

December 19, 2008

Transaction Update: WestLB AG

Primary Credit Analyst:

Casper R Andersen, Frankfurt (49) 69-33-999-308; casper_andersen@standardandpoors.com

Secondary Credit Analyst:

Karlo Fuchs, Frankfurt (49) 69-33-999-156; karlo_fuchs@standardandpoors.com

Surveillance Credit Analyst:

Casper R Andersen, Frankfurt (49) 69-33-999-308; casper_andersen@standardandpoors.com

Table Of Contents

€10.031 Billion Öffentliche Pfandbriefe

Program Summary

Strengths, Concerns, And Mitigating Factors

Structural Enhancements

Cover Pool At The Date Of The Program Report

Market Risk And Hedging Structure

Credit Analysis

Cash Flow Analysis

Issuer

The German Covered Bond Legislation

Ongoing Surveillance

Criteria Referenced

Related Articles

Transaction Update: WestLB AG

€10.031 Billion Öffentliche Pfandbriefe

Counterparty Credit Rating

A-/Watch Neg/A-2

Class	Credit rating*	Outstanding amount (Bil. €)	Available credit support (%)	Legal final maturity
German legislation enabled public sector covered bonds (Öffentliche Pfandbriefe)	AAA/A-1+	10.031	Dynamic (see "Structural Enhancement")	According to terms and conditions of the notes

*Standard & Poor's ratings address timely payment of interest and ultimate payment of principal.

Program Participants

Issuer	WestLB AG
Trustee (Treuhandler)	A Diplom Oeconom chartered accountant and a Diplom Kaufmann chartered accountant

Supporting Rating

Institution	Rating
WestLB AG	A-/Watch Neg/A-2

Key Features Of The Cover Pool As Of Sept. 30, 2008

Current balance of the cover pool (Bil. €)	10.730
Collateral description	Savingsbanks (33.00%), other Financial institutions (7.54%), government related enterprises (27.76%), Local governments (19.25%), Regional governments (5.11%), substitute collateral (3.77%), sovereigns (1.86%), Landesbanks (1.57%), and International institutions (0.14%)
Country of origin	Germany (85.01%), Switzerland (4.18%), Austria (2.58%), Portugal (2.07%), Spain (1.99%), Greece (1.16%), and Italy (1.12%)
Distribution within Germany	West (97.29%) and East (2.71%)
Number of obligors	301
Concentration	Top 20 borrowers (52.30%) and largest individual exposure (9.62%)
Overcollateralization	6.98% on a nominal basis and 6.50% on a net present value basis

Program Summary

Standard & Poor's Ratings Services has affirmed its long-term 'AAA' and short-term 'A-1+' credit ratings on the Öffentliche Pfandbriefe issued by WestLB AG (WestLB). The covered bonds have been rated since May 2006. This transaction update follows the regular review of the WestLB public sector covered bond program; the review is part of our covered bond rating process.

Following a restructuring of the WestLB group, WestLB will manage the public lending and the Öffentliche Pfandbriefe business for the total group. Westdeutsche ImmobilienBank (WIB; A-/Watch Neg/A-2) will focus on the mortgage finance and Hypothken Pfandbrief business for the group. With four outstanding benchmark transactions, WestLB is the most visible Pfandbriefe issuer of the WestLB group. In the current market environment, WestLB has mainly been issuing smaller tickets and private placements. WestLB Covered Bond Bank PLC (WCBB), which issues

public sector covered bonds out of Ireland, will predominantly fund assets ineligible under the Germany Pfandbrief legislation and it will issue tailormade covered bonds to investors.

WestLB follows a buy-and-manage strategy and defines a target portfolio before pursuing assets for the cover pool. While the demise of the grandfathered guaranteed lending to savings bank may lead to a shift in the general risk profile, we expect WestLB to maintain an overall sound risk profile. WestLB expects to replace the guaranteed savings banks with public sector lending in Germany.

The rating on WestLB's Öffentliche Pfandbriefe primarily reflects the Pfandbriefe collateral and protections afforded by German insolvency and banking laws. The collateral quality and the adequacy of cash flows, which are subject to our regular surveillance, are sufficient to absorb potential credit losses, pay interest on, and repay principal of the corresponding Pfandbriefe as they become due, even in the event of the bank becoming insolvent.

Although not legally binding, WestLB has publicly stated its commitment to support its outstanding Pfandbriefe by posting a self-commitment "selbstverpflichtung" on its homepage. Any changes to the self-commitment will be publicized a minimum of two months before taking effect.

We conducted a one-day visit in November 2008 to review WestLB's underwriting, servicing, and collection policies and procedures. At the meeting we also considered the asset and cash flow characteristics, covered bonds strategy, and our data requirements.

The ratings could come under pressure if there is a larger-than-expected deterioration in asset quality. They could also be negatively affected if overcollateralization was to be managed more aggressively than currently expected or changes were made to the WestLB's currently conservative Pfandbrief risk profile.

