

Half-yearly Financial Report | **2011**

Meine Bank heißt Haspa.

Haspa[®]
Hamburger Sparkasse

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Haspa on the Internet

For news and information about Haspa,
please go to:
www.haspa.de

Information on Haspa's multifaceted corporate social
responsibility activities can be found at:
www.gut-fuer-hamburg.de
www.haspa-hamburg-stiftung.de
www.haspa-musik-stiftung.de

Haspa is an attractive employer offering excellent prospects.
More information on this on the Internet at:
www.karriere.haspa.de

Short profile

Hamburger Sparkasse AG, Haspa for short, is Germany's largest Sparkasse (savings bank). It has total assets of more than € 38 billion and employs more than 5,600 people. Haspa offers a wide range of financial services for private individuals and businesses, serving the more than three million people living in the Hamburg Metropolitan Region.

Haspa is a public sector savings bank committed to 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 the savings bank.

Haspa is one of the few independent savings banks in Germany. It is also a member of the Hamburg-based Hanseatischer Sparkassen- und Giroverband (Hanseatic Savings Banks Association – HSGV) 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 Association) in Berlin and Bonn, and therefore fully included in the comprehensive guarantee system of all German savings banks. This guarantee system for financial institutions ensures that customer deposits at all German savings banks are secured without limitation. This applies to all deposits from private individuals, businesses and institutions.

Foreword of the Board of Management

Ladies and Gentlemen,

Hamburg is growing – and Haspa is growing right along with it. Ever-increasing numbers of Hamburg's residents are turning to us. As a result, Haspa succeeded in acquiring more than 37,000 new customers in the first half of 2011. Demand for private real estate financing continues to be very strong, and both the loan and deposit volume has increased. This enabled the bank to further expand its position in Hamburg's banking market. To support our growth trajectory, we hired new staff, most of whom are working in customer service.

Haspa gives highest priority to its customer support and consulting services. With about 250 branches and customer service centres, Haspa is close to the customer in and around Hamburg – always easy to reach. Personalised services and good partnerships are our strength. It is very important to us to assist our customers throughout their lives, taking their changing individual needs into account. Together with us, our customers can achieve their goals.

Collecting deposits in the region and making them available as loans for the region to enable investment and safeguard and create local jobs has been a proven business model for generations – a business model that works especially in challenging times, maintaining the circular flow of money and creating stability.

As a savings bank, this sustainable focus puts us on a growth trajectory. Our performance overall in the first half of 2011 was satisfactory.

We will continue to promote the common good and general fortunes of the Hamburg Metropolitan Region, both through banking services for all customer groups and our multifaceted corporate social responsibility activities. Each year we spend several millions of euros to support educational and social issues, the arts, music and sports.

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 demanding environment, they have demonstrated outstanding commitment, expertise and foresight. Furthermore, our staff's flexibility, as well as the constructive cooperation with the Works Council, have enabled us to manage all necessary change processes in order to continue to grow together with our customers.

Hamburg, 23 August 2011

The Board of Management



Dr. Harald Vogelsang, born in 1959, holds a banking diploma and a law degree, and has been the Spokesman of the Board of Management of Hamburger Sparkasse AG since 2007. He has been with Haspa since 1991 and became a member of the Board of Management in 2000.

In his capacity as spokesman of the Board of Management he is responsible for the Human Resources, Audit, Strategic Asset Allocation, Corporate Communication and Board Staff divisions as well as for the Performance Management Partner Savings Bank department.

Reinhard Klein, born in 1960, holds a banking diploma and degree in economics and has been a member of the Board of Management of Hamburger Sparkasse AG since 2006; since 2009 he has also been Deputy Spokesman of the Board of Management of Hamburger Sparkasse AG.

His Private Customers reporting area includes the Asset and Financial and Retirement Planning Management, Individual Customers, Mobile Sales, Private Banking, Private Customers I and II, Quality Management and Central Management Private Customers divisions, as well as the Private Customers Management department.

