

Duesseldorfer Hypothekenbank AG

Update

Ratings

Foreign Currency

Long-Term IDR	BBB-
Short-Term IDR	F3
Viability Rating	cc
Individual Rating	E
Support Rating	2
Support Rating Floor	BBB-

Sovereign Risk

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign- and Local-Currency IDRs	Stable

Financial Data

Duesseldorfer Hypothekenbank AG

	31 Dec 2010	31 Dec 2009
Total assets (USDm)	26,521	31,094
Total assets (EURm)	19,849	21,584
Total equity (EURm)	289	308
Operating profit (EURm)	-51	2
Net income (EURm)	-20	2
Cost/income ratio (%)	negative	71
Operating ROAA (%)	-0.25	0.01
Operating ROAE (%)	-17.4	0.5
Pre-impairment op. profit/average total assets (%)	-0.15	0.06
Fitch core capital/weighted risks (%)	7.7	7.6
Tier 1 ratio (%)	17.2	7.4
Tangible common equity/tangible assets (%)	1.5	1.4
NPLs/total loans (%)	1.4	1.6
Loans/client deposits (%)	152	172
Client deposits/total funding excluding derivatives (%)	11	10

Key Rating Drivers

High Systemic Support: Duesseldorfer Hypothekenbank AG's (DHB) Long-Term Issuer Default Rating (LT IDR) reflects Fitch Ratings' view that DHB's active Pfandbrief issuer status results in a high probability of systemic support.

However, over the coming months, Fitch plans to review its assessment of the future development of systemic support for Pfandbrief issuers in cases where such support would be motivated by the protection of the Pfandbrief.

Lone Star: Fitch does not factor in any potential support from DHB's owners, funds managed by US financial investor Lone Star.

Vulnerable Standalone Profile: DHB's Viability Rating (VR) reflects uncertainty over the success of its ongoing transformation from a low-margin public-sector lender into a niche commercial real estate (CRE) lender. The VR also reflects DHB's depressed profitability, weak earnings prospects, high exposure to vulnerable assets and weak economic capitalisation.

Low Earnings Prospects: DHB resumed new business in 2010 after a two-year hiatus following its bailout in 2008 and is focusing on building up a sound risk management culture. Favourable mid-term demand prospects for CRE financing should help DHB increase new business volumes while focusing on sound transaction structures. DHB should also benefit from Lone Star's experience, gained through COREALCREDIT BANK AG's ('BBB-/Stable) similar restructuring.

However, Fitch does not expect significant profitability improvements in the medium term. The agency expects DHB's state (SoFFin) guarantees and hybrid capital costs to wipe out its interest and fee income, hindering mid-term capital generation. The large, very long-term and low-margin legacy public-sector portfolio is likely to largely offset the upside from CRE lending.

Vulnerable Assets: The accelerated shrinkage of the public finance portfolio will result in high losses in 2011 and 2012, significantly eroding DHB's already modest Fitch core capital. This is compounded by its significant cumulative exposure to the Greek and Portuguese public sectors, which amounts to more than twice its Fitch core capital.

Reliance on Guaranteed Funding: DHB sources almost half of its funding from the resilient Pfandbrief market. Aggressive downsizing (set to shrink total assets by 20% in 2011 alone) will facilitate the refinancing of the EUR1.6bn SoFFin-guaranteed debt maturing at end-2013. Yet DHB's business model will remain reliant on its sizeable allotment from the German deposit insurance fund (ESF) to fund its non-cover-pool-eligible assets and its Pfandbrief pool's overcollateralisation, which is likely to rise in line with the bank's increasing focus on CRE assets.

Fitch Core Capital Weak: DHB's Fitch core capital – which excludes its hybrid instruments – is weak in light of its large Greek and Portuguese exposures and poor profitability. Leverage is high due to the large legacy public finance assets, which carry low risk weights. Their gradual replacement by CRE assets with higher risk weights is likely to put pressure on regulatory capitalisation, limiting the headroom available ahead of the implementation of Basel III.

What Could Trigger a Rating Action

Potential IDR Downside: Fitch may downgrade DHB's IDR if it eventually estimates that systemic support is becoming less likely. A VR upgrade would require a return to robust earnings, considerable risk cut and stronger economic capital, and is thus likely to be gradual.

