Investor Presentation
IFRS Group Result 9M-2014

HSH NORDBANK AG
HAMBURG 12 DECEMBER 2014

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Agenda

1. **Good business performance in the first nine months**
2. Group results 9M-2014
3. Miscellaneous

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Summary of the results

Good business performance in the first nine months

Business performance

- **Group net income before taxes of EUR 460 million** (prev. year: EUR -95 million) significantly improved and above plan; again essentially supported by:
  - planned expansion of the Core Bank
  - reduced risk provisioning requirements
  - effect of the capital protection clause, after high burdens from guarantee fees in the previous year, partial release, as expected, with impact on income
- **Net income after taxes improved to EUR 333 million** (prev. year: EUR -66 million)
- **Core Bank posts net income before taxes: EUR 138 million** (prev. year: EUR 146 million), incl. temporary extraordinary effect[1] of EUR -90 million, which will be offset by 2017; adjusted by the Shipping restructuring portfolio, net income before taxes in the Core Bank results to EUR 323 million
- **New business** with a volume of **EUR 7.0 billion** (prev. year: EUR 4.9 billion) expanded as planned
- **Net risk provisions before compensation from lending business of EUR -256 million** (prev. year: EUR -815 million) better than planned; taking all guarantee effects into account **EUR 387 million**

Capital

- **Capital ratios** pursuant to **Basle III** at solid level: CET1-ratio **"phase in"[2]** at **12.5%**; **"fully loaded"[2]** at **11.1%**; additional protective effect of ~3.3 percentage points from guarantee structure
- **Total capital ratio** of **18.6%**
- **Leverage ratio 4.9%** (pro-forma)[3]
- **Bail-in ratio[4] of up to 15.4%** incl. guarantee buffer (approx. 10% without buffer), above bail-in threshold of 8%

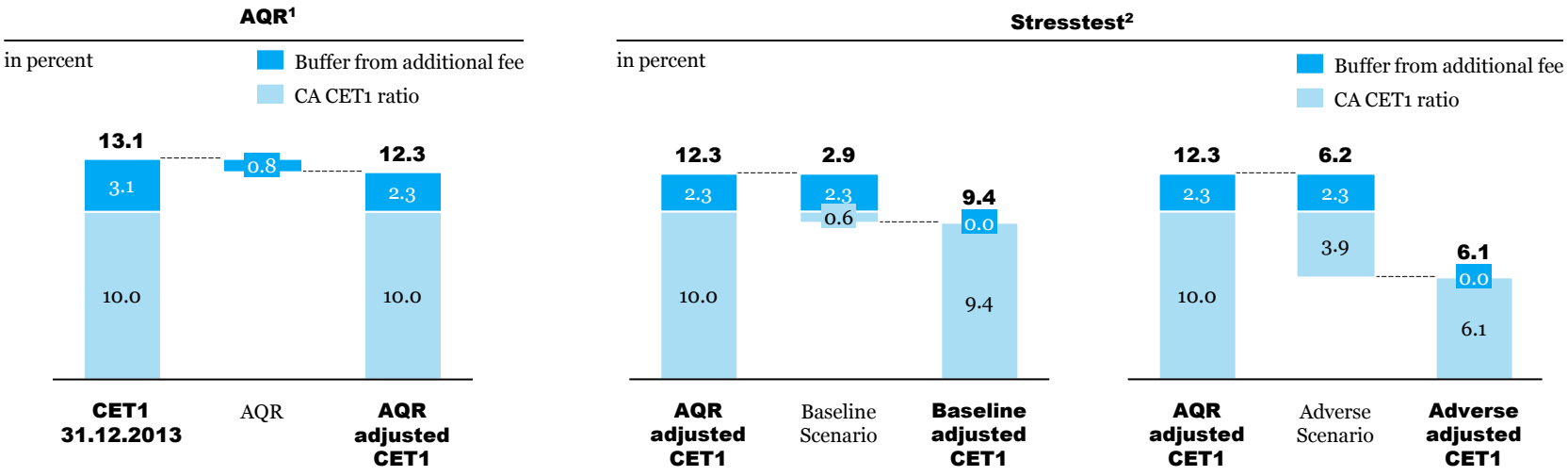
Liquidity & funding

- **Continues expansion of asset based funding**; another **EUR 500 million mortgage Pfandbrief** with a term of 7 years **was placed** in the international capital market. **Senior unsecured** fully to plan
- **LCR 180%[5], NSFR 100%[5]**
- **Liquidity ratio (LiqV) 2.15**

1 From scheduled adjustment of the effective interest rate for hybrid instruments; 2 Incl. buffer from additional fee of 2.5 PP. "phase in" and 1.1 PP. "fully loaded"; 3 Pro-forma calculations, mandatory disclosure scheduled as of 1 Jan. 2015; 4 Pro-forma calculations, bail-in to become effective from 1 Jan. 2015 based on current knowledge; 5 as at 30 June 2014

Results of the Comprehensive Assessment supports business activities

Results of the Comprehensive Assessment



- **Positive outcome of the Comprehensive Assessment** supports market position
  - Increased transparency - adequateness of processes and accounting
  - Proof of the high stress-bearing capacity of the capitalisation, even in stress scenarios
  - Implications of the ECB's requirements in the AQR to be examined and impact on the 2014 financial statements to be agreed with the supervisory authorities and the auditors
- **Next milestone conclusion of the EU proceedings**
  - Completion until mid 2015 intended

1 Regulatory assessment
2 After join-up

Outlook

Positive annual result for 2014 expected

Outlook

- **Continues expansion of the Core Bank – growth and income**
  - Stabilization of market position of Corporate Clients and deepening of Cross Selling via capital markets products
  - Further expansion of core competencies with Real Estate Clients Germany and Infrastructure & Energy
  - Focused new business Shipping-international
- **Continues reduction of RU within effective risk coverage of the guarantee**; focus remains on restructuring of the shipping portfolio, sustained significant risk provisioning
- **Accounting of AQR results** within financial statement 2014, just if these apply with IFRS accounting standards, only
- **Consequent cost management**; another cost cutting program of EUR 170 million until 2018 announced; measures to be detailed until end of 2014 and provisions for personnel and administrative expenses to be determined until end of 2014
- In the light of above: **positive annual result for 2014 still expected**

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Agenda

1. Good business performance in the first nine months
2. **Group results 9M-2014**
3. Miscellaneous

Net income before taxes remains stable; capital ratios at solid level

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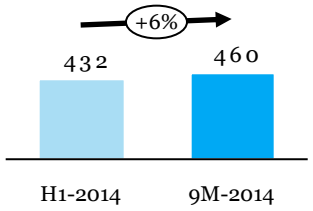
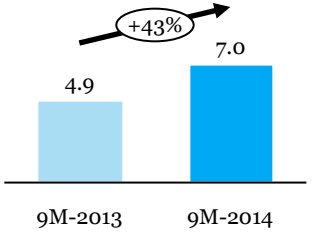
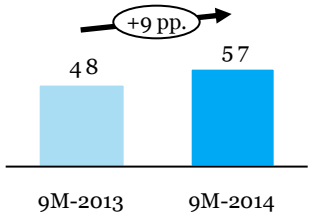
Net income before taxes
in EUR million



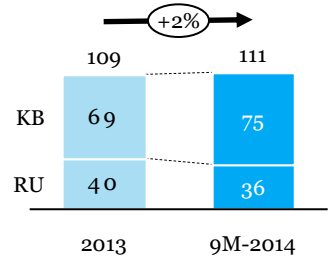
New business
in EUR billion



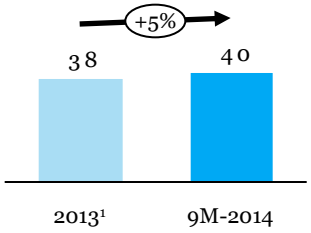
Cost income ratio
in %



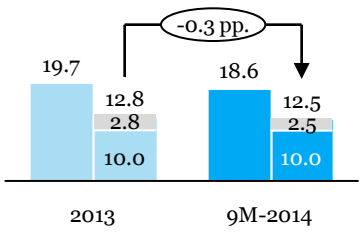
Total assets
in EUR billion



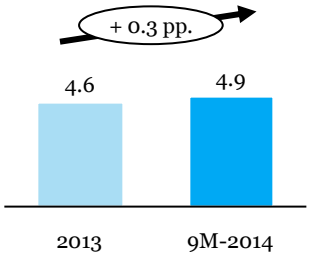
RWA
in EUR billion



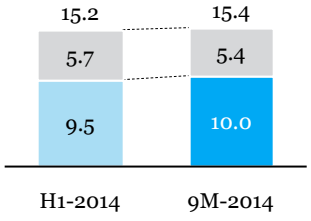
Total capital ratio and core tier-1 capital ratio (Basle III) in %, buffer



Leverage ratio
in %



Bail-in ratio
in % buffer Excl. buffer



- **Balance sheet assets of the Core Bank slightly increased;** primarily securities sales and consistent risk reduction in the RU more than offset by new business and exchange rate developments
- **RWA** moderately **increased** to EUR 40 billion in line with targets, also due to expansion of new business
- **Basle III core tier-1 capital ratio[5] of 12.5% "phase in"; 11.1% "fully loaded"**
- **Leverage ratio[4] improved to a very solid 4.9** (pro-forma)
- **Bail-in ratio[3] far above 8% threshold** as of 30 September 2014

1 Pro-forma Basle III; 2 Pro-forma bail-in ratios; 3 Incl. buffer from additional fee of 2.5 PP "phased in" and 1.1 PP. "fully loaded"" 4 Pro-forma calculation, mandatory disclosure scheduled as of 1 Jan. 2015; 5 Pro-forma calculations, bail-in to become effective from 1 Jan. 2015 based on current knowledge

Net interest income influenced by reduced interest-bearing receivables and extraordinary effects; operating net interest income in the Core Bank's client business increased

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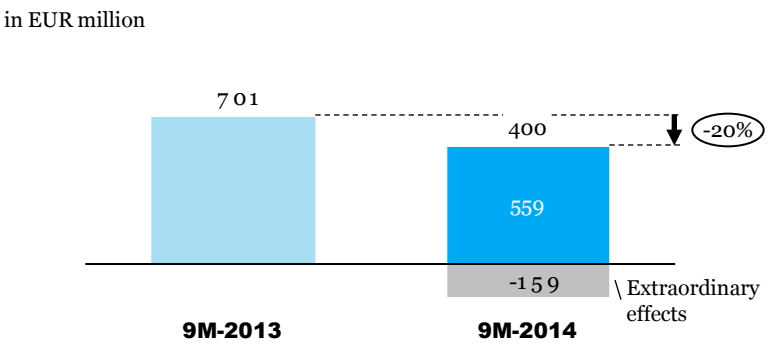
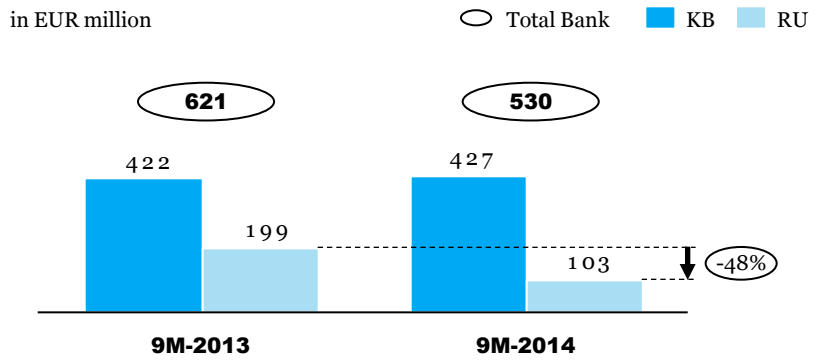
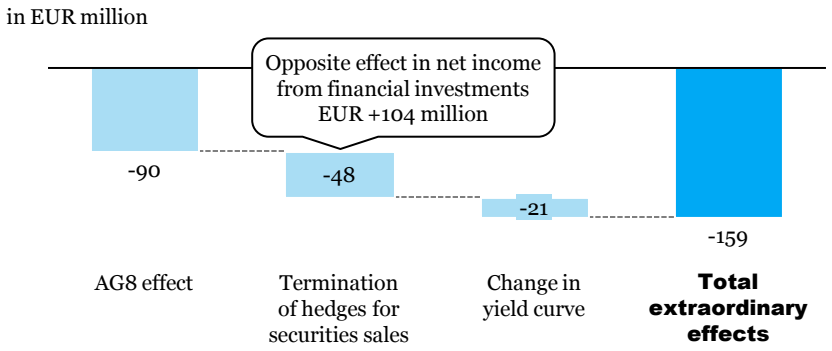
Net interest income



Operating net interest income - client business



Material extraordinary effects



Remarks

- **As planned, interest-bearing receivables** of the **RU** have been **reduced** significantly by **EUR 7 billion (36%)** vs. previous year
- **Operating net interest income** in the **Core Bank's** client business stable; negative effects from moderately declining volume of interest-bearing receivables (EUR -2.5 billion mostly in the restructuring portfolio) offset by positive margin trend
- **Extraordinary effects of EUR -159 million with adverse impact:**
  - **EUR -90 million** from **adjustment of effective interest rate for hybrid instruments** (AG8 effect), will be offset by 2017
  - **EUR -48 million** from **termination of hedges** due to reduction in securities positions with a **result of EUR +104 million in net income from financial investments**
  - **EUR -21 million** from **change in the yield curve** in the context of the determination of the present value of **provisions,** primarily for fees expected under the guarantee

