

Dated 12 February 2007

The Final Terms



HSH Nordbank AG

Issue of
EUR 750,000,000 callable Subordinated Fixed to Floating Rate Notes due February 2017

issued as Series 238 Tranche A under the

Base Prospectus relating to Standard Notes and Derivative Notes

issued under the

Euro 20,000,000,000

Debt Issuance Programme for the issue of notes

Unless defined, or stated otherwise, herein, capitalised terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus for the issue of Notes and Derivative Notes dated 15 May 2006 (which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"))(the "**Base Prospectus**").

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this document (this "**Document**" or these "**Final Terms**") and the Prospectus.

The Base Prospectus is available for viewing at <http://www.hsh-nordbank.com> and copies may be obtained free of charge from HSH Nordbank AG, Global Markets, Martensdamm 6, 24103 Kiel.

The terms of this Document amend, supplement and vary the Conditions of the Notes set out in the Base Prospectus dated 15 May 2006 (the "**Conditions**"). If and to the extent the Conditions deviate from the terms of this Final Terms, the terms of the Final Terms shall prevail. The Terms and Conditions so amended, supplemented or varied together with the relevant provisions of these Final Terms will form the Conditions applicable to this Series of Notes (the "**Supplemented Conditions**").

Application has been made to list the Notes on the Luxembourg Stock Exchange.

The distribution of this Document and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Document comes are required

by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any State and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act, as amended. The Notes may not be, at any time, offered, sold, pledged, assigned, delivered, redeemed or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of any U.S. Person (as such term is defined in Regulation S under the Securities Act ("Regulation S") or the U.S Internal Revenue Code of 1986, as amended). The Notes are being offered and sold outside the United States pursuant to Regulation S and may not be legally or beneficially owned at any time by any U.S. Person. The Notes are subject to certain U.S. tax law restrictions. For a description of certain restrictions on offers and sales of Notes and on distribution of this document, see "Selling Restrictions" in the Base Prospectus.

No person has been authorised to give any information or to make any representation other than those contained in this Document in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer. The delivery of this Document at any time does not imply that the information in it is correct as any time subsequent to this date.

This Document does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

Each prospective investor in Notes must ensure that the complexity and risks inherent in the Notes are suitable for its investment objectives and are appropriate for itself or the size, nature and condition of its business, as the case may be.

This Document cannot disclose all of the risks and other significant aspects of the Notes. No person should deal in the Notes unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective purchaser of Notes should consider carefully whether the Notes are suitable for it in the light of its circumstances and financial position.

Prospective investors in the Notes should consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment.

CONDITIONS OF THE NOTES

1.	Consolidated Conditions / Supplemented Conditions:	Supplemented Conditions
2.	Issuer:	HSH Nordbank AG
3.	(i) Series Number:	238
	(ii) Tranche Number:	A
4.	Specified Currency or Currencies:	Euro (" EUR ")
5.	Aggregate Principal Amount:	
	(i) Series:	EUR 750,000,000
	(ii) Tranche:	EUR 750,000,000
6.	(i) Issue Price:	99.443 per cent. of the Aggregate Principal Amount
	(ii) Net proceeds:	EUR 745,072,500
7.	Specified Denomination:	EUR 1,000
	Minimum trading size:	EUR 50,000
8.	(i) Issue Date:	14 February 2007
	(ii) Interest Commencement Date:	Issue Date
9.	Maturity Date:	14 February 2017 subject to adjustment in accordance with the Modified Following Business Day Convention
10.	Interest Basis:	From and including 14 February 2007 to but excluding 14 February 2012: 4.375 per cent. Fixed Rate and from and including 14 February 2012 to but excluding 14 February 2017: Floating Rate (further particulars specified below)
11.	Redemption / Payment Basis:	Redemption at par (further particulars specified below)
12.	Change of Interest or Redemption / Payment Basis:	Applicable
13.	Early Redemption at the Option of the Issuer:	Applicable
14.	Status of the Notes (§ 2):	Junior (Subordinated)
15.	(i) Listing:	Luxembourg Stock Exchange
	(ii) Method of distribution:	Syndicated

16. Indication of Yield: Not Applicable

FORM AND DENOMINATION (§ 1)

17. Specified Denomination: See Condition 7

18. Temporary Global Note exchangeable into: Permanent Global Note

19. Clearing System: Clearstream, Frankfurt

20. Signature Fiscal Agent: No

STATUS (§ 2)

21. Status: Junior (Subordinated)

CREDIT LINKAGE OF THE NOTES (§ 2)

22. Credit Linked Provisions: Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE (§ 3)

23. Fixed Rate Note Provisions: Applicable from and including 14 February 2007 to but excluding 14 February 2012.

(i) Interest Commencement Date: Issue Date

(ii) End of fixed interest period: Not Applicable

(iii) Short/Long First/Last Fixed Interest Period: Not Applicable

(iv) Rate of Interest: 4.375 per cent. per annum, payable annually in arrears.

