Landesbank Hessen-Thüringen
Girozentrale
(the "**Issuer**")

2nd Supplement dated 30 September 2015 to the
Prospectus dated 13 May 2015
as supplement by the 1st Supplement dated 6 July 2015 (the "Prospectus")
relating to the
Helaba Euro 35,000,000,000 Debt Issuance Programme
for the issue of Notes (including Pfandbriefe)
(the "Programme").

pursuant to Art. 16 (1) of directive 2003/71/EC as amended by Directive 2010/73/EU and Art. 13 (1) of the Luxembourg act on Securities Prospectuses (*loi relative aux prospectus pour valeurs mobilières)* as amended by the law of 3 July 2012 transposing Directive 2010/73/EU (*loi du 3 juillet 2012 portant transformation de la directive 2010/73/EU*)
(the "**Supplement**").

This Supplement is supplemental to, and should be read in conjunction with the Prospectus dated 13 May 2015 as supplemented by the 1st Supplement dated 6 July 2015 relating to the EUR 35,000,000,000 Debt Issuance Programme of Landesbank Hessen-Thüringen Girozentrale.

Terms not otherwise defined herein shall have the meanings specified in the Prospectus.

The Issuer has applied for a notification pursuant to Art. 19 of the *loi relative aux prospectus pour valeurs mobilières* and has requested the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") of the Grand-Duchy of Luxembourg in its capacity as competent authority (the "**Competent Authority**") to provide the competent authority of the Federal Republic of Germany ("Germany") with a certificate of approval attesting that this Supplement has been drawn up in accordance with the *loi relative aux prospectus pour valeurs mobilières* and with a copy of this Supplement. The Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a notification.

This Supplement will be published in electronic form on the website of the Luxembourg Stock Exchange under www.bourse.lu, will be available free of charge at the specified offices of the Issuer and will be published in electronic form on the website of the Issuer www.helaba.de.

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General Information

Landesbank Hessen-Thüringen Girozentrale is solely responsible for the information given in this Supplement.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement for which it is responsible, is to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Supplement has been approved by the Competent Authority.

Right to Withdraw

According to article 13 paragraph 2 of the Luxembourg Law of 10 July 2005 on prospectuses for securities, Investors who, prior to the publication of this Supplement, have made a declaration of intent aimed at the purchase of or subscription to securities offered under the Prospectus, are entitled to revoke this declaration of intent within a period of two working days after the publication of this Supplement (on 2 October 2015 at the latest), if and to the extent that the new circumstance or the incorrectness has occurred prior to the final closing of the public offering and prior to the delivery of the debt instruments. The notice of revocation does not need to contain any reasons and has to be declared in text form vis-à-vis Landesbank Hessen-Thüringen, Neue Mainzer Str. 52-58, 60311 Frankfurt am Main. The timely dispatch is sufficient to observe the deadline.

Contents of the Supplement

This Supplement No. 2 dated 30 September 2015 amends the Prospectus in the places indicated below on the basis of the publication of the Interim Consolidated Financial Statements 2015 and the Group Interim Management Report 2015 by Helaba with effect from 31 August 2015. The Consolidated Interim Financial Statements and the Interim Group Management Report of Landesbank Hessen-Thüringen Girozentrale as well as the copy of the auditors' report (*Bescheinigung nach prüferischer Durchsicht*) is enclosed in the annex to this Supplement and forms part of this Supplement.

Amendments to the Prospectus

Amendments to the Summary of the Prospectus on page 3

The following information should be added to section B.12 entitled "Selected historical key financial information" on page 6:

B.12	Selected historical key financial information:	The following financial data has been extracted from the unaudited condensed consolidated Interim Financial Statements and the Interim Group Management Report for the period ending 30 June 2015 of the Issuer.