Net commission income supported by Core Bank's new business; net income from financial investments dominated by write-ups

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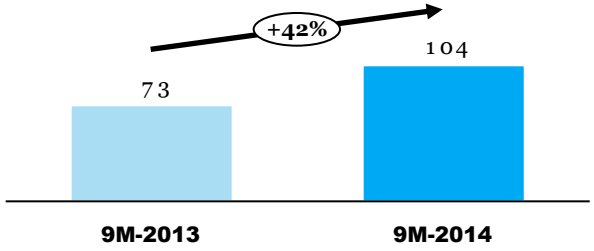
Net commission income

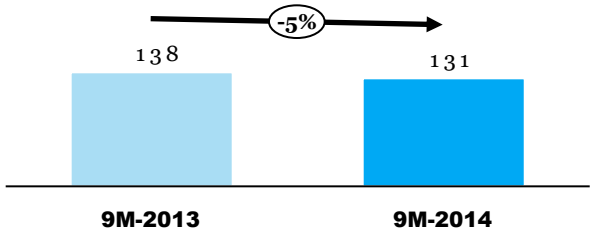
in EUR million



- **Net commission income sharply increased compared to previous year,** primarily driven by loan commissions
- **Sales of capital market products remain moderate** due to low interest rates

Net income from trading

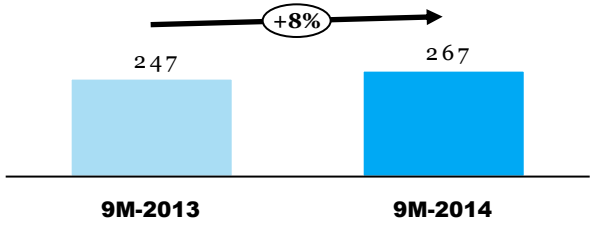
in EUR million



- Valuation results from **interest rate / exchange rate derivatives** (EUR/USD basis swaps) and write-ups in the **credit investment portfolio had a positive effect**
- **Valuation results** from **foreign currency equity holdings had an adverse impact** because of exchange rate trends; **own liabilities measured at fair value** also had an adverse impact

Net income from financial investments[1]

in EUR million



- **Net income from financial investments** primarily reflects **write-ups of securities** in the credit investment portfolio and **gains from the sale of sovereign bonds**

1 Excl. net income from financial investments accounted for using the equity method (EUR +2 million, 9M-2014; prev. year: EUR -13 million 9M-2013)

Reduced risk provisions; continued reduction in administrative expenses despite huge expenses for regulatory requirements

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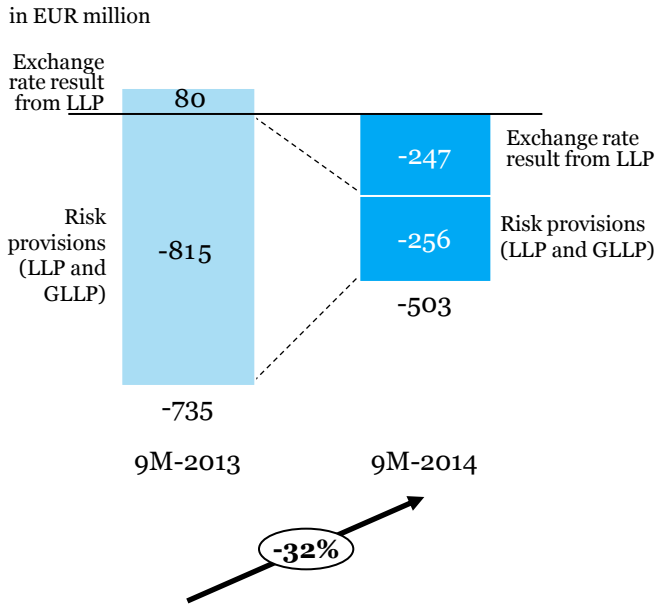
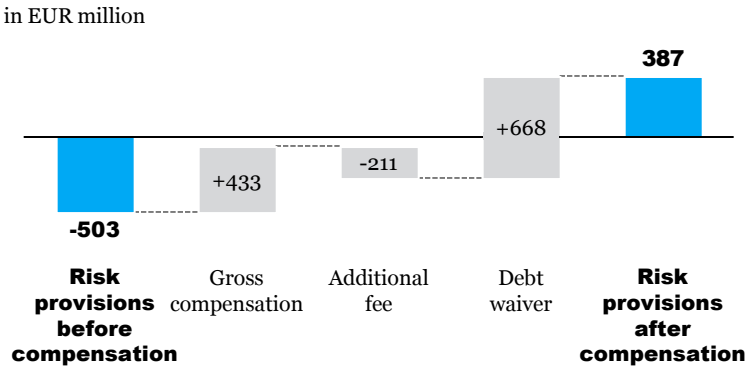
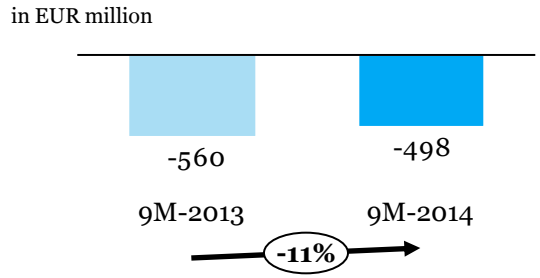
Net loan loss provisions (before compensation)



- **Exchange rate results** from risk provisions of EUR -247 million completely secured by guarantee and hedges
- **> 90% risk provisions** from **legacy burdens** in the **shipping portfolio** (RU and in the Core Bank's restructuring portfolio)
- **P&L result** after compensation of **EUR 387 million**



Administrative expenses



- **Personnel expenses** were **reduced** from EUR -247 million (prev. year) to EUR-213 million due to a further reduction in the headcount
- **Operating expenses declined moderately** to EUR -230 million (prev. year: EUR -233 million); savings were offset by expenses for increased regulatory requirements and the Comprehensive Assessment
- **Depreciation of fixed assets declined** to EUR -55 million (prev. year: EUR -80 million)

Total assets slightly increased due to new business and exchange rate development; credit investment portfolio (CIP) further reduced

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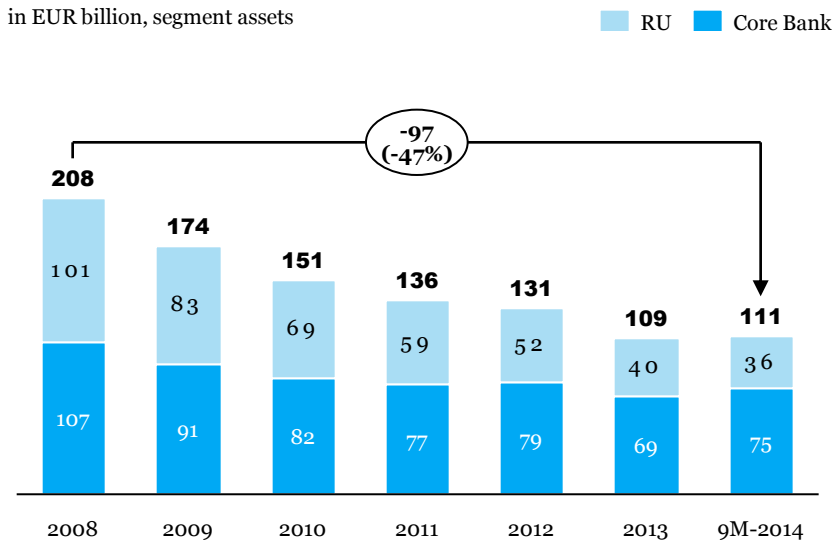
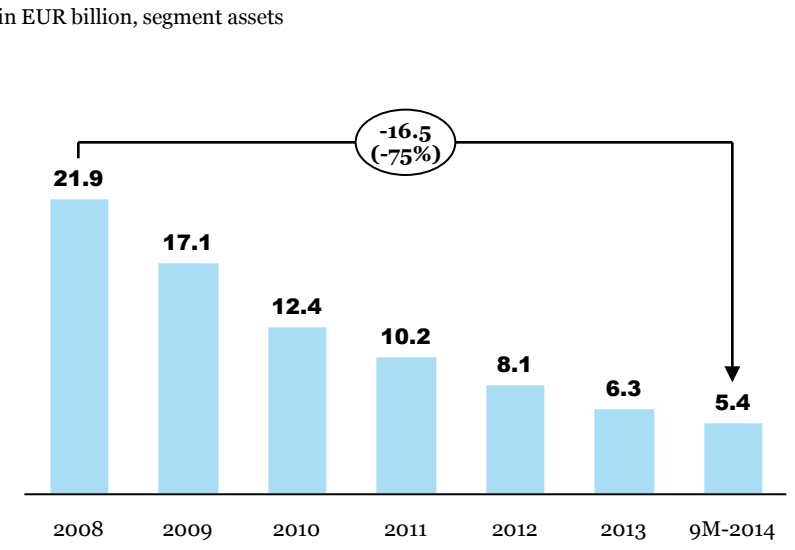
Balance sheet reduction by Core Bank and RU[1]



- **Balance sheet reduced by** a total of **EUR 97 billion (47%)** since the beginning of the financial and economic crisis and as part of the EU requirements, **this breaks down into:**
  - **Core Bank** EUR -32 billion (30%)
  - **RU** EUR -65 billion (64%)
- **RU assets reduced by EUR 11 billion (23%)** to EUR 36 billion **compared to prior year period** (9M-2013: EUR 47 billion[1])
- Requirements resulting from the EU state aid proceedings have thus been fulfilled ahead of schedule[2]

Reduction in CIP



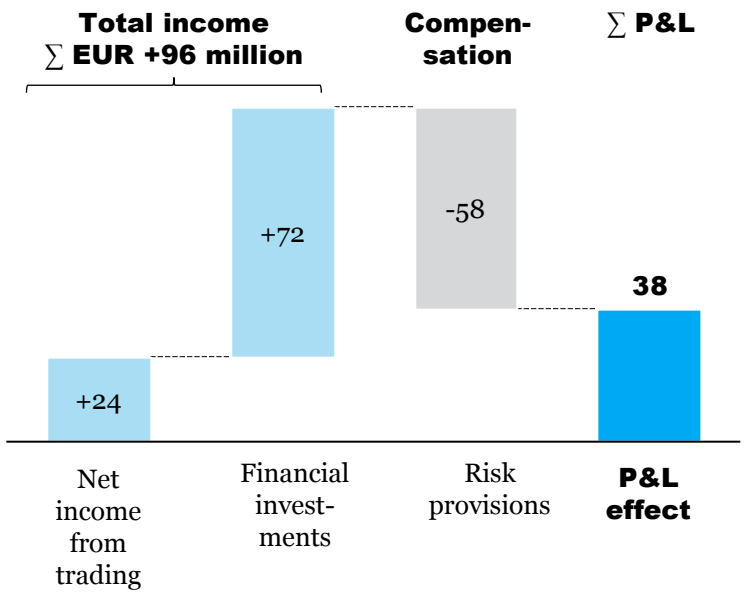
- **CIP reduced by 75%** to EUR 5.4 billion in segment assets since **2008** and **by 15% since the end of 2013** (EUR 0.9 billion)
- **28%** of the portfolio **rated AAA**
- **78%** of the portfolio has **investment grade rating**
- **CIP fully assigned to RU**

1 Incl. consolidation
2 Requirement: total assets to be reduced to EUR 120 billion by end of 2014, RU limited to EUR 38 billion pro-rated

Bottom line effect of the credit investment portfolio (CIP) and of reallocation in securities

CIP - P&L effect

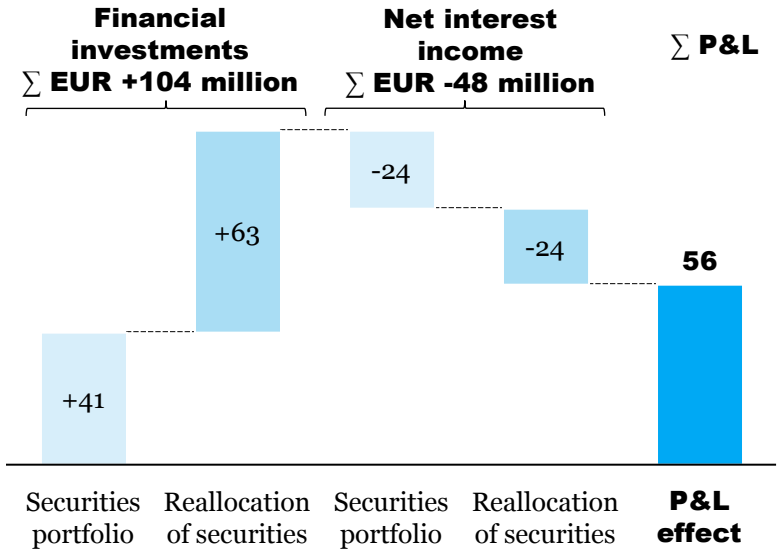
in EUR million



- CIP gross effect of EUR 96 million
- **Net effect of EUR 38 million after** opposite **compensation effects from guarantee of EUR -58 million**