Strengths, Concerns, And Mitigating Factors

Strengths

- **Credit quality:** The credit quality of the underlying pool of public sector assets is robust, although slightly below the average based on our ratings compared with other German public sector cover pools (27% of the pool carries a Standard & Poor's rating). The pool is backed by eligible regional or local government loans, but also grandfathered guaranteed assets from German Landesbanks and Savingsbanks.
- **Market and liquidity risk:** The overcollateralization level provided by the bank to mitigate all prevailing risk at a level commensurate with the 'AAA' rating has been sufficient in the past. The program is well balanced in terms of interest rates and cash flows and has a very small duration gap of 0.28 years. The program currently has a very limited amount of foreign exchange risk.
- **Overcollateralization:** Historical and current overcollateralization is well above the regulatory minimum level of 2% on a net present value (NPV) basis.
- **The German covered bond legislation creates a sound basis to assign ratings predominately based on the strength of the cover pool and with limited recourse to the issuing bank.**

Concerns

- **Credit quality:** The dynamic nature of the cover pool may result in changes to the composition and credit quality of the cover pool assets. Even if the eligibility criteria of the German covered bond legislation (PfandBG) are met, credit characteristics and price volatility of those cover assets might differ from the current composition.
- **Credit quality:** The cover pool is concentrated on German assets (85.01%) and particularly in the area of

Nordrhein-Westfalen (63.56%), compared with other German public covered bonds issuers.

- Market risk: Solely adhering to the guidelines of the German legal covered bond framework might result in levels of market risk that, in the absence of additional mitigating factors, might not be commensurate with the target rating.
- Uneven maturity profiles between cover assets and intended covered bond maturities, as well as limited secondary market liquidity for most of the cover assets, might lead to reliance on substitute assets and monetization of cover assets, which might not always be possible as seen in the current financial crisis.
- Overcollateralization: While WestLB's management currently intends to provide more than the regulatory required minimum overcollateralization, investors can not rely on a legally binding commitment to provide more overcollateralization than required by the PfandBG, nor any legal obligation or commitment to always maintain the current rating (which might require more overcollateralization than the 2% required by German law). The overcollateralization that currently supports the assigned ratings could, therefore, at management discretion, decline to the sole regulatory minimum, which may not always be sufficient to support the currently assigned ratings.

Mitigating factors

- Credit quality: We regularly monitor the cover pool, its performance over time, and the issuer's origination and processing criteria, and we are of the opinion that the risks for the cover pool are currently commensurate with the target rating. In addition, the cover assets largely originate from WestLB's home business, which is not expected to change materially.
- The Region of Nordrhein-Westfalen (63.56% in cover) is the most populous state in Germany and has a GDP which is comparable to European states. Most of the loans in NRW are either guaranteed savings banks (19.25%) or local governments (11.49%) in Nordrhein-Westfalen.
- Market risk: WestLB's cover pool management is conducted within a PfandBG compliant risk management framework that also is fully integrated with other members of the WestLB group. The pursued internal guidelines have resulted in risks that were below what is allowed within the law
- Liquidity risk: The bank continues to demonstrate a sufficient level of overcollateralization that provides the main risk buffer for the assigned rating. We expect the bank to further provide sufficient amounts of liquid assets to allow for timely payment of principal and interest during the first 180 days following potential issuer insolvency. In the absence of other structural features, this should also provide a sufficient buffer to allow for monetization of cover assets, if needed. WestLB AG has publicly committed to provide sufficient securities to cover all liquidity gaps for the next 180 days. These securities are eligible for central bank borrowings.
- Overcollateralization: We regularly discuss with the issuer its willingness to maintain the current target rating and the level of overcollateralization with the issuer. At present, we consider that the issuer intends to maintain the current target rating level. Furthermore, we expect that WestLB has the ability and willingness to maintain a sufficient level of overcollateralization over and above the regulatory requirements, aimed at ensuring the long-term stability of the creditworthiness of the covered bonds. We also continuously monitor the credit rating on WestLB.

Structural Enhancements

Overcollateralization levels

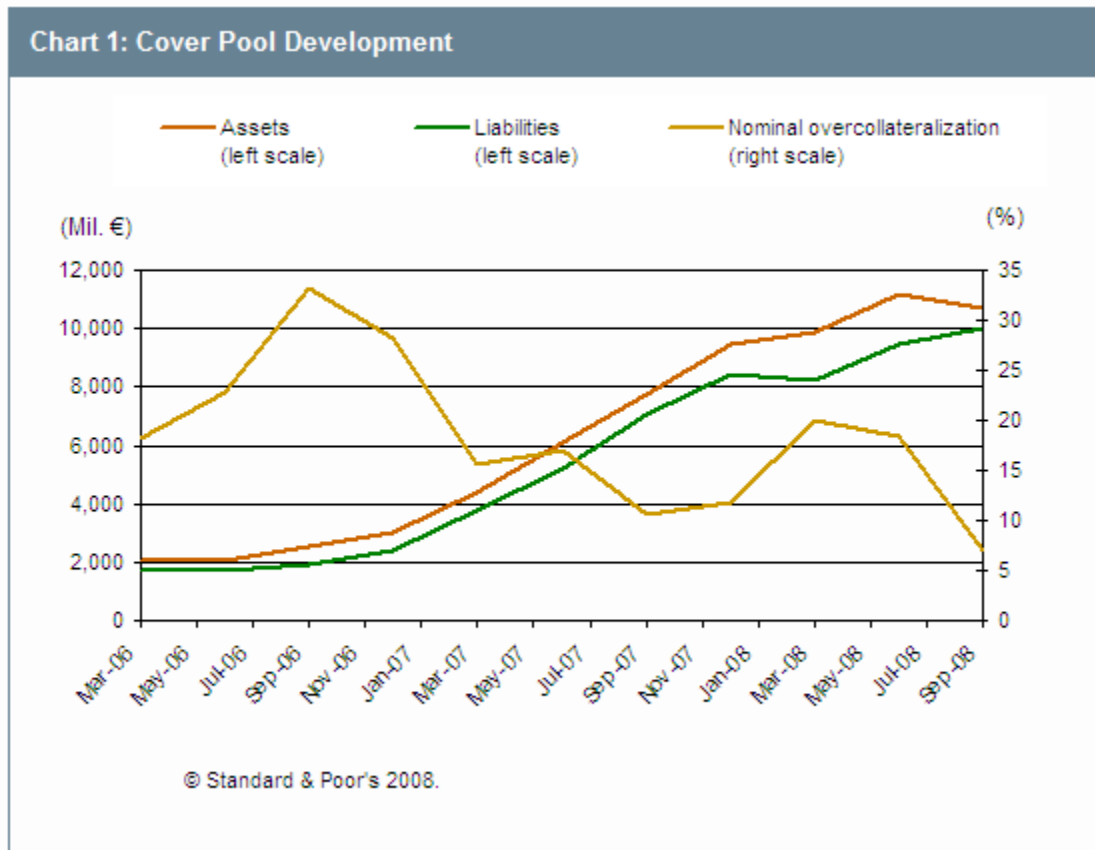
The bank has made no legally binding commitment to maintain a minimum overcollateralization above the regulatory minimum requirement of 2% on a NPV basis. Although this is similar to other German legislation enabled covered bonds, investors should be aware that, although it is not expected to do so, the covered bond issuer can choose to withdraw overcollateralization to the regulatory minimum amount. Withdrawing overcollateralization below a level that is commensurate with the target rating might give rise to a level of rating volatility that investors might not expect from a covered bond.