Performance figures	**01.01.-30.06.2015 in EUR million**	**01.01.-30.06.2014 in EUR million**
Net interest income after risk provisioning	602	612
Net commission income	163	154
General administrative expenses	-610	-635
Net profit before taxes	362	322
Net profit after taxes	237	216
Return on equity before taxes	9,9%	8,9 %
Cost/income ratio	58,8%	63,4 %

Balance sheet figures	**30.06.2015 in EUR million**	**31.12.2014 in EUR million**
Loans and advances to banks	17,077	20.579
Loans and advances to customers	95,729	91.109
Trading assets	29,000	31.262
Investments and shares in companies valued using the equity method	27,484	26.629
Liabilities to banks	35,137	35.612
Liability to customers	50,269	45.320
Securitised liabilities	51,670	48.320
Trading liabilities	22,661	29.219
Equity	7,455	7.350
Total assets	180,524	179,489

	Description of any material adverse change in the financial or trading position of the Issuer:	Since the date of the last published unaudited condensed consolidated Interim Financial Statements of the Issuer (30 June 2015), there has been no significant change in the Issuer's financial position.

Amendments to the German Translation of the Summary of the Prospectus on page 24

The following information should be added to section B.12 entitled "Ausgewählte wesentliche historische Finanzinformationen" on page 27:

B.12	Ausgewählte wesentliche historische Finanzinformationen:	Die folgenden Finanzzahlen wurden dem ungeprüften verkürzten Konzernzwischenabschluss und dem Konzernzwischenlagebericht zum 30.06.2015 der Emittentin entnommen.

Erfolgszahlen	**01.01.-30.06.2015 in Mio. EUR**	**01.01.-30.06.2014 in Mio. EUR**
Zinsüberschuss nach Risikovorsorge	602	612
Provisionsüberschuss	163	154
Verwaltungsaufwand	-610	-635
Ergebnis vor Steuern	362	322
Ergebnis nach Steuern	237	216
Eigenkapitalrentabilität vor Steuern	9,9%	8,9%
Cost-Income-Ratio	58,8%	63,4%

Bilanzzahlen	**30.06.2015 in Mio. EUR**	**31.12.2014 in Mio. EUR**
Forderungen an Kreditinstitute	17.077	20.579
Forderungen an Kunden	95.729	91.109
Handelsaktiva	29.000	31.262
Finanzanlagen und Anteile an at-Equity bewerteten Unternehmen	27.484	26.629
Verbindlichkeiten gegenüber Kreditinstituten	35.137	35.612
Verbindlichkeiten gegenüber Kunden	50.269	45.320
Verbriefte Verbindlichkeiten	51.670	48.320
Handelspassiva	22.661	29.219
Eigenkapital	7.455	7.350
Bilanzsumme	180.524	179.489

	Beschreibung wesentlicher Veränderungen bei der Finanzlage oder Handelsposition der Emittentin:	Seit dem Datum des jüngsten veröffentlichten, ungeprüften verkürzten Konzernzwischenabschlusses der Emittentin (30. Juni 2015) hat es keine wesentlichen Veränderungen in der Finanzlage der Emittentin gegeben.

Amendments to the section entitled "Description of Landesbank Hessen-Thüringen Girozentrale" on page 382

The following paragraphs should be added to the subsections on page 392 entitled "Information concerning Helaba's Assets and Liabilities, Financial Position and Profits and Losses –Historical Financial Information–":

Historical Financial information
Helaba has prepared its condensed Consolidated Interim Financial Statements for the period ending 30 June 2015 and its Interim Group Management Report for the period ending 30 June 2015 in accordance with the provisions of the International Financial Reporting Standards (IFRS) applicable in the EU as well as in accordance with the provisions of the HGB (German Commercial Code) and WpHG (German Securities Trading Act) and published these on 31 August 2015.

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft has reviewed the condensed Consolidated Interim Financial Statements – comprising the statement of financial position, the income statement and the statement of comprehensive income, the condensed cash flow statement, the statement of changes in equity and selected explanatory notes – and the Interim Group Management Report of Landesbank Hessen-Thüringen Girozentrale for the period from 1 January to 30 June 2015.

The following paragraph replaces the information given in the subsection entitled "Information concerning Helaba's Assets and Liabilities, Financial Position and Profits and Losses – Significant change in Helaba's Financial Position –":

Significant change in Helaba's Financial Position
Since 30 June 2015, the date of the last published unaudited condensed consolidated Interim Financial Statements of the Issuer, there has been no significant change in the Issuer's financial position.

