

Germany  
Credit Update

**Duesseldorfer Hypothekbank AG**

**Ratings**

|                                | Current Ratings |
|--------------------------------|-----------------|
| <b>Foreign Currency</b>        |                 |
| Long-Term IDR                  | A-              |
| Short-Term IDR                 | F1              |
| <b>Support Rating</b>          | 1               |
| Individual Rating              | F               |
| <b>Sovereign Risk</b>          |                 |
| Foreign-Currency Long-Term IDR | AAA             |
| Local-Currency Long-Term IDR   | AAA             |

**Outlooks**

|                                |        |
|--------------------------------|--------|
| Sovereign Foreign-Currency IDR | Stable |
| Sovereign Local-Currency       | Stable |

**Watches**

|                                 |          |
|---------------------------------|----------|
| Foreign-Currency Long-Term IDR  | Negative |
| Foreign-Currency Short-Term IDR | Negative |
| Support Rating                  | Negative |

**Financial Data**

| Duesseldorfer Hypothekbank AG |             |             |
|-------------------------------|-------------|-------------|
|                               | 31 Dec 2008 | 31 Dec 2007 |
| Total assets (USDm)           | 34,005      | 39,308      |
| Total assets (EURm)           | 24,434      | 26,916      |
| Total equity (EURm)           | 307.5       | 349.3       |
| Published net income (EURm)   | -215.2      | 0.1         |
| ROA (%)                       | -0.9        | 0.0         |
| ROE (%)                       | -55.9       | 0.0         |
| Tier 1 ratio (%)              | 8.6         | 7.5         |

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**Related Research**

- [Fitch Puts Duesseldorfer Hypothekbank and its Public Sector Pfandbriefe on Rating Watch Negative \(February 2009\)](#)

**Rating Rationale**

- The Long- and Short-Term Issuer Default Ratings (IDRs) and Support Rating of Duesseldorfer Hypothekbank AG (DHB), a small German specialised public sector and commercial real estate lender, factor in the high potential for institutional support for DHB from its current ultimate owner, the Bundesverband deutscher Banken e.V. (BdB), if needed. Since its acquisition of DHB in April 2008, the BdB has stated its intention to sell the bank in an orderly manner. However, to date the sales process has not been finalised. The Individual Rating reflects Fitch Ratings' opinion that DHB would have been unable to continue as a viable concern without the takeover by the BdB.
- For FY08 DHB reported a loss of EUR215m, which was largely driven by write-downs related to the bank's exposures to defaulted banks, by valuation losses and an increase of risk provisions on its real estate lending portfolio. At the same time, the customer loan book quality has remained solid to date. Fitch expects DHB's profit generation capacity to remain under pressure due to the difficult operating environment, cessation of new business activities due to its limited funding capabilities and uncertain future, and higher funding costs.
- To address its stretched liquidity and funding position, which is driven by its reliance on wholesale funding, DHB successfully applied in Q109 for funding guarantees from the German Financial Market Stabilisation Fund totalling EUR2.5bn, under which it has issued notes with maturities of 12 and 24 months.
- Reflecting DHB's asset structure, with a high share of public sector assets with generally low risk weights, the bank's leverage is high. Fitch would expect a potential new owner to inject capital into DHB to stabilise and restructure it.

**Support**

- Since April 2008 DHB has been owned by Resba Beteiligungsgesellschaft (94%), a subsidiary of the BdB, and the Einlagensicherungs- und Treuhandgesellschaft mbH (6%). As long as the BdB remains DHB's owner, there is a high probability of external support, in Fitch's view. The BdB is a banking association that represents the interests of about 230 German private commercial banks.

**What Could Trigger a Downgrade?**

- The Rating Watch Negative on DHB's IDRs and Support Rating is driven by the ongoing sales process. The Watch will be resolved as soon as Fitch has clarity about the bank's new ownership structure and has assessed the likelihood of DHB's new owners and/or other external sources providing support. Given the market environment and limited universe of potential acquirers, the sales process will not, in Fitch's view, result in an upgrade of DHB's rating. Due to DHB's weak stand-alone financial condition, Fitch expects its IDRs to remain support driven. Any downgrade of the Long-Term IDR arising from the change in ownership could be by several notches.
- The Individual Rating will be reviewed once the agency has more clarity about DHB's future business model, funding structure and capitalisation. A successful restructuring and recapitalisation would be likely to exert upward pressure.

