Financial Stability Forum Report

as of 30 June 2008

HSH NORDBANK

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FINANCIAL STABILITY FORUM REPORT

Publication of detailed information on HSH Nordbank's special portfolios (as recommended by the Financial Stability Forum)

In view of the crisis underway on financial markets since 2007 the Financial Stability Forum* (FSF) recommends that banks provide greater disclosure on portfolios which may be affected by the market turmoil. The aim is to increase transparency on exposure to structured credit products and thereby contribute to a lasting stabilisation of the markets.

HSH Nordbank already began disclosing portfolio information in late 2007, although until the present time the FSF does not consider it binding.

For the first half-year 2008 HSH Nordbank has identified various portfolios affected by the financial markets crisis, and in the following provides detailed information on their structure and risk position. These disclosures supplement the comments on the Credit Investment Portfolio in the risk report of our interim report as of 30 June 2008 and also deal with HSH Nordbank's leverage finance portfolio and exposure to US monoliners.

* The FSF is a joint body made up of 26 regulatory authorities from 12 states and 11 international organisations, appointed by the Finance Ministers and central bank Governors of the G7 countries to analyse the causes of the turbulence on financial markets and to develop recommendations for strengthening the financial system.

KEY MESSAGE

I.

High notional – low (default) risk portfolio: approx. 15 % reduction in 2008 so far

II.

Conservative P & L approach – risks are fully covered: EUR 511 m P & L impact in H1 / 2008 vs. EUR 1,331 m in 2007 – however, still additional P & L risk in 2008 in case of ongoing financial markets crisis

III.

Critical portfolios (Subprime and CDOs) with reduced P & L risk – key risk factors as ratings are very stable

IV.

Monoline risk rather low: expected loss of about EUR 30 m

I. CREDIT INVESTMENT PORTFOLIO

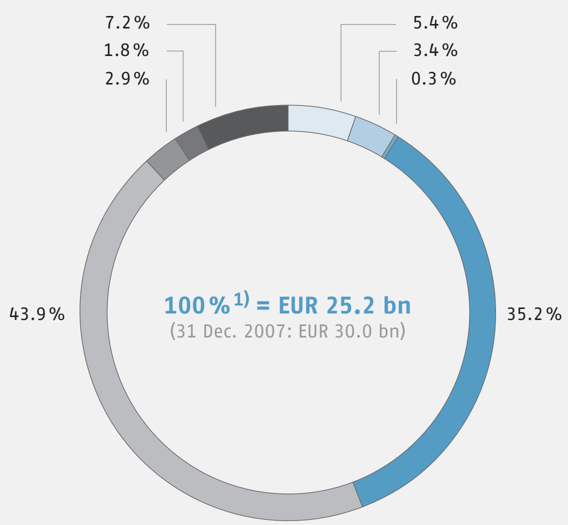
1. Portfolio overview

1.1 Breakdown by asset classes

Large-volume Credit Investment Portfolio

- Credit investment portfolio is broadly diversified
- 90 % of the whole portfolio is investment grade
- Excluding Single Names 61.3 % of the portfolio is AAA
- Strict own investment guidelines applied
- Original strategic goal: buy and hold to generate steady interest income

Breakdown of credit investment portfolio by asset class (Notional as of 30 June 2008)



	5.4 %	EUR 1.4 bn Synthetic CDO and CDS of Indices
	3.4 %	EUR 0.5 bn Special Fund
	0.3 %	EUR 0.1 bn SIVs
	35.2 %	EUR 9.0 bn Other ABS (excl. Subprime)
	43.9 %	EUR 11.2 bn Single Names (Bonds and CDS)
	2.9 %	EUR 0.7 bn Hedge Funds / Mutual Funds
	1.8 %	EUR 0.5 bn High-Yield Portfolio, Convertible Bonds
	7.2 %	EUR 1.9 bn Subprime related RMBS HEL: 1.2 bn CoC, CoA, North Street: 0.7 bn

1) Incl. assets of Carrera and Poseidon

1.2 Rating distribution

Rating distribution has been very stable

Rating distribution (in %)

1.3 Development and P & L effect

Credit Investment Portfolio Annual 2007 and H1 2008

Annual 2007 (€ million)

				Annual result 2007			
	Asset class	IFRS Category	Exposure 31 Dec. 2007[1]	M-t-m-loss 2007	P & L	Revaluation Equity Surplus	Hidden losses 2007
2.1	Synthetic CDO[2]	DFV	1,878	214	413	0	0
	CDS on Indices	HFT	353	10	10	0	0
	Special Fund[4]	AFS	866	29	29	0	0
	SIV Capital Notes[1]	LAR	143	143	143	0	0
2.2	Other ABS	mainly LAR	9,734	300	70	1	229
2.3	Single Names	DFV, AFS, LAR, HFT	13,641	179	95	58	26
2.4	Hedge Funds / Other Funds	AFS	868	25	24	1	0
	Others (Convertibles, NY HY Loan Portfolio)	DFV, LAR	461	−6	−16	0	10
	Non Subprime related Portfolio: SUM[1]		**27,944**	**894**	**768**	**60**	**265**
2.5	RMBS HEL[3]	mainly LAR	1,312	244	279	0	0
	CDO of ABS, CDO of CDO[3]	mainly LAR	372	67	82	0	0
	North Street	DFV	340	202	202	0	0
	Subprime related Portfolio: Sum		2,024	513	563	0	0
	TOTAL SUM[1]		**29,968**	**1,407**	**1,331**	**60**	**265**

