



Finanzgruppe

Deutscher Sparkassen- und Giroverband

Rules for the Guarantee Fund of the *Landesbanken* and *Girozentralen*

As adopted at the DSGV's General Meeting on 11 December 1975, amended by a resolution of the DSGV's General Meeting on 18 December 2003 effective 1 January 2006, and finally amended by a resolution of the DSGV's General Meeting on 1 December 2004.

Please note:

The English translation is for information purposes only.

The original German text is legally binding in all respects.

Deutscher Sparkassen-
und Giroverband
Charlottenstraße 47
10117 Berlin

Contents

I. Function of the Guarantee Fund, Members, Recourse to the Fund

- Art. 1 Guarantee Fund of the *Landesbanken*, the *Girozentralen* and their Affiliated Institutions
- Art. 2 Function and Purpose of the Guarantee Fund (Safeguarding Institutions)
- Art. 3 Recourse to the Fund

II. Preventive Measures

- Art. 4 Early Identification of Risks, Risk Monitoring, Reporting to the Transparency Committee
- Art. 5 Annual Audit
- Art. 6 General Duties of Care
- Art. 7 Information on Special Events
- Art. 8 Duty to Provide Information in the Event of a Particular Risk Exposure
- Art. 9 Audits in the Event of Particular Risk Exposures
- Art. 10 Rights of Intervention in Member Institutions at Risk

III. Handling of Cases of Recourse to the Fund

- Art. 11 Duty to Provide Information in the Event of Recourse to the Fund
- Art. 12 Support Measures
- Art. 13 Restructuring and Reorganisation Concept, Requirements
- Art. 14 Reorganisation Agreement

IV. Provision of Resources for the Guarantee Fund

Art. 15 Contributions

Art. 16 Total Volume, Replenishment, Obligation to Make Additional Contributions

V. Withdrawal

Art. 17 Withdrawal of Member Institutions

Art. 18 Withdrawal Procedure

Art. 19 Consequences of Withdrawal

VI. Other Provisions

Art. 20 Monitoring Committee

Art. 21 Confidentiality

Art. 22 Exclusion of Legal Claims by Member Institutions

Art. 23 Co-operation within the Joint Liability Scheme

Art. 24 Special Right of the DSGV to Dispose of the Guarantee Fund

Art. 25 Administration of the Fund's Resources

Art. 26 Responsibilities, Adoption of Resolutions

Art. 27 Annual Accounts, Annual Report

Art. 28 Liquidation of the Guarantee Fund

Art. 29 Amendments to the Rules

I. Function of the Guarantee Fund, Members, Recourse to the Fund

Art. 1 Guarantee Fund of the Landesbanken, the Girozentralen and their Affiliated Institutions

- (1) The *Deutscher Sparkassen- und Giroverband e.V.* (DSGV) has set up a fund (guarantee fund) as a scheme to safeguard the following institutions (ordinary member institutions of the Guarantee Fund) in accordance with Section 12 of the German Deposit Guarantee and Investor Compensation Act:

Bayerische Landesbank
Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -
DekaBank Deutsche Girozentrale
HSH Nordbank AG
Landesbank Baden-Württemberg
Landesbank Berlin AG
Landesbank Hessen-Thüringen - Girozentrale -
Landesbank Saar
Landesbank Sachsen Girozentrale
LRP Landesbank Rheinland-Pfalz
Norddeutsche Landesbank Girozentrale
WestLB AG.