**Profile**

DHB originally had a strong focus on secondary market public sector lending. Under its revised strategy, the bank intends to focus on commercial real estate financing.

**DUESSELDORFER HYPOTHEKENBANK AG**

**Income Statement**

|   | 31 Dec 2008    |             | 31 Dec 2007    |             | 31 Dec 2006    |            | 31 Dec 2005    |            |
|---|----------------|-------------|----------------|-------------|----------------|------------|----------------|------------|
|   | Year End       | As % of     | Year End       | As % of     | Year End       | As % of    | Year End       | As % of    |
|   | EURm           | Assets      | EURm           | Assets      | EURm           | Assets     | EURm           | Assets     |
|   | Original       | Original    | Original       | Original    | Original       | Original   | Original       | Original   |
| <b>Income Statement</b>   |                |             |                |             |                |            |                |            |
| 1. Interest Income on Loans   | 2,622.7        | 10.8        | 2,461.0        | 9.2         | 1,254.5        | 5.0        | 849.9          | 4.6        |
| 2. Other Interest Income  | 684.1          | 2.8         | 662.1          | 2.5         | 440.6          | 1.7        | 294.7          | 1.6        |
| 3. Dividend Income  | 1.7            | 0.0         | 23.2           | 0.1         | 43.2           | 0.2        | 34.9           | 0.2        |
| <b>4. Gross Interest and Dividend Income</b>                        | <b>3,308.5</b> | <b>13.6</b> | <b>3,146.3</b> | <b>11.8</b> | <b>1,738.3</b> | <b>6.9</b> | <b>1,179.5</b> | <b>6.3</b> |
| 5. Interest Expense on Customer Deposits                            | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 6. Preferred Dividends Paid & Declared                              | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 7. Other Interest Expense   | 3,279.5        | 13.5        | 3,104.1        | 11.6        | 1,689.5        | 6.7        | 1,137.4        | 6.1        |
| <b>8. Total Interest Expense</b>                                    | <b>3,279.5</b> | <b>13.5</b> | <b>3,104.1</b> | <b>11.6</b> | <b>1,689.5</b> | <b>6.7</b> | <b>1,137.4</b> | <b>6.1</b> |
| <b>9. Net Interest Income</b>                                       | <b>29.0</b>    | <b>0.1</b>  | <b>42.2</b>    | <b>0.2</b>  | <b>48.8</b>    | <b>0.2</b> | <b>42.1</b>    | <b>0.2</b> |
| 10. Net Gains (Losses) on Trading and Derivatives                   | 0.0            | 0.0         | -2.5           | 0.0         | 0.6            | 0.0        | n.a.           | -          |
| 11. Net Gains (Losses) on Other Securities                          | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 12. Net Gains (Losses) on Assets at FV through Income Statement     | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 13. Net Insurance Income  | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 14. Net Fees and Commissions  | 1.4            | 0.0         | 0.5            | 0.0         | 1.0            | 0.0        | -0.4           | 0.0        |
| 15. Other Operating Income  | 0.3            | 0.0         | 0.6            | 0.0         | 0.5            | 0.0        | 0.2            | 0.0        |
| <b>16. Total Non-Interest Operating Income</b>                      | <b>1.7</b>     | <b>0.0</b>  | <b>-1.4</b>    | <b>0.0</b>  | <b>2.1</b>     | <b>0.0</b> | <b>-0.2</b>    | <b>0.0</b> |
