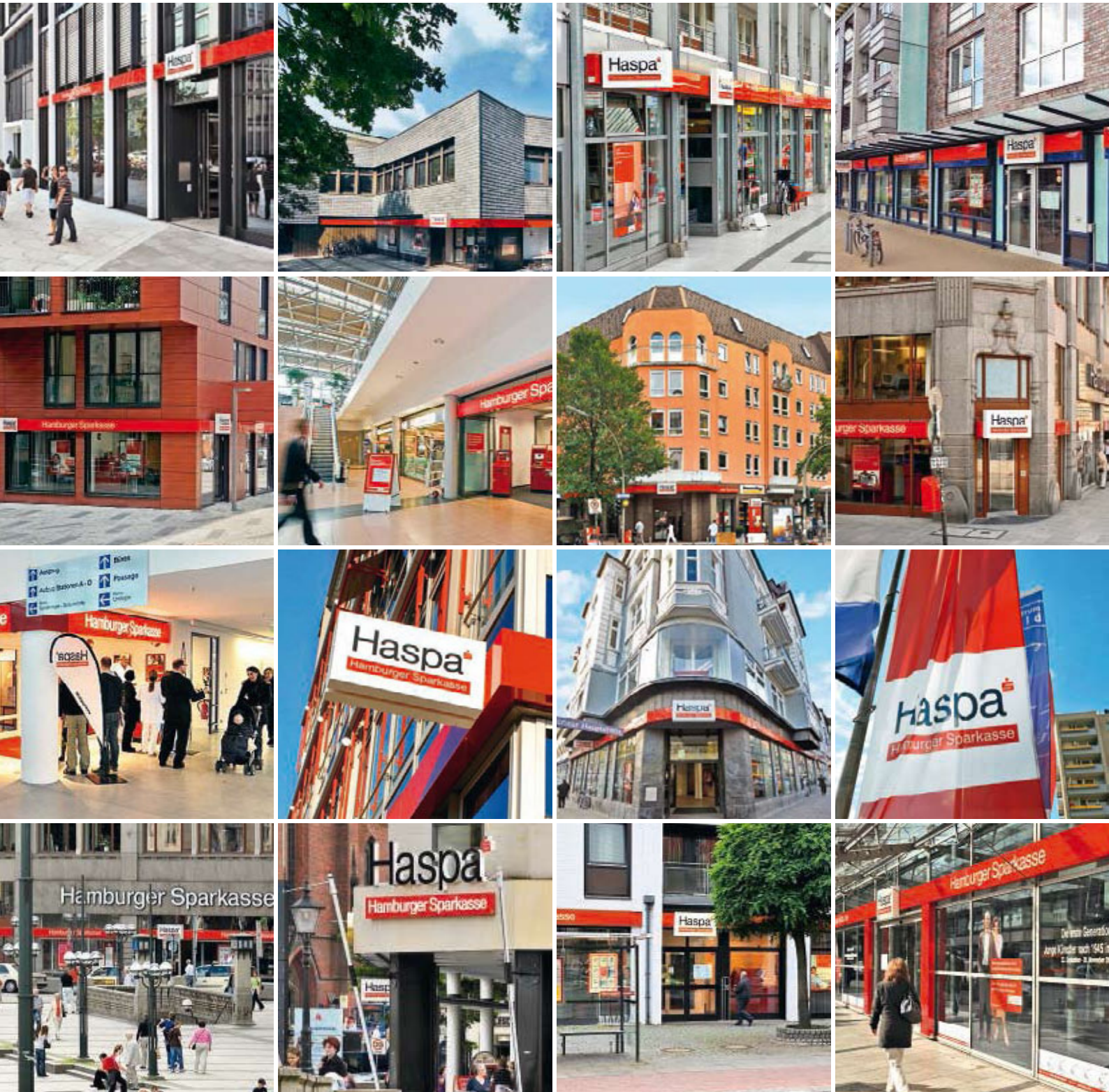


# Annual Report 2009



# At a glance

All figures stated in € million	2005	2006	2007	2008	2009
Balance Sheet Total	31,785	33,961	34,581	36,100	37,514
Due to banks	4,843	4,900	5,573	4,619	4,265
Customer deposits	21,039	22,534	22,805	25,543	26,884
Bearer bonds	3,290	3,383	2,980	2,695	3,077
Due from banks	4,166	6,637	7,020	5,157	3,887
Customer loans	22,263	21,939	21,356	22,668	24,213
Securities portfolio	4,793	4,999	5,545	7,500	8,523
Equity (without annual net income)	1,435	1,465	1,542	1,572	1,597
Securities-Customer sales	13,790	13,521	17,784	13,751	13,197
Number of employees	5,807	5,350	5,328	5,434	5,547

# Outstanding quality



**Multifaceted leadership** Best Midsize Segment Bank, three times running "Best Bank in Hamburg", and, for the seventh time in a row, "Best Asset Manager in the German-speaking Region".

# A snapshot

**Hamburger Sparkasse AG, or Haspa**, is Hamburg's leading retail bank for private, individual and mid-size corporate customers in the Hamburg metropolitan area. With a balance sheet total of more than €37 billion and some 5,550 employees, Haspa is Germany's largest Sparkasse (Savings Bank). Haspa offers a wide range of financial services for retail and commercial customers, serving the more than three million inhabitants in the Hamburg business region. For more than 50 percent of Hamburg's residents, Haspa is their main bank.

Haspa is a public sector savings bank serving the public interest. HASPA Finanzholding, a legal entity formed under old Hamburg law, holds 100 percent of the shares in Hamburger Sparkasse AG. HASPA Finanzholding has no owners and is obligated by its articles of association and bylaws to fulfil the mission entrusted to Sparkasse savings banks.

Haspa is one of the few independent Savings Banks in Germany, and is a member of the Hamburg based Hanseatischer Sparkassen- und Giroverband (HSGV), (Hanseatic Savings Banks and Giro Association) and the Bremen-based Verband der Deutschen Freien Öffentlichen Sparkassen e.V. (Registered Association of Independent German Public Savings Banks). Through HSGV, Haspa is affiliated with the Deutscher Sparkassen- und Giroverband e.V. (German Savings Banks and Giro Association) in Berlin and Bonn, and therefore fully included in the comprehensive guarantee system of all German Savings Banks. This institutional guarantee system ensures that customer deposits at all German Savings Banks are backed without limitation. This applies to all deposits from private, business and institutional customers.

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**Dr. Harald Vogelsang**, born in 1959, holds a Banking Diploma and a law degree, and has been the Spokesman for the Board of Management of Hamburger Sparkasse AG since 31 January 2007. He has been with Haspa since 1991 and became a Board Member in 2000. As Board Spokesman, he is responsible for the Human Resources, Audit, Strategic Asset Allocation, Corporate Communications and Board Staff divisions as well as for the Partner Savings Banks Performance Management unit.



**Reinhard Klein**, born in 1960, holds a Banking Diploma and an MBA, and has been a Member of the Board of Management of Hamburger Sparkasse AG since October 2006; since January 2009 he has also been the Bank's Deputy Board Spokesman. His Private Customers reporting area includes the corporate divisions Individual Customers, Mobile Sales, Private Banking, Personal Customers I and II, Quality Management, Central Management Private Customers, Central Management High Net Worth Individuals and the Private Customer Management Department.

## Ladies and Gentlemen,

for more and more people in Hamburg, Haspa is their first choice when selecting a bank: We were able to add 75,000 new customers to our portfolio in 2009 alone. We also saw strong growth in loan approvals and customer deposit levels. This enabled us to attain a satisfactory annual result, matching the previous year's. This shows that we are set on a favourable course with our sound, customer oriented business model.

Collecting deposits in the region and making them available as loans for the region to enable investment and create local jobs has been a functional, tried-and-tested business model for generations, and has also proven to be effective in times of financial market and economic crises, maintaining the circular flow of money and creating stability.

Our sound policies have enabled us to continue supporting a large number of social, sports, environmental, cultural, scientific, artistic and musical projects, thus assuming our responsibilities within the scope of the local public good. Our public interest work in the Hamburg metropolitan region, which ranges from our offering of banking services for all customer groups to our multifaceted community commitment, will also be continued in the future.

With more than 250 branches and customer centres, Haspa is close to the customer in and around Hamburg, and never far away. Personal contact in service and advisory functions, as well as a good partnership, are our strength. For us, supporting our customers throughout the changing needs in their lives is our utmost priority. Each life phase has its individual requirements, and we stand ready to work with our customers to meet their needs – this is how trust is built. Working with us helps our customers attain their goals.



**Dr. Wolfgang Botschatzke**, born in 1959, holds an MBA, and has been with Haspa since 2003 and a Member of the Board of Management of Hamburger Sparkasse AG since 2004. He is responsible for the corporate divisions Real Estate and Logistics, Information Technology, Productivity and Processes as well as for the Securities and Trading Service.



**Frank Brockmann**, born in 1963, holds a Banking Diploma and a Bachelor's of Banking Diploma, and has been a Board Member of Hamburger Sparkasse AG since 1 October 2008. He has responsibility for the corporate divisions Corporate Customers, Corporate Customers South, Real Estate Customers, Midsize Corporate Customers, Treasury, Entrepreneurial Customers and Central Management Corporate Customers.



**Jörg Wohlers**, born in 1959, holds diplomas in Banking and Savings Bank Administration. He started working at Haspa as a trainee in 1979. He has been a Member of the Board of Management of Hamburger Sparkasse AG since 2005. His responsibilities include the corporate divisions Finance and Controlling, Credit and Legal, Central Purchasing and Procurement as well as the Compliance and Money Laundering Department.

In a highly demanding environment, Haspa has continued to further its leading position as the bank for all customer groups in the Hamburg metropolitan region also during 2009. The distinction of being considered to be the "Best Bank in Hamburg", which we were awarded in 2009 for the third time running by the Focus-Money Bank Test, confirms our performance as concerns customer service and advisory support. And, for the seventh time in a row, Haspa Private Banking was awarded the accolade of "Best Asset Manager in the German-speaking region."

With our growth strategy, we will continue to develop Haspa's success story and strengthen our company for the future. Growth and human banking require qualified staff. This is why we have added 100 new staff members in the customer advisory function during the year under review, and increased the number of training spots by 25 to 475.

We thank our customers and business partners for the trust they continue to place in us. Special thanks also go to all Haspa employees. In a challenging environment, they have demonstrated outstanding commitment, competence and foresight. Our staff's flexibility, as well as the constructive cooperation with the Works Council, have additionally enabled us to manage all necessary change processes in order to consolidate and further develop our market leadership position.

Hamburg, March 2010

The Board of Management

# Interview



## “WE BELIEVE IN

Dr. Harald Vogelsang, Spokesman of Haspa's Board of Management, speaks about the growth prospects and credit supply in Hamburg's economy, and about Haspa's course of growth.

**We have experienced the worst recession in 80 years. How do you assess the current situation?**

Although the economic collapse was extreme, it was also so short in duration that the turning point was already seen in the first six months of 2009. In the second half of the year there was already a slight improvement. There are certainly no grounds for rejoicing yet, but the global economy has clearly taken a turn for the better, so that we have good reason to entertain a more hopeful view of the future. However, it is expected that the world economic situation will only recover slowly and in small increments. Nonetheless, this acute economic crisis has also underlined the extreme importance, on a worldwide basis, of a functional monetary and credit system.

**On the subject of the so-called “credit squeeze”: Did Hamburg suffer shortages in the credit supply as a result of the economic and financial markets crisis?**

The migration of other banks' customers to Haspa has demonstrated that some banks have evidently throttled back on their credit business and reduced credit lines. To that extent it is understandable that companies could indeed have been under the impression that there was a credit squeeze. But this is not a generalised problem.

**Is Haspa still approving loans?**

Over the last year, Haspa has made a decisive contribution to preventing the much talked about credit squeeze from taking a hold in Hamburg. During that period, we approved loans in the amount of €7 billion to private individuals and companies in the Hamburg metropolitan region.

A look at the new loans granted over the past years confirms that precisely over these recent times of crisis we have gone full steam ahead on our loan business where others had to throttle back. Thus, starting as early as 2008 we already provided an additional €1.4 billion in credit as compared to the prior year. In 2009 we made €7 billion available in loans, and this in compliance with our strict risk assessment approach. In fact, this is even €2 billion more than in 2007. Altogether, the economic lifeblood of the Hamburg metropolitan region has thus benefited from an injection of more than €13 billion over the past two years. This is a real

economic programme for our home location and an important signal for Hamburg's economy. With us, things can get better.

**Hamburg's economy has remained surprisingly stable throughout the crisis. What is this due to?**

Hamburg benefits from its versatility. Although the port and trade set the rhythm of the region's economic life, its founda-

**What is the outer manifestation of Haspa's close involvement with the Hamburg metropolitan region?**

It is actually most obvious directly within the Hamburg cityscape. Haspa believes in short trips for its customers, and always creates new branches and advisory centres right there where Hamburg itself is growing and prospering. Thus, new locations in the Hafencity, the Bavaria Quarter and the University Campus were opened as early as 2008. We continued this growth in 2009 with other additional locations: now patients, visitors and clinic personnel can also do their banking in the central new building on the cam-

# HAMBURG!"

tions are much broader. Current studies document our city's leading position as one of the most dynamic metropolises in Europe; it is a stronghold of almost all growth industries. In addition, as one of the most beautiful cities in the world, Hamburg also offers fantastic quality of life. Our green city by the water offers good living and working conditions for all. So, it's no wonder that Hamburg attracts so much talent and creativity. Hamburg is, overall, set on a good course.

**Is Haspa benefiting from Hamburg's strengths?**

Absolutely! What is good for Hamburg is also good for Haspa. We are an old established Hanseatic institution that has always had close connections with the citizens and businesses of our town. We are excellently established within the politics, the economy, the society and culture of Hamburg. This is what makes us so successful. In consideration, we return part of our success to Hamburg and its citizens by means of our multifaceted social commitment. In addition, we are one of the largest employers and trainers in the city. We offer regional market knowledge and decision-making authority on site.

pus of the Hamburg-Eppendorf University Clinic. We also have a presence directly within the Elbe Shopping Centre. In addition to the branches at the Jungfernstieg, in the Phoenix Centre and in the Alstertal Shopping Centre this is in fact the fourth location at which Haspa is available "in person" for its customers even on Saturdays. And, since December we have also been directly available within the Hamburg Airport for both passengers and airport staff members. And yet, the growth of our locations network to meet our customers' needs is only one example of our high degree of customer orientation. With its target group oriented customer approach, a great deal of competence and, last but not least, the enormous commitment of all our employees, Haspa is clearly on a course for growth.

**What are your expectations for the future?**

The background conditions are still a challenge. This applies to the economic environment in general and to the financial industry in particular. At the same time it is clear that we have passed through the nadir of the world's economy. Hamburg in particular, with its export oriented economic structure, will most significantly benefit at an early stage from the incipient recovery. Because of its close connection with the city's economy, Haspa, too, will derive benefits from this recovery. This is another reason why we are convinced that we will be able to hold our growth course and speed. Our city is outstandingly equipped for success. We believe in Hamburg!

# Executive Bodies

## Supervisory Board

Chairman

**Dr. Karl-Joachim Dreyer**

Chairman of the Executive Board  
of Haspa-DIREKT Service-  
gesellschaft für Direktvertrieb mbH

Deputy Chairman (until 16 April 2009)

**Ulrich Hülgenhof**

Chairman of the Works Council  
of Hamburger Sparkasse AG

Deputy Chairman (since 16 April 2009)

**Uwe Mellewigt**

Chairman of the Works Council  
of Hamburger Sparkasse AG

2. Deputy Chairman

**Peter Becker**

Master Baker  
Chairman, Zentralverband des  
Deutschen Bäckerhandwerks e.V.

**Günter Elste, MBA**

Chairman of the Board of Directors  
of Hamburger Hochbahn AG

**Stefan Forgé** (since 16 April 2009)

Deputy Chairman of the Works Council  
of Hamburger Sparkasse AG

**Karin Gronau**

Branch Manager Hamburger Sparkasse AG

**Uwe Grund**

Chairman, German Trade Unions Association of Hamburg

**Claus Krohn**

Deputy Chairman of the Works Council  
of Hamburger Sparkasse AG

**Dirk Lender**

Legal Administrator, Hamburger Sparkasse AG

**Professor Dr. Gerhard Mehrrens**

Chairman of the Executive Board  
Berufsgenossenschaft für Gesundheitsdienst  
und Wohlfahrtspflege

**Olav Melbye**

Director, Hamburger Sparkasse AG

**Wilfried Sander**

Managing Partner  
August Sander GmbH

**Christiane Stascheit**

Union Secretary of the ver.di Trade Union

**Peter Widmayer**

Managing Partner  
THOR Wohnungsbau

**Dr. Martin Willich**

Chairman of the Executive Board  
of Studio Hamburg GmbH

**Cord Wöhlke**

Managing Director  
Iwan Budnikowsky GmbH & Co. KG

## Board of Management

**Dr. Harald Vogelsang**

Spokesman

**Reinhard Klein**

Deputy Spokesman

**Dr. Wolfgang Botschatzke**

**Frank Brockmann**

**Jörg Wohlers**

# Hier entsteht eine neue Haspa Filiale



**We believe in Hamburg.** Hamburger Sparkasse AG (Haspa) is the market leader for Private, Individual and Midsize Corporate customers in the Hamburg metropolitan region. Founded in 1827 as a “Savings Bank for citizens of modest means”, over its long history Haspa has developed into a bank for all citizens of the Hamburg region. Today, Haspa offers a comprehensive range of financial services for all customer segments ranging from the littlest ones with their first savings book to Private Banking customers, from start-up entrepreneurs and small business owners all the way to large medium sized enterprises. Both customers and staff consider Haspa to be a responsible, competent and reliable partner. With some 5,550 employees and 475 trainees, Haspa is also one of the largest employers and trainers in the Hanseatic City of Hamburg.

Collecting deposits locally, granting loans in the home region and always being close to the customer have at all times been core components of solid traditional banking, an approach personified by Haspa for the last 182 years. It keeps the circular flow of money in the Hamburg metropolitan region moving even in difficult times in order to ensure investment and the creation of local jobs. The general interest is also promoted by the Bank’s multifaceted social commitment. Haspa considers itself an essential part of the prosperity of the Hamburg metropolitan region.

