

RESPARCS Funding Limited Partnership I: Earnings prospects of HSH Nordbank AG

February 06, 2013

RESPARCS Funding Limited Partnership I (the company) announces the following:

The Company was informed by HSH Nordbank AG, Hamburg and Kiel (“the Bank”), that in today’s meeting the supervisory board of the Bank approved of the financial planning submitted by the management board. The total expenses resulting from the new financial planning will result in net losses for the business years 2013 and 2014 in the Bank’s P&L according to German GAAP (*HGB*). The financial result of the years 2015 up until 2017 will be needed to reverse all accrued haircuts and to write-up the hybrid instruments to par value. Against this backdrop coupon payments on silent participations and profit participations will not be made until 2017. Coupon payments are expected to resume earliest on coupon payments date 30 June 2018.

For the instruments of RESPARCS Funding Limited Partnership I with ISIN XS0159207850 listed on the Luxembourg Stock Exchange which are based on a silent participation, this means that these instruments will participate in a balance sheet loss for the fiscal years 2012, 2013 and 2014. The book value of the silent participation will most likely be reduced over the course of this period from currently 73 percent down to around 63 percent. For the profit periods 2012 until 2016 coupon payments most likely will not be paid. The exact amount of loss participation cannot yet be quantified and will be made public after the Bank’s supervisory board has approved of the annual financial statements of the Bank in the respective years.

The following instrument of RESPARCS Funding Limited Partnership I is affected:

ISIN XS0159207850 listed on the Luxembourg Stock Exchange

Issuer:

The Company, RESPARCS Funding Limited Partnership I, a limited partnership established under the laws of Hong Kong on 26 November 2002, has acquired with the proceeds of the Re-Engineered Silent Participation Assimilated Regulatory Capital (RESPARC) Securities, a silent participation in the commercial enterprise (Handelsgewerbe) of HSH Nordbank (formerly Landesbank Schleswig-Holstein Girozentrale) in the form of a Stille Gesellschaft under German law. The Issuer expects to fund interest payments on the RESPARC Securities with distributions received under the Participation Agreement and funds received from the Bank’s Luxembourg branch under a loan agreement. Interest payments are contingent on the Issuer’s receipt of Silent Participation Payments from the Bank under the Participation Agreement.

Hong Kong, February 6, 2013

Company: RESPARCS Funding Limited Partnership I
8/F, Gloucester Tower,
The Landmark, 11 Pedder Street,

Central, Hong Kong