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Press and Communication

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Helaba satisfied with start to 2016 financial year

- **Quarterly pre-tax earnings slightly below previous year at EUR 138 m**
- **Full inclusion of bank levy and contribution to deposit guarantee fund**
- **Forecast for full 2016 results confirmed**

Frankfurt am Main – Helaba Landesbank Hessen-Thüringen achieved group earnings before tax of EUR 138 m, which was marginally below the previous year's result of EUR 141 m. Group earnings after tax amounted to EUR 91 m compared to EUR 93 m in the same period last year.

Despite continued good performance in operational customer business segments, net interest income declined by EUR 37 m to EUR 301 m against a backdrop of an extremely low interest rate phase. Provisions for losses on loans and advances, at EUR 39 m, were above the previous year's level due to higher net additions to valuation adjustments. There was a small rise of EUR 3 m in the net fee and commission income, which reached EUR 85 m. The customer-related cash management business, international trade finance, asset management activities as well as the securities and custody business all made significant contributions to earnings. The overwhelmingly customer-driven trading result amounted to EUR 26 m.

Net income from hedge accounting and non-trading derivatives grew from EUR -2 to EUR 67 m and net income from financial investments rose by EUR 19 m to EUR 8 m. General and administrative expenses increased by EUR 44 m, reaching EUR 352 m. The bank levy, contributions to the deposit guarantee fund and levies to the savings bank association are already fully included in this item. Taking these effects into account, the general and administrative expenses were slightly above last year's level.

Compared to the end of 2015, the Helaba Group's balance sheet total expanded by EUR 5 bn to some EUR 177 bn, with the business volume rising by EUR 4 bn to EUR 205 bn.

On the asset side, loans and advances to banks, including the cash reserve, grew by EUR 2.8 bn and assets held for trading by EUR 1.0 bn. Loans and advances to customers were slightly higher, at around EUR 94 bn, thanks to an encouraging volume of new medium and long-term business of EUR 4.4 bn (Q1 2015: EUR 4.1 bn).

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The Helaba Group's Common Equity Tier 1 (CET-1) ratio amounted to 13.8 percent as of the end of March 2016 – unchanged from 31 December 2015.

Herbert Hans Grüntker, Chief Executive of Helaba, expressed his satisfaction at the quarterly results: "We are pleased with our performance at the beginning of the 2016 financial year. Our new business volume remains on a high level. Despite a conservative approach to valuation and making full provision for the bank levy, the deposit guarantee fund and association levies for the entire year, we achieved Group earnings of EUR 138 m that were almost on a par with those in the same period last year and that noticeably exceeded our target for 2016. This is a good result. However, we adhere to our previously cautious forecast. The current geopolitical and economic development is unsettling the markets and is leading to elevated volatility. In view of this market environment, higher regulatory costs and growing capital requirements, we continue to expect a noticeable decline in Group earnings for the year as a whole."

Income statement of Helaba Group as of 31 March 2016 under IFRS

	01.01.-31.03. 2016	01.01.-31.03. 2015		Change
	in EUR millions	in EUR millions	in EUR millions	in %
Net interest income	301	338	-37	-10.9
Provisions for losses on loans and advances	-39	-5	-34	>-100
Net interest income after provisions for losses on loans and advances	262	333	-71	-21.3
Net fee and commission income	85	82	3	3.7
Net trading income	26	-	26	-
Result from hedges / derivatives	67	-2	69	-
Result from financial investments (incl. equity valuation)	8	-11	19	-
Other operating result	42	47	-5	-10.6
General and administrative expenses	-352	-308	-44	-14.3
Consolidated net profit	138	141	-3	-2.1

Balance sheet of Helaba Group as of 31 March 2016 under IFRS

	31.03.2016	31.12.2015		Change
	in EUR millions	in EUR millions	in EUR millions	in %
Loans and advances to customers incl. cash reserve	21,854	19,053	2,801	14.7
Loans and advances to customers	93,844	93,194	650	0.7
Impairments on receivables	-992	-986	-6	-0.6
Assets held for trading	27,107	26,078	1,029	3.9
Positive market value of derivatives not held for trading	5,172	4,376	796	18.2
Financial investments (incl. companies valued at-equity)	26,559	26,609	-50	-0.2
Property, tangible and intangible assets	2,522	2,512	10	0.4
Income tax receivables	485	495	-10	-2.0
Other assets	952	925	27	2.9
Total assets	177,503	172,256	5,247	3.0
Liabilities due to banks	33,510	35,976	-2,466	-6.9
Liabilities due to customers	51,084	47,727	3,357	7.0
Securitised liabilities	50,423	47,073	3,350	7.1
Liabilities held for trading	23,378	22,423	955	4.3
Negative market value of derivatives not held for trading	4,303	4,380	-77	-1.8
Provisions	2,157	2,089	68	3.3
Income tax liabilities	200	184	16	8.7
Other liabilities	636	642	-6	-0.9
Subordinated capital	4,117	4,089	31	0.8
Equity	7,695	7,676	19	0.2
Total liabilities	177,503	172,256	5,247	3.0

Financial ratios

	01.01. - 31.03.2016	01.01. - 31.03.2015
	in %	in %
Cost-income ratio	66.6	67.8
Return on equity (before tax)	7.2	7.7
	31.03.2016	31.12.2015
Total capital ratio	20.0	19.8
CET-1 ratio ("phased in")	13.8	13.8
CET-1 ratio ("fully loaded")	13.3	13.1
Leverage ratio	4.0	4.0
Risk-weighted assets in EUR billions	53.5	54.9
Liabe equity capital in EUR billions	10.7	10.9

Ratings

	Moody's Investors Service	FitchRatings	Standard & Poor's Corp.
Long-term liabilities	A1	A+*	A*
Short-term liabilities	P-1	F1+*	A-1*
Public Pfandbriefe	Aaa	AAA	-
Mortgage Pfandbriefe	-	AAA	-
Viability rating	-	a+*	-

* Joint S-Group rating for the Sparkassen-Finanzgruppe Hessen-Thüringen