

RESPARCS Funding II Limited Partnership: Participation in losses and non-payment of coupons for HSH Nordbank's hybrid capital

March 07, 2011

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

The Company was informed by HSH Nordbank AG, Hamburg and Kiel ("the Bank"), that the financial statements for the business year 2010 of the Bank according to HGB ("Handelsgesetzbuch" / German GAAP) will report a balance sheet loss/net loss for 2010. Therefore, no coupon payments for the fiscal year 2010 will be made by the Bank on silent participations and profit participation capital. Moreover, these hybrid instruments will participate in the Bank's balance sheet loss/net loss.

For the instruments of RESPARCS Funding II Limited Partnership with ISIN DE0009842542 listed on the Frankfurt Stock Exchange and on the Official Segment of the stock market of Euronext Amsterdam N.V. which are based on a silent participation, this means that no coupon payment will be made for the profit period 2010 and that these instruments will participate in a balance sheet loss for the fiscal year 2010 via the silent participation. The book value of the silent participation was reduced by approx. 4 percent to approx. 79 percent. The exact amount of loss participation will be finally announced following the adoption of the Bank's financial statements by the Supervisory Board of the Bank on 31 March, 2011.

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

ISIN DE0009842542 listed on the Frankfurt Stock Exchange and on the Official Segment of the stock market of Euronext Amsterdam N.V.
Coupon payment date: 30 June 2011

Issuer

The Company RESPARCS Funding II Limited Partnership, a limited partnership established under the laws of Jersey on 17 April 2003, 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.

Jersey, **March 07, 2011**

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