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Presse und Kommunikation

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Helaba's results reflect sound development in first quarter

- **Group pre-tax profit increases by around 13 per cent**
- **Quarterly result determined by conservative valuation methods**
- **Cautiously optimistic outlook**

Frankfurt am Main – Helaba Landesbank Hessen-Thüringen has posted a first-quarter Group net profit before taxes of EUR 220 million, which equates to an increase on the previous year of around 13 per cent. Thanks to a growth in customer sales and margins, net interest income increased by EUR 30 million to EUR 250 million. Loan loss provisions in the lending business were reduced by 11 per cent to EUR 58 million whilst maintaining conservative valuation standards. Accordingly, net interest income after accounting for loan loss provisions rose by around 24 per cent to EUR 192 million. Net commission income, at EUR 61 million, was down by approximately 10 per cent. This can be primarily attributed to the strategic decision to reduce off-balance sheet business in the USA. The favourable environment for interest and credit trading (reversals of impairments due to a narrowing of credit spreads and the low interest rate) was responsible for a jump in the net trading result of almost 59 per cent to EUR 208 million. As a consequence of IFRS rules, which take liquidity components of foreign currency into account in the scope of valuing derivatives, the net income from hedging activities/derivatives fell by EUR 27 million to EUR -39 million. With the inclusion of the earnings components from hedging activities/derivatives, financial assets (EUR -3 million) and the other operating result (EUR 49 million), the operating income of the Helaba Group increased by about 9 per cent to EUR 468 million. Administrative expenses grew by EUR 12 million to EUR 248 million, an increase which is a result of one-off effects of a capital investment nature.

Compared to 31 December 2011, the balance sheet total of the Helaba Group rose by EUR 6.1 billion to EUR 170.1 billion. On the asset side, the rise in loans and advances to banks and financial assets contributed significantly to this. Loans and advances to customers remained practically unchanged at EUR 83.5 billion. At EUR 3.6 billion, the positive development of the previous two quarters in medium and long-term new business with customers continued. In the middle of April, the bank successfully issued a public Pfandbrief with a volume of EUR 1 billion and a maturity of seven years. The Helaba Group's core Tier-1 ratio reached 10.6 per cent and the total capital ratio is 16.1 per cent. Risk-weighted assets declined by EUR 1.4 billion to EUR 55.9 billion. At the end of last week, the ratings agency Fitch confirmed the corporate family rating of "A+/a+" for Helaba and the Sparkassen-Finanzgruppe Hessen-Thüringen.

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Hans-Dieter Brenner, CEO of Helaba, is satisfied with the quarterly results: "With a Group net profit before taxes of EUR 154 million, we have made a positive start to the 2012 financial year. Despite market volatility, which is expected to continue, we are aiming at a similarly good result for the year as a whole."

Income Statement for the Helaba Group under IFRS as at 31 March 2012

	01 Jan.-31 Mar. 2012	01 Jan.-31 Mar. 2011	Change	
	in € million	in € million	in € million	in per cent
Net interest income	250	220	30	13.6
Provisions for losses on loans and advances	-58	-65	7	10.8
Net interest income after provisions for losses on loans and advances	192	155	37	23.9
Net commission income	61	68	-7	-10.3
Net trading income	208	131	77	58.8
Result of hedges/derivatives	-39	27	-66	>-100.0
Net income from non-current financial assets (incl. assets valued using the equity method)	-3	-2	-1	-50.0
Other operating result	49	51	-2	-3.9
General administrative expenses	-248	-236	-12	-5.1
Group earnings before taxes	220	194	26	13.4
Taxes on income	-66	-58	-8	-13.8
Group net profit	154	136	18	13.2

Balance Sheet Development of Helaba Group as at 31 March 2012 under IFRS

	31 Mar. 2012	31 Dec. 2011	Change	
	in € million	in € million	in € million	in per cent
Loans and advances to banks incl. cash reserve	20,752	15,646	5,106	32.6
Loans and advances to customers	83.488	84.041	-553	-0.7

Fiancial Ratios

	31 March 2012	2011
	in per cent	in per cent
Cost-Income ratio	47.2	56.6
Return on equity (before taxes)	15.7	9.2
Total capital ratio	16.1	15.3
Tier-1 capital ratio	10.6	10.1

Ratings of Helaba

	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	AAA
Mortgage Pfandbriefe	–	AAA	–
Financial Strength/Individual Rating	C-	a+*	–

(*) Joint Group Rating of the Sparkassen-Finanzgruppe Hessen-Thüringen

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