Related Research

Fitch Affirms 19 German Covered Bond Programmes' Ratings (July 2011)

Banks' Use of Covered Bond Funding on the Rise (March 2011)

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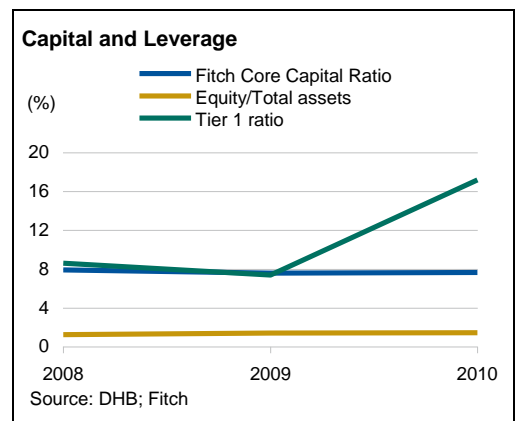
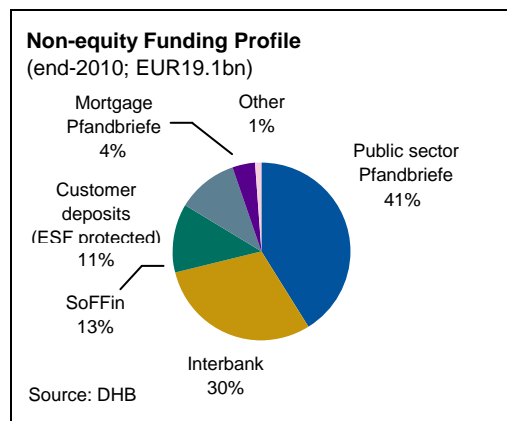
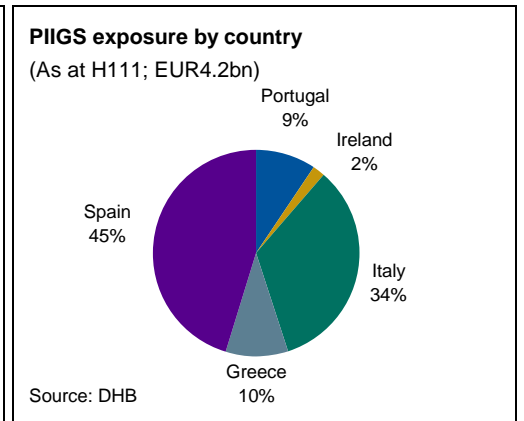
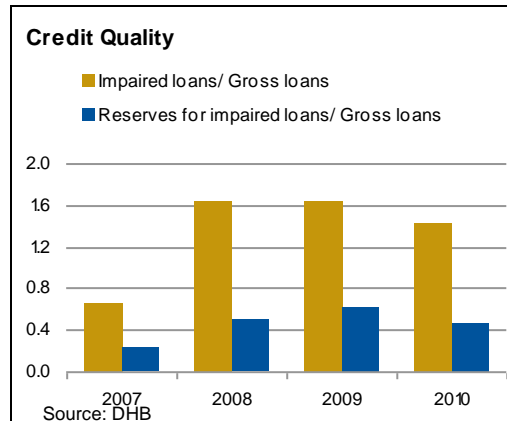
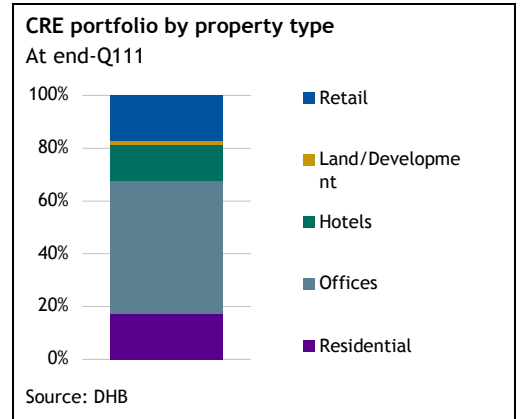