(v) Specified Interest Payment Date(s): 14 February in each year from and including 14 February 2008 to but including 14 February 2012.

(vi) Interest Periods: Not Applicable

(vii) Determination Date(s): Not Applicable

(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable

24. Floating Rate Provisions: Applicable from and including 14 February 2012 to but excluding the Maturity Date.

(i) Interest Commencement Date: 14 February 2012

(ii) End of floating interest period: Not Applicable

(iii) Short/Long First/Last Floating Interest Period: Not Applicable

(iv) Specified Interest Payment Date(s): Interest will be paid quarterly on 14 February, 14 May, 14 August and 14 November in each year, commencing on 14 May 2012 and ending on the Maturity Date.

(v)	Interest Periods:	Not Applicable
(vi)	Manner in which the Rate(s) of Interest is / are to be determined:	ISDA Determination
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	Not Applicable
(viii)	Screen Rate Determination:	Not Applicable
(ix)	ISDA Determination:	Applicable
	(a) Floating Rate Option:	EUR-EURIBOR-Telerate
	(b) Designated Maturity:	3 month
	(c) Reset Date:	The first Day of each Interest Period
	(d) ISDA Definitions (if different from those set out in the Conditions):	Not Applicable
(x)	Margin(s):	0.84 per cent. per annum
(xi)	Minimum Rate of Interest:	Not Applicable
(xii)	Maximum Rate of Interest:	Not Applicable
(xiii)	Rate Multiplier:	Not Applicable
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
25.	Zero Coupon Note Provisions	Not Applicable
26.	Structured Interest Rate Linked Interest	Not Applicable
27.	Equity-Linked Interest Note Provisions	Not Applicable
28.	Index-Linked Interest Note Provisions	Not Applicable
29.	Dual Currency Note Provisions	Not Applicable
30.	Interest Provisions linked to any other Reference Asset	Not Applicable
31.	Credit Linked Notes Provisions	Not Applicable
32.	General Provisions on Interest	
	(i) Day Count Fraction:	Actual/Actual (ICMA) (for the Fixed Rate Period)/Actual/360 (for the Floating Rate Period)
	(ii) Business Day Convention:	Unadjusted (for the Fixed Rate Period)/Adjusted (for the Floating Rate Period)
		and

		Following (for the Fixed Rate Period)/Modified Following (for the Floating Rate Period)
(iii)	Business Centre(s): (for the definition of "Business Day")	TARGET
(iv)	Principal financial centre for Specified Currency (if not Euro): (for the definition of "Business Day")	Not Applicable
(v)	Certain Definitions:	Not Applicable
PROVISIONS RELATING TO REDEMPTION (§ 4)		
33.	Final Redemption (§ 4(a))	Applicable
34.	Maturity Date:	14 February 2017 subject to adjustment in accordance with the Modified Following Business Day Convention
(i)	Specified Maturity Date:	Not Applicable
(ii)	Redemption Month:	Not Applicable
35.	Final Redemption Amount:	Aggregate Principal Amount
36.	Redemption at the Option of the Issuer (§ 4)	Applicable
		Except as provided in the following the Issuer shall not be entitled to redeem the Notes prior to the Maturity Date. § 2 remains unaffected.
	(i)	The Issuer may, upon notice given in accordance with paragraph (ii), redeem the Notes at the Optional Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Optional Redemption Date on the Optional Redemption Date(s) in accordance with § 10 paragraph 5a of the German Banking Act (<i>Kreditwesengesetz</i>).
	(ii)	The appropriate notice is a notice given by the Issuer to the Noteholders in accordance with § 10, which notice shall be irrevocable and shall specify:

