan V
17	Fixed or variable dividend/ coupon payments	Variable	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon and any reference index	No applicable	n/a	n/a	n/a	n/a	n/a
19	Existence of a dividend stopper	No	No	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (timing)	Partly discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partly discretionary or mandatory (related to the amount)	Partly discretionary As agreed with the companies	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step up or incentive to redeem	No	n/a	n/a	n/a	n/a	n/a
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible: trigger for conversion	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible: fully or partially	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible: conversion rate	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible: conversion mandatory or optional	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible: type of instrument converted into	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible: issuer of the instrument converted into	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down features	n/a	n/a	n/a	n/a	n/a	n/a
31	In the event of write-down: trigger for write-down	n/a	n/a	n/a	n/a	n/a	n/a
32	In the event of write-down: full or part	n/a	n/a	n/a	n/a	n/a	n/a
33	In the event of write-down: permanent or temporary	n/a	n/a	n/a	n/a	n/a	n/a
34	In the event of temporary write-down: write-up mechanism	n/a	n/a	n/a	n/a	n/a	n/a
35	Position in hierarchy for liquidation	Last	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated
36	Irregular features of the converted instruments	n/a	n/a	n/a	n/a	n/a	n/a
37	Description of any irregular features	n/a	n/a	n/a	n/a	n/a	n/a

4.2 Structure of own funds

Disclosures pursuant to Article 437 CRR

The own funds are determined on the basis of the German Banking Act (KWG) and the Capital Requirements Regulation (CRR). The method used to prepare the consolidated financial statements is used to calculate the own funds and exposures.

	Disclosure of own funds	Amount at 31/12/2014 € millions	References to articles in Regulation (EU) No. 575/2013
	Common Equity Tier 1 capital (CET1): instruments and reserves		
1	Capital instruments and the related share premium account	152.8	26 (1), 27, 28, 29
	thereof: type of financial instrument 1	152.8	EBA list pursuant to Article 26 (3)
	thereof: type of financial instrument 2		EBA list pursuant to Article 26 (3)
	thereof: type of financial instrument 3		EBA list pursuant to Article 26 (3)
2	Retained earnings	89.7	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	0	26 (1)
3a	Fund for general banking risks	13.4	26 (1) (f)
4	Amount of the items within the meaning of Article 484 para. 3 plus the related share premium accounts eligible for grandfathering within CET1	0	486 (2)
5	Minority interests (amount permitted in consolidated CET1)	0	84
5a	Independently reviewed interim profits, less all foreseeable charges or dividends	0	26 (2)
6	Common Equity Tier 1 capital (CET1) before prudential adjustments	255.9	Total of rows 1 to 5a
	Common Equity Tier 1 capital (CET1): prudential adjustments		
7	Additional valuation adjustments (negative amount)	0	34, 105
8	Intangible assets	-6.5	36 (1) (b), 37
9	In the EU: blank field	0	
10	Deferred tax assets that rely on future profitability, excluding those resulting from temporary differences (less related tax liabilities, where the conditions laid down in Article 38 para. 3 are met)	0	36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges	0	33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts	0	36 (1) (d), 40, 159
13	Increase in own funds arising from securitised assets	0	32 (1)
14	Gains or losses on liabilities of the institution valued at fair value that result from changes in the own credit standing	0	33 (1) (b)
15	Defined benefit pension fund assets	0	36 (1) (e), 41
16	Direct and indirect holdings by the institution of own Common Equity Tier 1 instruments	0	36 (1) (f), 42
17	Direct, indirect and synthetic holdings by the institution of Common Equity Tier 1 instruments of financial sector entities, where those entities have reciprocal cross holdings with the institution, designed to artificially inflate the own funds of the institution	0	36 (1) (g), 44
18	Direct, indirect and synthetic holdings by the institution of own Common Equity Tier 1 instruments of financial sector entities in which the institution does not have a significant investment (more than 10% and less eligible short positions)	0	36 (1) (h), 43, 45, 46, 49 (2) and (3), 79

Disclosure of own funds		Amount at 31/12/2014 € millions	References to articles in Regulation (EU) No. 575/2013
19	Direct, indirect and synthetic holdings by the institution of own Common Equity Tier 1 instruments of financial sector entities in which the institution has a significant investment (more than 10% and less eligible short positions)	0	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
20	In the EU: blank field	0	
20a	Exposure amount of the following items which qualify for a risk weight of 1250%, where the institution deducts that exposure amount from the amount of Common Equity Tier 1 items as an alternative to applying 1250%	0	36 (1) (k)
20b	thereof: qualifying holdings outside the financial sector	0	36 (1) (k) (i), 89 to 91
20c	thereof: securitisation positions	0	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258
20d	thereof: free deliveries	0	36 (1) (k) (iii), 379 (3)
21	Deferred tax assets resulting from temporary differences that rely on future profitability (above the threshold of 10%, less related tax liabilities, where the conditions laid down in Article 38 para. 3 are met)	0	36 (1) (c), 38, 48 (1) (a)
22	Amount in excess of the threshold of 15%	0	48 (1)
24	In the EU: blank field	0	
25	thereof: deferred tax assets resulting from temporary differences that rely on future profitability	0	36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year	0	36 (1) (a)
25b	Foreseeable tax charge on Common Equity Tier 1 items	0	36 (1) (l)
27	Amount of the items to be deducted from Additional Tier 1 capital that exceeds the Additional Tier 1 capital of the institution	0	36 (1) (j)
28	Total prudential adjustments of Common Equity Tier 1 capital (CET1)	-6.5	Total of rows 7 to 20a, 21, 22, plus rows 25a to 27
29	Common Equity Tier 1 capital (CET1)	249.4	Line 6 less line 28
	Additional Tier 1 capital (AT1): instruments		
30	Capital instruments and the related share premium account	0	51, 52
31	thereof: classified as equity under the applicable accounting standards	0	
32	thereof: classified as liabilities under the applicable accounting standards	0	
33	Amount of the items within the meaning of Article 484 para. 4 plus the related share premium accounts eligible for grandfathering within AT1	0	486 (3)
34	Qualifying Tier 1 capital instruments included in consolidated Additional Tier 1 capital (including minority interests not contained in line 5), issued by subsidiaries and held by third parties	0	85, 86
35	thereof: instruments issued by subsidiaries eligible for grandfathering	0	486 (3)
36	Additional Tier 1 capital (AT1) before prudential adjustments	0	Total of rows 30, 33 and 34
	Additional Tier 1 capital (AT1): prudential adjustments		
37	Direct and indirect holdings by the institution of own Additional Tier 1 instruments	0	52 (1) (b), 56 (a), 57
38	Direct, indirect and synthetic holdings by the institution of Additional Tier 1 instruments of financial sector entities, where those entities have reciprocal cross holdings with the institution, designed to artificially inflate the own funds of the institution	0	56 (b), 58
39	Direct, indirect and synthetic holdings by the institution of Additional Tier 1 instruments of financial sector entities in which the institution does not have a significant investment (more than 10% and less eligible short positions)	0	56 (c), 59, 60, 79

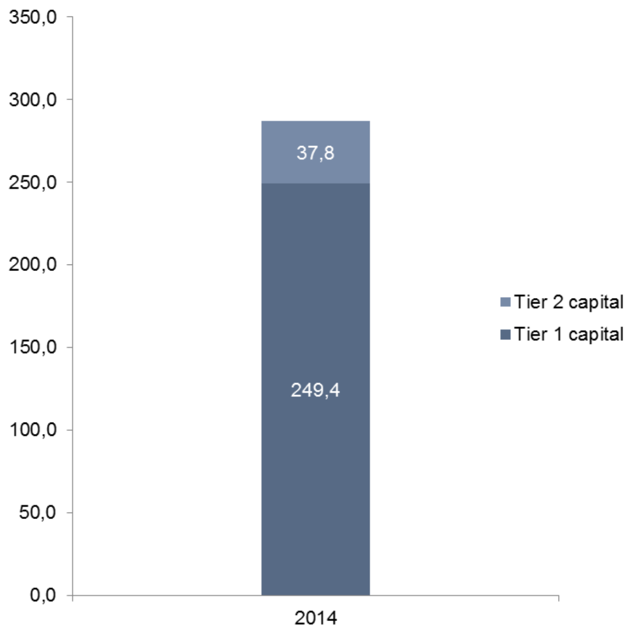
Disclosure of own funds		Amount at 31/12/2014 € millions	References to articles in Regulation (EU) No. 575/2013
40	Direct, indirect and synthetic holdings by the institution of Additional Tier 1 instruments of financial sector entities in which the institution has a significant investment (more than 10% and less eligible short positions)	0	56 (d), 59, 79
41	In the EU: blank field	0	
42	Amount of the items to be deducted from Tier 2 capital that exceeds the Tier 2 capital of the institution	0	56
43	Total prudential adjustments of Additional Tier 1 capital (AT1)	0	Total of rows 37 to 42
44	Additional Tier 1 capital (AT1)	0	Line 36 less line 43
45	Tier 1 capital (T1 = CET1 + AT1)	249.4	Total of rows 29 and 44
	Tier 2 capital (T2): instruments and reserves		
46	Capital instruments and the related share premium account	37.8	62, 63
47	Amount of the items within the meaning of Article 484 para. 5 plus the related share premium accounts eligible for grandfathering within T2	0	486 (4)
48	Qualifying own funds included in consolidated Tier 2 capital (including minority interests and AT1 instruments not contained in the rows 5 and 34), issued by subsidiaries and held by third parties	0	87, 88
49	thereof: instruments issued by subsidiaries eligible for grandfathering	0	486 (4)
50	Credit risk adjustments	0	62 (c) and (d)
51	Tier 2 capital (T2) before prudential adjustments	37.8	
	Tier 2 capital (T2): prudential adjustments		
52	Direct and indirect holdings by the institution of own Tier 2 capital instruments and subordinated loans	0	63 (b) (i), 66 (a), 67
53	Holdings of Tier 2 capital instruments and subordinated loans of financial sector entities, where those entities have reciprocal cross holdings with the institution, designed to artificially inflate the own funds of the institution	0	66 (b), 68
54	Direct and indirect holdings by the institution of Tier 2 capital instruments and subordinated loans of financial sector entities in which the institution does not have a significant investment (more than 10% and less eligible short positions)	0	66 (c), 69, 70, 79
55	Direct and indirect holdings by the institution of Tier 2 capital instruments and subordinated loans of financial sector entities in which the institution has a significant investment (more than 10% and less eligible short positions)	0	66 (d), 69, 79
56	In the EU: blank field	0	
57	Total prudential adjustments of Tier 2 capital (T2)	0	Total of rows 52 to 56
58	Tier 2 capital (T2)	37.8	Line 51 less line 57
59	Total own funds (TC = T1 + T2)	287.2	Total of rows 45 and 58
60	Total risk-weighted assets	1,892.0	
	Capital rations and buffers		
61	Common Equity Tier 1 capital ratio	13.18	92 (2) (a)
62	Tier 1 capital ratio	13.18	92 (2) (b)
63	Total capital ratio	15.18	92 (2) (c)
64	Institution-specific capital buffer requirement (minimum requirement for the Common Equity Tier 1 capital ratio pursuant to Article 92 para. 1 (a), plus the requirements for capital conservation buffer and countercyclical capital buffer, systemic risk buffer and buffer for systemically important institutions, expressed as a percentage of the total exposure amount)	n/a	CRD 128, 129, 130, 131, 133
65	thereof: capital conservation buffer	n/a	
66	thereof: countercyclical capital buffer	n/a	

Disclosure of own funds		Amount at 31/12/2014 € millions	References to articles in Regulation (EU) No. 575/2013
67	thereof: systemic risk buffer	n/a	
67a	thereof: buffer for global systemically important institutions (G-SII) or other systemically important institutions (O-SII)	n/a	
68	Common Equity Tier 1 capital available for the buffers	n/a	CRD 128
69	[not relevant in EU Regulation]	n/a	
70	[not relevant in EU Regulation]	n/a	
71	[not relevant in EU Regulation]	n/a	
	Amounts below the thresholds for deductions (before risk weighting)		
72	Direct and indirect holdings by the institution of capital instruments of financial sector entities in which the institution does not have a significant investment (less than 10% and less eligible short positions)	n/a	36 (1) (h), 46, 45, 56 (c), 59, 60, 66 (c), 69, 70
73	Direct and indirect holdings by the institution of capital instruments of financial sector entities in which the institution has a significant investment (less than 10% and less eligible short positions)	20.1	36 (1) (i), 45, 48
74	In the EU: blank field	n/a	
75	Deferred tax assets resulting from temporary differences that rely on future profitability (below the threshold of 10%, less related tax liabilities, where the conditions laid down in Article 38 para. 3 are met)	n/a	36 (1) (c), 38, 48
	Eligible limit for including valuation adjustments in Tier 2 capital		
76	Credit risk adjustments eligible for Tier 2 capital with regard to exposures subject to the Standardised Approach (before application of the limit)	n/a	62
77	Limit for the eligibility of credit risk adjustments for Tier 2 capital under the Standardised Approach	n/a	62
78	Credit risk adjustments eligible for Tier 2 capital for exposures subject to the Internal Assessment Approach (before application of the limit)	n/a	62
79	Limit for the eligibility of credit risk adjustments for Tier 2 capital under the Internal Assessment Approach	n/a	62
	Equity instruments subject to grandfathering arrangements		
80	• Current limit for CET1 instruments to which the grandfathering arrangements apply	n/a	484 (3), 486 (2) and (5)
81	• Amount excluded from CET1 due to limit (amount in excess of limit after repayments and redemptions at maturity)	n/a	484 (3), 486 (2) and (5)
82	• Current limit for AT1 instruments for which the grandfathering arrangements apply	n/a	484 (4), 486 (3) and (5)
83	• Amount excluded from AT1 due to limit (amount in excess of limit after repayments and redemptions at maturity)	n/a	484 (4), 486 (3) and (5)
84	• Current limit for T2 instruments to which the grandfathering arrangements apply	n/a	484 (5), 486 (4) and (5)
85	• Amount excluded from T2 due to limit (amount in excess of limit after repayments and redemptions at maturity)	n/a	484 (5), 486 (4) and (5)

The own funds consist of Tier 1 capital and Tier 2 capital.