Annex

Consolidated Interim Financial Statements and Interim Group Management Report for the period 1 January to 30 June 2015

- Interim Group Management Report of Landesbank Hessen-Thüringen
- Consolidated Interim Financial Statements of Landsbank Hessen-Thüringen

Interim Group Management Report

Interim Group Management Report

Basic Information About the Group

Business model of the Group

The business and earnings performance of Landesbank Hessen-Thüringen Girozentrale (Helaba) has been very stable in recent years. A credit institution organised under public law, Helaba has the long-term strategic business model of a full-service bank with a regional focus, a presence in carefully selected international markets and a very close relationship with the Sparkassen organisation. Helaba's success is founded in part on this business model and in part on its

- conservative risk profile combined with effective risk management, a robust equity base and a good liquidity position,
- strong foundation in customer business and tight interconnectedness with the real economy,
- long-term approach to liquidity management and balanced funding structure and
- practice of making a priority of S-Group business with the Sparkassen and of public development and infrastructure business.

One key aspect of Helaba's business model is its legal form as a public-law institution. Helaba operates as a for-profit entity in line with the provisions of the Charter and the Treaty of the Formation of a Joint Savings Banks Association Hesse-Thuringia applicable to it. The Treaty and the Charter established the legal framework for Helaba's business model. Also central to this business model are Helaba's status as part of the Sparkassen-Finanzgruppe with its joint liability scheme offering institutional protection, the distribution of tasks between Sparkassen, Landesbanken and other S-Group institutions, the large stake in it owned by the Sparkassen organisation, and its retention and expansion of activities in the S-Group and public development and infrastructure business.

Helaba's strategic business model centres on the three business units: Wholesale Business; S-Group Business, Private Customers and SME Business; and Public Development and Infrastructure Business. As a full-service bank, Helaba covers a broad spectrum of banking products and services.

Business is conducted both from the two head offices in Frankfurt am Main and Erfurt and from the branches in Düsseldorf, Kassel, London, New York and Paris. These are joined by representative and sales offices, subsidiaries and affiliates.

Helaba's activities in the Wholesale Business unit focus on the six core business divisions of Real Estate, Corporate Finance, Financial Institutions and Public Finance, Global Markets, Asset Management and Transaction Banking. A geographic focus on Germany is supplemented by specific activities in selected European countries and North America. To accompany its customer into Asia Helaba opened a representative office in Singapore in the first half of 2015 next to our representative office in Shanghai. Stable, long-term business relationships with its customers are one of Helaba's hallmarks. In sales, the Bank follows two different approaches, firstly targeting product customers from the various product fields and, secondly, directing customer sales efforts across all products at major companies and the upper SME segment, institutional customers, municipal corporations and central, regional and local public authorities. Among its target customers, Helaba aims for core bank status.

In the S-Group Business, Private Customers and SME Business unit, Helaba's goal is to strengthen its position as a leading S-Group bank for Germany. Geographically, activities in S-Group, private customer and SME business are largely limited to Germany with a particular focus on Hesse, Thuringia, North Rhine-Westphalia and Brandenburg. Helaba is a Sparkasse central bank and S-Group bank for the Sparkassen in Hesse, Thuringia, North Rhine-Westphalia and Brandenburg and therefore for 40 % of all Sparkassen in Germany. In Hesse and Thuringia, Helaba and the S-Group Sparkassen make up the Sparkassen-Finanzgruppe Hessen-Thüringen, using a business model of economic unity based on a joint business and risk strategy, the preparation of consolidated financial statements, an additional regional reserve fund and a joint S-Group rating. Comprehensive co-operation and business agreements have been entered into with the Sparkassen and their associations in North Rhine-Westphalia. In addition, there are sales co-operation agreements with the Sparkassen in Brandenburg.