Dr. Wolfgang Botschatzke, born in 1959, holds a degree in economics, and has been with Haspa since 2003. He has been a member of the Board of Management of Hamburger Sparkasse AG since 2004.

He is responsible for the Information Technology, Productivity and Processes as well as for the Securities and Trading Service divisions.

Frank Brockmann, born in 1963, holds a banking diploma and is a qualified banking services and operations specialist. He has been a member of the Board of Management of Hamburger Sparkasse AG since 2008.

He is responsible for the Corporate Customers, Corporate Customers South, Real Estate Customers, SME Customers, Treasury, Enterprise Customers and Central Management Corporate Customers divisions.

Jörg Wohlers, born in 1959, holds a banking diploma and a degree in savings bank administration and joined 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 Finance and Controlling, Real Estate and Logistics, Credit and Legal, and Central Purchasing and Procurement divisions.

Interim management report

of Hamburger Sparkasse AG for the period ended 30 June 2011

General conditions

Economic upturn

The German economy continues to expand even though the sovereign debt crisis in both Europe and the United States is intensifying. In the first quarter of 2011, the country's real gross domestic product (GDP) rose by 1.3 percent over the previous quarter, and second-quarter growth surpassed the previous quarter by 0.1 percent. Year on year, real GDP expanded by 2.8 percent in the second quarter of 2011. Economic drivers are increasingly shifting to the domestic economy. Demand for investments has risen significantly, and the ongoing positive performance of the labour market is boosting private consumption.

Consumer prices are being driven up by the substantial increase in energy and commodities prices. The monthly consumer price increases in both Germany and the euro zone in the first six months of 2011 surpassed the "close to but just under" two percent target set by the European Central Bank (ECB). Rising inflation risks caused the ECB to lift its rate for main refinancing operations in April for the first time in two years.

The economic upturn also continues in Hamburg's economy. Accordingly, the economic indicators of the Hamburg Chamber of Commerce for the second quarter of 2011 show that positive expectations predominate among the companies that were surveyed as to their expectations for their businesses, investments and personnel planning. The job market also reflects the good economic climate. In June 2011, 71,900 residents of Hamburg were reported unemployed – some 2 percent less than the same month a year ago.

Business performance

Continued strengthening of the retail banking business – more than 37,000 new customers

Competent and comprehensive customer support of our private, individual and SME customers in the Hamburg Metropolitan Region again was at the heart of Haspa's entrepreneurial activities in the first half of 2011.

With some 180 branches, around 60 individual customer centres, 7 corporate customer centres and 27 self-service branches, Haspa is represented throughout Hamburg and the region. This is augmented by teams of highly qualified specialists at the main branch that service start-up entrepreneurs, larger corporate customers, the property industry as well as Private Banking. Our dense network of branches and customer service centres is perceived and appreciated by our customers as an important aspect of our quality.

The number of new customers continues to follow a positive trajectory thanks to our proximity to the customer. In the first six months of 2011, Haspa gained more than 37,000 new customers, further boosting its position in the retail segment of Hamburg's banking market. The number of giro accounts also continued to rise to a new total of more than 1.3 million. The percentage of giro account holders who have opted for the "HaspaJoker" account – Hamburg's advantage account – continues to expand as well. Compared to the close of 2010, the number of these accounts rose yet again by just under 13,000 HaspaJoker packages to a new total of almost 565,000.

Positive performance of the customer business – total asset growth goes hand in hand with improved structure of the balance sheet

Customers' trust in Haspa is reflected especially in the good performance of the customer business. On the whole total assets rose to more than € 38.4 billion in the first half of 2011 – an increase of some € 200 million or 0.5 percent. Liabilities to customers rose by € 0.5 billion or just under 2 percent. They provide a solid basis for our lending activities, which remain high. On the asset side of the balance sheet, this is reflected by the substantial increase in receivables from customers by more than € 1 billion or just under 4 percent. The increase in customer receivables stands in contrast to the decrease in receivables from banks by just under € 0.5 billion and the net decrease in proprietary investments by just under € 0.6 billion.

