



Performance Report 2008  
of the Stadtsparkasse Düsseldorf



### The general economic trend in 2008

The German economy in 2008 was affected by a deep recession. In the first quarter the rate of growth still turned out to be surprisingly high at 1.5 % by comparison to the previous quarter. Certain special factors were partly decisive for this result. In the second quarter the favourable developments suddenly reversed. Total economic production shrank by 0.5 %, in the third quarter by a further 0.5 %, and the last three months showed a clear slump of 2.1 %. According to established definitions, the German economy is, therefore, in the throes of a recession.

In terms of the year as a whole, the Gross Domestic Product showed real growth of 1.3 %. This was much lower than in the two preceding years, but was still above the levels of 2001 to 2005. The significant decline in economic growth is a result of the worldwide financial crisis which evolved from the sub-prime crisis in the summer of 2007. In the course of 2008 the financial crisis worsened and took grasp of almost all national economies throughout the world.

Despite the economic and financial crisis, the situation on the employment market was better in 2008 than it has been for a long time. It was not until towards the end of the year that a reverse trend became apparent. The unemployment rate reached a yearly average of 7.8 %.

With respect to economic developments in Düsseldorf and within the region: the increase in the number of company insolvencies in the second half of the year indicates that the economic climate

became increasingly dimmer in the course of the year.

The receding economic drive also left its mark on the employment market in Düsseldorf. Be that as it may, the unemployment rate at the end of the year was still only 9.1 %, i. e. 0.6 % under the figure for 2007.

### Developments in business at the Stadtparkasse Düsseldorf

In view of the developments in the financial sector, the Stadtparkasse Düsseldorf looks back at a difficult year of business. We succeeded in securing our strong market position in the financial centre of Düsseldorf in operating business. The effects of the financial market crisis did, however, lead to heavy strains on the evaluation of securities investments. In particular, after the collapse of the US investment bank, Lehman Brothers, and the increasing loss of trust, also in Germany, in the stability of the banking system amongst large sections of the population, our Bank registered an increase in the number of customers confiding us with their investment deposits.

Results were strongly affected by the flat yield curve resulting in only a limited amount of income from term transformations.

Early in 2008, the Management Board and the Supervisory Board decided a major change in the business strategy of the Bank. In preceding years, the Stadtparkasse Düsseldorf had focused expansion on capital market business and dealings with key customers. This was,

however, linked to greater contingency risks and volatile proceeds. Since the middle of 2008 traditional savings bank business with private customers and medium-sized businesses in the region has again become the focus point of business activities, whereas operations on the capital markets have been drastically reduced. By adjusting the focus we intend to achieve sustainable income at low risk levels.




As a result of this change of strategy, the balance sheet total for 2008 decreased by 8.1 % to € 12,113m (previous year: € 13,182m). In particular, there was a decline in interbank business. Total lendings to customers decreased by 2.8 % to € 7,691m (previous year: € 7,922m).


### Lending operations

The volume of new loans developed in a pleasing way during the year under review. We approved new loans in a total amount of € 1.87bn. With this result, new lending business remained on the level of the previous year when loans were granted with a value of € 1.8bn. Lendings to corporate customers reached the same high volume of approvals achieved in 2007 with € 1.3bn. The large number of newly granted investment loans and lease financing arrangements were particularly pleasing. Banks have been publically criticised for their alleged restrictive loan practices to businesses, coined under the catchword “credit crunch”. The Stadtsparkasse Düsseldorf has not taken this course. Businesses who have filed finance requests for economically viable projects have been granted the necessary funding by our Bank.

The volume of lendings to private customers has also experienced pleasing developments in 2008. The main source of growth in this field was the housing loan business where new loans in the amount of € 420m (previous year: € 400m) were approved. Clear growth rates were also registered in consumer loans. The amount of new loans granted in this field amounted to over € 102m (previous year: € 90m).

### Investment portfolio

The investment activities of the Stadtsparkasse Düsseldorf are organised both directly and indirectly (through the medium of its subsidiary -Kapitalbeteiligungsgesellschaft KBG). The task of KBG as the holding company of the Stadtsparkasse Düsseldorf is foremost controlling.