Reallocation of securities - P&L effect

in EUR million



- **Net extraordinary effect on P&L of EUR 56 million** from reallocation in securities positions
- Interest rate effect from the termination of hedges is negative at EUR -48 million due to the low interest rates

Net income before taxes – Core Bank continues positive trend in spite of extremely adverse extraordinary effects

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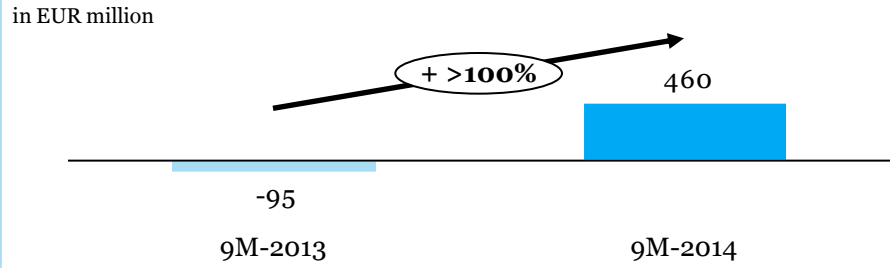
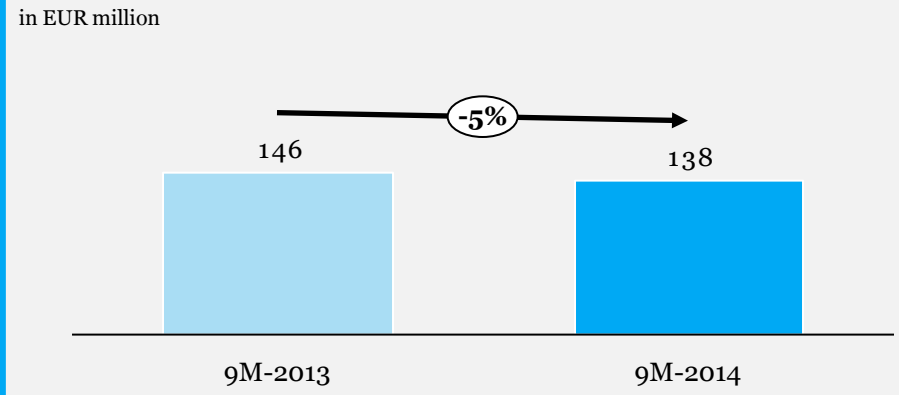
Group



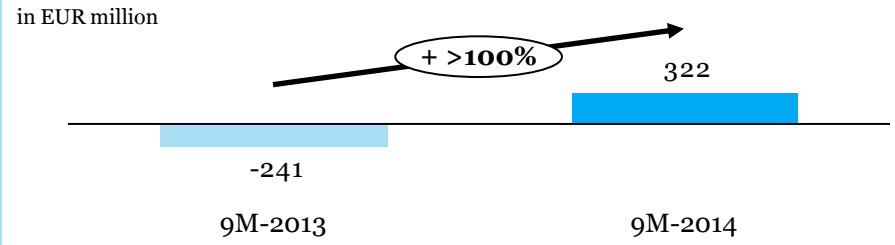
- Group net income before taxes much better than in the previous year due to consideration of the debt waiver
- Lower burdens from risk provisions (before compensation) of EUR -503 million (prev. year: EUR -735 million)

Core Bank



- Core Bank with sustainable success in implementing the business model of the "Bank for Entrepreneurs"
- Result of the Core Bank adversely affected by planned one-time effect (AG8) of EUR -90 million (will be offset in the following years); adjusted by the Shipping restructuring portfolio, the net income before taxes in the Core Bank results to EUR 323 million

RU



- RU result characterised by positive compensation item and swift wind-down of legacy burdens

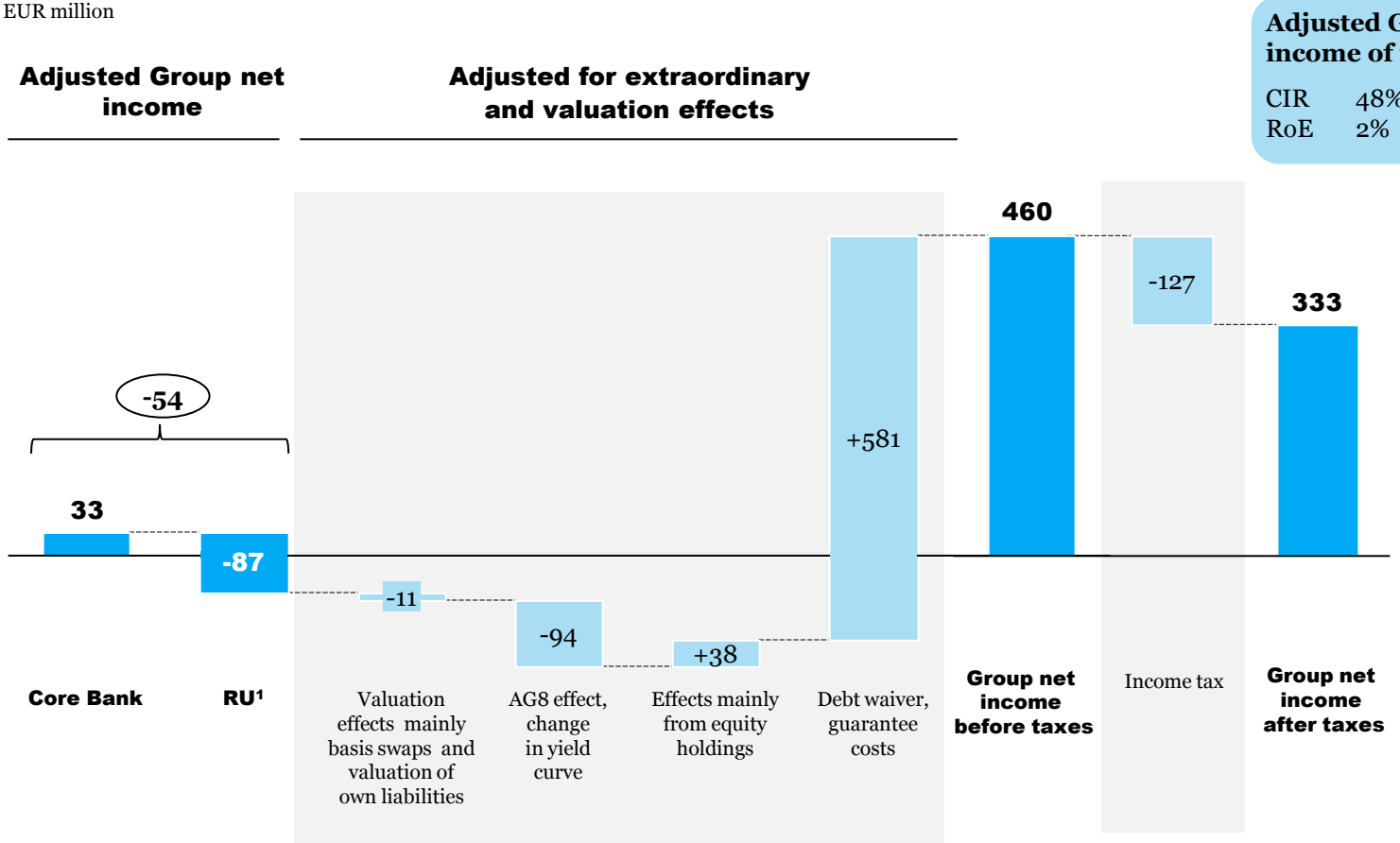
Group net income benefits from debt waiver; adjusted net income before taxes of the Core Bank positive

Group net income

in EUR million

Adjusted Group net income of the Core Bank

CIR	48%
RoE	2%



Core Bank with substantial contribution to total income, but adversely affected by higher risk provisions in the restructuring portfolio; RU greatly benefits from debt waiver

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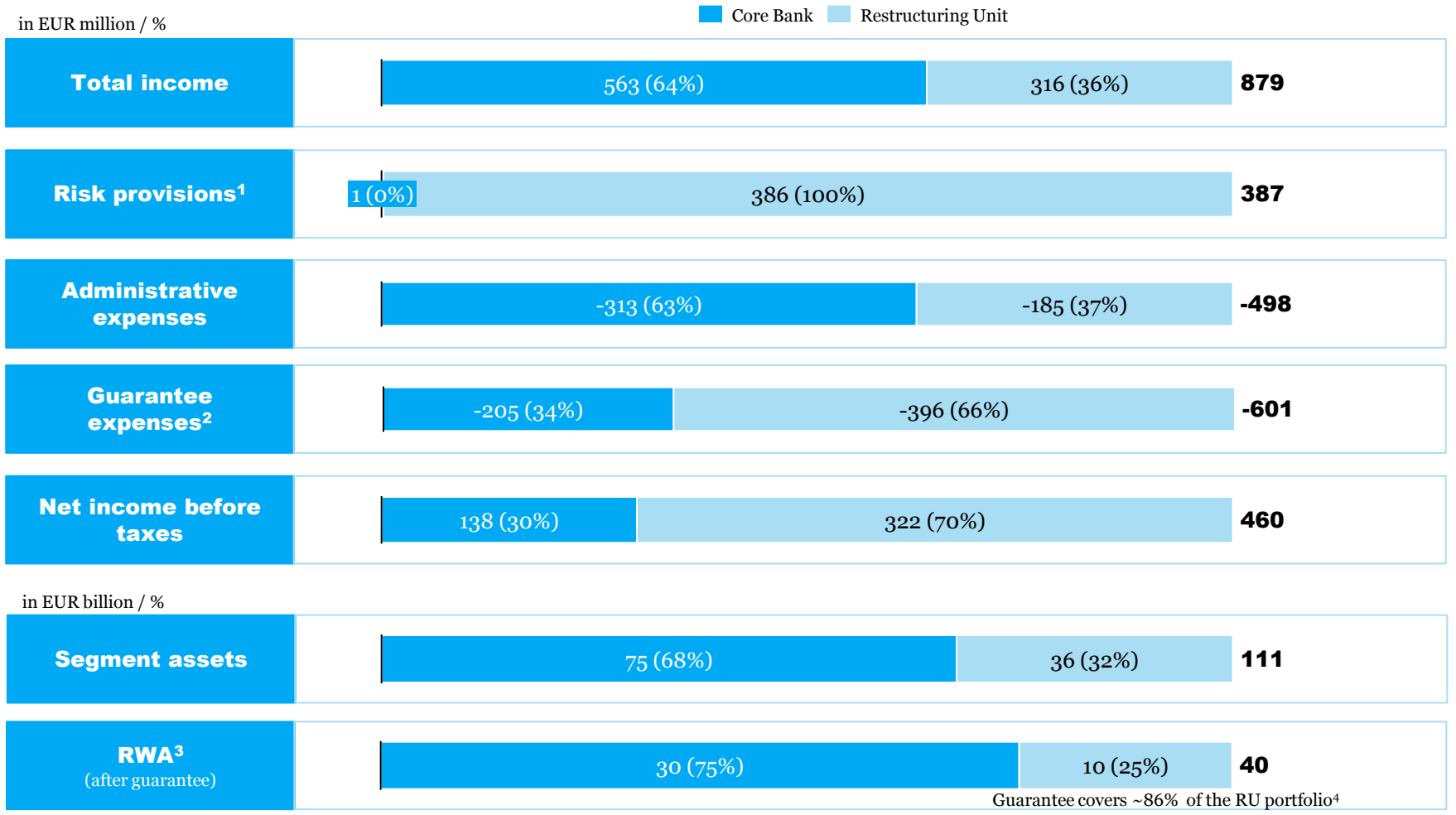

1 Risk provisions after compensation; 2 Incl. base and additional fee, excl. debt waiver; 3 Legacy burdens in the RU essentially covered by the guarantee, therefore low RWA; 4 EaD portfolio

Net income before taxes of the Core Bank slightly reduced, mainly because of legacy burdens in the Shipping restructuring portfolio