Customer deposits rise yet again

Liabilities to customers climbed to more than € 27.6 billion overall. Just about equal increases in both savings deposits and other liabilities are driving this positive development. Time deposits in particular account for this increase in the category of other liabilities with agreed maturity or notice periods. This positive development is contrasted by the slight decline in on demand deposits by about € 0.1 billion, especially business giro deposits.

New loan approvals remain high

The substantial increase in receivables from customers also stems from the positive development of new loan approvals. Haspa granted some € 3.8 billion in new loans during the first half of 2011; real estate financing accounts for roughly one half of this total. This development is also reflected in its loan portfolios, which have expanded by about € 1 billion to more than € 27 billion year on year.

Results of operations

Net interest income remains largest component of income

At just under € 390 million or 77 percent, net interest income continues to account for the lion's share of gross profit (which is the sum of net interest and net commission income). But it has declined by € 50 million – after rising substantially in previous years' comparable period – particularly due to maturities transformation and interest rate trends in the money and capital markets.

Net commission income comparable to the previous year

Net commission income in the first half of 2011 was about € 118 million in the aggregate, subject to largely consistent performance from month to month, yet around € 1 million lower year on year.

Accounting-related shift affects net trading income/expense

At € 0.5 million, net trading income/expense has improved by about € 5 million year on year. In particular this development stems from an accounting-related shift in the allocation of foreign exchange gains or losses on micro-hedged transactions. These are no longer recognised in net income or expense from financing activities; instead they are shown under items 8 and 11 of the income statement, i.e. other operating income or expenses.

Accounting-related shifts cause personnel expenses to decline despite new hires

General and administrative expenses in the first six months were € 318 million, a decline of just under € 16 million year on year. These numbers reflect the shifts between items that arise from the changes in accounting under the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz - BilMoG). Effects from the annual recalculation of the pension provisions have led to a substantial increase in other operating expenses that go hand in hand with the corresponding decrease in personnel expenses from 31 December 2010. Due to the resulting decline in social security, post-employment and other employee benefit costs by more than € 19 million, personnel expenses dropped by more than € 14 million in spite of numerous new hires. Absent these shifts, personnel expenses would have risen owing to both the new hires and salary increases. The other administrative expenses were down almost € 2 million year on year.

Substantial year-on-year improvement in the net revaluation gain

The measurement approaches that Haspa uses in connection with the net revaluation gain/loss are conservative on the whole, as in the previous year. As a result Haspa's proprietary investments in securities are still measured using the strict lower-of-cost-or-market principle, taking into account the requirement to reverse write-downs. At almost € 75 million, the net revaluation gain for the first half of 2011 rose by just under € 50 million over the previous year. This highly positive outcome is largely due to the net revaluation gain on loans. The net revaluation gain also contains substantial provisions for potential future risks in the year's second half or in subsequent years.

Result comparable to the previous year

Haspa posted a result of € 40 million in the year's first half, just as a year earlier; it contains substantial provisions for future risks. Under the control and profit transfer agreement (profit and loss transfer agreement), this result has to be transferred in full to HASPA Finanzholding in connection with the preparation of the annual financial statements.

Risk report

Internal control and risk management system as an essential component of risk management

Pursuant to section 25a (1) German Banking Act, overall responsibility for proper business organisation and the risk management integral to it rests with Haspa's Board of Management. Among other things risk management comprises the implementation of internal control procedures consisting of an internal control system and an internal auditing system. Internal Audit is an integral part of Haspa's risk management and internal control procedures. It carries out its responsibilities autonomously and independently on behalf of the full Board of Management.

Risk management and the internal control processes also cover the accounting process. Internal Audit directly or indirectly reviews the accounting related internal control and risk management systems based on a risk oriented audit plan.