| 17. Personnel Expenses  | 8.5            | 0.0         | 7.2            | 0.0         | 7.8            | 0.0        | 4.1            | 0.0        |
| 18. Other Operating Expenses  | 21.7           | 0.1         | 8.8            | 0.0         | 7.6            | 0.0        | 5.6            | 0.0        |
| <b>19. Total Non-Interest Expenses</b>                              | <b>30.2</b>    | <b>0.1</b>  | <b>16.0</b>    | <b>0.1</b>  | <b>15.4</b>    | <b>0.1</b> | <b>9.7</b>     | <b>0.1</b> |
| 20. At Equity Profit/ Loss - Operating                              | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| <b>21. Pre-Impairment Operating Profit</b>                          | <b>0.5</b>     | <b>0.0</b>  | <b>24.8</b>    | <b>0.1</b>  | <b>35.5</b>    | <b>0.1</b> | <b>32.2</b>    | <b>0.2</b> |
| 22. Loan Impairment Charge  | 88.4           | 0.4         | 16.1           | 0.1         | 10.8           | 0.0        | 2.9            | 0.0        |
| 23. Other Credit Impairment Charges                                 | 127.3          | 0.5         | 8.5            | 0.0         | n.a.           | -          | n.a.           | -          |
| <b>24. Operating Profit</b>   | <b>-215.2</b>  | <b>-0.9</b> | <b>0.2</b>     | <b>0.0</b>  | <b>24.7</b>    | <b>0.1</b> | <b>29.3</b>    | <b>0.2</b> |
| 25. At Equity Profit/ Loss - Non-operating                          | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 26. Non-recurring Income  | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 27. Non-recurring Expense   | n.a.           | -           | n.a.           | -           | 0.5            | 0.0        | n.a.           | -          |
| 28. Change in Fair Value of Own Debt                                | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 29. Other Non-operating Income and Expenses                         | n.a.           | -           | n.a.           | -           | 5.1            | 0.0        | -2.9           | 0.0        |
| <b>30. Pre-tax Profit</b>   | <b>-215.2</b>  | <b>-0.9</b> | <b>0.2</b>     | <b>0.0</b>  | <b>29.3</b>    | <b>0.1</b> | <b>26.4</b>    | <b>0.1</b> |
| 31. Taxes   | 0.1            | 0.0         | 0.1            | 0.0         | 7.1            | 0.0        | 8.9            | 0.0        |
| <b>32. Net Income</b>   | <b>-215.3</b>  | <b>-0.9</b> | <b>0.1</b>     | <b>0.0</b>  | <b>22.2</b>    | <b>0.1</b> | <b>17.5</b>    | <b>0.1</b> |
| 33. Profit/Loss from Discontinued Operations                        | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 34. Change in Value of AFS Investments                              | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 35. Currency Translation Differences                                | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 36. Other OCI Gains/(losses)  | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| <b>37. Fitch Comprehensive Income</b>                               | <b>-215.3</b>  | <b>-0.9</b> | <b>0.1</b>     | <b>0.0</b>  | <b>22.2</b>    | <b>0.1</b> | <b>17.5</b>    | <b>0.1</b> |
| 38. Memo: Profit Allocation to Non-controlling Interests            | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |
| 39. Memo: Net Income after Allocation to Non-controlling Interests  | -215.3         | -0.9        | 0.1            | 0.0         | 22.2           | 0.1        | 17.5           | 0.1        |
| 40. Memo: Common Dividends Paid & Declared in respect to the Period | n.a.           | -           | n.a.           | -           | n.a.           | -          | n.a.           | -          |