H1 2008 (€ million)

				Additional H1 2008 result			
	Asset class	IFRS Category	Exposure 30 June 2008	M-t-m-loss	P & L	Revaluation Equity Surplus	Hidden losses 2008
2.1	Synthetic CDO[2]	DFV	1,369	314	115	0	0
	CDS on Indices	HFT	0	19	19	0	0
	Special Fund[4]	AFS	500	−6	−6	0	0
	SIV Capital Notes[1]	LAR	83	0	0	0	0
2.2	Other ABS	mainly LAR	8,988	392	47	5	340
2.3	Single Names	DFV, AFS, LAR, HFT	11,219	173	97	50	26
2.4	Hedge Funds / Other Funds	AFS	729	19	14	5	0
	Others (Convertibles, NY HY Loan Portfolio)	DFV, LAR	462	19	12	0	7
	Non Subprime related Portfolio: SUM[1]		**23,350**	**930**	**298**	**59**	**373**
2.5	RMBS HEL[3]	mainly LAR	1,157	215	73	0	108
	CDO of ABS, CDO of CDO[3]	mainly LAR	352	43	28	0	0
	North Street	DFV	317	112	112	0	0
	Subprime related Portfolio: Sum		1,826	370	212	0	108
	TOTAL SUM[1]		**25,176**	**1,300**	**511**	**59**	**481**

1) Incl. realized losses of EUR 56 m due to restructuring
2) In 2007 additional P & L loss of EUR 199 m against m-t-m due to adjusted market-model data given illiquid market situation as of 31 December 2007. In 2008 corresponding negative difference.
3) M-t-m movements of January in annual result 2007 already considered
4) Different Credit Strategies; Cash component not considered in notional as of 30 June 2008

2. Portfolio details

2.1 Synthetic CDO portfolio / CDS

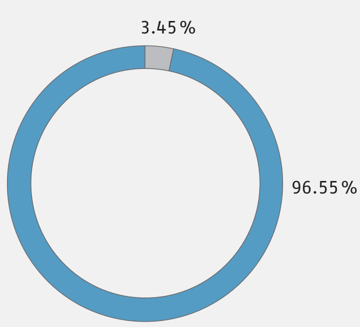
Synthetic CDO's: P&L downside reduced, but monoline risk going forward

- Synthetic structures with corporate debt referenced via Credit Default Swaps as underlyings (no Subprime as underlying). The total exposure of EUR 1.4 bn includes EUR 145 m Cash CDOs and one Leveraged Super Senior position
- CDOs referencing European / US Single Names
- Overweight in financials due to perceived lower default risk
- Average Rating of single Tranches is A+
- Participation in rated tranches
- Thickness and subordination of tranches selected on the basis of predetermined investment criteria: a minimum portfolio diversification, tranche subordination, as well as concentration and quality of underlyings
- Durations vary between one and six years
- The high m-t-m losses are caused by general market spread widening since summer 2007, especially among Monoliners and Financials.
- Still, in Q2 2008, the synthetic CDO portfolio has been reduced by 6 positions overexposed to financials and monoliners showing high volatilities in market value (Notional EUR 490 m). Additionally, four positions in Leveraged Super Senior Swaps (CDS on Indices) were closed (Notional EUR 353 m) and several hedges of monoline positions were carried out.

Synthetic CDOs (as of 30 June 2008)

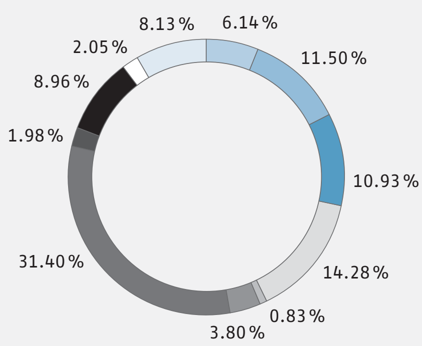
Exposure	(€ million)	1,369 (31 Dec. 2007: 1,878)
P&L 07	(€ million)	(423)
P&L H1 08	(€ million)	(115)
IFRS		DFV / HFT