Stable exposure to risk

Given Haspa's retail banking strategy, three customer groups – private customers, individual customers and SME customers – are at the heart of its comprehensive bank controlling activities. Gains and risks from trading, investment, maturities transformation and the operating business complete the picture. Whilst the present value risks for the bank as a whole are largely unchanged from the close of 2010 and thus comparable to the level in previous years, there have been shifts within the different risk types. As expected, the present value of the counterparty default risk rose slightly over the level at the close of 2010. This is mainly due to the expansion of the customer business, which is being driven by the positive performance of Germany's economy. Market price risks have risen compared to the close of 2010 but have stayed within the allotted risk budget. Given the widespread uncertainty that the sovereign debt crisis has sparked in the money and capital markets, we have hedged our proprietary investment portfolio through suitable tools such that there has been almost no change in the portfolio risk. In contrast, exploiting market opportunities in targeted ways by creating maturity transformation positions has been a greater drain on the existing risk budget. The net present value risks (NPV) for the bank as a whole have remained stable through the years.

Solid economic and regulatory risk-taking ability guarantees risks incurred

The bank's risk-taking ability in net present value terms is monitored by comparing it to the available cover assets. Its risk coverage potential has changed but slightly year on year and thus remains more than adequate. The cover assets exceed the bank's NPV exposure many times over.

Regulatory capital adequacy requirements for credit institutions require that they maintain an adequate capital base at all times. As at 30 June 2011, Haspa's total capital ratio is about 9.4 percent; at about 12.8 percent, the total capital ratio of the Haspa Group remains comfortable as before.

Liquidity risks limited through funding strategy and solid liquidity limit

Liquidity risks arise when payment obligations are not met at all or insufficiently or if liquidity can only be obtained at higher market prices.

Beyond its short-term liquidity outlook, Haspa also uses its divisional planning to develop a strategic liquidity outlook that identifies possible liquidity needs early on. This enables us to assess our liquidity needs for future maturities and manage cash flows accordingly. Based on our funding strategy, stop-light systems are used to define and regularly monitor Haspa's risk tolerance, taking into account the funding potential, such that timely control measures can be adopted as necessary. Risk scenarios are also monitored and analysed on the same basis. The bank's liquidity situation is comfortable.

As at 30 June 2011, Haspa's liquidity exceeded the regulatory minimum requirement by a factor of 2.4.

Balanced overall exposure

No going-concern risks or risks with a material effect on Haspa's net assets, financial position and results of operations have been identified for the current year despite the uncertainties regarding future macroeconomic developments and the sovereign debt crisis.

Report on expected developments

Economic upswing continues

The upturn in Germany's economy should continue in the year's second half albeit at a weaker pace. The good job market, low interest rates and high capacity utilisation lead us to anticipate real GDP growth of just under 3 percent. The intensification of the sovereign debt crisis, which continues unabated, energy price increases due to upheavals in major oil-producing countries or economic downturns in major emerging economies could pose risks to the continued upswing.

In 2011, consumer prices are expected to rise on the whole by just under 2.5 percent in Germany and by about 3.0 percent in the euro zone. The European Central Bank – which changed the prime rate in April in response to the sharp increase in inflation risks – is unlikely to raise the rate for main refinancing operations yet again in 2011 because the economic outlook is weakening.

Hamburg's economy is strong, and its growth sectors are innovative. According to the economic indicators of the Hamburg Chamber of Commerce for the second quarter of 2011, positive expectations predominate among the companies that were surveyed as to their expectations for their businesses, investments and personnel planning. Hamburg's economy is expected to grow by just under 3 percent in real GDP terms. This economic upturn will continue to have a positive effect on the city's job market.

Customer business remains on a growth trajectory

Haspa will continue to refine its current strategy in the Hamburg Metropolitan Region. All of our activities remain focused on private, individual and SME customers, as well as on our Private Banking, which has won numerous awards.

But private customers are and will remain the foundation of our business. We will continue to expand in the Hamburg Metropolitan Region thanks to our comprehensive services for this customer segment. We also see substantial growth potential in the individual and business customer segment, as well as in Private Banking.

Whilst other banks curtailed their lending business in connection with the turbulences in the financial markets, Haspa is well on the way toward achieving its customary high level of new loans yet again.

