

Press Release

Shareholders agree to increase in capital

The once-only payment of EUR 500 million to Hamburg and Schleswig-Holstein that was imposed by the EU Commission is to be reinvested in the Bank

Hamburg/Kiel, 18 January 2012 - At an extraordinary meeting held today, the shareholders of HSH Nordbank approved an increase in the Bank's capital. The capital increase forms part of the catalogue of requirements and commitments, adherence to which the EU Commission had tied to the conclusion of the state aid proceedings regarding HSH Nordbank. They state that, in addition to the previously existing remuneration of the second loss guarantee provided by the federal states of Hamburg and Schleswig-Holstein, a once-only payment of EUR 500 million is to be made to HSH Finanzfonds AöR, the entity of the federal states that provides the guarantee. HSH Finanzfonds AöR must invest this amount in the Bank as a deposit by way of a contribution in kind.

Today's resolution by the shareholders at their extraordinary meeting creates the prerequisites for an increase in the Bank's capital by way of a contribution in kind in the form of the claim to a once-only payment. In return, new shares will be issued. The subscription price for each new share with a notional face value of EUR 10 is EUR 13.05.

To give the other shareholders the opportunity to maintain their percentage of the Bank's shares, they will receive subscription rights to new shares of a corresponding size. The subscription period is two weeks from the date the subscription offer is made in the Electronic Federal Gazette. Should the other shareholders not exercise their subscription rights, the shareholdings of the federal states of Hamburg and Schleswig-Holstein in the Bank would increase to a total of 85.4 percent (up from 83.3 percent). The shareholdings of the nine funds advised by J.C. Flowers would decrease to 9.3 percent (currently 10.7 percent) and the shareholdings of the Schleswig-

Holstein Savings Bank and Giro Association to 5.3 percent (down from 6.1 percent).

"Today's resolution means that a key requirement imposed by the Commission has been met. At the same time, the shareholders are strengthening the Bank's capital base and thus the foundation on which the Bank's long-term future is based," is how Paul Lerbinger, Chairman of HSH Nordbank's Management Board, welcomed today's resolution by the Bank's shareholders.

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