Rating Report

Report Date:
27 March 2013

Previous Report:
15 May 2012

Insight beyond the rating.

Sparkassen-Finanzgruppe

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The Company

Sparkassen-Finanzgruppe is a decentralized group of German public-sector financial institutions with leading market shares in many product categories of banking in Germany. The Group's savings banks enjoy strong national shares in retail banking and its state based Landesbanks enjoy meaningful wholesale banking operations.

Recent Actions

31 May 2012
DBRS Rates 419 Members of Sparkassen-Finanzgruppe's Joint Liability Scheme at A (high), Trend Stable

15 May 2012
DBRS Confirms Floor Ratings, Releases Report on Sparkassen-Finanzgruppe

Ratings

Issuer	Debt Rated	Rating	Trend
Sparkassen-Finanzgruppe	Issuer & Senior Long-Term Debt	A (high)	Stable
Sparkassen-Finanzgruppe	Short-Term Instruments	R-1 (middle)	Stable

Rating Rationale

On 27 March 2013, DBRS Ratings Limited (DBRS) confirmed the ratings for Sparkassen-Finanzgruppe (Sparkassen-Finanzgruppe or the Group). The outlook on all ratings is stable. The floor ratings are based on the depth and resources of the Joint Liability Scheme, the additional support for the Group's members from their public owners (Träger), as well as broader systemic support. The ratings also consider the underlying earnings potential and the solid franchise of the savings banks and the overall importance of the Group to the German banking sector. Offsetting these rating strengths are the elevated risk profile and weak overall earnings of several Landesbanks that are a significant part of the Group, and the level of competition in the savings banks' core business of German retail banking.

The floor ratings of A (high) for Issuer & Senior Long-Term Debt and R-1 (middle) for Short-Term Instruments apply to each member of Sparkassen-Finanzgruppe's Joint Liability Scheme. The Joint Liability Scheme includes 423 German savings banks, the seven Landesbank groups, ten public-sector building societies (LBS), the Group's central asset manager DekaBank and other specialised service providers. The floor ratings indicate that each member of the Joint Liability Scheme is rated at least at A (high)/R-1 (middle); However, this does not prevent members from potentially achieving higher individual ratings based on their individual credit assessment. (Continued on page 2)

Rating Considerations

Strengths

(1) Solid franchise of the savings banks and the overall importance of the Group to the German banking sector
(2) Structure of the Joint Liability Scheme, which makes Group resources available to all members of the Group, complemented by systemic support for Landesbanks
(3) Stable performance of the savings banks and underlying earnings potential of the overall Sparkassen-Finanzgruppe

Challenges

(1) Defending strong position of savings banks in German retail banking amid intense competition
(2) Minimizing the impact of still elevated risks at the Landesbanks, while also strengthening the cohesiveness and benefits across the Sparkassen-Finanzgruppe
(3) Managing impact from difficult regulatory environment while maintaining profitability and competitiveness

Financial Information

Sparkassen-Finanzgruppe EUR Millions, unless otherwise noted	**31/12/2011** € **NGAAP**	**31/12/2010** € **NGAAP**	**31/12/2009** € **NGAAP**	**31/12/2008** € **NGAAP**	**31/12/2007** € **NGAAP**
Total Assets (millions)	2,568,273	2,601,285	2,581,387	2,684,775	2,683,358
Equity (millions)	127,827	122,231	126,678	115,307	110,500
Net Income (millions)	1,624	6,031	-2,860	-5,401	7,198
Risk-Weighted Earning Capacity (%)	n/a	n/a	n/a	n/a	n/a
Post-provision Risk-Weighted Earning Capacity (%)	n/a	n/a	n/a	n/a	n/a
Yield on average earning assets	4.24	3.96	4.44	8.11	12.56
Cost of interest bearing liabilities	2.89	2.67	3.21	4.71	10.57
Efficiency Ratio (%)	61.35	60.45	61.63	64.21	66.35
Impaired Loans % Gross Loans	n/a	n/a	n/a	n/a	n/a
Tier 1 Capital Ratio (%)	10.50	9.90	10.12	8.82	n/a

Source: Company Reports, DBRS.

Rating Rationale (Continued from page 1)

In DBRS's view, the Joint Liability Scheme of Sparkassen-Finanzgruppe reduces the default risk for each individual member, because the Scheme makes financial resources available to each institution within the Group. As such, the strength and structure of the Scheme is a key factor considered in the floor ratings. The Joint Liability scheme is designed to ensure the solvency and viability of each member, thereby protecting creditors and counterparties. Since the Scheme's inception in 1973, no member has defaulted, an indication which DBRS views as the scheme fulfilling its function. However, DBRS recognises that the Joint Liability Scheme has limitations, as it does not amount to a legal cross-guarantee. Moreover, while the combined resources of the Joint Liability Scheme have enabled it to cope with most stress scenarios, resources may be insufficient in a wider systemic crisis. These limitations are factored into the floor ratings.

As mentioned above, the internal support mechanism of Sparkassen-Finanzgruppe is complemented by external support for the Group's Landesbank members, thereby adding a level of stability to the floor ratings. During the recent financial crisis, several Landesbanks received support from their public owners in the form of capital injections or other forms of support, such as from the Sparkassen or via risk shielding from the German government. In DBRS's view, these external measures reduce the need for additional support from within the Group; however, they do not fully eliminate it. Nonetheless, DBRS sees the availability of this external support as benefitting the Group, as it lessens the potential burden of the Landesbanks on the wider membership. However, any indication of reduced access to systemic support for the Landesbanks would likely lead to downward pressure on the floor ratings, as it could reduce the total financial resources available to the members of Sparkassen-Finanzgruppe.

The floor ratings also consider the overall strong market positions and the solid franchises of the institutions comprising the Sparkassen-Finanzgruppe. Despite some marginal share decrease in recent years, together, the Group's members maintain leading positions across many areas of German banking as demonstrated by the strong combined market shares of roughly 42% nationally in both retail customer deposits and business lending at year-end 2011. The Group continues to see solid lending and deposit activity, especially at the savings bank level. The sizeable combined market shares demonstrate the Group's importance to the German banking sector. Likewise, the close relationship of its members is illustrated by the increasing levels of cohesion that exists among the savings banks, which helps to promote cross selling. DBRS sees the Group's overall franchise strength as benefitting from the solid positioning of the savings banks, whereas the negative impact from weaker Landesbanks has diminished somewhat following meaningful de-risking and restructuring.

The Sparkassen-Finanzgruppe's underlying earnings generation ability reflects both the stability of the savings banks' performance, as well as the improving risk profile of most of the Landesbanks, which DBRS expects may contribute to lower earnings volatility in the future. In 2011, the most recent year for which aggregate data is available, Sparkassen-Finanzgruppe recorded EUR 16.4 billion of operating earnings before other and non-operating income/expenses and before valuation results (which under German GAAP include losses on loans, securities). This was a decline compared to EUR 17.1 billion in 2010 and was impacted by lower aggregated results at the Landesbanks. Earnings figures for 2011 were also impacted by positive valuation results (EUR 6.2 billion), and offset by the re-classification of some German reserve contributions from post-profit allocations to the extraordinary expense level (or from 340h hidden reserves to 340g general banking reserves as defined under the German Commercial Code, or *Handelsgesetzbuch* (HGB)). In 2011 the group recorded EUR 17.5 billion in extraordinary expenses, and restated extraordinary expenses for 2010 figures at EUR 5 billion instead of EUR 2 billion. This strongly impacted bottom line earnings reported as net income of EUR 1.6 billion for 2011 and a restated net income of EUR 3.1 billion for 2010 (*vs*. the EUR 6 billion originally reported).