The Tier 1 capital consists of the subscribed capital and the reserves. The non-current subordinated liabilities are assigned to Tier 2 capital.

Composition of own funds



4.3 Own funds instruments

Structure of own funds

The equity instruments included in the summary view pursuant to Section 10a (5) KWG and Section 10a (4) KWG encompass the Common Equity Tier 1 capital and Tier 2 capital attributable to the affiliated enterprises in the prudential scope of consolidation. No Additional Tier 1 capital has been issued by affiliated enterprises in the prudential scope of consolidation.

Common Equity Tier 1 capital

The Common Equity Tier 1 capital essentially contains the shareholders' equity shown in the balance sheet. The subscribed capital of Berenberg is fully paid in. These open reserves encompass the retained earnings. A special fund for general banking risks set up in accordance with Section 340e (4) HGB in conjunction with Section 340g HGB is carried under the eligible open reserves pursuant to Section 10a (5) KWG.

Tier 2 capital

The Tier 2 capital (T2) of Berenberg pursuant to Article 62 CRR consists of eligible non-current subordinated liabilities of €37.8 million. There are no items to be deducted from Tier 2 capital pursuant to Article 66 CRR.

The item "Subordinated liabilities" contains liabilities that, in the event of insolvency or liquidation, would not be repaid until the claims of all non-subordinated creditors have been settled. Subordinated liabilities are own funds within the meaning of Article 62 CRR and count as liable equity under the conditions set forth in Article 63 CRR. Pursuant to Article 64 CRR, their eligibility in the final five year period of their contractual maturity is determined constantly in line with the declining residual maturity measured in days on a straight-line basis. All subordinated receivables meet the requirements of Article 63 CRR.

The following table shows the reconciliation of the elements of own funds in the audited consolidated financial statements of the Berenberg Group to the regulatory own funds pursuant to Article 437 para. 1 (a) CRR in conjunction with Annex I of Commission Implementing Regulation (EU) No. 1423/2013 dated 20 December 2013:

Disclosure of the key features of the capital instruments

Reconciliation of all elements of the regulatory own funds with the Balance Sheet Reconciliation from commercial to regulatory own funds	Capital as per commercial scope of consolidation 31/12/2014 € millions	Capital as per prudential scope of consolidation 31/12/2014 € millions	Own funds compliant with CRR 31/12/2014 € millions
Common Equity Tier 1 capital (CET 1): instruments and reserves			
Capital instruments and the related share premium account	150.0	152.8	152.8
thereof: subscribed capital	150.0	152.8	152.8
Retained earnings	42.0	42.8	0.0
Accumulated other comprehensive income (and other reserves)	93.4	89.7	89.7
thereof: additional paid-in capital	0.0	0.0	0.0
thereof: retained earnings	91.1	89.7	89.7
thereof: net loss for the year	0.0	0.0	0.0
thereof: currency translation differences	2.3	0.0	0.0
Fund for general banking risks	15.7	15.7	13.4
Common Equity Tier 1 capital (CET 1) before prudential adjustments	259.1	255.9	255.9
Additional valuation adjustments (negative amount)			0.0
Intangible assets (less related tax liabilities) (negative amount)	-4.3	-4.3	-6.5
Deferred tax assets that rely on future profitability, excluding those resulting from temporary differences (less related tax liabilities, where the conditions laid down in Article 38 para. 3 are met) (negative amount)	0.0	0.0	0.0
Defined benefit pension fund assets (negative amount)	0.0	0.0	0.0
Direct, indirect and synthetic holdings by the institution of Common Equity Tier 1 instruments of financial sector entities in which the institution has a significant investment (more than 10% and less eligible short positions) (negative amount)	0.0	0.0	0.0
Exposure amount of the following items which qualify for a risk weight of 1250%, where the institution deducts that exposure amount from the amount of Common Equity Tier 1 items as an alternative to applying 1250%	0.0	0.0	0.0
Total prudential adjustments of Common Equity Tier1 1 capital (CET 1)	-4.3	-4.3	-6.5
Common Equity Tier 1 capital (CET 1)	254.8	251.6	249.4
Additional Tier 1 capital (AT1); instruments			
Capital instruments and the related share premium account	0.0	0.0	0.0
thereof: classified as liabilities under the applicable accounting standards	0.0	0.0	0.0
Amount of the items within the meaning of Article 484 para. 4 plus the related share premium accounts eligible for grandfathering within AT1	0.0	0.0	0.0
Additional Tier capital (AT1) before prudential adjustments	0.0	0.0	0.0
Additional Tier 1 capital (AT1): prudential adjustments	0.0	0.0	0.0

Reconciliation of all elements of the regulatory own funds with the Balance Sheet Reconciliation from commercial to regulatory own funds	Capital as per commercial scope of consolidation 31/12/2014 € millions	Capital as per prudential scope of consolidation 31/12/2014 € millions	Own funds compliant with CRR 31/12/2014 € millions
Residual amount deducted from Additional Tier 1 capital and not from Common Equity Tier 1 capital during the transition period pursuant to Article 472 CRR	0.0	0.0	0.0
Total prudential adjustments of Additional Tier 1 capital (AT1)	0.0	0.0	0.0
Additional Tier 1 capital (AT1)	0.0	0.0	0.0
Tier 1 capital (T 1 = CET 1 + AT1)	254.8	251.6	249.4
Tier 2 capital (T2): instruments and reserves			
Capital Instruments and the related share premium account	45.0	45.0	45.0
Amount of the items within the meaning of Article 484 para. 5 plus the related share premium accounts eligible for grandfathering within T2	0.0	0.0	0.0
Tier 2 capital (T2) before regulatory adjustments	45.0	45.0	45.0
Tier 2 capital (T2): prudential adjustments		0.0	
Amount to be included in or deducted from Tier 2 capital for additional prudential filters and in accordance with the deductions required under pre-CRR treatment			-7.2
thereof: not eligible as AT1 pursuant to Article 52 CRR but as T2 pursuant to Article 63 CRR			0.0
Tier 2 capital (T2)			37.8
Total equity capital (TC = T 1 + T2)			287.2
Total risk-weighted assets			1,892.0

4.4 Capital requirements

Disclosures pursuant to Article 438 CRR

The adequacy of the own funds used to back future activities is assessed as part of the annual planning process. The own funds are subject to risk-adjusted planning based on the Bank's business and risk strategies. The planning serves to highlight capital shortfalls so that timely preventive measures can be taken. If necessary, new own funds are obtained. In this way we ensure that enough own funds are on hand at all times to cover all material risks in accordance with the individual risk profile of Berenberg.

In addition, a daily projection of the capital requirements is made for a time horizon of three months during the year. This system makes it possible to identify short-term shortfalls at an early stage.

Furthermore, management is informed about the current development of the allocation of own funds on a monthly basis. The regulatory capital requirement compliant with the CRR is used for this capital allocation and monitoring.

Disclosures pursuant to Article 438 CRR

	Own funds during the transition period	Amount on reporting date	Reference to articles in Regulation (EU) No. 575/2013	Amounts subject to treatment before Regulation (EU) No. 575/2013 or regulatory remainder pursuant to Regulation (EU) No. 575/2013
	Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium account		26 (1), 27, 28, 29, EBA list pursuant to Article 26 para. 3	
	thereof: type of financial instrument 1	152.8	EBA list pursuant to Article 26 para. 3	152.8
	thereof: type of financial instrument 2	0.0	EBA list pursuant to Article 26 para. 3	0.0
	thereof: type of financial instrument 3	0.0	EBA list pursuant to Article 26 para. 3	0.0
2	Retained earnings	89.7	26 (1) (c)	89.7
3	Accumulated other comprehensive income (and other reserves, to take account of unrealised gains and losses under the applicable accounting standards)	0.0	26 (1)	0.0
3a	Fund for general banking risks	13.4	26 (1) (f)	13.4
4	Amount of the item within the meaning of Article 484 para. 3 plus the related share premium accounts eligible for grandfathering within CET1	0.0	486 (2)	0.0
	State aid instruments with grandfathering until 1 January 2018	0.0	483 (2)	0.0
5	Minority interests (amount permitted in consolidated CET1)	0.0	84, 479, 480	0.0
5a	Independently reviewed interim profits, less all foreseeable charges or dividends	0.0	26 (2)	0.0
6	Common Equity Tier 1 capital (CET1) before prudential adjustments	255.9		255.9
	Common Equity Tier 1 capital: prudential adjustments			
7	Additional valuation adjustments	0.0	34, 105	0.0
8	Intangible assets (less related tax liabilities)	-6.5	36 (1) (b), 37, 472 (4)	-6.5
9	In the EU: blank field			
10	Deferred tax assets that rely on future profitability, excluding those resulting from temporary differences (less related tax liabilities, where the conditions laid down in Article 38 para. 3 are met)	0.0	36 (1) (c), 38, 472 (5)	0.0
11	Fair value reserves related to gains or losses on cash flow hedges	0.0	33 (a)	0.0
12	Negative amounts resulting from the calculation of expected loss amounts	0.0	36 (1) (d), 40, 159, 472 (6)	0.0
13	Increase in own funds arising from securitised assets	0.0	32 (1)	0.0
14	Gains or losses on liabilities of the institution valued at fair value that result from changes in the own credit standing	0.0	33 (1) (b)	0.0
15	Defined benefit pension fund assets	0.0	36 (1) (e), 41, 472 (7)	0.0
16	Direct and indirect holdings of the institution of own Common Equity Tier 1 instruments	0.0	36 (1) (f), 42, 472 (8)	0.0
17	Holdings of Common Equity Tier 1 instruments of financial sector entities, where those entities have reciprocal cross holdings with the institution, designed to artificially inflate the own funds of the institution	0.0	36 (1) (g), 44, 472 (9)	0.0

	Own funds during the transition period	Amount on reporting date	Reference to articles in Regulation (EU) No. 575/2013	Amounts subject to treatment before Regulation (EU) No. 575/2013 or regulatory remainder pursuant to Regulation (EU) No. 575/2013
18	Direct and indirect holdings by the institution of own Common Equity Tier 1 instruments of financial sector entities in which the institution does not have a significant investment (more than 10% and less eligible short positions)	0.0	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	0.0
19	Direct and indirect holdings by the institution of own Common Equity Tier 1 instruments of financial sector entities in which the institution has a significant investment (more than 10% and less eligible short positions)	0.0	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	0.0
20	In the EU: blank field			
20a	Exposure amount of the following items which qualify for a risk weight of 1250%, where the institution deducts that exposure amount from the amount of Common Equity Tier 1 items as an alternative to applying 1250%	0.0	36 (1) (k)	0.0
20b	thereof: qualifying holdings outside the financial sector	0.0	36 (1) (k) (i), 89 to 91	0.0
20c	thereof: securitisation positions	0.0	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258	0.0
20d	thereof: free deliveries	0.0	36(1) (k) (iii), 379 (3)	0.0
21	Deferred tax assets resulting from temporary differences that rely on future profitability (above the threshold of 10% less related tax liabilities, where the conditions laid down in Article 38 para. 3 are met)	0.0	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	0.0
22	Amount in excess of the threshold of 15%	0.0	48 (1)	0.0
23	thereof: direct and indirect holdings by the institution of Common Equity Tier 1 instruments of financial sector entities in which the institution holds a significant investment	0.0	36 (1) (i), 48 (1) (b), 470, 472 (11)	0.0
24	In the EU: blank field			
25	thereof: deferred tax assets resulting from temporary differences that rely on future profitability	0.0	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	0.0
25a	Losses for the current financial year	0.0	36 (1) (a), 472 (3)	0.0
25b	Foreseeable tax charge on Common Equity Tier 1 items	0.0	36 (1) (l)	0.0
26	Prudential adjustments in connection with unrealised gains and losses pursuant to Article 467 and 468	0.0		0.0
26a	Prudential adjustments in connection with unrealised gains and losses pursuant to Article 467 and 468	0.0		0.0
	thereof: … prudential filters for unrealised losses 1	0.0	467	0.0
	thereof: … prudential filters for unrealised losses 2	0.0	467	0.0
	thereof: … prudential filters for unrealised gains 1	0.0	468	0.0
	thereof: … prudential filters for unrealised gains 2	0.0	468	0.0
26b	Amount to be included in or deducted from Common Equity Tier 1 capital for additional prudential filters and in accordance with the deductions required under pre-CRR treatment	0.0	481	0.0
	thereof: …	0.0	481	0.0
27	Amount of the items to be deducted from Additional Tier 1 capital that exceeds the Additional Tier 1 capital of the institution	0.0	36 (1) (j)	0.0
28	Total prudential adjustments of Common Equity Tier 1 capital (CET1)	-6.5		-6.5
29	Common Equity Tier 1 capital (CET1)	249.4		249.4

