FSF

Financial Stability Forum Report

as of 30 September 2009

HSH NORDBANK

CONTENTS

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FINANCIAL STABILITY FORUM REPORT

Publication of detailed information on HSH Nordbank's portfolios which are affected by the Financial Markets Crisis (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 are affected by the market turmoil. The aim is to increase transparency on exposure to structured credit products among others and thereby contribute to a lasting stabilisation of the markets.

These disclosures supplement the comments on the Credit Investment Portfolio in the risk report of our interim report as of 30 September 2009 and also deal with HSH Nordbank's leverage finance portfolio, the exposure to US monolines, Financial Institutions Group as well as Credit Trading.

* The FSF is a joint body made up of regulatory authorities from states and 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.

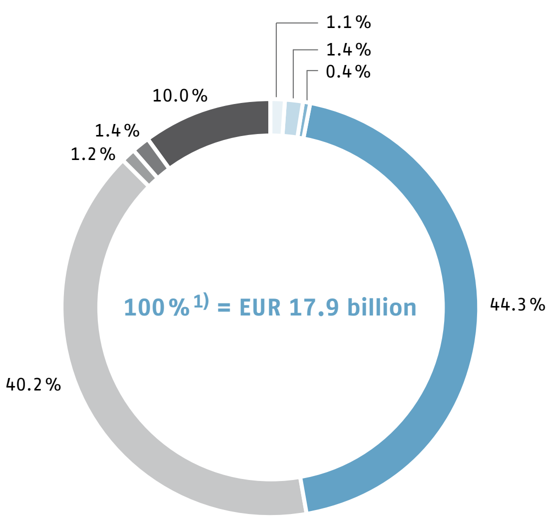
I. CREDIT INVESTMENT PORTFOLIO

1. Portfolio overview

1.1 BREAKDOWN OF CREDIT INVESTMENT PORTFOLIO

- 39.5 % of the whole portfolio is still AAA rated.
- 84.1 % of the whole portfolio is investment grade.
- Credit investment portfolio is broadly diversified.
- Further portfolio reduction in progress

Breakdown of credit investment portfolio by asset class (Notional as of 30 September 2009)

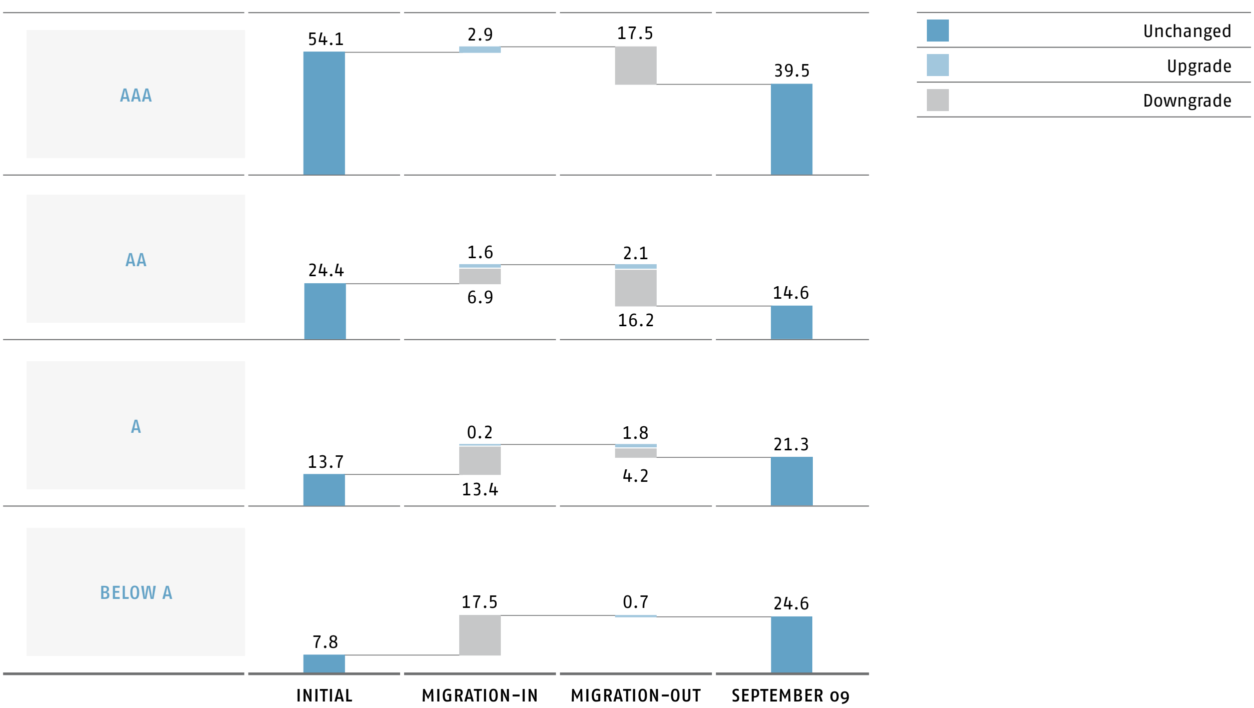


1.1 %	EUR 0.20 billion Synth. CDO
1.4 %	EUR 0.26 billion CPM–Credaris
0.4 %	EUR 0.07 billion Structured Investment Vehicles
44.3 %	EUR 7.92 billion Other ABS
40.2 %	EUR 7.19 billion Single Names
1.2 %	EUR 0.20 billion Hedge Funds / Other Funds
1.4 %	EUR 0.26 billion High Yield Loans / Conv.
10.0 %	Suprime EUR 1.79 billion thererof RMBS HEL: EUR 1.13 billion thererof COA / COC: EUR 0.66 billion

[1] Incl. Assets of Carrera and Poseidon

1.2 RATING MIGRATION

Rating distribution (in %)



1.3 ANNUAL 2008 AND Q3 2009 RESULTS

Results include effects from positions that have reached maturity or were liquidated in the meantime.