In DBRS's view, the overall risk profile of Sparkassen-Finanzgruppe remains negatively impacted by the higher earnings volatility potential from the Landesbank sector, as well as the more wholesale orientation of the state level banks. Nonetheless, DBRS acknowledges that significant de-risking and restructuring has reduced the level of future volatility. Likewise, credit quality of the savings banks has generally benefited from the stronger domestic economy, as well as improved credit standards and processes. Nonetheless, at the savings bank level, the allowance for loan losses increased to EUR 900 million in 2012 compared to EUR 600 million in 2011 indicating on-going attention and concerns for asset quality even within the generally lower risk German market.

The Sparkassen-Finanzgruppe's overall liquidity and capitalisation are also considered in the ratings. Importantly, DBRS recognises that the strong deposit base and sound liquidity of the savings banks which in part is offset by the more wholesale-oriented funding profile of the Landesbanks. Nonetheless, the Landesbanks benefit from sizeable deposits from savings banks, as well as the strong track-record of governmental liquidity support offered during the recent crisis. In DBRS's view, this reduces potential demands on the joint liability Scheme and adds to the satisfactory evaluation for liquidity across the Group. Likewise, capitalisation remains appropriate in DBRS' view. The savings banks reported a Tier 1 capital ratio 12.5% and a total capital ratio of 15.9% at year-end 2012. On a combined basis for both the savings banks and Landesbanks, the Tier 1 ratio was 11.5% at end 2011, up from 10.9% at year-end 2010.

For DBRS, the Sparkassen-Finanzgruppe continues to face several challenges. These include defending the still dominant position of savings banks in German retail while also maintaining margins and solid profitability. Both are challenged by strong competition and are under increased pressure due to the low interest rate environment. Maintaining the dominant position is particularly important, as the savings banks' solid retail franchise underpins the overall Group's franchise strength. Lastly, as with most financial institutions operating across the globe, the Group needs to manage business strategies to adapt to the ever-changing regulatory environment. While DBRS sees the Group as a whole as generally well-positioned to adapt to challenges, increasing competition and regulatory requirements could present problems at the level of individual institutions.

The trend on the floor ratings is Stable. This reflects DBRS's expectation that the support mechanisms will remain intact, underscored by the stable performance of the savings banks and the general reduction in risk and volatility at the Landesbanks. Given that the structure and strength of the Joint Liability Scheme is a key rating factor, regulatory or other changes that would reduce the availability of support to the Group's members from the Scheme or from external support could negatively affect the Stable trend.

Support Assessment (SA)
DBRS's expectation that the members of Sparkassen-Finanzgruppe's Joint Liability Scheme have access to several sources of support is a key factor underpinning the floor ratings. One important source of support is the Joint Liability Scheme itself, which makes internal resources of the Group available to members facing challenges. While the Scheme's resources allow it to support even large savings banks, the Scheme's resources may not be sufficient to address a systemic crisis where a large number of savings banks or Landesbanks could require significant support simultaneously. In a scenario where several Landesbanks faced challenges, DBRS would expect the availability of external support from their public owners, as well as systemic support from the federal government, to strengthen the financial resources of the Group's members, if needed. Indeed, this has been the case in the past. External support thereby complements the internal support provided by the Joint Liability Scheme. The expectation that such external support is available constitutes a key rating factor, as it stabilises the floor ratings. These considerations are reflected in an SA-2 support assessment for the members of the Joint Liability Scheme.

Rating Consideration Details

Strengths

(1) Solid franchise of the savings banks and overall importance of the Group to the German banking sector
The solid franchise of the savings banks positively affects the overall franchise strength of Sparkassen-Finanzgruppe. The savings banks have particularly strong positions in transactional accounts, savings deposits and retail lending in Germany, with market share in excess of 40% in some products. In addition to generating relatively stable earnings, the solid market shares illustrate the overall importance of the Group to the German banking sector. The dense network of the savings banks, with 15,441 branch locations in 2011, makes them key providers of financial services in Germany. Further illustrating the critical role of the savings banks is their public law mandate to promote savings and improve access to banking services in the

communities they serve. The franchise strength of the savings banks is also reflected in their EUR 799.2 billion of customer liabilities at year-end 2012, which underpins their sound funding profile.

(2) Structure of the Joint Liability Scheme, which makes Group resources available to all members, and systemic support for Landesbanks
DBRS views the depth of the Joint Liability Scheme and the resources made available to all Group members as a key factor underpinning the floor ratings. The Joint Liability Scheme is designed to ensure the viability of each member institution. In DBRS's view, the Scheme, combined with the availability of additional public owner and systemic support, reduces the default probability for each member. Moreover, DBRS sees the substantial support for the Landesbanks from their government owners and the federal government as beneficial for Sparkassen-Finanzgruppe. This support helped safeguard the liquidity and capitalisation of several Landesbanks that faced challenges during the recent financial crisis. DBRS sees systemic support for the Landesbanks as reducing the potential demands on the Joint Liability Scheme and on other members of the Group, which adds a level of stability to the floor ratings.

(3) Stable performance of the savings banks and underlying earnings potential of the overall Sparkassen-Finanzgruppe
The Group generates sizeable underlying earnings from the strong franchise positions of its members. While consolidated financials for the Group is not available, the savings banks generated a pre-tax income of EUR 4.4 billion for 2012 and continue to demonstrate stable performance. Following Several years of significant losses through 2009, the Landesbanks posted a profit close to EUR 1 billion in 2010, returned to a loss position in 2011 (EUR 511 million loss), and it is still unclear if they were profitable on a combined basis for 2012. For 2012, the Sparkassen posted a net profit of EUR 2.1 billion, after EUR 2 billion in 2011and EUR 1.9 billion in 2010.

Challenges
(1) Defending strong position of savings banks in German retail banking amid intense competition
As the market leader in many areas of German retail banking, the savings banks continue to face strong competition. Defending their strong retail position poses an important task, as this franchise underpins the strength of Sparkassen-Finanzgruppe overall. Competitive pressure is intense, as the financial crisis has led many banks to re-focus on traditional deposit-gathering and retail lending activities. Net interest income remained under pressure in 2011 and 2012 and DBRS expects that competitive pressure may continue to constrain margins over the medium term. Nonetheless, DBRS recognises the increase in deposits and the increased level of lending volumes at the savings banks, which in DBRS's view, illustrates the strength of the franchise and the safety of the Sparkassen name.

(2) Minimizing the impact of still elevated risks at the Landesbanks, while also strengthening the cohesiveness and benefits of the wider Sparkassen-Finanzgruppe
In DBRS's view, the future impact of earnings volatility and risk from the Landesbanks has been reduced. Nonetheless, relative to the savings banks, the Landesbanks' business models remain more wholesale oriented, and as history indicates, these businesses have been often volatile. Nonetheless, DBRS recognizes the significant de-risking of the sector and the return to profitability by most of the Landesbanks. Also important to the rating is the cohesiveness between the savings banks and the Landesbanks. With the de-risking and right-sizing of the Landesbank sector, DBRS views the challenge of keeping the cohesion amongst members as made a bit easier and this could help to protect the on-going relationships and the competitive position for the public sector banks.

