

## Press Release

### Off to a good start in fiscal 2011

- **Third quarterly profit in succession**
- **Activities related to new business expanded**

Hamburg/Kiel, 27 May 2011 – HSH Nordbank has made a good start to the 2011 financial year and thus stayed on its recovery course. Thanks to the steady progress made with its strategic realignment, the Bank reported a year-on-year improvement of net income in the first quarter of 2011 despite expenses of EUR 112 million pertaining to public guarantees, with consolidated net income of EUR 126 million (previous year: a loss of EUR 276 million). Net income before restructuring came to EUR 243 million (previous year: a loss of EUR 170 million).

The Bank has therefore reported a positive result before restructuring for the fourth quarter in succession and an after-tax profit for the third consecutive quarter. As in the preceding quarters, less need for loan loss provisions made a considerable contribution to the positive result. At the same time, the Bank succeeded in continuing to reduce its risk positions over the past few months.

Bolstered by the US dollar's depreciation in the first quarter of 2011, total assets on 31 March 2011 were down by about EUR 34 billion, or by 20 percent compared to the previous year, to EUR 139 billion (31 December 2010: EUR 151 billion). The reduction in total assets and the parallel decrease in risk positions made a key contribution to improving the Tier 1 capital ratio to a comfortable level - compared with the peer group - of 17.2 percent (31 December 2010: 15.4 percent).

“The Bank sustained its earnings uptrend in the first quarter of 2011. For the year as a whole we still project a positive consolidated result above the 2010 level,” said Paul Lerbinger, HSH Nordbank's Chairman of the Management Board.

“At the same time, based on the achieved stabilisation and our strategic focus on clearly defined activities, we plan to step up the expansion of our core bank's business again. In the process we shall concentrate on select new business with reasonable risk/return profile,” Lerbinger declared.

“Our extensive portfolio adjustments, the new lending process as well as our systematic risk management provide a stable foundation for focussed expansion of our business,” added Chief Financial Officer and Chief Risk Officer Constantin von Oesterreich.

The further reduction of the public guarantees also has priority, Paul Lerbinger underlined. In mid May 2011, the Bank repaid a further issue guaranteed by the Financial Markets Stability Fund (SoFFin) in an amount of EUR 3 billion on schedule. By July 2012 the Bank will have redeemed the SoFFin guarantees in full as agreed by repaying the still outstanding capital market issues in the amount of EUR 6 billion.

HSH Nordbank's interim report will be published on 31 May 2011.

**Contact:**

HSH Nordbank AG

Dr. Frank Laurich  
Head of Corporate Communications  
Phone +49 (0)40 33 33-10952  
Fax +49 (0)40 33 33-610952  
E-mail: frank.laurich@hsh-nordbank.com  
www.hsh-nordbank.com

Petra Bassen  
Spokesperson  
Tel. +49 (0)40 33 33-15001  
Fax +49 (0)40 33 33-615001  
E-mail: petra.bassen@hsh-nordbank.com  
www.hsh-nordbank.com