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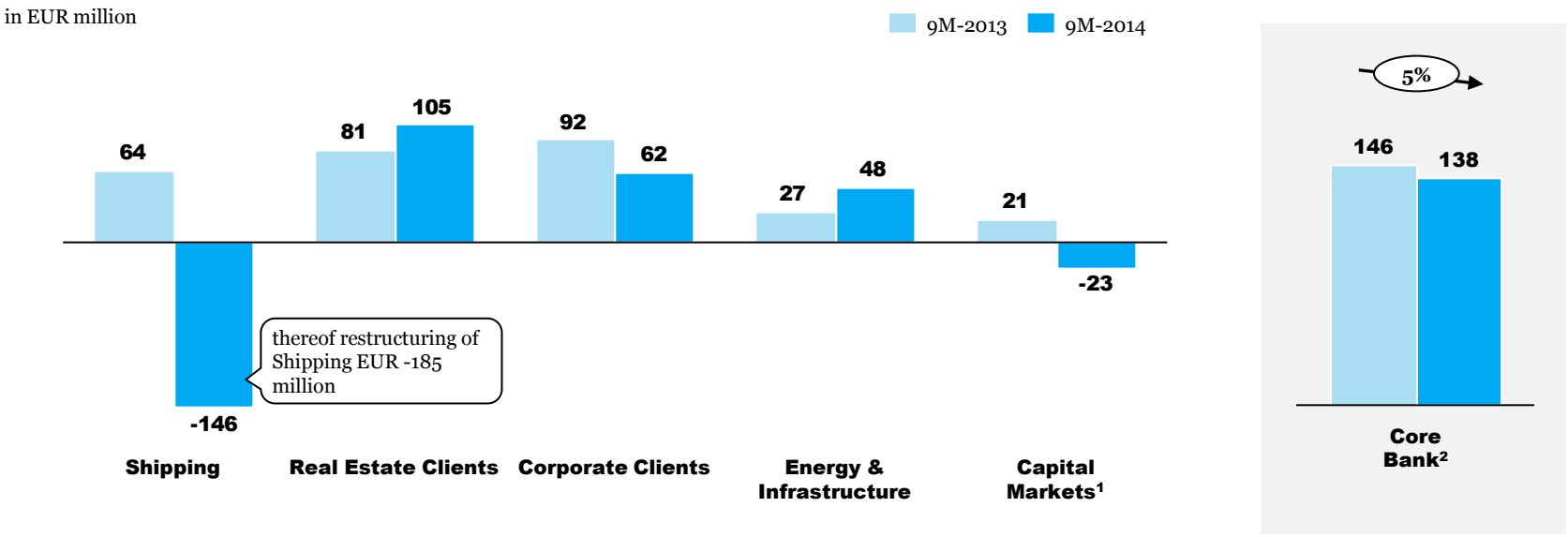
Net income before taxes – Business units of the Core Bank

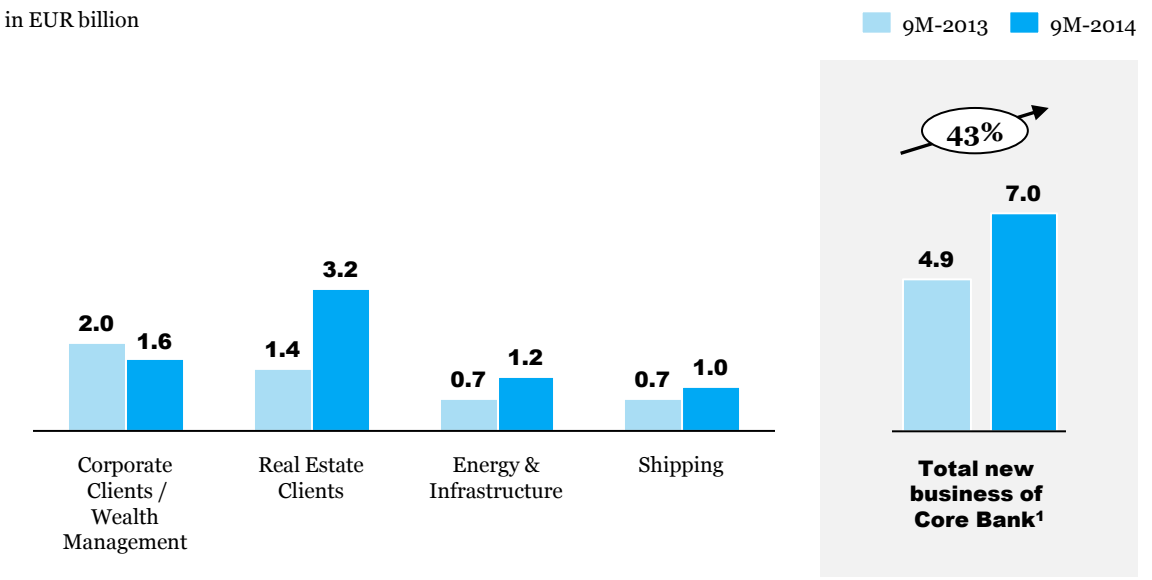


- Result of **Shipping** still influenced by shipping crisis
- **Real Estate Clients** contributes much higher net interest and net commission income from good new business, at the same time risk provisions are below plan
- **Corporate Clients** posted moderately declining results in a highly competitive environment
- **Energy & Infrastructure** generates higher income, especially due to sale of equity holdings
- Result of **Capital Markets** influenced by low interest rate environment

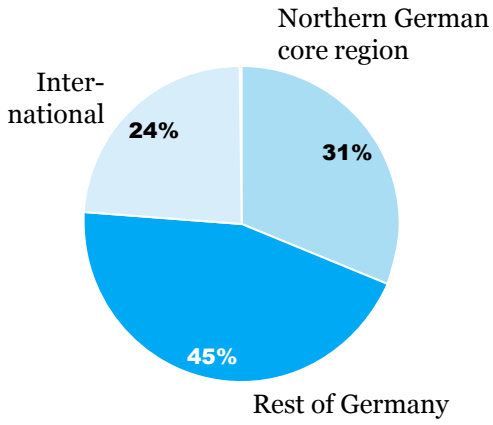
1 Incl. Corporate Finance, Savings Banks & Institutional Clients
2 Incl. Corporate Center and consolidation of Core Bank

Positive new business trend continues; high market penetration in real estate clients segment

New business volume of the Core Bank's client units 9M-2014



Regional breakdown of new business 9M-2014

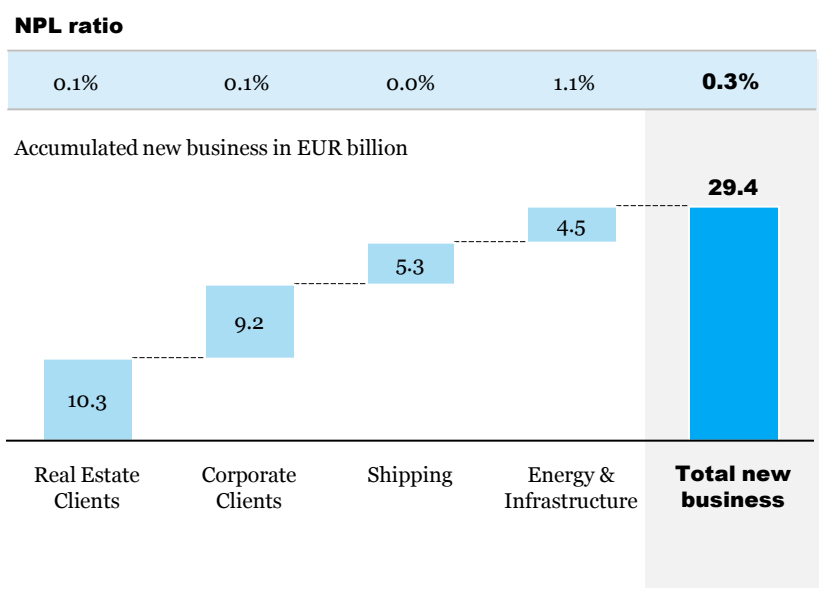


- New business again relates mostly **to real estate clients (Germany) and corporate clients;** increase in real estate in line with planned risk profile
- **Continued low demand for loans from corporate clients and very intense competition**
- **Expansion of new business** reflected in increase in **total assets of the Core Bank to EUR 75 billion**
- **Focus on expansion of high-margin new business** with **good risk profile** as the **basis for growing profitability of the Core Bank**
- **Payout ratio clearly exceeds** prior year level

1 Total new business of the Core Bank 9M-2013 incl. EUR ~0.1 billion from Savings Banks & Inst. Clients

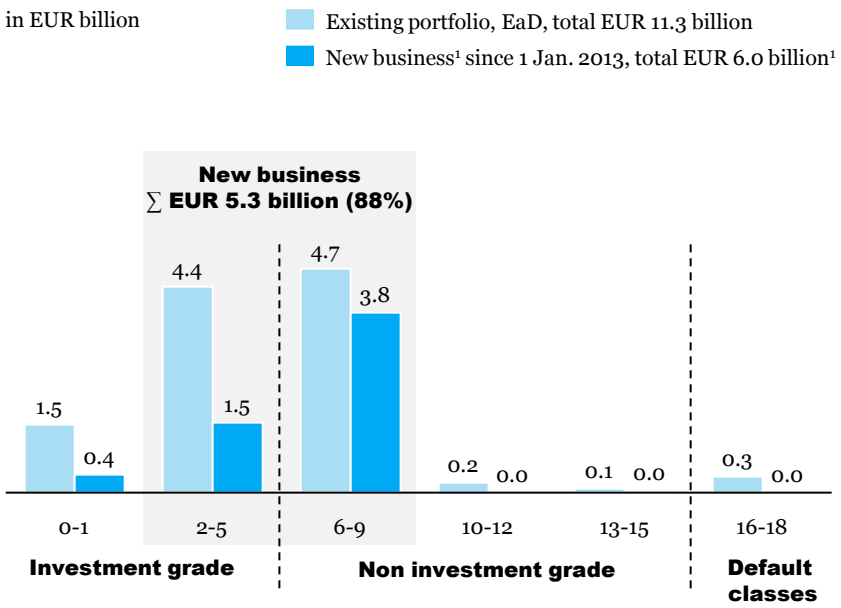
Successive expansion of Core Bank portfolio with good risk/ return profile; NPL ratio of new business at 0.3% since 2010

Credit quality of new business since 2010



- At approx. **0.3%, the NPL ratio** of new business is much lower than that of the Group's existing portfolio
- **NPL volume of new business** totals approx. **EUR 80 million,** only

Real estate portfolio and new business of the Core Bank by rating classes



- **New business** with real estate clients **totals EUR 6.0 billion** since early 2013
- New business of **EUR 5.3 billion (88%)** almost entirely in **rating classes 2-9**

1 Difference between total new business with real estate clients since 1 Jan. 2013 in the amount of EUR 6.0 billion and the total shown in the chart is attributable to business without rating

Material risks covered by the guarantee; 50% of the Group's total EaD, 80% of the shipping portfolios and 62% of the real estate loan portfolios

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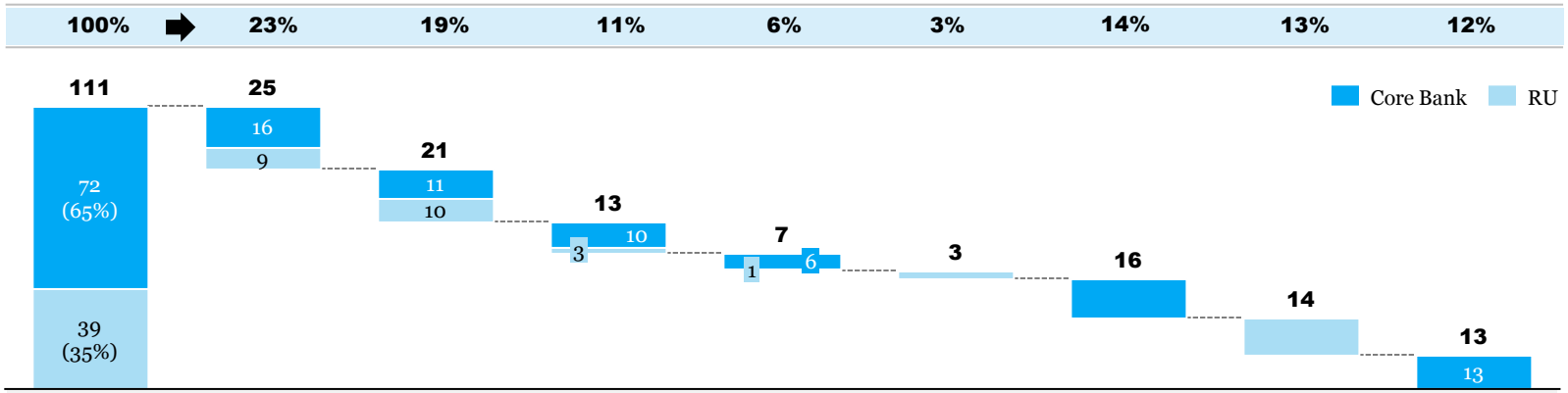
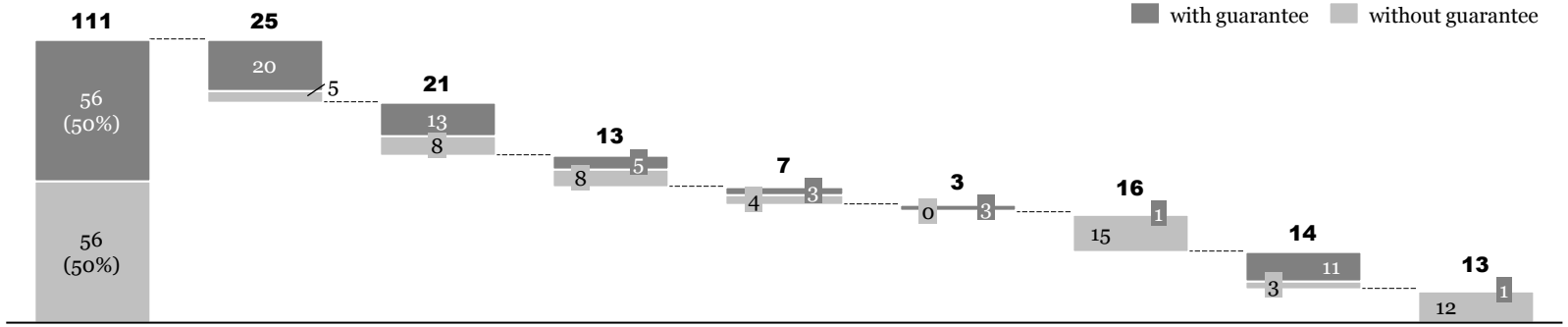
Breakdown of Group portfolios[1] 1. by Core Bank and RU as well as 2. guarantee coverage

1. in EUR billion, EaD



2.



