

## **FITCH AFFIRMS S-VERBUND'S RATINGS; OUTLOOK STABLE**

Fitch Ratings-London/Frankfurt-30 October 2008: Fitch Ratings has today affirmed S-Finanzgruppe Hessen-Thuringen's (S-Verbund HT) ratings at Long-term Issuer Default (IDR) 'A+' with Stable Outlook, Short-term IDR 'F1+', Individual 'B/C', Support '1' and Support Rating Floor at 'A+'. At the same time, the agency has affirmed the rating of S-Verbund's largest member, Landesbank Hessen-Thuringen Girozentrale (Helaba), and the group's 49 savings banks (as listed below) at Long-term IDR 'A+' and Short-term IDR 'F1+'. Helaba's Support rating is also affirmed, at '1'. Fitch has also affirmed Helaba's obligations guaranteed by the states of Hesse and Thuringia at Long-term 'AAA'.

The IDRs of S-Verbund HT are driven by support from its owners in the event of need. The Individual rating reflects S-Verbund HT's moderate, but stable, core profitability, clear strategy, strong and diversified franchise, joint risk management, adequate risk profile and good capitalisation. S-Verbund HT's asset quality is good, but its large exposure to real estate may mean that any weakness in this market could lead to disproportionately large loan impairment charges. Although the group's securities portfolio amounted to a significant EUR82bn at end-2007, it consisted largely of corporate and financial-sector bonds. The impact of the market dislocation on the group's accounts has, to date, been relatively contained. At end-H108, the group's Tier 1 ratio (under Basel II) stood at 8.4%.

The Long-term rating for Helaba's guaranteed obligations reflects the grandfathering of the state guarantee, as well as Fitch's 'AAA' rating for Hesse and Thuringia.

S-Verbund HT is a banking group formed in 2003 by Helaba and its 85% owner, the Sparkassen- und Giroverband Hessen-Thuringen (SGVHT) savings bank association, which represents the region's municipality-owned savings banks. S-Verbund HT offers retail banking in Hesse and Thuringia, is banker to these states and provides commercial wholesale banking services.

The IDRs of the following savings banks have been affirmed at Long-term 'A+' with Stable Outlook and Short-term 'F1+':

Sparkasse Altenburger Land  
Sparkasse Arnstadt-Ilmenau  
Sparkasse Bad Hersfeld-Rotenburg  
Sparkasse Battenberg (Eder)  
Sparkasse Bensheim  
Stadtsparkasse Borken  
Stadt- u. Kreis-Sparkasse Darmstadt  
Sparkasse Dieburg  
Bezirkssparkasse Dillenburg  
Kreissparkasse Eichsfeld  
Stadtsparkasse Felsberg  
Frankfurter Sparkasse  
Sparkasse Fulda  
Kreissparkasse Gelnhausen  
Sparkasse Gera-Greiz  
Sparkasse Giessen  
Kreissparkasse Gotha  
Stadtsparkasse Grebenstein  
Kreissparkasse Gross-Gerau  
Sparkasse Gruenberg  
Sparkasse Hanau  
Kreissparkasse Hildburghausen  
Sparkasse Jena-Saale-Holzland

Kasseler Sparkasse  
Kyffhaeusersparkasse Artern-Sondershausen  
Sparkasse Langen-Seligenstadt  
Sparkasse Laubach-Hungen  
Kreissparkasse Limburg  
Sparkasse Marburg-Biedenkopf  
Sparkasse Mittelthuringen  
Nassauische Sparkasse  
Kreissparkasse Nordhausen  
Sparkasse Odenwaldkreis  
Staedtische Sparkasse Offenbach am Main  
Zweckverbandssparkasse Rhoen-Rennsteig  
Kreissparkasse Saale-Orla  
Kreissparkasse Saalfeld-Rudolstadt  
Kreissparkasse Schluechtern  
Kreissparkasse Schwalm-Eder  
Stadtsparkasse Schwalmstadt  
Sparkasse Sonneberg  
Sparkasse Starkenburg  
Taunus-Sparkasse  
Sparkasse Unstrut-Hainich  
Sparkasse Waldeck-Frankenberg  
Wartburg-Sparkasse  
Kreissparkasse Weilburg  
Sparkasse Werra-Meissner  
Sparkasse Oberhessen  
Sparkasse Wetzlar

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