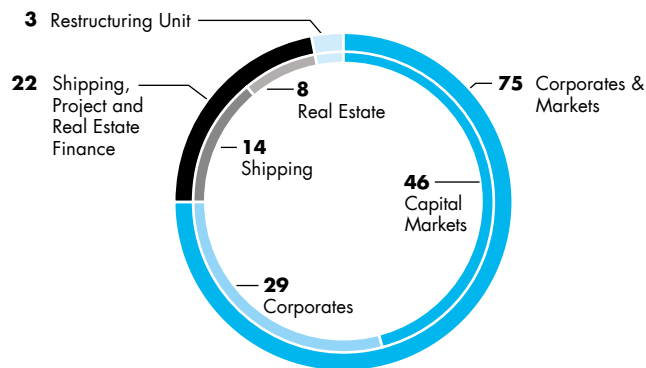


CAPITAL MARKETS

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)