Rating category distribution by IDL



	3.45 %	Non-Inv-Grade
	96.55 %	Inv-Grade

Industry distribution by IDL



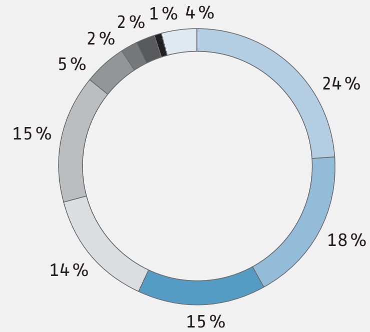
6.14 %	Basic Materials
11.50 %	Communications
10.93 %	Consumer, Cyclical
14.28 %	Consumer, Noncyclical
0.83 %	Diversified
3.80 %	Energy
31.40 %	Financial
1.98 %	Government
8.96 %	Industrial
2.05 %	Technology
8.13 %	Utilities

2.2 Other ABS

Well diversified over regions and asset classes

Distribution by region and asset class (as of 30 June 2008)

For details see following subportfolio:



1	24 %	Non-US RMBS
2	18 %	EU High Yield CLO / CDO
3	15 %	Consumer Loans
4	14 %	CMBS
5	15 %	US CLO, CBO & TruPS CDO
6	5 %	EU SME CLO & LEASE ABS
7	2 %	US Commercial Real Estate CDO
8	2 %	Emerging Markets ABS
9	1 %	Non-US Consumer ABS
10	4 %	Others[1]

Exposure	(€ million)	8,988 (31 Dec. 2007: 9,734)
P & L 07	(€ million)	(70)
P & L H1 08	(€ million)	(47)

1) US Credit cards 0.06; ABS shipping 0.06; ABS aircraft 0.16

Current m-t-m-loss on other ABS uncritical

as of 30 June 2008

1) US Credit cards 0.06; ABS shipping 0.06; ABS aircraft 0.16

2.2a Non-US RMBS

1 Non-US RMBS stable ratings, one downgrade, no defaults

Non-US RMBS (as of 30 June 2008)

Exposure	(€ billion)	2.18
IFRS		LAR

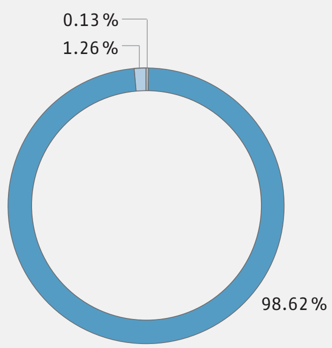
- Diversified portfolio of high quality mostly AAA RMBS concentrated mainly in the AUS and UK markets
- Most of the portfolio (86.6 %) is prime with 3.1 % UK buy-to-let and 10.3 % non-conforming
- Considerable spread volatility of RMBS assets due to the current market liquidity crisis but no impairment of assets

- Some extension risk due to reduction in liquidity available in retail and securitization markets
- Stable ratings, one downgrade and no defaults

The RMBS portfolio has suffered only one downgrade to date. Moodys / S & P downgraded the only subordinated tranche of Australian RMBS (PUMA H1) in the portfolio from Aa2 / AA to Aa3 / AA–. This was due to downgrades of the lenders mortgage insurance providers PMI and Genworth and not on credit concerns over the underlying collateral. HSH owns AUD 11.5 m, EUR 7 m of this tranche which is performing well.

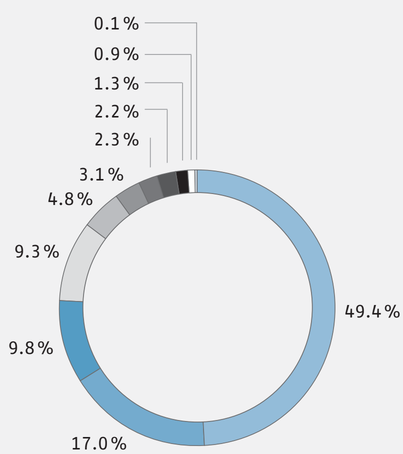
- Increased portfolio size due to restructuring of SIV investments in 2007
- Focus has been on AAA rated more conservative underwriting standards of originators, e.g. average LTV below 75 %

Distribution by Rating



	98.62 %	AAA
	1.26 %	AA
	0.13 %	A

Distribution by Mortage type & country



	49.4 %	Prime AUS
	17.0 %	Prime UK
	9.8 %	Prime ESP
	9.3 %	N / C UK
	4.8 %	Prime ITA
	3.1 %	BTL UK
	2.3 %	Prime NL
	2.2 %	Prime IRE
	1.3 %	N / C AUS
	0.9 %	Prime PT
	0.1 %	GER

2.2b EU High Yield CLO / CDO

2 EU High Yield CLO / CDO with strong focus on disciplined asset selection

EU High Yield CLO / CDO (as of 30 June 2008)

