

## UP° UNTERNEHMER POSITIONEN NORD

We are a **STRONG PARTNER FOR SMALL AND MEDIUM-SIZED COMPANIES**. We want to convince with expertise and commitment in all questions of finance, but also over and above this. With our 'Unternehmer Positionen Nord' initiative, UP° for short, we support our clients with a wide range of information services and regular events – always with a clear focus on entrepreneurs and their view of things.

At the UP° events in 2015 we again discussed major current issues: what effects will the TTIP trade agreement have? Where are the investment opportunities of the future? These events always included well-informed experts from the areas of business, politics and social

affairs. Among the prominent guests were, for example, the EU MP Viviane Reding and Prof. Dr Horst Köhler, former President of the Federal Republic of Germany. The main aim of these evenings is face-to-face discussion: with the guest speakers, other SMEs and the top management of HSH Nordbank.

Detailed reports on the events are available at **WWW.UNTERNEHMERPOSITIONEN.DE**, together with background information and interviews with experts. Here, you will also find studies by leading economic institutes on sectors, markets and the economy – as seen from an SME perspective, tailor-made for our clients.



UP° APP – FOR APPLE AND ANDROID



*Prof. Dr Horst Köhler,  
former President of the  
Federal Republic of Germany*



*Dietrich Scheder-Bieschin, CEO  
MACS Maritime Carrier Shipping*

## TRANSACTION BANKING

The Transaction Banking division is a key element in our alignment as a ‘bank for entrepreneurs’. It stands for key corporate cross-selling products such as payment transactions and cash management, and it pools the Bank’s

expertise in foreign trade finance. Transaction Banking provides impetus from day-to-day business; it is the driver for innovation and pushes HSH Nordbank’s digital transformation forward.

*“We develop pioneering digital solutions and in this way support our clients in their day-to-day work.”*



**YORAM MATALON**  
HEAD OF  
TRANSACTION BANKING



### **MOBILE. CONVENIENT. SECURE.**

With the **HSH BANKING APP** we have since 2015 been offering our clients extensive treasury functions – anytime, anywhere on mobile devices. In its development, we paid particular attention to the highest security standards and multi-bank capability. This for the first time enables decision-makers to easily keep track of their corporate finances and approve orders – of course also by applying the double sign-off principle.



**Strong for entrepreneurs**  
**TRANSACTION BANKING**

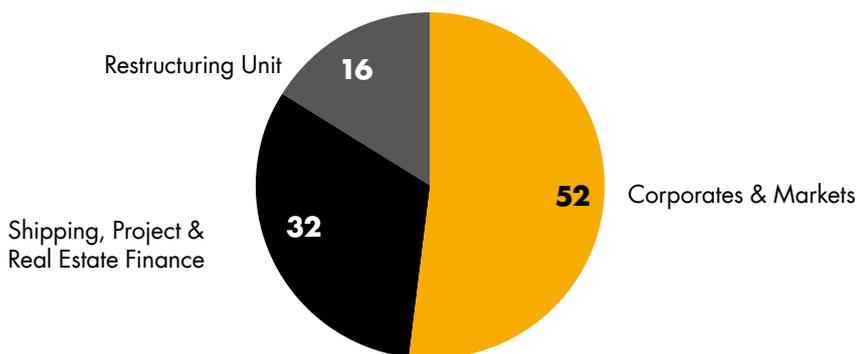
**UNDERSTAND** The importance of reliable cash management and global trade finance is growing in an accelerating and digital economy.

**RECOGNISE** With certified processes, we offer total care for all your national and international payments and hedge risks in import and export trading.

**SHAPE** Our dedicated, scalable solutions allow you to have an overview of your liquidity and payments at all times, leaving you free to focus fully on your core business.