- (2) Institutions that are in a proximate relationship to the Savings Bank Finance Group shall be entitled to join the Guarantee Fund, either individually or via a separate fund (affiliated member institutions of the Guarantee Fund). Institutions shall only be allowed to join the Guarantee Fund if their financial security is guaranteed. In this case, an affiliation agreement shall be concluded between the institution concerned and the DSGV. The contents of said affiliation agreement shall be in keeping with the provisions stipulated in the present Rules and shall be adopted by a resolution of the ordinary member institutions of the Guarantee Fund as specified in Art. 26 below.
- (3) Where institutions whose activities predominantly serve the interests of savings banks join the Guarantee Fund in accordance with (2) above, they shall be affiliated via a separate fund. The affiliation agreement shall stipulate that, where such an institution needs support, the resources of the separate fund shall be used first of all, and if said resources are not sufficient, use shall be made of the Supraregional Compensation, and only then shall the Joint Liability Scheme be employed – each in accordance with its own Rules. Should a member institution

of the Guarantee Fund of the *Landesbanken* and *Girozentralen* need support, the resources of the separate fund shall be used only at the level of the Joint Liability Scheme – in accordance with the Rules concerned.

Art. 2 Function and Purpose of the Guarantee Fund (Safeguarding Institutions)

The function of the Guarantee Fund shall be to protect the member institutions themselves, in particular to safeguard their liquidity and solvency (safeguarding institutions). The Guarantee Fund shall support said institutions when they encounter financial difficulties or when they are at risk of encountering such difficulties. The Guarantee Fund shall invariably protect the member institutions' customer deposits (balance sheet item "Liabilities to depositors", i.e. to private individuals, business enterprises, public authorities) as well as bonds of the member institutions owned by customers. Customer deposits include in particular savings deposits, savings certificates, time deposits and sight deposits. The Guarantee Fund is also designed to protect liabilities to capital investment companies and their custodian banks (balance sheet item "Liabilities to credit institutions"), where the assets involved are part of the funds' assets, as well as resources made available to member institutions for publicly funded purposes by credit institutions that are not members of the Savings Bank Finance Group (e.g. the *Kreditanstalt für Wiederaufbau - Reconstruction and Loan Corporation*).

Art. 3 Recourse to the Fund

- (1) Recourse to the fund shall be granted if a member institution encounters financial difficulties, or is at risk of encountering such difficulties, especially if the member institution concerned is not able by its own efforts to avoid suspending payments or reporting losses that jeopardise its own survival.
- (2) The conditions specified in (1) above shall usually be deemed to have been fulfilled in the following cases:
 - The solvability ratio has continuously fallen below 8 per cent (Section 2(1) Principles on Own Funds and Liquidity – Principle I);
 - The liquidity has continuously fallen below the liquidity ratio as specified in Section 2(2) Sentence 3 of the Principles on Own Funds and Liquidity – Principle II;
 - The member institution has generated a net loss for the financial year which must be qualified as sustainable in view of the general business performance and the specific risk exposure and in view of the underlying financial years, or
 - Facts have been reported in accordance with Section 29(3) of the German Banking Act (*Gesetz über das Kreditwesen – KWG*) that may jeopardise the survival of the member institution.

- (3) The Guarantee Fund's ordinary member institutions shall decide in accordance with Art. 26 whether the conditions for recourse to the fund have been fulfilled.
- (4) If – in a case of recourse to the Fund – support measures (Art. 12 below) are adopted, a reorganisation agreement shall be concluded (Art. 14 below). Where a reorganisation agreement has been concluded with a member institution and where the institution concerned files another application for support measures during the term of the agreement, the case shall be treated as a second recourse to the Fund under the present Rules. The agreement concluded with the member institution concerned may provide otherwise where this is required in view of the nature, scope and complexity of a given case. If an application for recourse to the Joint Liability Scheme is filed in the course of such a case, the Joint Committee and the Building Societies Conference may review the need for recourse to the Scheme and make the granting of support dependent on their review.

II. Preventive Measures

Art. 4 Early Identification of Risks, Risk Monitoring, Reporting to the Transparency Committee

- (1) The purpose of the Savings Bank Finance Group's guarantee schemes is to identify risks and exposures of member institutions as early as possible in order to be able to adopt the necessary preventive measures. The member institutions shall be obliged to support any measures that help identify risks at an early point in time.
- (2) The Guarantee Fund shall operate a risk monitoring system that is designed to identify risks at an early point in time and to define different levels of information and intervention rights. Further details are elaborated in the Risk Monitoring Principles of the Savings Bank Finance Group's Guarantee Schemes, which are part of the present Rules.¹
- (3) The risk monitoring results shall be reported to the Transparency Committee (Art. 11(3)) of the Rules for the Joint Liability Scheme of the Savings Bank Guarantee Funds, the Guarantee Fund of the *Landesbanken* and *Girozentralen* as well as the Guarantee Fund of the *Landesbausparkassen*).

