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2018 bank stress test once again confirms Helaba's stable business model and solid capital base

Helaba Landesbank Hessen Thüringen has once again proven itself to be a stable institution with solid capital resources in the EU-wide stress test of 2018 conducted by the European Banking Authority (EBA) and the European Central Bank (ECB).

- Helaba once again proves its resilience
- Stricter requirements in the "adverse" scenario lead, as expected, to significantly higher mark-downs on bank's capital ratios compared with 2016
- Regulatory SREP requirements for the CET1 core capital ratio are met even after three years of simulating stress scenarios

Helaba Landesbank Hessen Thüringen has once again proven itself to be a stable institution with solid capital resources in the EU-wide stress test of 2018 conducted by the European Banking Authority (EBA) and the European Central Bank (ECB). The Group-wide core capital ratio (CET1, phased in), which was reported at 15.40 percent at the end of 2017, fell to 9.96 percent as a result of the stress test in the third stress year. Helaba thus meets all the minimum regulatory requirements.

As before, two different scenarios were defined - a "baseline" scenario and an "adverse" scenario. The starting point comprised the figures as of 31 December 2017. The adverse scenario is based on a noticeably stronger macroeconomic slump than in the 2016 stress test. In particular, a significantly stronger downturn in the real estate sector and the German economy in general is assumed to have a considerable impact on Helaba's core markets. As expected, this led to higher capital discounts than in the previous stress test.

Helaba also proved its resilience under these conditions and, even after a three-year stress scenario, fulfilled the supervisory SREP requirements for the core capital ratio including all buffers.

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