> Well advised

For private customers, Haspa offers personal support on site in some 180 branches, as well as solutions for all financial questions – from Giro accounts via home building finance all the way to customised investments and savings and pension plans. Added to this, in Hamburg customers also benefit from a unique cash service with some 370 cash machines at more than 200 locations.

While many other banks have thinned out their branch networks over the last few years, Haspa has constantly continued to develop its own. We follow our customers when new districts develop in Hamburg, such as the HafenCity or the Bavaria Quarter on St. Pauli. In 2009 we opened new locations at the Hamburg Airport, the Elbe Shopping Centre and in the central new building of the University Clinic Hamburg-Eppendorf. Customers who prefer to stay home can also do their banking online. Our Haspa OnlineBanking supplements

Haspa supports very high net worth individuals within its Private Banking Division, which is also the home of Haspa's in-house analysis services. Asset advisors help customers make well-founded investment decisions. Our Asset Management Experts then take over the administration of the capital investment. Generation Management experts develop optimal concepts for asset transfers in planned succession cases: the recipients can also sometimes be foundations. In such cases, the donor and the foundation are supervised by our Foundation Management Division. Haspa Private Banking has now been awarded the accolade of Best Asset Manager in the German-speaking region by the Elite Report for the seventh time in a row.

## “A WONDERFUL COMBINATION OF

our personal availability at branch locations. Customers with greater advisory needs because of above average income or net worth are supported by Haspa at more than 60 locations. Together with the customer, our personal Individual Customer advisors analyse their specific needs and develop specially tailored investment, savings or pension plan and financing strategies.

Being close to our customers and accompanying them all through their lives are two of the essential success criteria identified by experts as generating the high degree of trust and sympathy of the Sparkasse brand. This conclusion was underlined for Haspa for the third time running in 2009 by means of the “Best Bank in Hamburg” distinction awarded by the Focus-Money Bank Test. For us these awards are an encouragement to continue investing in our advisory competence and customer orientation.

Creating added value for the customer – an idea that starts with account management. The central and pivotal point are the HaspaJoker packages that surround the giro account and combine numerous services and discounts. This successful value added banking programme celebrated its 10th anniversary in 2009.

### CLOSE TO THE CUSTOMER – IN REAL LIFE

**Left:** Since December 2009, airport employees and travellers can also do their banking at Haspa on the Departures Level in Terminal 2 of the Hamburg Airport. **Right:** On 9 February 2009 Haspa opened a branch in the central new building of the Hamburg-Eppendorf University Clinic campus.





*Dr. Nicola Schwanenberg and Dr. Marcel Schwanenberg with their children Mareile, Maximilian and Marleen, being served in the Haspa Private Customer Centre in Othmarschen.*

## COMPETENCE AND HUMAN VALUES.”

Thanks to the HaspaJoker account our customers benefit from many advantages ranging from discounted cinema tickets and travel bookings all the way to the Key Finder Service. On average, every month some 120 lost sets of keys are reunited with their rightful owners. With their HaspaJoker, each year some 100,000 Hamburg citizens enjoy savings on their

admissions to the Hagenbeck Animal Park, and each season more than 10,000 HaspaJoker customers order discounted tickets from the HSV Handball, Hamburg's own Handball Club. Since 2009, many of our customers have also been able to reduce their gas and electricity bills thanks to their HaspaJoker accounts. These are just a few examples out of many for the practical uses of the HaspaJoker. In the meantime, more than one out of every two Haspa customers has opened one of these advantage accounts – and the trend continues on the rise.



More information can be found under  
[www.privatkunden.haspa.de](http://www.privatkunden.haspa.de)  
[www.privatebanking.haspa.de](http://www.privatebanking.haspa.de)



*Left: With the Haspa MäuseKonto “Mouse Account”, children under 14 can save on their own account, and from the age of seven they can also apply for their own Mouse Account Card on their account.*

**180 branches in Hamburg**  
and 370 cash machines all over  
the Hamburg metropolitan region

> Well advised

With some 60,000 corporate customers in the greater Hamburg area, Haspa is the region's leading bank for midsize businesses – for artisans, craftsmen and tradespeople as well as for large midsize corporations.

With our broad coverage branch network, seven Corporate Customer Centres and central Competence Centres, Haspa is present in practically the entire Hamburg economic area. Entrepreneurs receive comprehensive and individual advice at all stages of the life of their business – from creation via the growth phases and all the way to a planned succession.

Our range of services encompasses everything from foreign transactions through to interest management. Central to Haspa is the supply of credit to the home econo-

my – from start-up financing with government subsidies through growth financing and complex funding plans for e.g. commercial real estate projects. As the largest real estate financing institution in Hamburg, Haspa has special expertise in the area of real estate management.

Haspa has ample liquidity and equity. Thus the Bank was also able to significantly increase its new loan volumes in 2009, stemming a potential credit squeeze that threatened to deprive Hamburg of liquidity as a result of the economic and financial markets crisis. In this way Haspa contributes to the creation and maintenance of jobs by our customers here in Hamburg. Loan volumes were increased without taking on higher levels of risk. Haspa has neither relaxed nor tightened its guarantee requirements.

“WE GREATLY APPRECIATE THE



*Stefan Wulff, Grad. Eng. is the third generation to head Otto Wulff Bauunternehmung GmbH & Co.*

The first port of call for future entrepreneurs is the Haspa StartUp-Centre. Each year, we receive more than 1,000 enquiries here. Business founders are provided comprehensive advice and support, also as concerns guarantees and government subsidies; in fact, some 80 percent of the governmental start-up subsidies in Hamburg are channelled through Haspa.

Midsized businesses have a particular need for customer care and support that frequently relates not only to the customer's business finances but also to his or her personal assets. Our Corporate Customers

Haspa has been the traditional bank of choice for Hamburg's craftsmen since its foundation. In addition, Haspa has set up centralised Competence Centres that concentrate specialised industry know-how. This applies to the Real Estate, Trading, Ports, Logistics and Manufacturing industries as well as to the Health Care business (Life Sciences), Media/IT and other service sectors. Another Competence Centre for industry and production is located south of Hamburg, in Harburg, which is a focal point of the industrial development of the metropolitan region.

Furthermore, Haspa also offers special Private Banking for entrepreneurs. This service aims at generating an overall view of private and business needs and goals. Good advice is absolutely of the essence. As the only institution that offers its corporate customers the regional commitment of the largest savings bank in Germany

## RAPID DECISION-MAKING AT HASPA.”

business area is set up in a manner such that it is able to meet all requirements and special circumstances. This applies to companies of all sizes and industries. For businesses and self-employed customers, it is only a short stop to their Corporate Customer advisor. In addition, there are specialists available at all times for topics such as Leasing, Vehicle Fleet Management, Real Estate, Corporate Finance, Foreign Trading and many other sectors.

combined with the broad range of service offerings of a major bank and the individual care approach of a private bank, we stand by our customers – with lean structures, fair pricing, our own market expertise and short decision-making paths.

@ More information can be found under [www.firmenkunden.haspa.de](http://www.firmenkunden.haspa.de)

### SUCCESSFUL FINANCING STORIES

*Right: Haspa supports numerous real estate projects in the Hamburg metropolitan region – in the HafenCity, for example.*



> Well advised

Haspa offers its staff as a company rich in tradition and a market leading bank in the Hamburg metropolitan region, interesting and varied assignments in a modern and team oriented working environment. Haspa is a reliable and attractive employer offering many qualified jobs.

One of every two banking trainees in Germany does his/her on-the-job training within the Savings Bank sector. Haspa offers young people excellent training and, with a training ratio of around 10 percent, lies distinctly above the Federal German average. With its training offensive, started in 2009, Haspa has made an additional 25 training spots available. This increases the number of training opportunities to 475. In 2009 Haspa was, for the ninth time, rewarded by the Hamburg Chamber of Commerce for its outstanding performance in professional training.

completion, the trainees work as deputy branch managers, or private or corporate customer advisors at Haspa. Depending on their prior education at the time of joining the programme, trainees can complete it in 18 or 24 months. This trainee programme is usually offered on an annual basis.

Haspa invests around €10 million per year in the training and further education of its employees, offering them interesting career and development opportunities. A clearly structured training architecture provides a high degree of transparency and enables staff members to develop their own personal career plans.

The spring of 2010 saw the start of the new Haspa Academy. This makes Haspa one of the few companies that concentrate all edu-

## “THE TRAINING AT HASPA IS EXCELLENTLY

Haspa has also further intensified its cooperation with the universities in the Hamburg metropolitan region. Thus, the Bank participates in numerous university fairs. Within the scope of the “Professional Banking” training programme, university graduates become familiar with the banking business on site at our branches and centres while simultaneously taking part in technical finance courses and personality building seminars. After successful

educational and training activities in their own in-house Academy. The Haspa Academy further increases the needs and target group oriented professionalism and quality of the training and further education received by all our staff members. This enables us even better to further talent, develop technical and personal competencies, and intensify management development and training measures. For, in fact, Haspa sees education as the driving force for innovation, growth and success.

### HUMAN BANKING



*Left: We owe our success to our committed and competent employees, who are living proof, on a daily basis, of Haspa's high quality of customer and advisory services.*

5,550 staff and  
475 training spots  
at Haspa

Our trainee Neele Voigt received the second place “Trainee of the Year” award of the Hamburg Chamber of Commerce in November of 2009.



## DESIGNED AND REALLY GREAT!”

With in-house fairs for applicants, E-Learning, conferences with high-level presenters, university collaborations, discussion fora with quality panels such as the five-person Board of Experts and even studies concerning employment and wishes of students in the final year of Hamburg’s

high school programmes we seek to meet the ever increasing quality and professionalism requirements in connection with in-company training and further education and to enable life-long learning for all Haspa employees.

@ More information can be found under [www.karriere.haspa.de](http://www.karriere.haspa.de)



*Left: On 1 August 2009, some 180 young people started their training at Haspa. The traditional “trainee class photograph” was taken at the Marco-Polo Terraces of the new HafenCity district – and for a good reason, because, just like Haspa, HafenCity represents growth. In this way Haspa offers all its trainees, employees and customers outstanding prospects.*

> Good for Hamburg

Orientation toward the common good is one of the typical features of a savings bank. The reliability of our community commitment is all the more valuable when times are hard.

Haspa implements its community commitment in many different ways. It promotes social projects, sports, the environment, cultural activities, education and science, art and music. In this way we contribute to a sustainable enhancement of community life in Hamburg. In 2009, Haspa made available around €5 million for these purposes. The profits from the “Lotteriesparen” Lottery Savings programme alone help subsidise some 400 charitable institutions each year. Haspa is the main sponsor of the HSV Handball club.

We also promote sailing for young people via Hamburg’s old-established club „Hamburgischer Verein Seefahrt“ [Hamburg Seafaring Association], whose flagship bears the name “Haspa Hamburg”. Haspa has a collection of around 800 works by Hamburg-related art and has long been a defender of the city’s best known landmark, the “Michel” bell tower of St. Michaelis church. Thus, in the year under review and to crown the completion of the renovation work on St. Michaelis Magna church, Haspa donated the restoration of the church’s weather vane, a landmark in its own right, as it is visible from far around.

With the Haspa Music Foundation we intend sustainably to support Hamburg’s development as a world capital of music. Sponsorship

## “FINALLY I HAVE AN INSTRUMENT

*Nicole Renz, student at Musica Altona e.V.*



focuses on music education and training, therapy, research and teaching as well as on the support of projects in the area of Breitenmusik, the popular dissemination of musical culture, ranging from classical to Rock and Pop.

As an umbrella organisation within which anyone can set up a separate foundation for any specific purpose with a relatively low capital commitment, the Haspa Hamburg Foundation renders the foundation concept attractive for a broad based pop-

## JUST FOR MYSELF!"

ulation, thus encouraging others to contribute to the common good. The Haspa Hamburg Foundation is itself involved in charitable support within the area of culture and education, in particular by funding reading projects for children and young people.

Children and youth are also at the centre of the Peter Mählmann Foundation. This foundation, created by Haspa in 1997, targets sponsorship of youth in terms of education, upbringing, culture and sport and contributes to charitable youth institutions in socially disadvantaged areas of the city.

*Left: Haspa enables children like Nicole Renz, student at Musica Altona e. V., to make music.*

@ More information can be found under [www.haspa-musik-stiftung.de](http://www.haspa-musik-stiftung.de)

### COMMITMENT TO HAMBURG



**Top:** The freshly renovated Michel and its new weather vane. Haspa funded the entire restoration cost of the 230 kg gilded weather vane, which depicts the struggle between the Archangel Michael and the Dragon.

**Bottom** For its multifaceted cultural commitment in the Hanseatic City of Hamburg, in 2009 Haspa received the KulturMercur award of the Hamburg Chamber of Commerce and of the Hamburg Culture Foundation. Hamburg's Culture Senator, Prof. Dr. Karin v. Welck and Chamber of Commerce President Frank Horch presented the award to Board Spokesman Dr. Harald Vogelsang on 1 December 2009.

@ More information can be found under [www.unternehmen.haspa.de](http://www.unternehmen.haspa.de)  
[www.haspa-hamburg-stiftung.de](http://www.haspa-hamburg-stiftung.de)

Our community  
commitment:  
Multifaceted and good for Hamburg!

# Management Report

The worst economic collapse since the inception of the Federal Republic of Germany is now behind us. Hamburger Sparkasse's clear strategic orientation and sustainable business model have enabled it to succeed, even in this highly challenging environment, in attaining a substantially satisfactory annual result. Thanks to the solid commitment of its employees, Haspa was able to further reinforce its customer service and advisory activities and once more to improve its market leadership position in the Hamburg metropolitan region.

## General Conditions

### Economic and financial market crisis

The international financial markets crisis, which began in 2007 and strikingly gained momentum in 2008, led to an unprecedented downturn of the world economy in 2009. However, and also thanks to the underpinning measures taken by governments and central banks alike, most countries managed to turn around in the course of 2009.

The economic collapse also underlined the extreme importance, on a worldwide basis, of a functional monetary and credit system. In the meantime, the turmoil on the financial markets has sub-

The German credit sector remained stable overall, also thanks to government help.

sided. In Germany, too, the government contributed to the stabilization of the financial system by means of guarantees and equity participations, among other measures. The special financial markets

stabilization fund (Sonderfonds Finanzmarktstabilisierung (SoFFin)) was created as a backing instrument that was resorted to by a number of private credit institutions and Landesbanks. However, governmental intervention also led to distortions in the competitive landscape and must therefore not become a permanent feature.

The German credit business as a whole demonstrated relative stability in the economic and financial markets crisis. This applies in particular to savings and cooperative banks, less so to some private credit institutions and Landesbanks. For all banks and savings banks, however, the sustained loss of confidence in the financial markets and the economic doldrums resulting from the financial markets crisis continue to represent a substantial challenge.

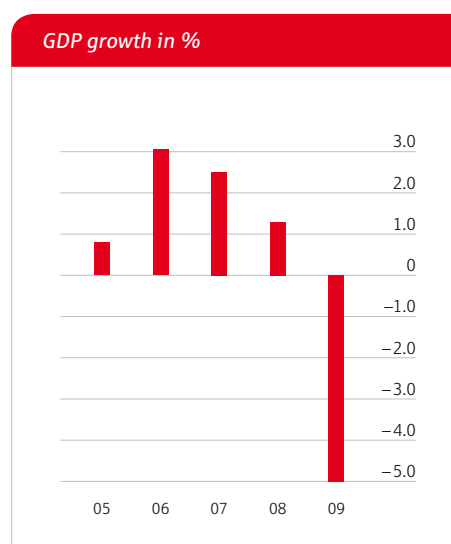
### Hamburg as a banking centre

After Frankfurt, Hamburg is one of the most important financial centres in Germany – and in fact the most important in Northern Germany. The credit institutions domiciled in Hamburg employ some 25,000 people in the region. This makes the credit services sector a major employer in the Hanseatic City.

Like the German credit business as a whole, all of Hamburg's credit institutions were faced with important challenges as a result of the economic and financial markets crisis. However, the Hamburg banking market has proven to be stable as a whole.

### The worst is over

The financial markets crisis led to a worldwide downturn in economic performance in 2009. The peak of the recession occurred in the first half of the year. GDP shrank in all industrial countries as well as in most emerging economies. Only China and India stayed on their path of growth. World trade experienced a strong downturn.



This significantly affected Germany's export oriented economy, which strongly shrank in 2009. The 5.0 percent decline in real GDP was the strongest since the Federal Republic of Germany had come into being. The economic collapse essentially took place in the six months of the 2008/2009 winter. A slight recovery in economic performance began in the spring of 2009.

The effects of the recession on the labour market have fortunately been limited to date. This was partly due to the massive expansion of the shorter working week. The unemployment rate rose by only 0.4 percentage points to 8.2 percent in 2009. The number of people in employment remained stable at around 40 million.

On an annual average, German consumer prices rose by 0.4 percent. This is the lowest increase since German Reunification. In the two prior years, the inflation rate had still been above 2 percent, considered to be an important threshold value for monetary policy purposes.

This price stability enabled the central banks to fight the financial markets crisis and the recession with determined interest rate reductions. The European Central Bank (ECB) finally lowered its key interest rate to 1 percent in May.

#### **Economic performance receded less in Hamburg than in the Federal republic as a whole**

In the first half of 2009 real GDP fell by 4.4 percent in Hamburg –2.4 percentage points less than on average in the Federal Republic. The effects of the economic crisis were certainly also distinctly felt in our Hanseatic City. However, the economic collapse was comparatively moderate in Hamburg in spite of the region's strong foreign trade orientation. The service industries, such as wholesale and retail, were also able satisfactorily to weather the storm.

This deep recession has also left a noticeable mark on Hamburg's labour market. In 2009, an average of 78,500 Hamburg citizens were reported to be unemployed, an increase of 7.6 percent as compared to the previous year. However, the number of people with jobs in Hamburg rose by 0.9 percent. Hamburg's performance thus lies distinctly above the Federal average of –0.1 percent. This documents the above average strength of Hamburg's economy even in difficult times.