¹ The Risk Monitoring Principles of the Savings Bank Finance Group's Guarantee Schemes are adopted separately by the DSGV's General Meeting.

Art. 5 Annual Audit

The member institution shall instruct its auditor at the institution's own expense to certify at least once a year that the figures reported in the framework of risk monitoring (Art. 4(2) above) provided a true and fair view. The auditor shall have the right and the duty to inform the Guarantee Fund as well as the member institution's board and supervisory body in writing about any above-average risk exposure or violation of general duties of care (see Art. 6 below).

Art. 6 General Duties of Care

- (1) Compliance by member institutions with general duties of care as specified in (2) below shall be reviewed within the framework of the audit of annual accounts. Member institutions shall be obliged to instruct their auditors to include compliance with the provisions of the Guarantee Fund and with the relevant duties of care in their audits and to mention the results in their audit reports.
- (2) General duties of care shall include in particular:
 - compliance with statutory duties of care, especially those defined in legislation on organisational structures, in the present Rules and in legislation on banking supervision;
 - reasonable planning, control and supervision;
 - creating and maintaining the conditions in terms of human and physical resources as well as the organisational structure required to conduct the business;
 - maintaining a reasonable ratio of risks taken by a member institution (including borrower default risks for specific size and/or industry structures) to the risk coverage potential available to the member institution concerned;
 - conducting a reasonable analysis of earnings opportunities and risk exposures prior to launching new business lines.

Art. 7 Information on Special Events

- (1) Member institutions shall be obliged to inform the Guarantee Fund without delay of the following developments:
 - circumstances as specified in Art. 3(2) above;
 - acquisitions and disposals of major participating interests as specified in Section 10(6) No. 1 of the German Banking Act;
 - risks resulting from a violation of duties of care as specified in Art. 6 above;
 - risks as a result of which the institution's own funds can be expected to fall below the requirements specified in Section 10(1) of the German Banking Act;

- reports pursuant to Section 24(1) Nos. 5 and 10 of the German Banking Act;
- emergence of facts that can lead to substantial losses;
- extraordinary changes in key ratios used for risk monitoring purposes.

(2) The following bodies shall be authorised to inform the Guarantee Fund about any development that might jeopardise the survival or seriously impair the development of member institutions:

- owners of member institutions;
- the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*);
- the *Deutsche Bundesbank*;
- auditors of the annual accounts of member institutions;
- auditors who perform audits under the provisions of the German Banking Act or the present Rules.

The Guarantee Fund shall be authorised to seek from said bodies any information that is relevant to the Guarantee Fund in its function as a guarantee scheme.

Art. 8 Duty to Provide Information in the Event of a Particular Risk Exposure

Member institutions shall be obliged to furnish any information or documents at the Guarantee Fund's request that might help to explain and clarify matters in the event of a particular risk exposure.

Art. 9 Audits in the Event of Particular Risk Exposures

If there is reasonable evidence of a particular risk exposure, member institutions shall be obliged to allow audits ordered by the Guarantee Fund to be performed at the expense of the institutions concerned. They shall grant access to any documents required for the performance of a thorough audit. Special audits shall be performed by an auditor who did not audit the annual accounts of the member institution concerned in any of the three previous financial years.

Art. 10 Rights of Intervention in Member Institutions at Risk

In the event of a particular risk exposure, the Guarantee Fund shall be entitled to convene a meeting with the members of the supervisory body and with the board of the member institution concerned. The Guarantee Fund may request the member institution concerned to develop a restructuring concept or to take appropriate measures. In order to avoid support measures, the Guarantee Fund may require the institution concerned to implement measures that will affect its human or physical resources.