**CROSS-SELLING PRODUCTS**

Income by segment (31.12.2015)  
 in %



With **SWIFT TRADE FOR CORPORATES: SCORE** (Standardised Corporate Environment) and **BOLERO** we have set up two further, innovative and internationally established multi-bank digital communication stand-

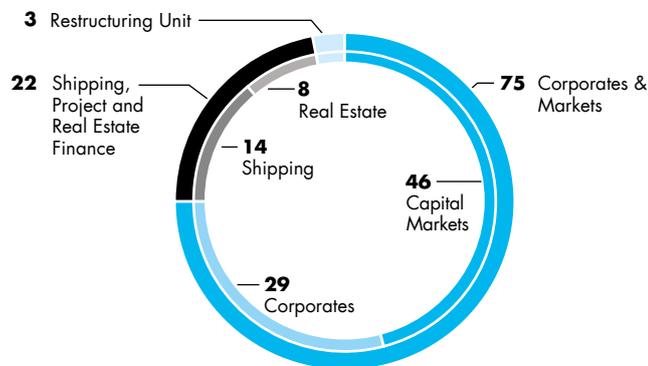
ards for our clients who operate globally. Our clients are at home throughout the world – we offer them future-proof, country and bank-overarching access to the financial sector.

## CAPITAL MARKETS

In our Capital Markets division, we develop and sell risk and investment management products and products for our clients' capital market funding. We see ourselves as an integral service provider to all of HSH Nordbank's corporate divisions. We provide savings banks, institutional investors and corporates with tools to hedge interest rate and foreign exchange risks as well as structured bonds, certificates and money market investment products. We enable our corporate clients to sell receivables and to manage their capital as actively as possible. In addition, we arrange large-volume promissory note loans for the public sector and thereby assist federal states and municipalities in their financing. The Capital Markets division is also responsible for the Bank's refinancing, including the issue of covered bonds.

### CAPITAL MARKET PRODUCTS

Income by segment (31.12.2015) in %



- Collaboration with more than 300 savings banks throughout Germany
- Treasury notes with a total volume of a good € 4 billion placed for the public sector
- Issue of promissory note loans increased more than sixfold to € 1.6 billion since 2013
- Placement of several benchmark bonds, including three covered bonds with terms of up to 7 years
- Assisted 13 federal states with their refinancing
- Ranked 4th in the IFR League Table with 32 individual issues

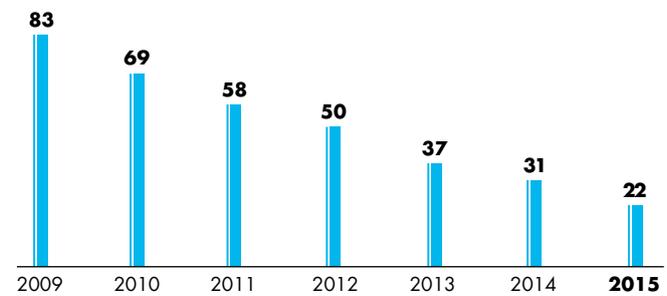
## RESTRUCTURING UNIT

The Restructuring Unit is HSH Nordbank's internal wind-down unit. This is where all loan and securities portfolios are pooled that no longer form part of our core business. These legacy portfolios, most of which originate from the time before 2009, are largely covered by the guarantee provided by our federal state owners and are being resolutely wound down. Most of the loans, which include ship but also real estate and aircraft loans, are non-performing. By contrast, securities pooled in the Restructuring Unit, mainly comprising government and bank bonds as well as asset-backed securities, have relatively higher value. By winding down the portfolio, the Restructuring Unit is reducing the Bank's risk-weighted assets and providing relief for its equity capital. Ultimately, we are improving HSH Nordbank's risk-bearing capacity and thus creating the prerequisites for profitable new business.