Annual 2008 (€ million)

				Annual result 2008				
	Asset class	**IFRS category**	**Exposure 31 Dec. 2007 (€ billion)**	**Exposure 31 Dec. 2008 (€ billion)**	**M-T-M-loss**	**P&L loss**	**Revaluation Equity Surplus**	**Hidden losses 2008**
2.1	Synthetic CDO [1]	DFV	1.88	0.69	617	418	0	0
	CDS on Indices	HFT	0.35	0.00	19	19	0	0
	Special Fund	AFS	0.87	0.50	99	99	0	0
	SIV Capital Notes	LAR	0.14	0.07	0	0	0	0
2.2	Other ABS	mainly LAR	9.73	8.87	1,758	346	2	1,410
2.3	Single Names	DFV, AFS, LAR, HFT	13.64	8.69	789	453	259	77
2.4	Hedge Funds / Other Funds	AFS	0.87	0.60	118	80	37	0
	Others (Convertibles, NY HY Loan Portfolio)	DFV, LAR	0.46	0.47	100	24	0	76
	SUM		**27.94**	**19.89**	**3,499**	**1,439**	**298**	**1,563**
2.5	RMBS HEL [2]	mainly LAR	1.31	1.26	12	−30	0	7
	CDO of ABS, CDO of CDO [2] [3]	LAR, DFV	0.71	0.69	179	164	0	0
	Subprime Portfolio		**2.02**	**1.95**	**191**	**134**	**0**	**7**
	TOTAL SUM [1]		**29.97**	**21.84**	**3,691**	**1,574**	**298**	**1,570**

1) M-T-M movements in January / February 2008 already considered in annual result 2007
2) M-T-M movements in January 2008 already considered in annual result 2007
3) Including third-party managed portfolio

Result Q1–Q3 2009 (€ million)

	Asset class	IFRS category	Exposure 31 Dec. 2008 (€ billion)	Exposure 30 Sept. 2009 (€ billion)	Additional result Q1–Q3 2009: M-T-M-loss	P & L loss	Revaluation Equity Surplus	Hidden losses 2009
2.1	Synthetic CDO	DFV	0.69	0.20	−64	−64	0	0
	CDS on Indices	HFT	0.00	0.00	0	0	0	0
	Special Fund	AFS	0.50	0.26	−7	−7	0	0
	SIV Capital Notes	LAR	0.07	0.07	0	0	0	0
2.2	Other ABS	mainly LAR	8.87	7.92	−255	85	2	−343
2.3	Single Names	DFV, AFS, LAR, HFT	8.69	7.19	−425	−105	−272	−48
2.4	Hedge Funds / Other Funds	AFS	0.60	0.20	20	30	−10	0
	Others (Convertibles, NY HY Loan Portfolio)	DFV, LAR	0.47	0.26	−51	−2	0	−49
	SUM		**19.89**	**16.10**	**−782**	**−63**	**−280**	**−440**
2.5	RMBS HEL	mainly LAR	1.26	1.13	94	94 [2]	0	0
	CDO of ABS, CDO of CDO [1]	LAR, DFV	0.69	0.66	12	12	0	0
	Subprime Portfolio		**1.95**	**1.79**	**106**	**106**	**0**	**0**
	TOTAL SUM		**21.84**	**17.89**	**−677**	**43**	**−280**	**−440**

1) Including third-party managed portfolio
2) In 2008, HSH Nordbank has changed its methodology concerning the calculation of intrinsic values and recoverable amounts for impaired RMBS HEL positions. The P / L benefit from this so-called level 3 valuation was EUR 370 million in 2008 and EUR 11 million in Q1–Q3 2009.

2. Portfolio details

2.1 SYNTHETIC CDOs

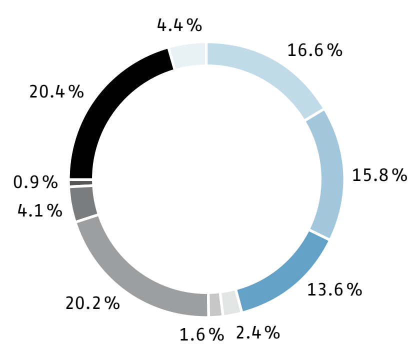
Synthetic CDOs (as of 30 September 2009)

Exposure	(€ billion)	0.20
P & L 09	(€ million)	64
P & L 08	(€ million)	(418)
IFRS category		DFV

– Synthetic CDO portfolio consists of one position.
– In Q2 / 2009, the synthetic CDO portfolio has been reduced by EUR 495 million or 70 % in notional by sales of 8 synthetic CDO positions.
– 83.8 % of the underlying collateral (weighted by IDL) is investment grade rated.
– Duration is 2.95 years.
– Defaults in the underlying portfolio of the remaining CDO: Fannie Mae, Freddie Mac, Lehman Brothers, Washington Mutual Inc. and Thomson.

2.2 OTHER ABS

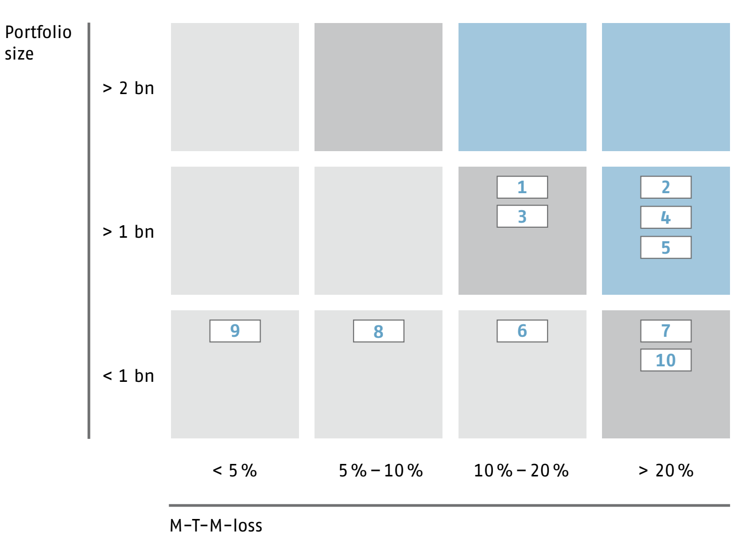
Distribution by region and asset class (as of 30 September 2009)



16.6 %	Student Loans
15.8 %	US CLO / CBO & TruPS
13.6 %	CMBS
2.4 %	Commercial Real Estate CDO
1.6 %	Emerging Markets
20.2 %	EU High Yield CLO / CDO
4.1 %	EU SME CLO
0.9 %	Non-US Consumer
20.4 %	Non-US RMBS
4.4 %	Others

Total	(€ billion)	7.92
P&L 09	(€ million)	(85)
P&L 08	(€ million)	(346)

as of 30 September 2009 (life-to-date)