III. Handling of Cases of Recourse to the Fund

Art. 11 Duty to Provide Information in the Event of Recourse to the Fund

In the event of recourse to the Fund (Art. 3), member institutions shall grant the Guarantee Fund full access to information on their financial situation. They shall make available any information required for the Guarantee Fund to assess an institution's financial status.

Art. 12 Support Measures

In accordance with Art. 26 below, the Guarantee Fund's ordinary member institutions shall decide on the nature and scope of the support measures to be implemented and the associated requirements (Art. 13). Depending on the financial situation of the member institution concerned, any of the following support measures may be chosen:

- Allocating liable resources in the form of lost contributions (equity contributions) or otherwise;
- Furnishing guarantees or suretyships;
- Making interest-bearing commitments to pay debts;
- Meeting claims by third parties against the member institution concerned in return for an assignment of the claims to the Guarantee Fund.

Art. 13 Restructuring and Reorganisation Concept, Requirements

- (1) All support measures shall be based on the development of a restructuring and reorganisation concept to be drawn up, on behalf of the Guarantee Fund, by the member institution concerned or a qualified third party. The concept shall include in particular:
 - an analysis of the problem and its causes;
 - a list of short-term support measures;
 - a timetable for the introduction, implementation and conclusion of the necessary support measures;
 - an estimate and appraisal of the member institution's future development prospects.
- (2) Support measures (Art. 12) may be made contingent on the fulfilment of requirements imposed on the member institution concerned. Such requirements may include in particular:

- a reasonable reorganisation contribution to be made by the member institution's owner(s)²;
 - drawing on open reserves and releasing prudential reserves in accordance with Section 340f of the German Commercial Code and Section 26a of the German Banking Act (old) to cover losses, where this does not conflict with statutory requirements;
 - accounting measures (e.g. depreciation and value adjustments only to the extent that is absolutely necessary, full utilisation of choices in the valuation of assets, reversals of depreciation and expenses within the limits imposed by statutory provisions);
 - selling or transferring participating interests and other assets;
 - implementing general measures, in particular measures affecting the organisation structure;
 - implementing measures that affect an institution's human resources, in particular dismissing responsible board members;
 - merging institutions, subject to statutory provisions;
 - transferring shares in the institution concerned, subject to statutory provisions and in line with the Savings Bank Finance Group's goals as an association;
 - engaging the services of external consultants with the necessary experience and expertise;
 - issuing a debtor warrant bond ("Besserungsschein").
- (3) A member institution's specific problems and the impact resulting from a requirement shall be considered when imposing requirements. Member institutions shall be obliged to fulfil the requirements without undue delay.

Art. 14 Reorganisation Agreement

The parties involved in the reorganisation shall conclude a reorganisation agreement. This agreement shall stipulate the reorganisation measures, the financial resources to be spent, the requirements to be met and the duration of the reorganisation phase, as well as the conditions under which the member institution is obliged to repay reorganisation funds.

² Also applies to other forms of organisation.

IV. Provision of Resources for the Guarantee Fund

Art. 15 Contributions

The contributions to be made to the Guarantee Fund shall vary depending on the risk exposure of member institutions and shall be collected from member institutions by the DSGV. The determination of the level of contributions shall be subject to the Principles of Risk-based Computation of Contributions to the Guarantee Schemes of the Savings Bank Finance Group, which shall be part of the present Rules. Any interest accrued and income earned shall be part of the Fund's assets.