**DUESSELDORFER HYPOTHEKENBANK AG**

**Assets & Off-Balance Sheet Items**

|  | 31 Dec 2008      |                   | 31 Dec 2007      |                   | 31 Dec 2006      |                   | 31 Dec 2005      |                   |
|--|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
|  | Year End<br>EURm | As % of<br>Assets | Year End<br>EURm | As % of<br>Assets | Year End<br>EURm | As % of<br>Assets | Year End<br>EURm | As % of<br>Assets |
|  | Original         | Original          | Original         | Original          | Original         | Original          | Original         | Original          |
| <b>A. Loans</b>  |                  |                   |                  |                   |                  |                   |                  |                   |
| 1. Residential Mortgage Loans                            | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 2. Other Consumer/ Retail Loans                          | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 3. Corporate & Commercial Loans                          | 1,595.9          | 6.5               | 1,447.7          | 5.4               | n.a.             | -                 | n.a.             | -                 |
| 4. Other Loans   | 2,927.8          | 12.0              | 3,853.7          | 14.4              | 5,313.1          | 21.0              | 5,141.3          | 27.6              |
| 5. Less: Reserves for Impaired Loans/ NPLs               | 22.5             | 0.1               | 12.8             | 0.0               | n.a.             | -                 | n.a.             | -                 |
| <b>6. Total Loans</b>                                    | <b>4,501.2</b>   | <b>18.5</b>       | <b>5,288.6</b>   | <b>19.8</b>       | <b>5,313.1</b>   | <b>21.0</b>       | <b>5,141.3</b>   | <b>27.6</b>       |
| 7. Memo: Gross Loans                                     | 4,523.7          | 18.6              | 5,301.4          | 19.9              | 5,313.1          | 21.0              | 5,141.3          | 27.6              |
| 8. Memo: Impaired Loans included above                   | 74.0             | 0.3               | 35.0             | 0.1               | n.a.             | -                 | n.a.             | -                 |
| 9. Memo: Loans at Fair Value included above              | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| <b>B. Other Earning Assets</b>                           |                  |                   |                  |                   |                  |                   |                  |                   |
| 1. Loans and Advances to Banks                           | 5,351.3          | 22.0              | 5,857.1          | 21.9              | 5,502.5          | 21.7              | 4,499.5          | 24.2              |
| 2. Trading Securities                                    | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 3. Derivatives   | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 4. Available for Sale Securities                         | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 5. Held to Maturity Securities                           | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 6. At-equity Investments                                 | 15.3             | 0.1               | 15.3             | 0.1               | 15.3             | 0.1               | 48.2             | 0.3               |
| 7. Other Securities                                      | 14,234.5         | 58.4              | 15,295.6         | 57.3              | 14,276.0         | 56.4              | 8,749.5          | 47.0              |
| <b>8. Total Securities</b>                               | <b>14,249.8</b>  | <b>58.5</b>       | <b>15,310.9</b>  | <b>57.3</b>       | <b>14,291.3</b>  | <b>56.4</b>       | <b>8,797.7</b>   | <b>47.3</b>       |
| 9. Memo: Government Securities included Above            | 5,048.5          | 20.7              | 5,186.4          | 19.4              | 5,035.0          | 19.9              | 2,672.9          | 14.4              |
| 10. Investments in Property                              | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 11. Insurance Assets                                     | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 12. Other Earning Assets                                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| <b>13. Total Earning Assets</b>                          | <b>24,102.3</b>  | <b>98.9</b>       | <b>26,456.6</b>  | <b>99.1</b>       | <b>25,106.9</b>  | <b>99.1</b>       | <b>18,438.5</b>  | <b>99.0</b>       |
| <b>C. Non-Earning Assets</b>                             |                  |                   |                  |                   |                  |                   |                  |                   |
| 1. Cash and Due From Banks                               | 104.8            | 0.4               | 63.7             | 0.2               | 36.3             | 0.1               | 56.3             | 0.3               |
| 2. Foreclosed Real Estate                                | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 3. Fixed Assets  | 20.5             | 0.1               | 17.5             | 0.1               | 11.5             | 0.0               | 4.8              | 0.0               |
| 4. Goodwill  | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 5. Other Intangibles                                     | 1.4              | 0.0               | 1.0              | 0.0               | 0.9              | 0.0               | 0.8              | 0.0               |
| 6. Current Tax Assets                                    | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 7. Deferred Tax  | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 8. Discontinued Operations                               | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 9. Other Assets  | 143.7            | 0.6               | 163.3            | 0.6               | 172.5            | 0.7               | 116.9            | 0.6               |
| <b>10. Total Assets</b>                                  | <b>24,372.7</b>  | <b>100.0</b>      | <b>26,702.1</b>  | <b>100.0</b>      | <b>25,328.1</b>  | <b>100.0</b>      | <b>18,617.3</b>  | <b>100.0</b>      |
| <b>D. Off-Balance Sheet Items</b>                        |                  |                   |                  |                   |                  |                   |                  |                   |
| 1. Managed Securitized Assets Reported Off-Balance Sheet | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 2. Liquidity Lines to SPEs                               | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 3. Guarantees  | 0.7              | 0.0               | 1.0              | 0.0               | 2.7              | 0.0               | 2.2              | 0.0               |
| 4. Acceptances Reported Off-Balance Sheet                | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| 5. Committed Credit Lines                                | 60.5             | 0.2               | 212.6            | 0.8               | 60.3             | 0.2               | 107.5            | 0.6               |
| 6. Other Contingent Liabilities                          | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 | n.a.             | -                 |
| <b>7. Total Business Volume</b>                          | <b>24,433.9</b>  | <b>100.3</b>      | <b>26,915.7</b>  | <b>100.8</b>      | <b>25,391.1</b>  | <b>100.2</b>      | <b>18,727.0</b>  | <b>100.6</b>      |
| <b>8. Memo: Total Weighted Risks</b>                     | <b>3,872.1</b>   | <b>15.9</b>       | <b>4,533.3</b>   | <b>17.0</b>       | <b>n.a.</b>      | <b>-</b>          | <b>n.a.</b>      | <b>-</b>          |