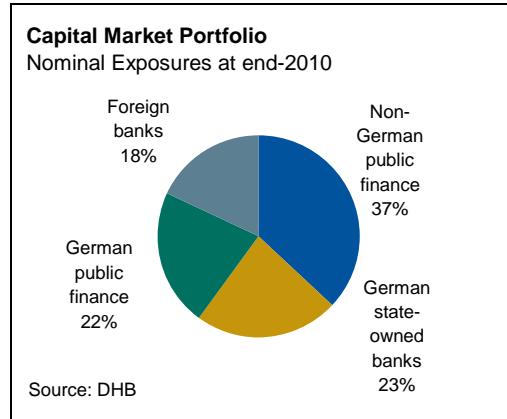
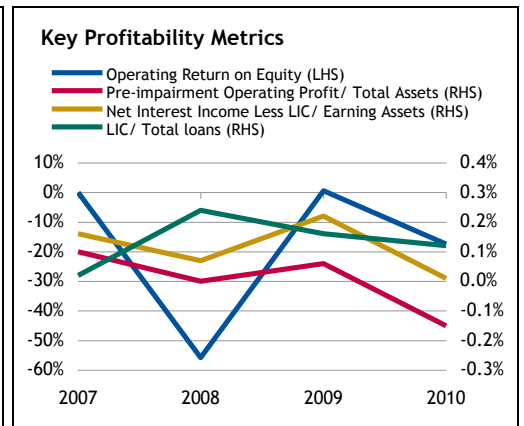
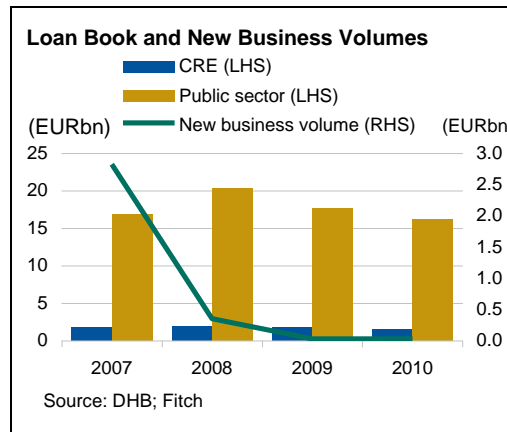
- Vulnerable standalone profile
- Weak mid-term earnings outlook; low internal capital generation
- Gradual new business resumption
- Dominant low-margin legacy assets
- State-guaranteed and subordinated debt more than offset low cost of secured funding