The value of the participations under the item “investment portfolio” increased in 2008 by € 39.3m to € 466.2m. The change was primarily the result of the sale of shares in the -direkt Verwaltungs-GmbH & Co. KG in the amount of € 0.5m to new limited partners and equity allocations to the KBG. The book value increased by € 40.8m to € 180.9m. The funds were placed mostly at the disposal of Equity Partners GmbH who are responsible for the supervision and management of private equity and venture capital within the defined strategic objectives of our Bank.

Other important investments are the participations in the Rheinischer Sparkassen- und Giroverband ö. K. – RSGV – (book value € 138.9m), the Corpus Sireo Holding GmbH & Co. KG (formally Corpus Immobiliengruppe GmbH & Co. KG – book value € 67.3m), the RW Holding AG (book value € 23.0m), as well as the Landesbank Berlin Holding AG (via the purchasing arm of the -Finanzgruppe mbH & Co. KG – book value € 47.8m).

The RSGV is a shareholder of the Provinzial Rheinland (Insurance), the WestLB AG, of DEKA as well as the Landesbausparkasse LBS West. The book values remained unchanged by comparison to the previous year.

### Deposit-taking

In 2008 total customer deposits rose by 1.7 % to € 7,269m (previous year: € 7,148m). Whereas we registered a drain of deposits in the first half of the year, as the financial crisis reached its peak in the autumn of 2008 the customer deposits started to grow again. Savings deposits remained pretty constant at € 1,771m (previous year: € 1,769m), sight-deposits fell by € 56m to € 2,923m, whereas term-deposits were in strong demand. Here the balance rose by € 211m to € 1,361m. The volume of bonds, debentures and savings certificates fell in 2008 by € 36m to € 1,214m.

### Securities business

Pleasing growth in securities transactions: total turnover in securities operations amounted to € 2,617m. By comparison to

the previous year, this amounts to an increase of 29 % or € 595m. Contrary to 2007 purchases topped sales by € 100m. Since the tightening of the financial market crisis in the course of the year, customers have been keen on safe investments and have increased their focus on fixed-interest securities. The introduction of the deposit interest retention tax with effect from 1st January 2009 has partly led customers to restructure their custody accounts. As a result there was a lively demand for investment funds.

### Important events in the course of the year

In addition to the floor rating which rates the association of public-sector banks as a whole, the Stadtparkasse Düsseldorf subjects itself annually to an external and individual rating procedure.

The issuer rating of Aa3 was first given to our Bank by Moody's rating agency in February 2005 and was again confirmed in 2006. In 2007 Moody's upgraded the issuer rating by two notches to Aa1. This excellent rating was again confirmed by Moody's for 2008.

### Staff

As per 31st December 2008 the Stadtparkasse Düsseldorf employed a total of 2,153 staff (previous year: 2,124), of which 1,506 worked on a full-time basis (previous year: 1,504), 539 on a part-time basis (previous year: 532) and 108 were trainees (previous year: 88).

### Equity situation

After deduction of the deficit for the year in the amount of € 46m (previous year: net income of € 67m) the reserves amounted to € 704m. There is, therefore, sufficient equity for further business expansion. Furthermore, the bank has at its disposal a wide range of non-core capital assets.

The assessment of the ratio between equity and risks as at 31/12/2008 was calculated at 12.6 % (previous year: 12.8 %) and lies well above the required minimum value of 8 %. The change in the utilisation of capital resources was foremost due to the allocation of the net income for the year 2007 to the reserves as well as to the inclusion of unrealised reserves in listed securities held as supplementary capital, which however registered a decline as a result of the crisis on the financial markets. An adequate capital base is available for further business expansion at an unchanged level.

We have always met with the equity requirements in accordance with the Ordinance on Solvability SolvV). In the course of the year the utilisation ratio fluctuated between 12.6 % and 12.9 %.

Bearing in mind the compensation of the deficit for the year 2008 with the reserves and the tight economic situation with stagnating lending operations, we are expecting a fall in the equity ratio for 2009.

Receivables from customers at 61 % continued to be the most important item on the assets side (previous year: 57 %). The importance of securities transactions (bonds, stocks and other non-fixed

interest items) fell slightly below the value for the previous year of 27 % to 25 %. On the liabilities side, liabilities towards customers at 51 % (46 %) account for the largest share of the balance-sheet total. Due to a reduction in refinancing operations the portion of liabilities towards financial institutions fell to 20 % (previous year: 27 %). The balance-sheet portion of securitised debt remained in 2008 more or less at the same level as the previous year with 20 % (previous year: 19 %).