#### **Haspa on a course for growth**

As a retail bank, Haspa concentrates on the competent and comprehensive servicing of private and midsize corporate customers in the Hamburg metropolitan region. With this stable business model, Haspa proves to be a safe haven particularly in uncertain times, which enables it to win additional customers and deposits.

Haspa is the leader in retail banking on the Hamburg banking market. This high market penetration has been achieved with our 5,550 employees and more than 250 branches and customer centres. This means that approximately every fifth person employed in the Hamburg credit services sector is a Haspa employee, and that every third bank branch in Hamburg is a Haspa branch.

No other bank knows the Hamburg metropolitan region better than we do. We are at home in Hamburg and know what our customers need. Well-founded market knowledge, competent and dedicated employees, competitive products, in-house expertise, community commitment for the region and decision-making authority on site are some of our most important assets.

Our closeness to our customers, demonstrated every day by our employees, as well as Haspa's high quality of service and advice have once again won accolades from independent experts and testers. Focus Money distinguished Haspa for the third time in a row as the "Best Bank in Hamburg", and the specialist magazine Elite Report chose Haspa as the best asset manager in the German-speaking region for the seventh time running in 2009.

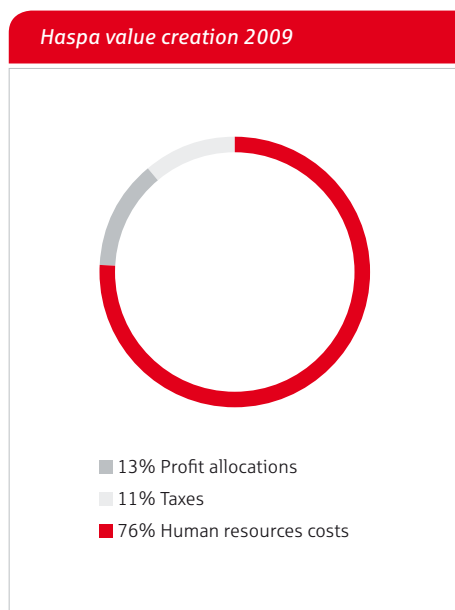
In 2009, too, Haspa continued to develop its customer and growth orientation. Thus we have built up our target groups management and continued to enhance our quality management to improve customer satisfaction and loyalty on an ongoing basis. By optimising technology and processes, we additionally combine growth and efficiency.

## Business Trends

### Retail business at the centre of entrepreneurial action –75,000 new customers added

Competent and comprehensive support of the private, individual and midsize corporate customers in Greater Hamburg continued to form the core of Haspa's entrepreneurial activities. In 2009, too, we supported well over one million private customers – our most important and largest clientele – in word and deed in all types of financial matters, thus continuing to consolidate our position as the market leader in the Hamburg region. Corporate customers, too, were provided with services and advice in all of their business activities. This applied to those starting up new businesses as well as to skilled tradesmen, small business operators, members of the liberal professions and larger mid-sized companies. Overall, Haspa won some 75,000 new customers in the last financial year.

Leadership on Hamburg's banking market also shows in market penetration, achieved among other things by means of our approximately 5,550 employees and more than 250 branches and customer centres. This number is augmented by special teams at our head office that service businesses start-ups, larger corporate customers, real estate businesses and Private Banking. Our dense network of branches and centres is held in high regard and appreciated by our customers as an important quality feature.



### Slight increase in value creation

Haspa's value creation, i.e. its contribution to the gross domestic product, rose by more than 10 percent to some €460 million in the year under review. Of this figure, 76 percent was attributable to human resources expenditures, 13 percent to profit allocations and 11 percent was paid to the public sector as taxes.

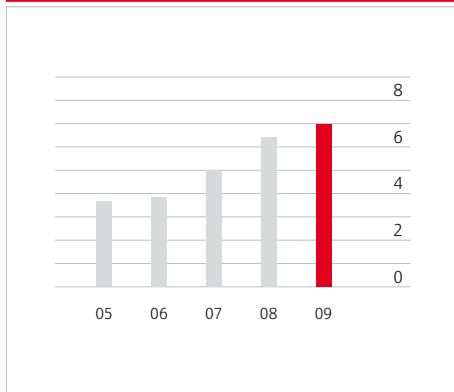
### Growing customer business leads to significant increases in balance sheet size

As a result of the gratifying increase in customer business, the balance sheet grew to €37.5 billion in 2009. This represents a distinct increase of a good €1.4 billion, or 3.9 percent. Haspa thus continues to be the largest savings bank in Germany. On the asset side of the balance sheet, the due from customers line item grew by a good €1.5 billion. On the other hand, a distinctly larger portfolio of debentures and other fixed interest securities is matched by a decrease in the amounts due from credit institutions. In this case, deposits in other credit institutions were replaced in particular by Pfandbrief bonds. On the liabilities side, the increase is essentially due to gratifyingly higher customer deposits. We were able, in particular, to substantially increase demand deposits by €3.8 billion. In contrast, savings and time deposits declined by a total of just on €2.8 billion.

### Distinctly higher credit demand meant steep rise in new loan approvals

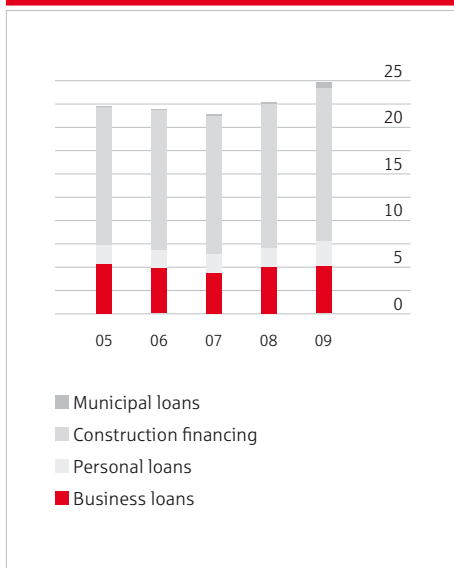
In 2009, Haspa was able once more significantly to increase its receivables due from customers by €1.5 billion. The markedly higher credit demand was particularly noticeable in construction financing, which grew by 7.9 percent to €16.7 billion. This increase results primarily from commercial construction financing, which rose by a good €900 million. Overall, just on 45 percent of Haspa's balance sheet and a good two-thirds of its credit business is represented by construction financing, roughly equally divided into private and commercial financing – this makes Haspa THE construction finance leader in Hamburg!

### Haspa loan approvals in € bn



Funds intended for lending were once again increased in the year under review. Thus, new approvals, which had already been increased by €1 billion in the prior year, rose noticeably once again, now amounting to as much as €2 billion more than new approvals in 2007. These figures show that Haspa was able to support Hamburg's growth even in 2009. To prevent a credit squeeze in the Hamburg metropolitan region, Haspa once more expanded its credit programs, granting more than €13 billion in new loans over the last two years. This conscious crisis stemming increase in new loan approvals was not however accompanied by an easing in risk assessment criteria.

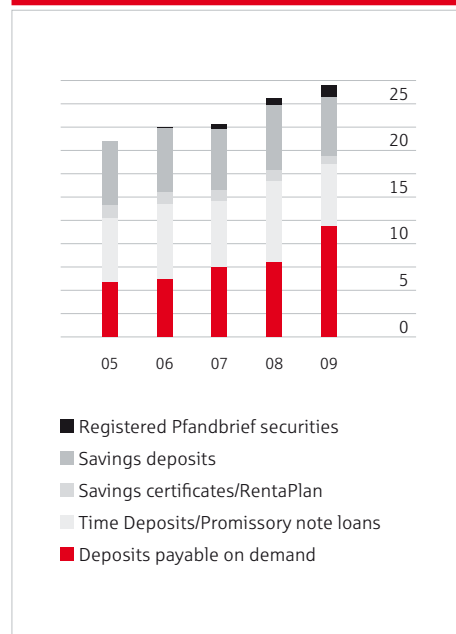
### Customer loans in € bn



### Customers trust Haspa – Deposits distinctly on the rise

Haspa also distinctly expanded its customer business on the liabilities side. This increase is one more proof of the trust customers place in Haspa, which even in these difficult times acts as a safe haven. While the interest rate levels on the money and capital markets drove customers to move from time deposits to Giro account deposits – and in this area essentially to the Haspa-DIREKT-CashKonto account – Haspa also experienced, in particular, a clear increase in new customer deposits. Noticeable increases in demand deposits can distinctly overcompensate unfavourable trends in savings and time deposits, so that liabilities due to customers gratifyingly rose by a total of €1.3 billion, or a good 5 percent, to €26.9 billion.

### Customer deposits in € bn



### Boom in Haspa-DIREKT-CashKonto deposits

Our customers are offered direct banking services through HaspaDIREKT Servicegesellschaft für Direktvertrieb mbH. The leading product in this segment continues to be the CashKonto – a demand deposit account with attractive product features. Demand

deposits attract a consistently high rate of interest accruing from the very first euro. This attractive product feature led to a real boom for the CashKonto accounts. In the year under review, the number of CashKontos has again increased by more than 50 percent to now approximately 200,000 accounts. Deposits grew by more than 120 percent to just on €5.9 billion.

**Giro accounts expanded – Ever growing interest in HaspaJoker advantages**

In the meantime, Haspa manages well over 1.2 million giro accounts. Out of these, more than 530,000 giro account holders – 23,000 more than at the end of the prior year – decided to open a “HaspaJoker – Hamburg’s Advantage Account”. Therefore, more than 60 percent of all personal giro account holders have a HaspaJoker. After this highly successful development, the HaspaJoker

By now, more than 60 percent of all personal Giro account holders use the HaspaJoker.

profile was further honed to flow towards a new version in which the benefits of the HaspaJoker packages continued to be increased in a targeted manner. These multiplications and improvements of the core benefits render the added value of the HaspaJoker even more obvious.

**Securities sales continued to be marked by the turmoil in the money and capital markets – but turnover was flat**

In 2009, too, customer behaviour was dominated by the generalized financial markets. Nonetheless, securities transactions in more than 280,000 Haspa depository accounts remained on previous year levels at just on €13 billion. However, it also became apparent

that in 2009 customers had overall become somewhat more risk averse. Declining equities, investment funds, and real property investment trust certificates transactions could be compensated in the fixed interest securities area. Measured on total sales, during the year under review, 77 percent of the sales were accounted for by fixed interest securities, 14 percent by investment shares and 9 percent by equities.

**Human Resources**

**More employees**

Haspa is a reliable and attractive employer offering many types of qualified employment both for its existing human resources and also for outside applicants.

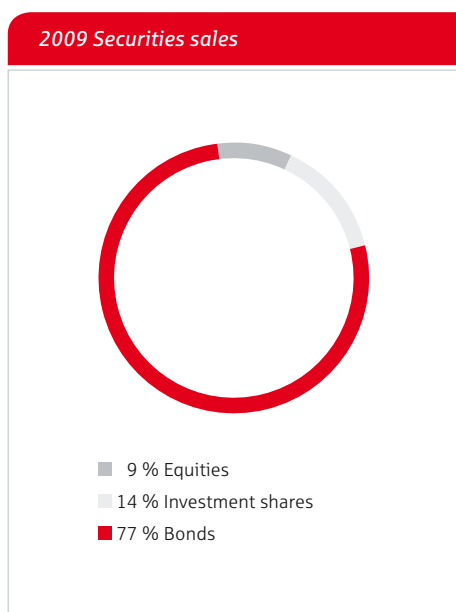
In the year under review, the number of our employees rose by more than 100 or 2 percent. At the end of 2009, Haspa employed some 5,550 people. More than 3,000 of them have direct contact with our customers. The new 2009 hires, too, are primarily directly involved in customer care. 1,217 persons were employed on a part-time basis. In fact, the number of part-time employees rose by 71 in the year under review.

By means of goal oriented management, variable compensation and flexible working hours, Haspa encourages motivation and entrepreneurial thinking and acting in its employees. Beyond standard bank salaries, we offer our staff a broad range of social benefits that further increase Haspa’s attractiveness as a fair employer.

**A new generation for the banking business**

Haspa offers highly qualified training. By the end of 2009 we also had 423 trainees. With this, our company once again significantly contributed to implementing the Federal Training Pact, which was concluded between the German business community and the federal government in 2004.

Haspa is one of the largest private training operations in the Hanseatic City. With a training ratio of around 10 percent Haspa lies distinctly above the Federal average. Our training programs lead to qualifications for the Banking Diploma and the Diploma in Office Communications. We likewise provide 15 trainees with the opportunity to complete their training with an internationally recognized Bachelor of Arts (B.A.) degree after completion of a dual curriculum at the Hamburg School of Business Administration (HSBA).



Human Resources	2005	2006	2007	2008	2009
Trainees	438	450	432	424	423
Part-time	1,091	1,037	1,101	1,146	1,217
Full-time	4,278	3,863	3,795	3,864	3,907
<b>Total</b>	<b>5,807</b>	<b>5,350</b>	<b>5,328</b>	<b>5,434</b>	<b>5,547</b>

Some 80 percent of our trainees graduated from high school with university entrance qualifications. However, among the more 3,500 applications we receive each year, we also intensively seek out qualified junior high school graduates without college entrance qualifications, and they account for approximately 20 percent of our trainees. Approximately 60 percent of our new blood are young women.

Our trainees repeatedly attain above average scores on their final qualification examinations and demonstrate especially good performance on the “customer dialogue” portion of their practical skills examination – proving that they are outstandingly able to apply Haspa’s customer oriented advisory and care system with capabilities that directly benefit our customers.

In 2009 Haspa was, for the ninth time, rewarded by the Hamburg Chamber of Commerce for its outstanding performance in professional training. With our promotional “Top Trainee Model” we are opening up additional training and education offerings and career perspectives to particularly high-performing and committed trainees. Thus, our Top Trainees are offered an assurance of employment already one year before the end of their training.

In 2009, Haspa started a training offensive that has yielded an additional 25 training spots. This will increase the number of our training spots to around 475. In this way, and in particular against the background of the dual Abitur cohorts, we are taking on a particular responsibility for the professional future perspectives of young people.

In the year under review, Haspa continued to enhance its collaboration with universities in the Hamburg metropolitan region and participated in numerous university fairs.

#### “Professional Banking” trainee program started

Within the scope of the “Professional Banking” training program, 28 university graduates become familiar with the banking business on site at our branches and centres while simultaneously taking part in technical finance courses and personality building seminars. After successful completion, the trainees work as deputy branch managers, or individual or corporate customer advisors at Haspa.

Depending on their prior education at the time of joining the program, trainees can complete it in 18 or 24 months. This trainee program is usually offered on an annual basis.

#### Cultural diversity as an opportunity

Promoting diversity and equal opportunity are part of Haspa’s corporate culture. Our trainees and employees are just as dissimilar as our company, our society and our customers. The different origins and multilingual backgrounds of many of our trainees are put to best advantage by assigning them, whenever possible, to branches that have a foreign language customer base.

Haspa has signed the “Diversity as an Opportunity Charter of Enterprise Diversity in Germany”. In this way we underscore our belief in fairness and the appreciation of people in companies and the creation of a working environment free of prejudice, discrimination and exclusion. The German Federal Government supports the “Diversity as an Opportunity” initiative. It is sponsored by Germany’s Chancellor, Dr. Angela Merkel.

#### Qualified employees as guarantors of success

As the market leading retail bank in Hamburg, the majority of Haspa’s success is due to its dedicated and competent employees, who reinvent Haspa’s high quality of service and consulting every day. Young people and staff with many years of professional experience work hand in hand with one supreme priority in mind – serving the customer. The average age is 39. Our workforce is

extremely highly qualified: More than three quarters of our employees are qualified bank officers or have completed other vocational business training. Approximately 25 percent have obtained a further qualification as a qualified banking clerk or bank business administrator. A good 10 percent of our staff members have completed a university degree.

A good combination of employees with respect to professional qualifications, age and professional experience is particularly advantageous: Every customer will find a suitable contact person at Haspa. In order to ensure continuity with customer support, we aim to assign employees to a branch or customer centre over a long period of time. Our flexible working hours model enables our employees to orient themselves on their customers' needs.

#### Investing in employee qualification

Every year, Haspa invests some € 10 million in employee training and further education. Haspa's clearly structured training architecture enables all employees and external applicants to obtain comprehensive information about our range of training courses and to plan their personal career based on the available prospects.

In 2009, some 370 Haspa employees attended curricula and seminars leading to qualifications as Financial Services Advisor, a Bachelor's in Banking Services or in Bank Administration, or the basic bank business training of the Hanseatic Savings Bank Academy. Some 500 employees enhanced their expertise in additional seminars. Many others expanded their knowledge via online seminars and virtual learning programs directly at the workplace.

Our clearly structured training architecture enables our staff members to develop their own personal career plans.

The subject of management and leadership has traditionally been given high priority at Haspa. We especially emphasize professional selection and development of our management staff. We have further developed our employees' role and leadership understanding. With the MEP Management Development Program and other qualification program, we have tried-and-trusted tools at our disposal for the training and further education of our current and upcoming management generations.

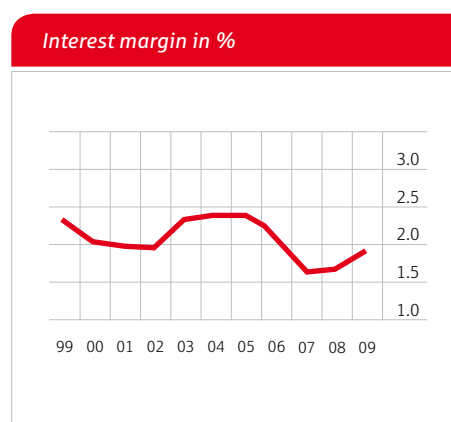
## Income Trends

### Operating result before revaluation increased significantly

In 2009, Haspa achieved an operating result before revaluation of just on €296 million. In comparison with the previous year, this was an increase of around €49 million. An important role in this gratifying development was played by the interest rate surplus, which continues to be the largest earnings component. An increase in the net profit from financial transactions distinctly more than compensated for a decline in the commissions income and in the other ordinary revenues, so that on a net basis income increased by €88 million. Expenditures saw an increase of just on €30 million in administrative expense. This is due almost exclusively to personnel expense – hiring additional sales staff has laid essential foundations for sustainable growth in the future. In addition, other ordinary expenses also increased, so that total expenditures contained in the operating result before revaluation increased by just on €40 million.