1 Basis EaD
2 Incl. liquidity reserve

Core Bank reflects good risk profile of new business; RU legacy burdens extensively covered by risk provisions and guarantee (86%)

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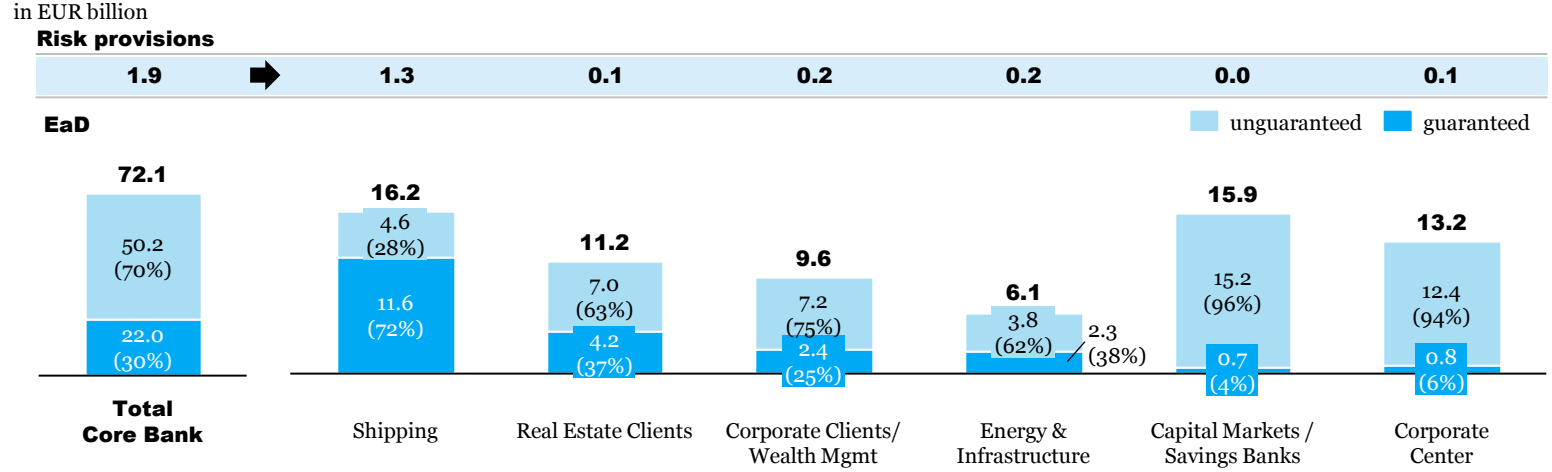
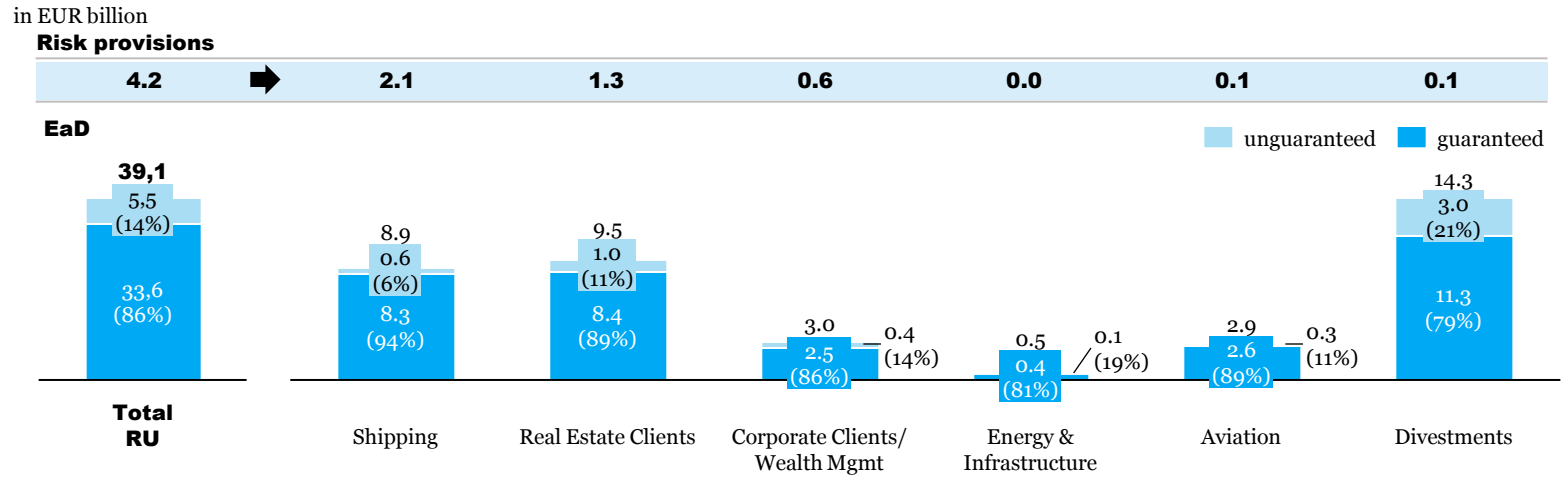
Core Bank

in EUR billion



RU

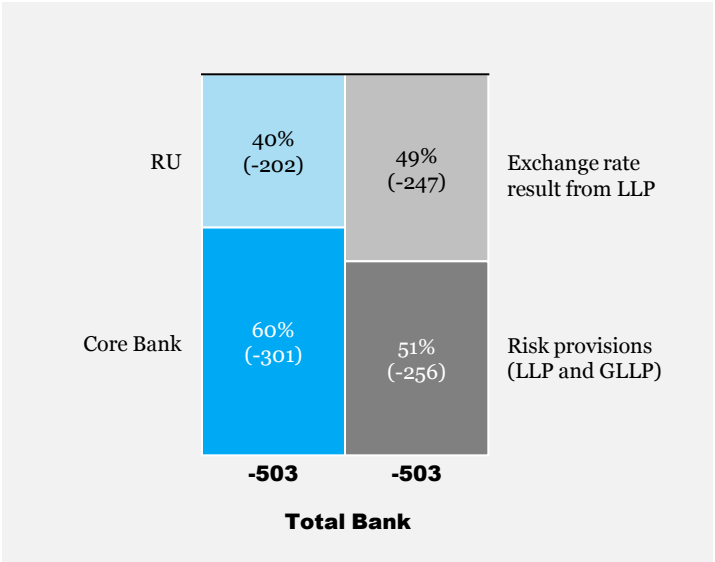
in EUR billion

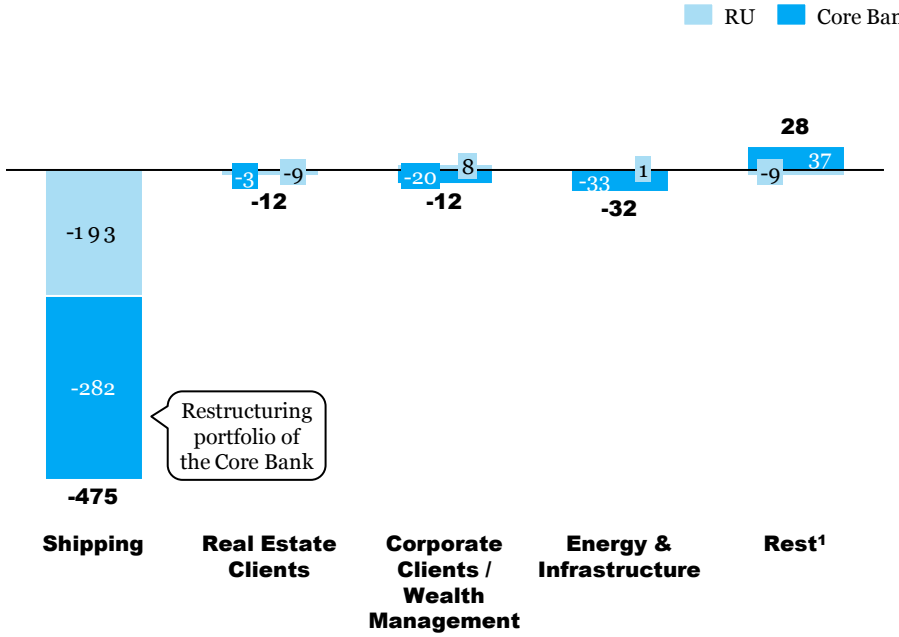


New risk provisions booked due to exchange rate effects and legacy burdens of the Shipping portfolio

Risk provisions before guarantee by business units

in EUR million



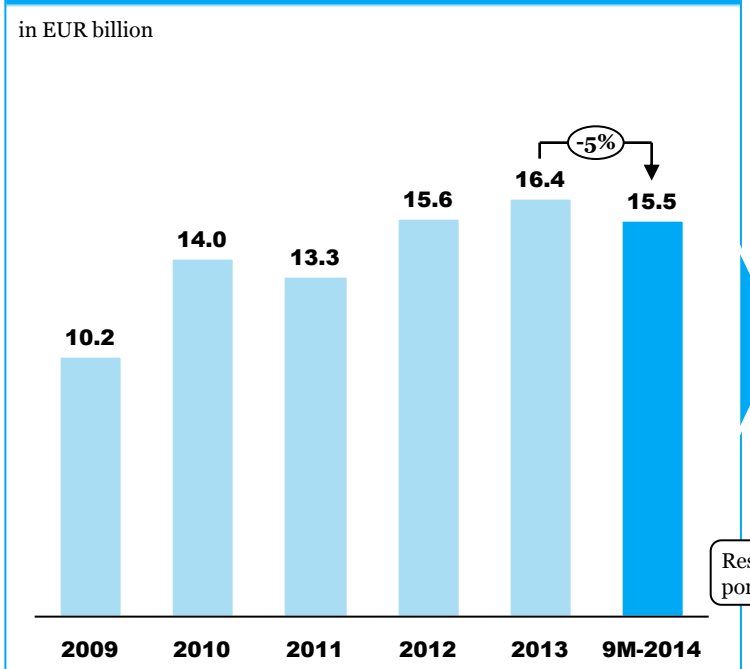


- **At EUR -256 million, risk provisions in the lending business before exchange rate effects** are in line with plan; concentration on **legacy burdens from** ship loans in the RU and the Core Bank's restructuring portfolio. Further risk provisions caused by **negative exchange rate effects of EUR -247 million** due to EUR/USD exchange rate development, but **fully covered by the guarantee and hedges**
- **Net risk provisions incl. exchange rate effects before compensation amount to EUR -503 million**; risk provisions after compensation amount to a positive EUR 387 million
- Risk provisions for ship loans of the RU in the amount of EUR -193 million include positive effects of successful restructurings

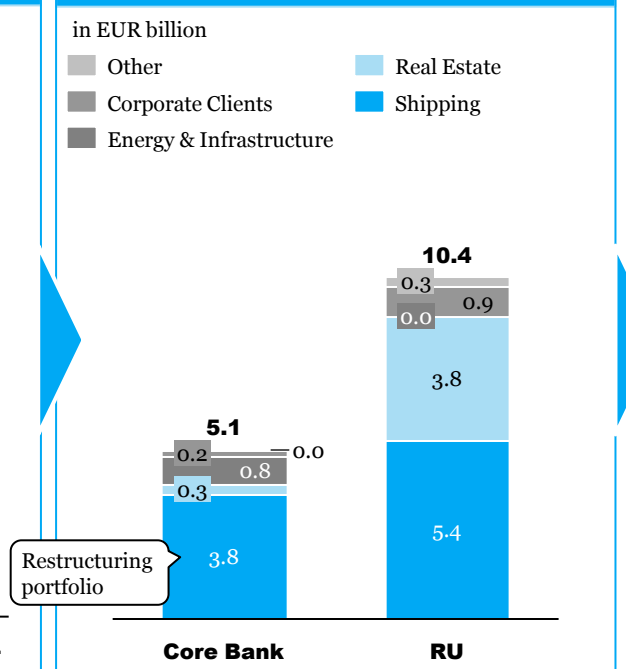
1 Incl. credit investment portfolio

NPL volume slightly reduced since YE 2013, still driven by shipping and real estate; risks fully covered