- Focus away from low-margin public sector to niche CRE
- Favourable mid-term CRE financing demand prospects should help increase new business volumes
- Benefits from COREALCREDIT BANK's restructuring experience

- German GAAP accounting conceals credit spread risk
- Marking to market Portuguese and Greek exposures would significantly burden core capital
- Other public-sector and bank exposures generally low-risk
- Aggressive downsizing to result in high execution risk until 2012

- Established Pfandbrief franchise
- Downsizing to provide funding relief by end-2011
- Average risk weight and required over-collateralisation to rise gradually in line with CRE assets
- Reliance on ESF coverage likely to remain structural
- Tier 1 silent participations loss-absorbing in a going concern but short of Fitch core capital requirements
- Weak Fitch core capital despite adequate regulatory Tier 1 capital

Source: DHB, Fitch.



Related Criteria

[Global Financial Institutions Rating Criteria \(August 2010\)](#)

[Short-Term Ratings Criteria for Corporate Finance \(November 2010\)](#)

[Treatment of Hybrids in Bank Capital Analysis \(July 2011\)](#)

Duesseldorfer Hypothekenbank AG
Income Statement

	31 Dec 2010		As % of Earning Assets	31 Dec 2009		As % of Earning Assets	31 Dec 2008		As % of Earning Assets	31 Dec 2007		As % of Earning Assets
	Year End USDm	Year End EURm		Year End EURm	Year End EURm		Year End EURm	Year End EURm		Year End EURm	Year End EURm	
	Unqualified	Unqualified		Unqualified	Unqualified		Unqualified	Unqualified		Unqualified	Unqualified	
1. Interest Income on Loans	1,444.3	1,080.9	5.49	1,603.7	7.48	2,622.7	10.88	2,461.0	9.30			
2. Other Interest Income	584.4	437.4	2.22	510.9	2.38	684.1	2.84	662.1	2.50			
3. Dividend Income	0.5	0.4	0.00	2.7	0.01	1.7	0.01	23.2	0.09			
4. Gross Interest and Dividend Income	2,029.3	1,518.7	7.72	2,117.3	9.88	3,308.5	13.73	3,146.3	11.89			
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
6. Other Interest Expense	2,020.8	1,512.4	7.69	2,062.0	9.62	3,279.5	13.61	3,104.1	11.73			
7. Total Interest Expense	2,020.8	1,512.4	7.69	2,062.0	9.62	3,279.5	13.61	3,104.1	11.73			
8. Net Interest Income	8.4	6.3	0.03	55.3	0.26	29.0	0.12	42.2	0.16			
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	0.0	0.00	0.0	0.00	-2.5	-0.01			
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
13. Net Fees and Commissions	-20.4	-15.3	-0.08	-14.3	-0.07	1.4	0.01	0.5	0.00			
14. Other Operating Income	10.3	7.7	0.04	5.7	0.03	0.3	0.00	0.6	0.00			
15. Total Non-Interest Operating Income	-10.2	-7.6	-0.04	-8.6	-0.04	1.7	0.01	-1.4	-0.01			
16. Personnel Expenses	9.9	7.4	0.04	6.9	0.03	8.5	0.04	7.2	0.03			
17. Other Operating Expenses	28.9	21.6	0.11	26.2	0.12	21.7	0.09	8.8	0.03			
18. Total Non-Interest Expenses	38.7	29.0	0.15	33.1	0.15	30.2	0.13	16.0	0.06			
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
20. Pre-Impairment Operating Profit	-40.5	-30.3	-0.15	13.6	0.06	0.5	0.00	24.8	0.09			
21. Loan Impairment Charge	5.6	4.2	0.02	6.7	0.03	11.9	0.05	1.3	0.00			
22. Securities and Other Credit Impairment Charges	22.3	16.7	0.08	5.3	0.02	203.7	0.85	23.3	0.09			
23. Operating Profit	-68.4	-51.2	-0.26	1.6	0.01	-215.1	-0.89	0.2	0.00			
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
25. Non-recurring Income	0.9	0.7	0.00	n.a.	-	n.a.	-	n.a.	-			
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
28. Other Non-operating Income and Expenses	40.4	30.2	0.15	n.a.	-	n.a.	-	n.a.	-			
29. Pre-tax Profit	-27.1	-20.3	-0.10	1.6	0.01	-215.1	-0.89	0.2	0.00			
30. Tax expense	0.0	0.0	0.00	0.0	0.00	0.1	0.00	0.1	0.00			
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
32. Net Income	-27.1	-20.3	-0.10	1.6	0.01	-215.2	-0.89	0.1	0.00			
33. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
35. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
36. Remaining OCI Gains/ (losses)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
37. Fitch Comprehensive Income	-27.1	-20.3	-0.10	1.6	0.01	-215.2	-0.89	0.1	0.00			
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
39. Memo: Net Income after Allocation to Non-controlling Interests	-27.1	-20.3	-0.10	1.6	0.01	-215.2	-0.89	0.1	0.00			
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			