Under Article 4 of the PfandBG, a German covered bond issuer has to ensure that it offers full cover for the covered bonds issued. In particular, it must offer:

- Nominal cover: The total nominal amounts of the assets in the cover pool must at least equal the total nominal amounts of the covered bonds issued. The interest yields of assets must at least be of the same amount as the interest yields of the corresponding liabilities.
- NPV cover: The total net present value of the assets included in the cover pool must exceed by 2% the total volume of the covered bonds.

Overcollateralization provided by the bank to mitigate all prevailing risk at a level commensurate with the 'AAA' rating has been sufficient in the past, and was at 6.98% on a nominal basis and 6.51% on an NPV basis in September 2008 (10.59% nominal and 10.76% NPV overcollateralization in September 2007). We consider the observed volatility in the overcollateralization in 2006 commensurate a typical start-up period for a cover pool with a high degree of volatility (see chart 1) compared with more seasoned German public sector pools. The issuer has indicated that overcollateralization might reduce to lower levels going forward, but we are of the opinion that overcollateralization will remain commensurate with the currently assigned ratings as long as Pfandbriefe remain outstanding.

Chart 1



Cover Pool At The Date Of The Program Report

WestLB has made significant changes to the composition of the cover pool between 2007 and 2008. WestLB's cover pool has increased by 38% to € 10,730,201,566 in September 2008 from €7,775,280,154 at the end of September 2007. During the same period, outstanding covered bonds have increased by 42.67% to €10,030,500,000 from €7,030,500,000. The issuer intends to continue the build up of the pool as new eligible business is originated. We will continue to monitor the expansion of the pool quarterly to see how it alters the pool's profile.

Geographically, WestLB's cover pool comprises exposures to eligible assets in Germany (85.01%), Switzerland (4.18%), Austria (2.58%), Portugal (2.07%), Spain (1.99%), Greece (1.16%), and Italy (1.12%). Thereof, the pool currently contains 3.77% of substitute assets, mainly consisting of secured as well as unsecured exposures financial institutions. The geographic distribution has only changed somewhat, reflecting the redemptions of mainly Spanish assets and a increase in German cover pool assets (see table 1).

According to WestLB, risk is recorded in a group-wide country-limit system. Upper limits are laid down for the entire bank and are reviewed regularly, at least once a year.