Art. 16 Total Volume, Replenishment, Obligation to Make Additional Contributions

- (1) The Guarantee Fund's total volume shall be composed of liquid funds and obligations to make additional contributions and shall be determined in accordance with the standard principles specified in Art. 15. The liquid funds to be contributed shall amount to at least one-third of the Fund's total volume (pay-in target). The remaining amount (not exceeding two-thirds of the total volume) shall be made up of obligations to make additional contributions. In accordance with Art. 26, the Guarantee Fund's ordinary member institutions may raise the limit for cash contributions to a level above the pay-in target. Where this option is exercised, the additional cash payments made shall be credited against the remaining obligations to make additional contributions.
- (2) Member institutions shall be obliged to make annual cash payments of at least 15 per cent of the pay-in target as long as less than 65 per cent of the target has been paid into the Fund. Member institutions shall make annual cash payments of at least 7.5 per cent of the pay-in target as long as the sum total of cash payments made is equal to or greater than 65 per cent of the pay-in target, but has not yet reached the pay-in target. In addition to this regular replenishment obligation, the Guarantee Fund may also be replenished by special assessments, either fully or partially, by virtue of a resolution adopted by the Guarantee Fund's ordinary member institutions in accordance with Art. 26.
- (3) A special replenishment obligation shall apply if, in the event of recourse to the Guarantee Fund, the cash contributions made to the Fund fall short of the pay-in target. If the Guarantee Fund's cash resources are not sufficient to handle the case, the Fund's cash resources shall first of all be replenished to the level required, while not exceeding the pay-in target.

- (4) If, due to a member institution's recourse to the Guarantee Fund, the Fund's cash resources have been depleted to the level of the pay-in target, and if more cash is required, the obligation to make additional contributions shall take effect; said contributions shall be made at the first request. The additional contributions to be made shall amount to the Fund's total volume less the cash contributions already made. Should these additional contributions still be insufficient to cover the financial requirements in the case concerned, the Guarantee Fund may have recourse to the Joint Liability Scheme.
- (5) Recourse to the member institutions' obligation to make additional contributions (Art. 16(1)) or their replenishment obligation (Art. 16(3)) must not expose any individual member institution to a substantial risk. The member institution concerned shall notify the Guarantee Fund of an exposure to such a substantial risk without undue delay, however, no later than prior to the adoption of a resolution as specified in Art. 12(1). Should the Guarantee Fund's ordinary member institutions find pursuant to Art. 26 that a member institution is exposed to such a substantial risk, they may release the institution concerned from its obligation, either fully or partially, or they may allow deferred performance of the institution's obligation. The compensation for the shortfall of contributions shall be made within the framework of the Guarantee Fund. The decision-making procedure shall comply with Art. 26 below. The member institutions that have not made their contributions shall not be entitled to vote on the resolution specified in sentence 3 and Art. 12 above.
- (6) Where recourse to the member institutions' obligation to make additional contributions (Art. 16(1)) or their replenishment obligation (Art. 16(3)) poses a substantial risk for several member institutions of the Guarantee Fund, the Fund may have recourse to the Joint Liability Scheme and appeal to the Joint Liability Scheme in order to apply for advance provision of funds for support measures.

V. Withdrawal

Art. 17 Withdrawal of Member Institutions

A member institution shall leave the Guarantee Fund if its membership in the DSGV ends, if it terminates its membership in the Guarantee Fund, or if it is barred from the Guarantee Fund.