### Financial situation

Due to well planned and thought-out liquidity provisions throughout the last year of business, the Stadtparkasse Düsseldorf was in a position to meet all its obligations at any given time. The requirements of the Federal Banking Supervisory Authority with respect to the liquidity of financial institutions were observed at all times. In the course of the year, the utilisation fluctuated within a width between 1.34 and 1.66 due to changes in financial instruments and payment obligations in interbank business and lies well above the prescribed minimum value of 1.00. On the reference date the value was 1.66. Moreover, additional observation co-efficients established over a period of 12 months show all indications of a stable liquidity position.

### Earnings position

Thanks to a solid business concept and a focus on the regional market the Stadtparkasse Düsseldorf was again able to attain satisfying operating results for 2008.

Net interest income including regular income (item 5 of the Profit & Loss Account) increased by 17.8 % to € 275m (previous year: € 234m) and remained to be the most important source of income. In the first half of 2008 market activities were still determined by slight increases in interest and a flat yield curve. The positive results were mostly due to the fall in interest costs for refinancing operations with the German Central Bank and other financial institutions. Furthermore, the interest income includes earnings from close out payments for swaps in an amount of € 64.4m. In relation to the average balance sheet total (- 3.9 %) this results in a greatly improved net interest income of 2.15 % after 1.75 % in the previous year.

The positive trend in net interest income was accompanied by a further improvement in net income from commissions. The profit from income from commissions increased by 4.5 % to € 65m (previous year: € 63m). The main sources of growth were securities operations, as a result of the higher turnover, and payments services. In relation to the average balance sheet total, net income from commissions accounted for 0.51 % (previous year: 0.47 %).

The net income from financial business, i. e. the result from trading with securities, foreign currencies and derivatives, improved to € 4m (previous year: € 2m). This increase was mainly due to successful trading in derivatives and foreign currencies.

Income from other business rose by 6.7 % to € 17m. This item includes hedging proceeds from own issues in an amount

of € 3m (previous year: € 2m). Other operation costs increased by € 2m to €17m. Hedging expenses for own securities included in this item amounted to € 2m (previous year: € 9m).

Operating costs (item 10 of the Profit & Loss Account) and depreciation on property, plant and equipment (item 11 of the Profit & Loss Account) fell by 9.3 % to € 204m (previous year: € 225m).

Personnel expenses included in this item increased by € 5m by comparison to the previous year mainly due to a tariff increase in the public sector of 3.1 %.

The considerable fall in operating costs was primarily due to a one-off effect accounted for in the previous year. Other changes are a result of more intensive use of third-party services and increased costs for technology solutions.

Depreciation on property, plant and equipment (item 11 of the Profit & Loss Account) was at the same level as the previous year at € 9m.

Total income (items 1 to 9 of the Profit & Loss Account) increased with respect to the value for the previous year by € 47m to € 361m. At the same time, total expenses decreased by 7.7 % to € 221m. In accordance with the definition of the German Central Bank, the cost-income ratio was 73 % (previous year: 71 %).

The international financial market crisis has resulted in the fact that the hitherto market conditions and mechanisms of the economic markets have changed drastically. The loss of trust and the fall in investment offers and trade volumes

has led to a reduction in market value and consequently an increase in the need for value adjustment. The loss of value does not in most cases refer to pending payment defaults but to market value losses as a result of increasing liquidity and risk loading. The valuation of our own investment portfolio is affected by this development. Despite the unfavourable market situation the Stadtsparkasse Düsseldorf has again assessed all securities in accordance with the strict lowest-value principle for 2008. The alleviated lowest-value principle or state aid in the scope of the Financial Market Stabilisation Act have not been utilised.

Depreciation and value adjustments on receivables and certain securities are shown after having set off the corresponding income in accordance with § 340 f, Section 2 of the German Commercial Code (HGB). The sum of the value adjustments amounted to € - 183m (previous year: € 0m) in the year under review.

Due to higher value adjustments as a result of the effects of the financial market crisis on the capital markets, the sum of alignments and depreciation and price gains and price losses of the securities held as liquidity reserves lay considerably below the value for the year before.

Adequate depreciation and devaluation measures were taken for acute customer contingency risks. In addition, global adjustments have been made on all latently endangered receivables on the basis of defaults over the last five years.

As a result of the negative revaluation results and the ensuing deficit for the

year, taxes on income and capital gains (item 23 of the Profit & Loss Account) fell to € 3m (previous year: € 7m).