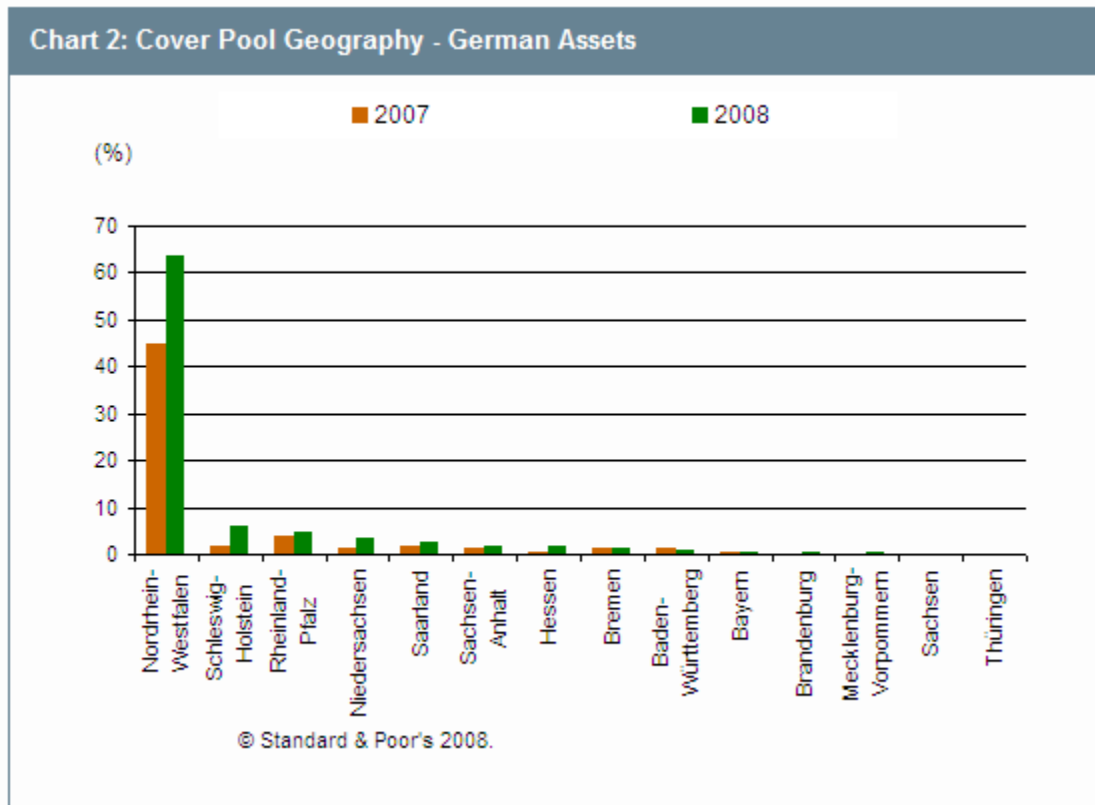
Table 1

Cover Pool Composition By Country (%)		
	2007	2008
Germany	76.31	85.01
Austria	3.96	2.58
Switzerland	3.61	4.18
Spain	7.14	1.99
Portugal	2.77	2.07
Greece	3.34	1.16
Italy	1.54	1.12
Belgium	0.31	0.76
Netherlands	0.32	0.34
Canada	0.50	0.54
France	0.20	0.22

Within Germany, most of the cover assets are concentrated in the state of Nordrhein-Westfalen (63.56%), where the bank is located. Although the most populous state in Germany, this concentration is above the average in other German cover bond pools and high compared to the population distribution in Germany. Nordrhein-Westfalen is currently rated (AA-/Stable/A-1+) and we continue to monitor the cover pool on a quarterly basis.

Compared with 2007, the percentage exposure to Nordrhein-Westfalen has increased by 18.71% of the cover pool (see chart 3). The exposure to assets in Eastern Germany remains low, but has increased slightly to 4.17% in September 2008 from 2.62% in September 2007.

Chart 2

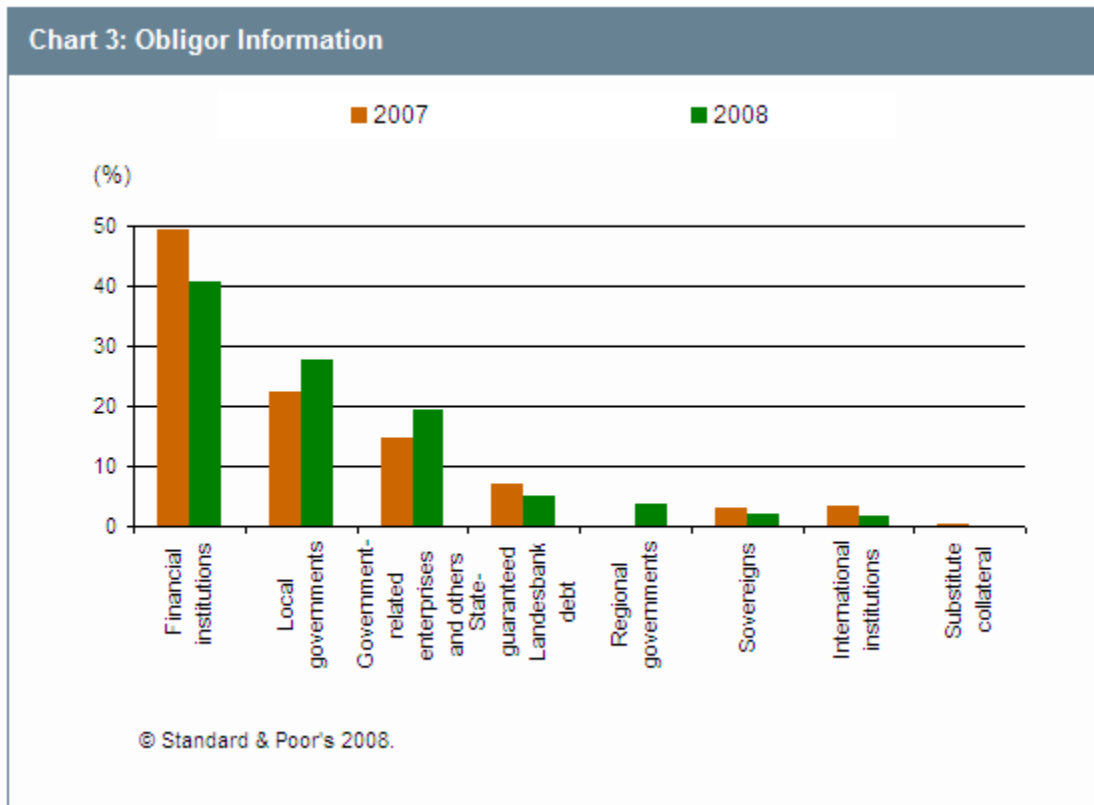


By type of borrower, WestLB's public sector cover assets comprise loans to Savingsbanks (33.00%), other financial institutions (7.54%), government-related enterprises (27.76%), local governments (19.25%), regional governments (5.11%), sovereigns (1.86%), State-guaranteed Landesbanks (1.57%), and international institutions (0.14%). In addition, the pool contains substitute collateral (3.77%).

Compared with the previous year, the asset distribution has experienced some changes. The exposure to financial institutions has decreased by 8.89% as a percentage of the whole pool and regional governments and sovereigns has decreased by a total of 2.83%. Government-related enterprises has increased by 5.26%, local governments has increased by 4.47%, and substitute collateral has increased by 3.77% in the cover pool. The decline of financial institutions' assets in the cover pool reflects the abolishment of the state refinancing guarantees (Gewährträgerhaftung) for German Landes- and Savingsbanks in 2005 (see "Germany Farewells Mortgage Bank Act For New Covered Bond Act To Take Center Stage" in "Related Articles").