Exchange rate

USD1 = EURO.74840

USD1 = EURO.69416

USD1 = EURO.71855

USD1 = EURO.67930

Duesseldorfer Hypothekenbank AG
Balance Sheet

	31 Dec 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	Year End USDm	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	1,722.3	1,289.0	6.49	1,491.8	6.91	1,595.9	6.55	1,447.7	5.42
5. Other Loans	2,581.2	1,931.8	9.73	2,165.9	10.03	2,927.8	12.01	3,853.7	14.43
6. Less: Reserves for Impaired Loans/ NPLs	20.3	15.2	0.08	22.6	0.10	22.5	0.09	12.8	0.05
7. Net Loans	4,283.3	3,205.6	16.15	3,635.1	16.84	4,501.2	18.47	5,288.6	19.81
8. Gross Loans	4,303.6	3,220.8	16.23	3,657.7	16.95	4,523.7	18.56	5,301.4	19.85
9. Memo: Impaired Loans included above	61.2	45.8	0.23	60.1	0.28	74.0	0.30	35.0	0.13
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	5,314.5	3,977.4	20.04	4,346.0	20.14	5,351.3	21.96	5,857.1	21.93
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Available for Sale Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. At-equity Investments in Associates	19.0	14.2	0.07	15.3	0.07	15.3	0.06	15.3	0.06
8. Other Securities	16,676.4	12,480.6	62.88	13,439.7	62.27	14,234.5	58.40	15,295.6	57.28
9. Total Securities	16,695.4	12,494.8	62.95	13,455.0	62.34	14,249.8	58.47	15,310.9	57.34
10. Memo: Government Securities included Above	5,853.4	4,380.7	22.07	4,622.1	21.41	5,048.5	20.71	5,186.4	19.42
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	26,293.2	19,677.8	99.14	21,436.1	99.32	24,102.3	98.89	26,456.6	99.08
C. Non-Earning Assets									
1. Cash and Due From Banks	79.0	59.1	0.30	51.1	0.24	104.8	0.43	63.7	0.24
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	21.8	16.3	0.08	16.8	0.08	20.5	0.08	17.5	0.07
5. Goodwill	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
6. Other Intangibles	0.7	0.5	0.00	1.0	0.00	1.4	0.01	1.0	0.00
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	126.7	94.8	0.48	78.8	0.37	143.7	0.59	163.3	0.61
11. Total Assets	26,521.2	19,848.5	100.00	21,583.8	100.00	24,372.7	100.00	26,702.1	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	0.5	0.4	0.00	39.4	0.18	592.1	2.43	71.8	0.27
2. Customer Deposits - Savings	0.9	0.7	0.00	10.6	0.05	13.3	0.05	19.7	0.07
3. Customer Deposits - Term	2,825.9	2,114.9	10.66	2,080.3	9.64	1,716.6	7.04	2,338.5	8.76
4. Total Customer Deposits	2,827.4	2,116.0	10.66	2,130.3	9.87	2,322.0	9.53	2,430.0	9.10
5. Deposits from Banks	8,947.0	6,695.9	33.74	8,328.4	38.59	8,222.5	33.74	7,195.0	26.95
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	16.7	12.5	0.06	24.6	0.11	23.6	0.10	3.2	0.01
8. Total Deposits, Money Market and Short-term Funding	11,791.0	8,824.4	44.46	10,483.3	48.57	10,568.1	43.36	9,628.2	36.06
9. Senior Debt Maturing after 1 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Subordinated Borrowing	274.1	205.1	1.03	55.1	0.26	53.0	0.22	80.6	0.30
11. Other Funding	13,495.9	10,100.3	50.89	10,696.3	49.56	13,362.3	54.82	16,536.3	61.93
12. Total Long Term Funding	13,769.9	10,305.4	51.92	10,751.4	49.81	13,415.3	55.04	16,616.9	62.23
13. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	25,560.9	19,129.8	96.38	21,234.7	98.38	23,983.4	98.40	26,245.1	98.29
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	6.7	5.0	0.03	7.4	0.03	12.5	0.05	2.8	0.01
4. Current Tax Liabilities	0.3	0.2	0.00	0.2	0.00	2.6	0.01	2.6	0.01
5. Deferred Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Deferred Liabilities	19.2	14.4	0.07	17.0	0.08	24.3	0.10	31.1	0.12
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	46.4	34.7	0.17	2.2	0.01	28.2	0.12	9.8	0.04
10. Total Liabilities	25,633.5	19,184.1	96.65	21,261.5	98.51	24,051.0	98.68	26,291.4	98.46
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	2.5	1.9	0.01	14.8	0.07	14.2	0.06	61.4	0.23
2. Pref. Shares and Hybrid Capital accounted for as Equity	499.1	373.5	1.88	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	386.2	289.0	1.46	307.5	1.42	307.5	1.26	349.3	1.31
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	386.2	289.0	1.46	307.5	1.42	307.5	1.26	349.3	1.31
7. Total Liabilities and Equity	26,521.2	19,848.5	100.00	21,583.8	100.00	24,372.7	100.00	26,702.1	100.00
8. Memo: Fitch Core Capital	385.5	288.5	1.45	306.5	1.42	306.1	1.26	348.3	1.30
9. Memo: Fitch Eligible Capital	385.5	288.5	1.45	306.5	1.42	306.1	1.26	348.3	1.30

Exchange rate USD1 = EURO.74840 USD1 = EURO.69416 USD1 = EURO.71855 USD1 = EURO.67930