(3) Managing the impact of the difficult regulatory environment while maintaining profitability and competitiveness.
As with most financial institutions operating across the globe, the Group Faces the challenge of managing their business model to adapt to the ever-changing regulatory environment. This may include the need to adjust its operations and strategy as capital requirements and costs impact business models. DBRS sees the savings banks as generally well-positioned given their liquidity and capital positions, yet cannot rule out the need to improve capital at some institutions depending upon Basel III requirements. Likewise, the general reduction in risk at the Landesbanks has improved their combined position, although challenges linked to asset quality and capital could further impact individual Landesbanks.

Rating Drivers

Factors with Positive Rating Implications
Given the level of the ratings and DBRS's floor concept, upward rating momentum would be unlikely short of an external event. Nonetheless, DBRS views positively the solid earnings and balance sheet management at the Group level, and the relative de-risking at Landesbank level.

Factors with Negative Rating Implications
Negative ratings pressure would result from indication that the Landesbanks access to support from their public owners and the federal government was reduced. Furthermore, downward rating pressure could also be caused by a weakening of the savings banks franchise and their underlying earnings capability. Moreover, indications that the de-risking of the Landesbanks' operations is not sustained, which could lead to sizeable losses thereby weakening the Group's resources, could have a negative impact on the ratings. Importantly, any weakening of the Joint Liability Scheme or reduced access to support from their public owners and the federal government could negatively impact the floor rating.

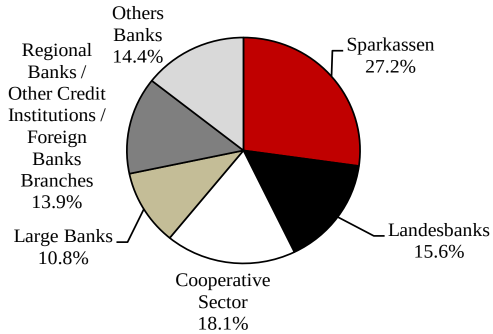
Franchise Strength - Description of Operations

Together, the members of Sparkassen-Finanzgruppe's Joint Liability Scheme form one of the largest financial Groups globally, with total aggregated assets of EUR 2.56 trillion as of year-end 2011. Sparkassen-Finanzgruppe primarily comprises three constituent Groups with distinct franchises – the German savings banks, the Landesbanks and the public-sector building societies (Landesbausparkassen, or LBS). In DBRS's view, the strong, resilient franchise of the savings banks forms the core of Sparkassen-Finanzgruppe's franchise strength, while the weaker, more wholesale-oriented franchise of most Landesbanks negatively affects the overall Group.

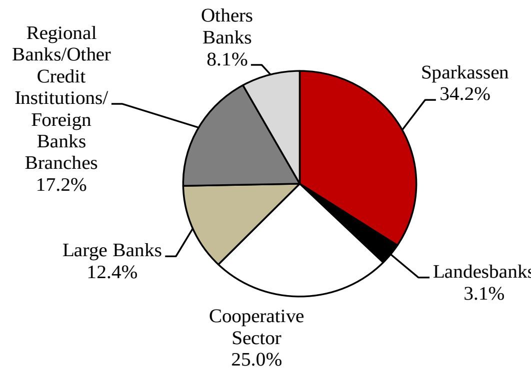
The 423 German savings banks as of 31 December 2012 have a strong, relatively stable franchise, which, as discussed above, is a key rating consideration. With EUR 1,105.8 billion in total assets, and over EUR 799.2 billion customer deposits (including certificated liabilities) at year-end 2012, the savings banks enjoy leading market positions across a wide range of financial services provided to retail customers and SMEs in Germany. The public owners (Träger) of most savings banks are the municipalities and the regions in which they operate. Overall, in 2011 Sparkassen-Finanzgruppe enjoys a 39.2% market share in total deposits (excluding fixed deposits with maturities more than 2 years).

The strong combined position of the member institutions of Sparkassen-Finanzgruppe in German banking is demonstrated by their market share in core products, with a combined 41.6% share in retail customer deposits (including LBS) and also 42% in business lending at year-end 2011. The savings banks had EUR 248.3 billion in domestic residential real estate loans at year end 2012, comprising a sizeable 34.2% market share, whilst the Landesbanks have an additional EUR 22.5 billion in real estate loans to domestic households, or 3.1% of the total. The members of Sparkassen-Finanzgruppe also have strong customer deposit franchises. At the savings banks level, deposits from households totalled EUR 620.5 billion at 31 December 2011, representing a market share of 40.1%. The Landesbanks had EUR 39.4 billion in customer deposits or 2.5% market share in customer deposits. On a total deposit basis, including businesses, the savings banks reported a 30.4% national share and the Landesbanks a 8.8% share as of end 2011. In terms of aggregated household and business deposits, the Sparkassen-Finanzgruppe reported a national share of 39.2% at end 2011.

SpK Finanzgruppe: Market Share Credit to the Real Economy*



SpK: Finanzgruppe: Market Share in Real Estate Loans to Domestic Households



Source: DSGV
* *i.e.* Excluding loans to Financial Institutions

The seven Landesbank Groups are mostly active in wholesale banking, as well as serving as the central clearing banks for their respective regional savings banks associations. The Landesbanks are important lenders to medium- to large-sized corporations and public-sector entities in their domestic regions. The Landesbanks are also significant participants in international loan syndication, money markets, securitisation and asset-based financing. Nonetheless, since 2008 many Landesbanks have reduced some of their international activities and several have undergone significant de-risking and/or restructuring (20% reduction in total assets and 40% in risk exposure over 2007-2012). Most Landesbanks are jointly owned by the states in which they are headquartered (reflecting their origin as state banks) and regional savings banks associations. Nonetheless, the level of ownership and involvement of the savings banks with the Landesbanks can vary significantly. Indeed, some Landesbanks are in part vertically integrated via direct ownership of savings banks. Some Landesbanks have developed more diverse franchises geographically and by business line and others less so. Overall, despite this variation and an improving risk profile, DBRS continues to view the Landesbanks as more vulnerable to market dislocations than the savings banks.

Sparkassen-Finanzgruppe as of Dec. 2011

426* Savings Banks

Total Assets: EUR 1,098 billion
Employees: 245,969
Branches: 15,441

8** Landesbanks	DekaBank	10 Regional Building Societies	German Leasing Group	11 Regional Public Insurance Groups
Total Assets: EUR 1,495 billion Employees: 48,464 Branches: 540	Total Assets: EUR 134 billion Employees: 3,957 Number of deposit accounts: 4.4 million Assets Managed: EUR 165 billion	Total Assets: EUR 55 billion Internal Employees: 4,573 External Employees: 4,367	Number of Contracts: 245,500 Cost Value: EUR 28,1 billion	Gross Premium Income: EUR 18.1 billion Branches: 18,600 Employees: 30,000

4 Additional Leasing Companies	7 Capital investment Companies of the Landesbanks	DSV Gruppe	Finanz Informatik	74 Capital Investment Companies	3 Factoring Companies	10 Regional Property Companies	8 Consulting Firms to private businesses and Municipa-lities

*As of December 2012 there are 423 Savings Banks.
**7 Landesbanks as of Dec. 2012 (WestLB succeeded by Portigon AG, with major assets largely transferred to EAA (Erste Abwicklungsanstalt) and Helaba during 2012, thus reducing the number of Landesbank groups to seven during 2012.)