	Latent critical
	Critical

1	Non-US RMBS
2	EU High Yield CLO / CDO
3	Student Loan ABS
4	CMBS
5	US CLO, CBO & TruPS CDO
6	EU SME CLO & Lease ABS
7	US Commercial Real Estate CDO
8	Emerging Markets ABS
9	Non-US Consumer ABS
10	Others

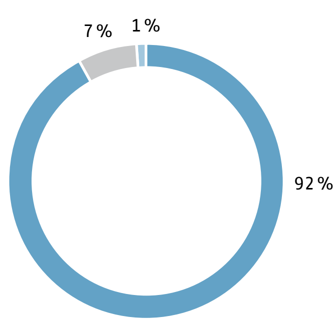
2.2a NON-US RMBS 1

Non-US RMBS (as of 30 September 2009)

Exposure	(€ billion)	1.62
IFRS category		LAR

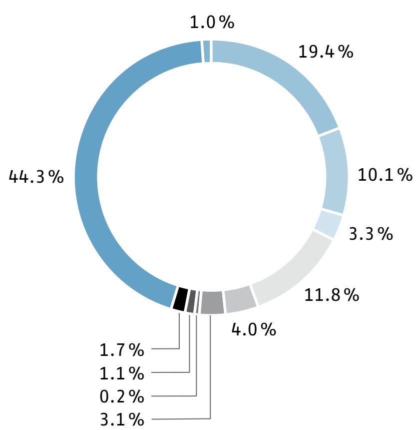
- Diversified portfolio of high quality mostly (92 %) AAA rated RMBS, concentrated mainly in Australia (45 %) and UK (33 %).
- Most of the portfolio (86 %) is prime with 3 % UK buy-to-let (BTL) and 10 % UK non-conforming (NC).
- Extension risk due to lower CPRs / limited refinancing opportunities for borrowers.
- Downgrades to date: 8 out of 116 tranches / 6,26 % of the portfolio. Outlook: Further downgrades expected in 2009 / 2010, mainly for the UK NC and Spanish sector.
- Still high repayments on Australian RMBS.
- Outlook: A further deteriorating economic environment, rising unemployment and decreasing house prices especially in the UK and Spain will exert further pressure on RMBS transactions. HSH's investments have seen some downgrades and neg. rating outlooks which is expected to continue in the medium term. However, most of HSH's Non-US RMBS investments are senior in the capital structure and benefit from increased credit enhancement percentages.

Distribution by Rating



92 %	AAA
7 %	Others Investment Grade (AA+ – BBB+)
1 %	Others Below Investment Grade (CC – D)

Distribution by mortage type & country



19.4 %	UK Prime
10.1 %	UK NC
3.3 %	UK BTL
11.8 %	Spain Prime
4.0 %	Italy Prime
3.1 %	Netherlands Prime
0.2 %	Germany Prime
1.1 %	Portugal Prime
1.7 %	Ireland Prime
44.3 %	Australia Prime
1.0 %	Australia NC

2.2b EU HIGH YIELD CLO / CDO 2

EU High Yield CLO / CDO (as of 30 September 2009)

Exposure	(€ billion)	1.60
IFRS category		LAR

- The portfolio consists primarily of managed arbitrage cash flow CLOs, mainly backed by first lien senior secured loans and managed by tier one managers with extensive track records going back to at least 2002.
- Our strict investment standards included 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) and a strong focus on disciplined asset selection.
- S & P and Moody's are processing their rating methodology changes, almost all positions are on watch negative / review for downgrade by S & P and Moody's has taken some rating action on three former Aaa rated tranches into the Aa2 and Aa3 area.
- With the stress on the high yield credit markets, European CLO portfolios are seeing a continued deterioration and are experiencing a downward migration of underlying collateral assets. However, the overall pace of loan and bond downgrades into the CCC area has slowed compared to the first half of the year. Nevertheless the number of loans and bonds rated CCC and lower remains high.
- Looking at the S & P European Leveraged Loan Index (ELLI) it becomes obvious, that there was a substantial rally in loan prices and a change in the demand and supply dynamics. The impact of a higher number of CCC assets on OC tests has been partially mitigated by an increase in CCC loan prices.

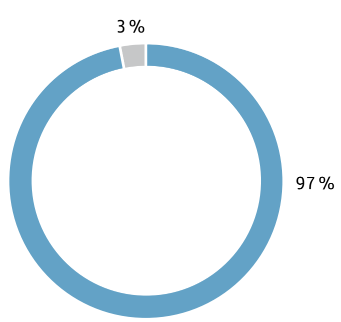
2.2c STUDENT LOAN ABS 3

Student Loan ABS (as of 30 September 2009)

Exposure	(€ billion)	1.31
IFRS category		LAR

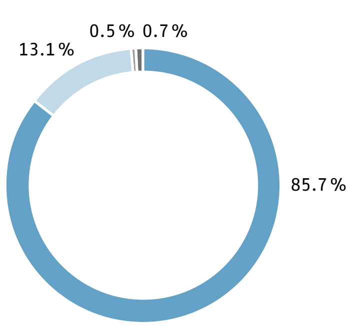
- The US government guaranteed nature of the FFELP Student Loan ABS portfolio represents a joint probability of default consisting of the performance of the underlying portfolio as well as the servicer's ability to maintain the US Government Guaranty of at least 97 % on the student loans.
- Only transactions serviced by exceptional performers as designated by the US Dept. of Education qualify for investment under HSH Nordbank's student loan ABS criteria.
- Five student loan bonds in the portfolio with approx. EUR 140 million of notional outstanding were sold near par during the month of September.

Distribution by guarantees (government / private)



97 %	FFELP Guaranteed
3 %	Private

Rating distribution



85.7 %	AAA
13.1 %	AA+
0.5 %	AA
0.7 %	A

2.2d CMBS 4

CMBS (as of 30 September 2009)

Exposure	(€ billion)	1.07
IFRS category (mainly)		LAR

US CMBS

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

– Fundamentals for US commercial real estate market remain negative. There has been ratings volatility in the junior triple-A and below portion of numerous recent issue CMBS deals and this trend will likely continue throughout the year as many underlying loans struggle due to declining property values and very limited refinancing options.

– S & P revised its CMBS ratings methodology and assumptions which has resulted in higher credit enhancement requirements to maintain AAA rating. As a result 2 bonds have been downgraded from AAA to A. There may be further ratings volatility within the portfolio going forward.