### Interest rate surplus noticeably exceeds prior year levels

At €711 million, the interest surplus was just on €120 million above the level of the prior year. In this case, the distinctly lower level of short term interest rates had a positive effect. While Haspa usually borrows short, and as a result of the decline in short-term rates is now paying reduced rates, the funds we lend are primarily characterized by longer fixed interest arrangements. Therefore, the contribution from maturity transformation is thus distinctly more positive. In addition, because of the low levels of interest rates, specific maturity transformation measures enabled us



to earn an additional interest rate surplus. Customer business remained on a course for growth. Both assets and liabilities were expanded in this segment, thus laying the foundations for future successes.

At more than 75 percent, net interest income continues to account for the predominant share of the bank's gross earnings. The interest margin, measured in terms of the distinctly higher average balance sheet total, was noticeably above the previous year's level, at 1.90 percent in 2009.

#### **Commission surplus still marked by turmoil in the money and capital markets**

After the second half of 2008 had already been marked by the turmoil in the money and capital markets, the year under review also suffered from the stress caused by the financial markets crisis. Thus customer uncertainty manifested in particular also in a decline in the securities business. Positive developments, such as commissions from the loan business owing to higher credit approval volumes, were unable to compensate for other declines, so that on balance the commission surplus fell by 12 percent or €31 million to just on €229 million.

#### **Distinct increase in net profit from financial transactions**

Overall, trading activities are directed at supporting the retail business, and comprise, in particular, security and foreign exchange trading price and exchange rate profits and losses. Furthermore, we essentially carry only closed currency positions. As unrealised market losses from forward exchange contracts were reported fully, but unrealised market profits only in connection with hedging using special cover, in financial year 2009 the net profit from financial transactions benefited from the maturities of a number of foreign exchange transactions. Overall, the net profit from financial transactions rose very noticeably, amounting to a good €16 million.

#### **Careful budgeting puts a cap on administrative expenses**

At €655 million, administrative expenses are almost €29 million higher than in the previous year. This comprises both an increase in personnel expense of €27 million to €351 million, reflecting the hiring of additional sales staff to ensure sustainable growth in the customer business, and increased payments to the Pension Insurance Association that also contributed to personnel expense in the past year. The Pension Insurance Association is a mandatory insurance covering pension claims of, among others, Haspa's employees. As a result of the higher number of bankruptcies in Germany, the contributions payable by the member companies,

and thus also by Haspa, have noticeably increased. The other administrative expenses, as well as depreciation and writedowns on intangible assets and fixed assets, on the other hand, grew only slightly by a total of a good €2 million. In this area Haspa benefited from careful internal budgeting, whose implementation led to an only moderate increase in administrative expenses.

#### **Revaluation result higher than in the prior period**

In view of the revaluation result, Haspa's revaluation criteria can, as in the prior year, be described as being conservative. This conservative revaluation approach led, on the one hand, to less favourable provisions for the credit business, but on the other hand own securities investments continue exclusively to be valued according the strict principle of the lower of cost or market value under simultaneous consideration of the requirement to reinstate original value. As a result, although the securities revaluation result continued to be affected by the unfavourable capital markets environment, on the one hand it showed significant improvement as compared to the prior year, and on the other hand precisely this circumstance resulted in an accretion potential in regard to future original value reinstatements. Overall, the distinct increase in the revaluation result as compared to the prior year is however based on ramped up provisions for possible future risks in the following years.

#### **Earnings for transfer remain at prior year level despite difficult market environment – higher tax base**

At €60 million, earnings for transfer were at the same level as in the prior year. Because of the controlling and profit transfer agreement concluded in the year under review (Result Transfer Agreement) these €60 million were entirely transferred to HASPA Finanzholding. The tax expense now to be borne in the form of a tax allocation significantly rose in the year under review to €48 million.

### ***Comprehensive Bank Controlling & Risk Report***

#### **Well equipped to brave the economic and financial markets crisis**

The banking sector liquidity crisis that had already begun in 2007 required rescue measures for various credit institutions in, among other countries, the USA, the UK and also in Germany. The insolvency of the American investment bank Lehman Brothers in September of 2008 represented the first ever breakdown of a globally significant, system relevant credit institution. The trust in the banking sector was severely shaken. The result was a deep, worldwide recession.

The collapse of the entire financial system could – also in Germany – ultimately only be prevented by the decisive intervention of governments and central banks. In the meantime, the financial markets have stabilized, and a moderate recovery has begun. Nonetheless, the troubles of the German banks as a result of the economic and financial markets crisis are not over. Thus the banking system will continue to suffer from increasing equity shortages due to recession based write-offs.

Haspa has accounted for the extraordinary economic and financial markets crisis situation with a forward-looking risk policy in the bank trading and capital markets areas, and now continues to find itself well prepared as a result of its comfortable equity and cash position in combination with a continuously evolving risk management approach.

#### **Comprehensive bank controlling focused on core business and risks**

At the centre of its comprehensive bank controlling, the three clientele sectors – private, individual and midsize corporate customers – are based on Haspa's retail strategy. Successes and risks emerging from trade, investment, maturity transformation and the operation sector complete the general picture.

#### **Internal and external integration – uniform comprehensive bank controlling**

Comprehensive bank controlling is governed by linking internal control parameters of a distinct economic orientation to external parameters shaped, for example, by commercial or supervisory law requirements. Integrated consideration of both viewpoints enables targeted business management control.

#### **Comprehensive bank controlling as a closed procedural cycle**

At Haspa, the responsibility for the internal and external variables reporting system is organisationally separate from the management function.

Haspa's strategic orientation is reviewed at an annual Board level strategy workshop. The current mid-term planning for the coming years also results from the review process. On this basis, the annual planning process converges into specific and agreed upon budgets for the coming year. The budgets are expressed in the target setting process that takes place throughout the company. An integrated monthly reporting system tracks the development of revenues, costs and risks and of income, expenditures and assessment results throughout the year. The bank's corporate divisions

are integrated into a quarterly preview process, which supplies an updated forecast for the entire year, which is in turn incorporated into the reporting system for governing corporate bodies.

This closed-circuit process has been in place for years. Within this context, procedures are constantly improved in terms of their basic model, and tools are continuously refined.

#### **Flexible yield outline**

The margins for the asset and liability business are computed at the transaction level based on the market rate method. Risk costs for loans are deducted separately. Risk-appropriate conditions are agreed with the customers. The conditions are calculated on the basis of expected default, on the one hand, and scheduled for costs of equity capital with regard to unexpected instances of default, on the other. This form of assessment is generally common in the lending business. In addition to the margins from interest rate transactions, commission income is playing a very important role. We use this costing system, which is geared to each loan transaction and each loan contract, in order flexibly to support sales and marketing in our branch offices and customer centres.

#### **Efficient controlling – the prerequisite for successful cost management**

All corporate divisions are strictly broken down by means of appropriate cost centre structures according to our customer-oriented loan structure organization. All projects are budgeted separately. Larger projects are subjected to special investment controlling that evaluates projects according to business management standards and continues to monitor them from a controlling viewpoint, up to achievement of the desired benefit. Around 35 projects are currently being tracked by our investment controlling process. This includes, among other things, developing products, our Customer Relationship Management Systems for the branches, the migration of core banking systems on SAP as well as topics of regulatory or statutory interest such as the implementation of the Accounting Law Modernization Act [Gesetz zur Modernisierung des Bilanzrechts (BilMoG)].

Essentially, with a view to proper cost accounting allocation, at Haspa the internal service relationships are recorded via internal settlement procedures.

#### **Accounting process quality guaranteed by a functional internal control and risk management system**

Pursuant to § 25a Para. 1 KWG (Kreditwesengesetz, German Banking Act), the overall responsibility for proper business organization and the implied risk management lies with Haspa's Board. Risk management comprises, among other things, the implementation of internal control procedures, with an internal control system and

internal audit procedures. Internal audit is an integral component of risk management and the internal control process implemented at Haspa. It carries out its mission autonomously and independently, subject to requests from the entire Board.

Risk management and the internal control processes extend, among other areas, also to the accounting process. Accounting comprises bookkeeping, the preparation of the Annual Financial Statements and the Management Report. Bookkeeping is dedicated to Haspa's individual corporate divisions according to predetermined account charts. Preparation of the Annual Financial Statements and the Management Report is subcontracted to NRS Norddeutsche Retail-Service AG (NRS AG). The subcontracting process is controlled and monitored by Haspa's Finance and Controlling corporate division, which is responsible for these publications, supplemented review by Internal Audit. From an organisational point of view, areas responsible for accounting are separated from market activity areas.

The account assignment rules and bookkeeping control processes pertaining to the Annual Financial Statements and the Management Report are defined in various work instruction procedures. These procedures describe the controls to be carried out in terms of reconciliations and the necessary supporting documentation in detail. Haspa's accounting information is managed by means of data processing programs with limited access rights, system activity reporting, data backups and data protection.

Internal Audit directly or indirectly reviews the accounting related internal control and risk management systems based on a risk oriented audit plan. This also includes functional separation, data processing security, documentation of control actions and compliance with working instructions. The accuracy of our data processing programs is ensured by means of strict separation of the development, testing and production systems and through a defined development process for software packages with the pertinent testing and release procedures. Introduction of new or amended parameters can only be placed in production within the scope of defined change management. In its reviews, Internal Audit verifies that these procedures are followed properly.

Where accounting procedures are technically implemented by means of centralized third party data processing equipment, the pertinent service providers are under the obligation, pursuant to the framework agreements concluded with them, to comply with all statutory and regulatory provisions of relevance for the

subcontracted services. Compliance with these statutory and regulatory provisions is monitored according to the above principle by the third party vendor's internal audit division and by Haspa's Internal Audit.

#### **Timely implementation of the Second Amendment to the MaRisk**

The new version of the Minimum Risk Management Requirements (Second Amendment to the MaRisk) published in August 2009 by the Banking Supervision Agency is based on the experiences gleaned from the financial markets crisis and is intended further to increase stability in the German banking sector. It was immediately implemented at Haspa. Based on the existing progressive structure of our risk management operations, no significant adjustments were necessary, so that implementation of the Amendment was relatively simple. Some supplementary measures were introduced in particular in the area of the performance of stress tests, which also provide added value to the Bank's business operations. Moreover, the new stipulations also comprise a direct right on the part of the Supervisory Board for Internal Audit to provide information directly to the Supervisory Board as well as the duty to inform the Supervisory Board of significant, risk relevant situations on an ad hoc basis. This was basically already common practice at Haspa, but has now been formally supplemented.

In addition – at first within MaRisk, and then in the form of a separate circular – a number of requirements were also formulated in respect to credit institution compensation systems. An evaluation of the type, scope, complexity, risk content and international nature of the business activities carried out as well as of the related compensation structures demonstrated that the special requirements of the circular, which are rather aimed at large institutions with complex business structures, are not applicable to Haspa. This means that no significant adaptations had to be made to our compensation system.

#### **Sound risk acceptance capability backs up growth strategy**

Operating a credit institution also inherently entails incurring calculated risks within its essential functions. The ability comprehensively to measure, monitor and control risk is a decisive competitive factor.

The objective of our risk management is to optimise success while constantly taking into account the risks incurred. For this purpose, the acceptability of the overall risk is assessed by regularly comparing it with the available coverage. Based on this, limits are defined for the individual risk types. All existing risks are compared to the asset coverage and to the global limit derived therefrom. In order to calculate the required cover assets for the agreed total

limit, diversification effects and positive tax effects are taken into account for the securitisation of the total limit. The remaining amount is to be securitised by the available cover assets. At the ascertained 99 percent confidence level, a broad range of these cover assets is not utilized by the global limits set. Thus even in the event of actual occurrence of this risk scenario, both the balance sheet equity and also the other significant components of the cover assets will remain intact.

Ongoing material risks monitoring takes place through cutting edge early warning systems that identify the relevant changes in a timely manner and trigger scaled control measures on the basis of threshold values.

#### **Declining capital markets risk**

The year under review was characterized by a gradual recovery from the financial crisis. Capital market risk continued to trend high, but the more extreme market distortions subsided over the course of the year. Overall economic risks have only partially become reality and in the meantime their extent has also become clear. Haspa's early introduction of regularly monitored risk limitation measures has had the desired effect. As a result, Haspa's overall risk position has continued to trend below the average of the last few years.

#### **Credit risk distribution still broad**

Haspa's counterparty default risk is characterized by credit relationships with retail, corporate, entrepreneurial and real estate customers. Our customer loan portfolio is widely diversified and to a large extent secured by mortgages. Overall, our credit risk is regularly covered by an appropriate risk provision policy.

Our credit risk limitation instruments set standards.

The internal rating procedures jointly developed in the Sparkassen Finance Group provide us with cutting edge tools that are specifically tailored to our customer groups and constantly undergo further development.

We use the current scoring systems of the Sparkasse organization to determine creditworthiness and pricing in our retail business.

In addition, in our standard corporate customer business we employ rating procedures that assess creditworthiness and risk oriented pricing. In this instance, we apply differentiated procedures depending on each business. The procedures are different for small, midsize and larger corporate customers, for the liberal professions and for start-up founders. For more complex commercial real estate commitments, our real estate customers division uses a

property transactions rating tool specifically tailored to commercial property financing. An automated "compact customer rating" has also been introduced to enable targeted credit scoring for small corporate customers.

We avoid issuer default risk and counterparty default risk in our securities investments and in interbank business by exclusively limiting ourselves to trading partners with first-rate credit ratings, a widely diversified portfolio and a stringent limit system. The effectiveness of the intensive banking sector counterparty monitoring introduced at the beginning of the financial markets crisis continues to be confirmed, and has in the meantime become an internal standard at Haspa. Further developments in trade collateralisation have enabled distinct limitation of the default risk. The derivatives business has in the meantime been collateralised to around 85 percent by means of standard collateral agreements.

We use the value-at-risk-method to measure the risk of unexpected counterparty default. The method sets a confidence level of 99 percent for a holding term of one year.

#### **Successful control and monitoring of maturity transformation risks**

The maturity transformation risk is geared toward potential changes in market interest rates.

Maturity transformation essentially arises from the loan commitment, which tends to be of a longer term nature on the asset side, compared with borrowing, which in many respects tends to run over a shorter term on the liabilities side. This causes changing money and capital market interest rates to have an immediate effect on the company's results. We measure and control the maturity transformation risk both by periods and by its net present value.

Haspa also employs the value-at-risk-method to determine maturity transformation risk. Risks are quantified at a 99 percent confidence level for a holding term of one year. Stress scenario simulations also take place for this type of risk. Haspa's maturity transformation position is monitored on an ongoing basis and reviewed in greater depth in terms of money and capital market trends at monthly meetings of the Maturity Transformation Committee that also include the participation of the Board of Management.

The possible impact of any change in market interest rates on our periodic net interest income is also monitored on an ongoing basis. Simulation of various interest rate scenarios indicates the sensitivity of the interest surplus to changes in market interest rates.

Haspa employs derivative financial instruments, primarily standard interest rate swaps, for the purpose of controlling the maturity transformation risk.

Overall, the maturity transformation risk has intentionally been expanded. Active use was made of favourable options to enter into maturity transformations measures that had already had positive effects on the interest rate surplus in 2009.

#### **Slight increase in equity risk in once again manageable market environment**

Normalizing capital markets developments in conjunction with the brightening economic environment led Haspa to start gradually restocking its equities portfolio over the course of the year. In this connection, optimization of the Bank's own investments' risk return profile is the highest priority.

Equities are held indirectly via special funds. Haspa also employs the value-at-risk method to determine equity risk. Our risk controlling monitors examine positions separately on a daily basis. The special funds apply the transparency principle.

#### **Bond price credit risk mitigated due to calmer capital markets**

The risk of creditworthiness spread changes in corporate bonds has once again abated as markets became less turbulent over the course of the year. This reflects the expectation of a moderate economic recovery. Our continued shift from excess liquidity to selected low risk public debt paper as well as Pfandbrief bonds enabled spread risk to stabilize at a lower level than in 2008.

Corporate bonds are being held indirectly via special funds. Haspa employs the value-at-risk method to determine spread risk. Our risk controlling monitors examine all relevant positions on an ongoing basis. The special funds apply the transparency principle.

#### **Ongoing strategic build-up of real estate investments to diversify proprietary investments**

For further strategic development of our proprietary investments, over the course of the year we continued to invest in first-class real estate funds. The resulting risks are incorporated into the existing risk monitoring procedures according to the transparency principle; risks are measured by means of a segment specific value-at-risk approach.

#### **No appreciable trading or currency risk**

Haspa's orientation as a retail bank in the Hamburg metropolitan region is also expressed in terms of major restraint in accepting risks in securities and currency trading as well as in terms of currency revaluation risks. Trading activities are mostly customer induced, and principally only closed currency and option positions are held.

#### **Monitoring operational risk**

Operational risk arises from risks residing in operating systems and processes. Within the scope of its internal control system, Haspa has taken a number of steps to ensure that its business runs smoothly and flawlessly. In-house procedures and the working order of technical systems are continuously adapted to internal and external requirements. Operating processes are regulated under service instructions and directives and are monitored by the Internal Audit department.

Haspa has outsourced parts of the market support processes in the asset, liability and service business, as well as parts of Finance and Controlling, to NRS Norddeutsche Retail Service AG resp. its subsidiaries. Furthermore, parts of the IT area have been transferred to Finanz Informatik GmbH & Co. KG and to Wincor Nixdorf Portavis GmbH.

The interaction between outsourcing centres and Haspa regarding the outsourced functions has been secured within the context of supervisory requirements through individual contractual and interface-specific regulations. These arrangements have proven to be highly functional within the scope of the interaction between the companies and are further developed and refined on an ongoing basis.