The ten regionally-focused public-sector building societies (LBS) that also form part of Sparkassen-Finanzgruppe have a combined market-leading position in home savings and loans products which are mainly distributed by the savings banks. They are mostly owned by regional savings banks associations and Landesbanks. Other members of the joint liability scheme of Sparkassen-Finanzgruppe include DekaBank, the central asset manager of Sparkassen-Finanzgruppe, and other smaller providers of specialised financial products. The Savings Banks collectively own 100% of DekaBank as of end 2011. This follows their EUR 2.3 billion purchase of the 50% of DekaBank formerly owned by the Landesbanks in 2012. DekaBank is the third largest mutual funds manager in Germany, providing key asset management products that the savings banks offer to their retail customers. DekaBank will also assume a larger role within the Group following the planned transfer of capital markets activity to DekaBank from Landesbank Berlin – the latter also 100% owned by the central Group. The broader Sparkassen-Finanzgruppe also includes 11 primary public-sector insurers that together occupy strong positions in individual products such as property insurance, life, retirement products and health insurance. However, the public-sector insurers are not part of the joint liability scheme and therefore do not benefit from DBRS's floor ratings.

Joint Liability Scheme

DBRS sees the Joint Liability Scheme as a key factor underpinning the floor rating, as it makes resources of the Group available to all members. Since the Scheme's inception in 1973, no member of Sparkassen-Finanzgruppe has defaulted. The Joint Liability Scheme is not tantamount to a cross-guarantee, which negatively affects the floor ratings. Creditors and members do not have a legal claim on support from the scheme. Instead, the Scheme is based on mutual support between its members. Therefore, the structure of the system and the ability and willingness of its members to support each other become important components of the strength of the Scheme, and therefore factors considered in the floor ratings.

The Scheme comprises a system of connected support funds, including 11 regional savings banks support funds, plus one support fund each for the Landesbanks and the LBS. If a decision has been made to support a member, such support is initially provided by that regional support fund to which the institution belongs. If a savings bank requires support that exceeds the resources of its regional support fund, then in the next step the resources of all 11 savings banks support funds can be activated. If this still proves insufficient, then the resources of the whole joint liability Scheme can be utilised. However, the decentralised structure of the system could pose a challenge in DBRS's view, as it increases the number of steps that are needed to leverage the full resources of the system and could entail a timing factor.

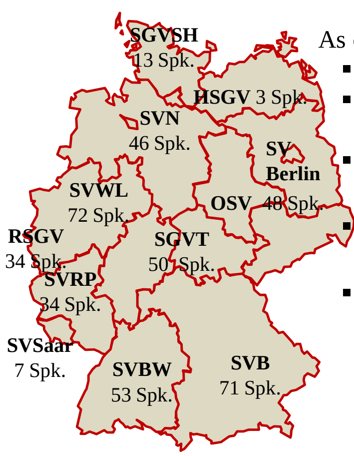
In support cases, the mechanisms of the Joint Liability Scheme are available to strengthen and restructure savings banks that face challenges. In DBRS's opinion, these cases, while generally involving smaller support amounts, help ensure the ability of the system to function smoothly. With the exception of the Landesbanks, most support cases of the Joint Liability Scheme involve small institutions. 90% of all support cases can be handled by the challenged member's regional support fund alone, without additional resources from the system of support funds. Yet, DBRS recognises that the combined resources of the Joint Liability Scheme are not sufficient, nor was the Scheme designed, to address a wider systemic crisis. This is viewed as a weakness that negatively affects the floor ratings. However, as discussed above, this weakness is partly mitigated by the access to additional sources of external support. These include important support from their public owners, from the federal German government, and from regional support funds that savings banks and Landesbanks have established. The administrators of the support funds can use their discretion to require additional support from the public owners of a challenged member and to effect management and business strategy changes to ensure a successful restructuring and protect the Scheme's funds. Member contributions to the Scheme are risk-based, providing an incentive for members for prudent risk management.

DBRS notes that the members of the Joint Liability Scheme have strong incentives to support each other, which is critical to ensure the functioning of the system, due to the lack of a legally binding cross-guarantee. A default by any member would cause reputational damage for the overall Group. Customers and counterparties may not differentiate between Group members and may view a default by any one member as a sign of weakness for the overall Group. This reputational link is furthered by the common "Sparkassen" brand and the red "S" logo used by all savings banks. Similarly, most Landesbanks carry the "Landesbank", or short "LB", brand in their name, and all public-sector building societies share the "LBS" brand. The cost of such reputational damage likely outweighs the costs of utilising the support mechanism in most stress cases.

In addition, DBRS sees strong economic incentives for the Scheme's members to support each other. Savings banks that run into difficulties typically have strong market positions, which constitute a franchise value for Sparkassen-Finanzgruppe. In addition, the significant joint business that the Group members conduct with each other creates an economic incentive to provide support. The savings banks are also major shareholders of most Landesbanks, creating an economic incentive to support them. For those Landesbanks where the savings banks no longer own substantial interests, the economic incentive to provide support has declined; however, this has been replaced by support from the state owners of these Landesbanks.

The recent case of WestLB, now known as Portigon AG, is a good example of orderly resolution. The savings bank operations of Portigon AG, including the public sector and SME lending operations, were spun-off and transferred to Helaba. The remaining banking assets were transferred to the Erste Abwicklunganstalt (EAA), which is directly and indirectly owned by the State of North Rhine Westphalia and its Savings Banks. In parallel, the majority of former WestLB's obligations were legally transferred on 17 September 2012 to new issuers with retroactive effect. Senior Long-Term and Short-Term obligations went to either Helaba or EAA, whereas subordinated liabilities remain with Portigon AG. These senior obligations transferred to EAA no longer benefit from the joint liability support scheme of the Sparkassen-Finanzgruppe, whereas Portigon AG remains an associate member of the Scheme until privatization or the winding up of the business is completed.

Savings Banks and their Regional Associations



As of December 2012
- 423 Saving Banks
- EUR 1,106 bn in Total Assets
- 244,800 employees
- 15,441 branches*
- EUR 799 bn in customer deposits