The deficit for the year of € 46m (previous year: profit for the year of € 67m) will be compensated by withdrawals from contingency funds. The maintained sound capital base of the Stadtsparkasse Düsseldorf will continue to ensure a safe liquidity and loan supply for the regional market.

## **Risk management and risk control**

### **Concept for risk-bearing capacity**

The concept for risk-bearing capacity is an essential part of the comprehensive control of the Bank. The aims of the equity management of the Stadtsparkasse Düsseldorf are to ensure adequate capital resources to carry out the group strategy as defined by the Management Board, to generate an adequate return on equity as well as to comply with the minimum equity requirements.

With the concept for risk-bearing capacity, the Stadtsparkasse Düsseldorf defines the scope and type of risks it can carry. By comparing the risk hedging potential and the overall risk of the Bank, the Stadtsparkasse Düsseldorf ensures that there are comprehensive risk-bearing capacities.

As per 31/12/2008 the overall limit for the individual management of risks was set at € 734m for the normal case (previous year: € 782m) and € 914m for the worst case (previous year: € 937m).



## Types of risk

The Stadtparkasse Düsseldorf understands under risk the danger of possible losses or lost profits whose origins can be found in both internal and external factors.

## Credit risks

### Risk definition

Counterparty risks are risks which occur when a borrower or counterparty does not fulfil a contractual agreement at all or not on time. In the case of the Stadtparkasse Düsseldorf these are the counterparty risks from classical lending business (borrower risks) as well as issuer and counterparty risks from trading business.

Counterparty risks differentiate between item risks and advance performance risks. Item risks include borrower risks as well as issuer and recovery risks and the open positions. Advance performance risks encompass the danger that a counterparty does not fulfil his contractual obligations after performance has been met in advance.

The monitoring of counterparty risks is ensured by daily limit controls in trading business and in lending operations through individual limits on the borrower level and monitoring of the overall portfolio.

### Quantification

As per 30/12/2008 counterparty risk amounted to € 28.1m including a back testing supplement (previous year: € 19.8m).

Apart from the value-orientated approach through assessment of the credit value at risk, we also examine size, spread of activities, rating structure, collateral and overdraft behaviour.

On the basis of the magnitude classification and regular analyses, risk concentration is assessed and reported according to the size of the commitments.

### Risk situation

The loan portfolio amounts to a total of € 11.3bn.

The total amount of risk provisions has risen considerably by 17.5 % from € 170.5m to € 200.4m. In 2009, the Stadtparkasse Düsseldorf has created higher risk provisions to make allowances for the recession both in corporate planning and in the concept for risk-bearing capacity.

## Market risks

Under market risks we understand the possible dangers that could result in losses due to changes in market related parameters such as interest rates, spreads, volatility or price changes.

### Quantification

Within the framework of our daily assessment of market prices, the Stadtparkasse Düsseldorf calculates the actual development for all items (profits taken and losses made plus changes in pending profits and losses) as well as using risk simulation. The separate items are allotted to portfolios and every transaction is immediately registered upon settlement. The counterparty risks of our own portfolio are also taken into consideration.

The Stadtparkasse Düsseldorf manages its interest rate risks on the basis of instruments recommended by the German Association of Savings Banks (DSGV) and on the basis of the cash value method. All interest-bringing business is summarised in a standardised cash-flow chart. Performance analyses and cash-value simulations complete the cash-flow diagram. The aim of the cash-value simulation is to quantify possible chances and risks on the basis of various interest scenarios.

The value at risk for the market risk of restricted funds is calculated on the basis of the performance of the shares in the fund, irrespective of any consolidation in accordance with IFRS.

#### **Limits and reporting**

On the basis of the risk-bearing capacity the Stadtparkasse Düsseldorf sets limits for market risks which are defined by the Management Board. From the overall limit for market risks individual limits are derived on a portfolio level dependent on strategic policy. A separate limit is fixed for interest rate risk in the same fashion.

The Department for Risk Management and Treasury monitors all limits and reports the degree of utilisation of the limits on a daily basis to the Management Board, as well as to the directors of the areas responsible, including the internal auditors. If any limits are overshoot, this is immediately reported to the Management Board.


## **Shareholder risks**

#### **Risk definition**

By shareholder risk, the Stadtparkasse Düsseldorf understands the danger of financial loss due to reduction in value of its own participations.