	Own funds during the transition period	Amount on reporting date	Reference to articles in Regulation (EU) No. 575/2013	Amounts subject to treatment before Regulation (EU) No. 575/2013 or regulatory remainder pursuant to Regulation (EU) No. 575/2013
	Additional Tier 1 capital (AT1): instruments			
30	Capital instruments and the related share premium account	0.0	51, 52	0.0
31	thereof: classified as equity under the applicable accounting standards	0.0		0.0
32	thereof: classified as liabilities under the applicable accounting standards	0.0		0.0
33	Amount of the items within the meaning of Article 484 para. 4 plus the related share premium accounts eligible for grandfathering within AT1	0.0	486 (3)	0.0
	State aid instruments with grandfathering until 1 January 2018	0.0	483 (3)	0.0
34	Qualifying Tier 1 capital instruments included in consolidated Additional Tier 1 capital (including minority interests not contained in line 5), issued by subsidiaries and held by third parties	0.0	85, 86 480	0.0
35	thereof: instruments issued by third parties eligible for grandfathering	0.0	486 (3)	0.0
36	Additional Tier 1 capital (AT1) before prudential adjustments	0.0		0.0
	Additional Tier 1 capital (AT1): prudential adjustments			
37	Direct and indirect holdings by the institution of own Additional Tier 1 instruments	0.0	52 (1) (b), 56 (a), 57, 475 (2)	0.0
38	Holdings of Additional Tier 1 instruments of financial sector entities, where those entities have reciprocal cross holdings with the institution, designed to artificially inflate the own funds of the institution	0..0	56 (b), 58, 475 (3)	0.0
39	Direct and indirect holdings by the institution of Additional Tier 1 instruments of financial sector entities in which the institution does not have a significant investment (more than 10% and less eligible short positions)	0.0	56 (c), 59, 60, 79, 475 (4)	0.0
40	Direct and indirect holdings by the institution of Additional Tier 1 instruments of financial sector entities in which the institution has a significant investment (more than 10% and less eligible short positions)	0.0	56 (d), 59, 79, 475 (4)	0.0
41	Prudential adjustments of Additional Tier 1 capital for amounts subject to pre-CRR treatment and treatment during the transition period, for which the grandfathering arrangements under Regulation (EU) No. 575/2013 are applicable (i.e. CRR residual amounts)	0.0		0.0
41a	Residual amounts to be deducted from Additional Tier 1 capital for items to be deducted from Common Equity Tier 1 capital during the transition period pursuant to Article 472 of Regulation (EU) No. 575/2013	0.0	472, 472 (3) (a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) 8a), 472 (11) (a)	0.0
	thereof: items to be listed row by row, …	0.0		0.0
41b	Residual amounts to be deducted from Additional Tier 1 capital for items to be deducted from Tier 2 capital during the transition period pursuant to Article 475 of Regulation (EU) No. 575/2013	0.0	477, 477 (3), 477 (4) (a)	0.0
	thereof: items to be listed row by row, …	0.0		0.0
41c	Amount to be included in or deducted from Additional Tier 1 capital for additional prudential filters and in accordance with the deductions required under pre-CRR treatment	0.0		0.0
	thereof: … possible prudential filters for unrealised losses	0.0	467	0.0
	thereof: … possible prudential filters for unrealised gains	0.0	468	0.0
	thereof: …	0.0	481	0.0
42	Amount of the items to be deducted from Tier 2 capital that exceeds the Additional Tier 1 capital of the institution	0.0	56 (e)	0.0

Own funds during the transition period		Amount on reporting date	Reference to articles in Regulation (EU) No. 575/2013	Amounts subject to treatment before Regulation (EU) No. 575/2013 or regulatory remainder pursuant to Regulation (EU) No. 575/2013
43	Total prudential adjustments of the Additional Tier 1 capital (AT1)	0.0		0.0
44	Additional Tier 1 capital (AT1)	0.0		0.0
45	Tier 1 capital (T1 = CET1 + AT1)	249.4		249.4
	Tier 2 capital (T2): instruments and reserves			
46	Capital instruments and the related share premium account	37.8	62, 63	37.8
47	Amount of the items within the meaning of Article 484 para. 5 plus the related share premium accounts eligible for grandfathering within T2	0.0	468 (4)	0.0
	State aid instruments with grandfathering until 1 January 2018	0.0	483 (4)	0.0
48	Qualifying own funds included in consolidated Tier 2 capital (including minority interests and AT1 instruments not contained in the rows 5 and 34), issued by subsidiaries and held by third parties	0.0	87, 88, 480	0.0
49	thereof: instruments issued by subsidiaries eligible for grandfathering	0.0	486 (4)	0.0
50	Credit risk adjustments	0.0	62 (c) and (d)	0.0
51	Tier 2 capital (T2) before prudential adjustments	37.8		37.8
	Tier 2 capital (T2): prudential adjustments			
52	Direct and indirect holdings by the institution of own Tier 2 capital instruments and subordinated loans	0.0	63 (b) (i), 66 (a), 67, 477 (2)	0.0
53	Holdings of Tier 2 capital instruments and subordinated loans of financial sector entities, where those entities have reciprocal cross holdings with the institution, designed to artificially inflate the own funds of the institution	0.0	66 (b), 68, 477 (3)	0.0
54	Direct and indirect holdings by the institution of Tier 2 capital instruments and subordinated loans of financial sector entities in which the institution does not have a significant investment (more than 10% and less eligible short positions)	0.0	66 (c), 69, 70, 79, 477 (4)	0.0
54a	thereof: new holdings not subject to any transition arrangements	0.0		0.0
54b	thereof: holdings existing before 1 January 2013 and subject to transition arrangements	0.0		0.0
55	Direct and indirect holdings by the institution of Tier 2 capital instruments and subordinated loans of financial sector entities in which the institution has a significant investment (less eligible short positions)	0.0	66 (d), 69, 79, 477 (4)	0.0
56	Prudential adjustments of Tier 2 capital for amounts subject to pre-CRR treatment and treatment during the transition period, for which the grandfathering arrangements under Regulation (EU) No. 575/2013 are applicable (i.e. CRR residual amounts)	0.0		0.0
56a	Residual amounts to be deducted from Tier 2 capital for items to be deducted from Common Equity Tier 1 capital during the transition period pursuant to Article 472 of Regulation (EU) No. 575/2013	0.0	472, 473 (3) (a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	0.0
	thereof: items to be listed row by row, e.g. material interim losses (net), intangible assets, defaults under provisions for anticipated losses, etc.	0.0		0.0
56b	Residual amounts to be deducted from Tier 2 capital for items to be deducted from Additional Tier 1 capital during the transition period pursuant to Article 475 of Regulation (EU) No. 575/2013	0.0	475, 475 (2) (a), 475 (3), 475 (4) (a)	0.0
	thereof: items to be listed row by row, e.g. reciprocal cross holdings of Additional Tier 1 instruments, direct holdings of insignificant investments in the capital of other financial sector entities, etc.	0.0		0.0

BERENBERG
PARTNERSHIP SINCE 1590

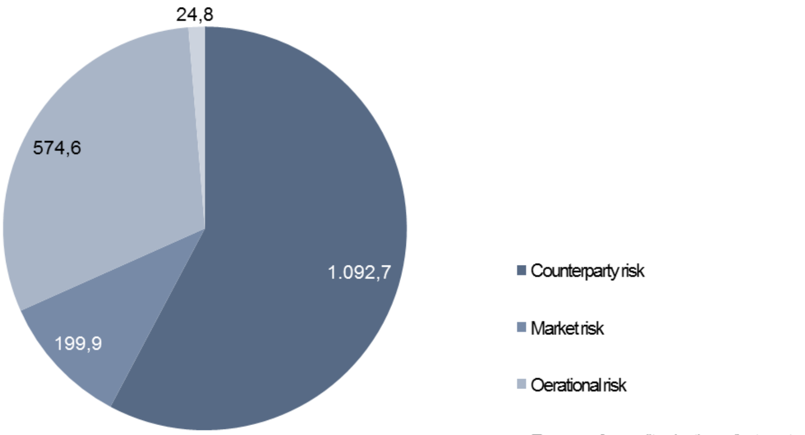
	Own funds during the transition period	Amount on reporting date	Reference to articles in Regulation (EU) No. 575/2013	Amounts subject to treatment before Regulation (EU) No. 575/2013 or regulatory remainder pursuant to Regulation (EU) No. 575/2013
56c	Amount to be included in or deducted from Tier 2 capital for additional prudential filters and in accordance with the deductions required under pre-CRR treatment	0.0	467, 468, 481	0.0
	thereof: … possible prudential filters for unrealised losses	0.0	467	0.0
	thereof: … possible prudential filters for unrealised gains	0.0	468	0.0
	thereof: …	0.0	481	0.0
57	Total prudential adjustments (T2)	0.0		0.0
58	Tier 2 capital (T2)	37.8		37.8
59	Total equity capital (TC = T1 + T2)	287.2		287.2
59a	Risk-weighted assets for amounts subject to pre-CRR treatment and treatment during the transition period, for which the grandfathering arrangements under Regulation (EU) No. 575/2013 are applicable (i.e. CRR residual amounts)	151.4		151.4
	thereof: … items not to be deducted from Common Equity Tier 1 capital (Regulation (EU) No. 575/2013, residual amounts) (items to be listed row by row, e.g. deferred tax assets resulting from temporary differences that rely on future profitability, less related tax liabilities, indirect holdings own Common Equity Tier 1 instruments, etc.)	0.0	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	0.0
	thereof: … items not to be deducted from Additional Tier 1 capital (Regulation (EU) No. 575/2013, residual amounts) (items to be listed row by row, e.g. reciprocal cross holdings of Tier 2 instruments, direct holdings of insignificant investments in the capital of other financial sector entities, etc.)	0.0	475, 475 (2) (b), 475 (2) (c), 475 (4) (b)	0.0
	thereof: … items not to be deducted from Tier 2 capital (Regulation (EU) No. 575/2013, residual amounts) (items to be listed row by row, e.g. indirect holdings of own Tier 2 instruments, indirect holdings of insignificant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities, etc.)	0.0	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	0.0
60	Total risk-weighted assets	151.4		151,4
	Capital ratios and buffers			
61	Common Equity Tier 1 capital ratio (expressed as a percentage of the total exposure amount)	13.18%	92 (2) (a), 465	13.18%
62	Tier 1 capital ratio (expressed as a percentage of the total exposure amount)	13.18%	92 (2) (b), 465	13.18%
63	Total capital ratio (expressed as a percentage of the total exposure amount)	15.18%	92 (2) (c)	15.18%
64	Institution-specific capital buffer requirement (minimum requirement for the Common Equity Tier 1 capital ratio pursuant to Article 92 para. 1 (a), plus the requirements for capital conservation buffer and countercyclical capital buffer, systemic risk buffer and buffer for systemically important institutions (G-SII or O-SII), expressed as a percentage of the total exposure amount)	n/a	CRD 128, 129, 130	n/a
65	thereof: capital conservation buffer	n/a		n/a
66	thereof: countercyclical capital buffer	n/a		n/a
67	thereof: systemic risk buffer	n/a		n/a
67a	thereof: buffer for global systemically important institutions (G-SII) or other systemically important institutions (O-SII)	n/a	CRD 131	n/a

Own funds during the transition period		Amount on reporting date	Reference to articles in Regulation (EU) No. 575/2013	Amounts subject to treatment before Regulation (EU) No. 575/2013 or regulatory remainder pursuant to Regulation (EU) No. 575/2013
68	Common Equity Tier 1 capital available for the buffers (expressed as a percentage of the total exposure amount)	n/a	CRD 128	n/a
69	[not relevant in EU Regulation]			
70	[not relevant in EU Regulation]			
71	[not relevant in EU Regulation]			
	Capital ratios and buffers			
72	Direct and indirect holdings by the institution of capital instruments of financial sector entities in which the institution does not have a significant investment (less than 10% and less eligible short positions)	0.0	36 (1) (h), 45, 46, 472 (1), 56 (c), 59, 60, 474 (4), 66 (c), 69, 70, 477 (4)	0.0
73	Direct and indirect holdings by the institution of Common Equity Tier 1 instruments of financial sector entities in which the institution has a significant investment (less than 10% and less eligible short positions)	20.1	36 (1) (i), 45, 48, 470, 472 (11)	20.1
74	In the EU: blank field			
75	Deferred tax assets resulting from temporary differences that rely on future profitability (below the threshold of 10%, less related tax liabilities, where the conditions laid down in Article 38 para. 3 are met)	0.0	36 (1) (c), 38, 48, 470, 472 (5)	0.0
	Eligible limits for the inclusion of valuation adjustments in Tier 2 capital			
76	Credit risk adjustments eligible for Tier 2 capital for exposures subject to the Standardised Approach (before application of the limit)	0.0	62	0.0
77	Limit for the eligibility of credit risk adjustments for Tier 2 capital under the Standardised Approach	0.0	62	0.0
78	Credit risk adjustments eligible for Tier 2 capital for exposures subject to the Internal Assessment Approach (before application of the limit)	0.0	62	0.0
79	Limit for the eligibility of credit risk adjustments for Tier 2 capital under the Internal Assessment Approach	0.0	62	0.0
	Equity instruments subject to grandfathering arrangements			
80	Current limit for CET1 instruments to which the grandfathering arrangements apply	0.0	484 (3), 486 (2) and (5)	0.0
81	Amount excluded from CET1 due to limit (amount in excess of limit after repayments and redemptions at maturity)	0.0	484 (3), 486 (2) and (5)	0.0
82	Current limit for AT1 instruments for which the grandfathering arrangements apply	0.0	484 (4), 486 (3) and (5)	0.0
83	Amount excluded from AT1 due to limit (amount in excess of limit after repayments and redemptions at maturity)	0.0	484 (4), 486 (3) and (5)	0.0
84	Current limit for T2 instruments to which the grandfathering arrangements apply	0.0	484 (5), 486 (4) and (5)	0.0
85	Amount excluded from T2 due to limit (amount in excess of limit after repayments and redemptions at maturity)	0.0	484 (5), 486 (4) and (5)	0.0

Credit risk € millions	Risk amount 2014
Counterparty default risk	
• Exposures to central governments	0.0
• Exposures to regional governments or local authorities	0.0
• Exposures to public sector entities	0.0
• Exposures to multilateral development banks	0.0
• Exposures to international organisations	0.0
• Exposures to institutions	140.2
• Exposures to corporates	827.3
• Retail exposures	2.3
• Exposures secured by mortgages on immovable property	0.0
• Exposures in default	1.1
• Exposures associated with particularly high risk	0.0
• Exposures in the form of covered bonds	0.0
• Items representing securitisation positions	0.0
• Exposures to institutions and corporates with a short-term credit assessment	0.0
• Exposures in the form of shares in collective investment undertakings (‘CIUs’)	5.6
• Equity exposures	83.8
• Other items	32.3
Settlement risk	0.1
Market risk in the trading book	
• Standardised Approach	199.9
Operational risk under	
• Basic Indicator Approach	574.6
Exposures for credit valuation adjustments	24.8
Total risk amounts	**1,892.0**

Pursuant to Article 114 para. 4 CRR, the exposure classes of central governments, regional governments or local authorities, and other public sector entities do not have any capital requirements as the investment in these exposures correspond to the risk weight.