Duesseldorfer Hypothekbank AG
Summary Analytics

	31 Dec 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007
	Year End	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	31.02	39.22	53.69	46.37
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	n.a.	n.a.	n.a.
3. Interest Income/ Average Earning Assets	7.35	9.39	13.11	12.20
4. Interest Expense/ Average Interest-bearing Liabilities	7.44	9.22	13.13	12.14
5. Net Interest Income/ Average Earning Assets	0.03	0.25	0.11	0.16
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	0.01	0.22	0.07	0.16
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	0.03	0.25	0.11	0.16
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	584.62	-18.42	5.54	-3.43
2. Non-Interest Expense/ Gross Revenues	-2,230.77	70.88	98.37	39.22
3. Non-Interest Expense/ Average Assets	0.14	0.15	0.12	0.06
4. Pre-impairment Op. Profit/ Average Equity	-10.32	4.41	0.13	7.31
5. Pre-impairment Op. Profit/ Average Total Assets	-0.15	0.06	0.00	0.10
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	-68.98	88.24	43,120.00	99.19
7. Operating Profit/ Average Equity	-17.43	0.52	-55.81	0.06
8. Operating Profit/ Average Total Assets	-0.25	0.01	-0.84	0.00
9. Taxes/ Pre-tax Profit	0.00	0.00	-0.05	50.00
10. Pre-Impairment Operating Profit / Risk Weighted Assets	-0.80	0.34	0.01	n.a.
11. Operating Profit / Risk Weighted Assets	-1.36	0.04	-5.56	n.a.
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	-6.91	0.52	-55.84	0.03
2. Net Income/ Average Total Assets	-0.10	0.01	-0.85	0.00
3. Fitch Comprehensive Income/ Average Total Equity	-6.91	0.52	-55.84	0.03
4. Fitch Comprehensive Income/ Average Total Assets	-0.10	0.01	-0.85	0.00
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	-0.54	0.04	-5.56	n.a.
7. Fitch Comprehensive Income/ Risk Weighted Assets	-0.54	0.04	-5.56	n.a.
D. Capitalization				
1. Fitch Core Capital/Weighted Risks	7.65	7.59	7.91	n.a.
2. Fitch Eligible Capital/ Weighted Risks	7.65	7.59	7.91	7.68
3. Tangible Common Equity/ Tangible Assets	1.45	1.42	1.26	1.30
4. Tier 1 Regulatory Capital Ratio	17.20	7.40	8.60	7.50
5. Total Regulatory Capital Ratio	22.90	9.00	10.60	10.20
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	1.46	1.42	1.26	1.31
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	n.a.
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	-7.02	0.52	-69.98	0.03
E. Loan Quality				
1. Growth of Total Assets	-8.04	-11.44	-8.72	5.42
2. Growth of Gross Loans	-11.94	-19.14	-14.67	-0.22
3. Impaired Loans(NPLs)/ Gross Loans	1.42	1.64	1.64	0.66
4. Reserves for Impaired Loans/ Gross loans	0.47	0.62	0.50	0.24
5. Reserves for Impaired Loans/ Impaired Loans	33.19	37.60	30.41	36.57
6. Impaired Loans less Reserves for Imp Loans/ Equity	10.59	12.20	16.75	6.36
7. Loan Impairment Charges/ Average Gross Loans	0.12	0.16	0.24	0.02
8. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	1.42	1.64	1.64	0.66
F. Funding				
1. Loans/ Customer Deposits	152.21	171.70	194.82	218.16
2. Interbank Assets/ Interbank Liabilities	59.40	52.18	65.08	81.41
3. Customer Deposits/ Total Funding excl Derivatives	11.06	10.03	9.68	9.26