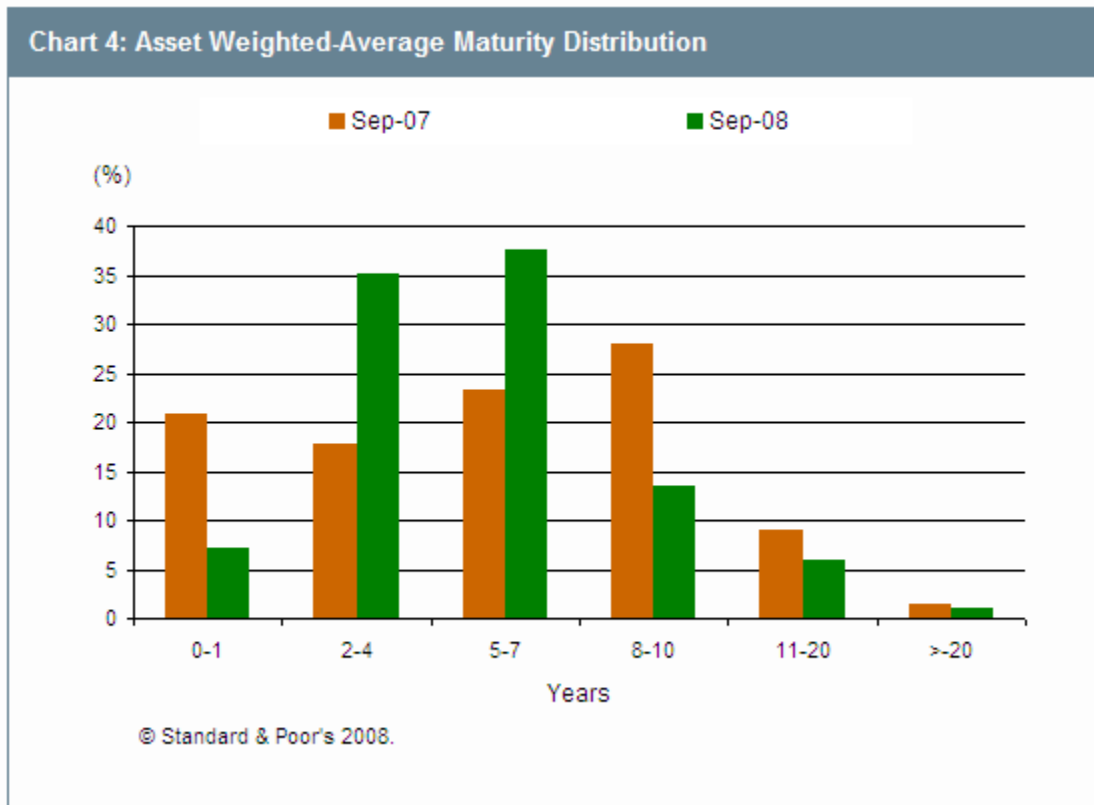
Chart 3 shows the cover pool distribution by asset type.

Chart 3



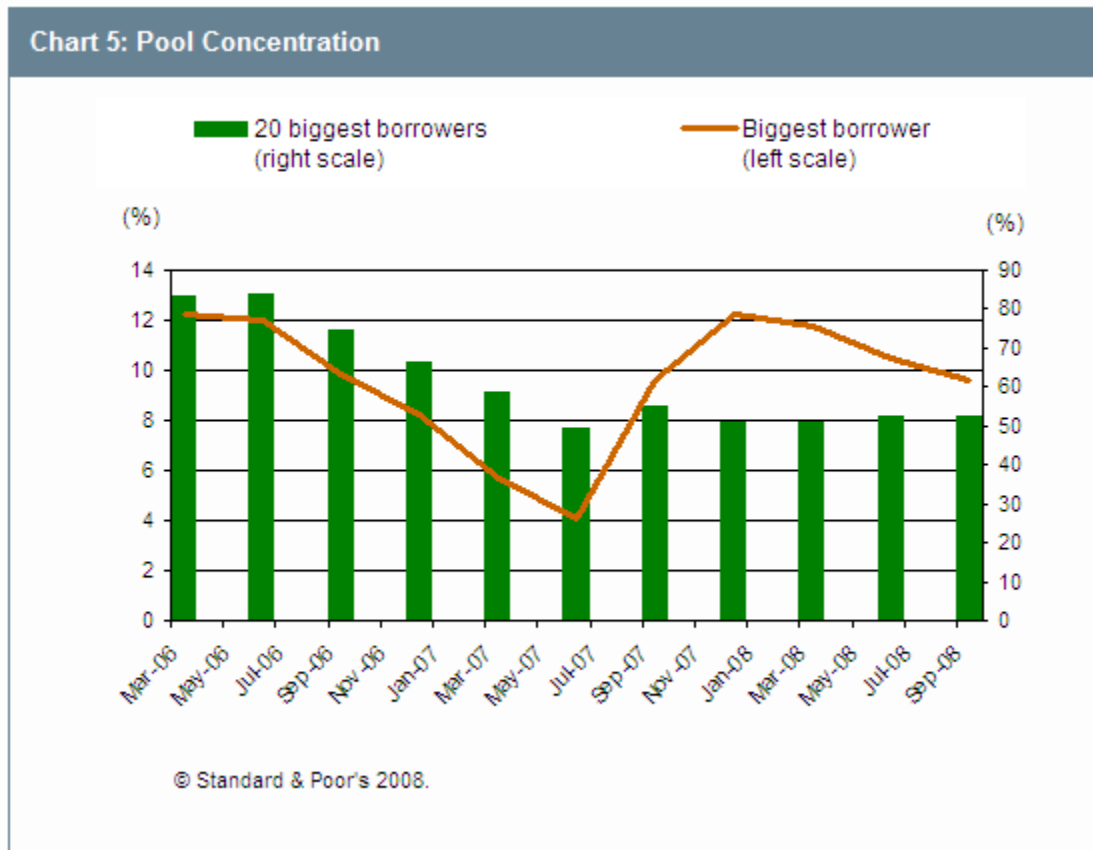
The weighted-average maturity of cover assets of 5.59 years is slightly down compared with 5.98 years in September 2007 (see chart 4).