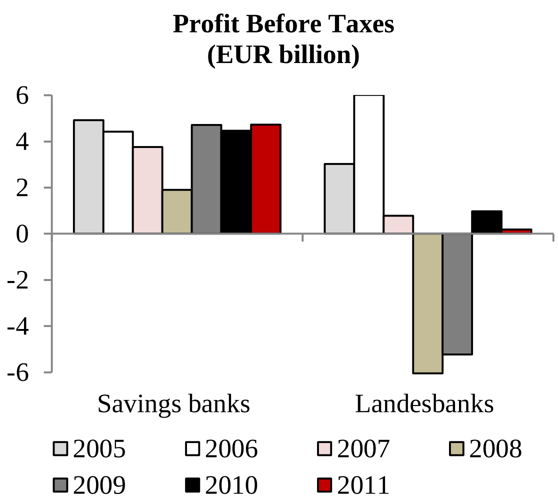
* As of December 2011

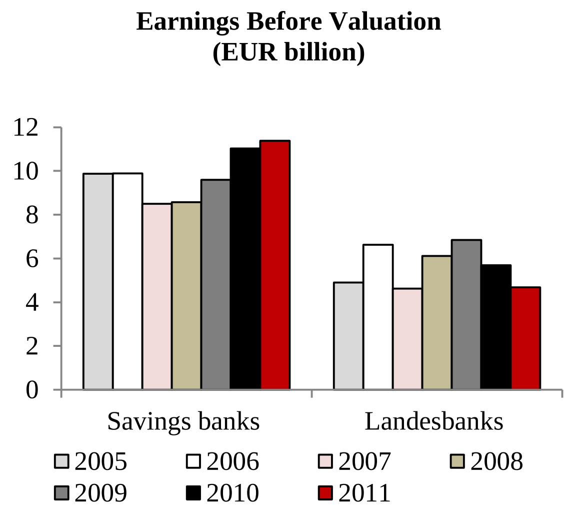
Landesbanks

As of December 2011
- 8 Landesbank Groups
- DekaBank
- EUR 1,629 bn
- in Total Assets
- 52,421 employees

Earnings Power

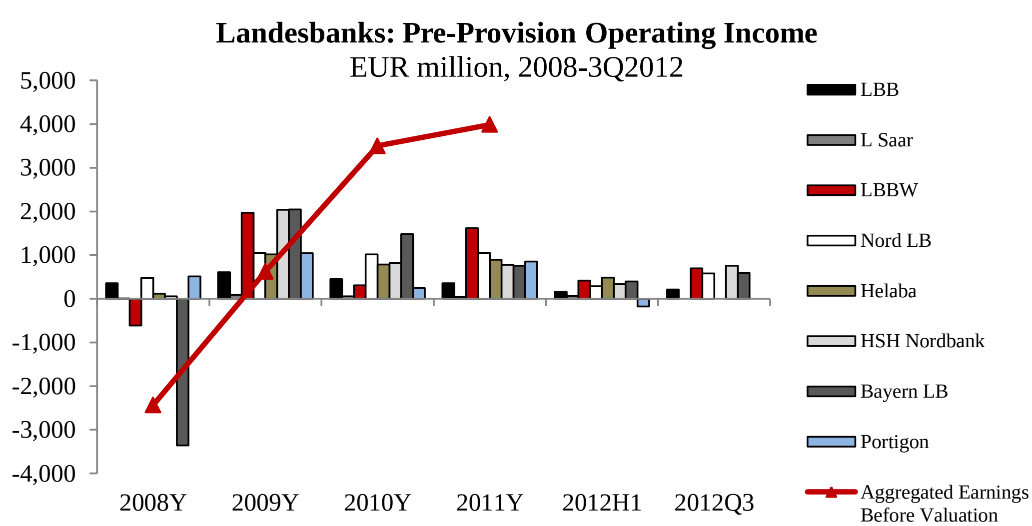
Although Sparkassen-Finanzgruppe has sizeable earnings potential, the Group's net performance has been negatively affected by the earnings volatility, past losses generated by the Landesbanks in aggregate, as well as sizeable valuation adjustments linked to the sovereign debt crisis and exposure to Greek securities. In 2011, the most recent year for which aggregate data is available, the overall Group generated a lower EUR 16.4 billion, or -4% of operating earnings before other and non-operating income/expenses and valuation results (which under German Commercial Code (*Handelsgesetzbuch*, or HGB) includes losses on loans, securities). For the year ending 31 December 2011, the Group generated an after tax profit of EUR 1.6 billion, with a loss of EUR 0.5 billion attributed to the Landesbanks. Importantly, the operating earnings before valuation result for Sparkassen-Finanzgruppe continue to show stability, reflecting relatively stable net interest income, some improvement in commissions and acceptable cost control.





The savings banks generate relatively stable underlying earnings, which positively impact the Group's earnings profile, and thereby support the ratings. Earnings before valuation of EUR 11.4 billion for 2011 increased 2.3% from the prior year and reflected stability across net interest income and commissions, as well as lower credit costs in Germany. For 2012, bottom line results were impacted by significant adjustments including EUR 1.4 billion negative valuation adjustments at the level of the Landesbanks. Results for 2011 had been impacted by the EUR 13.5 billion charge in extraordinary expenses linked to the reclassification of 340f to 340g reserve payments at the expense level (versus post earnings allocations previously). 340g reserves are defined as per the German Commercial Code, or HGB, as funds for general banking risks, whereas 340f reserves have represented "hidden" reserves for special risks.

While aggregated 2012 data for the Landesbanks is not yet available, given the individual results reported to date, DBRS expects that despite ongoing pressure from valuation adjustments and the sovereign crisis, results should remain positive for the bulk of Landesbanks, although significant asset quality issues in problem sectors such as shipbuilding finance, could contribute to an aggregated loss. This would include the case of HSH Nordbank, for which an additional EUR 3 billion of additional support has been requested. For 2011, the Landesbanks reported an aggregated loss of EUR 0.5 billion which is a reversal of the prior year's EUR 1 billion profit, yet remains far better than the aggregated losses of EUR 5.2 billion for 2009 and EUR 6 billion loss for 2008. Nonetheless, for most Landesbanks, DBRS expects that the earnings volatility typically associated with the Landesbank sector may be reduced going forward.



Sparkassen-Finanzgruppe
Report Date:
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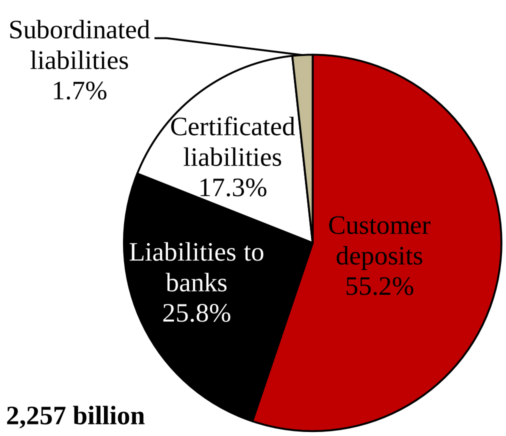
At the savings banks, net interest income for 2011 increased marginally to EUR 23.6 billion before falling slightly in 2012, yet remained the most important contributor to earnings. NIM remained under pressure during both years, influenced by higher funding costs and competition for deposits. Given the current economic environment, DBRS expects that interest margins for the savings banks may remain under pressure over the medium term. In addition, profitability at the savings bank level was impacted by a decline in appetite of German households for Asset Management products. In 2012, the Asset Management business segment of the savings banks reported EUR 94 billion in total trading volume. This represents a 10% decrease compared to 2011 and a 43% decrease compared to 2008. The Landesbanks continued to generate relatively low interest spreads, on average, reflecting relatively narrow spreads on their large corporate lending and securities and the cost of their wholesale funding.

Cost efficiency for Sparkassen-Finanzgruppe is relatively low in an international context. The expense ratio reflects the Group's decentralised structure with multiple legally independent entities. DBRS recognises that efforts by the savings banks to centralise back-office functions in recent years have shown some results, with roughly 36% of all savings banks reaching a cost income ratio below the targeted 60% in 2011. Yet, efficiency at the Sparkassen level has eroded slightly with a cost-income ratio of was 62.3% reported for 2012, compared to 60.7% in 2011. DBRS continues to view the Group's overall costs as high.