- Assets reduced by a total of € 9 billion in 2015 alone via premature repayments, sales of loans and securities as well as structured solutions.
- Capital market exposures significantly reduced to € 2.2 billion

### SEGMENT ASSETS

(€ bn)



## ENTREPRENEURIAL RESPONSIBILITY

### EMPLOYEES

Well trained, motivated and with individual strengths: when it comes to our staff, we know what we can count on. Accordingly, modern HR work has a high priority at HSH Nordbank. We provide specific support as well as individual basic and advanced training. We make use of our internal seminar programme to teach specific specialist content and offer training courses, among other things for communication, methodology and leadership skills. And we are not the only ones who think our HR work is exemplary: in 2015 we were awarded the “Fair Company” label by the Karriere.de initiative for our promotion of the next generation of employees and the fair treatment of trainees and university graduates. The Absolventa job exchange calls our trainee programme career-enhancing and fair. We were among the finalists in the German national Corporate Health Award with our comprehensive health care services, which are tailor-made for the needs of our workforce. We see this as confirmation and, at the same time, as an incentive to carry on precisely at this point.

### COMPLIANCE

The Compliance division works centrally and across divisions to ensure compliance with the main legal provisions and parameters within HSH Nordbank. It monitors compliance with the legal requirements governing the Bank’s capital market activities, the prevention of

money laundering, the financing of terrorism and other criminal acts punishable under the German Banking Act, as well as monitoring compliance with financial sanctions and embargoes. The basic rules of behaviour for the Bank’s employees are summarised in a Code of Conduct. In conjunction with regular training events, employees are provided with a reliable guide regarding legal requirements as well as ethical and societal principles. In addition, HSH Nordbank has established an external Whistleblower role, which follows up internal tip-offs, including those received anonymously, and passes suspected cases on to the Compliance division.

### INTERNAL AUDITING

Internal Auditing provides objective, risk-focused auditing and consulting services which extend across all of the Bank’s business activities and processes. It evaluates the effectiveness, efficiency and correctness of risk management, the internal control system and of management and monitoring processes. Internal Auditing is involved in all material projects and in all changes to operational processes and structures. It has an unlimited right of information in order to fulfil its mandate. It acts independently and on its own initiative at all times.

## SOCIAL COMMITMENT

In the north, for the north: Hamburg and Schleswig-Holstein are not just of major economic importance to us, there are also the regions where we are firmly established in society. Kieler Woche, the Schleswig-Holstein Music Festival and the HSH Nordbank Run are events that allow us to bring many people together and to promote cultural and sports entertainment. We support social welfare facilities such as the Herz As initiative in Hamburg and

the Hempels association in Kiel, both of which work with the homeless and with socially disadvantaged people. Furthermore, since 2015 we have collaborated with the Hamburg branch of the German Child Protection Association in the integration of refugee families. We do this because we think this is the right thing to do and because we consider it our duty. We are part of society and are aware of our role and our responsibilities.

### WE SUPPORT THE SCHLESWIG-HOLSTEIN MUSIC FESTIVAL'S

PROGRAMME DIVERSITY AS ONE OF ITS PRINCIPAL SPONSORS. THIS SPONSORSHIP ALSO INCLUDES THE LEONARD BERNSTEIN AWARD, WHICH THE SAVINGS BANK FINANCE GROUP PRESENTS EACH YEAR IN COLLABORATION WITH THE SHMF.



HSH NORDBANK RUN: SINCE 2004,  
WE HAVE RAISED DONATIONS TOTTALING MORE THAN

# € 1.1 MILLION

FOR THE "KIDS INTO CLUBS" INITIATIVE.  
IN THIS WAY WE HAVE ENABLED A GOOD 10,000  
CHILDREN AND YOUNG PEOPLE TO ENJOY  
SPORTS AS PART OF A CLUB.



WE ARE A PREMIUM PARTNER OF THE WORLD'S BIGGEST  
SAILING EVENT, **KIELER WOCHE**.

AS PART OF THE "GOOD FOR KIDS" CHARITY EVENT,

## OUT FÜR KIDS



WE HAVE GENERATED MORE THAN € 100,000  
IN PROCEEDS SINCE 2011, WHICH BENEFIT  
CHILDREN AND YOUNG PEOPLE.

WE ARE A FOUNDING MEMBER OF THE  
**ELBPHILHARMONIE  
FOUNDATION**

AND HAVE THUS BEEN CONTRIBUTING  
TO THIS OUTSTANDING  
CONCERT HALL IN HAMBURG SINCE 2005.

