HSH Nordbank AG

Group results H1 2009

August, 2009
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Financial crisis – where do we stand?

**EuroStoxx Banks**
-53%

**iTraxx Europe 5Y**
+324%

**Crude Oil WTI**
+11%

**3M-Euribor**
-77%

**Forecasts for 2009**

[GDP growth in %]

- World
  - Jan. 08: -1.4
  - Jul. 09: 3.8

- Europe
  - Jan. 08: -4.8
  - Jul. 09: 1.8

- USA
  - Jan. 08: -2.6
  - Jul. 09: 2.1

Source: IWF, Consensus
First restructuring benefits

- Total income (before tax) above plan
- Stable operating income of market business units
- Interest and commission income increased substantially
- Risk provisioning raised significantly

- Total assets reduced by 5%
- Credit Investment Portfolio reduced to €19 bn

- Strategic realignment making progress
- Efficiency and cost reduction measures taking effect

- Tier-1 capital ratio improved substantially to 9.8%
Solid revenue basis, high risk provisioning

**Total earnings**
in EUR m

- **H1/08**: 712
- **H1/09**: 1,299

**Risk provisioning**
in EUR m

- **H1/08**: 130
- **H1/09**: 1,195

* Interest-, Commission-, Trading-, Investmet-, Hedging-Income
Interest and commission income increased

<table>
<thead>
<tr>
<th></th>
<th>H1/08</th>
<th>H1/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>819</td>
<td>900</td>
</tr>
<tr>
<td>+10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income after risk provisions</td>
<td>689</td>
<td>H1/08</td>
</tr>
<tr>
<td>&gt;-100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net commission income</td>
<td>100</td>
<td>106</td>
</tr>
<tr>
<td>+6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Pleasing result from net trading income

<table>
<thead>
<tr>
<th>Component</th>
<th>H1/08</th>
<th>H1/09</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net trading income (in EUR m)</td>
<td>-52</td>
<td>516</td>
<td>&gt;-100%</td>
<td></td>
</tr>
<tr>
<td>Net income from investments (in EUR m)</td>
<td>-141</td>
<td>-313</td>
<td>&gt;100%</td>
<td></td>
</tr>
<tr>
<td>Other operating income (in EUR m)</td>
<td>63</td>
<td>24</td>
<td>-62%</td>
<td></td>
</tr>
</tbody>
</table>
Cost reduction measures taking effect

**Other operating expenses**
in EUR m

- **H1/08**: 229
- **H1/09**: 194
- **Change**: -15%

**Total administrative expenses** *
in EUR m

- **H1/08**: 490
- **H1/09**: 436
- **Change**: -11%

**Personnel expenses**
in EUR m

- **H1/08**: 242
- **H1/09**: 223
- **Change**: -8%

* incl. depreciations
Overall result still negative, but better than planned

Net income before tax
in EUR m

155
H1/08

-530
H1/09

Group net income / loss
in EUR m

137
H1/08

-559
H1/09

> -100%
## Interim 2009 results at a glance

### in EUR m

<table>
<thead>
<tr>
<th></th>
<th>H1/08</th>
<th>H1/09</th>
<th>chg% yoy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total earnings*</td>
<td>712</td>
<td>1,299</td>
<td>+82%</td>
</tr>
<tr>
<td>Risk provisioning</td>
<td>130</td>
<td>1,195</td>
<td>&gt;+100%</td>
</tr>
<tr>
<td>Net income before tax</td>
<td>155</td>
<td>-530</td>
<td>&gt;-100%</td>
</tr>
<tr>
<td>Group net income / loss</td>
<td>137</td>
<td>-559</td>
<td>&gt;-100%</td>
</tr>
</tbody>
</table>

### 2008 | H1/09 | chg% yoy |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (in EUR bn)</td>
<td>208</td>
<td>198</td>
</tr>
<tr>
<td>Tier-1 capital ratio**</td>
<td>7.5</td>
<td>9.8</td>
</tr>
<tr>
<td>Employees ***</td>
<td>4,350</td>
<td>3,881</td>
</tr>
</tbody>
</table>

* Interest-, Commission-, Trading-, Investmet-, Hedging-Income
** incl. market-risk positions; since January 1, 2008 according to Basle II requirements
*** Full-Time-Employees (FTEs)
Transportation & Energy

Shipping
- Earnings of EUR 201m significantly up yoy (172m)
- Impairment charges of EUR 515m
- No new business but prolongations within existing portfolio

Transport
- Earnings of EUR 98 m slightly below yoy (102m)
- Impairment charges of EUR 55m (reversal of -17m in 2008)
- Lower new business volume puts pressure on commission and trading income

Energy
- Income increased to EUR 61m (up from 55m)
- Impairment charges increase to EUR 27m (reversal of -9m in 08)
- Positive market environment despite economic downturn