Funding and Liquidity

DBRS views the liquidity and funding position of Sparkassen-Finanzgruppe as satisfactory, as the Group benefits from the strong deposit franchise of the savings banks. Although the savings banks benefit from their solid deposit-gathering ability, the Landesbanks are largely wholesale-funded, which in turn weakens the overall Group's funding profile. Reflecting the combination of the strong deposit base of the savings banks and the wholesale-oriented funding profile of the Landesbanks, the Sparkassen-Finanzgruppe as a combined Group had a noteworthy wholesale funding reliance of more than 44.8% of total funding at year-end 2011. Customer deposits of EUR 1.17 trillion accounted for the remaining 55.2% of Group funding. DBRS views the deposit base of the savings banks as a core element in maintaining satisfactory liquidity.

Sparkassen-Finanzgruppe Funding Profile
% of Total Financing, as of December 2011



Total: EUR 2,257 billion

Source: DSGV Financial Report 2011 p.53

The savings banks' stable liabilities to customers of EUR 799.2 billion at year-end 2012, provide the foundation for the funding profile. Importantly, the savings banks' customer liabilities demonstrated a stable increasing trend through the financial crisis, growing by more than 9% since year-end 2007. Liquidity at the savings banks is further illustrated by liabilities to customers exceeding customer loans by EUR 103 billion at year-end 2012. The liquidity ratio for the savings banks has typically been roughly 2.5% in recent years and the Group has indicated an unspecified improvement during 2012.

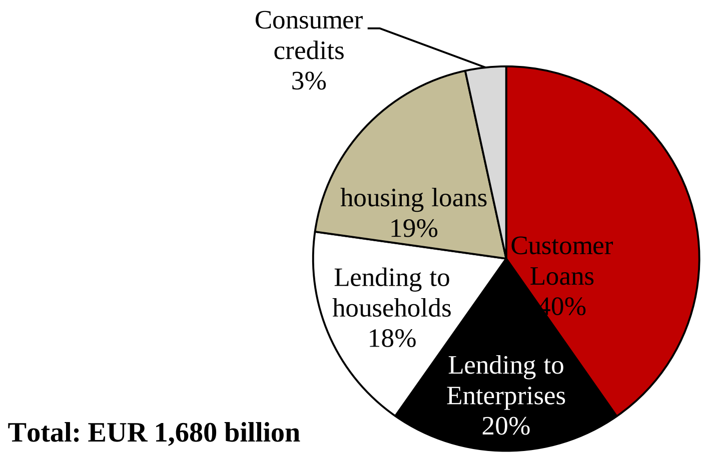
Given their largely wholesale business models, the Landesbanks in aggregate rely much more on market funding. The funding pressures for some Landesbanks highlight the vulnerability to market disruption. Importantly, to relieve the funding stress and safeguard each Landesbank's funding ability through the crisis, the state owners and the federal government promptly announced debt guarantees for the Landesbanks. As market conditions have normalised, the Landesbanks most impacted have focused on restructuring and some, such as Bayern LB have made one-off payments to their guarantors in line with EU requirements (e.g., BayernLB repaid EUR 350 million in November 2012 and EUR 450 million in February 2013 out of EUR 5 billion to be repaid by 2019).

DBRS recognises that several Landesbanks have relatively stable funding relationships with savings banks that keep a portion of their excess deposits with them. These funding relationships helped several Landesbanks to manage through the recent period of market disruption, adding a level of stability to their funding profile.

One factor that will add to the funding needs for Landesbanks in the medium term is the large amount of maturing debt that was issued under explicit state guarantees before July 2005. Prior to the EU mandated "phase out" of public law guarantees for Landesbanks (e.g., Anstaltslast and Gewaehtraegerhaftung), Landesbanks benefited from the ability to issue at higher rating levels which benefitted from explicit government support). This guaranteed debt will have to be replaced with unguaranteed funding. On the other hand, on-going asset reduction efforts at most Landesbanks will have an offsetting effect on funding needs in the near to medium term, meaning that much of the guaranteed debt can simply run-off.

DBRS expects that the Landesbanks would weather any renewed disruption in funding markets, helped by the availability of systemic support similar or in line with that demonstrated since 2008. The extent and coordination of support is demonstrated by the restructuring of Portigon AG (former WestLB) which has was implemented following approval by the European Commission in December 2011. Portigon AG now operates as a service and portfolio management bank. Its core operations with the savings banks and public sector entities, including SME business, was spun off and merged with Helaba, whereas remaining unsold assets were transferred to the Erste Abwicklungsanstalt (EAA) established under the Financial Market Stabilization Authority.

Savings Banks: Lending Breakdown
% of Total Lending, as of December 2011



Risk Profile

The risk profile of Sparkassen-Finanzgruppe has improved given the restructuring and various risk reduction measures undertaken at the weaker Landesbanks. Although there is still elevated concern at some Landesbanks, the steep reduction in total assets and the parallel reduction in securitised liabilities have helped towards de-risking the Landesbank burden for the Group. DBRS views the overall risk reduction in the Landesbank sector as a key driver of the improved results exhibited since 2010. DBRS continues to view the risk profile of savings banks as stable and reflective of the broader German economic environment to which its retail and SME lending is integrally linked.

Given the geographic concentration in Germany, Sparkassen-Finanzgruppe is exposed to the German economic and credit cycle. While the savings bank's business is concentrated in Germany, it is well diversified within the country. Moreover, the exposures in the aggregate loan portfolio of the savings banks are highly granular and extend across the breadth of German industry and commerce. Exemplifying the Group's ties with the German economy, in 2011 three quarters of all German businesses have a banking relationship with the Sparkassen-Finanzgruppe and 41.6% of German loans to domestic enterprises (including housing loans) come from the Savings Banks and the Landesbanks.

The Group's already sizeable exposures to business lending increased further during 2012, helped by the favourable economic development of the German SME sector (or Mittelstand). DBRS views this portfolio as increasing the overall risk profile of the Group due to the vulnerability of SMEs to the economic cycle. Yet, the Group's large real estate lending to private customers and loans to public authorities have performed well through past economic cycles, adding a level of stability to overall credit quality. Real estate loans to private customers amounted to EUR 245.9 billion as of end 2012, an increase of 4%. Furthermore, Sparkassen-Finanzgruppe's lending to public authorities and private individuals (excluding real estate) moderates the risk profile, given the public law guarantees which support local authorities, the high barriers to personal bankruptcy filings in Germany, as well as the long track record of the savings banks (which account for most private loans) in lending to their local customers.

Historically, DBRS has viewed the highest credit risk for Sparkassen-Finanzgruppe in the corporate loan portfolios of several Landesbanks. The financial crisis in 2008 primarily affected Landesbank securities portfolios, yet the subsequent poor market conditions and capital pressure helped to the de-risking of loan portfolios and in some cases forced restructuring at the Landesbank level. In DBRS's view, the worst period for risk from the Landesbanks has passed, particularly as many have reined in riskier foreign bank and international corporate activities. Nonetheless, the wholesale nature of the Landesbanks' business models may continue to pose future risks relative to the more stable profile of the savings banks. Indeed, the case of HSH and the ongoing risks linked to troubled sectors such as shipbuilding help to highlight this.