European & Asian CMBS

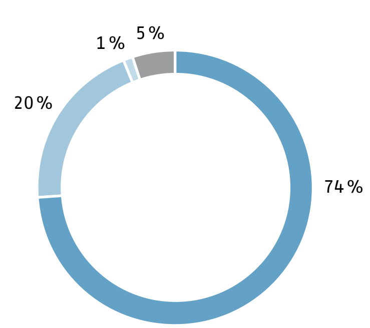
– The EMEA CMBS portfolio consists of 54 mainly senior tranches from 44 Asian and European CMBS transactions. The largest transaction accounts for 7 % of total EMEA CMBS portfolio.

– Defensive portfolio, purchases 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 diversified tenant base, with the largest tenant contributing for about 4 % of the overall CMBS portfolio rental income. Only 5 tenants, 4 of them investment grade rated, contribute more than 1 % of total portfolio income.

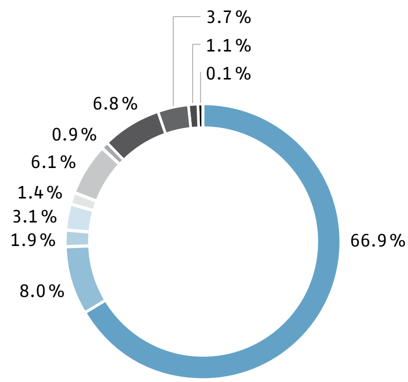
– Further deteriorating economic environment and declining property values especially in the UK are associated with ICR / DSCR and LTV trigger / covenant breaches on underlying loan level, which increases loan defaults and downgrade potential as well as refinancing risk. Against this background, also HSH investments saw and will see downgrades and neg. rating outlooks. However, most HSH EMEA CMBS investments are senior in the capital structure and benefit from increased credit enhancement percentages.

Country distribution



■	74 %	Europe
■	20 %	North America
■	1 %	Pacific
■	5 %	EM Asia

Rating distribution



66.9 %	AAA
8.0 %	AA+
1.9 %	AA
3.1 %	AA–
1.4 %	A+
6.1 %	A
0.9 %	A–
6.8 %	BBB+
3.7 %	BBB
1.1 %	BBB–
0.1 %	NR

2.2e US CLO, CBO & TRUPS CDO 5

5 **Product: US CLO, CBO & TruPS CDO** (as of 30 September 2009)

Exposure	(€ billion)	1.25
IFRS category (mainly)		LAR

- This portfolio consists primarily of managed arbitrage cash flow CLOs with 88 % CLOs backed by predominantly first lien senior secured corporate loans, 3 % 1999 – 2001 vintage CBOs backed by high yield bonds and 9 % Trust Preferred CDOs backed by hybrid Trust Preferred Securities issued by small US regional banks and thrifts.
- In terms of ranking 74 % are the most senior tranches, 11 % are 2nd priority mezzanine original AAA tranches, 10 % are original mezzanine AA tranches and 5 % originally rated A / BBB.
- Based on latest Moody’s ratings 66 % of notes are rated in the Aaa / Aa categories, 20 % A, 7 % Baa and 7 % sub-investment grade. Of the notes rated Ba1 or below 75 % are Trust Preferred CDOs and CBOs. Almost all tranches are under review for downgrade by S & P, which is not finalized. We expect results similar to Moody’s downgrades.
- Consistent with high yield bonds, secondary loan prices massively rallied and so did CLOs.
- High yield corporate default forecasts were lowered from various market participants. Moody’s expects the US 12 months trailing issuer default rate to peak at 13 % in Q4, but then sharply to decline to 4 % in August 2010.
- In Q3 / 2009 we have reduced the Trust Preferred CDO exposure by USD 226.9 million or 59 %.

2.2f EU SME CLO 6

6 **Product: EU SME CLO** (as of 30 September 2009)

Exposure	(€ billion)	0.33
IFRS category		LAR

- Diversified portfolio of European small- and mid-sized enterprise CLOs and few other European CDOs.
- Transactions securitising granular portfolios, well diversified over European countries and industries. Several seasoned deals continue to delever (for example, a tranche in a 2004 Spanish SME CDO is close to full repayment, a tranche in a 2000 investment grade CBO has repaid in full).
- Compared to the last quarter there have been some major downgrades in senior tranches due to worse than expected collateral performance and rating methodology changes.
- 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 repriced.
- Our strict investment criteria included collateral criteria such as portfolio quality (concentration limitations, industry exposures) structural criteria, originator and servicer track record and market position.

2.2g REMAINING ABS 7 8 9

7
US COMMERCIAL REAL ESTATE CDO
(as of 30 Sept. 2009)

- Only 14 % 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. The remainder of the CRE CDOs are backed by AAA CMBS tranches which are stable.
- Due to recent changes in rating methodology along with continued decline in the commercial real estate market several of the deals have recently been downgraded. The agencies have adjusted their models to assume higher default rates, loss rates, and correlations. Nonetheless, most of the portfolio is backed by less risky collateral and has significant levels of credit support.

Exposure (€ billion)	0.19
IFRS category	LAR

8
EMERGING MARKETS ABS
(as of 30 Sept. 2009)

- Global economic downturn has left marks on EM ABS portfolio. The weighted average rating of the portfolio is around BBB+ which is primarily due to the severe downgrades within the monoline insurer industry. This caused most of our EM DPR ABS to be downgraded to their underlying collateral rating.
- Nevertheless EM ABS portfolio shows a relatively stable performance. With respect to the DPR ABS all debt service coverage ratios (DSCR) are in compliance as collections prove quite resilient to economic slow down. The RMBS transactions are redeeming and exhibit a stable performance and rating (AAA / Aa1 / AAA).
- Even though positions are showing a sufficient performance, event risk i. e. (originator default) should not be underestimated in DPR transactions. We are therefore closely monitoring credit risk of the respective originators, as this is one fundamental aspect in overall DPR ABS analysis.