#### **Organisation/risk management**

The investment business of the Stadtparkasse Düsseldorf comprises both direct and indirect participations. The direct holdings, e. g. in the Rheinischer Sparkassen- und Giroverband (RSGV), are controlled in the Business Administration Section or via agency mandates through our full subsidiary, -Kapitalbeteiligungsgesellschaft (SKBG). The indirect participations are held through the SKBG.


The investment decisions of Equity Partners GmbH (a subsidiary of SKBG) are based on the investment strategy passed by the Management Board.

#### **Quantification**

The value-orientated risk limit for investments as per 31/12/2008 was set at € 140m in normal circumstances (level of confidence 99.0 %) and at € 175m for the worst case scenario (level of confidence 99.9 %) – previous year: € 69m or € 78m respectively.

#### **Risk situation**

The participation in the Rheinischer Sparkassen- und Giroverband (RSGV) comprises the major risk of the participation in the WestLB. The restructuring measures decided at the beginning of 2008 were accounted for in 2008. The further developments of the WestLB are being intensely observed.

Within the KBG Group the following risks and liabilities existed as per 31/12/2008:

### **Participations**

On account of the high level of diversification, we consider the default risk of the fund of funds private equity business to be small. Currently observed value fluctuations will be accounted for in the annual accounts and will be confirmed by the chartered accountants KPMG in the course of a more profound examination.

The developments of direct participations undertaken by Equity Partners are always subject to risks typical for this type of investment. Through diversification and careful choice of the company participations Equity Partners endeavour to achieve relevant surpluses, even if certain investments fail to meet the mark, such as to more than compensate the possible fallout according to plan. The international financial and economic crisis has not yet led to a difference in the appraisal of the direct participations, although possible real economic effects of the crisis cannot yet be assessed.

With respect to the US dollar fund investments and the resulting currency fluctuations, EP always ensures non-financial hedging cover, as is common practice in this field of business. Due to the long-term aspect of the investments we reckon with a summa summarum, statistically over the whole period, overall compensation of the currency effects under the premise of continual business and investment activities (natural hedging). There are, however, certain conceivable constellations where an effect on the Profit for the Year for certain years

cannot be ruled out. The developments in the exchange rates and their effect on the portfolio are permanently monitored and are taken into consideration when calculating the strategic planning of the company.

In view of the effects of exchange rates on the fund investments quoted in US dollars, the exchange rate for the euro against the US dollar has been additionally covered by a currency option at a rate of 1.48 Euros for a volume of USD 55m. The option runs until 02/03/2009.

### **Real estate**

The risks in the field of real estate result mostly from the further developments of the subsidiary companies and the adherence to the planned project scenarios. Apart from the scheduled sales proceeds and the implied costs, in the case of some projects the time aspect, in particular, is a critical success factor because delays can lead to higher refinancing costs. This would mean having to provide financial support to a company. In the case of unfavourable developments, further markdowns or other supportive measures cannot be excluded, even though full account has been taken of all known risks within the scope of the annual statement for 2008. This also applies to the current financial and economic crisis.

On the whole, there is no apparent liquidity risk for the subgroup on account of its financing structure.

### **Property risks**

Property risks refer to the real estate property of the Stadtparkasse Düsseldorf (buildings and land in Düsseldorf and Monheim) and pertain to the risk of loss in value.

### **Quantification, limits and reporting**

In assessing the property risks, the Stadtparkasse Düsseldorf concentrates on the most important items of property. The risk value is calculated on the same basis as the shareholder risks.

A limit of € 30m has been set for the worst case scenario. Due to considerable worsening of the index used, we have raised the normal case limit to the worst case limit with retrospective effect as per 30/06/2008.

### **Operational risks**

#### **Risk definition**

Operational risks are the danger of damage caused by the inadequacy or default of internal processes, employees, internal infrastructure or external influences. This also includes legal risks. Operational risks occur in the course of business activities.

#### **Limits and reporting**

The worst case limit was fixed for 2008 at € 50m (previous year: € 48m) in accordance with the regulations as under § 270 of the Ordinance on Solvability (SolvV, basic indicator principle).

#### **Risk situation**

Operational risks primarily occur under the category of counterparty risks and are registered and managed together with this category. IT risks are limited

as these services are provided by Finanz-Informatik.

Other operational risks are of more minor relevance or are covered by insurance policies. As a result, operational risks (non-related to lending operations) are classified as nonessential.