Helaba is one of the market leaders in the home loans and savings business in both Hesse and Thuringia through the legally dependent Landesbausparkasse Hessen-Thüringen (LBS). Frankfurter Sparkasse, a wholly owned and fully consolidated subsidiary of Helaba organised under German public law, is the leading retail bank in the Frankfurt am Main region with over 800,000 customers; it also has a presence in the nationwide direct banking market through 1822direkt. Frankfurter Bankgesellschaft (Schweiz) AG and its wholly owned subsidiary Frankfurter Bankgesellschaft (Deutschland) AG provide Helaba's products and services for Sparkassen in the private banking and wealth and asset management segment.

In the Public Development and Infrastructure Business unit, Helaba has been entrusted with administering public-sector development programmes of the Federal State of Hesse via "WIBank", a legally dependent entity within Helaba. WIBank enjoys a direct statutory guarantee from the State of Hesse as permitted under EU law. It is also tax-exempt and operates on a neutral basis in the marketplace. WIBank's business activities are guided by the development objectives of the State of Hesse. Helaba has stakes in numerous other development institutions in Hesse and Thuringia too, most notably in guarantee banks and SME investment companies. Helaba has granted Thüringer Aufbaubank a subordinated loan of € 40 m.

Management instruments and non-financial performance indicators

As part of managing the Bank as a whole, Helaba has integrated systems in place for business and productivity management. This is based on a multi-level Margin Accounting System and comprises both the management of absolute income and costs and the integrated management of contribution margins. The aim is to achieve a cost-income ratio of 60 %. The annual planning process, from which a budgeted statement of financial position and income statement are derived, also follows this system. Regular plan / actual comparisons are generated and variances analysed based on a management income statement produced in the Margin Accounting System at regular intervals in the course of the financial year. In line with management reporting, the segment information is based on internal management (contribution margin accounting) and also on external financial reporting.

One key indicator used to manage portfolios is the volume of new medium- and long-term business (more than one year). Systematic preliminary costings are carried out for loan agreements, in particular to ensure that new business is managed with a focus on risk and profitability.

Equity is managed through the allocation of regulatory and economic limits and through the capital ratio. The target capital ratios are defined bearing in mind the additional own funds requirements established by the ECB. The profitability targets are managed through the return on equity and regulatory capital.

The Capital Requirements Regulation (CRR) requires three ratios to be calculated: a leverage ratio, a (short-term) liquidity coverage ratio (LCR) and a net stable funding ratio (NSFR). In establishing a framework for the recovery and resolution of credit institutions and investment firms (Banking Recovery and Resolution Directive – BRRD), a non-RWA based minimum requirement for own funds and eligible liabilities (MREL) is to be introduced. This is intended to ensure that there is a sufficient amount of equity and "bail-inable" liabilities available to be able to carry out an orderly wind-down or to make such a wind-down possible. The minimum requirement is determined by the competent resolution authority at individual institution level in the course of developing a resolution plan. Helaba takes these requirements into account in its liquidity management and when fine-tuning its business portfolio.

Helaba's business activities are geared to customer requirements. The Bank provides products and services for a broad spectrum of different customer groups. The Bank's business activities are tightly interconnected with the real economy. The degree of interconnectedness with the real economy is shown by the percentage of total assets accounted for by customer business.

To fund itself, Helaba draws on different sources and products, focusing in particular on the anchor sources of funding available through direct and indirect Sparkassen business (proprietary and customer transactions) as a result of belonging to a strong association of financial institutions. Development funds raised through WIBank and Pfandbrief issues are also a cost-efficient component of its stable funding base.

As a leading S-Group bank for the German Sparkassen organisation, Helaba is continuously expanding its business relationships with Sparkassen throughout Germany. In the regions of Hesse, Thuringia and North Rhine-Westphalia, where Helaba acts as the Sparkasse central bank, the aim is to achieve an S-Group ratio in the target range of 60 % to 80 %. The S-Group ratio here is the volume of business conducted with Helaba and its subsidiaries as a percentage of the total products and services purchased by the Sparkassen in question. Since 31 December 2014, the S-Group ratio has been calculated uniformly for the three aforementioned regions by a clearing house.