Exposure (€ billion)	0.13
IFRS category	LAR

9
NON-US CONSUMER ABS
(as of 30 Sept. 2009)

- Small portfolio of European Consumer ABS (including credit card and auto receivables)
- 100 % AAA rated

Exposure (€ billion)	0.07
IFRS category	LAR

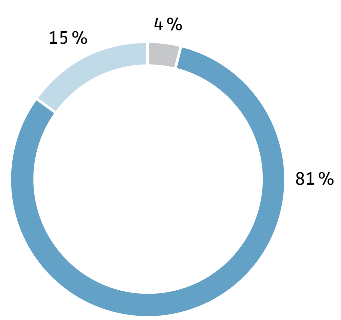
2.3 SINGLE NAMES

Single Names (as of 30 September 2009)

Exposure	(€ billion)	7.19
P&L 09	(€ million)	105
P&L 08	(€ million)	(453)
IFRS category		DFV, AFS, LAR, HFT

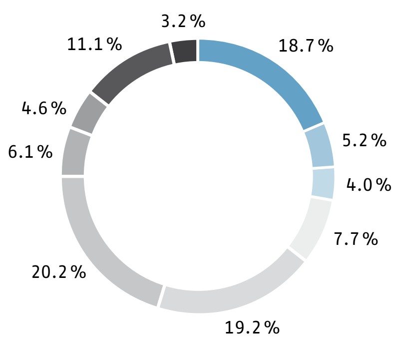
– In Q3 the exposure to risky financials in the single name portfolio could be reduced for example by sales of CIT Group bonds and distressed Lehman bonds. Furthermore, the portfolio melted down further through maturities.
– Market development within Q3 and outlook:
The credit market performed better than expected in Q3. Credit spreads tightened further significantly as sentiment indices as well as fundamental figures showed an ongoing recovery of the world economy and a stabilization of the financial sector. Furthermore, earnings releases surprised positively very often due to cost cutting and the impacts of stimulus programs. On the basis of the expansive monetary policy and the massive state aid primary bond markets reached a record volume of new issues. Especially new corporates issues were oversubscribed and issued within hours at tight spread levels.
Despite all these positive signals banks are still under pressure due to rising default rates, unemployment rates and the general trend of delevering.

Distribution by sector



81 %	Financials
15 %	Public Finance
4 %	Corporates

Rating distribution



	18.7 %	AAA
	5.2 %	AA+
	4.0 %	AA
	7.7 %	AA–
	19.2 %	A+
	20.2 %	A
	6.1 %	A–
	4.6 %	BBB+
	11.1 %	BBB and below
	3.2 %	NR

2.4 HEDGE FUNDS / OTHER FUNDS

Hedge funds / other funds (as of 30 September 2009)

Exposure	(€ billion)	0.20
P&L 09	(€ million)	(30)
P&L 08	(€ million)	(80)
IFRS category		AFS

Hedge funds

– Fund of funds approach: HSH Nordbank is mainly invested in Hedge Funds via CPPI-structures.

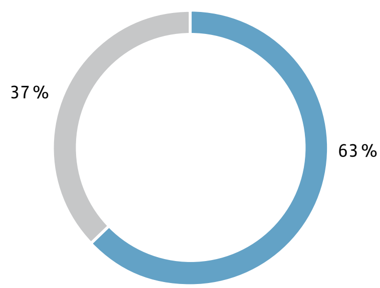
– HSH Nordbank is currently working on de-risking these structures. On the back of the de-risking process all structures except one could be liquidated within H1 / 2009.

Other funds

– HSH Nordbank has finished the planned liquidation of the last remaining fund in Q3 / 2009. Hence the Other Funds exposure could be reduced to zero.

2.5 SUBPRIME-RELATED EXPOSURE

as of 30 September 2009



63 %	Home Equity Loans RMBS
37 %	CDO of ABS, CDO of CDO

as of 30 September 2009		COA / COC	HEL	Total
Total exposure	(€ billion)	0.66	1.13	1.79
P&L 09	(€ million)	(12)	(94)	(106)
P&L 08	(€ million)	(164)	30	(134)
IFRS category		LAR, DFV	LAR	n / a

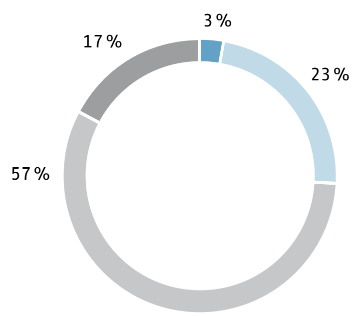
1 RMBS OF HEL

RMBS of HEL (as of 30 September 2009)

Exposure	(€ billion)	1.13
P&L 09	(€ million)	(94)
P&L 08	(€ million)	30
IFRS category		LAR

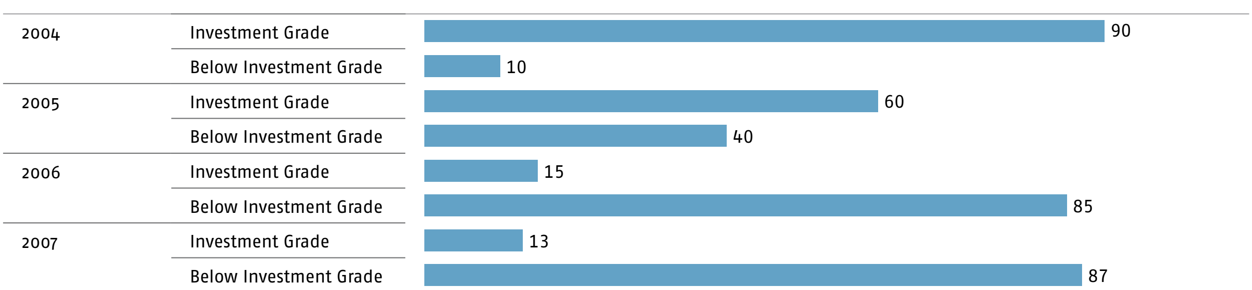
- The HEL portfolio has experienced full or partial principal loss in some 2006 mezzanine bonds during the last several months. We expect further losses within 2006 and 2007 mezzanine class bonds as the securitizations liquidate or modify the pipeline of defaulted loans.
- The US mortgage market is still under stress due to rising delinquencies and declining house prices in key regions. While the HSH portfolio delinquency growth rates have been leveling off for most of the portfolio, losses continue to grow, particularly in the 2006 and 2007 transactions due to large pipelines of non-performing loans and declining home values.
- Prepayments in the mortgage market remain slow due to the shutdown in the subprime origination channel and continued house price decline in key regions.
- Security prices remain depressed. However, the HSH weighted average portfolio market price still outperforms the ABX.
- Ratings downgrade risk remains. Almost the entire outstanding subprime issuance for 2006 and 2007 as well as a significant portion of 2005 has been and remains under further downgrade pressure so long as the economy and housing market remain in poor shape.