### **Liquidity risks**

#### **Risk definition**

The Stadtparkasse Düsseldorf defines liquidity risks as the probability that payment obligations are not met on time or to the full extent. In view of the financial crisis, this definition has been amplified to cover refinancing possibilities and refinancing spreads.

Liquidity status: The level monitored is cash-flow orientated liquidity risks of up to 1 year.

#### **Risk situation**

The Stadtparkasse Düsseldorf considers the liquidity risks as the major type of risk. For this reason, it is essential that they are under permanent observation, that sufficient refinancing funds are available and that own investments are suitably diversified.

On account of the business structure of the Stadtparkasse Düsseldorf the liquidity risks are considered to be controllable (member of the joint liability fund of the Savings Banks Finance Group; high portion of refinancing through customer deposits; liquidity lines at financial institutions; good external rating). Moreover, the Stadtparkasse Düsseldorf presumes that a large

amount of the first-class creditworthy liquid investments at its disposal can be liquidised or lent.

The liquidity co-efficient amounted to 1.66 as per 31/12/2008 (previous year 1.32, minimum 2008: 1.34), well above the prescribed threshold of 1.0.

## Outlook

The Stadtsparkasse Düsseldorf has attuned itself to worse economic data for the city and the region than in the previous years. The economic reports of the regional trade associations indicate a considerable clouding over of the economy. We, therefore, expect an increase in the number of company insolvencies; the number of unemployed will also increase in the region in 2009.

Before the tightening of the financial market crisis and the clouding over of the economic situation, the Management Board had already conceived a new business strategy. With the strategy "Sustainability 2013" our Bank hopes to move away from the strongly capital market orientated business policy, back to a more traditional business policy with a focus on retail banking and small and medium-sized businesses.

By concentrating the focus on clearly defined customer segments in Düsseldorf and the surrounding region, the risks from large exposures and participations will be greatly reduced. Furthermore, the size of our own portfolio will be reduced in order to minimise the risks emanating from the heavily fluctuating capital markets.

Despite the current economic situation, the long-term economic framework conditions for the state capital of Düsseldorf are excellent. We are counting on being able to further strengthen our position as a leading middleclass bank. In particular, we see further growth potential with small und medium-sized businesses.

In retail banking we see a possibility to make more effective use of the existing customer relationships. We expect to be able to achieve light expansion in the volume of loan approvals for housing and consumer loans in 2009.

For the year as a whole, we expect a steeper yield curve in 2009 than in the foregoing years. This will provide new scope for income from term transformations. Our most important source of income, interest surplus, will, therefore, increase much more sharply in 2009 than in 2008.

The Stadtsparkasse Düsseldorf has budgeted increased risk provisions for customer lendings on account of the recessionary economic developments. Due to the worldwide economic stimulus and salvage packages, we expect the markets to become more stabilised. In particular, this will have a positive effect on the risk premiums for corporate and bank liabilities. The main risk perceived by the Stadtsparkasse Düsseldorf is the danger of interest-rate increases in the second half of the year as a result of the increase in public debt, hand in hand with a laxer monetary policy in particular.

For 2009 we expect a satisfactory annual result with surplus profit along the lines of previous years. We will continue to strengthen our equity base to enable future growth in our fields of business.

As far as we can foresee at the present time, the economic framework conditions for 2009 and 2010 indicate moderate growth possibilities in all fields of business which should prove a better basis for an improved earnings situation.

Düsseldorf, 24 March 2009

### Summary of the Bank's Performance

	EUR in thousand as at 31/12/2008
Balance Sheet Total	12,113,456
Volume of Business	12,455,654
<b>Assets</b>	
Cash and Banks	164,758
Investments	3,480,913
Loans & Discounts	8,376,017
Other Assets	91,768
<b>Liabilities</b>	
Deposits	11,029,197
Other Liabilities	165,938
Subordinated Liabilities	214,807
Capital	703,514
Profit	0

### Profit & Loss Account

	EUR in thousand for the year from 01/01/2008 to 31/12/2008
<b>Expenses</b>	
Interest and Commissions Paid	370,546
Staff Costs	116,421
Other Operating Costs	79,058
Depreciation	191,065
Taxes	3,266
Other Expenses	17,372
Profit for the year	0
<b>Receipts</b>	
Interest and Comm. Receiv.	711,470
Other Receipts	20,584
Withdrawal from retained earnings	45,674



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