As noted above, the savings banks are linked to the domestic economic cycle through its broad lending relationships to SMEs. Performance continues to be within DBRS's expectations. Nonetheless, there remain many factors including Eurozone concerns which could dampen the economic situation. The savings banks' aggregate lending to businesses and sole proprietors is diversified across sectors and is somewhat representative of the overall German economy. DBRS sees the savings banks as benefitting from risk management tools offered by the Group's federal association, Deutscher Sparkassen- und Giroverband (DSGV). These include credit pooling programmes to limit concentration risks at the individual savings bank level and centralised software and credit scoring systems which provide shared information and statistics useful in controlling credit decisions.

DBRS notes that the savings banks have recorded credit losses for two consecutive years (EUR 900 million in 2012 and EUR 600 million for 2011) which remain significantly lower than the EUR 1.6 billion posted in 2010 and more troubled periods. While we recognise the strength of this improvement, we also attribute a large portion of this momentum to the more buoyant domestic economic environment in Germany. Nonetheless, given the loss mitigation efforts taken by the savings banks and the reduced risk profile of most of the Landesbanks, DBRS sees the Group's credit risk as significantly lower than in the past. In DBRS's view, this should be a positive factor for future credit quality, regardless of overall economic trends.

Capitalisation: Structure and Adequacy

DBRS views Sparkassen-Finanzgruppe's overall capitalisation as sufficient. This view considers the overall sound capital and solid underlying earnings of the savings. The savings banks reported a Tier 1 ratio of 12.5% at year-end 2012 and a total capital ratio of 15.9% at year-end 2012, both increasing compared to the prior year. On a combined basis for both the savings banks and Landesbanks, the Tier 1 ratio was 11.5% at end 2011, up from 10.9% at year-end 2010. As of 2012, the Landesbanks had reduced their risk exposure by 40% compared to pre-crisis and managed to double the core capital ratio close to 12%.

The savings banks have increased their regulatory capitalisation in recent years largely through earnings retention and additions to prudential reserves. Internal capital generation and slow growth in risk-weighted assets (RWAs) led to consistent increases in the savings banks' Tier 1 ratio. The capital of the savings banks is of solid quality. Almost all their Tier 1 capital of EUR 61.5 billion at year-end 2011consisted of subscribed capital, open reserves and prudential reserves, with only a small contribution from hybrids (silent participations). However, given the low interest environment which is adding pressure to earnings, in DBRS's view, some individual saving banks might be challenged to reach Basel III capital levels should the final requirements prove significantly higher.

DBRS notes the improved aggregated regulatory capital position of the Landesbanks noted by the Sparkassen Finanzgruppe mentioned above. This follows an important period of capital support during which the state owners and SoFFin had committed EUR 36.3 billion in risk guarantees and EUR 21 billion in capital to the Landesbanks. In parallel with some Landesbanks repaying portions of federal support (e.g., the BayernLB example mentioned above), the overall quality of Landesbanks' combined capital base has also improved, as many state owners have completed the conversion of former silent participations into Basel III qualifying equity. Although challenges do remain, DBRS views the overall development as positive.

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Financial Information

Sparkassen-Finanzgruppe	31/12/2011	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
		€	€	€	€	€
In EUR Millions		**NGAAP**	**NGAAP**	**NGAAP**	**NGAAP**	**NGAAP**
Balance Sheet						
Cash and deposits w ith central banks	30,968	26,959	30,177	32,793	27,729	25,832
Lending to/deposits w ith credit institutions	500,605	544,914	615,887	731,111	788,376	693,883
Financial securities	533,169	566,413	599,251	572,299	580,774	573,160
- Trading portfolio	0	n/a	n/a	n/a	n/a	n/a
- At fair value	0	n/a	n/a	n/a	n/a	n/a
- Available for sale	0	n/a	n/a	n/a	n/a	n/a
- Held-to-maturity	0	n/a	n/a	n/a	n/a	n/a
- Other	533,169	566,413	599,251	572,299	580,774	573,160
Financial derivatives instruments	0	n/a	n/a	n/a	n/a	n/a
- For hedging purposes	0	n/a	n/a	n/a	n/a	n/a
- Other	0	n/a	n/a	n/a	n/a	n/a
Gross lending to customers	1,227,933	1,214,284	1,200,470	1,207,665	1,160,191	1,111,828
- Loan loss provisions	0	n/a	n/a	n/a	n/a	n/a
Insurance assets	0	n/a	n/a	0	0	0
Investments in associates/subsidiaries	34,970	37,519	41,722	49,559	48,407	41,812
Fixed assets	12,342	12,610	12,993	13,389	13,946	14,729
Goodw ill and other intangible assets	0	0	0	n/a	n/a	n/a
Other assets	228,286	198,586	80,887	77,959	63,935	57,775
Total assets	**2,568,273**	**2,601,285**	**2,581,387**	**2,684,775**	**2,683,358**	**2,519,019**
Total assets (USD)	3,335,419	3,447,093	3,699,695	3,784,727	3,918,508	3,325,785
Loans and deposits from credit institutions	550,774	598,468	649,465	754,127	829,671	737,121
Deposits from customers	1,176,565	1,164,702	1,160,141	1,146,261	1,067,457	1,025,738
- Demand	0	n/a	n/a	n/a	n/a	n/a
- Time and savings	1,176,565	1,164,702	1,160,141	1,146,261	1,067,457	1,025,738
Issued debt securities	368,166	403,057	458,371	482,619	496,983	480,092
Financial derivatives instruments	0	n/a	n/a	n/a	n/a	n/a
- For hedging purposes	0	n/a	n/a	n/a	n/a	n/a
- Other	0	n/a	n/a	n/a	n/a	n/a
Insurance liabilities	0	n/a	n/a	n/a	n/a	n/a
Other liabilities	303,969	269,502	140,872	135,009	167,483	158,528
-Financial liabilities at fair value through P/L	0	0	0	0	167,484	158,529
Subordinated debt	36,731	38,151	39,827	41,220	11,714	12,550
Hybrid Capital	4,137	5,584	7,428	10,425	0	0
Equity	127,827	122,231	126,678	115,307	110,050	104,990
Total liabilities and equity funds	**2,568,169**	**2,601,695**	**2,582,782**	**2,684,968**	**2,683,358**	**2,519,019**
Income Statement						
Interest income	97,191	93,813	109,312	148,834	145,665	130,938
Interest expenses	-61,657	-58,970	-74,267	-114,774	-112,887	-97,490
Net interest income and credit commissions	35,534	34,843	35,045	34,060	32,778	33,448
Net fees and commissions	7,293	7,357	6,948	8,098	8,296	8,050
Trading / FX Income	-539	517	1,079	-1,478	-1,576	1,186
Net realised results on inv securities (AFS)	0	0	0	0	0	0
Net results from other fin instr at fair value	0	0	0	0	0	0
Net income from insurance operations	0	0	0	0	0	0
Results from ass/subs accounted at equity	0	0	0	0	0	0
Other operating income (incl. dividends)	133	331	631	1,237	1,202	1,483
Total operating income	42,421	43,048	43,703	41,917	40,700	44,167
Staff costs	-15,000	-15,006	-15,899	-15,553	-15,425	-16,285
Other operating costs	-11,024	-11,016	-11,037	-11,364	-11,857	-11,084
Depreciation/amortisation	0	0	0	0	n/a	n/a
Total operating expenses	-26,024	-26,022	-26,936	-26,917	-27,282	-27,369
Pre-provision operating income	16,397	17,026	16,767	15,000	13,418	16,798
Valuation result	6,266	-6,172	-10,592	-13,530	-6,571	-3,918
Post-provision operating income	22,663	10,854	6,175	1,470	6,847	12,880
Impairment on (in)tangible assets	0	0	0	0	0	0
Net gains/losses on (in)tangible assets	0	0	0	0	0	0
Other non-operating items	-17,551	-2,158	-6,464	-5,124	-2,157	-2,297
Pre-tax income	5,112	8,696	-289	-3,654	4,690	10,583
Taxes	-3,488	-2,665	-2,571	-1,747	-1,961	-2,907
Minority interest	0	0	0	0	0	0
Net income	**1,624**	**6,031**	**-2,860**	**-5,401**	**2,729**	**7,676**
Net income (USD)	2,109	7,992	-4,099	-7,614	3,985	10,134