Duesseldorfer Hypothekenbank AG
Reference Data

	31 Dec 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	Year End USDm	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	0.7	0.5	0.00	0.6	0.00	0.7	0.00	1.0	0.00
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	0.0	0.0	0.00	9.0	0.04	60.5	0.25	212.6	0.80
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	26,521.9	19,849.0	100.00	21,593.4	100.04	24,433.9	100.25	26,915.7	100.80
8. Memo: Total Weighted Risks	5,041.8	3,773.3	19.01	4,040.5	18.72	3,872.1	15.89	4,533.3	16.98
9. Fitch Adjustments to Weighted Risks.	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Weighted Risks	5,041.8	3,773.3	19.01	4,040.5	18.72	3,872.1	15.89	4,533.3	16.98
B. Average Balance Sheet									
Average Loans	4,656.3	3,484.8	17.56	4,089.4	18.95	4,884.9	20.04	5,307.3	19.88
Average Earning Assets	27,614.4	20,666.6	104.12	22,545.3	104.45	25,230.4	103.52	25,781.8	96.55
Average Assets	27,802.5	20,807.4	104.83	22,729.4	105.31	25,465.9	104.49	26,015.1	97.43
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	27,150.9	20,319.7	102.37	22,362.8	103.61	24,983.9	102.51	25,573.0	95.77
Average Common equity	392.4	293.7	1.48	308.4	1.43	385.4	1.58	339.2	1.27
Average Equity	392.4	293.7	1.48	308.4	1.43	385.4	1.58	339.2	1.27
Average Customer Deposits	2,903.3	2,172.8	10.95	2,134.1	9.89	2,384.9	9.79	2,243.9	8.40
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	681.5	510.0	2.57	224.0	1.04	643.0	2.64	721.6	2.70
Loans & Advances 3 - 12 Months	394.2	295.0	1.49	344.0	1.59	570.0	2.34	828.0	3.10
Loans and Advances 1 - 5 Years	2,107.2	1,577.0	7.95	2,071.0	9.60	1,794.0	7.36	2,020.0	7.56
Loans & Advances > 5 years	1,129.1	845.0	4.26	1,125.0	5.21	1,553.0	6.37	1,719.0	6.44
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	14,201.1	58.27	15,222.3	57.01
Interbank < 3 Months	2,308.9	1,728.0	8.71	1,697.0	7.86	2,007.0	8.23	1,356.0	5.08
Interbank 3 - 12 Months	211.1	158.0	0.80	323.0	1.50	645.0	2.65	358.0	1.34
Interbank 1 - 5 Years	1,818.5	1,361.0	6.86	1,126.0	5.22	1,146.0	4.70	1,788.0	6.70
Interbank > 5 Years	991.4	742.0	3.74	1,200.0	5.56	1,553.0	6.37	1,796.8	6.73
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	77.6	0.29
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	3,017.1	2,258.0	11.38	2,239.0	10.37	1,517.0	6.22	1,162.0	4.35
Other Deposits 3 - 12 Months	856.5	641.0	3.23	642.0	2.97	620.0	2.54	576.0	2.16
Other Deposits 1 - 5 Years	1,154.5	864.0	4.35	936.0	4.34	1,089.0	4.47	1,296.0	4.85
Other Deposits > 5 Years	4,430.8	3,316.0	16.71	3,541.0	16.41	4,363.0	17.90	4,524.0	16.94
Interbank < 3 Months	8,451.4	6,325.0	31.87	6,134.0	28.42	6,540.0	26.83	4,927.0	18.45
Interbank 3 - 12 Months	148.3	111.0	0.56	2,251.0	10.43	1,813.0	7.44	2,476.0	9.27
Interbank 1 - 5 Years	149.7	112.0	0.56	192.0	0.89	269.0	1.10	317.0	1.19
Interbank > 5 Years	197.8	148.0	0.75	195.0	0.90	195.0	0.80	305.0	1.14
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	n.a.	-	7,594.0	31.16	10,420.6	39.03
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	7,594.0	31.16	10,420.6	39.03
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1 - 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	274.1	205.1	1.03	55.1	0.26	53.0	0.22	80.6	0.30
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	386.2	289.0	1.46	307.5	1.42	307.5	1.26	349.3	1.31
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	499.1	373.5	1.88	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	386.2	289.0	1.46	307.5	1.42	307.5	1.26	349.3	1.31
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	0.7	0.5	0.00	1.0	0.00	1.4	0.01	1.0	0.00
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	385.5	288.5	1.45	306.5	1.42	306.1	1.26	348.3	1.30
10. Eligible weighted Hybrid capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Fitch Eligible Capital	385.5	288.5	1.45	306.5	1.42	306.1	1.26	348.3	1.30

Exchange Rate

USD1 = EURO.74840

USD1 = EURO.69416

USD1 = EURO.71855

USD1 = EURO.67930

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