Exposure (€ billion)	1,62
IFRS category	LAR

- Defensive portfolio – 92.5 % AAA-rated, predominantly senior un-leveraged positions. The 7.5 % more volatile AA and A mezzanine positions are highly seasoned (mainly 2002 – 2004 vintages)
- The portfolio consists primarily of managed arbitrage cash flow CLOs, backed by first lien senior secured loans and managed by tier one managers with superior resources and extensive track records going back to at least 2002
- 93 % CLOs backed by senior secured loans, 4 % CBOs backed by HY bonds / loans and 3 % CDOs backed by Trust Preferred Securities
- Strong focus on disciplined asset selection and risk aversion in the 2005 – 2007 low spread environment, strict CLO manager selection and portfolio criteria i.e. avoidance of loose portfolio criteria, OC haircut language and asset type definitions
- Our strict investment standards include collateral criteria such as ramp-up status, portfolio quality and concentration limitations, structural criteria (diversion tests, haircuts), portfolio manager eligibility (internal scoring) and stress tests based on cash flow analysis (break-even default rates under conservative recovery assumptions)

2.2c Consumer Loans

3 Consumer Loans largly government guaranteed student loans

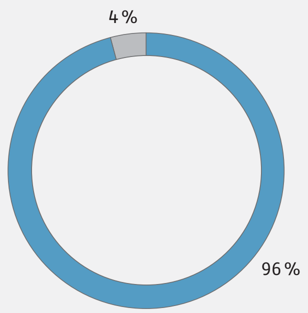
Consumer Loans (as of 30 June 2008)

Exposure (€ billion)	1.31
IFRS category	LAR

- US government guaranteed nature of the FFELP Student Loan ABS portfolio represents a joint probability of default consisting of the performance of the underlying portfolio as well as the servicer's ability to maintain the US Government Guaranty of at least 97 % on the student loans

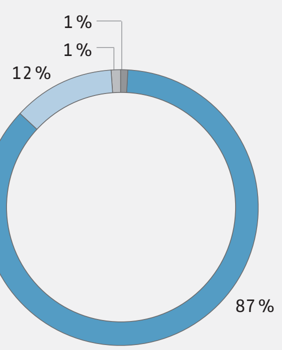
- Only transactions serviced by exceptional performers as designated by the US Dept. of Education qualify for investment under HSH IM's student loan ABS criteria
- Current portfolio primarily consisting of US Government Guaranteed Student Loans which represent 96 % of the portfolio.

Distribution by guarantees (government / private)



96 %	FFELP Guaranteed
4 %	Private

Rating distribution



87 %	Aaa
12 %	Aa1
1 %	Aa2
1 %	A2

2.2d CMBS

4 CMBS highly rated, well performing

CMBS (as of 30 June 2008)

Exposure (€ billion)	1.23
category (mainly) IFRS	LAR

US CMBS

- The CMBS portfolio comprises mainly conduit deals backed by a diversified portfolio of different property types throughout the country

European & Asian CMBS

- Defensive portfolio, based on a deal-by-deal fundamental analysis (only high quality collateral with stable rental income sustaining predefined stress tests on a loan by loan basis) and structural features
- Highly rated quality portfolio of Asian and European CMBS
- Highly diversified tenant base, with no tenant contributing more than 3.5 % of the overall CMBS portfolio income. Only four tenants contribute more than 1 % each of portfolio income, all investment grade rated

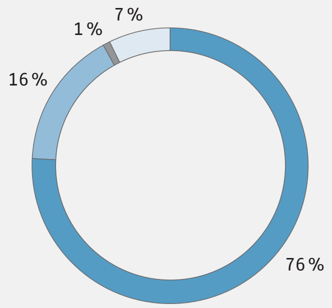
Risk: US CMBS

- Fundamentals for US commercial real estate market are poised to decline. Volatility in ratings expected due to higher losses than rating agency base cases. Due to aggressive underwriting standards and expected weakening fundamentals losses are expected to increase and spreads to widen
- There have been no rating downgrades in our US-CMBS portfolio. The CMBS in the HSH portfolio are all AAA with substantial credit enhancement

European & Asian CMBS

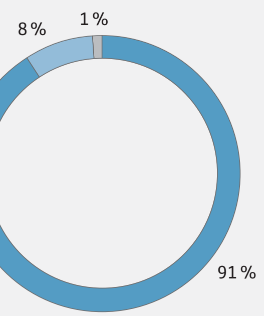
- All deals perform well in line with expectations, only one downgrade on an Ambac wrapped bond though the deal is performing well (no arrears, backed by IG-rated tenant)
- No extension or default risk for investments expected
- Fundamentals of UK commercial real estate markets weaken, however all EMEA CMBS investment positions are expected to withstand a slowdown

Rating by country



	76 %	West-Europe
	16 %	North America
	0 %	East-Europe
	1 %	Australia
	7 %	Asia

Rating distribution



	87 %	AAA
	12 %	AA
	1 %	A

2.2e Further ABS classes

5 / 6 Strict investment criteria on further ABS-classes

5 **Product: US CLO, CBO & TruPS CDO** (as of 30 June 2008)