<table>
<thead>
<tr>
<th>Transportation &amp; Energy (in m €)</th>
<th>H1 09</th>
<th>H1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>323</td>
<td>236</td>
</tr>
<tr>
<td>Commission income</td>
<td>43</td>
<td>52</td>
</tr>
<tr>
<td>Risk provisioning</td>
<td>-595</td>
<td>25</td>
</tr>
<tr>
<td>Result before tax</td>
<td>-348</td>
<td>251</td>
</tr>
</tbody>
</table>

Baltic Exchange Dry Index (lks)    Containership Timecharter Rate Index (re)
Real Estate Clients
- Earning of EUR 211m (188m) due to higher risk-adjusted margins
- Risk provisioning increased significantly to EUR 170m (24m)
- Very few new transactions started

HSH Real Estate
- Negative result due to write-offs and risk provisioning for closed-end funds
- LB Immo Invest shows second-highest increase in AuM of all German specific real estate funds (Source: BVI, 31.05.2009)

<table>
<thead>
<tr>
<th>Real Estate (in m €)</th>
<th>H1 09</th>
<th>H1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>185</td>
<td>172</td>
</tr>
<tr>
<td>Net commission income</td>
<td>24</td>
<td>12</td>
</tr>
<tr>
<td>Risk provisioning</td>
<td>-182</td>
<td>-24</td>
</tr>
<tr>
<td>Results before tax</td>
<td>-56</td>
<td>107</td>
</tr>
</tbody>
</table>
Corporate Banking

- Clients are less inclined to invest
- Interest, commission and trading income of EUR 221m below last year (259m)
- Challenging economic environment requires increase in risk-provisioning to EUR 319m (104m)

Private Banking

- Difficult market environment and brisk competition put pressure on results
- Decreasing interest levels dampen deposits
- Positive results in currency and precious metals trading

Corporate & Private Banking

<table>
<thead>
<tr>
<th></th>
<th>H1 09</th>
<th>H1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>203</td>
<td>215</td>
</tr>
<tr>
<td>Net commission income</td>
<td>44</td>
<td>55</td>
</tr>
<tr>
<td>Risk provisioning</td>
<td>-323</td>
<td>-105</td>
</tr>
<tr>
<td>Results before tax</td>
<td>-170</td>
<td>79</td>
</tr>
</tbody>
</table>

Source: Creditreform
Financial Markets & Institutions

Financial Markets
- Results still impacted by financial crisis; excluding write-offs of Credit Investment Portfolio significantly positive result of EUR 425m (151m in 2008)
- Write-offs in CIP decreased markedly to EUR 209m (511m)
- Successful Cross-Selling
- Hedging products in high demand

Savings banks
- Weak demand for investment products
- Expansion of product range and services offered to cater for increasingly risk averse investors

CIP reduced by EUR 10.9 m (-36%) despite challenging market environment

Financial Markets & Institutions (in m €)

<table>
<thead>
<tr>
<th></th>
<th>H1 09</th>
<th>H1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>489</td>
<td>233</td>
</tr>
<tr>
<td>Net commission income</td>
<td>-2</td>
<td>20</td>
</tr>
<tr>
<td>Risk provisioning</td>
<td>-67</td>
<td>-1</td>
</tr>
<tr>
<td>Results before tax</td>
<td>225</td>
<td>-350</td>
</tr>
</tbody>
</table>
Risk provisioning increased by EUR 771m in Q2

Total risk provisioning in m €

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1/08</th>
<th>Q2 08</th>
<th>Q1/09</th>
<th>Q2/09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>49</td>
<td>82</td>
<td>424</td>
<td>771</td>
</tr>
</tbody>
</table>

Economic crisis requires increased risk provisioning

- Weak consumption and investment mood
- Increasing corporate defaults
- Overcapacities in major markets
- Asset values under pressure

Significant increase in risk provisioning across all segments *

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1/08</th>
<th>H1/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation &amp; Energy</td>
<td>25</td>
<td>595</td>
</tr>
<tr>
<td>Corporate &amp; Private Banking</td>
<td>105</td>
<td>323</td>
</tr>
<tr>
<td>Real Estate</td>
<td>24</td>
<td>182</td>
</tr>
<tr>
<td>FMD</td>
<td>1</td>
<td>67</td>
</tr>
</tbody>
</table>

* Except Corporate Center (12) and Other (16)
Credit Investment Portfolio reduced by EUR 11.2 bn since year end 2007

Measures:

- Despite challenging markets: CIP reduced by EUR 11.3 bn (~38%) between end of 2007 and 31.07.2009
  - ~ EUR 5.3 bn proactive sales
  - ~ EUR 5.0 bn redemptions
  - ~ EUR 1.0 bn FX effects

- Nearly all synthetic CDOs sold
- Hedgefunds / Other Funds-exposure significantly reduced by EUR 670 m
- Single Name Portfolio (Bonds and CDS) reduced by EUR 6.4 bn
- Subprime-Exposure in RMBS HEL, CDO of ABS, CDO of CDO reduced by EUR 150 m