Distribution by vintage

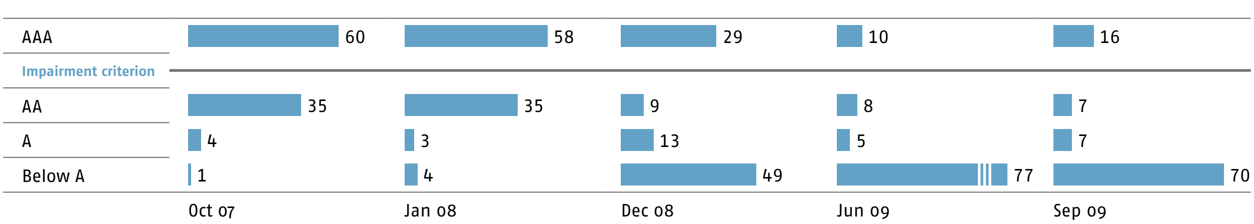


	3 %	2004 Vintage
	23 %	2005 Vintage
	57 %	2006 Vintage
	17 %	2007 Vintage

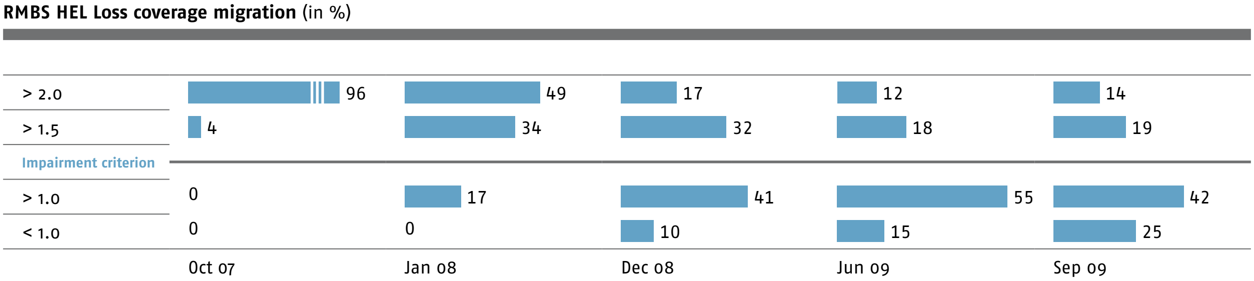
Rating distribution by vintage (in %)



1 **RMBS HEL rating migration** (in %)



RMBS HEL Loss coverage migration (in %)



II. SUMMARY OF MONOLINE EXPOSURE

1. CURRENT EXPOSURE TO MONOLINES

Indirect Monoline exposure (€ million)	30 Sept 2009	31 Dec 2008
CIP* wrapped ABS	491.2	645.0
CIP wrapped Single Names	68.4	71.5
Global Markets London Single Names	56.6	88.5
Total	**616.3**	**805.0**
CIP Synthetic CDO**	33.4	98.7
Grand Total	**649.7**	**903.8**

* CIP: Credit Investment Portfolio
** Exposure corresponds to proxy "Instantaneous Default Loss" (IDL) as of end of September 2009. This is an estimated mark-to-market loss in the event of an immediate default.

- No direct exposure
- The total exposure of EUR 649.7 million is to seven different monolines rated from AA to CC. Life-to-date impairment amount is at EUR 60.0 million, thereof EUR 0.7 million in Q1–Q3 2009.
- All transactions within this subportfolio are performing with the exception of three transactions totalling at 15.6 EUR million, impairment amount for these three transactions is life-to-date EUR 8.4 million (thereof EUR 0.01 million in Q1–Q3 2009).
- Monoline valuations are fully captured in the m-t-m valuation of the relevant subportfolios.

III. FORMER FINANCIAL INSTITUTIONS GROUP (FIG)

1. FORMER FIG

Former FIG (as of 30 September 2009)

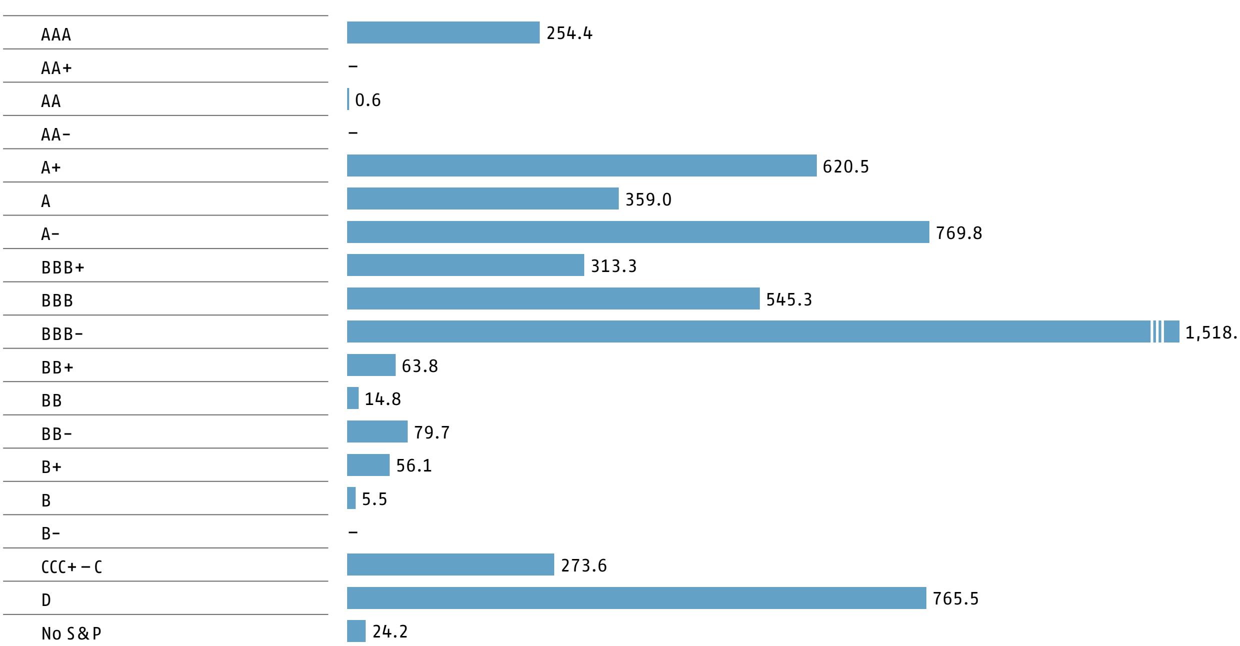
Exposure	(€ billion)	5.66
P&L 09	(€ million)	+80
IFRS category		mainly LAR

– Total portfolio consists of a plain vanilla loan book to financial institutions (amounting to EUR 3,56 billion) as well as loans which are structured or have structured elements (exposure EUR 2.10 billion).