In terms of total equity and liabilities, customer deposits in the year's second half are likely to remain at the satisfactory level they had attained at the close of the first half of 2011.

Result for the year as expected

On the whole, the result for the year will be comparable to the previous year. Although the operating result will be impacted by lower net interest income, net commission income will remain constant in 2011 and thus make a contribution to our overall result in the year's second half that mirrors its contribution in the year's first half. General and administrative expenses will rise in the aggregate. Whilst personnel expenses are increasing at a moderate pace – also due to new hires – other administrative expenses are rising at a faster pace. This is also related to additional expenses that we will continue to incur in connection with the IT migration, which has been completed by now and will have a positive effect on costs in years following. The overall net revaluation gain will likely be lower than both the target and the previous year. Although renewed turbulence in the money and capital markets could trigger sharp declines in stock prices, thanks also to its conservative measurement approaches Haspa is well positioned to offset any such losses largely through its reserves of securities.

Balance sheet

of Hamburger Sparkasse AG for the period ended 30 June 2011

| Assets – all figures stated in € '000 | 30.06.2011 | 31.12.2010 |
|---|-------------------|-------------------|
| 1. Cash reserve | | |
| a) Cash on hand | 252,936 | 200,499 |
| b) Balance with Deutsche Bundesbank | 339,318 | 192,383 |
| | 592,254 | 392,882 |
| 2. Public-sector debt instruments and bills of exchange eligible for refinancing with Deutsche Bundesbank | | |
| a) Treasury bills and non-interest bearing treasury notes | — | — |
| b) Bills of exchange | — | — |
| | — | — |
| 3. Receivables from banks | | |
| a) Payable on demand | 645,701 | 563,310 |
| b) Other receivables | 1,012,346 | 1,565,958 |
| | 1,658,047 | 2,129,268 |
| 4. Receivables from customers | 27,192,673 | 26,165,524 |
| 5. Debentures and other fixed-interest securities | | |
| a) Money market instruments | | |
| aa) by public-sector issuers | — | — |
| ab) by other issuers | — | — |
| | — | — |
| b) Bonds and debentures | | |
| ba) by public-sector issuers | 1,372,416 | 1,881,562 |
| bb) by other issuers | 1,305,552 | 1,786,063 |
| | 2,677,968 | 3,667,625 |
| c) own debentures | — | — |
| | 2,677,968 | 3,667,625 |
| 6. Equities and other non-fixed interest securities | 5,807,221 | 5,392,975 |
| 6a. Trading portfolio | 312,292 | 272,689 |
| 7. Long-term equity investments | 57,191 | 38,698 |
| 8. Shares in affiliated companies | 14,511 | 14,510 |
| 9. Fiduciary assets | 407 | 488 |
| 10. Equalisation claims on the public sector including debentures arising from conversion of equalisation claims | — | — |
| 11. Intangible fixed assets | | |
| a) Internally generated industrial rights and similar rights and assets | — | — |
| b) Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets | 4,286 | 8,151 |
| c) Goodwill | — | — |
| d) Prepayments | 52,609 | 45,535 |
| | 56,895 | 53,686 |
| 12. Tangible fixed assets | 36,329 | 39,544 |
| 13. Unpaid contributions to subscribed capital | — | — |
| 14. Other assets | 17,784 | 60,362 |
| 15. Prepaid expenses | 11,022 | 5,047 |
| 16. Deferred tax assets | — | — |
| 17. Excess of plan assets over post-employment benefit liability | — | — |
| 18. Deficit not covered by equity | — | — |
| Total assets | 38,434,594 | 38,233,298 |