Art. 18 Withdrawal Procedure

- (1) Any member institution may terminate its membership in the Guarantee Fund by giving two years' written notice, effective at the end of a given calendar year. The written notice to terminate the membership must be addressed to the President of the DSGV.
- (2) A member institution shall leave the Guarantee Fund two years after termination of its membership in the DSGV. If a member institution voluntarily withdraws from the DSGV as specified in Art. 5(1) letter (b) of the Statute of the DSGV e.V., the two-year period shall begin to run on the date when the notice of withdrawal is received.
- (3) The Board of the DSGV may shorten the periods specified in (1) and (2) above with the approval of the withdrawing member institution.
- (4) A member institution may be barred from the Guarantee Fund if it seriously infringes upon its obligations to the guarantee schemes of the Savings Bank Finance Group, or if it violates important provisions of the present Rules. A member institution shall be deemed to have violated said provisions in particular if:
 - it has persistently contravened the duties of care defined in Art. 6 above,
 - it has violated important duties to provide information,
 - the responsible bodies of the member institution have failed to agree to or fulfil the requirements imposed by the Guarantee Fund,
 - it pursues an unreasonably risky business policy, or
 - it fails to pay its contributions.
- (5) The member institution concerned shall be warned in a letter by the President of the DSGV that it may be barred from the Guarantee Fund. The facts that justify the exclusion and the ground for the exclusion shall be specified in the President's letter. Should the ground for the exclusion still persist after a period of six months, the Joint Committee (Art. 2 of the Rules for Supraregional Compensation of Savings Bank Guarantee Funds) shall – upon proposal of the Guarantee Fund's ordinary member institution – resolve with a three-quarters majority of the votes represented that the member institution concerned shall be barred. In accordance with Art. 26, the proposal specified in sentence 3 above shall, in turn, require a three-quarters majority of the represented votes of the Guarantee Fund's ordinary member institutions. The member institution concerned shall not be entitled to vote; however, it shall be given an opportunity to express its opinion prior to the vote.

- (6) The President of the DSGV shall inform the member institution in writing about the Joint Committee's decision, while stating the reasons for the exclusion. The exclusion shall be effective as of the end of the month following the written notice. Within this period of time, the member institution shall be entitled to appeal against its exclusion before the Board of the DSGV. Such an appeal shall have a suspensive effect; it shall be supported by a written reasoned opinion and state why the reasons for objecting to the exclusion could not be put forward at an earlier point in time. The Board shall rule on the appeal. Where the member institution concerned is represented on the Board of the DSGV, it shall not be entitled to vote. Should the Board of the DSGV allow the appeal, the member institution shall be deemed not to have been excluded; should the appeal be rejected, the exclusion shall take effect as of the end of the month following the notice of the Board's decision in writing.

Art. 19 Consequences of Withdrawal

- (1) Immediately after the withdrawal of a member institution from the Guarantee Fund, said institution shall inform the customers concerned of its withdrawal and point out that the (future) scope of protection available to customers will be in accordance with the terms specified in (2) below. The DSGV may publish the member institution's withdrawal from the Guarantee Fund in the Federal Gazette and in the local daily newspapers at the member institution's head office. Where the member institution fails to perform its obligations under sentence 1, the DSGV may also inform the customers concerned in an appropriate manner about the facts and the legal situation.
- (2) Deposits of the withdrawing institution's customers as well as debt securities issued by said institution shall be protected by the Guarantee Fund as stipulated in Art. 2, if they were established prior to the announcements as specified in (1) above or if they were established within one month after these announcements. Liabilities created after this period of time or prolonged at the customer's request, or not terminated or reclaimed by the customer at the earliest possible time after this point in time shall not be protected.
- (3) The withdrawing member institution's rights and obligations from its participation in the guarantee schemes of the Savings Bank Finance Group shall continue in effect until the end of the calendar year in which said institution leaves the schemes. The member institution shall continue to be liable for any obligations under the Guarantee Fund and the Joint Liability Scheme that have arisen until this point in time. The member institution's duty to provide information and its duty of care, as well as the Guarantee Fund's rights of supervision shall continue in effect as long as liabilities of the withdrawing member institution are covered by the Fund.

VI. Other Provisions

Art. 20 Monitoring Committee

A Monitoring Committee shall be established. Further details are laid down in clause V of the Risk Monitoring Principles of the Savings Bank Finance Group's Guarantee Schemes (Art. 4(2)).

Art. 21 Confidentiality

All parties that are involved in support measures or that become active for the purposes of the guarantee schemes of the Savings Bank Finance Group shall be bound to treat confidentially all operations and information that they take cognizance of in the context of their activities. This shall also apply to their employees as well as the members of the institutions, bodies and committees involved, and shall continue to apply after the termination of their activities.

Art. 22 Exclusion of Legal Claims by Member Institutions

Member institutions shall have no legal claim to support measures.