		<ul style="list-style-type: none"> – the Series of Notes subject to redemption; – whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed; – the Notice period
		<ul style="list-style-type: none"> – the Optional Redemption Date; and – the Optional Redemption Amount at which such Notes are to be redeemed.
	(iii)	The Issuer will inform, if required by such stock exchange on which the Notes are listed, such stock exchange, as soon as possible of such redemption.
	(i)	Optional Redemption Date(s): Each Interest Payment Date from and including 14 February 2012 to and including 14 November 2016
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): EUR 1,000 per Note of EUR 1,000 Specified Denomination
	(iii)	If redeemable in part: Not Applicable
	(iv)	Call Option Exercise Date(s): Not Applicable
	(v)	Description of any other Issuer's option: Not Applicable
	(vi)	Notice period: Not less than three TARGET Business Days written notice to the Agent prior to the relevant Optional Redemption Date
37.	Automatic Early Redemption (§ 4):	Not Applicable
38.	Redemption at the Option of the Noteholder (§ 4):	Not Applicable
39.	Early Redemption in the case of a Special termination Event (§ 4)	Not Applicable
40.	Structured Rate Redemption Provisions	Not Applicable
41.	Equity linked Redemption Provisions	Not Applicable
42.	Index linked Redemption Provisions	Not Applicable
43.	Redemption Provisions linked to any other	Not Applicable

	Reference Asset	
44.	Credit Linked Notes Provisions	Not Applicable
45.	Early Redemption	
	Early Redemption Amount(s) of each Note payable on redemption for the occurrence of a Gross up Event, or an event of default and / or the method of calculating the same (if required or if different from that set out in the Conditions):	
	Early Redemption Amount:	the Aggregate Principal Amount of the Notes plus accrued interest until the date of redemption (exclusive)
CREDIT LINKED PROVISIONS (§ 5)		
46.	Credit Linked Notes Provisions	Not Applicable
CASH SETTLEMENT (§ 6)		
47.	Cash Settlement:	Not Applicable
PHYSICAL SETTLEMENT (§ 6)		
48.	Physical Settlement:	Not Applicable
Payments (§ 7)		
49.	Payments on Temporary Global Note Restricted:	Yes
50.	Financial Centre(s) or other special provisions relating to Payment Business Dates:	TARGET
51.	References to "principal" also include:	The Early Redemption Amount of the Notes
Fiscal Agent and Paying Agents (§ 9)		
52.	Fiscal Agent :	Deutsche Bank AG, London Branch
	Principal Paying Agent:	Deutsche Bank Luxembourg S.A.
53.	Additional Paying Agent(s) (if any):	Not Applicable
54.	Calculation Agent (if applicable):	HSH Nordbank AG
Notices (§ 10)		
55.	Luxembourg Listing:	Yes
56.	Number of Days (notice to Clearing System):	7 calendar days
Language (§ 13)		
57.	Binding Language of the Terms and Conditions of the Issue:	Language: English

GENERAL PROVISIONS APPLICABLE TO THE NOTES

PLACING AND UNDERWRITING

- | | | |
|-----|-----------------------------------------------------------------------|------------------------------------------------|
| 58. | If syndicated, names and addresses of Lead Manager(s) and Manager(s): | Deutsche Bank, HSH Nordbank AG and UBS Limited |
| 59. | Date of Subscription Agreement: | 14 February 2007 |
| 60. | (i) Stabilising Agent (if any): | Not Applicable |
| | (ii) Dealer's commission: | Not Applicable |
| 61. | If non-syndicated, name of Dealer: | Not Applicable |
| 62. | Market Making: | Not Applicable |
| 63. | Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

- | | | |
|-----|--------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 64. | ISIN Code: | DE000HSH2H15 |
| 65. | Common Code: | 028714181 |
| 66. | Clearing System(s): | Clearstream, Frankfurt |
| 67. | Delivery: | Delivery against payment |
| 68. | Applicable TEFRA Rules: | D Rules |
| 69. | Type and Class: | Bearer Note |
| 70. | Governing Law: | German Law |
| 71. | Binding Language of the Terms and Conditions of the Issue: | Language: English |
| 72. | The aggregate principal amount of Notes has been translated into Euro at the rate of [] = 1 Euro, producing the sum of: | Not Applicable |

GENERAL

LISTING APPLICATION

This document comprises the details required to list the issue of Notes described herein.

RESPONSIBILITY

HSH Nordbank AG accepts responsibility for this accordingly under § 5 Sec. (4) German Securities Prospectus Act (Wertpapierprospektgesetz) in connection with § 44 German Stock Exchange Act (Börsengesetz).

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Key Information" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

Signed on behalf of HSH Nordbank AG:

By: _____

Duly authorised