IT security is one of the focal points in controlling operational risks. A number of differentiated contingency plans have been developed for our IT functions. Furthermore, the emergency concept also includes crisis management and procedures for the uninterrupted continuation of business operations. Authorized access systems and control and monitoring processes guarantee the protection of confidential information against unauthorised access and modifications of business processes. Efficient firewall systems provide protection against unauthorised external access.

Operating risk is evaluated and controlled within the scope of an annual internal risk inventory by means of the analysis of significant events of loss and an indicator based early warning system.

### **Funding strategy and comfortable liquidity limit liquidity risks**

Liquidity risks arise when payment obligations are not or cannot be met on time or adequately or when liquidity can only be obtained at higher market prices.

Beyond the short-term liquidity outlook, Haspa also uses the plans of the different corporate divisions to develop a strategic liquidity outlook that gives an early indication of liquidity needs. This places us in a position to evaluate our liquidity for future maturities and to take the appropriate cash management measures. In addition, risk scenarios are also developed and analysed on the same basis in order also to cover developments in accordance with the stress tests required by the MaRisk. Based on the funding strategy, "traffic light models" are used to define and regularly monitor risk tolerance taking into account funding potentials, so that timely control measures can be taken if necessary.

By becoming an issuer of Pfandbrief securities in 2006, Haspa has tapped into the vast liquidity potential of the Pfandbrief market, which could therefore also enable it, in future, to cover even large liquidity needs.

Furthermore, Haspa has for years, and thus also at times of crisis, acted as a funding provider on the interbank market.

As of the end of the year the liquidity ratio pursuant to the new liquidity regulation is 2.1 times the minimum requirement.

### **Solid economic and regulatory risk acceptance capability guarantees risks incurred**

The bank's risk acceptance capability is monitored by means of a comparison with the available asset coverage. The risk coverage potential is comfortable also in view of the present volatile market conditions.

From 2008 onwards, the regulatory requirements for the availability of capital resources within credit institutions have been drafted according to the requirements of the solvency regulation. Haspa uses the standard approach for compliance. Compliance with the solvency regulation requires a constantly adequate equity basis. As of 31 December 2009, the total capital ratio of the Haspa Group is of approximately 12.5 percent, while the core capital ratio is of 10.8 percent.

### **Risk evaluation**

No risks that jeopardise portfolios or that can exercise a material influence on the Bank's asset, financial or earnings position have been detected for the current year, in spite of the still noticeable aftershocks of the financial crisis.

## **Outlook Statement**

### **Moderate economic recovery**

The present moderate economic recovery is expected to continue in 2010. From today's perspective, the growth rate for the entire year will be at the upper end of the 1.0 to 1.5 percent range.

A distinctly positive contribution to growth is expected to come from foreign trade, as exports should rise faster than imports as a consequence of the recovery in world trade. In view of the low capacity utilisation, however, no significant impetus is expected from investment. In addition, as concerns private consumption expenditure, at best a stagnation condition is to be expected as a result of impending staff reductions.

The European Central Bank (ECB) has been gently disengaging from its former extremely expansive money policy since as early as the end of 2009 while trying not to upset the markets and the economy. However, in our opinion an increase in the ECB's reference rate would only take place as the last link in the chain of measures, and thus no earlier than at the end of 2010.

Confidence reigns once again on the capital markets. The economic recovery and rising corporate earnings lead us to expect an overall good year for equities in 2010. Unforeseeable events and disappointments in the dynamics of the economic recovery could however disappoint investors in their renewed positive expectations.

### **Hamburg is growing**

Hamburg will particularly benefit from the economic recovery and the increase in world trade. Accordingly, the recovery of Hamburg's economy could be somewhat stronger than the German Federal average. Thus, real GDP can be expected to increase by at least 1.5 percent in 2010. As a result of the deep recession, however, higher unemployment numbers must also be expected.

Current studies give Hamburg good prospects for the future. According to a study by the Feri economic research institute, commissioned by Capital magazine, Hamburg is the city that has the best economic prospects in Germany. In addition, WirtschaftsWoche's ranking of Federal States of Germany has shown that economic dynamics are currently nowhere as powerful as in Hamburg.

### Haspa Planning

Under these assumptions, the following report focuses on Haspa's expected development, including the relevant opportunities and risks facing the Bank. The forecast time period includes the current and upcoming financial years. The incorporated statements, which are aimed at the future, are based on the generally expected overall economic development, with a special focus on the Hamburg metropolitan region. These statements are also based on the updated medium-term planning for the coming five years, on which the annual planning process is based. This flows into concrete and agreed upon budgets, which have also been incorporated into the company-wide target-setting process.

### Retail business remains cornerstone of Haspa's business

Haspa will continue to develop its current strategy in the Hamburg metropolitan region also in the future. All of our activities remain oriented toward private, individual and midsize corporate customers and our award-winning Private Banking.

Private customers are and will remain the foundation of our business activity. Haspa will continue to grow in the Hamburg region by comprehensively servicing this customer segment. The individual and corporate customer business, as well as Private Banking, will continue to be enhanced.

### Well equipped for the future – customer business headed for growth

Consistent focusing on the retail business as well as comprehensive customer service will lead not only to higher customer deposits but also in particular to more voluminous credit portfolios. Servicing credit demand is ensured by Haspa's comfortable liquidity situation. It is especially in this area that Haspa benefits from a consistently rising cover fund and thus from the potential to issue Pfandbrief bonds.

To expand and enhance customer relations, Haspa will employ additional, highly qualified personnel in particular in the corporate customer and Private Banking divisions. We perceive considerable growth potential particularly in these highly care intensive customer segments and also in the younger customer market.

The interest rate surplus will likely increase in the current and in the next financial year as a result of lower short-term interest rates and the continuing expansion of the customer business. The balance sheet will grow somewhat as a result of growing customer business.

As concerns the commission surplus, it is expected that the trend will be reversed in 2010, once again giving rise to single figure percentage increases. However, this expectation is subject to a high degree of uncertainty in regard to the economic environment.

A moderate increase in administrative expenses is expected. The increase would, in addition to the expected collective agreement based salary increases, also reflect the planned new customer care hires for the advisory intensive segments.

In summary, for both the current and the next financial year we forecast operating results before revaluation at approximately the same gratifying level as was achieved in the year under review.

As concerns risk provisions for the credit business, slightly higher levels are expected for the coming years in view of the increase in customer assets and the sustained effects of the economic and financial markets crisis. In particular, more substantial write-downs could be compensated by lesser general provisions. While as a result of better procedural processes general provisions have been higher in prior years, some relief will now be felt.

We do not expect our cost-to-income ratio to change significantly in the next two financial years, while our equity ratio will consistently improve.

Our strategic liquidity outlook continues to show a relaxed liquidity situation for the future even when taking into consideration the noticeable growth in the customer business. Haspa's equity capital resources also remain at a comfortable level over the medium term planning horizon.

### Events of special significance

No events of special significance took place after the closing of the 2009 financial year.

Hamburg, 9 March 2010

The Board of Management

# Balance Sheet

of Hamburger Sparkasse AG for the year ended 31 December 2009

Assets in € '000	2009	2008
<b>1</b> Cash reserve		
a) Cash	257,763	220,323
b) Balance at Deutsche Bundesbank	498,006	407,045
	<b>755,769</b>	<b>627,368</b>
<b>2</b> Debt instruments issued by public authorities and bills approved for refinancing through Deutsche Bundesbank		
a) Treasury bills and non-interest bearing treasury notes and similar debt instruments issued by public authorities	–	–
b) Bills of exchange	–	–
	–	–
<b>3</b> Due from banks		
a) Payable on demand	520,125	1,668,559
b) Other amounts due	3,367,273	3,488,740
	<b>3,887,398</b>	<b>5,157,299</b>
<b>4</b> Due from customers	<b>24,213,397</b>	<b>22,667,504</b>
thereof:		
Secured by mortgages	9,624,535	(9,262,652)
Municipal loans	339,986	(181,353)
<b>5</b> Debentures and other non-fixed-interest securities		
a) Money market paper		
aa) of public issuers	–	–
thereof: eligible as collateral for Deutsche Bundesbank advances	–	(–)
ab) of other issuers	–	632,428
thereof: eligible as collateral for Deutsche Bundesbank advances	–	(–)
		632,428
b) Bonds and debentures		
ba) of public issuers	1,668,459	526,543
thereof: eligible as collateral for Deutsche Bundesbank advances	1,568,650	(526,543)
bb) of other issuers	2,442,075	2,062,589
thereof: eligible as collateral for Deutsche Bundesbank advances	2,441,956	(2,062,589)
	4,110,534	2,589,132
c) Own debentures	111,061	197,660
Nominal value	108,047	(193,183)
	<b>4,221,595</b>	<b>3,419,220</b>
<b>6</b> Shares and other non-fixed interest securities	<b>4,301,416</b>	<b>4,081,025</b>
<b>7</b> Investments	<b>37,737</b>	<b>39,258</b>
thereof:		
in other banks	2,961	(2,961)
in financial service companies	–	(–)
<b>8</b> Shares in affiliated companies	<b>11,545</b>	<b>11,357</b>
thereof:		
in other banks	–	(–)
in financial service companies	–	(–)
<b>9</b> Trust assets	<b>636</b>	<b>1,037</b>
thereof: trust loans	636	(1,037)
<b>10</b> Equalisation amounts due from public authorities including debentures from exchanges thereof	–	–
<b>11</b> Intangible assets	<b>18,151</b>	<b>6,515</b>
<b>12</b> Tangible assets	<b>44,703</b>	<b>51,239</b>
<b>13</b> Other assets	<b>14,570</b>	<b>25,887</b>
<b>14</b> Prepaid expenses and deferred charges	<b>7,274</b>	<b>12,678</b>
<b>Total assets</b>	<b>37,514,191</b>	<b>36,100,387</b>

<i>Liabilities in € '000</i>		<i>2009</i>	<i>2008</i>
<b>1</b>	Liabilities to banks		
	a) Payable on demand	224,441	219,672
	b) With agreed term or period of notice	4,040,921	4,399,505
		<b>4,265,362</b>	<b>4,619,177</b>
<b>2</b>	Liabilities to customers		
	a) Savings deposits		
	aa) with agreed period of notice of three months	6,056,462	7,046,188
	ab) with agreed period of notice of more than three months	15,663	20,610
		6,072,125	7,066,798
	b) Other liabilities		
	ba) Payable on demand	11,781,636	7,950,901
	bb) With agreed term or period of notice	9,030,553	10,525,635
		20,812,189	18,476,536
		<b>26,884,314</b>	<b>25,543,334</b>
<b>3</b>	Certificated liabilities		
	a) Debentures issued	3,604,755	3,207,652
	b) Other certificated liabilities	–	–
		<b>3,604,755</b>	<b>3,207,652</b>
	thereof:		
	Money market paper	–	(–)
	own acceptances and promissory note loans in circulation	–	(–)
<b>4</b>	Trust liabilities	<b>636</b>	<b>1,037</b>
	thereof: trust loans	636	(1,037)
<b>5</b>	Other liabilities	<b>125,623</b>	<b>92,215</b>
<b>6</b>	Prepaid expenses and deferred charges	<b>43,050</b>	<b>40,948</b>
<b>7</b>	Provisions		
	a) Provisions for pensions and other commitments	443,096	439,626
	b) Provision for taxes	49,416	26,903
	c) Other provisions	130,939	137,495
		<b>623,451</b>	<b>604,024</b>
<b>8</b>	Special reserve item	–	–
<b>9</b>	Subordinate liabilities	<b>370,000</b>	<b>370,000</b>
<b>10</b>	Profit-sharing rights outstanding	–	–
	thereof: payable within two years	–	(–)
<b>11</b>	Equity		
	a) Subscribed capital	1,000,000	1,000,000
	b) Capital reserve	380,000	380,000
	c) Retained earnings		
	ca) Legal reserve	–	–
	cb) Reserve for treasury shares	–	–
	cc) Statutory reserves	–	–
	cd) Other profit reserves	217,000	192,000
		217,000	192,000
	d) Net income	–	50,000
		<b>1,597,000</b>	<b>1,622,000</b>
<b>Total Liabilities</b>		<b>37,514,191</b>	<b>36,100,387</b>
<b>1</b>	Contingent Liabilities		
	a) Contingent liabilities on bills rediscounted and settled	–	–
	b) Liabilities from guarantees and warranty agreements	999,989	996,690
	c) Commitments based on providing collateral for third party liabilities	–	–
		<b>999,989</b>	<b>996,690</b>
<b>2</b>	Other commitments		
	a) Repurchase commitments from reverse repurchase agreements	–	–
	b) Placement and underwriting commitments	–	–
	c) Irrevocable loan approvals	1,664,646	1,394,629
		<b>1,664,646</b>	<b>1,394,629</b>

# Income Statement

of Hamburger Sparkasse AG for the period from 1 January to 31 December 2009

All figures stated in € '000		2009	2008
<b>1</b>	Interest income from		
a)	Lending and money market transactions	1,266,685	1,507,518
b)	Fixed-interest securities and debt register claims	128,254	103,946
		1,394,939	1,611,464
<b>2</b>	Interest expenditure	-859,499	-1,211,860
		<b>535,440</b>	<b>399,604</b>
<b>3</b>	Current income from		
a)	Shares and other non-fixed interest securities	173,180	189,610
b)	Investments	807	1,926
c)	Shares in affiliates	651	234
		<b>174,638</b>	<b>191,770</b>
<b>4</b>	Income from profit pools, profit transfer agreements, and partial profit transfer agreements thereof: from tax relief	1,033	-
			(-)
			125
<b>5</b>	Commission income	252,392	282,556
<b>6</b>	Commission expenditures	-23,695	-22,692
		<b>228,697</b>	<b>259,864</b>
<b>7</b>	Net income or net expenditure from financial transactions	<b>16,449</b>	<b>1,369</b>
<b>8</b>	Other operating income	<b>33,596</b>	<b>49,009</b>
<b>9</b>	Income from the release of special reserve items	-	-
		<b>989,853</b>	<b>901,616</b>
<b>10</b>	General administrative expenditure		
a)	Human resources expenditure		
aa)	Salaries and wages	-259,962	-247,974
ab)	Social security contributions and expenses for pensions and other employee benefits	-91,284	-76,150
		-351,246	-324,124
	thereof: for pensions		(-29,391)
			-42,802
b)	Other administrative expenses	-291,390	-286,642
		<b>-642,636</b>	<b>-610,766</b>
<b>11</b>	Depreciation and value adjustments on intangible and tangible assets	<b>-12,479</b>	<b>-14,961</b>
<b>12</b>	Other operating expenses	<b>-39,186</b>	<b>-29,236</b>
<b>13</b>	Depreciation and value adjustments on amounts due and certain securities and allocations to provisions for loan business	-184,666	-150,465
<b>14</b>	Income from additions to amounts due and certain securities as well as the release of provisions for possible loan losses	-	-
		<b>-184,666</b>	<b>-150,465</b>

All figures stated in € '000		2009	2008
<b>15</b>	Depreciation and value adjustments on trade investments, shares in affiliated companies and securities treated as fixed assets	-2,170	-
<b>16</b>	Income from additions to trade investments, shares in affiliated companies and securities treated as fixed assets	-	240
		<b>-2,170</b>	<b>240</b>
<b>17</b>	Expenditure resulting from the accepting of losses	<b>-468</b>	<b>-3,500</b>
<b>18</b>	Allocations to special reserve items	-	-
<b>19</b>	Profit (loss) from ordinary business activities	<b>108,248</b>	<b>92,928</b>
<b>20</b>	Extraordinary income	-	-
<b>21</b>	Extraordinary expenditure	-	-
<b>22</b>	Extraordinary profit (loss)	-	-
<b>23</b>	Taxes on income and earnings	-48,248	-32,928
	thereof: for tax allocations	-50,038	(-)
<b>24</b>	Other taxes not reported under item 12	-	-
		<b>-48,248</b>	<b>-32,928</b>
<b>25</b>	Expenditure resulting from the accepting of losses	-	-
<b>26</b>	As a result of a profit sharing pool, profit transfer or partial profit transfer agreement	<b>-60,000</b>	-
<b>27</b>	Annual surplus	-	<b>60,000</b>
<b>28</b>	Prior period non-appropriated profit/loss	-	-
		<b>-</b>	<b>60,000</b>
<b>29</b>	Transfer from profit reserves		
	a) from legal reserve	-	-
	b) from treasury shares reserves	-	-
	c) from statutory reserves	-	-
	d) from other profit reserves	-	-
		<b>-</b>	<b>60,000</b>
<b>30</b>	Appropriation to profit reserves		
	a) to the legal reserve	-	-
	b) to the reserve for treasury shares	-	-
	c) to statutory reserves	-	-
	d) to other profit reserves	-	-10,000
		<b>-</b>	<b>-10,000</b>
<b>31</b>	<b>Net income for the year</b>	<b>-</b>	<b>50,000</b>

# Notes to the Accounts

## General Information

The annual financial statements of Hamburger Sparkasse AG (Haspa) for the year ended 31 December 2009 were prepared in accordance with the regulations of the German Commercial Code (HGB) in its version prior to the coming into effect of the Accounting Law Modernisation Act [Gesetz zur Modernisierung des Bilanzrechts (BilMoG)] and the provisions of the Bank Accounting Directive ("RechKredV") under consideration of regulations governing stock corporations. Haspa has complied with the rules mentioned in Article 66 Para. 2 EGHGB (Einführungsgesetz zum HGB, Introductory Act to the German Commercial Code), to be applied directly in Annual Financial Statements for 2009. The Bank did not make use of the option provided pursuant to Article 66 Para. 3 Sentence 6 EGHGB to apply all rules mentioned in Article 66 Para. 3 Sentence 1 EGHGB already in the 2009 Annual Financial Statements.

The option not to break down prorated interest by residual terms of maturity (§ 11, Sentence 3, Bank Accounting Directive ("RechKredV")) was, on the other hand, taken advantage of.

## Accounting and Revaluation Principles

### Lending business

Haspa reported receivables due from customers and banks at their nominal value or acquisition cost. Any discounts retained or premiums charged when paying out loans are distributed over the period of fixed interest or over a maximum period of five years.