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Sparkassen-Finanzgruppe	31/12/2011	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
	€	€	€	€	€	
In EUR Millions	**NGAAP**	**NGAAP**	**NGAAP**	**NGAAP**	**NGAAP**	**NGAAP**
Off-balance sheet and other items						
Asset under management	n/a	n/a	n/a	n/a	n/a	n/a
Derivatives (notional amount)	n/a	n/a	n/a	n/a	n/a	n/a
BIS Risk-w eighted assets (RWA)	n/a	n/a	n/a	1,253,724	1,266,523	1,214,258
No. of employees (end-period)	345,600	348,500	366,500	377,229	356,000	370,000
Earnings and Expenses						
Earnings						
Net interest margin [1]	1.55%	1.47%	1.42%	1.86%	1.34%	1.43%
Pre-provision earning capacity (total assets basis) [2]	0.63%	0.66%	0.64%	0.78%	0.53%	0.69%
Pre-provision earning capacity (risk-w eighted basis) [3]	n/a	n/a	n/a	n/a	1.08%	1.40%
Pre-provision earning capacity by employee	47,445	48,855	45,749	39,764	37,691	45,400
Post-provision earning capacity (total assets basis)	0.88%	0.42%	0.23%	0.08%	0.27%	0.53%
Post-provision earning capacity (risk-w eighted basis)	n/a	n/a	n/a	n/a	0.55%	1.08%
Expenses						
Efficiency ratio (operating expenses / operating income)	61.35%	60.45%	61.63%	64.21%	67.03%	61.97%
All inclusive costs to revenues [4]	102.72%	65.46%	76.42%	76.44%	72.33%	67.17%
Operating expenses by employee	75,301	74,669	73,495	71,355	76,635	73,970
Loan loss provision / pre-provision operating income	-38.21%	36.25%	63.17%	90.20%	48.97%	23.32%
Provision coverage by net interest income	-567.09%	564.53%	330.86%	251.74%	498.83%	853.70%
Profitability Returns						
Pre-tax return on Tier 1 (excl. hybrids)	n/a	n/a	-0.23%	-3.17%	n/a	n/a
Return on equity	1.27%	4.93%	-2.26%	-4.68%	2.48%	7.31%
Return on average total assets	0.06%	0.23%	-0.11%	-0.28%	0.11%	0.32%
Return on average risk-w eighted assets	n/a	n/a	n/a	n/a	0.22%	0.64%
Dividend payout ratio [5]	n/a	n/a	n/a	n/a	n/a	n/a
Internal capital generation [6]	n/a	n/a	n/a	n/a	2.60%	7.67%
Grow th						
Loans	1.12%	1.15%	-0.60%	4.09%	4.35%	3.18%
Deposits	1.02%	0.39%	1.21%	7.38%	4.07%	2.78%
Net interest income	1.98%	-0.58%	2.89%	3.76%	-2.00%	-1.42%
Fees and commissions	-0.87%	5.89%	-14.20%	-2.37%	3.06%	6.59%
Expenses	0.01%	-3.39%	0.07%	-1.35%	-0.32%	1.22%
Pre-provision earning capacity	-3.69%	1.54%	11.78%	8.41%	-20.12%	11.51%
Loan-loss provisions	n/a	n/a	n/a	103.83%	67.71%	-31.54%
Net income	-73.07%	-310.87%	-47.05%	-175.03%	-64.45%	42.76%
Risks						
RWA% total assets	n/a	n/a	n/a	46.70%	47.20%	48.20%
Credit Risks						
Impaired loans % gross loans	n/a	n/a	n/a	n/a	n/a	n/a
Loss loan provisions % impaired loans	n/a	n/a	n/a	n/a	n/a	n/a
Impaired loans (net of LLPs) % pre-provision operating income [7]	n/a	n/a	n/a	n/a	n/a	n/a
Impaired loans (net of LLPs) % equity	n/a	n/a	n/a	n/a	n/a	n/a
Liquidity and Funding						
Customer deposits % total funding	55.18%	52.84%	50.27%	47.28%	44.37%	45.48%
Total w holesale funding % total funding [8]	44.82%	47.16%	49.73%	52.72%	55.63%	54.52%
- Interbank % total funding	25.83%	27.15%	28.14%	31.11%	34.49%	32.68%
- Debt securities % total funding	17.27%	18.28%	19.86%	19.91%	20.66%	21.29%
- Subordinated debt % total funding	1.72%	1.73%	1.73%	1.70%	0.49%	0.56%
Short-term w holesale funding % total w holesale funding	58.81%	58.89%	57.77%	61.20%	n/a	n/a
Liquid assets % total assets	41.46%	43.76%	48.24%	49.77%	52.06%	51.32%
Net short-term w holesale funding reliance [9]	-33.44%	-35.96%	-43.58%	-41.09%	n/a	n/a
Adjusted net short-term w holesale funding reliance [10]	-33.44%	-35.96%	-43.58%	-41.09%	n/a	n/a
Customer deposits % gross loans	95.82%	95.92%	96.64%	94.92%	92.01%	92.26%
Capital [11]						
Tier 1	10.50%	9.90%	10.12%	8.82%	8.50%	8.36%
Total Capital	15.80%	15.10%	14.80%	13.47%	13.24%	13.22%

[1] (Net interest income + dividends)% average interest earning assets.
[2] Pre-provision operating income % average total assets.
[3] Pre-provision operating income % average total risk-w eighted assets.
[4] (Operating & non-op. costs) % (op. & non-op. revenues)
[5] Paid dividend % net income.
[6] (Net income - dividends) % shareholders' equity at t-1.
[7] We take into account the stock of LLPs in this ratio.
[8] Whole funding excludes corporate deposits.
[9] (Short-term w holesale funding - liquid assets) % illiquid assets
[10] (Short-term w holesale funding - liquid assets- loans maturing w ithin 1 year) % illiquid assets
[11] Capital ratios of Interim results exclude profits for the year

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Ratings History

Issuer	Debt Rated	Current	2012	2011	2010
Sparkassen-Finanzgruppe	Issuer & Senior Long-Term Debt	A (high)	A (high)	A (high)	A (high)
Sparkassen-Finanzgruppe	Short-Term Instruments	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)

Notes:
All figures are in Euros (EUR) unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.

Ratings assigned by DBRS Ratings Limited are subject to EU regulations only.

Issuer ratings apply to all general senior unsecured obligations of the issuer in question.