Art. 23 Co-operation within the Joint Liability Scheme

Member institutions shall participate, actively and passively, in the Joint Liability Scheme operated jointly with the Savings Bank Guarantee Funds of the regional associations and the Guarantee Fund of the *Landesbausparkassen* in accordance with the Rules for the Joint Liability Scheme.

Art. 24 Special Right of the DSGV to Dispose of the Guarantee Fund

- (1) The DSGV shall be authorised to dispose of an annual maximum of 15 per cent of the Guarantee Fund's total volume. These resources shall be used for cases of recourse to the Fund within the Savings Bank Finance Group where this seems called for in the interest of defending particularly important political interests of the savings banks or of preserving the current guarantee system of the Savings Bank Finance Group. The Board of the DSGV shall decide whether the resources of the Fund will be used in a given case. The granting of support may be made contingent on the fulfilment of requirements. The Board's decision as specified

in sentence 3 above can be taken only on the basis of a previous resolution adopted in accordance with Art. 26 by the Guarantee Fund's ordinary member institutions in support of using the Fund's resources.

- (2) The DSGV's General Meeting may resolve with a majority of nine tenths of its members that the resources specified in (1) above shall be used to support institutions outside the Savings Bank Finance Group where this helps to promote the savings bank system, and in particular, where this is necessary to avoid serious disadvantages for the Savings Bank Finance Group. Sentences 3 to 5 in (1) above shall apply *mutatis mutandis*.

Art. 25 Administration of the Fund's Resources

The DSGV shall administer the resources of the Guarantee Fund and shall invest them separately from the Association's other assets as a legally dependent special fund. The contributions paid in shall be invested at interest in such a way that the necessary liquidity is guaranteed at any time, while maintaining a reasonable mix and diversification.

Art. 26 Responsibilities, Adoption of Resolutions

- (1) Resolutions affecting the Guarantee Fund shall be adopted by the ordinary member institutions specified in Art. 1(1), with a four-fifths majority of the votes represented, unless otherwise stipulated in the Rules of the Savings Bank Finance Group. Each ordinary member institution shall have one basic vote. In addition, each ordinary member institution shall have one additional vote per 10 per cent share of the Guarantee Fund's total volume. Each member institution's share shall be computed on the basis of the status as of 31 December of the previous year. Resolutions affecting the Guarantee Fund shall be deemed to have been adopted by a committee of the DSGV. The President of the DSGV shall participate and have a total of three votes. The meetings shall be chaired by the Chairman of the Conference of the Managers of *Girozentralen* (*Girozentralleiter-Konferenz*).
- (2) The DSGV's General Meeting shall decide on the admission of ordinary and affiliated member institutions with a three-quarters majority of the votes represented, providing that the ordinary member institutions mentioned in Art. 1(1) have previously given their approval with a four-fifths majority of the votes represented in accordance with (1) above. Resolutions may be adopted in writing if a decision is a condition for the acquisition of a banking licence by the institution concerned and if it is not possible to wait until the next meeting.

Art. 27 Annual Accounts, Annual Report

The DSGV shall prepare Annual Accounts and an Annual Report for the Fund once a year as of 31 December. These documents shall be submitted to the Federal Financial Supervisory Authority, the *Deutsche Bundesbank* and the Guarantee Fund's member institutions by 31 May of each year.

Art. 28 Liquidation of the Guarantee Fund

The DSGV's General Meeting shall, upon a proposal of the Guarantee Fund's ordinary member institutions, decide on the Guarantee Fund's liquidation, the procedure to be adopted for its liquidation and the use of the assets held by the Fund at this time.

Art. 29 Amendments to the Rules

Amendments to the present Rules shall be adopted at a General Meeting of the DSGV and shall require a three-quarters majority of the votes represented, providing that a resolution to this effect was previously adopted by the Guarantee Fund's ordinary member institutions in accordance with Art. 26. Art. 9(1) sentences 4 and 5 of the Statute of the DSGV e.V. shall apply *mutatis mutandis*.