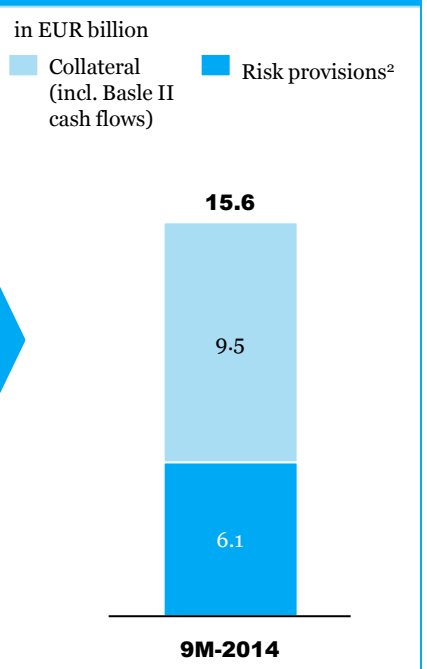
Change in NPL volume[1]



Breakdown by Core Bank/RU 9M-2014



Risk coverage



- **NPL volume of EUR 15.5 billion driven by legacy burdens of the RU (67%) and the Core Bank (33%)**
- **Risks almost exclusively in the Shipping unit** (59%) and from **real estate loans** (26%)
- **Coverage ratio from risk provisions of 39%** and **total coverage of >100%**
- **Approx. 90% of the NPL portfolio secured by the second loss guarantee**, especially Shipping and Real Estate (Core Bank and RU)

1 Impaired and defaulted (>90 days) receivables from customers
2 Risk provision before compensation

Guarantee of the federal states of Hamburg and Schleswig-Holstein reduces RWA and strengthens the capital position

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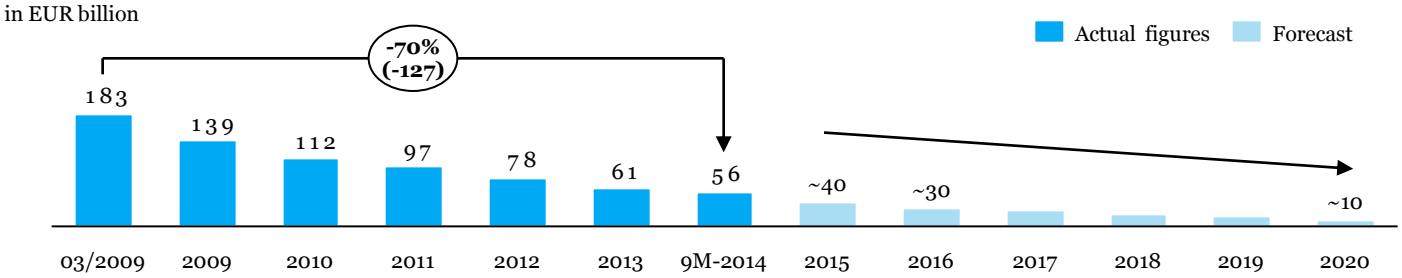
Guarantee facility

- "hsh finanzfonds AöR", which was established by the federal states of **Hamburg and Schleswig-Holstein,** secures the **legacy portfolios** (as of 31 March 2009) of HSH Nordbank via a **guarantee facility** (second loss guarantee) of **EUR 10 billion**
- **First losses** of up to **EUR 3.2 billion must be borne by HSH Nordbank** (already fully value adjusted)
- The guarantee was structured as a financial guarantee in accordance with IFRS

Performance of the reference portfolio

- Since March 2009, **the reference portfolio has been reduced significantly** by approx. EUR 127 billion from EUR 183 billion **to EUR 56 billion**[1]
- The Core Bank and the RU account for 39% and 61%, respectively, of the portfolio
- The Shipping segment accounts for a secured volume of EUR 20 billion, while the Real Estate segment accounts for EUR 13 billon



Effect of the guarantee

- The guarantee **reduces the RWA** and strengthens the capital position accordingly
- **A capital protection clause** ensures a **core tier-1 ratio of 10%** (via potential release of the additional fee)
- Including the **buffer from the potential debt waiver, the Basle III core tier-1 ratio (phase in)** amounted to **12.5%**[2]; capitalisation strengthened significantly

1 From 2012: economic EAD
2 Incl. buffer of 2.5 pp from additional fee

Comfortable capacity of the guarantee from a balance sheet and regulatory view

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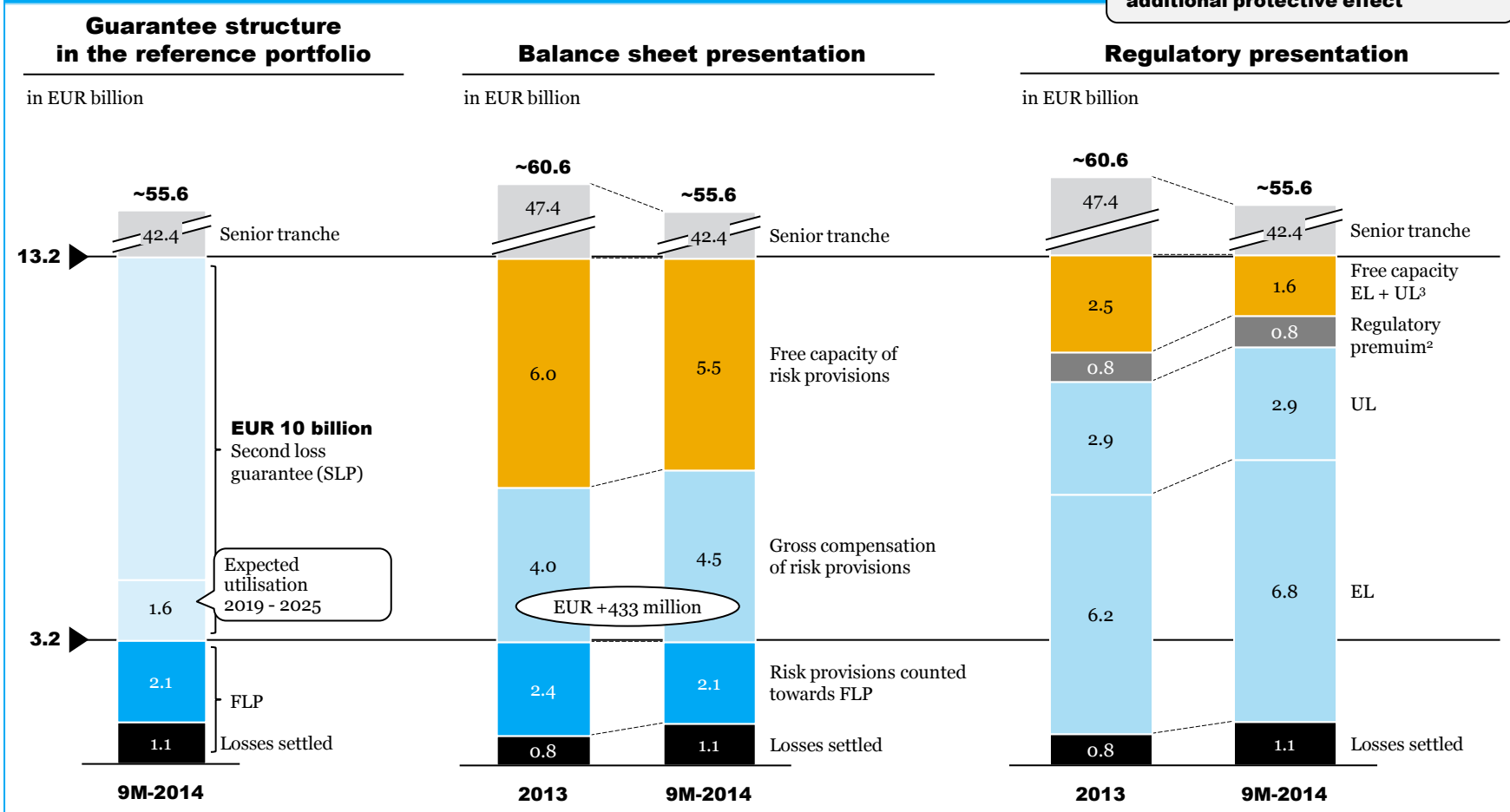
Structure and utilisation of the guarantee[1]

EUR 1.6 billion is equivalent to **3.3% additional protective effect**



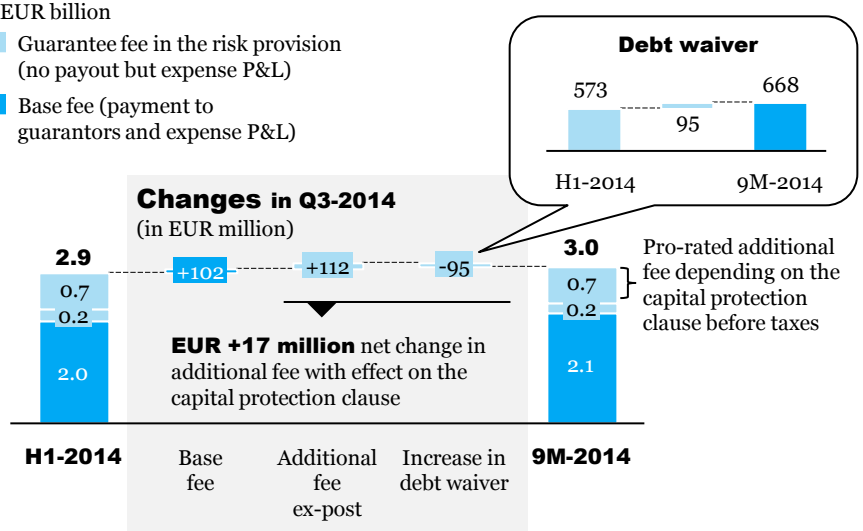
1 EaD; 2 Regulatory premium for foreign currency risks; 3 Corresponds to potential for risk increase (EL+UL) without change in RWA and CET1 ratio, potential arises from difference from the imputed risk weight (<1%) and the regulatory minimum backing of 20%

The temporary debt waiver of EUR 668 million is offset by guarantee fees of EUR 601 million

Guarantee expenses[1] and capital protection clause in Q3-2014

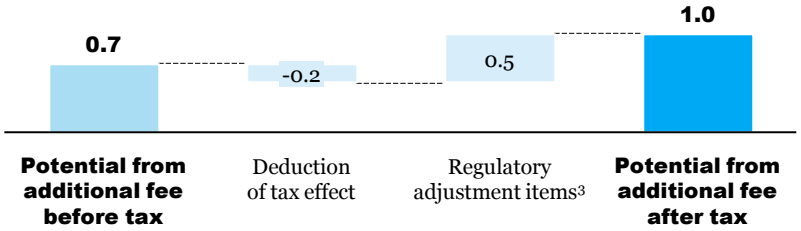
in EUR billion

- Guarantee fee in the risk provision (no payout but expense P&L)
- Base fee (payment to guarantors and expense P&L)



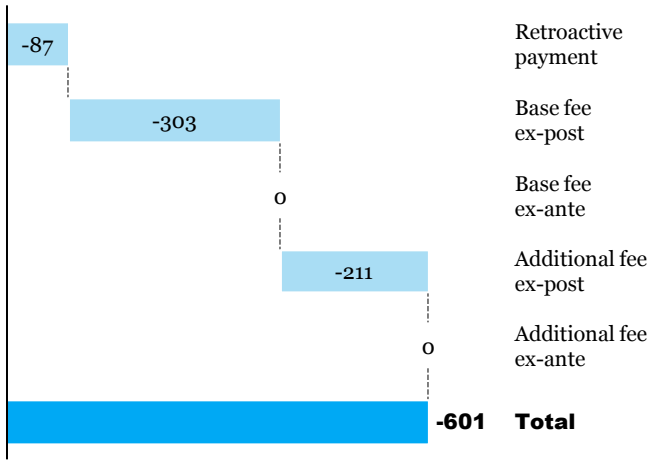
Potential from the capital protection clause

in EUR billion



Components of the guarantee expenses 9M-2014

in EUR million

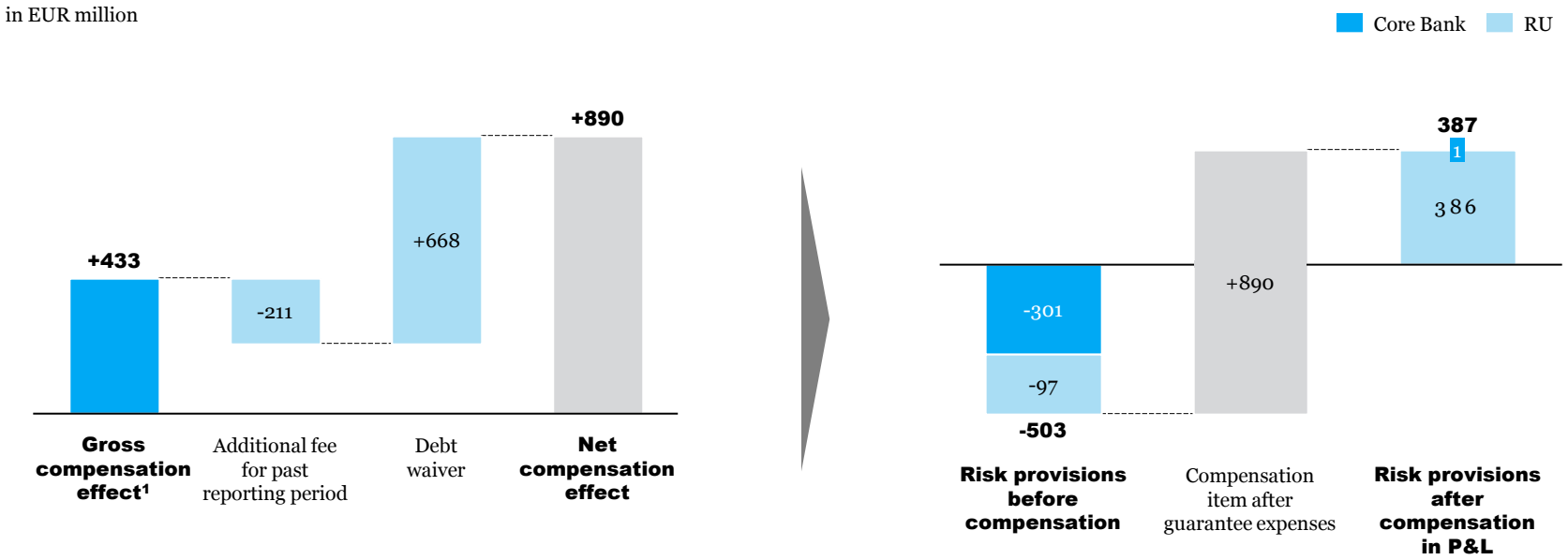


- In total **EUR 2.1 billion have already been paid to the guarantors**
- No additional fee "ex-ante" in the risk provisions, as the expected utilisation of the guarantee of EUR 1.6 billion between 2019 and 2015 remained unchanged[4]
- Current weakness of the euro against the US dollar has a currency exchange effect on the amount of the expected payment defaults, as the existing loan loss provisions for the guaranteed portfolio are partially held in US dollars