Adequate account has been taken of ascertainable risks in lending by making individual value adjustments or by creating provisions. General allowance has been made for potential risks concerning amounts due. The principle of revaluation was observed when assessing the value of loans.

In the balance sheet item "Due from customers" the sub-item "Secured by mortgages" lists all amounts meeting the requirements of § 14 PfandBG, i.e. in addition to the credits secured exclusively by means of mortgages, the real pro rata credit shares in total loans has also been shown.

### Securities

The predominant portion of securities that the bank holds in its own portfolio is held for liquidity purposes as well as in trading portfolios.

A portfolio revaluation method was implemented during the financial year to account for trading transactions in registered Pfandbrief securities issued by Haspa, including hedging instruments concluded. The imparity principle was upheld in the process. The contribution to profits from these portfolios is recorded under net profit/(loss) from financial transactions item. The ongoing interest payments from bonds and from interest rate swaps are included in net interest income.

Furthermore, securities are valued by applying the strict principle of the lower of cost or market value under simultaneous consideration of the requirement to reinstate original value.

For assets held in specialised funds for which there is no trading price available, the funds determine the adequate trading value by means of careful revaluation using appropriate revaluation models that take current market conditions into account.

### Shares in affiliated companies and investments

Shares in associated companies and trade investments are reported on the balance sheet at acquisition cost. The requirement to reverse an impairment loss was observed for the purpose of revaluation. Lower values were reported when special circumstances so warranted.

### Intangible assets and fixed assets

Intangible assets and fixed assets are principally reported at acquisition cost less scheduled fiscally permissible depreciation.

## Liabilities

Liabilities are valued at their redemption amount. Discounts taken are reported under prepaid expenses and deferred charges on the assets side; premium income is reported under deferred income on the liabilities side.

In deviation from the above, zero-coupon bonds are accounted for at their present value.

## Provisions

Reported provisions adequately consider all ascertainable risks and all uncertain commitments. Provisions for pension liabilities are created in accordance with actuarial principles in compliance with § 6 a EStG (German Income Tax Act) and according to the 2005 G Heubeck Guidelines. For the calculation of two other provisions, the market rate of 5.25 percent was used instead of the permissible fiscal discount factor of 6 percent.

## Currency conversion

Currency is translated according to the regulations of § 340 h HGB (German Commercial Code). Assets denominated in foreign currencies and treated as fixed assets are translated into euro at the rates applicable upon acquisition. Foreign currency securities reported as current assets are valued at the cash settlement price.

Other foreign currency items and unprocessed spot and forward transactions are added together by risk classification for each type of transaction and valued at the cash settlement or forward price. Thus special coverage is available for these items, apart from minor net overhangs that are treated as open items.

We have opted to split the forward rate and to treat swap positions separately in instances of hedging transactions with direct allocation to the respective hedged asset item.

The cash settlement and forward price are based on the reference rate of the European Central Bank.

Price gains and losses established during the translation of specially hedged transactions are recorded on the income statement. Potential related expenditures are taken into consideration for all open items.

## Derivatives

Interest rate swaps are primarily used for managing interest rate risk. Thus, no further revaluation was performed. Because of the low levels of interest rates, specific maturity transformation measures enabled us to earn an additional interest rate surplus in the amount of €50.3 million. Overall, the maturity transformation measures taken in 2009 favour interest rate surpluses for the coming years.

In instances of issued structured loans, Haspa secured the derivative risk with micro-hedges. Therefore, there has been no revaluation of these products.

Money trading financial instruments were valued on a portfolio basis. The imparity principle was upheld in the process. The reporting of ongoing interest payments from the interest rate swaps takes place within the net profit or next expenditure from financial transactions.

In the case of options, Haspa's option writer positions are usually covered by a matched bargain. Option premiums received or paid on options not yet settled and margin obligations from futures transactions are reported on the balance sheet under "Other assets" and "Other liabilities" respectively. The required revaluation measures are performed in accordance with position statement BFA 2/1993 resp. BFA 2/1995.

Our credit derivatives are hedge positions in the Bank's proprietary trading portfolio. Thus, no revaluation was performed.

## Cash Flow Statement

	<b>2009</b>	<b>2008</b>
	€ million	€ million
<b>Profit or loss for the period before extraordinary items and profit pooling</b>	<b>60.0</b>	<b>60.0</b>
Non-cash items included in the profit/loss for the period and adjustments to reconcile net income to net cash used in operating activities		
Depreciation, write-downs and accretions on receivables, tangible fixed and financial assets	199.3	165.4
Increase/decrease in provisions	19.4	4.2
Other non-cash expenditure/income	0.0	0.0
Gain/Loss from the disposal of financial and tangible fixed assets	1.0	0.1
Other adjustments (net)	-909.2	-707.1
<b>Subtotal</b>	<b>-629.5</b>	<b>-477.4</b>
Net changes in assets and liabilities from standard operating activities		
Assets – due from		
– banks and credit institutions	1,269.9	1,862.9
– customers	-1,545.9	-1,311.9
Securities (other than financial investments)	-1,022.8	-1,955.1
Other assets from standard operating activities	17.1	-6.9
Liabilities – due to		
– banks/credit institutions	-353.8	-953.5
– customers	1,341.0	2,738.1
Certificated liabilities	397.1	-285.2
Liabilities resulting from profit/loss transfer to HASPA Finanzholding	60.0	0.0
Other liabilities from standard operating activities	-24.9	20.3
Interest and dividends received	1,568.1	1,801.1
Interest paid	-859.5	-1,211.9
Extraordinary receipts	0.0	0.0
Extraordinary disbursements	0.0	0.0
Income tax payments	-48.2	-32.9
<b>Cash flow from standard operating activities</b>	<b>168.6</b>	<b>187.6</b>
Receipts from disposal of		
– fixed financial assets	1.3	0.0
– tangible fixed assets	1.5	0.3
Disbursements for investments in		
– investments	0.0	-1.6
– tangible fixed assets	-3.6	-8.9
Cash flows from other investment activities (net)	-14.4	-4.3
<b>Cash flow from investment activities</b>	<b>-15.2</b>	<b>-14.5</b>
Receipts from equity contributions (capital increases, sale of treasury shares, etc.)	0.0	0.0
Dividend payments to HASPA Finanzholding	-25.0	-65.0
Cash flows from other capital sources (net)	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-25.0</b>	<b>-65.0</b>
Non-cash changes in cash and cash equivalents (sum of cash flows)	128.4	108.1
Net effect of exchange rate and revaluation determined changes in the financing fund	0.0	0.0
<b>Cash and cash equivalents at the start of the period</b>	<b>627.4</b>	<b>519.3</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>755.8</b>	<b>627.4</b>

## Notes to the Balance Sheet

### Notes on Assets

#### Due from banks

	<b>2009</b>	<b>2008</b>
	€ million	€ million
This item includes:		
Due from associated companies	0.0	0.0
Breakdown of sub-item b) by residual terms:		
– up to 3 months	2,339.4	2,240.8
– more than 3 months to 1 year	582.8	60.9
– more than 1 year up to 5 years	42.4	558.1
– more than 5 years	17.7	17.8

#### Due from customers

	<b>2009</b>	<b>2008</b>
	€ million	€ million
This item includes:		
Due from associated companies	85.0	80.5
Due from companies in which an interest is held	45.5	47.5
Subordinate amounts due	1.8	3.2
– thereof: associated companies	0.4	0.4
Breakdown of the position by residual terms:		
– up to 3 months	1,630.6	1,599.7
– more than 3 months to 1 year	1,474.0	1,457.7
– more than 1 year up to 5 years	5,531.3	4,457.0
– more than 5 years	14,857.5	14,314.4
– with indeterminate maturity	692.8	808.8

#### Debentures and other fixed-interest securities

	<b>2009</b>	<b>2008</b>
	€ million	€ million
Of securities negotiable on the stock exchange, the following are:		
– listed	3,967.6	3,296.2
– not listed	254.0	123.1
of which, due next year	855.9	1,395.8
Book value of debentures and other fixed interest securities treated as fixed assets	0.0	0.0

The prior year's sub-items have been adjusted further to a program expansion and the introduction of a new procedure for securities price queries.

### Shares and other non-fixed interest securities

Of securities negotiable on the stock exchange, the following are:	<b>2009</b>	<b>2008</b>
	€ million	€ million
– listed	0.0	0.0
– not listed	2.5	1.9

This balance sheet item includes special fund units with a book value of €4.3 billion. The marketability of these shares is limited. Gains on special fund units held were largely reinvested to the extent that they resulted from gains on prices. Gains from interest and dividend income were distributed in full.

### Investments

Of the shares contained in this balance sheet item that are negotiable on the stock exchange, the following are:	<b>2009</b>	<b>2008</b>
	€ million	€ million
– listed	0.0	0.0
– not listed	0.0	0.0

### Trust assets

Reported trust loans pertain exclusively to trust amounts due from customers.

### Intangible assets and fixed assets

	Intangible Assets	Fixed Assets
	€ million	€ million
Trends in intangible assets and tangible fixed assets		
Acquisition costs as of January 1, 2009	47.8	218.2
Additions	15.9	3.7
Disposals	1.9	28.4
Accumulated depreciation	43.6	148.8
Balance sheet value as of December 31, 2009	18.2	44.7
Balance sheet value as of January 1, 2009	6.5	51.2
Write-offs in the Financial Year	2.8	9.7

### Other assets

Other assets can be classified as follows:	<b>2009</b>	<b>2008</b>
	€ million	€ million
– cheques and other documents for collection	0.0	0.1
– capitalized inventories and other assets	2.7	2.4
– other amounts receivable	11.9	23.4
	14.6	25.9

### Accruals and deferrals

Accruals and deferrals include:	<b>2009</b>	<b>2008</b>
	€ million	€ million
– difference between redemption and lower issue amount for liabilities or debentures	5.6	12.5
– difference between nominal and higher redemption amount in respect to amounts due	1.5	0.0
– other accruals and deferrals	0.2	0.2
	7.3	12.7

## Notes on Liabilities

### Due to banks

	<b>2009</b>	<b>2008</b>
	€ million	€ million
This item includes:		
Liabilities to affiliates	0.0	0.0
Liabilities to companies in which an interest is held	2.4	3.0
Total amount of assets transferred as security for the liabilities contained under this item	2,163.2	2,057.4
Breakdown of sub-item b) by residual terms:		
– up to 3 months	169.8	103.8
– more than 3 months to 1 year	143.9	267.2
– more than 1 year up to 5 years	1,533.6	977.5
– more than 5 years	1,818.6	2,386.2

### Liabilities to customers

	<b>2009</b>	<b>2008</b>
	€ million	€ million
This item includes:		
Liabilities to affiliates	276.3	316.5
Liabilities to companies in which an interest is held	8.2	8.9
Breakdown of sub-item ab) by residual terms:		
– up to 3 months	0.6	1.1
– more than 3 months to 1 year	0.2	0.3
– more than 1 year up to 5 years	14.9	19.2
– more than 5 years	0.0	0.0
Breakdown of sub-item bb) by residual terms:		
– up to 3 months	2,655.6	4,407.9
– more than 3 months to 1 year	466.9	398.0
– more than 1 year up to 5 years	2,450.1	1,214.6
– more than 5 years	3,143.4	4,201.6

### Certificated liabilities

	<b>2009</b>	<b>2008</b>
	€ million	€ million
This item includes:		
Debentures issued with redemption date for next year	530.5	1,784.1

### Trust liabilities

The trust liabilities reported pertain exclusively to amounts due to banks.

### Other liabilities

	<b>2009</b>	<b>2008</b>
	€ million	€ million
Other liabilities can be broken down as follows:		
– taxes due	16.9	52.4
– amounts due as a result of profit transfer agreements	60.5	0.0
– liabilities to companies of Haspa Finanzgruppe	26.0	12.3
– other liabilities	22.2	27.5
	125.6	92.2

### Accruals and deferrals

	<b>2009</b>	<b>2008</b>
	€ million	€ million
Accruals and deferrals include:		
– difference between nominal and lower redemption amount for amounts due in respect to loans	33.8	38.1
– difference between redemption amount and higher issuance amount of liabilities or debentures	8.1	2.6
– other accruals and deferrals	1.2	0.2
	43.1	40.9

### Subordinate liabilities

In the year under review, interest of €20.5 million was paid on subordinated liabilities amounting to €370 million. Subordinated liabilities consist in a loan of HASPA Finanzholding at an annual interest rate of 5.54 percent. The loan will come due on 31 December 2012. There is no early repayment option that would generate a special liability in this respect. In the event of insolvency or liquidation, the principal of the subordinated loan may only be repaid after all higher-ranking creditors have been satisfied.

### Equity

Equity capital amounts to €1 billion, and is divided into 1,000,000 individual share certificates. HASPA Finanzholding holds all of these shares.

By resolution of the General Meeting of 16 April 2009, €25 million from the prior year's profit were allocated to profit reserves.

## Notes to the Income Statement

### Commission income

Approximately 20 percent of total commission income is attributable to brokerage and management services on behalf of third parties.

### Taxes on income and earnings

This position in the amount of €48.2 million includes non-recurring tax refunds of €2.6 million as well as expenditure from new tax assessments in the amount of €50.0 million.

## Other Information

### Information in accordance with § 160, subsection 1, No. 8 AktG (Companies Act)

The following announcement was published by Haspa in the electronic edition of the Bundesanzeiger (Federal Gazette) on July 17, 2003:

“HASPA Finanzholding, Hamburg, has advised us that they hold a controlling interest in our company (§ 20, subsection 4, AktG in conjunction with § 16, subsection 1, AktG).”

### Information in compliance with § 285 No. 21, HGB (German Commercial Code)

No transactions were carried out at non-market customary conditions.

### Board of Management and Supervisory Board

Total earnings of €3.7 million were paid to members of the Board of Management in the financial year 2009. Loans and guarantees granted to members of the Board of Management amounted to €1.0 million.

The total earnings of the members of the Supervisory Board in the financial year 2009 amounted to €0.6 million. Credits and guarantee bonds issued to members of the Supervisory Board amounted to €6.7 million as of year end.

### Statutory Auditor expense

Statutory Auditor fees in the financial year 2009 amounted to a total of €0.9 million. Of this amount, €0.8 million related to the statutory audit of the Annual Financial Statements, and €0.1 million to other certification services.

### Other financial commitments

There are commitments arising from letting, rental and lease agreements in effect for the coming financial years.

Financial Year	€ million	including, to affiliated companies € million
2010	42.3	7.4
2011	42.6	7.5
2012	42.5	7.5
	127.4	22.4

The order commitment for investment projects is within the usual limits.

On the balance sheet date, securities with a book value of €3,333.9 million were on deposit at the Deutsche Bundesbank as collateral for open-market transactions. No obligations arose from this deposit.

Additional use was made of €16.3 million in conjunction with transactions on futures exchanges and at clearing houses. Securities with a book value of €174.0 million were additionally deposited for these transactions.

Moreover, obligations to make additional contributions of €5.0 million are also in effect.

Furthermore, there are outstanding deposits of €18.5 million.

### Foreign currency

Upon conversion, the total amounts of assets and liabilities denominated in foreign currencies amounts to €1,030.1 million and €411.3 million respectively.

### Forward business/derivative financial business

The following table shows the volume of transactions in effect at the end of 2009.

As of 31 December 2009 in € million	Nominal values			Market values		
	Residual term up to 1 year	More than 1 year to 5 years	More than 5 years	Total	Positive	Negative
<b>Interest rate related transactions</b>						
OTC products						
Caps	24.0	121.9	25.2	171.1	0.5	0.5
Collars	10.2	92.9	16.0	119.1	2.4	2.4
Forward Rate Agreements	50.0	0.0	0.0	50.0	0.0	0.0
Securities futures transactions	10.0	25.0	0.0	35.0	0.0	0.4
Structured swaps	51.0	1,102.5	6,267.0	7,420.5	111.4	33.7
Interest rate swaps	13,098.1	27,445.5	8,406.6	48,950.2	526.3	888.8
Stock market instruments						
Interest rate futures	1,047.0	0.0	0.0	1,047.0	5.2	0.2
<b>Total</b>	<b>14,290.3</b>	<b>28,787.8</b>	<b>14,714.8</b>	<b>57,792.9</b>	<b>645.8</b>	<b>926.0</b>
<b>Currency-related transactions</b>						
OTC products						
Collars	0.0	3.4	0.0	3.4	0.1	0.1
Currency options	12.7	0.5	0.0	13.2	0.1	0.2
Currency futures transactions	1,506.1	28.1	0.0	1,534.2	19.7	21.8
Currency swaps	4.0	32.9	170.9	207.8	19.6	15.9
Stock market instruments						
Interest rate futures	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>1,522.8</b>	<b>64.9</b>	<b>170.9</b>	<b>1,758.6</b>	<b>39.5</b>	<b>38.0</b>
<b>Transactions with other price risks</b>						
OTC products						
Structured swaps	0.0	10.0	0.0	10.0	0.0	0.0
Stock market instruments						
Share/Stock options	13.0	0.4	0.0	13.4	0.2	0.1
Index Futures	11.8	0.0	0.0	11.8	0.2	0.0
Index Options	256.6	0.0	0.0	256.6	0.9	7.6
<b>Total</b>	<b>281.4</b>	<b>10.4</b>	<b>0.0</b>	<b>291.8</b>	<b>1.3</b>	<b>7.7</b>
Credit derivatives						
OTC products						
Credit Default Swaps	0.0	550.0	0.0	550.0	2.6	10.3
<b>Total</b>	<b>0.0</b>	<b>550.0</b>	<b>0.0</b>	<b>550.0</b>	<b>2.6</b>	<b>10.3</b>

Derivatives are fundamentally always valued based on the current market price. Prices on the last trading day at the stock exchange in 2009 are used for derivatives traded on the stock exchange. The standard mathematical financial revaluation procedure is used for revaluation if no current market price is immediately available. In the case of interest swaps and Forward Rate Agreements, for example, cash value is determined based on the current interest yield curve. With currency futures transactions, the forward rate is used. Market values of currency options are established based on the current spot exchange rate, interest yield curves and implied volatility (binomial model). Market values for interest options are computed under consideration of interest yield curves and implicit levels of volatility (Black 76 and Hull White Model).