Exposure	(€ billion)	1.36
IFRS category		LAR

- The subportfolio consists primarily of managed arbitrage cash flow CLOs , backed by predominantly first lien senior secured loans
- Strong focus on CLOs with 78.5 % backed by primarily Senior Secured Loans, 3.2 % CBOs backed by HY bonds and 18.3 % CDOs backed by a majority of Bank Trust Preferred Securities
- Defensively built portfolio of predominantly most senior tranches with 97.1 % AAA to AA– by S & P and 95.8 % Aaa to Aa3 by Moody's. In total 115 tranches across 85 CDOs, avg. investment amount EUR 12.0 million per tranche, weighted average rating AA+ / Aa1
- Strong focus on disciplined asset selection and risk aversion in a low spread environment. Strict focus on CLO manager selection based on successful track record; avoidance of primarily equity friendly portfolio criteria (i.e. high buckets for structured finance, 2nd lien loans or HY bonds); OC haircut requirement for CCC / Caa and discount asset and detailed documentation check to identify weaknesses such as loose asset type restrictions because of loose definitions

6 **Product: EU SME CLO & LEASE ABS** (as of 30 June 2008)

Exposure	(€ billion)	0.43
IFRS category		LAR (mainly)

- Defensive Portfolio
  - 100 % AAA-rated senior un-levered positions
  - Only transactions securitising granular portfolios of at least 1000 obligors, with no obligor accounting for more than 1 % of the portfolio
  - Only transactions originated and serviced by major market participants with considerable track record and at least 5 year default and delinquency data
  - If the originator / servicer is a bank, it must be at least single-A rated by one major agency
- Since spreads compressed in 2004, our strategy has been to concentrate on AAA Senior tranches in order to protect par value until corporate credit risk got properly re-priced. This suited Carrera and Poseidon's investment guidelines, and has limited our negative m-t-m effect
- Our strict investment criteria include collateral criteria such as portfolio quality and concentration limitations, structural criteria, originator and servicer track record and market position, and industry exposures. These criteria have enabled us to avoid recent pitfalls such as Spanish SMEs with excessive exposure to the construction and real estate sectors

7 / 8 / 9 Remaining ABS also with very stable, high rating

7
US COMMERCIAL REAL ESTATE CDO
(as of 30 June 2008)

- The average rating is Aa2
- Only 13.79 % of the CRE CDOs are backed by riskier collateral originated in weaker vintages (2004 to 2006). 69 % of the CRE CDOs are 2001 through 2003 vintages which are performing exceptionally well and in many cases the subordinated tranches have been upgraded. The remainder of the CRE CDOs are backed by AAA CMBS tranches which are extremely stable
- No rating downgrades in the CRE CDO portfolio

Exposure (€ billion)	0.19
IFRS category	LAR (mainly)

8
EMERGING MARKETS ABS
(as of 30 June 2008)

- EM ABS portfolio shows stable performance, no delinquencies or defaults
- 86.5 % of the portfolio is wrapped by monoline insurers (increase due to FX effects)
- The weighted average rating shifted to A– due to monolines' rating migration
- Since Nov. 2007 monoline insurers have come under pressure due to the subprime and CDO woes; future business model still unclear
- Overall EM ABS underlying performance remained very stable during current market turmoil and is expected further to perform well

Exposure (€ billion)	0.20
IFRS category	LAR (mainly)

9
NON-US CONSUMER ABS
(as of 30 June 2008)

- Small portfolio of European Consumer ABS, including credit cards and auto receivables
- Good quality, all AAA rated

Exposure (€ billion)	0.08
IFRS category	LAR (mainly)

2.3 Single Names

Single Names: low default risk, but due to high nominal with high valuation volatility

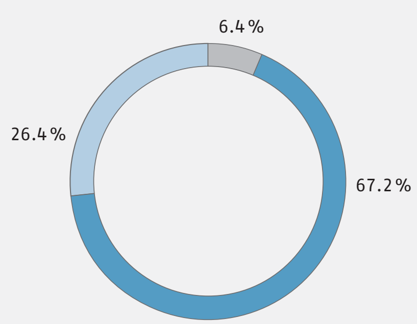
Single Names (as of 30 June 2008)

Exposure	(€ billion)	11.2 (31 Dec. 2007: 13.6)
P & L H1 08	(€ million)	(97) [2007: (95)]
IFRS Category		DFV, ASF, LAR, HFT

– Opportunistic investment approach in low default risk SN IG FRNs, ASW (Asset Swaps) and CDS due to well established Investment Guidelines
– Emphasis on Financials (approx. 67 %) and Sovereign default risk (approx. 26 %), providing for a high grade credit spread volatility
– Market development until end of 2008

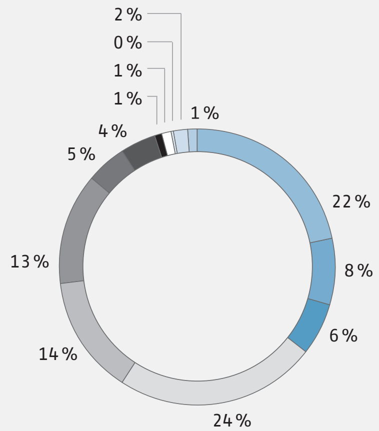
IG Corporates and Financials in particular recovered and spreads tightened significantly since mid of March as the overall market view turned to "the worst is over" meaning that the actual credit crisis is closer to its end than to its beginning. This sentiment changed since mid of May and the ITraxx main widened from the 60s to 101BP. Apart from positive factors like the Bear rescue, capital increases in major financials and the Fed rate cuts, we still expect volatile spreads as the credit crisis is expected to spill over to the real economy and further negative news from the consumer credit side, monoliners, financials quarterly figures and the commodity markets are very likely.