Capital requirements



4.5 Total capital ratio

The following table shows the total ratio and Tier 1 capital ratio of the Bank and the Berenberg Group:

Disclosures pursuant to Article 438 (e) CRR

in %	Total capital ratio	Tier 1 capital ratio
Berenberg Bank (Schweiz) AG	16.0	16.0
Joh. Berenberg, Gossler & Co. KG	14.1	11.6
Joh. Berenberg, Gossler & Co. KG Group	15.2	13.2

This capital base means that Berenberg is comfortably in excess of the statutory requirements. Furthermore, the Bank today already applies the new European capital requirements in full and does not make use of the permitted facilitating transition arrangements.

5. Risk management

As a non-incorporated partnership, Berenberg does not have a management body within the meaning of the CRR alongside the management. The Advisory Board is not a company body and only performs advisory functions.

Policy on diversity with regard to selection of members of the management body

Diversity is one of the criteria used in the composition of management bodies. The concept of diversity is also taken into account when selecting members of the management. The selection strategy is established in the Berenberg Partnership Agreement alongside the legal provisions set forth in the German Banking Act and the CRR.

The professional careers of the managing partners can be found in Annex 2.

Governance arrangements pursuant to Article 435 para. 2 (a) to (e) CRR

Number of directorships held by members of the management body

The following table shows the number of directorships held by the managing partners:

	Number of management functions as of 31/12/2014	thereof: management functions in the Berenberg Group as of 31/12/2014	Number of supervisory functions as of 31/12/2014	thereof: supervisory functions in the Berenberg Group as of 31/12/2014
Dr Hans-Walter Peter	7	3	3	1
Hendrik Riehmer	3	1	0	0
Andreas Brodtmann	5	2	0	0

Description of the information flow on risk to the management body

Risk reporting to the management and the Advisory Board takes the form of a quarterly detailed risk management report. Given its importance for the successful continuation of the Bank as a going concern under risk considerations, the risk-bearing capacity represents the starting point for the risk management report. To this end, the calculation of the available economic capital, the limit utilisation and the current percentage breakdown of the overall risk by individual risk type are presented.

Risk statement by the management pursuant to Article 435 CRR

The management of Berenberg has approved the following risk statement:

Statement regarding the adequacy of the risk management arrangements (pursuant to Article 435 para. 1 (e) CRR)

“The risk management arrangements of Berenberg comply with common standards and are geared to the risk content of the exposures within the scope of proportionality. The arrangements are adequate for ensuring the risk-bearing capacity at all times. The risk objectives defined are made measurable, transparent and controllable by the processes employed. They are consistent with the Bank’s strategy.

Consequently, we the management of Berenberg consider the risk management arrangements of Berenberg to be adequate with regard to the profile and strategy.”

Risk statement (pursuant to Article 435 para. 1 (f) CRR)

"The business strategy of Berenberg acts as the starting point for drawing up and consistently deriving our risk strategy. This provides a binding framework for the assumption of risk taking into account the risk-bearing capacity and risk tolerance together with the management of risk.

Our risk profile and the risk tolerance specified by the management for the Berenberg Group are reflected in the limit system and the breakdown by risk type."

5.1 Overview

We continued to apply our conservative risk strategy unchanged throughout the reporting period. The deliberate focus on less risky, service-oriented lines of business proved its worth during 2014. The Bank's liquidity situation was very good throughout the year. We invest our excess deposits in a portfolio of securities dominated by paper with short residual maturities issued by German public-sector issuers. At no time did the Bank conduct proprietary investments in securitised credit structures or similar investments.

Our risk management process is characterised by its strategic focus on service-based lines of business combined with the use of modern risk measurement methods optimally geared to the institution's structure.

The main risk types we analyse as part of our risk management process are counterparty, market, operational and liquidity risk. Reputation risk is evaluated as part of the management of operational risk. In addition, we analyse earnings risk. Our approach to managing earnings risk is intended to prevent losses arising from the possible weakening of individual earnings components that prove volatile over the course of time.

The potential losses of the various divisions are quantified for the listed risk types on the basis of the value-at-risk principle (VaR). The value-at-risk represents a loss threshold for a given probability level. The value-at-risk procedures only reflect the potential losses given relatively normal market movements. For several years now, we have been supplementing risk evaluations with an analysis of historical and hypothetical stress scenarios in order to analyse the risk situation from a second angle.

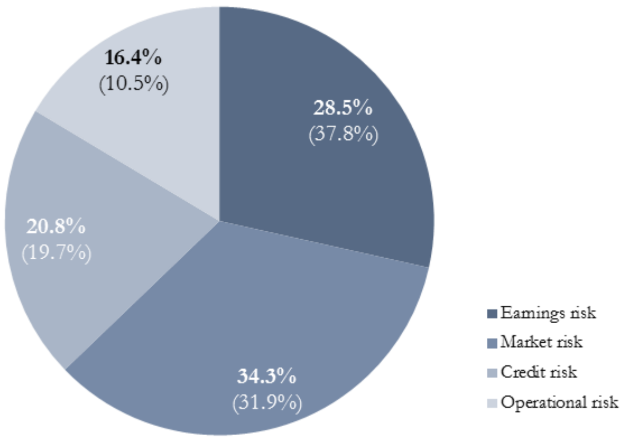
The regularly performed comparison between risk and economic capital is based on these two different ways of assessing the risk position. The economic capital considered as part of our risk management process is kept separate from the concept of regulatory capital or equity capital. In line with the concept of a going concern, it should be possible to cope with unexpected losses without having to fall back on external capital-raising measures. Consequently, the economic capital is essentially formed from the easily liquidated reserves available to the Bank. First, these reserves are compared with the value-at-risk on the basis of a confidence level of 99%. As part of a second analysis performed in parallel, the results of the stress tests are set against the available economic capital. The economic capital to be set against the risks in this analysis is supplemented by unused portions of regulatory capital that are not tied by risk-weighted assets. Even under this extreme scenario, the continued existence of the Bank as a going concern is assured. Possible diversification effects across the various risk types are ignored by aggregating the covering amounts for the various categories of risk.

Not all of the economic capital available to the Bank in the reporting period was used by the divisions, which highlights the conservatism built into the Bank's risk management process and expresses the appropriateness of the relationship between the opportunities arising from business activities and the risks assumed, with regard to the overall profit or loss. The optimisation of the risk/reward ratio is defined as a key objective of our risk-adjusted overall bank management system. The divisions only enter into risk if it is commensurate with the potential rewards.

The analysis of the Bank's ability to bear risk is supplemented by further stress tests on a quarterly basis. In addition, we define additional scenarios for an inverse stress test which, if they were to occur, would tie up all of the economic capital available.

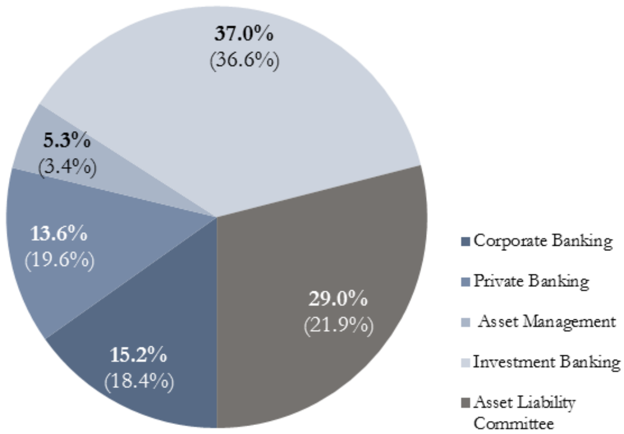
The following chart shows the distribution of the tied economic capital across the various risk types and the divisions of the Bank:

Risk types



(year-ago figures in brackets)

Divisions



(year-ago figures in brackets)

Management has overall responsibility for the risk management process and defines the general conditions for managing the various risk types. A central unit, Risk Controlling, acts independently of the various front offices in organisational terms as required by the Minimum Requirements for Risk Management (MaRisk) for banks and financial service institutions. Working closely with the Finance unit, this unit ensures a constant flow of information to the Bank's management and Advisory Board. Risk Controlling is responsible for developing and overseeing the systems used in overall bank management and risk management. The unit carries out a risk inventory every month and sets the risk amounts of the various risk types against the available economic capital. As part of the risk management process, we ensure that excessive concentrations of risk do not exist in either the various risk types or across the risk types.

A back office unit that is organisationally independent from the front office units employs a wide-ranging limit structure to monitor the exposure to **counterparty risk**. A wide range of analyses carried out by Risk Controlling is used to support the management of default risk at overall portfolio level.

Market risk arises from both short-term positions in the trading book and strategic positions in the banking book. It is monitored by the Risk Controlling unit.

Risk Controlling also quantifies **operational risk**, the size of which is limited by a comprehensive set of rules and contingency plans.

The Treasury business unit is responsible for the management of **liquidity risk** together with the Money Market department. Risk Controlling is involved in the monitoring activity.

A monthly full calculation is used to monitor the profit and loss of the divisions, taking into account the risks assumed. The **earnings risk** in the profit centres is analysed in this context as a further major risk. Risk Controlling makes available to both management and the individual relationship managers an efficient management information system (MIS) that makes it possible for the users to analyse the risk-adjusted earnings and risk variables (VaR) at every aggregation level, from the Bank as a whole all the way down to the individual client.

The Bank's Auditing business unit controls the organisational precautions for managing, monitoring and controlling the various types of risk regularly based on the parameters specified in the Audit Manual.

The Credit Risk Management and Risk Controlling units provide information on a regular basis to the Risk Monitoring Committee set up by the Bank's Advisory Board, which holds regular meetings three times a year.

The principles of our risk management strategy are recorded in a written risk strategy, which is available to all employees.

5.2 Counterparty risk

5.2.1 General

Counterparty risk arises in part from the **commercial lending business** involving our corporate and private clients. Furthermore, particular attention is paid to counterparty risk resulting from our own **securities holdings** as issuer risk as well as from the investments made by our Money Dealing department in **interbank operations**. **Investment risk** is not a major issue for Berenberg, as the business strategy calls for organic growth. Existing participating interests are, however, integrated in the risk management processes.

As in previous years, the constantly large pool of client deposits in particular again led to strong demand for investment by our Treasury unit in 2014. Only a small part of the liquidity surplus was placed in the **money market**, with the investments made under the following conditions:

- Trading only with selected, top-rated banks
- Deliberate targeting of development banks enjoying public guarantees
- Low limits for each institution or banking group, with a view to achieving the broadest possible diversification
- Use of the ECB deposit facility

The structural liquidity surplus from client operations is for the most part invested in **bonds** with the very best ratings. In this context, we have high expectations in terms of the credit quality and market liquidity of these investments with a view to keeping price volatility to a minimum.

Our securities portfolio is dominated by securities issued by German public-sector issuers (71%, previous year: 76%) and those guaranteed either by the Federal Republic of Germany or a German state (29%, previous year: 23%). In contrast to last year, no German Pfandbriefs are now held. The average remaining maturity of these bond holdings amounted to 2.1 years at year-end (previous year: 1.7 years), meaning that the spread change risk of this portfolio is limited.

Daily reports keep management informed about the current bank exposure. The allocated bank limits are monitored regularly in order to allow counter-measures to be initiated promptly, if required. In this context, we not only rely on the appraisals by the rating agencies when assessing the institutions, we also support our decisions by analysing annual reports and evaluating current market data.

Counterparty risk is managed using a wide-ranging limit system that encompasses the counterparty risk arising from derivatives by taking account of termination risk. We have reduced counterparty risk by practicing collateral management in this segment over many years, as agreed not only with banks but also increasingly with selected institutional clients.

The **Back Office unit** is responsible for monitoring credit risk independently of the Front Office. Besides performing regular control activities, this unit provides a second opinion in addition to the Front Office unit, as required by the MaRisk rules, on the basis of authority regulations for credit decisions. The regular creditworthiness and rating checks are supported by an independent Balance Sheet Analysis unit which is similarly assigned to the Back Office unit. The very conservatively defined authority regulations both restrict the freedom of individual account managers to act autonomously and ensure that the whole of management is involved in all major credit decisions.

All credit exposures are in a constant resubmission cycle complete with an annual rating review. The limit rules are supplemented by a series of organisational measures and rules regarding collateral for credit exposures.

A credit risk report prepared on a quarterly basis serves to inform both management and the Advisory Board about the structure of the credit risk.

Wide-ranging analyses performed by the Risk Controlling unit help to manage credit risk at overall portfolio level.