1 Excl. EUR 0.5 billion for a one-time payment demanded by the EU Commission in 2011, which was subsequently recovered by the Bank through a capital increase (for more details, see page 34); 2 Pro-rated retroactive payment for the years 2011 – 2013; 3 Assessment base for regulatory additional fee adjustment item: guarantee volume less balance sheet utilisation; additional fee reflected in capital
4 Mark-to-market change in net interest income

Loan loss provisions clearly positive due to consideration of the debt waiver

Security effect of the guarantee / Reduced P&L effect[1]



- Positive effect of the debt waiver of **EUR 668 million** (34% in the Core Bank, 66% in the RU)
- **Risk provisions of EUR 387 million** after compensation **recognised in P&L,** includes net compensation effect from the guarantee of EUR 890 million
- **Moderate allocations to risk provisions** (LLP) of EUR -294 million and negative effects from exchange rates of EUR -247 million partly **offset by release of GLLP** of EUR 38 million

1 The gross security of EUR 433 million results from other balance sheet securities of EUR 491 million less write-ups in the CIP (EUR -58 million)

RWA slightly higher due to positive new business development; capital ratios continue to clearly exceed regulatory minimum requirements

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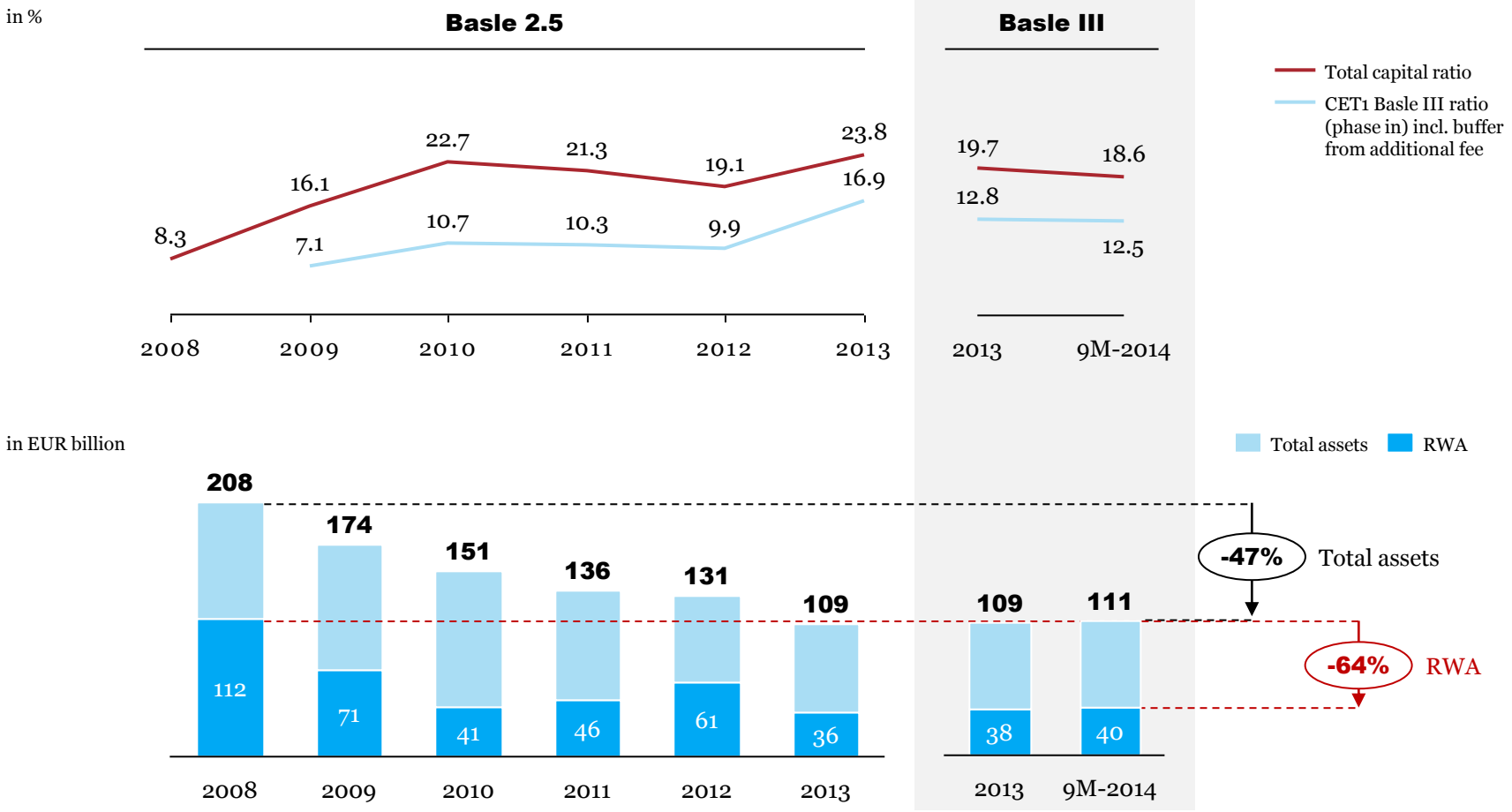
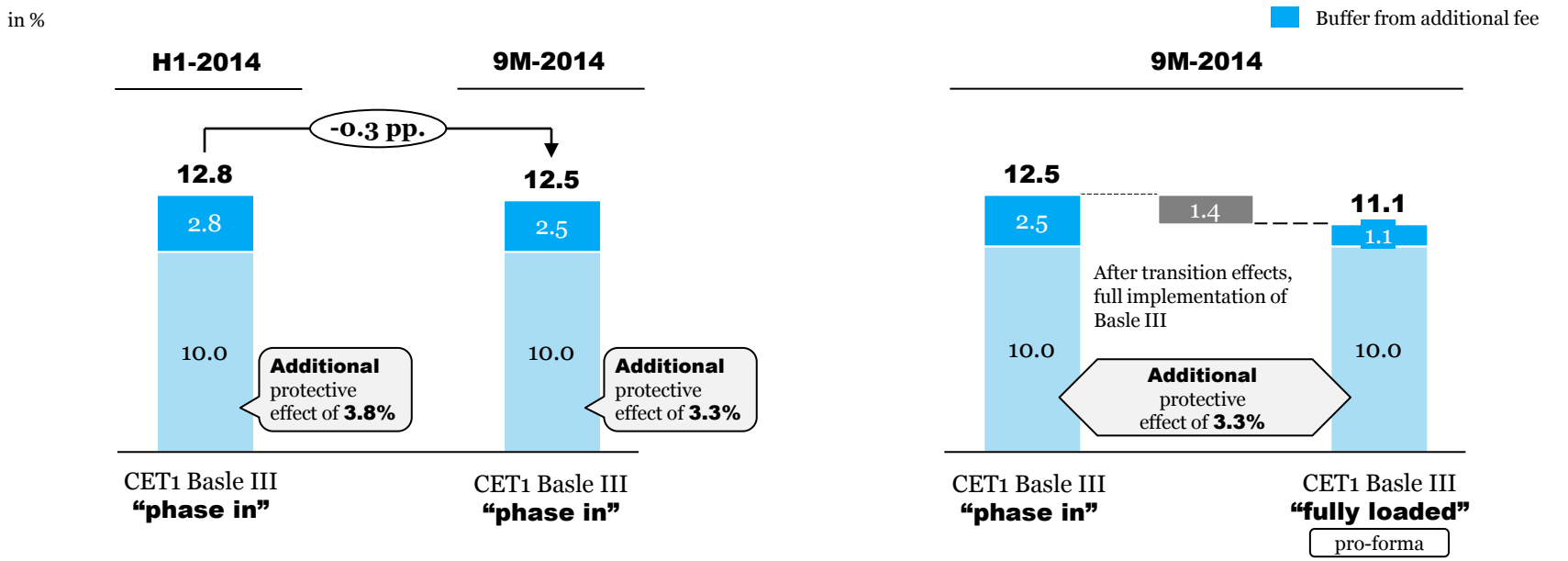
Changes in capital ratios and RWA in relation to total assets



HSH Nordbank well positioned with solid Basle III core capital ratios

CET1 according to Basle III



- **Core tier-1 ratio at solid level even acc. to Basle III** and after **change of calculation from German-GAAP to IFRS;** additional protective effect of ~3.3 pp (with regard to the guaranteed portfolio) from the imputed risk weight of the senior tranche of currently less than 1% vs. the regulatory minimum risk weight of 20%, equivalent to an equity buffer of EUR 1.6 billion
- **CET1 Basle III "phase in": 12.5% incl. buffer** slightly lower than last quarter, primarily due to increase in RWA resulting from good new business, equivalent to an equity buffer of EUR 1.0 billion
- **CET1 Basle III "fully loaded": 11.1% incl. buffer** (pro forma) as at 30 September 2014
- Capital protection clause secures core tier-1 ratio at 10%

Bail-in ratio of up to ~15.4%[1] and excess coverage of approx. EUR 8 billion as at 30 September 2014 mean that HSH Nordbank exceeds the threshold

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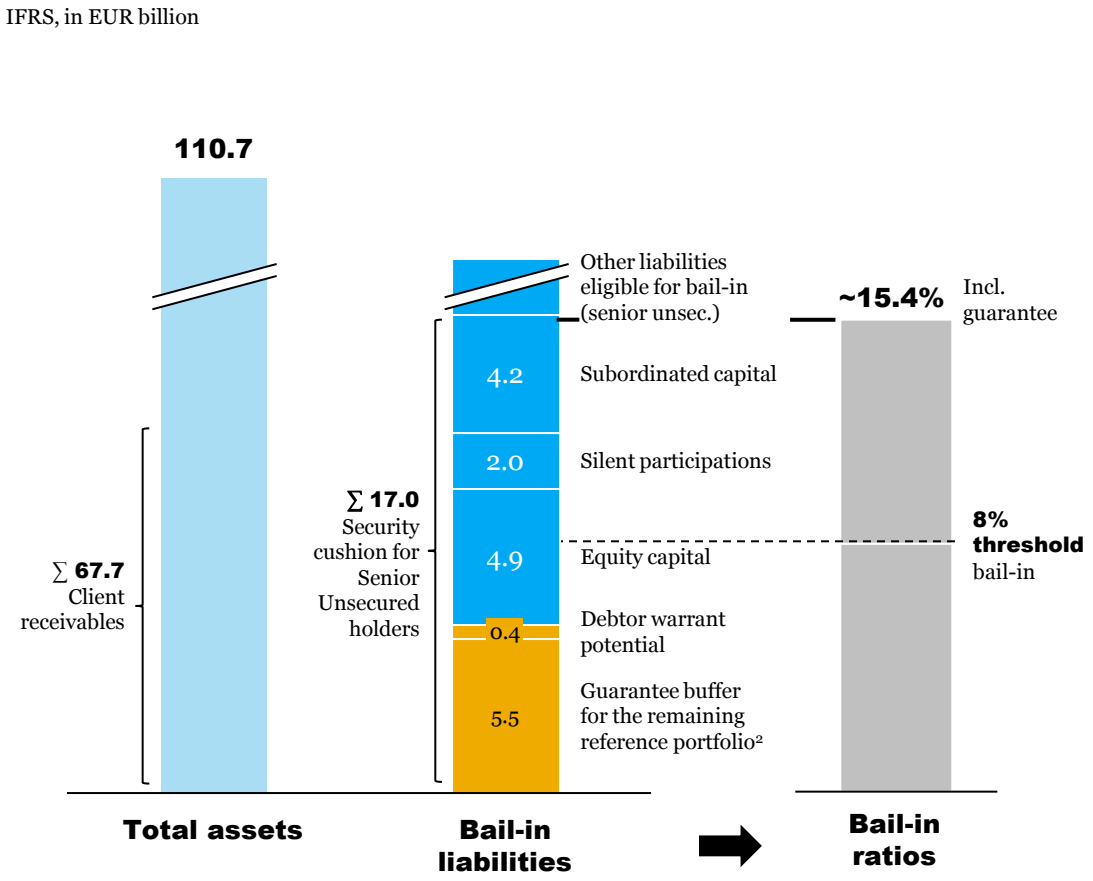
Pro forma bail-in ratios in 9M-2014