Distribution by sector



6.4 %	Corporates
67.2 %	Financials
26.4 %	Sovereigns

Rating distribution



	22 %	AAA
	8 %	AA+
	6 %	AA
	24 %	AA–
	14 %	A+
	13 %	A
	5 %	A–
	4 %	BBB+
	1 %	BBB
	1 %	BBB–
	0 %	BB+
	2 %	B
	1 %	NR

2.4 Hedge Funds / other funds

Fund of funds approach to Hedge Funds

Hedge Funds / other funds (as of 30 June 2008)

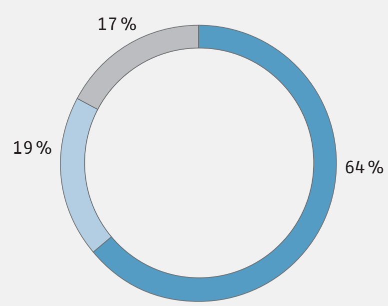
Exposure	(€ billion)	0.73 (31 Dec. 2007: 0.87)
P & L H1 08	(€ million)	(14) [P & L 2007: (24)]
IFRS		AFS

- Investment strategy in hedge funds to reduce dependency from the credit markets, platform established with a diversified Fund of Funds approach
- HSH Nordbank acts as the F-o-F Manager in selecting and managing a portfolio of Hedge Funds, hedge fund platform size of approx. EUR 400 m
- Due to reducing measures the bank's investment volume in internal market risk funds has shrunk to EUR 270 m, external funds with only EUR 35 m left at the end of June (all in all approx. EUR 300 m)

2.5 Subprime related exposure

Major part of subprime related exposure in HEL-structures

as of 30 June 2008



1	64 %	HEL (Home Equity Loans)
2	19 %	CDO of ABS, CDO of CDO
3	17 %	North Street

€ million	COA / COC	North Street	HEL	Total
Total exposure	352 (31 Dec. 2007: 372)	317 (31 Dec. 2007: 340)	1,157 (31 Dec. 2007: 1,312)	1,826 (31 Dec. 2007: 2,024)
P&L H1 2008	(28)	(112)	(73)	(212)
IFRS Category	mainly LAR	DFV	mainly LAR	n / a
P&L 2007	(82)	(202)	(279)	(563)

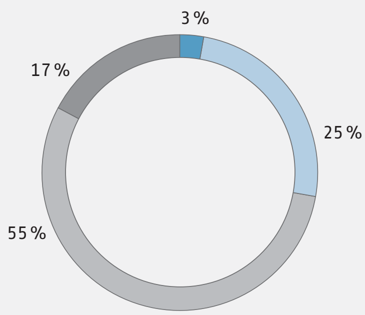
1 HEL-portfolio with relatively strong ratings

HEL (as of 30 June 2008)

Exposure	€ million	1,157
P & L 07	€ million	(279)
P & L H1 08	€ million	(73)
IFRS		LAR (mainly)

- The HEL business plan was formed in 2004. Since then, the parameters have gone through several updates to reflect the state of the subprime home equity market
- Relative to the industry average the HEL portfolio is of comparatively high quality and has performed well with respect to delinquencies and cumulative losses
- We attribute the better than average performance to a strict adherence to the RMBS investment parameters, a conservative and disciplined credit strategy, and a proactive portfolio management
- The US mortgage market is still under stress due to rising delinquencies and declining house prices in key regions. Nevertheless, the HSH portfolio delinquencies and losses outperform the ABX. To date, the HSH portfolio delinquency growth rates for 2004–2006 vintages are leveling off while 2007 vintage continues to accelerate
- Prepayments in the mortgage market continues to slow down due to the shutdown in the Sub-prime origination channel and continued house price decline in key regions
- Security prices remain depressed. However, the HSH weighted average portfolio mark still outperforms the ABX
- Ratings downgrade risk remains. To date, securities downgraded in the HSH portfolio still remain below those experienced in the overall market on a percentage and absolute basis
- HSH IM recently adjusted certain loss and cash flow modeling assumptions to reflect slower prepayments experienced in the portfolio. As a result, the loss coverage multiples of a handful of securities have fallen below one, representing 1.3 % of the outstanding balance

Distribution by vintage (USD billion)