| Equity and liabilities – all figures stated in € '000 | 30.06.2011 | 31.12.2010 |
|---|-------------------|-------------------|
| 1. Liabilities to banks | | |
| a) Payable on demand | 215,886 | 301,492 |
| b) With agreed maturity or notice period | 4,418,254 | 4,390,641 |
| | 4,634,140 | 4,692,133 |
| 2. Liabilities to customers | | |
| a) Savings deposits | | |
| aa) With agreed notice period of three months | 6,099,441 | 5,825,938 |
| ab) With agreed notice period of more than three months | 9,115 | 11,419 |
| | 6,108,556 | 5,837,357 |
| b) Other liabilities | | |
| ba) Payable on demand | 12,603,116 | 12,720,456 |
| bb) With agreed maturity or notice period | 8,929,282 | 8,564,396 |
| | 21,532,398 | 21,284,852 |
| | 27,640,954 | 27,122,209 |
| 3. Securitised liabilities | | |
| a) Debentures issued | 3,315,126 | 3,486,325 |
| b) Other securitised liabilities | — | — |
| | 3,315,126 | 3,486,325 |
| 3a. Trading portfolio | 39,174 | 46,942 |
| 4. Fiduciary liabilities | 407 | 488 |
| 5. Other liabilities | 76,165 | 178,919 |
| 6. Deferred income | 39,817 | 37,852 |
| 6a. Deferred tax liabilities | — | — |
| 7. Provisions | | |
| a) Provisions for pensions and similar obligations | 480,208 | 466,892 |
| b) Provisions for taxes | 100,449 | 66,284 |
| c) Other provisions | 139,154 | 166,254 |
| | 719,811 | 699,430 |
| 8. Subordinated liabilities | 370,000 | 370,000 |
| 9. Profit participation capital | — | — |
| 10. Fund for general banking risks | 2,000 | 2,000 |
| 11. Equity | | |
| a) Subscribed capital | 1,000,000 | 1,000,000 |
| b) Capital reserves | 380,000 | 380,000 |
| c) Capital reserves | | |
| ca) Legal reserve | — | — |
| cb) Reserve for shares in a parent or majority investor | — | — |
| cc) Reserves provided for by the articles of association | — | — |
| cd) Other revenue reserves | 217,000 | 217,000 |
| | 217,000 | 217,000 |
| d) Net retained profits | — | — |
| | 1,597,000 | 1,597,000 |
| Total equity and liabilities | 38,434,594 | 38,233,298 |
| 1. Contingent liabilities | | |
| a) Contingent liabilities from endorsement of discounted bills of exchange | — | — |
| b) Contingent liabilities from guarantees and warranties | 480,687 | 469,904 |
| c) Contingent liabilities from the granting of security for third-party liabilities | — | — |
| | 480,687 | 469,904 |
| 2. Other obligations | | |
| a) Repurchase obligations under sales with an option to repurchase | — | — |
| b) Placement and underwriting obligations | — | — |
| c) Irrevocable loan commitments | 2,622,919 | 2,354,802 |
| | 2,622,919 | 2,354,802 |