Remarks

- Imputed **bail-in ratio of approx. 10.0%** from balance sheet equity, silent participations and subordinated capital (excl. guarantee)
- The guarantee ranks before equity in the liability cascade
- The reference portfolio covered by the guarantee amounts to 50% of the total EaD (EUR 110.7 billion)
- Before a theoretical bail-in, the guarantee has an imputed buffer effect of approx. EUR 5.9 billion or ~5.4 percentage points
- At the bottom line, this results in an imputed **bail-in ratio of up to ~15.4% after guarantee**
- A bail-in ratio incl. guarantee of clearly > 8% is expected for the following years
- The calculation of the bail-in ratio is based on the definition of a threshold (8%) for a claim according to BRRD

1 Incl. buffer of ~5.4 PP. from remaining guarantee volume and the potential of the debtor warrant as equity
2 EUR 4.5 billion of EUR 10 billion guarantee amount already used in the P&L as compensation, reference portfolio of approx. EUR 56 billion secured

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Agenda

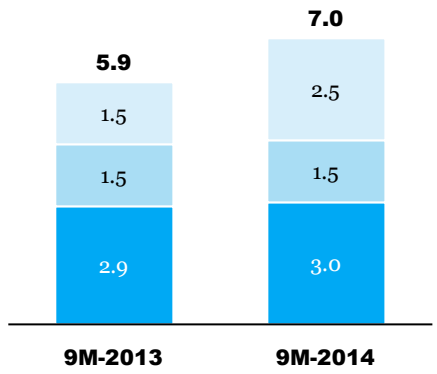
1. Good business performance in the first nine months
2. Group result 9M-2014
3. **Miscellaneous**

Broad funding base ensures stable access to funding

Long -term funding

in EUR billion

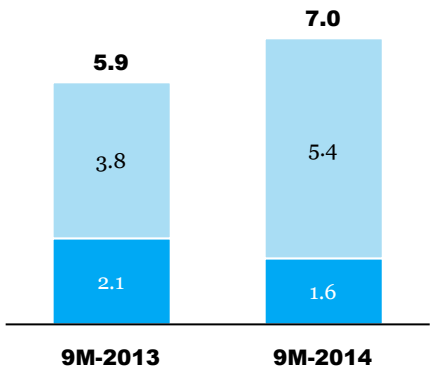
Asset based funding | Senior unsecured | Pfandbriefe



Funding structure

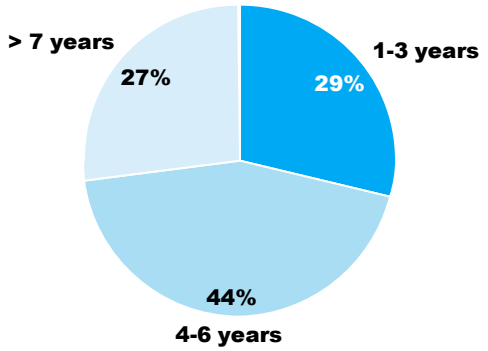
in EUR billion

Institutional | Retail



Senior unsecured and Pfandbrief sales

by maturities (excl. asset-based funding)



- **New business funded with matching maturities**
- **Stable access to funding from savings banks sector;** solid placement in retail segment (savings banks and other associations); increased sales to institutional investors and other financial institutions
- **Regular issuer of Pfandbrief benchmark bonds** – successful placement of EUR 500 million mortgage Pfandbriefe (5 and 7 years) in July and September 2014. In addition, a EUR 385 million ship Pfandbriefe were placed with institutional investors in the first nine months
- **Continuous expansion of asset-based funding,** especially via loan-based products. A transaction based on aircraft financings was closed via the ABF platform (USD 400 million) in November 2014.

Successful and diversified funding in 2013/2014

HSH Nordbank

up to
$ 661.000.000

HSH Nordbank
Ocean
Funding

2013

HSH Nordbank

€ 750.000.000

HSH Nordbank
Public
Pfandbrief

2013

HSH Nordbank

€ 500.000.000

HSH Nordbank
Mortgage
Pfandbrief

2013

HSH Nordbank

€ 231.000.000

HSH Nordbank
Retail Blockbuster
"Winteranleihe"

2014

HSH Nordbank

€ 235.000.000

HSH Nordbank
Retail Blockbuster
“Osteranleihe"

2014

HSH Nordbank

€ 195.000.000

HSH Nordbank
Retail Blockbuster
“Fußballanleihe"

2014

HSH Nordbank

€ 250.000.000

HSH Nordbank
Ship
Pfandbrief

2014

HSH Nordbank

€ 500.000.000

HSH Nordbank
Mortgage
Pfandbrief

2014

HSH Nordbank

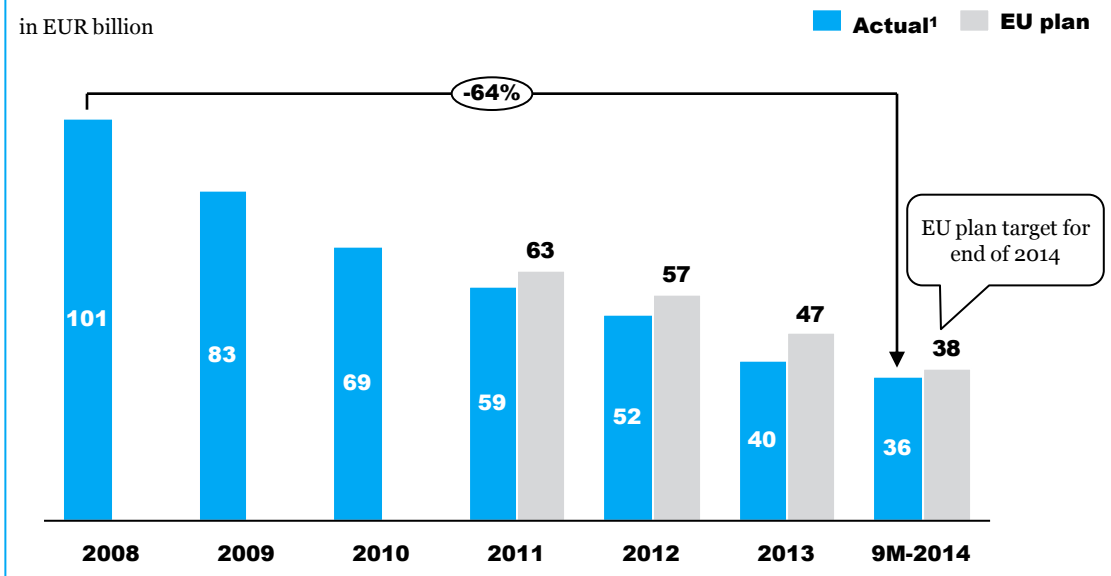
€ 500.000.000

HSH Nordbank
Mortgage
Pfandbrief

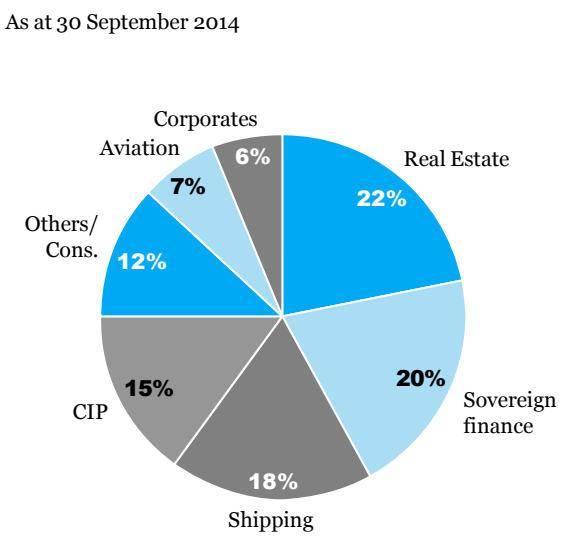
2014

Assets reduced more quickly than planned; wind-down target pursuant to EU Plan reached in 2014

Reduction in assets of the RU[1]



Breakdown by assets



- **After the strong reduction by EUR 12 billion in 2013,** the assets of the RU **were reduced by another EUR 4 billion in the first nine months of 2014**
- **The strongest reductions** were achieved **in ship loans and international real estate loans**
- **Income of the RU[1] declined** to EUR 316 million, from EUR 500 million in the previous year, due to ongoing **reduction in underlying positions**; write-ups and sales in the credit investment portfolio as well as the sale of an investment had a positive impact

1 Incl. consolidation

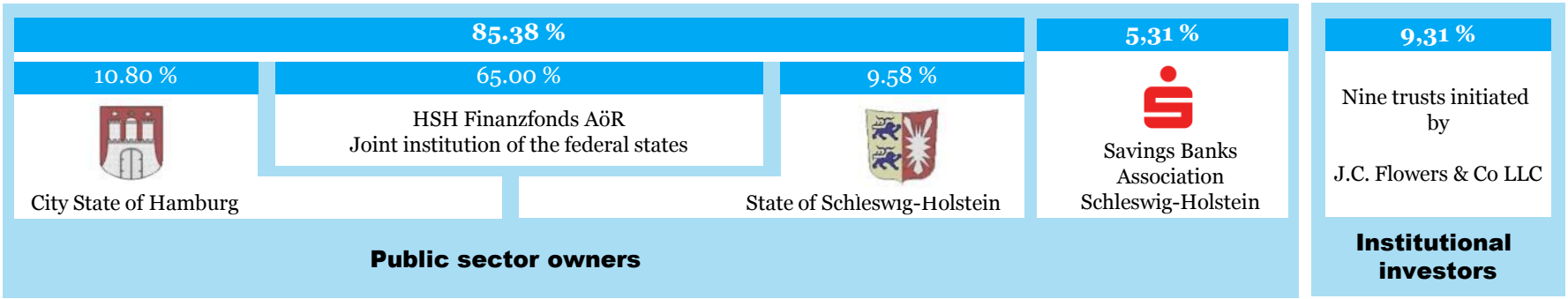
Guarantee

Summary of guarantee fees

	Description	Assessment base	Time period	Recognition
Base fee ex-post	Fees for **availability** of the guarantee facility	Guarantee facility (from 2019 less accumulated utilisation)	Ongoing payment until release of guarantee	**P&L** item "Expenses for government guarantees"
Base fee ex-ante	**Provision** for expected pro-rated base fee	Expected utilisation 2019 - 2025	Established until 2019, release as of utilisation	**P&L / Balance sheet** part of the **compensation item**
Additional fee ex-post	Fee for **balance sheet security effect**	Risk provision / virtual utilisation of SLP	Inpayments until 2019. Outpayments 2019 - 2025 for utilisation	
Additional fee ex-ante	**Provisions** for expected pro-rated additional fee	Expected utilisation 2019 - 2025	Establishing until 2019, release as of utilisation	
Debt waiver	Reduction in burden from additional fee if CET1 ratio is <10%	CET1 ratio and existing additional fee (maximum possible debt waiver)	Debt waiver until expiry of guarantee	

HSH Nordbank AG
Shareholder structure and rating

Shareholder structure



Ratings

	Moody's	Fitch
Public Pfandbrief	Aa2 stable	-
Mortgage Pfandbrief	Aa3 stable	-
Ship Pfandbrief	Baa2 stable	-
Unsecured liabilities, long-term - unguaranteed	Baa3 negative[1]	A- negative[1]
Unsecured liabilities, long-term - guaranteed	Aa1 stable	AAA stable
Unsecured liabilities, short-term	P-3	F1
Subordinated capital	Caa1	B-
Hybrid capital T1	Ca	-
Viability Rating / Financial Strength	E	b (developing)

1 Against the background of the adoption of the Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism (SRM) by the European Parliament in April 2014, rating agencies Fitch (end of March) and Moody's (end of May) issued a negative outlook for the long-term ratings of many European banks - regardless of their financial strength - in the context of Europe-wide operations , which had been anticipated by the market for some time

Financial figures

Extract from the income statement

in EUR million, IFRS	9M-2014	9M-2013
Net interest income	400	701
Net commission income	103	73
Result from hedging	-24	11
Net trading income	131	138
Net income from financial investments	267	247
Net income from financial investments accounted for under the equity method	2	-13
Total income	879	1.157
Loan loss provisions	387	-457
Administrative expenses	-498	-560
Other operating income	80	62
Net income before restructuring	848	202
Result from restructuring	2	-18
Expenses for government guarantees[1]	-390	-279
Net income before taxes	460	-95
Income tax expenses (-)/income (+)	-127	29
Group net result	**333**	**-66**

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