3 %	2004 Vintage
25 %	2005 Vintage
55 %	2006 Vintage
17 %	2007 Vintage

Rating distribution by vintage (in %)

2004	AAA	100
2005	AAA	35
	AA	37
	A	13
	BBB	9
	Non IG	7
2006	AAA	45
	AA	22
	A	3
	BBB	4
	Non IG	25
2007	AAA	31
	AA	32
	A	18
	BBB	12
	Non IG	6

1 HEL ratings still stable – loss coverage largely above impairment criterion

Rating migration (in %)

	Oct 07	Jan 08	Mch 08	Jun 08
AAA	60	58	54	42
AA	35	35	25	27
A	4	3	5	8
Below A	1	4	16	23

Loss coverage migration (in %)

	Oct 07	Jan 08	Mch 08	Jun 08
> 2.0	96	49	40	27
> 1.5	4	34	36	37
Impairment criterion				
> 1.0	0	17	24	35
< 1.0	0	0	0	1

II. EXPOSURE TO MONOLINE INSURERS

1. Summary of exposure

No direct monoline exposure

Indirect Monoline exposure (€ million)	**30 June 2008**	**31 March 2008**
Indirect ("wrapped") monoline exposure		
CIP* wrapped ABS	614.5	623.5
CIP wrapped Single Names	63.7	78.8
Global Markets London Single Names	108.2	114.9
Transportation NY wrapped ABS	45.4	44.2
Total	**831.8**	**861.4**
CIP Synthetic CDO**	61.8	179.1
Grand Total	**893.6**	**1,040.4**

* CIP: Credit Investment Portfolio
** Exposure corresponds to Instantaneous Default loss (IDL) as of end of March 2008. This is an estimated mark-to-market loss in the event of an immediate default

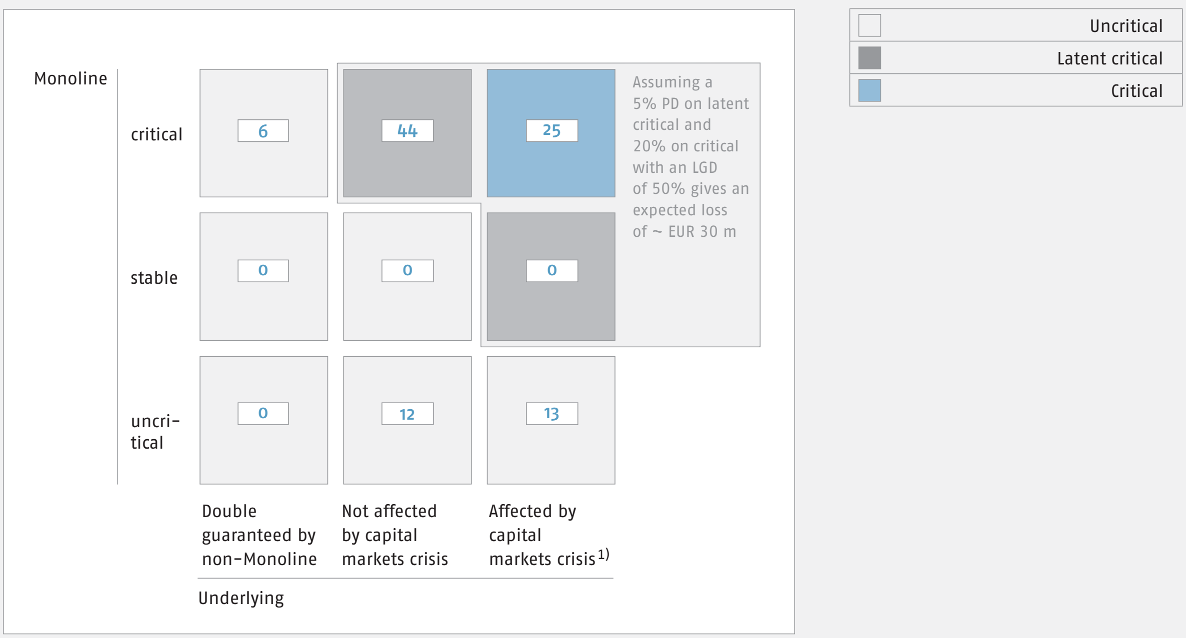
- The total indirect exposure of EUR 893.6 m is to seven different monolines rated from AAA to B
- All transactions within HSH Nordbank's portfolio are performing with the exception of three transactions (purchase due to SIV restructurings) totalling EUR 21.4 m; Currently no loss of principal is expected
- Monoline valuations are fully captured in the m-t-m valuation of the relevant subportfolios.

2. Risk assessment

Default of Monolines with limited risk for wrapped assets but in this case market dynamics contingent for non-monoline exposure

Indirect (“wrapped“) Monoline exposure app. EUR 831.8 m (as of 30.06.2008)

Distribution in % of total exposure



1) E.g. Consumer Loans, Subprime, CMBS, High Yield, all deals impaired during FYE 2007 and H1 2008.