**DUESSELDORFER HYPOTHEKENBANK AG**

**Liabilities and Equity**

|   | 31 Dec 2008                  |                               | 31 Dec 2007                  |                               | 31 Dec 2006                  |                               | 31 Dec 2005                  |                               |
|---|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
|   | Year End<br>EURm<br>Original | As % of<br>Assets<br>Original | Year End<br>EURm<br>Original | As % of<br>Assets<br>Original | Year End<br>EURm<br>Original | As % of<br>Assets<br>Original | Year End<br>EURm<br>Original | As % of<br>Assets<br>Original |
| <b>E. Interest-Bearing Liabilities</b>                        |                              |                               |                              |                               |                              |                               |                              |                               |
| 1. Deposits - Current   | 592.1                        | 2.4                           | 71.8                         | 0.3                           | 29.7                         | 0.1                           | 0.0                          | 0.0                           |
| 2. Customer Deposits - Savings                                | 13.3                         | 0.1                           | 19.7                         | 0.1                           | n.a.                         | -                             | n.a.                         | -                             |
| 3. Customer Deposits - Term                                   | 1,716.6                      | 7.0                           | 2,338.5                      | 8.8                           | 2,028.1                      | 8.0                           | 1,218.0                      | 6.5                           |
| <b>4. Total Customer Deposits</b>                             | <b>2,322.0</b>               | <b>9.5</b>                    | <b>2,430.0</b>               | <b>9.1</b>                    | <b>2,057.8</b>               | <b>8.1</b>                    | <b>1,218.0</b>               | <b>6.5</b>                    |
| 5. Deposits from Banks  | 8,222.5                      | 33.7                          | 7,195.0                      | 26.9                          | 6,315.7                      | 24.9                          | 2,111.6                      | 11.3                          |
| 6. Other Deposits and Short-term Borrowings                   | 23.6                         | 0.1                           | 3.2                          | 0.0                           | 3.2                          | 0.0                           | n.a.                         | -                             |
| <b>7. Total Deposits, Money Market and Short-term Funding</b> | <b>10,568.1</b>              | <b>43.4</b>                   | <b>9,628.2</b>               | <b>36.1</b>                   | <b>8,376.7</b>               | <b>33.1</b>                   | <b>3,329.6</b>               | <b>17.9</b>                   |
| 8. Long-term Borrowing  | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 9. Subordinated Borrowing                                     | 53.0                         | 0.2                           | 80.6                         | 0.3                           | 86.4                         | 0.3                           | 77.6                         | 0.4                           |
| 10. Other Funding   | 13,362.3                     | 54.8                          | 16,536.3                     | 61.9                          | 16,437.8                     | 64.9                          | 14,882.2                     | 79.9                          |
| <b>11. Total Long Term Funding</b>                            | <b>13,415.3</b>              | <b>55.0</b>                   | <b>16,616.9</b>              | <b>62.2</b>                   | <b>16,524.2</b>              | <b>65.2</b>                   | <b>14,959.8</b>              | <b>80.4</b>                   |
| 12. Derivatives   | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 13. Trading Liabilities                                       | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| <b>14. Total Interest Bearing Liabilities</b>                 | <b>23,983.4</b>              | <b>98.4</b>                   | <b>26,245.1</b>              | <b>98.3</b>                   | <b>24,900.9</b>              | <b>98.3</b>                   | <b>18,289.4</b>              | <b>98.2</b>                   |
| <b>F. Non-Interest Bearing Liabilities</b>                    |                              |                               |                              |                               |                              |                               |                              |                               |