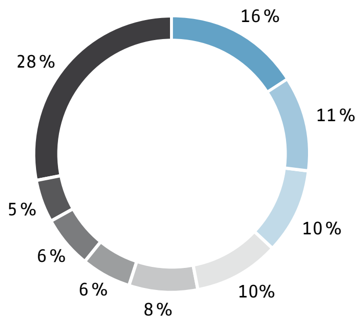
– Total portfolio in Q3/2009 was down by EUR 0.91 billion to EUR 5.66 billion because of regular and early redemption payments.

– Overall impact P/L Q3 2009 for total FIG portfolio was about EUR +10 million. Including the P&L of Q1 & Q2 2009 the year to date result for P&L 2009 was EUR +80 million.

Distribution of notional by S&P rating equivalents (€ million)



Regional distribution of FIG (in %)



16 %	UK
11 %	Ireland
10 %	Denmark
10 %	USA
8 %	Germany
6 %	Luxembourg
6 %	Iceland
5 %	United Arab Emirates
28 %	Rest of the World

2. THEREOF: FORMER FIG STRUCTURED LOANS

FIG structured loans (as of 30 September 2009)

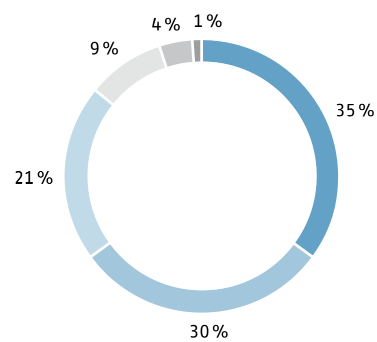
Exposure	(€ billion)	2.10
P&L 09	(€ million)	+138
IFRS category		mainly LAR

- The FI Group structured loan book (EUR 2.10 billion) includes 41 positions of loans/credit facilities which are structured or have structured elements.
- The overall impact P/L Q3 2009 for the structured FIG portfolio was about EUR +10 million. Including the P&L of Q1 & Q2 2009 the year to date result for P&L 2009 was EUR +138 million.

Distribution of notional by S&P rating equivalents for FIG structured (€ million)

AAA	185.5
AA+	–
AA	–
AA–	–
A+	154.1
A	225.0
A–	234.2
BBB+	28.7
BBB	72.6
BBB–	590.8
BB+	33.0
BB	1.4
BB–	8.4
B+	13.0
B	–
B–	–
CCC+ – C	200.0
D	332.3
No S&P	21.6

Regional distribution of FIG structured (in %)



	35 %	UK
	30 %	Ireland
	21 %	USA
	9 %	Luxembourg
	4 %	Cayman Islands
	1 %	Bermuda

IV. FORMER CREDIT TRADING

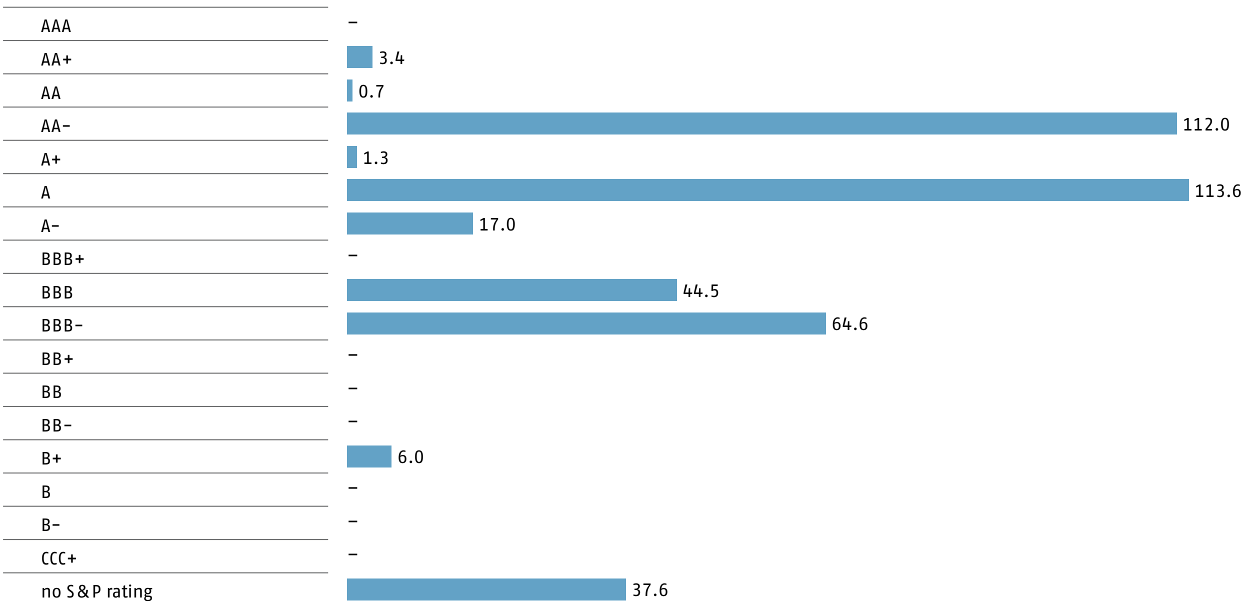
1. CREDIT TRADING

Credit Trading (as of 30 September 2009)