For the purposes of managing the overall portfolio in **commercial lending operations**, the historic defaults of the last few financial years are managed and analysed in a central default database. The statistical loss expected for each financial year at portfolio level is derived from this data as a long-term historic average for defaults. The expected loss of a credit exposure is incorporated in the credit terms by way of the calculation of standard risk costs.

The standard risk costs of a credit exposure are particularly influenced by the borrower's credit rating as well as by the size of the loan and the collateral provided. A rating system for our corporate clients has been made available to the account managers and Back Office unit on the Bank's intranet. This system facilitates a prompt credit analysis using the borrower's balance sheet data. The special feature of this system is that it offers an online evaluation using Moody's RiskCalc™, the rating procedure developed specifically by Moody's for German "Mittelstand" clients, and the calculation of a probability of default. Qualitative factors regarding the borrowers are also incorporated when determining the rating class as well as balance sheet ratios. For exposures of project finance nature in the property and shipping segments, we employ internally developed rating procedures that include the cash flow projections for these projects as a key parameter. In our portfolio of ship loans - which is not large in terms of magnitude compared with the overall portfolio - we notably look for short loan periods in the present market environment and prioritise outstanding collateral for the exposures.

The standard risk costs arising from the rating analysis can be obtained from the management information system (MIS) in all necessary aggregation levels.

The standard risk costs which, when aggregated, give rise to the statistical expected loss at overall bank level, merely represent a long-term default average over time around which the actual losses fluctuate. Consequently, a potential deviation of defaults from this expected value needs to be taken into account as an additional risk component. A statistical credit portfolio model built on the CreditRisk+ methodology is used to quantify the size of an unexpected loss at portfolio level. This is included in the analysis of the Bank's ability to bear risk with the respective quantiles. The Bank's economic capital serves as the "economic capital for unexpected credit risk". Within MaRisk parameters, our analyses of the tied economic capital are supplemented by additional stress observations such as an overall deterioration of the probabilities of default or decline in collateral values.

The quantitative methods we use to assess counterparty risk are validated regularly and refined when required. This approach has given rise to a highly informative system geared to the specific needs of the Bank over the course of time. On account of the very small universe overall and the lack of an adequate number of defaulting borrowers for statistical purposes, however, these methods are not recognised for supervisory purposes as an IRB approach. The Bank has made a deliberate decision to employ the standard method

(KSA) defined in the German Solvency Regulation for regulatory purposes. Under this method, the tied capital from counterparty risk totalled €62.9 million at 31 December 2014 (previous year: €59.4 million).

Counterparty exposure under the Standardised Approach

Disclosures pursuant to Article 442 CRR

Exposure classes **€ millions**	**31/12/2014**	**Average 2014**
Exposures to central governments	142.4	182.5
Exposures to regional governments or local authorities	1,865.0	2,182.7
Exposures to public sector entities	0.0	0.0
Exposures to multilateral development banks	0.0	0.0
Exposures to international organisations	0.0	0.0
Exposures to institutions	1,238.4	1,082.1
Exposures to corporates	1,705.2	1,643.2
Retail exposures	3.1	3.3
Exposures secured by mortgages on immovable property	0.0	0.0
Exposures in default	1.0	15.5
Exposures associated with particularly high risk	0.0	0.0
Exposures in the form of covered bonds	0.0	0.0
Items representing securitisation positions	0.0	0.0
Exposures to institutions and corporates with a short-term credit assessment	0.0	0.0
Exposures in the form of shares in collective investment undertakings (‘CIUs’)	84.9	85.1
Equity exposures	12.7	12.7
Other items	31.6	27.6
Total	**5,084.2**	**5,234.7**

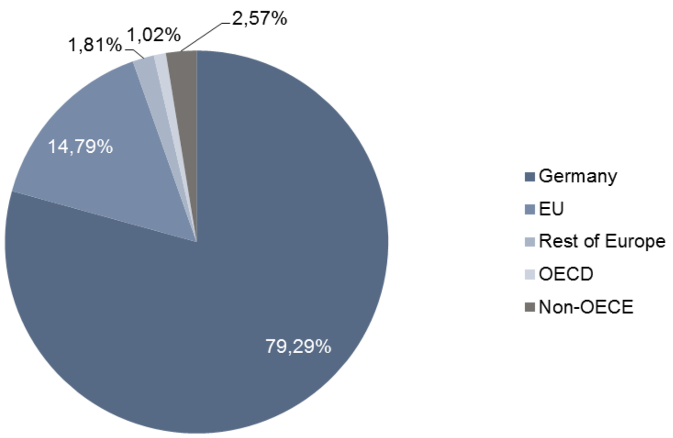
The average amount of counterparty exposure is calculated using the averages reported for the individual quarters in 2014.

Significant geographical areas, broken down by credit-risk-bearing instrument

In its lending operations, the Bank concentrates primarily on domestic activities. Within this focus, there is also a strong concentration on Hamburg, where the Bank has its head office and principal place of business. This concentration means the Bank has hardly any exposure to country risk.

Significant geographical areas

Exposure classes € millions	Germany	European Union	Rest of Europe	OECD	Non-OECD	Total
Exposures to central governments	142.4	0.0	0.0	0.0	0.0	142.4
Exposures to regional governments or local authorities	1,865.0	0.0	0.0	0.0	0.0	1,865.0
Exposures to public sector entities	0.0	0.0	0.0	0.0	0.0	0.0
Exposures to multilateral development banks	0.0	0.0	0.0	0.0	0.0	0.0
Exposures to international organisations	0.0	0.0	0.0	0.0	0.0	0.0
Exposures to institutions	862.5	259.4	67.7	43.1	5.7	1,238.4
Exposures to corporates	1,029.5	519.1	24.4	7.3	124.9	1,705.2
Retail exposures	3.1	0.0	0.0	0.0	0.0	3.1
Exposures secured by mortgages on immovable property	0.0	0.0	0.0	0.0	0.0	0.0
Exposures in default	1.0	0.0	0.0	0.0	0.0	1.0
Exposures associated with particularly high risk	0.0	0.0	0.0	0.0	0.0	0.0
Exposures in the form of covered bonds	0.0	0.0	0.0	0.0	0.0	0.0
Items representing securitisation positions	0.0	0.0	0.0	0.0	0.0	0.0
Exposures to institutions and corporates with a short-term credit assessment	0.0	0.0	0.0	0.0	0.0	0.0
Exposures in the form of shares in collective investment undertakings ('CIUs')	84.9	0.0	0.0	0.0	0.0	84.9
Equity exposures	11.4	0.0	0.1	1.2	0.0	12.7
Other items	31.5	0.0	0.0	0.0	0.0	31.5
Total	**4,031.2**	**778.5**	**92.2**	**51.7**	**130.6**	**5,084.2**



Significant industries, broken down by credit-risk-bearing instrument

Liquidity is invested primarily in the highest-rated bonds of public-sector issuers and selected low-risk banks. The reason for this is that, where possible, investments are selected with a low risk content in order to secure and maintain the Bank's long-term profitability and minimize credit risks. The following table shows the breakdown of activities by individual industry.

Disclosures pursuant to Article 442 (e) CRR

Significant industries € millions	Other financial entities	Other entities and economically independent persons	Economically dependent persons	Non-profit organisations	Other	Total
Exposures to central governments	0.0	0.0	0.0	0.0	142.4	142.4
Exposures to regional governments or local authorities	0.0	0.0	0.0	0.0	1,865.0	1,865.0
Exposures to public sector entities	0.0	0.0	0.0	0.0	0.0	0.0
Exposures to multilateral development banks	0.0	0.0	0.0	0.0	0.0	0.0
Exposures to international organisations	0.0	0.0	0.0	0.0	0.0	0.0
Exposures to institutions	0.0	0.0	0.0	0.0	1,238.4	1.238.4
Exposures to corporates	690.6	895.2	113.4	6.0	0.0	1,705.2
Retail exposures	0.0	0.0	3.1	0.0	0.0	3.1
Exposures secured by mortgages on immovable property	0.0	0.0	0.0	0.0	0.0	0.0
Exposures in default	0.0	1.0	0.0	0.0	0.0	1.0
Exposures associated with particularly high risk	0.0	0.0	0.0	0.0	0.0	0.0
Exposures in the form of covered bonds	0.0	0.0	0.0	0.0	0.0	0.0
Items representing securitisation positions	0.0	0.0	0.0	0.0	0.0	0.0
Exposures to institutions and corporates with a short-term credit assessment	0.0	0.0	0.0	0.0	0.0	0.0
Exposures in the form of shares in collective investment undertakings (‘CIUs’)	0.0	0.0	0.0	0.0	84.9	84.9
Equity exposures	0.0	12.7	0.0	0.0	0.0	12.7
Other items	0.0	0.0	0.0	0.0	31.6	31.6
Total	**690.6**	**908.9**	**116.4**	**6.0**	**3,362.2**	**5,084.2**

Contractual residual maturities

The Bank makes every effort not to make long-term investments, which means that the majority of the balance sheet assets are due in less than two years. The following table shows the breakdown in greater detail.

Disclosures pursuant to Article 442 (f) CRR

Residual maturities € millions	Up to 1 year	1 year to 5 years	More than 5 years	Unlimited / until further notice	Total
Exposures to central governments	1.1	75.7	0.0	65.6	142.4
Exposures to regional governments or local authorities	430.9	1.434.1	0.0	0.0	1.865.0
Exposures to public sector entities	0.0	0.0	0.0	0.0	0.0
Exposures to multilateral development banks	0.0	0.0	0.0	0.0	0.0
Exposures to international organisations	0.0	0.0	0.0	0.0	0.0
Exposures to institutions	278.8	429.1	0.0	530.6	1,238.4
Exposures to corporates	40.2	176.1	77.5	1,411.4	1,705.2
Retail exposures	0.0	0.0	0.0	3.1	3.1
Exposures secured by mortgages on immovable property	0.0	0.0	0.0	0.0	0.0
Exposures in default	0.0	0.0	0.0	1.0	1.0
Exposures associated with particularly high risk	0.0	0.0	0.0	0.0	0.0
Exposures in the form of covered bonds	0.0	0.0	0.0	0.0	0.0
Items representing securitisation positions	0.0	0.0	0.0	0.0	0.0
Exposures to institutions and corporates with a short-term credit assessment	0.0	0.0	0.0	0.0	0.0
Exposures in the form of shares in collective investment undertakings (‘CIUs’)	0.0	0.0	0.0	84.9	84.9
Equity exposures	0.0	0.0	0.0	12.7	12.7
Other items	0.0	0.0	0.0	31.6	31.6
Total	**751.0**	**2,115.0**	**77.5**	**2,140.6**	**5,084.2**

5.2.2 Impaired loans and past due loans

Disclosures pursuant to Article 442 (a) CRR

In the case of impaired loans and past due loans, the risk is defined that a counterparty is not sustainably able to meet its obligations to service its debt.

Where circumstances arise from a credit exposure that demand separate observation/monitoring, appropriate account freezes and corresponding arrears notices are set up.

The decisions to be made in the arrears system or on account of manual arrears documents are documented by electronic release or initialling by the employee responsible for the customer in question.

The system creates a list of all existing arrears in excess of €5,000 on a daily basis, which is processed immediately by the Front Office employee responsible. The arrears are communicated to the head of Front Office and Back Office units at regular intervals.

The need to set up risk provisions is considered as soon as an exposure is added to the watch list. To this end, the collateral provided is also reviewed and, if appropriate, revalued. The Credit Risk Management department reviews the need for any new risk provisions or changes in the existing risk provisions on a quarterly basis. This review and modification during the year is documented in the Risk Report.

The Bank's objective is to ensure a valuation that is both appropriate and realistic for the current risk content of the credit portfolio by setting up risk provisions in line with sound commercial judgement on the basis of the currently applicable accounting standards in a way that can be reproduced by a knowledgeable third party.

Under commercial law, receivables are valued in accordance with the same principles as for current assets. Consequently, we strictly apply the principle of the lower of cost or market in accordance with Section 340e (1) HGB in conjunction with Section 253 (3) HGB. The risk provisioning encompasses specific value adjustments, provisions, interest adjustments and write-downs on receivables (so-called consumption or direct write-down). Uncollectible receivables are written down. An unsecured receivable is considered uncollectible when the general consensus is that the borrower is no longer expected to service the debt or this is extremely uncertain. On the other hand, specific value adjustments/provisions are set up for doubtful receivables. This is the case when, on account of inadequate economic circumstances and inadequate collateral, there are justified doubts that the loan can be redeemed from the borrower's income or assets or the collateral provided.

Making interest adjustments is intended to ensure that the Bank's income statement is adjusted to take account of probably uncollectible (interest) income. The need for an interest adjustment is always checked when a specific value adjustment/provision has been set up.

An interest adjustment should not be made if the customer is still able to service the interest (out of rents or capital gains, for instance), and provided an interest loss is not expected even though a capital loss certainly is.

The probability of a borrower no longer being able to meet his contractual payment obligations is the key factor in the case-by-case assessment of acute default risk; the probability of default is appraised primarily on the basis of the economic circumstances and the payment behaviour of the borrower. At the same time, it is important to assess what payments can still be expected after the borrower has defaulted, for which the expected proceeds from realization of the collateral provided are the key factor.

In the case of customers for whom no risk provisions have been set up, an interest adjustment may be made in exceptional instances if the customer is no longer permanently servicing the interest charges although a capital loss is not expected on account of the collateral provided.

We have set up general value adjustments for latent default risk in the amount permitted for tax purposes. A provision has also been set up for general banking risks compliant with Section 340f HGB.