Chart 4



From a credit risk perspective, concentration risk is one of the driving risk factors for a public sector cover pool (please see "Standard & Poor's Ratingansatz für Covered Bonds und Pfandbriefe" in "Criteria Referenced"). The concentration in the cover pool has remained relative stable. It is regarded as average compared to other public sector cover pools. Exposure to the 20 largest obligors in the cover pool decreased slightly to 52.30% in September 2008 from 55.00% in September 2007. The largest exposure in the current reporting period accounted for 9.62% of the cover pool, slightly up from 9.60% in the past year. The largest exposure decreased to 4.58% in October, further decreasing concentration risk in the cover pool (see chart 5).

Chart 5



The quality of the cover pool has remained relatively stable and our probability of default calculated on the basis of the reported pool has been relatively stable over the past two years.

WestLB has not reported any arrears as of Sept. 30, 2008.

Market Risk And Hedging Structure

The matching requirements of the PfandBG also prescribe that certain stress tests have to be performed and that an adequate risk management on a cover pool basis has to be in place.

WestLB hedges all interest and currency exposures on a banking book basis, although no swaps are included in the cover pool. At present, the cover pool has only minimal exposure to assets denominated in Swiss francs (0.42%). However, WestLB expects to increase the amount of assets denominated in other currencies in the future.

Table 2

Assets					
Currency	Share of foreign exchange (%)	Maximum maturity (years)	WAM (years)	Duration (years)	
EUR	99.58	32.25	5.04	4.24	
CHF	0.42	13.25	8.00	7.07	
Overall		32.25	5.05	4.25	

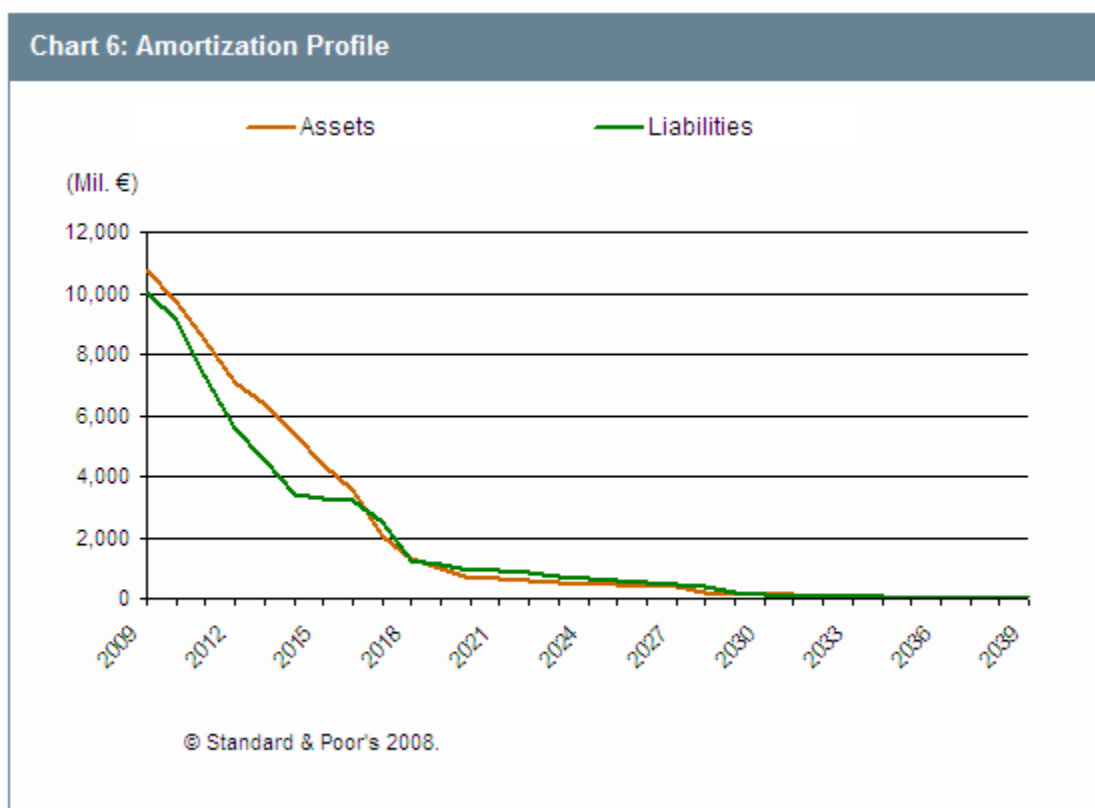
Table 3

Liabilities					
Currency	Share of foreign exchange (%)	Maximum maturity (years)	WAM (years)	Duration (years)	
EUR	100	29.75	4.77	3.91	
Overall		29.75	4.77	3.91	

At the reporting date, the duration of the assets was 5.05 years and the duration of the liabilities was 4.77 years, yielding a very small duration gap of 0.28 years, demonstrating closely matched asset and liability cash flows.