Haspa issues structured securities based on the formation of revaluation units. The securities are offset by swaps that are structured into a microhedge so that interest rate and other pricing risks are fully hedged.

The bulk of all of Haspa's interest-related transactions mentioned above were performed to limit interest rate risks. Within the scope of Haspa's asset and liabilities management, maturities transformation is managed by means of interest rate swaps. Interest derivatives traded on markets mainly represent interest rate hedging transactions and trading transactions for customers.

A large proportion of currency-related transactions pertain to trading transactions with customers that are principally rate hedged, and, to a lesser extent, to own portfolio trading and own securities hedging transactions in the special fund.

Transactions with other price risks exclusively involve trading transactions for customers and structured swaps with fully hedged price risks.

The credit derivatives are guarantor options in the Bank's deposit business. The underlying counterparties are exclusively EU countries or companies listed in the iTraxx Europe Index and possessing ratings in the investment grade range.

## Pfandbrief securities

Haspa has been issuing Pfandbrief securities since its financial year 2006. The regular transparency guidelines of § 28 PfandBG (Pfandbrief Act) are fulfilled by disclosure via our homepage on the Internet, [www.haspa.de](http://www.haspa.de).

	<b>2009</b>	<b>2008</b>
	in € million	in € million
<b>PfandBG § 28 subsection 2</b>		
Mortgage Pfandbrief circulation		
– nominal value	1,682.7	1,143.1
– net present value	1,810.2	1,229.0
– risk net present value <sup>1</sup>	1,673.7	1,141.1
Cover assets		
– nominal value	2,608.3	2,207.1
– net present value	2,829.1	2,363.3
– risk net present value <sup>1</sup>	2,679.7	2,236.1
Excess cover		
– nominal value	925.6	1,064.0
– net present value	1,018.9	1,134.3
– risk net present value <sup>1</sup>	1,006.0	1,095.0
<b>PfandBG § 28 subsection 2</b>		
Maturity structure of the mortgage Pfandbrief circulation		
– up to 1 year	10.0	0.0
– more than 1 year to 2 years	516.0	10.0
– more than 2 years to 3 years	4.0	516.0
– more than 3 years to 4 years	2.0	1.0
– more than 4 years to 5 years	44.8	0.0
– more than 5 years to 10 years	476.7	334.4
– more than 10 years	629.2	281.7
Interest commitment maturities of the cover assets		
– up to 1 year	211.9	251.2
– more than 1 year to 2 years	275.6	193.1
– more than 2 years to 3 years	237.6	244.4
– more than 3 years to 4 years	297.0	187.7
– more than 4 years to 5 years	239.0	211.3
– more than 5 years to 10 years	1,126.6	928.6
– more than 10 years	220.6	190.9
<b>PfandBG § 28 subsection 2</b>		
The cover assets do not include any derivatives		
<b>PfandBG § 28 subsection 2</b>		
The cover fund includes further coverage in the amount of € 50 million.		

<sup>1</sup> Dynamic procedure according to PfandBarwertV [Pfandbrief-Net Present Value Directive]

	<b>2009</b>	<b>2008</b>
	in € million	in € million
<b>PfandBG § 28 subsection 2</b>		
a) Total amount of nominal value cover assets used, by size class <sup>1</sup>		
Credit coverage		
– up to € 300,000	1,412.4	1,200.4
– more than € 300,000 to € 5 million	982.9	829.2
– more than € 5 million	163.0	127.5
b) Total amount of claims used for cover, by states <sup>1,2</sup>		
Federal Republic of Germany	2,558.3	2,157.1

	Real estate with residential use		Real estate with commercial use	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	in € million	in € million	in € million	in € million
c) Total amount of claims used for cover, by type of utilization <sup>1,2</sup>				
Apartments	271.6	221.8	0.0	0.0
Single-family, detached homes	934.3	800.6	0.0	0.0
Multiple-occupancy housing units	849.4	628.6	0.0	0.0
Office buildings	0.0	0.0	199.9	165.8
Trade/commercial buildings	0.0	0.0	55.4	29.3
Industrial buildings	0.0	0.0	19.2	15.2
Other commercially utilized buildings	0.0	0.0	228.5	296.0
Unfinished and non-income-earning new construction	0.0	0.0	0.0	0.0
Construction sites	0.0	0.0	0.0	0.0

	<b>2009</b>	<b>2008</b>
	in € million	in € million
<b>PfandBG § 28 subsection 2</b>		
Total amount of claims at least 90 days delinquent <sup>2</sup>	0.0	0.0

	Real estate with residential use		Real estate with commercial use	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	Number	Number	Number	Number
<b>PfandBG § 28 subsection 2 No. 3a–3c</b>				
Number of pending foreclosures and forced receiverships	0	0	0	0
Number of forced auctions carried out	0	0	0	0
Property seizures	0	0	0	0
	in € million	in € million	in € million	in € million
Delinquent interest	0.0	0.0	0.0	0.0

<sup>1</sup> Only regular cover is taken into consideration

<sup>2</sup> No real estate collateral outside of the Federal Republic of Germany

#### Trustees

Uwe Rollert – Corporate Consultant  
 Deputy Dr. Heiner Holtappels – Notary Public, Ret'd  
 Deputy Rainer Sinhuber – Judge, Ret'd

## Human resources

	Annual average		total
	male	female	
Full-time	2,186	1,526	3,712
Part-time	56	571	627
	<b>2,242</b>	<b>2,097</b>	<b>4,339</b>
Trainees	145	252	397
	<b>2,387</b>	<b>2,349</b>	<b>4,736</b>

Part-time employees are included on a prorated basis as full-time employees according to their contractual working hours.

An annual average of 1,223 part-time staff were employed in 2009.

## Information in compliance with § 340 a, subsection 4, HGB (German Commercial Code)

Members of the Board of Management and Directors who exercise duties in the duly constituted governing bodies of other large corporations (as defined by § 267, subsection 3 HGB):

### Members of the Board of Management

#### Dr. Harald Vogelsang

##### Supervisory Board

NRS Norddeutsche Retail-Service AG, Hamburg/Bremen	Chairman
Landesbank Berlin AG, Berlin	Member
Landesbank Berlin Holding AG, Berlin	Member

#### Reinhard Klein

##### Supervisory Board

LBS Bausparkasse Schleswig-Holstein-Hamburg AG, Kiel/Hamburg	Member
neue leben Pensionskasse AG, Hamburg	Member
neue leben Pensionsverwaltung AG, Hamburg	Member
V-Bank AG, München	Member
Wüstenrot Bank AG Pfandbriefbank, Ludwigsburg	Member

#### Jörg Wohlers

##### Supervisory Board

Hamburger Hafen und Logistik AG, Hamburg	Member
NRS Norddeutsche Retail-Service AG, Hamburg/Bremen	Member
Sparkasse zu Lübeck AG, Lübeck	Member

## Directors

### Olav Melbye

#### Supervisory Board

Sparkasse zu Lübeck AG, Lübeck

Member

### Thorsten Giele

#### Supervisory Board

LBS Bausparkasse Schleswig-Holstein-Hamburg AG, Kiel/Hamburg

Member

Haspa's holdings in large corporations that exceed 5 percent of voting rights:

- Bürgschaftsbank Schleswig-Holstein GmbH, Kiel
- Bürgschaftsgemeinschaft Hamburg GmbH, Hamburg
- Wincor Nixdorf Portavis GmbH, Hamburg

## Supervisory Board

Chairman

### Dr. Karl-Joachim Dreyer

Chairman of the Executive Board  
of Haspa-DIREKT Servicegesellschaft  
für Direktvertrieb mbH

### Stefan Forgé

Deputy Chairman of the Works Council  
Haspa  
(since 16 April 2009)

Deputy Chairman

### Ulrich Hülgenhof

Chairman of the Works Council  
Haspa  
(until 16 April 2009)

### Karin Gronau

Branch Manager  
Haspa

Deputy Chairman

(since 16 April 2009)

### Uwe Mellewig

Chairman of the Works Council  
Haspa

### Uwe Grund

Chairman,  
German Trade Unions Association of Hamburg

2. Deputy Chairman

### Peter Becker

Master Baker  
Chairman  
Zentralverband des  
Deutschen Bäckerhandwerks e.V.

### Claus Krohn

Deputy Chairman of the Works Council  
Haspa

### Dirk Lender

Legal Administrator  
Haspa

### Günter Elste, MBA

Chairman of the Board of Directors  
Hamburger Hochbahn AG

### Professor Dr. Gerhard Mehrrens

Chairman of the Executive Board  
Berufsgenossenschaft für Gesundheitsdienst  
und Wohlfahrtspflege

**Olav Melbye**

Director  
Haspa

**Wilfried Sander**

Managing Partner  
August Sander GmbH

**Christiane Stascheit**

Union Secretary  
of the ver.di Trade Union

**Peter Widmayer**

Managing Partner  
THOR Wohnungsbau Corporate Group

**Dr. Martin Willich**

Chairman of the Executive Board  
Studio Hamburg GmbH

**Cord Wöhlke**

Managing Director  
Iwan Budnikowsky GmbH & Co KG

Haspa is a wholly owned subsidiary of HASPA Finanzholding, Hamburg. HASPA Finanzholding, Hamburg, prepares a consolidated annual report that includes Haspa. Hamburger Sparkasse AG waives preparation of consolidated annual financial statements in accordance with § 296, subsection 2, German Commercial Code.

A Control and Profit Transfer Agreement pursuant to § 291 Para. 1 AktG (German Companies Act) was entered into on 3 November 2009 with HASPA Finanzholding, Hamburg, as the controlling entity. The General Meeting approved the Draft Agreement of 21 September 2009. The entry into the Commercial Register was effected on 13 November 2009.

**Board of Management**

**Dr. Harald Vogelsang**

Spokesman

**Reinhard Klein**

Deputy Spokesman

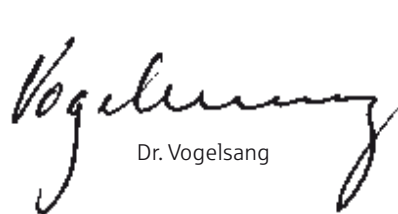
**Dr. Wolfgang Botschatzke**

**Frank Brockmann**

**Jörg Wohlers**

Hamburg, 16 February 2010

The Board of Management



Dr. Vogelsang



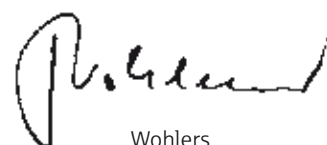
Klein



Dr. Botschatzke



Brockmann



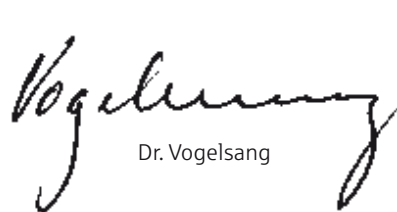
Wohlers

# Legal representatives' statement

We hereby certify, to the best of our knowledge, that in accordance with the applicable accounting principles and under consideration of the principles of standard accounting practices, the Annual Financial Statements convey an accurate image commensurate with the actual condition of the assets, financial position and earnings of Hamburger Sparkasse AG, and that the Management Report represents the Company's business trends including the financial results and position of Hamburger Sparkasse AG in a manner such that the actual conditions and the main opportunities and risks pertaining to the foreseeable evolution of Hamburger Sparkasse AG are accurately described and represented.

Hamburg, 16 February 2010

The Board of Management



Dr. Vogelsang



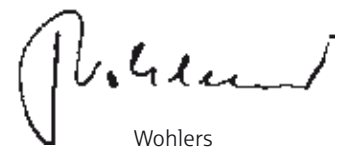
Klein



Dr. Botschatzke



Brockmann



Wohlers

# Auditors' Report

We have audited the Annual Financial Statements, under inclusion of the accounting records, and the Management Report of the Hamburger Sparkasse AG for the Fiscal Year January 1 to December 31, 2009. The Annual Financial Statements consist of the Balance Sheet, the Income Statement and the Notes to the Accounts. The Savings Bank's corporate management is responsible for preparing accounting records, the Annual Financial Statements and the Management Report in compliance with regulations under the German Commercial Code and supplementary provisions in the Savings Bank's articles of association. Based on our Audit, our task is to render our assessment of the company's Annual Financial Statements under inclusion of its accounting records and its Management Report.

We performed our annual audit in compliance with § 317 German Commercial Code and in observance of the professional standards for due and proper audits of annual financial statements established by the Institut der Wirtschaftsprüfer (German Institute of Chartered Accountants). Pursuant thereto, audits must be planned and carried out in a manner such as to detect, with adequate certainty, any inaccuracies and violations that may have a material impact on the representation of assets, the financial position and earnings conveyed by the Annual Financial Statements and the Management Report in accordance with professional accounting standards.

Knowledge about the Sparkasse's business activities, its commercial and legal environment and expectations about possible errors are taken into consideration when defining audit procedures.

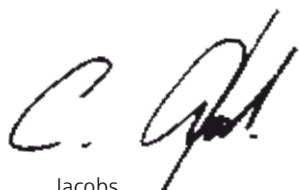
The effectiveness of the company's internal control mechanisms and supporting evidence for information reported in the accounting records, the Annual Financial Statements and the Management Report are evaluated, primarily on a random-sample basis. The audit covers an evaluation of applied accounting principles and essential estimates of corporate management and duly considers the general presentation of the Annual Financial Statements and the Management Report. We believe that our audit constitutes an adequate and sound basis for our assessment.

Our audit did not result in any objections.

Pursuant to our assessment, which is based on the knowledge we acquired during our audit, the Annual Financial Statements meet the requirements stipulated by law and supplementary provisions in the Savings Bank's articles of association, and it conveys, under consideration of the principles of standard accounting practices, an accurate view that is commensurate with the actual condition of the savings bank's assets, finances and earnings. The Management Report is congruent with the Annual Financial Statements, and it generally presents an accurate image of the Savings Bank's situation and of the main opportunities and risks pertaining to its future evolution.

Hamburg, 23 March 2010

**Auditing Division of  
the HANSEATISCHER SPARKASSEN-  
UND GIROVERBAND (HANSEATIC SAVINGS BANK AND GIRO ASSOCIATION)**



Jacobs  
Certified Public Accountant

# *Report of the Supervisory Board*

In the year under review, the Supervisory Board received regular, timely and comprehensive reports from the Board of Management concerning all basic issues of strategy, corporate policy, the development of ongoing business and the financial condition and risk situation of Hamburger Sparkasse AG. All key issues were discussed in depth with the Board of Management in four rotating plenary Board meetings. Matters of major importance were additionally considered and examined in advance at meetings of the appropriate committees. A focal point was represented by the reinforcement of the fiscal bodies within the HASPA Group by means of the Control and Profit Transfer Agreement (Profit and Loss Takeover Agreement) between HASPA Finanzholding and Hamburger Sparkasse AG and a concurrent enhancement of the already existing close connection between Hamburger Sparkasse AG and the parent company, HASPA Finanzholding. The Supervisory Board continued to deal with the effects of the financial markets crisis on Hamburger Sparkasse AG and with the treatment given by Hamburger Sparkasse AG to its customers as a result of the collapse of Lehman Brothers. Other significant topics for the Supervisory Board were the decision to implement a migration of bank specific IT services to SAP systems as well as the new regulations concerning Board member compensation stipulated in the Board Member Compensation Appropriateness (Gesetz zur Angemessenheit der Vorstandsvergütung) and in the administrative directives of the Federal Financial Services Supervisory Agency (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)). The Supervisory Board was involved in all major decisions of Hamburger Sparkasse AG legally requiring its consent. The Spokesman of the Board of Management and the Chairman of the Supervisory Board met regularly to discuss current company operations and review strategic considerations in advance. In rotating meetings, the Supervisory Board examined and approved management decisions and passed the resolutions that fell under its mandate in accordance with the law and provisions of the Articles of Incorporation.

Owing to his retirement, Mr Ulrich Hülgenhof, Deputy Chairman of the Supervisory Board and Chairman of the Works Council of Hamburger Sparkasse AG, has also left his position as a member of the Supervisory Board on the occasion of the Ordinary General Meeting of Shareholders on 16 April 2009. The Supervisory Board sincerely thanks Mr Hülgenhof for his constant and ongoing, faithful and constructive collaboration as well as for his many years of commendable service to Haspa. Mr Hülgenhof's place in the Supervisory Board has been taken by Mr Stefan Forgé, who in 2008 was selected by Haspa's employees to replace Mr Hülgenhof. Mr Uwe Mellewigt will succeed Mr Hülgenhof in the position of Deputy Chairman of the Supervisory Board; he is also Mr Hülgenhof's successor as Chairman of the Works Council.

In its meeting of 21 September 2009, the Supervisory Board appointed Mr Frank Brockmann – who has been a Deputy Member of the Board since 1 October 2008 – effective 1 October 2009 to be a regular Member of the Board.

The Auditing Division of the Hanseatic Savings Banks and Giro Association was appointed to act as the Statutory Auditor at the Annual General Meeting. It audited the Annual Financial Statements submitted as at 31 December 2009, consisting of the Balance Sheet, Income Statement and Notes to the Accounts, under inclusion of the accounting records, and the Management Report, and issued an unqualified opinion thereon.

The auditors' report was presented to the members of the Pre-audit Steering Committee. The auditors attended the balance sheet meetings of the Steering Committee and the Supervisory Board and reported on the principal results of their audit. The Supervisory Board discussed the auditors' report in depth and acknowledged and approved it. The final result of the Supervisory Board's own audit completely matches the result of the closing audit of the Auditing Division of the Hanseatic Savings Banks and Giro Association. The Supervisory Board sees no reason to challenge corporate management or the annual financial statements as submitted. The Supervisory Board approved the Annual Financial Statements prepared by the Board of Management at today's meeting. The Annual Financial Statements have been adopted in accordance with § 172 AktG (German Companies Act). In accordance with the Control and Profit Transfer Agreement (Profit and Loss Takeover Agreement) the annual profit before profit transfer for financial year 2009 shown in the Annual Financial Statements is fully transferred to HASPA Finanzholding without requiring a resolution of the General Meeting as to the appropriation of the annual profit.