We do not reverse a specific risk provision unless the economic circumstances of the borrower have discernibly improved with lasting effect, such that it has become unlikely that he will not be able to service the loan or there is no doubt that the loan can be redeemed using the collateral provided.

Section 286 BGB defines a deal to be past due if payments in the form of payments of interest, repayments of principal or other receivables are not made.

"Impaired" loans are loans for which there is a fair probability of complete or partial default on the loan or if there are justified concerns about the borrower's solvency.

Impaired exposures and past due exposures, broken down by significant industry

Disclosures pursuant to Article 442 (h) CRR

Significant industries € millions	Total utilisation due to impaired exposures and past due exposures	Specific credit risk adjustments (incl. interest adjustments)	Provisions
Other entities and economically independent persons	9.3	6.2	0.0
Economically dependent persons	3.0	1.1	0.0
Total	**12.3**	**7.3**	**0.0**

Impaired exposures and past due exposures, broken down by significant geographical area

Significant geographical areas	Total utilisation due to impaired exposures and past due exposures	Specific credit risk adjustments (incl. interest adjustments)	Provisions
€ millions			
Germany	11.3	6.3	0.0
EU	1.0	1.0	0.0
Rest of Europe	0.0	0.0	0.0
OECD countries	0.0	0.0	0.0
Non-OECD countries	0.0	0.0	0.0
Total	**12.3**	**7.3**	**0.0**

Development of risk adjustments

€ millions	Opening balance	Setup	Reversal	Consumption	Closing balance
Specific credit risk adjustments / interest adjustments	9.6	1.7	0.9	3.1	7.3
Provisions	0.7	-0.7	0.0	0.0	0.0
General credit risk adjustments	3.0	0.0	0.0	0.0	3.0

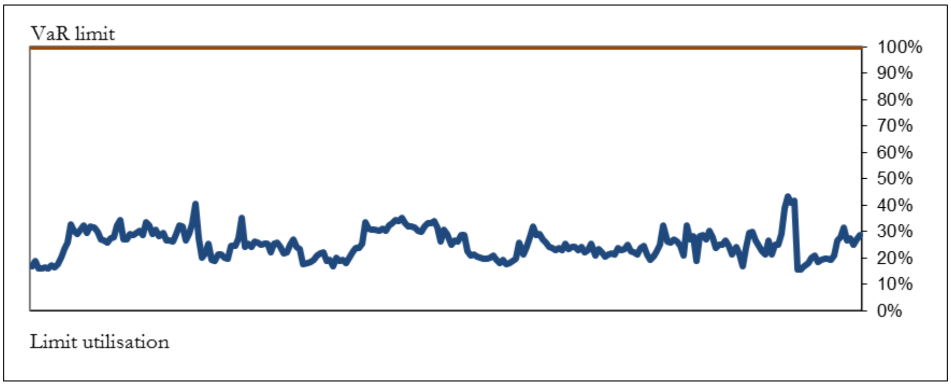
5.3 Exposure to market risk

Disclosures pursuant to Article 445 CRR

Market risk for positions in the Bank's trading and banking books results from fluctuations in prices and volatilities in interest rates, equities and foreign currencies.

Traditional proprietary trading serves only to supplement our service-oriented business activities and takes place within very strictly defined limits. The market risk arising from proprietary trading positions is managed using an efficient risk measurement system. Value-at-risk figures are calculated using a Monte Carlo simulation on a daily basis for all positions containing market risk. In line with the regulatory provisions, a confidence level of 99% and a holding period for the financial instruments of ten trading days are assumed for these value-at-risk calculations. The following risk factors are incorporated: discount factors in the field of interest rates, equity time series or equity indices in the field of equities, and exchange rates in the field of foreign currencies, with a historic observation period of one year. The value-at-risk calculation is carried out using exponentially weighted historical observations. Under this approach, the value-at-risk reacts faster to current changes in market events than with balanced historic observation values. Up until the end of the 2011 financial year, the methodology we applied was also used as the internal model for calculating the capital required to cover market risk positions in the trading book for supervisory purposes. Since the new regulatory requirements that came into force with Basel 2.5 would have resulted in mistakes within the framework of our overall bank management, we returned the supervisory approval to use an internal market risk model. We continue to use our quantification methodology unchanged for internal purposes.

The following chart shows the percentage distribution of the value-at-risk limit capacity over the past financial year for the positions in the trading book.

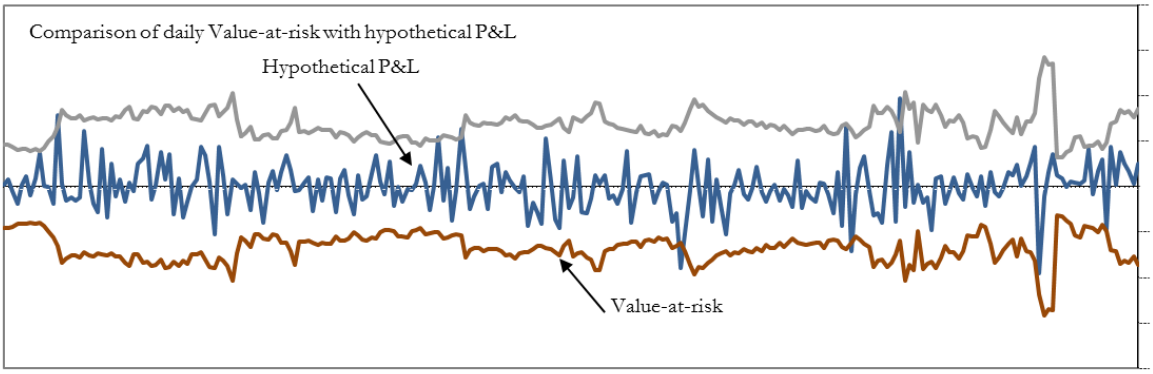


The chart shows the moderate risk potential arising from trading activities. The Bank's trading book defined for regulatory purposes is dominated by classical equity positions. Optional products play a subordinate role and concentrate especially on the foreign exchange segment. Plain vanilla products predominate here. Compared with the results achieved by the trading units, a beneficial risk/reward ratio is indicated. The largest portion of the allocated value-at-risk limits relates to sales operations, which are allocated to the trading book to meet regulatory requirements. These activities are not proprietary trading as such, as this segment more frequently handles orders for institutional clients.

The quality of the value-at-risk forecasts is checked and analysed over time using a daily back-test, during which the forecast on the subsequent trading day is compared against the actual changes in value of the positions. The fact that only two back-testing outliers were observed in the reporting period at overall portfolio level reflects the conservatism in the parameterisation of our models.

The following chart shows the progression of the back-testing results of the past financial year over time:

Comparison of daily value-at-risk with hypothetical P&L



The following table shows the structure of the value-at-risk of the trading portfolios in the reporting period:

Trading portfolios	VaR at end of reporting period	VaR values during the year		
		High	Low	Reporting period
	€'000	€'000	€'000	€'000
Aggregated VaR	**1,716** (892)	**2,844** (4,954)	**640** (874)	**1,358** (2,457)

(1-day holding period, year-ago figures in brackets)

Since the value-at-risk method only provides information about the risk content of positions under "normal" market conditions and does not take account of extreme market situations, the analyses are supplemented by daily worst-case calculations. This involves examining how current trading positions would behave in historically extreme situations. This stress test analyses the potential effects on the current trading positions.

Additional worst-case limits that must be observed on a daily basis exist for each trading segment alongside value-at-risk limits. For the market risk segment, the economic capital is compared against the full limit in line with the conservative risk management strategy, and not against the current limit utilisation level. Whereas the value-at-risk limits are used to analyse a 99% confidence level, the economic capital is compared against worst-case limits for the stress test. The limits for the individual trading segments are manageable in comparison against the available economic capital and are approved by all department heads jointly. This approach ensures that no individual dealer is in a position to enter into large risk positions by means of his activity for the Bank.

Positions in the trading book are taken exclusively in liquid financial instruments for which a market price can be determined on a daily basis. Our portfolios do not contain any instruments that can only be valued using models.

Risk Controlling, which is kept organisationally separate from the trading units up to Board level, summarises all market risk positions in a risk report and ensures that management is kept informed on a daily basis.

Equity capital requirements for market risk

In accordance with the German Solvency Regulation, the Bank uses the standard method to determine the potential market risk for interest, share and currency exposures in the trading book. There was an equity capital requirement totalling €16.0 million.

The following table shows the breakdown of equity capital requirements:

Disclosures pursuant to Article 445 CRR

Market risk	Own funds requirements
€ millions	
Standard methos	
• Net interest exposure	8.4
• Net equity exposure	7.6
• Total currency exposure	0.0
Total	**16.0**

Settlement risk

Pursuant to Article 378 CRR, trading book transactions give rise to settlement risk in the following amount:

€ millions	2014
Settlement risk	0.01

Interest rate risk

Disclosures pursuant to Article 448 CRR

The strategic positions in the liquidity reserve are managed by the Asset Liability Committee (ALCO), which consists among others of representatives of the Treasury and Risk Controlling units together with members of the management team. The market risk arising from positions in the liquidity reserve are measured using the same methods as the positions in the trading book. Furthermore, potential risks for spread fluctuation are analysed on the basis of historic data for the investment classes represented in our portfolio and additionally backed by economic capital.

No increased interest rate risk was assumed for the large proprietary investments in securities described in section 2.1 about counterparty risk. The investments were made in either floaters or securities with a fixed coupon in connection with an interest rate swap.

The effect of the interest rate shocks for interest rate risk in the banking book defined for supervisory purposes is analysed on a daily basis. This involves analysing the effect of an upward shift on the present value of the aggregated cash flows of the Bank as a whole. Due to the short-term orientation of our business activities and the fact that there is always a surplus on the deposits side, there is no need to apply assumptions regarding the core volume or notional maturities of loans as a conservative measure. The simulation is carried out exclusively in euros, as the currency risk inherent in transactions in other currencies is hedged. The ratio of the resulting change in the present value to equity capital, which according to the regulatory requirements should not exceed 20%, amounted to 2.48% at year-end (previous year: 1.23%). This ratio documents the generally short maturities in our deposit-taking and lending operations. To keep interest rate risk as small as possible, we invest customer deposits from current accounts and demand deposits mostly as demand deposits or in floaters.

Interest rate risk in the banking book

Interest rate shock 1 (+200/-200 bp)	€ millions
Present value decrease in income	0.1
Present value increase in income	5.2

5.4 Operational risk

Disclosures pursuant to Article 446 CRR

Operational risk is defined as the danger of incurring losses as a result of the inappropriateness or failure of internal methods, people and systems, or of external events. This definition also covers legal risk. Reputation risk is also covered in terms of quality as part of the management of operational risk.

Operational risk is limited by a wide-ranging set of instructions, process definitions and authority rules. The various department heads have direct responsibility for compliance with, and the ongoing update of, these rules and regulations. A department within Risk Controlling responsible for process definitions across the whole Bank provides support in this regard. The institution's Auditing business unit audits conformity of business activities with these rules and regulations at regular intervals.

A major component of operational risk relates to the functionalities and security of the computer systems deployed. This segment is covered by special arrangements and precautions in the various technical units. These include constant technical refinement and market data together with a firewall concept to prevent viruses and attempted intrusions from outside and back-up systems used to ensure uninterrupted business operations in the event of system failure. A central contingency management and business continuity management function (BCM) has been established for all areas of the Bank.

The employees of the Bank are appraised by their supervisors at regular intervals. Cooperation between the HR department and the managers ensures that the employees have the right skills and motivation for their position at the Bank.

Legal risk is limited by means of constant collaboration between the legal department and the functional units together with the use of suitable forms and contracts as well as the standardisation of input and settlement procedures in connection with computer processing. In addition, the Legal business unit examines all concluded contracts in advance as part of a central contract management process.

A key aspect of our risk management approach for operational risk involves sensitising all employees to this type of risk. For a number of years now, we have been using a database to systematically record operational losses, which enables us to analyse losses incurred and to draw up appropriate counter-measures. This database is used as the foundation for informing management about the extent of operational losses on a regular basis.

We expanded the methodology used to manage operational risk during the 2014 financial year. The annual self-assessments employed previously were replaced by scenario analyses that were carried out for the first time. Experts from all areas of the Bank were asked about a wide-ranging list of scenarios during structured workshops. The results make it possible to assess future operational risk potential and gain an additional perspective on this type of risk. The analyses did not identify any operational risk in excess of the allocated economic capital. The self-assessment is also used to draw up risk-reduction measures for significant risks. In addition, potential reputation risks for the Bank are listed when the expert surveys are conducted. If required, measures are discussed with a view to ensuring a constantly high level of public confidence in our Bank.

Banks are required to hold adequate capital to cover the operational risk they assume. Methods with a different level of accuracy are authorised for use when quantifying the capital adequacy for this risk category, the measurement of which requires highly complex statistical methods. The Bank uses the least complex Basic Indicator Approach for the purposes of calculating the capital required to cover operational risk. In this context, the average gross earnings from the last three financial years are weighted with a factor of 15%. In 2014, the capital required to cover operational risk totalled €40.8 million (previous year: €37.1 million).

5.5 Liquidity risk

Berenberg can fund itself completely from customer deposits and was highly liquid at all times in the reporting period. There were no outstanding liquidity positions at any time.

There is hardly any liquidity risk for durations of more than one year on account of the short-term structure of our business. There was a strong surplus in durations of less than one year. Treasury invested this surplus in liquid bonds (issued primarily by German states and development banks). The vast majority is deposited with Deutsche Bundesbank, which would guarantee a large funding facility with the European Central Bank in the event of an unexpected liquidity requirement. This free credit line with Deutsche Bundesbank amounted to €1.3 billion at 31 December 2014 (previous year: €1.3 billion). We do not expect this positive liquidity situation to change at all in the new financial year.