In a run-down scenario, the amortization of the cover pool ends with the maturity of the last asset in 2040 and all covered bonds having repaid by 2038 (see chart 6). The assets are below 1% current value in 2029.

Chart 6



Credit Analysis

The credit analysis of the cover pool includes an exposure review of underlying assets to estimate the credit risk of each individual exposure. Together with correlation assumptions in between the assets and recovery assumptions, a default probability for the target rating is generated using CDO evaluator. The derived default probability is then used as input for the cash flow analysis.

Standard & Poor's CDO Evaluator

CDO Evaluator is an integral part of the methodology for the rating and surveillance of public sector covered bonds. Using a Monte Carlo methodology, it evaluates the credit quality of a collateral pool, taking into consideration the issuer credit rating, size, domicile, and maturity of each asset, and the correlation between each pair of assets. The credit quality of the collateral pool is presented in terms of a probability distribution for potential default rates. From this distribution, CDO Evaluator derives a set of scenario default rates that identify, for each credit rating, the maximum level of collateral pool defaults a CDO tranche should be able to withstand without defaulting.

Cash Flow Analysis

We evaluate a covered bond pool on a cash flow basis to determine whether, under conditions of severe economic stress, the cash flow generated by the assets would sufficiently meet the debt service payments due on the liabilities in a timely manner. The cash flow analysis aims to assess the pools for:

- Credit risk as described above;
- Market risk in the form of interest rate and currency risk;
- Liquidity risk as a result of cash flow mismatches between assets and liabilities in terms of maturity;
- Prepayment risks and servicing costs; and
- An appropriate stress testing of these risks using the Covered Bond Monitor (CBM).

CBM is a Monte Carlo model, which simulates approximately 100,000 different economic scenarios, or more if required, to establish an accurate default distribution. Each scenario produces a different path for interest rates and exchange rates for each currency included in the issuer's cover pool. Using these input parameters a corresponding set of cash flows is computed to determine whether, under these stressed assumptions, the pool exhibits sufficient strength to pass the target rating eligibility test. The average maturity of outstanding covered bonds defines the target rating default probability against which the cash flows are benchmarked. If the respective cover pool cash flows exhibit lower defaults than accepted under the threshold, the cover pool passes the rating eligibility test from a quantitative point of view.

The cash flow analysis is based on the assumption of a static pool—that is, no active pool management or new issues other than servicing the liabilities as they come due and, if necessary, taking out bridge financing to cover temporary liquidity needs. This assumption stems in turn from our central rating assumption, where the issuer is insolvent and the pool is managed until it has fully amortized.

If a covered bond issuer has registered derivatives in the cover pool, we grant benefit to the extent that these hedges are in compliance with the prevailing counterparty criteria applicable to derivative transactions. If our criteria are not met, we analyze structures case by case. If noncompliant structures result in negative market values, those stresses are fully reflected in our analysis. In the case of positive market values, some limited benefit might be granted if appropriate.

Issuer

The ratings on Germany-based WestLB incorporate six notches of support and are based solely on our expectation of ongoing ownership support, at least during the bank's restructuring process. Due to its ownership structure, WestLB is a government-related entity (GRE). The owners have proven their commitment to WestLB and remain

jointly liable for virtually all of the bank's obligations incurred up to July 18, 2005, until maturity. Furthermore, the savings banks and WestLB jointly operate two regional protection schemes, which may provide support to member banks' debtors of up to €1 billion in times of stress.

WestLB has announced a framework restructuring program that is consistent with its earlier plans. It involves: cost cutting, downsizing, and refocusing of the investment-banking business; strengthening the less-volatile businesses with the savings banks, private-banking customers, and midsize corporates; and further developing its real estate business. WestLB has presented its restructuring plan to the European Commission in order to gain EC approval for the state aid it received to cover losses on its securities portfolio. Although restructuring could lead to a more stable performance, it is also more difficult to implement successfully, given WestLB's weakened franchise, the widened gap to domestic competitors, and the weak market environment. Furthermore, it remains to be seen what compensatory measures and potential ownership changes the EC will ask WestLB to implement if it approves the plan. Rating implications could be negative if compensatory measures further weakened the bank's business and financial profile or led to a weaker form of ownership support.

Following discussions with the EC, the owners declared their intention to proceed with a change to the ownership structure, preferably through consolidation with other Landesbanks. Even in such a scenario, we would expect the current owners to seek an orderly solution and to remain influential stakeholders because large amounts of grandfathered debt remain outstanding in the medium term. However, we would consider the chances of a successful business combination to be higher if WestLB and other Landesbanks had made larger strides toward their own restructuring beforehand and once the market environment has stabilized (for further information see "Mergers Are Back On The Menu: Is Landesbank Consolidation The Universal Remedy?" published March 6, 2008, on RatingsDirect). Rating implications would depend on factors such as the future development of WestLB's business and financial profile, the creditworthiness of a potential business partner, and the current and future owners' ongoing commitment.

The German Covered Bond Legislation

The German Covered Bond Act and the respective secondary legislations provide the legal framework for the issuance of covered bonds in Germany.

In our detailed analysis of the legal framework, we reviewed the legal issues that are deemed key for the delinked approach:

- The isolation of and priority to the assets in the cover pool on the issuer's insolvency;
- No acceleration or forced restructuring of debt on the issuer's insolvency;
- The survival of the hedging agreements on the issuer's insolvency;
- The ability for a manager to generate liquidity to mitigate any maturity mismatch risk between the assets and the liabilities; and
- The ability to provide and maintain overcollateralization over and above the regulatory minimum requirements if the issuer becomes insolvent.