III. LEVERAGED FINANCE BUSINESS

1. European Leveraged Finance portfolio

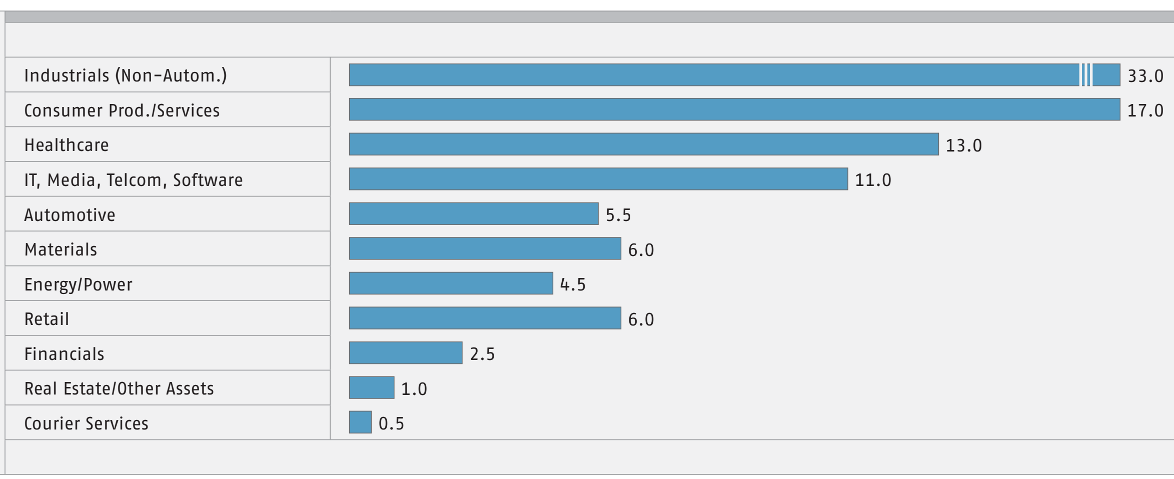
Leveraged Finance business of corporate division

As of 30 June 2008 funded exposure was at
EUR 5.3 bn, unfunded exposure at EUR 1.2 bn

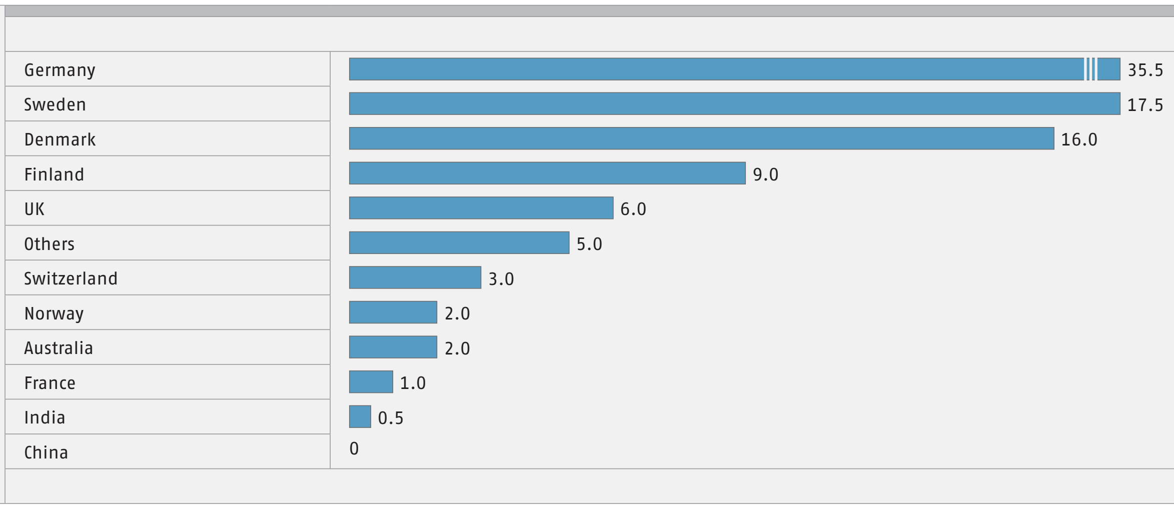
Change in exposure from 31 December 2007 (€ billion)

Exposure as of 31 December 2007	6.5
Net Change of Outstanding	0.0
Writedowns	–
Exposure as of 30 June 2008	6.5

Distribution by Industry (in %)



Distribution by Geography (in %)



2. US Leveraged Finance portfolio

Leveraged Finance business of financial markets division

As of 30 June 2008 funded exposure of Term Loans was at USD 368.3 m, Revolving Credit Facility were totalling at USD 36.2 m thereof USD 16.4 m drawn

Change in exposure from 31 December 2008 (USD million)

Exposure as of 31 December 2007	373.2
Net Change of Outstanding	+ 31.4
Writedowns	0
Exposure as of 30 June 2008	404.6

Distribution by Industry of US Portfolio (in %)