To manage short-term liquidity, Treasury analyses all cash flows over the course of time every day in conjunction with the Money Dealing department. This includes carrying out a stress test on a daily basis. Besides the simulation of general stress scenarios, further scenarios are considered involving extreme additional stressing of individual liquidity components. On account of the Bank's comfortable liquidity situation which already meets the new rules for the Liquidity Coverage Ratio (LCR) defined in Basel III, no economic capital is allocated for liquidity risk at present. Only in the unlikely event of a negative stress test would it be necessary to provide economic capital to cover the potential costs of it becoming more expensive to obtain liquidity.

The Bank's Finance unit monitors compliance with the German Liquidity Regulation on a daily basis and creates an additional overview of the development of the liquidity situation over time by preparing a fixed interest rate statement.

The risk of inadequate market liquidity for individual trading products defined in the MaRisk rules is monitored implicitly as part of market risk control.

5.6 Earnings risk

Earnings risk essentially results from market-induced collapses in earnings that are set against an inadequately flexible cost structure in some circumstances.

The exposure to earnings risk is limited by the strategic orientation of the Bank towards segments that offer a clear earnings cushion in excess of the fixed costs and by the deliberate diversification across different segments and markets. In addition, earnings risk is reduced by smoothing the sources of earnings and ensuring a high level of client and employee retention. It proved possible to create ways of making adjustments on the cost side as well as using variable remuneration models, notably in segments with a greater volatility of earnings due to the market.

The earnings risk for a given business unit is determined by quantifying the volatility of the earnings and costs arising from the core business as part of a historical analysis for each profit centre. Backing this risk category with economic capital also implicitly contains coverage of potential reputation risk, as a negative change in reputation would result in falling earnings.

Daily reports on the key earnings components and scenario plans act as an early-warning system. A deliberate diversification is pursued across segments and markets. A significant collapse in earnings must not be allowed to put the Bank into a particular risk situation.

As a result of measuring earnings risk for many years, it is possible to identify undesirable developments at an early stage and to initiate necessary counter-measures with a view to securing the profitability of the Bank as a whole.

5.7 Overall bank management

The central ratio of our risk-adjusted overall bank management is the return on costs (the counterpart of the cost-income ratio), adjusted for an expected return on the tied risk. Initially, a minimum return on costs is defined as a target that each profit centre is expected to achieve in line with its personnel costs, non-personnel costs and overheads, and taking into account the standard risk costs. Aggregated across all departments, the earnings calculated from the return on costs yield a minimum profit for the Bank.

Additional risk-sensitive return expectations for each profit centre are derived from the tied economic capital in the respective divisions for market risk, unexpected credit risk, operational risk and earnings risk. These are used to continually replenish the economic capital over the course of time.

The risks and rewards of banking operations are constantly held in view by this process of overall bank management. The scarce resource of economic capital is only allocated to the segments for which the opportunities considerably exceed the risk assumed.

By presenting the entire earnings less the expected returns on tied economic capital and the standard risk costs as a proportion of the departmental costs, the extent to which a profit centre has met its targets can be measured using a single ratio, the return on costs. A detailed analysis of this profitability ratio is carried out as part of the monthly profit centre statement.

The strategy that has proved successful over many years is regularly reviewed together with the corresponding risk strategy during the annual planning process. This process involves an analysis of which measures the various profit centres wish to adopt to achieve their strategic targets and how the activities affect the prospective development of earnings and the tied economic capital.

The quantitative information and control systems employed by the Bank as part of the risk management process supply important information for assessing risk. Combining this with the huge experience of the workforce facilitates a wide-ranging analysis of the risk situation. Consequently, we are certain overall that the risk assumed is in an appropriate relation to the earnings that can be achieved and that no risk has been assumed in excess of the Bank's ability to bear risk.

6. Exposures in equities not included in the trading book

Disclosures pursuant to Article 447 CRR

Annex 1 shows Berenberg’s main participating interests in excess of 50%. All participating interests are assigned to the Bank's trading book and carried as affiliated companies in the separate financial statements.

Berenberg's participating interests can be divided into operating and strategic subsidiaries. The operating subsidiaries are assigned to individual business units at the Bank. They support and supplement the Bank's operating activities in their respective lines of business. They are financially, organisationally and economically integrated in the corporate group.

In accordance with the provisions of the German Commercial Code (HGB), the participating interests are valued at their acquisition cost. In the case of permanent loss of value, write-downs are taken to the lower of cost or market. Write-ups are only permitted up to the amount of the acquisition cost. The values recognised for the participating interests in the separate financial statements and consolidated financial statements prepared in accordance with the German Commercial Code are reviewed regularly as part of monthly corporate reporting and checked for impairment. The Bank's Risk Monitoring Committee controls the participating interests and the recognised values on a regular basis.

The following table shows the values recognised for the Bank's direct participating interests calculated using the valuation methods described above.

Values recognised for participating interests

		Comparison
Group of participation instruments	**Book value € millions**	**Fair value € millions**
Credit institutions	2.6	2.6
Financial institutions	0.1	0.1
Other enterprises	12.5	12.5
Total	**15.2**	**15.2**
thereof:		
Affiliated enterprises	6.3	
Participating interests	8.9	

The "Other enterprises" item contains indirect participating interests in financial service providers.

On account of the lack of marketability (saleability), the fair value is the same as the book value. There are no valuations derived from previous years on the basis of disposals of participating interests.

Alongside the material participating interests, these are also participating interests with an interest held of less than 50%. These participating interests are insignificant. An exception to this is the participating interest in Universal Investmentgesellschaft, in which the Bank holds an interest of 26.67% (book value: €8.6 million) and in which Berenberg Beteiligungsholding holds an interest of 23.33%. The company acts as an investment firm for proprietary investments. This is an operating participating interest.

Further details are provided below on the significant subsidiaries included in the Bank's consolidation group at the reporting date. The non-consolidated subsidiaries are not described separately for reasons of immateriality.

Berenberg Bank (Schweiz) AG, Zurich

The main lines of business of this deposit-taking financial institution are in wealth advisory and asset management together with various types of financing. The company has been recognised as a bank since 2001.

Berenberg Lux Invest S.A., Luxembourg

The business purpose of this company was the collective administration of one or more Luxembourg-based and/or foreign undertakings for collective investments in transferable securities.

The company's business activities were completely discontinued as of 31 December 2013. The liquidation of the company was completed with effect from January 2015.

Berenberg Beteiligungsholding GmbH, Hamburg

Berenberg Beteiligungsholding GmbH is a strategic subsidiary that acts as an intermediate holding company covering subsidiaries.

The Bank set up this company in 2000 with a mission to take and manage participating interests in companies.

Berenberg Private Capital GmbH, Hamburg

Up until 30 September 2013, the company's purpose was to provide services in connection with financial investments, participating interests and land. The company is not a financial institution within the meaning of Section 1 (1b), (3) KWG and did not conduct any business in this regard.

Up until 30 September 2013, the company provided the following services:

- The analysis, selection, design, structuring, brokering and marketing of closed-ended funds
- The purchase, maintenance, management, operation and disposal of investments in companies, property and other assets that are not financial instruments within the meaning of Section 1 (11) KWG, 2 (2b)
- Strategic class-related wealth structuring using internally developed financial software and the preparation of future-looking liquidity plans, including advice in this regard

As of 1 October, 2013, the services business was successively transferred to Berenberg. At present, the activities are restricted to holding and managing participating interests.

Berenberg Privat-Treuhand GmbH, Hamburg

Up until 30 September 2013, the purpose of this company was to provide family office services and foundation management. The company specialised in asset accounting for complex asset structures.

As of 1 October, 2013, the services business was successively transferred to Berenberg.

Berenberg Americas LLC, Boston

Berenberg Americas LLC, Boston, was set up in 2011 as a wholly owned subsidiary of Berenberg Beteiligungsholding. It acts as a holding company for Berenberg Capital Markets LLC.

Berenberg Capital Markets LLC, Boston

Berenberg Capital Markets LLC was set up as a sales unit in Boston. Its activities focus on opening the institutional market for research products from the Berenberg Group. The company also markets the sales business with US-based investors. The resulting securities transactions are actually executed by Berenberg in Hamburg.

Berenberg Asset Management LLC, New York

Berenberg Asset Management LLC commenced operation in 2014, providing asset management services to institutional investors based in the United States.

7. Instruments and methods

7.1 Rating system / use of ECAIs

Disclosures pursuant to Article 444 CRR

The Bank uses the recognised external credit assessment institution Standard & Poor's Rating Services (S&P) for the purposes of the CRR. This applies to the exposure classes of central governments, regional governments, institutions and covered bonds for credit assessment purposes.

	Credit quality step							
Exposures calculated with the aid of ECAIs, broken down by prudential credit quality step, before CRM € millions	**1**	**2**	**3**	**4**	**5**	**6**	**Capital de-duction**	**Other**
Exposures to central governments	1.1	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to regional governments or local authorities	1.9	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to public sector entities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to multilateral development banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to international organisations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to institutions	0.7	0.2	0.0	0.0	0.0	0.0	0.0	
Exposures to corporates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Retail exposures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures secured by mortgages on immovable property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures in default	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures associated with particularly high risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures in the form of covered bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Items representing securitisation positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to institutions and corporates with a short-term credit assessment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures in the form of shares in collective investment undertakings ('CIUs')	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Equity exposures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	3.7	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	

Exposures calculated with the aid of ECAIs, broken down by prudential credit quality step, after CRM € millions	Credit quality step 1	2	3	4	5	6	Capital de-duction	Other
Exposures to central governments	1.1	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to regional governments or local authorities	1.9	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to public sector entities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to multilateral development banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to international organisations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to institutions	0.7	0.2	0.0	0.0	0.0	0.0	0.0	
Exposures to corporates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Retail exposures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures secured by mortgages on immovable property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures in default	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures associated with particularly high risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures in the form of covered bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Items representing securitisation positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures to institutions and corporates with a short-term credit assessment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposures in the form of shares in collective investment undertakings ('CIUs')	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Equity exposures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total	3.7	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	

7.2 Credit risk mitigation techniques

Disclosures pursuant to Article 442 CRR

Alongside the creditworthiness of the borrowers and counterparties, the available collateral (or general exposure-reduction techniques) is of vital importance for the extent of counterparty risk. For the purposes of the CRR, the Bank takes account of pledged credit balances and pledged securities.

Financial collateral is marked-to-market on a daily basis.

In the case of currency forwards and currency options, the netting of transactions denominated in the same currency is carried out for regulatory purposes. The basis for this is formed by the master agreement for financial futures contracts issued by the Association of German Banks.

In addition, there are risk sub-participations/guarantees from other, generally domestic banks.

The Bank does not include further collateral within the meaning of the CRR.

There is no further significant concentration of risk within the hedging instruments.

Disclosures pursuant to Article 442 CRR

Total outstanding exposure amounts

Counterparty default risk under the Standardised Approach (€ millions)

Risk weight	Before credit risk mitigation	After credit risk mitigation with substitution effects	Exposure value	Risk-weighted exposure value
0%	2,575.2	2,863.0	2,855.0	0.0
2%	0.0	0.0	0.0	0.0
4%	0.0	0.0	0.0	0.0
10%	0.0	0.0	0.0	0.0
20%	672.4	679.6	679.1	135.8
35%	0.0	0.0	0.0	0.0
50%	0.2	0.2	0.2	0.1
70%	0.0	0.0	0.0	0.0
75%	3.1	3.1	3.1	2.3
100%	1,750.0	1,443.3	641.8	641.8
150%	0.2	0.2	0.2	0.3
250%	1.7	1.7	1.7	4.3
370%	0.0	0.0	0.0	0.0
1250%	0.0	0.0	0.0	0.0
Other risk weights	81.4	81.4	81.4	2.2

Total amount of hedged exposure (€ millions)

Portfolio	Financial collateral	Guarantees and credit derivatives
Companies	299.4	7.3
Total	**299.4**	**7.3**

8. Counterparty default risk

Positive credit exposures	Positive gross fair value before netting and collateral	Netting	Positive gross fair value after netting and collateral
Interest rate derivatives	1.2	0.0	1.2
Currency derivatives	198.0	38.7	159.3
Credit derivatives	0.0	0.0	0.0
Equity derivatives	33.2	0.0	33.2
Total	**232.4**	**38.7**	**193.7**

The aggregate counterparty default risk of Berenberg amounts to €24.8 million at 31 December 2014, the corresponding positive market values amount to €148.3 million.

9. Unencumbered assets

The following tables provide an overview of the level of asset encumbrance and, derived from this, an assessment of the Bank's solvency. Assets are considered encumbered or tied when the institution cannot freely dispose of them. This is always the case when they are pledged or transferred, or used as collateral for own loans and for potential obligations arising from derivative transactions, or to enhance creditworthiness within the framework of on- or off-balance-sheet transactions. The following tables are based on the EBA Guidelines on Disclosure of Encumbered and Unencumbered Assets (EBA/GL/2014/03):

Book value of the encumbered and unencumbered assets (€ millions)

Book value	Encumbered assets	Fair value of encumbered assets	Unencumbered assets	Fair value of unencumbered assets
Equity instruments	175.3	175.3	186.4	186.4
Debt instruments	462.1	478.1	2,295.3	2,322.8
Other assets	0.0		1,394.9	
Total	637.4		3,876.6	

Collateral received for encumbered and unencumbered assets (€ millions)

	Fair value of encumbered collateral received or own debt instruments issued	Fair value of collateral received or own debt instruments issued eligible for encumbrance
Total collateral received		
Equity instruments	0.0	0.0
Debt instruments	0.0	0.0
Other collateral received	311.2	311.2
Total	**311.2**	**311.2**

Encumbered assets / collateral received and related liabilities (€ millions)

	Coverage of liabilities, contingent liabilities or securities transferred	Assets, collateral received and other own debt instruments issued as encumbered Pfandbriefs and ABS
Book value of selected liabilities	44.3	0.0

10. Disclosures pursuant to Section 16 InstitutsVergV

The Bank is not required to make disclosures by Section 16 of the amended Regulations Governing Supervisory Requirements for Institutions' Remuneration Systems (InstitutsVergV) or other legal provisions; nonetheless, we are disclosing the features of our remuneration system broken down by country below.