| 1. Fair Value Portion of Debt                                 | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 2. Credit impairment reserves                                 | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 3. Reserves for Pensions and Other                            | 12.5                         | 0.1                           | 2.8                          | 0.0                           | 2.7                          | 0.0                           | 0.5                          | 0.0                           |
| 4. Current Tax Liabilities                                    | 2.6                          | 0.0                           | 2.6                          | 0.0                           | 4.0                          | 0.0                           | 6.1                          | 0.0                           |
| 5. Deferred Taxes   | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 6. Other Deferred Liabilities                                 | 24.3                         | 0.1                           | 31.1                         | 0.1                           | 20.3                         | 0.1                           | 14.2                         | 0.1                           |
| 7. Discontinued Operations                                    | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 8. Insurance Liabilities                                      | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 9. Other Non-interest Bearing Liabilities                     | 28.2                         | 0.1                           | 9.8                          | 0.0                           | 9.7                          | 0.0                           | 8.0                          | 0.0                           |
| <b>10. Total Liabilities</b>                                  | <b>24,051.0</b>              | <b>98.7</b>                   | <b>26,291.4</b>              | <b>98.5</b>                   | <b>24,937.6</b>              | <b>98.5</b>                   | <b>18,318.2</b>              | <b>98.4</b>                   |
| <b>G. Hybrid Capital</b>                                      |                              |                               |                              |                               |                              |                               |                              |                               |
| 1. Pref. Shares and Hybrid Capital accounted for as Debt      | 14.2                         | 0.1                           | 61.4                         | 0.2                           | 61.4                         | 0.2                           | 61.3                         | 0.3                           |
| 2. Pref. Shares and Hybrid Capital accounted for as Equity    | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| <b>H. Equity</b>  |                              |                               |                              |                               |                              |                               |                              |                               |
| 1. Common Equity  | 307.5                        | 1.3                           | 349.3                        | 1.3                           | 329.1                        | 1.3                           | 237.8                        | 1.3                           |
| 2. Non-controlling Interest                                   | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 3. Securities Revaluation Reserves                            | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| 4. Other Accumulated OCI                                      | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             | n.a.                         | -                             |
| <b>5. Total Equity</b>  | <b>307.5</b>                 | <b>1.3</b>                    | <b>349.3</b>                 | <b>1.3</b>                    | <b>329.1</b>                 | <b>1.3</b>                    | <b>237.8</b>                 | <b>1.3</b>                    |
| <b>6. Total Liabilities and Equity</b>                        | <b>24,372.7</b>              | <b>100.0</b>                  | <b>26,702.1</b>              | <b>100.0</b>                  | <b>25,328.1</b>              | <b>100.0</b>                  | <b>18,617.3</b>              | <b>100.0</b>                  |
| 7. Memo: Fitch Core Capital                                   | 307.5                        | 1.3                           | 349.3                        | 1.3                           | 329.1                        | 1.3                           | 237.8                        | 1.3                           |
| 8. Memo: Fitch Eligible Capital                               | 307.5                        | 1.3                           | 349.3                        | 1.3                           | 329.1                        | 1.3                           | 237.8                        | 1.3                           |