The PfandBG defines eligibility criteria for the type of assets (public sector assets, mortgage, or shipping secured loans) that may and may not be included in the cover pool. For each distinct asset type, the issuer has to maintain a segregated cover pool and the respective matching and management requirements have to be performed on a

per-pool basis. Furthermore, a covered bond issuer must disclose key risk indicators at least quarterly for each cover pool (composition of the cover pool by certain standardized criteria, overcollateralization based on a nominal and an NPV basis before and after stress, etc.)

If WestLB becomes insolvent, the covered bondholders have a preferential claim on the proceeds arising from the cover assets. German covered bonds do not automatically accelerate if the issuer becomes insolvent. While the trustee will continue to ensure that the Act is in all material aspects adhered to, the dedicated cover pool manager ("Sachwalter") will take over the cover pool management. The Sachwalter must manage the cover pool to ensure timely payment of interest and principal for the covered bonds. He is entitled to take appropriate measures to raise liquidity by selling or borrowing against cover pools assets to repay covered bonds becoming due, and generally must act in the interest of the bondholders to avoid becoming personally liable. Expenses for the Sachwalter and the trustee must be borne by the cover pool and are senior to the covered bondholders.

Ongoing Surveillance

We maintain regular surveillance WestLB's covered bonds until the notes mature or are otherwise retired. We analyze regular reports detailing the quality and performance of the underlying collateral, monitor supporting ratings, and make regular contact with the issuer to ensure that servicing standards are sustained and that any material changes in the issuer's operations are communicated and assessed. The current reporting quality is above average. Within a surveillance analysis, we assess the following:

- Cover pool composition, which may change considerably as a result of asset transfers or substitutions.
- Overcollateralization levels; and
- Liquidity needs.

Reports received from the issuer include following data:

- Obligor-by-obligor cover pool exposures, which include details such as name, amount, maturity, and other relevant data;
- Liquidity information; and
- Cash flows for each currency.

Criteria Referenced

- "Standard & Poor's Ratingansatz für Covered Bonds und Pfandbriefe" (published on Standardandpoors.com).

Related Articles

- "WestLB AG" (published on Aug. 14, 2008).
- "Transaction Update: Westdeutsche ImmobilienBank" (published on Sept. 3, 2008).
- "All Covered Bonds Are Not Created Equal" (published on Sept. 13, 2007).
- "Expanding European Covered Bond Universe Puts Spotlight on Key Analytics" (published on July 16, 2004).
- "Bank Industry Risk Analysis: German Banks Profit From Healthier Credit Environment" (published on March 27, 2007).
- "Germany Farewells Mortgage Bank Act for New Covered Bond Act to Take Center Stage" (published on March 27, 2007).

21, 2005).

- "Methodology & Assumptions: Applying The Derivative Counterparty Framework To Covered Bonds" (published on Feb. 26, 2008).

All criteria and related articles are available on RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.

Key Contacts

Client Support Europe (44) 20-7176-7176

Local media contact numbers

London (44) 20-7176-3605

Paris (33) 1-4420-6708

Frankfurt (49) 69-33-999-225

Stockholm (46) 8-440-5914

Moscow (7) 495-783-4017

Ratings Detail (As Of December 19, 2008)*

WestLB AG

Counterparty Credit Rating	A-/Watch Neg/A-2
Certificate Of Deposit	A-/A-2
Commercial Paper	A-2
Senior Secured (79 Issues)	AAA
Senior Secured (3 Issues)	AAA/Stable
Senior Unsecured (36 Issues)	A-/Watch Neg
Senior Unsecured (1 Issue)	A-1+
Senior Unsecured (18 Issues)	AA+/Negative
Senior Unsecured (21 Issues)	AA-/Negative
Short-Term Debt (0 Issues)	A-1+
Short-Term Debt (3 Issues)	A-2
Subordinated (1 Issue)	AA+/Negative
Subordinated (5 Issues)	AA-/Negative
Subordinated (2 Issues)	BBB+/Watch Neg

Counterparty Credit Ratings History

01-Dec-2008	A-/Watch Neg/A-2
11-Feb-2008	A-/Negative/A-2
24-Jan-2008	A-/Watch Neg/A-2
13-Nov-2007	A-/Negative/A-2
19-Jul-2005	A-/Stable/A-2
21-Dec-2004	AA-/Negative/A-1+

Sovereign Rating

Germany (Federal Republic of)	AAA/Stable/A-1+
-------------------------------	-----------------

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

Copyright © 2008 Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). S&P and/or its third party licensors have exclusive proprietary rights in the data or information provided herein. This data/information may only be used internally for business purposes and shall not be used for any unlawful or unauthorized purposes. Dissemination, distribution or reproduction of this data/information in any form is strictly prohibited except with the prior written permission of S&P. Because of the possibility of human or mechanical error by S&P, its affiliates or its third party licensors, S&P, its affiliates and its third party licensors do not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P, its affiliates and its third party licensors be liable for any direct, indirect, special or consequential damages in connection with subscriber's or others use of the data/information contained herein. Access to the data or information contained herein is subject to termination in the event any agreement with a third-party of information or software is terminated.

Analytic services provided by Standard & Poor's Ratings Services (Ratings Services) are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Ratings Services receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities or third parties participating in marketing the securities. While Standard & Poor's reserves the right to disseminate the rating, it receives no payment for doing so, except for subscriptions to its publications. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact Client Services, 55 Water Street, New York, NY 10041; (1)212.438.9823 or by e-mail to: research_request@standardandpoors.com.