Germany

In terms of pay, the remuneration system makes a distinction between those employees who are subject to the framework collective agreement for the private banking industry by way of reference in the employment contract (non-exempt staff) and those employees whose remuneration is in excess of the collective agreement (exempt staff).

In the case of the non-exempt staff, the size of the gross monthly salary is based on their tariff group and length of service. In addition, non-exempt staff receive a contractually agreed 13th month's salary.

At the start of 2013, the Bank simplified the remuneration system in individual contracts for employees not covered by the framework collective agreement. Such employees receive a fixed salary disbursed in 12 monthly instalments. This system is also employed for all newly hired employees. A small number of employees have remained with the previous remuneration system. (Those joining the Bank prior to 1 January 2001: a fixed salary consisting of 12 monthly instalments plus a guaranteed bonus that is paid on a quarterly basis in the months of February, May, August and November / those joining the Bank between 1 January 2001 and 30 September 2012: a fixed salary in 14 equal monthly instalments.)

Alongside fixed remuneration, employees may be granted variable compensation in the form of a bonus or special payment. Whether and to what extent bonus payments are made is decided each year. Such payments do not entitle the employees to receive bonuses in subsequent years.

Among other things, the qualitative and quantitative performance of the individual employee and the success of the division and the Bank as a whole are used as the basis for determining the size of the bonus. However, these elements only provide a guideline, as there is no set formula for calculating the bonus. The bonus is specified on a discretionary basis, with the limits set forth in Section 25a KWG observed.

Should a bonus be guaranteed in connection with a new employment contract, such a guarantee is specified for the first year of employment at the most.

Furthermore, no claims to benefits in the event of termination under individual contracts, the size of which remains unchanged even in the event of negative personal performance, do not exist in the Bank pursuant to Section 5 (3) 2 InstitutsVergV.

Switzerland

The employees in the Zurich representative office are not subject to a collective pay agreement. They receive a fixed salary in Swiss francs, which is disbursed 12 monthly instalments.

The Bank may pay additional bonuses to the employee in addition to the fixed salary. Such bonuses represent a discretionary payment to which there is no legal entitlement even after it has been paid more than once.

Whether and to what extent bonus payments are made is decided each year. The bonus is determined in the same way as in Germany.

Should a bonus be guaranteed in connection with a new employment contract, such a guarantee is specified for the first year of employment at the most.

Austria

The employees in the Vienna branch are not subject to a collective pay agreement. They receive a fixed salary, which is disbursed in 14 monthly instalments.

The Bank may pay additional bonuses to the employee in addition to the fixed salary. Such bonuses represent a discretionary payment to which there is no legal entitlement even after it has been paid more than once. Whether and to what extent bonus payments are made is decided each year. The bonus is determined in the same way as in Germany.

Should a bonus be guaranteed in connection with a new employment contract, such a guarantee is specified for the first year of employment at the most.

France

The employees in the Paris branch are not subject to a collective pay agreement. They receive a fixed salary, which is disbursed in 12 monthly instalments.

The Bank may pay additional bonuses to the employee in addition to the fixed salary. Such bonuses represent a discretionary payment to which there is no legal entitlement even after it has been paid more than once. Whether and to what extent bonus payments are made is decided each year. The bonus is determined in the same way as in Germany.

Should a bonus be guaranteed in connection with a new employment contract, such a guarantee is specified for the first year of employment at the most.

Luxembourg

The employees in the Luxembourg branch are not subject to a collective pay agreement. They receive a fixed salary, which is disbursed in 13 monthly instalments.

The basic salary is adjusted constantly in line with the legally binding indexation of salaries to the cost of living in Luxembourg.

The Bank may pay additional bonuses to the employee in addition to the fixed salary. Such bonuses represent a discretionary payment to which there is no legal entitlement even after it has been paid more than once. Whether and to what extent bonus payments are made is decided each year. The bonus is determined in the same way as in Germany.

Should a bonus be guaranteed in connection with a new employment contract, such a guarantee is specified for the first year of employment at the most.

UK

The employees in the London branch are not subject to a collective pay agreement. They receive a fixed salary in British pounds, which is disbursed in 12 monthly instalments.

The Bank may pay additional bonuses to the employee in addition to the fixed salary. Such bonuses represent a discretionary payment to which there is no legal entitlement even after it has been paid more than once. Whether and to what extent bonus payments are made is decided each year. The bonus is determined in the same way as in Germany.

Should a bonus be guaranteed in connection with a new employment contract, such a guarantee is specified for the first year of employment at the most.

Subsidiaries

Berenberg Bank (Schweiz) AG

Berenberg Bank (Schweiz) AG has its own pay guidelines, which satisfy the InstitutsVergV and KWG requirements.

Berenberg Capital Management LLC (BCM)

The employees of BCM receive a fixed salary in US dollars, which is disbursed in 24 half-monthly instalments.

BCM may pay the employee bonuses in addition to the fixed salary. Such bonuses represent a discretionary payment to which there is no legal entitlement even after it has been paid more than once. Whether and to what extent bonus payments are made is decided each year. The bonus is determined in the same way as at Group level.

Should a bonus be guaranteed in connection with a new employment contract, such a guarantee is specified for the first year of employment at the most.

Berenberg Asset Management LLC (BAM)

The employees of BAM receive a fixed salary in US dollars, which is disbursed in 24 half-monthly instalments.

BAM may pay the employee bonuses in addition to the fixed salary. Such bonuses represent a discretionary payment to which there is no legal entitlement even after it has been paid more than once. Whether and to what extent bonus payments are made is decided each year. The bonus is determined in the same way as at Group level.

Should a bonus be guaranteed in connection with a new employment contract, such a guarantee is specified for the first year of employment at the most.

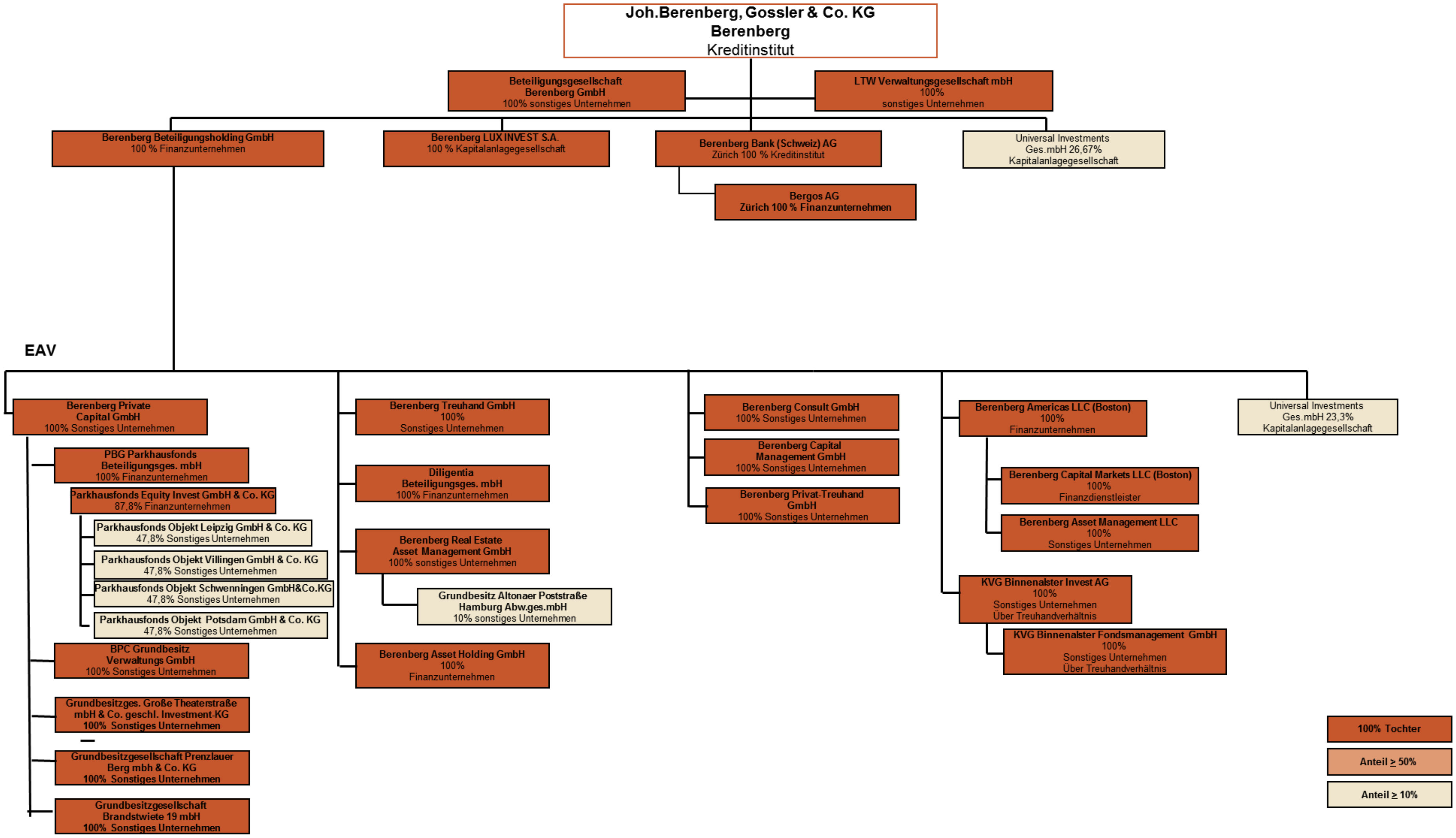
11. Closing statement

By signing this document, the management hereby states that the risk management methods and processes employed by Berenberg are suitable for providing a comprehensive picture of the Bank's risk profile. In particular, the models employed make it possible to permanently ensure the Bank's risk-bearing capacity.

Andreas Brodtmann	Dr Hans-Walter Peters	Hendrik Riehmer

Annex 1: Schedule of participating interests

Beteiligungsübersicht



BERENBERG
PARTNERSHIP SINCE 1590

Annex 2

Curriculum vitae

Dr Hans-Walter Peters

Personal details

Date/place of birth: 3 April 1955, Soltau (Lower Saxony)

Professional career

since 1994	Berenberg, Joh. Berenberg, Gossler & Co. KG, Hamburg
since January 2009	Spokesman of the Managing Partners with responsibility for Private Banking, Asset Management, Finance, Compliance, Legal Affairs and Corporate Communications
since 2000	Managing Partner
1997	General Agent
1994	Joined Berenberg as director
1990–1994	Frankfurter Volksbank eG Head of Securities with power of general representation
1989–1990	DG Bank, Frankfurt Head of Portfolio Strategy, deputy head of Investment Research, member of the Bond Committee of Union Investment Gesellschaft
1987–1989	Dresdner Bank AG, Frankfurt Last position: head of Quantitative Analysis

Education

1976–1986	Degree in Economics and Statistics at the University of Dortmund, followed by doctorate Qualifications as Diplom-Volkswirt (1983), Diplom-Statistiker (1984) and Dr. sc. pol. (1986)

BERENBERG
PARTNERSHIP SINCE 1590

Curriculum vitae

Hendrik Riehmer

Personal details

Date/place of birth: 20 July 1968, Hamburg (Hamburg)

Professional career

since 1990	Berenberg, Joh. Berenberg, Gossler & Co. KG, Hamburg
since 2009	Managing Partner
2005–2008	Member of the extended management team, partner since 01/2007 (dormant partner)
2002	General Agent
2001–2006	Responsible for Institutional Asset Management
2001–2005	Head of Investment Banking
1998–2001	Trading and Sales Research
1996–1998	Account manager in Institutional Asset Management
1990–1996	International client account manager in Institutional Asset Management

Education

1988–1990	Hamburger Sparkasse Apprenticeship in banking

Curriculum vitae

Andreas Brodtmann

Personal details

Date/place of birth: 21 May 1963, Hamburg (Hamburg)

Professional career

since 1992	Berenberg, Joh. Berenberg, Gossler & Co. KG, Hamburg
since 2009	Managing Partner
since 2008	Member of the Board of Directors of Berenberg Bank (Schweiz) AG, Chairman of the Board of Directors since 2009
2007–2008	Member of the extended management team, partner since 01/2007 (dormant partner)
2003–2007	Member of the management team of Berenberg Bank (Schweiz) AG
2001–2003	Head of International Investment Management
1992–2001	Head of Asset Management/International Private Banking with responsibility for portfolio management and parts of the retail fund activity
1982–1992	NORD/LB Norddeutsche Landesbank Girozentrale Asset management, loan processing in corporate banking, customer- and lending-related trainee programme, advisory services

Education

06/1989–12/1989	Savings bank specialist course at the Sparkassenakademie Hannover
09/1985–09/1988	Trainee programme at NORD/LB in various management departments, the securities unit and central credit departments
08/1982–06/1984	IHK-certified banking apprenticeship at NORD/LB

BERENBERG
PARTNERSHIP SINCE 1590

Joh. Berenberg, Gossler & Co. KG
Neuer Jungfernstieg 20
20354 Hamburg · Germany
Phone +49 40 350 60-0
Fax +49 40 350 60-900
www.berenberg.com