**DUESSELDORFER HYPOTHEKENBANK AG**

**Summary Analytics**

|  | 31 Dec 2008                  | 31 Dec 2007                  | 31 Dec 2006                  | 31 Dec 2005                  |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
|  | Year End<br>EURm<br>Original | Year End<br>EURm<br>Original | Year End<br>EURm<br>Original | Year End<br>EURm<br>Original |
| <b>A. Interest Ratios</b>  |                              |                              |                              |                              |
| 1. Interest Income on Loans/ Average Net Loans                         | 53.7                         | 46.4                         | 24.0                         | 16.9                         |
| 2. Interest Expense on Customer Deposits/ Average Customer Deposits    | n.a.                         | n.a.                         | n.a.                         | n.a.                         |
| 3. Interest Income/ Average Earning Assets                             | 13.1                         | 12.2                         | 8.0                          | 7.0                          |
| 4. Interest Expense/ Average Interest-bearing Liabilities              | 13.1                         | 12.1                         | 7.8                          | 6.8                          |
| 5. Net Interest Revenue/ Average Earning Assets                        | 0.1                          | 0.2                          | 0.2                          | 0.3                          |
| 6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets       | -0.2                         | 0.1                          | 0.2                          | 0.2                          |
| <b>B. Other Operating Profitability Ratios</b>                         |                              |                              |                              |                              |
| 1. Non-interest Income/ Gross Revenues                                 | 5.5                          | -3.4                         | 4.1                          | -0.5                         |
| 2. Non-Interest Expense/ Gross Revenues                                | 98.4                         | 39.2                         | 30.3                         | 23.2                         |
| 3. Pre-impairment Op. Profit/ Average Equity                           | 0.1                          | 7.3                          | 12.5                         | 14.6                         |
| 4. Pre-impairment Op. Profit/ Average Total Assets                     | 0.0                          | 0.1                          | 0.2                          | 0.2                          |
| 5. Credit Impairment Charges/ Pre-impairment Op. Profit                | 43,140.0                     | 99.2                         | 30.4                         | 9.0                          |
| 6. Operating Profit/ Average Equity                                    | -55.8                        | 0.1                          | 8.7                          | 13.3                         |
| 7. Operating Profit/ Average Total Assets                              | -0.9                         | 0.0                          | 0.1                          | 0.2                          |
| 8. Taxes/ Pre-tax Profit   | -0.1                         | 50.0                         | 24.2                         | 33.7                         |
| <b>C. Other Profitability Ratios</b>                                   |                              |                              |                              |                              |
| 1. Net Income/ Average Total Equity                                    | -55.9                        | 0.0                          | 7.8                          | 8.0                          |
| 2. Net Income/ Average Total Assets                                    | -0.9                         | 0.0                          | 0.1                          | 0.1                          |
| 3. Fitch Comprehensive Income/ Average Total Equity                    | -55.9                        | 0.0                          | 7.8                          | 8.0                          |
| 4. Fitch Comprehensive Income/ Average Total Assets                    | -0.9                         | 0.0                          | 0.1                          | 0.1                          |
| 5. Net Income/ Av. Total Assets plus Av. Managed Assets                | n.a.                         | n.a.                         | n.a.                         | n.a.                         |
| <b>D. Capitalization</b>   |                              |                              |                              |                              |
| 1. Fitch Eligible Capital/ Regulatory Weighted Risks                   | 7.9                          | 7.7                          | n.a.                         | n.a.                         |
| 2. Tangible Common Equity/ Tangible Assets                             | 1.3                          | 1.3                          | 1.3                          | 1.3                          |
| 3. Tier 1 Regulatory Capital Ratio                                     | 8.6                          | 7.5                          | n.a.                         | n.a.                         |
| 4. Total Regulatory Capital Ratio                                      | 10.6                         | 10.2                         | n.a.                         | n.a.                         |
| 5. Fitch Eligible Capital/ Tier 1 Regulatory Capital                   | 92.3                         | 102.7                        | n.a.                         | n.a.                         |
| 6. Equity/ Total Assets  | 1.3                          | 1.3                          | 1.3                          | 1.3                          |
| 7. Cash Dividends Paid & Declared/ Net Income                          | n.a.                         | n.a.                         | n.a.                         | n.a.                         |
| 8. Cash Dividend Paid & Declared/ Fitch Comprehensive Income           | n.a.                         | n.a.                         | n.a.                         | n.a.                         |
| 9. Net Income - Cash Dividends/ Total Equity                           | n.a.                         | n.a.                         | n.a.                         | n.a.                         |
| <b>E. Loan Quality</b>   |                              |                              |                              |                              |
| 1. Growth of Total Assets  | -8.7                         | 5.4                          | 36.1                         | 21.0                         |
| 2. Growth of Gross Loans   | -14.7                        | -0.2                         | 3.3                          | 4.3                          |
| 3. Impaired Loans(NPLs)/ Gross Loans                                   | 1.6                          | 0.7                          | n.a.                         | n.a.                         |
| 4. Loan Impairment Reserves/ Gross loans                               | 0.5                          | 0.2                          | n.a.                         | n.a.                         |
| 5. Reserves for Impaired Loans/ Impaired Loans                         | 30.4                         | 36.6                         | n.a.                         | n.a.                         |
| 6. Impaired Loans less Reserves for Imp Loans/ Equity                  | 16.8                         | 6.4                          | n.a.                         | n.a.                         |
| 7. Loan Impairment Charges/ Average Gross Loans                        | 1.8                          | 0.3                          | 0.2                          | 0.1                          |
| 8. Net Charge-offs/ Average Gross Loans                                | n.a.                         | n.a.                         | n.a.                         | n.a.                         |
| 9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets | n.a.                         | n.a.                         | n.a.                         | n.a.                         |
| <b>F. Liquidity</b>  |                              |                              |                              |                              |
| 1. Loans/ Customer Deposits  | 194.8                        | 218.2                        | 258.2                        | 422.1                        |
| 2. Loans/ Deposits and Short-term Funding                              | 42.8                         | 55.1                         | 63.4                         | 154.4                        |
| 3. Liquid Assets/ Total Assets   | 7.4                          | 7.8                          | 4.0                          | 3.3                          |
| 4. Liquid Assets/ Wholesale Funding                                    | 13.4                         | 12.5                         | 6.1                          | 4.0                          |
| 5. Wholesale Funding/ Total Funding and Capital                        | 55.4                         | 62.6                         | 65.6                         | 80.8                         |