Income statement

of Hamburger Sparkasse AG for the period from 1 January to 30 June 2011

| all figures stated in € '000 | 1.1. – 30.6.2011 | 1.1. – 30.6.2010 |
|--|------------------|------------------|
| 1. Interest income from | | |
| a) Lending and money market transactions | 637,242 | 613,148 |
| b) Fixed interest securities and registered government debt | 28,395 | 40,071 |
| | 665,637 | 653,219 |
| 2. Interest expense | –358,823 | –283,762 |
| | 306,814 | 369,457 |
| 3. Current income from | | |
| a) Equities and other non-fixed interest securities | 81,417 | 70,150 |
| b) Long-term equity investments | 747 | 414 |
| c) Shares in affiliated companies | 329 | 434 |
| | 82,493 | 70,998 |
| 4. Income from profit pooling, profit transfer, or partial profit transfer agreements | – | – |
| 5. Commission income | 126,993 | 131,499 |
| 6. Commission expenses | –9,318 | –12,374 |
| | 117,675 | 119,125 |
| 7. Net trading income or expense | 526 | –4,900 |
| 8. Other operating income | 17,061 | 11,362 |
| | 524,569 | 566,042 |
| 9. General and administrative expenses | | |
| a) Personnel expenses | | |
| aa) Wages and salaries | –137,302 | –132,441 |
| ab) Social security, post-employment and other employee benefit costs | –30,061 | –49,146 |
| | –167,363 | –181,587 |
| b) Other administrative expenses | –150,715 | –152,343 |
| | –318,078 | –333,930 |
| 10. Depreciation, amortisation and write-downs of tangible and intangible fixed assets | –5,378 | –5,716 |
| 11. Other operating expenses | –23,896 | –5,745 |
| 12. Write-downs of and valuation allowances on receivables and certain securities, and additions | –75,080 | –124,508 |
| 13. Income from reversals of write-downs of receivables and certain securities and from the reversal of loan loss provisions | – | – |
| | –75,080 | –124,508 |
| 14. Write-downs of and valuation allowances on other equity investments, shares in affiliated companies and securities classified as fixed assets | – | – |
| 15. Income from reversals of write-downs of other equity investments, shares in affiliated companies and securities classified as fixed assets | – | – |
| | – | – |
| 16. Cost of loss absorption | – | – |
| 17. Result from ordinary activities | 102,137 | 96,143 |
| 18. Extraordinary income | – | – |
| 19. Extraordinary expenses | –5,258 | – |
| 20. Extraordinary result | –5,258 | – |

| all figures stated in € '000 | 1.1. – 30.6.2011 | 1.1. – 30.6.2010 |
|---|-------------------------|-------------------------|
| 21. Taxes on income | -56,879 | -56,143 |
| 22. Other taxes not included in item 11 | — | — |
| | -56,879 | -56,143 |
| 23. Income from loss absorption | — | — |
| 24. Profit transferred on the basis of profit pooling, profit transfer, or partial profit transfer agreements | -40,000 | -40,000 |
| 25. Net income for the financial year | — | — |
| 26. Retained profits brought forward | — | — |
| | — | — |
| 27. Withdrawals from revenue reserves | | |
| a) from the legal reserve | — | — |
| b) from the reserve for treasury shares | — | — |
| c) from the reserves provided for by the articles of association | — | — |
| d) from other revenue reserves | — | — |
| | — | — |
| 28. Appropriation to revenue reserves | | |
| a) to the legal reserve | — | — |
| b) to the reserve for treasury shares | — | — |
| c) to the reserves provided for by the articles of association | — | — |
| d) to other revenue reserves | — | — |
| | — | — |
| 29. Net retained profits | — | — |

Notes

Accounting standard and other disclosures

The half-yearly financial report of Hamburger Sparkasse AG as at 30 June 2011 was prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch) and the requirements of the German Ordinance on Accounting for Banks and Financial Services Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute), taking into account the requirements of the German Stock Corporation Act (Aktiengesetz).

All accounting policies that were applied to the annual financial statements for the year ended 31 December 2010 of Hamburger Sparkasse AG were retained.

Pursuant to section 37w German Securities Trading Act (Wertpapierhandelsgesetz), the comparative income statement figures for the period ended 30 June 2010 were not adjusted to the changed accounting requirements under the German Commercial Code.

The interim financial statements and the interim management report as at 30 June 2011 have not been reviewed by an auditor or audited pursuant to section 317 German Commercial Code.

The income taxes were determined on the basis of the taxable income as at 30 June 2011.

Hamburg, 23 August 2011

The Board of Management



Dr. Harald Vogelsang



Reinhard Klein



Dr. Wolfgang Botschatzke



Frank Brockmann



Jörg Wohlers

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the 2011 half-yearly financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Hamburger Sparkasse AG, and the interim management report includes a fair review of the development and performance of the business and the position of Hamburger Sparkasse AG, together with a description of the material opportunities and risks associated with the expected development of Hamburger Sparkasse AG for the remaining months of the financial year.

Hamburg, 23 August 2011

The Board of Management



Dr. Harald Vogelsang



Reinhard Klein



Dr. Wolfgang Botschatzke



Frank Brockmann



Jörg Wohlers

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