The report pursuant to § 312 AktG concerning relationships to affiliates no longer needs to be drawn up for financial year 2009, as the Control and Profit Transfer Agreement (Profit and Loss Takeover Agreement) between HASPA Finanzholding and Hamburger Sparkasse AG that took effect on 13 November 2009 has retroactive effect in regard to profit transfers for the entire financial year 2009.

The Supervisory Board expresses its gratitude and appreciation to the Board of Management and to all employees of Hamburger Sparkasse AG for their significant commitment and successful work in the Financial Year just ended.

Hamburg, 14 April 2010

The Supervisory Board

A handwritten signature in black ink, appearing to be 'K. Dreyer', written over a vertical line that extends downwards from the signature.

Dr. Karl-Joachim Dreyer  
Chairman of the Supervisory Board

## *Alster-West Region*

**Manager of the Alster-West Region**  
**Holger Eschholz**

### **Advisory Board of the Alster-West Region**

**Prof. Norbert Aust**  
Managing Director  
"Schmidt's Tivoli" GmbH  
Kultur- und Gaststättenbetriebe

**Dr. Manuel Cadmus**  
Lawyer, Tax Consultant

**Andreas Fischer-Appelt**  
Managing Director  
FischerAppelt Kommunikation GmbH

**Holger Kowalski**  
Chairman of the Board of Directors  
Altonaer Spar- und Bauverein eG

**Dipl.-Ing. Jan-Oliver Meding**  
Managing Partner  
Meding Plan + Projekt GmbH

**Günter Neumann**  
Businessman

**Felizitas Peters**  
Senior Partner  
HGB Hamburger Geschäftsberichte  
GmbH & Co. KG

**Dipl.-Wirtschafts-Ing. Lars Reeder**  
Managing Partner  
Hein & Oetting Feinwerktechnik GmbH  
(since 1 January 2010)

**Jörn Rempel**  
Managing Partner  
Gebrüder Klingenberg & Rempel  
in Hamburg GmbH

**Heino W. Saier**  
Chairman of the Executive Board  
Berufsgenossenschaft für  
Fahrzeughaltungen  
(until 31 December 2009)

**Sonja Saltuari**  
Managing Director  
Solutions! Styling Promotion  
Merchandising GmbH & Co. KG

**Dr. Detlef Thomsen**  
Notary Public

**Klaus-Hinrich Vater, Grad. Eng.**  
Managing Partner  
Vater Holding GmbH

**Jürgen Warmke-Rose**  
Altona Municipal City District Manager

**Klaus Weise**  
Member of the Board of Management  
Wohnungsgenossenschaft  
von 1904 e. G.

**Frank K. Westermann**  
Honorary Counsel  
of the United Mexican States

**Reinhard Wolf**  
Staff Lawyer  
Hamburg Chamber of Commerce

## *City Centre Region*

**Manager of the City Centre Region**  
**Holger Eschholz**

### **Advisory Board of the City Centre Region**

**Helge Adolphsen**  
Senior Pastor, Ret'd.

**Dr. Jochen Bach**  
Notary Public  
(until 31 December 2009)

**Dr. Uwe Christiansen**  
Managing Director  
Arbeitsgemeinschaft Bildung &  
Medien norddeutscher Industrie-  
und Handelskammer

**Lars Einsle**  
Director, Publishing House  
Kurierverlag Peene-Müritz  
GmbH & Co. KG

**Brigitte Engler**  
Managing Director  
City Management Hamburg  
(since 1 January 2010)

**Dr. Georg Faerber**  
Lawyer

**Anthony James Firmin**  
Managing Director  
Hapag-Lloyd Container Linie GmbH

**Sabine Forest**  
Managing Partner  
Forest & Friends GmbH

**Dipl.-Ing. Wolfgang Großner**  
Architect  
(until 31 December 2009)

**Wolf Michael Henneberg**  
Corporate Consultant

**Dr. Ursula Keller**  
Former Program Director  
Literaturhaus

## North Region

### Manager of the North-East Region Michael Günther

#### Gunter Mengers

Managing Partner  
Gayen & Berns-Homann GmbH  
(since 1 January 2010)

#### Sybill Petermann

Corporate Consultant

#### Markus Schreiber

Hamburg-Mitte Municipal City District  
Manager

#### Christian Seeler

Artistic Director  
Ohnsorg Theater

#### Prof. Dr. Michael Stawicki

College President  
HAW Hamburg

### Advisory Board of the North Region

#### Dipl.-Ing. Dipl.-Chem.

#### Christian Peter Ahrens

Managing Director  
Peter Ahrens Bauunternehmen GmbH

#### Dr. Dörte Christiansen

Notary Public  
(since 1 January 2010)

#### Dr. Dieter Collier

Notary Public  
(until 31 December 2009)

#### Christian Glied, MBA

Managing Partner  
nordwerbung Marketing Service GmbH

#### Alida Gundlach

Author, Producer

#### Dr. Gerhard Hoffmann

Notary Public

#### Axel Johnson

Businessman

#### Karl-Heinz Jung

Chartered Accountant, Tax Consultant

#### Günter Kliewe

Master Coppersmith

#### André Poitiers

Architect  
(since 1 January 2010)

#### Dr. Friedrich-Christian Rieß

Chief Physician  
Albertinen Herzzentrum Hamburg  
(since 1 January 2010)

#### Harald Rösler

Local Government Department Director

#### Dr. Torsten Schweda

Pastor  
Rector  
Ev.-Luth. Diakonissenanstalt  
Alten Eichen

#### Hermann Tomfort

Businessman

#### Claus-Dieter Wulf

Businessman

## *North-East Region*

**Manager of the North-East Region**  
**Andreas Meyer**

### **Advisory Board of the North-East Region**

**Dr. Florian Asche**  
Lawyer

**Andreas Bartmann**  
Managing Director  
Globetrotter Ausrüstung  
Denart & Lechart GmbH

**Henner Dingfelder**  
Chairman of the Supervisory Board  
D+H Mechatronic AG  
(until 31 December 2009)

**Dr. Andreas Gent**  
Member of the Board of Management  
HanseMercur Insurance Group

**Niels Hellwege**  
Notary Public

**Monika Kleemann**  
Businesswoman

**Gert Koetke, MBA**  
Member of the Board of Management  
Bijou Brigitte modische  
Accessoires AG

**Peer Petersen**  
Businessman

**Uwe Pinck, Grad. Eng.**  
Managing Director  
Pinck Ingenieure Consulting GmbH

**Dr. Thomas Röh**  
Lawyer, Tax Consultant

**Ulrich Stallmann, MSc. Econ.**  
Chairman of the Board of Directors  
Walddörfer Wohnungsbau-  
genossenschaft eG

**Jan Weitendorf**  
Managing Director  
Oetinger Publishing Group

**Sönke Witt, MSc. Econ.**  
Executive Member of the  
Board of Management  
Gartenstadt Hamburg eG

**Dr. Michaela Witte**  
School Principal

**Nils Witthöft, MBA**  
Managing Director  
Witthöft Anlage- und Gewerbeimmobilien  
(since 1 January 2010)

## *East Region*

**Manager of the East Region**  
**Michael von Lützow**

### **Advisory Board of the East Region**

**Niels Bonn**  
Certified Accountant & Tax Consultant

**Hans-Joachim Eulenstein**  
Real Estate Broker

**Dr. Friedemann Green**  
Pastor, Chairman  
Das Rauhe Haus

**Frauke Grube**  
Managing Director  
Baustoffhandel Werner Grube G.m.b.H.

**Hans-Jürgen Grünhage**  
Notary Public

**Dörte Inselmann**  
Managing Director  
Kulturpalast im Wasserwerk e.V.

**Dr. Christoph Krupp**  
Bergedorf Municipal City District Manager

**Norbert Leinius**  
Managing Director  
Wirtschafts- und Aufbaugesellschaft  
Stormarn mbH

**Gisela Paegelow**  
Master Hairdresser

## *South Region*

### **Manager of the South Region Holger Knappe**

#### **Dr. Jochen Riebensahm**

Member of the Board of Management,  
Schorisch AG

#### **Frank Ruppert**

Mayor of the Town of Schwarzenbek

#### **Jürgen Sallier**

Real Estate Professional

#### **Prof. Dr. Ernst A. Sanders**

Dean  
HAW Hamburg

#### **Axel Stehr**

Managing Director  
VSW Verband der  
Südholsteinischen Wirtschaft e.V.

#### **Joachim Wulff**

Businessman

### **Advisory Board of the South Region**

#### **Wiebke Becker**

Managing Director  
Bäcker Becker GmbH

#### **Helmut Gericke**

Pharmacist

#### **Dr. Martin Christoph Lockert**

Lawyer, Notary Public

#### **Torsten Meinberg**

Harburg Municipal City District Manager

#### **Dr. Thomas Nesemann**

Notary Public

#### **Michael Niemeyer**

Lawyer, Tax Consultant

#### **Karen Pein Grad. Eng.**

City Planner, IBA Hamburg GmbH

#### **Thorsten Römer**

Managing Director  
Lühmann Druck Harburger  
Zeitungsgesellschaft  
mbH & Co. KG

#### **Paul-Otto Schwarz**

Businessman

#### **Mathias Süchting**

Managing Director  
Autohaus S + K GmbH

#### **Peter Voss, MBA**

Executive Member of the  
Board of Management  
Baugenossenschaft  
Finkenwärder-Hoffnung eG

#### **Arne Weber, Grad. Eng.**

Managing Partner  
H. C. Hagemann GmbH  
(until 31 December 2009)

#### **Franziska Wedemann, MBA**

Managing Partner  
Back-Haus Wedemann KG

#### **Peter Wigger, Grad. Eng.**

Chairman of the Board of Directors  
German Red Cross  
District Chapter Hamburg-Harburg e. V.

#### **Jochen Winand**

Chairman of the Board of Directors  
Wachstumsinitiative Süderelbe AG

## *Wandsbek Region*

**Manager of the Wandsbek Region**  
**Joachim Ewald**

### **Advisory Board of the Wandsbek Region**

**Regina Blindow, Grad. Eng.**  
Managing Partner  
badgepoint Namensschilder  
Systeme GmbH  
(since 1 January 2010)

**Dr. Ronald Crone**  
Businessman

**Maik Grabow**  
Managing Partner  
STARCAR Kraftfahrzeugvermietung GmbH

**Peter Johannsen**  
Businessman

**Manfred König**  
Managing Partner  
ARNOLD KOCH JR. GMBH  
(since 1 January 2010)

**Prof. Dr. Lisa Kosok**  
Director  
hamburgmuseum

**Laurenz Lenffer**  
Managing Partner  
Porzellanhaus Lenffer & Sohn KG

**Heinz Meyer**  
Tax Consultant

**Ernst Pfaff**  
Forwarding Agent  
Chairman of Supervisory Board  
SVG Nordwest eG

**Torsten Püst, MBA**  
Chartered Accountant, Tax Consultant

**Dr. Uwe Reimer**  
School Principal

**Michael Schaper**  
Journalist  
Deputy Chief Editor of GEO

**Cornelia Schroeder-Piller**  
Wandsbek Municipal City District Manager

**Hans-Peter Siebert**  
Chairman of the Board of Directors  
Wohnungsbaugenossenschaft  
Gartenstadt Wandsbek eG

**Armin Thorn**  
Businessman

## *West Region*

**Manager of the West Region**  
**Helge Steinmetz**

### **Advisory Board of the West Region**

**Frank Fischer**  
Businessman

**Winfried Gretemeier**  
Building contractor

**Dr. Tina Ingwersen-Matthiesen,  
Grad. Psychol.**  
Managing Director  
BORCO-MARKEN-IMPORT  
MATTHIESEN GMBH & CO. KG  
(since 1 January 2010)

**Hans-Walter Kröger**  
Businessman

**Thomas Leistenschneider**  
Managing Director  
ROPELIUS. MARKE UND DESIGN GmbH

**Arnold von Mallesch**  
Businessman

**Peter E. Merck**  
Managing Director  
Golf Lounge GmbH

**Dr. Eberhard Müller-Arp**  
Director  
Hamburger Konservatorium  
(since 1 January 2010)

**Klaus Roggenbuck**  
Master Builder  
(until 31 December 2009)

**Dr. Ulrich Schneider**  
Notary Public

**Klaus Schümann**  
Publisher

**Robert Schulte Hemming**  
Composer  
Managing Partner  
Off Beat GmbH

**Barbara Wentzel**  
Director, Marketing/Communication  
Beiersdorf AG  
(since 1 January 2010)

**Wolfgang Westphalen, MBA**  
Tax Consultant

## Corporate Divisions

### Audit

Thorsten Pegelow

### Board Staff

Arne Nowak

### Corporate Communication

Stefanie von Carlsburg

### Corporate Customers

Ralf Günther

### Corporate Customers South

Arent Bolte

### Central Management

#### Corporate Customers

Jürgen Marquardt

### Central Management

#### High Net Worth Individuals

Holger Lefeber

### Central Management

#### Private Customers

Thorsten Giele

### Central Purchasing

#### and Procurement

Volker Widdra

### Credit and Legal

Olav Melbye

### Entrepreneurial Customers

Andreas Mansfeld

### Finance and Controlling

Dr. Burkhard Haun

### Human Resources

Jürgen Rodewald

### Individual Customers

Jochen Sturtzkopf

### Information Technology

Thomas Tänzer

### Midsize Corporate Customers

Holger Eschholz

### Mobile Sales

Hans-Otto Kattenberg

### Private Banking

Jörg Ludewig,  
General Legal Representative

### Private Customers I

Joachim Ewald

### Private Customers II

Helge Steinmetz

### Productivity and Processes

Dr. Willy Düster

### Quality Management

Michael Günther

### Real Estate and Logistics

Gerhard Lippe

### Real Estate Customers

Wilfried Jastremski

### Securities and Trading Service

Carsten Hoever

### Strategic Asset Allocation

Dr. Olaf Oesterhelweg

### Treasury

Heinz Dreves,  
General Legal Representative

## Departments reporting directly to the Board of Management

### Compliance and Money Laundering

Martina Frenz

### Performance Management Partner Savings Banks

Andreas Bielert

### Private Customers Management

Olaf Buchwald

### Works Council

### Chairman of the Works Council

Uwe Mellewig

# Haspa Business Development Summary 2005 to 2009

## Balance Sheet figures

Assets in € million	2005	2006	2007	2008	2009
<b>1</b> Cash reserve	406	233	519	627	756
<b>2</b> Due from banks	4,166	6,637	7,020	5,157	3,887
<b>3</b> Due from customers	22,263	21,939	21,356	22,668	24,213
<b>3.1</b> Business loans	5,313	4,821	4,311	4,991	5,143
<b>3.2</b> Personal loans	1,990	2,025	2,017	2,033	2,047
<b>3.3</b> Commercial construction financing	7,208	7,389	7,463	7,967	8,882
<b>3.4</b> Private construction financing	7,670	7,657	7,454	7,496	7,801
<b>3.5</b> Municipal loans	82	47	111	181	340
<b>4</b> Securities	4,793	4,999	5,545	7,500	8,523
<b>5</b> Investments and shares in associated companies	43	41	49	51	49
<b>6</b> Tangible fixed assets and intangible assets	70	67	60	58	63
<b>7</b> Other assets	44	45	33	40	23
<b>Liabilities in € million</b>					
<b>1</b> Due to banks	4,843	4,900	5,573	4,619	4,265
<b>2</b> Due to customers	21,039	22,534	22,805	25,543	26,884
<b>2.1</b> Savings deposits	6,966	6,849	6,652	7,067	6,072
<b>2.2</b> RentaPlan	90	41	17	12	6
<b>2.3</b> Savings certificates	1,273	1,267	1,093	1,094	1,081
<b>2.4</b> Time deposits	2,619	3,678	3,000	4,730	2,972
<b>2.5</b> Promissory note loans	4,280	4,303	4,055	4,035	3,784
<b>2.6</b> Registered Pfandbrief securities	–	198	478	655	1,187
<b>2.7</b> Deposits payable on demand	5,811	6,198	7,510	7,950	11,782
<b>3</b> Certificated liabilities	3,290	3,383	2,980	2,695	3,077
<b>4</b> Pfandbrief securities	–	513	513	513	528
<b>5</b> Provisions	590	581	600	604	623
<b>6</b> Subordinate liabilities	370	370	370	370	370
<b>7</b> Equity	1,546	1,580	1,627	1,622	1,597
<b>7.1</b> Equity (without annual net income)	1,435	1,465	1,542	1,572	1,597
<b>7.2</b> Net income for the year <sup>1</sup>	111	115	85	50	0
<b>8</b> Other liabilities	107	100	114	134	170
<b>Balance Sheet Total</b>	<b>31,785</b>	<b>33,961</b>	<b>34,581</b>	<b>36,100</b>	<b>37,514</b>

## Income Statement Figures

All figures stated in € million	2005	2006	2007	2008	2009
<b>1</b> Net interest income	772	733	560	591	711
<b>1.1</b> Interest income	1,558	1,642	1,698	1,803	1,570
<b>1.2</b> Interest expenditure	787	909	1,138	1,212	859
<b>2</b> Net commission income	241	275	294	260	229
<b>3</b> Administrative expenditure	621	634	632	626	655
<b>4</b> Net profit from financial transactions	11	1	3	1	16
<b>5</b> Balance of other operating income and expenditure	27	11	1	19	-5
<b>6</b> Operating result before revaluation	430	386	225	247	296
<b>7</b> Taxes on income and earnings	127	108	48	33	48
<b>8</b> Net after tax earnings	140	145	102	60	60
CIR (according to DSGV) <sup>2</sup>	58.5 %	59.8 %	72.5 %	73.6 %	67.4 %
Equity ratio before tax	19.0 %	17.6 %	9.8 %	5.9 %	6.8 %

<sup>1</sup> From 2009 onwards, net income for the year will not be shown as a result of the Control and Profit Transfer Agreement entered into with HASPA Finanzholding.

<sup>2</sup> According to the definition by the DSGV/German Savings Banks and Giro Association

**Hamburger Sparkasse AG**

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20457 Hamburg

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**Design & Layout**

HGB Hamburger Geschäftsberichte GmbH & Co. KG