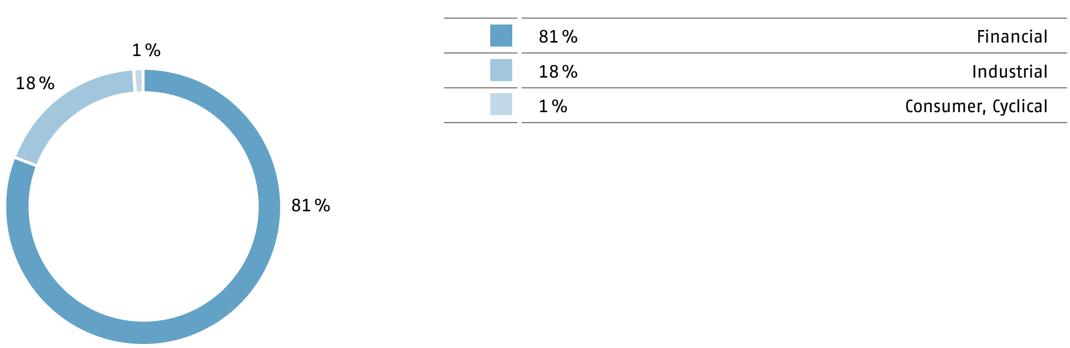
Exposure	(€ billion)	0.31
P&L 09	(€ million)	(1.5)
IFRS category		mainly LAR

- An active trading approach no longer exists: The portfolio, which is mainly consisting of bonds and CDS, is to be downsized.
- Bond exposure (0.40 EUR billion long):
  - ▪ Exposure is mainly to Financials (81 %) and Industrials (18 %).
  - ▪ As a consequence of our portfolio run-down strategy the portfolio volume was reduced by EUR 0.46 billion due to sales and maturities.
  - ▪ The portfolio is mainly invested in the UK (45 %) and Australia (18 %).
  - ▪ 62 % of the bonds are rated A- or better (S&P rating).
- CDS Exposure (net 0.09 EUR billion short):
  - ▪ CDS Portfolio 3.08 EUR billion CDS short (HSH Nordbank as protection buyer); 2.99 EUR billion CDS long (HSH Nordbank as CDS protection seller)
    - iTraxx: 1.88 EUR billion long; 1.85 EUR billion short
    - Single Names: 1.11 EUR billion long; 1.23 EUR billion short

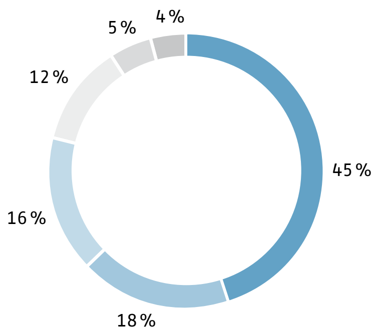
Distribution of notional by financial ratings for bonds (€ million)



Distribution of industry sectors for bonds (in %)



Regional distribution of bonds (in %)



	45 %	UK
	18 %	Australia
	16 %	USA (incl. Puerto Rico)
	12 %	Germany
	5 %	Netherlands
	4 %	Ireland

V. LEVERAGED FINANCE (LBO)

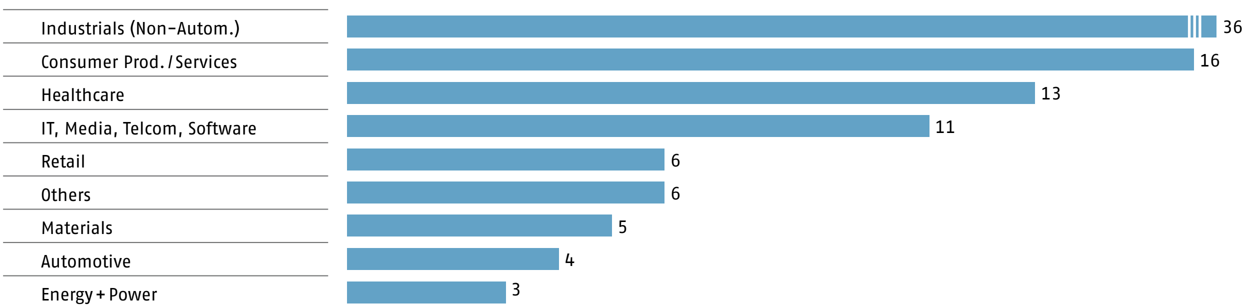
1. LEVERAGED FINANCE OF GLOBAL HEAD CORPORATES

– As of 30 September 2009 funded exposure was at EUR 5.6 billion, unfunded exposure at EUR 0.6 billion.

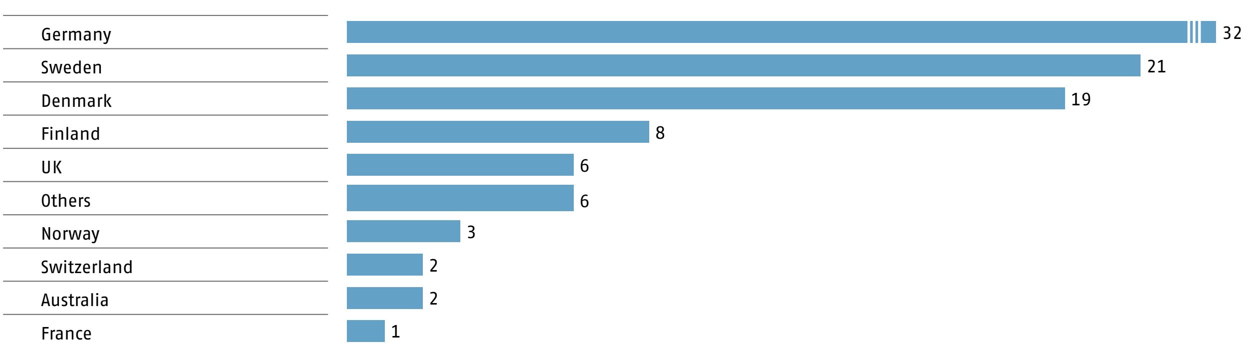
Change in exposure from 31 Dec 2008 (€ billion)

Exposure as of 31 December 2008	6.4
Net Change of Outstanding	–0.2
Writedowns	0
Exposure as of 30 September 2009	6.2
Risk provision as of 30 September 2009	0.2

Distribution by Industry (in %)



Distribution by Regions (in %)



2. LBOs (PART OF CREDIT INVESTMENT PORTFOLIO HIGHLIGHTED BEFORE)

Change in exposure from 31 Dec 2008 (USD million)

Exposure as of 31 December 2008	388.2
Net Change of Outstanding	−32.2
Writedowns	0
Exposure as of 30 September 2009	356.0

- Part of Credit Investment Portfolio (contained in NY HY Loan Portfolio).
- As of 30 September 2009 funded exposure of term loans was USD 330.5 million, revolving credit facilities were totalling USD 25.5 million, thereof USD 7.0 million drawn.

Distribution by Industry (term loans in USD million)