Motivated and qualified employees are a key success factor for Helaba. A broad range of measures undertaken to develop employees contributes significantly to making Helaba an attractive employer. A suitable personnel management system helps to identify the potential of employees and to encourage and develop this potential in line with specific needs. Individual further training ensures that employees are able to meet the changing challenges. Helaba has established a professional change management system to accompany employees through change processes. This system is designed to introduce and accompany changes and to develop the necessary transparency among all employees. The aim is to translate past success factors into continued future success. Applied in this way, change management is also a tool for managing demographic change and retaining high-performing and high-potential staff. Various indicators, such as a low turnover rate, length of service and low absenteeism, confirm that employees are satisfied and highly committed.

The business strategy and risk strategy specify the degree of flexibility available to employees. This then also forms the basis for the remuneration system. The Bank's remuneration strategy and remuneration principles set out the relationship between business strategy, risk strategy and remuneration strategy. The remuneration strategy takes into account the attainment of targets specified in operational planning when determining an overall budget and allocating the budgets for variable remuneration at unit level, thereby ensuring that there is a link between the remuneration strategy and divisional strategic objectives. For the corporate centre units, budgets are allocated based on the results generated by the Bank as a whole and the attainment of qualitative targets. This system rules out the possibility of incentives for individual employees to enter into disproportionately high risks. The fixed salaries are based on market requirements.

As a public-law credit institution with a mandate to operate in the public interest, Helaba also assumes a degree of social and environmental responsibility – over and above its banking functions and objectives. Helaba has laid down guiding sustainability principles in which it has pledged its commitment to environmental and social responsibility, both internally and in its dealings with the general public. The guiding sustainability principles include core statements and standards of conduct relating to business activities, business operations (operational environmental protection, corporate governance and compliance), employees and corporate social responsibility. Helaba has also translated its responsibility to the environment and society into binding requirements in its business strategy. Helaba's risk assessment and risk management processes thus incorporate the identification and assessment of environmental risks and of issues from a social and ethical perspective. The Bank considers the creation and installation of a standard process for the appropriate incorporation of environmental risks and of social and ethical perspectives into relevant lending decisions. Helaba does not finance the manufacture or trading of controversial types of weapon. It also undertakes not to enter into speculative transactions with agricultural commodities or develop investment products related to such commodities. Helaba contributes to climate protection by implementing energy-saving measures in its operations. Helaba makes key elements of its environmental profile transparent and creates incentives to further reduce consumption and emissions by calculating environmental indicators and publishing them on the Internet on an annual basis.

Economic Report

Macroeconomic and sector-specific conditions in Germany

The German economy headed into 2015 at a moderate speed, but momentum is increasing as the year progresses. Despite the current weakness of the euro, exports are contributing relatively little to growth. Although the German economy with its export bent is set to increase exports by an estimated 4.5 % in spite of weak emerging markets and sanctions on Russia, buoyant imports are preventing foreign trade from making a significant contribution to growth. The crisis in Greece should have only a minor impact on the German economy. The stimulus in Germany is coming from domestic demand, with the country's economy being boosted by private consumption. Consumer spending is expanding on the back of a favourable trend in the labour market and rising real incomes. Investment activity, on the other hand, has so far shown only a moderate increase. Although capital expenditure is benefiting from higher capacity utilisation and low finance costs, falling producer prices and rising unit labour costs are depressing corporate earnings. Residential construction is experiencing an exceptional and increasing level of activity, responding to a combination of considerable pent-up demand and record low mortgage rates. Over 2015 as a whole, gross domestic product (GDP) will probably increase by 1.6 % on an inflation- and seasonally-adjusted basis.

In addition to macroeconomic trends, the other main features of the banking industry environment in the first half of 2015 have been the regulatory challenges faced by banks.

- European banking supervision
  On 4 November 2014, the European Central Bank (ECB) assumed responsibility for the prudential supervision of all banks in the euro zone as part of the Single Supervisory Mechanism (SSM). A total of 120 banking groups in Europe, including 21 banking groups from Germany, are subject to direct supervision by the ECB. Helaba and its subsidiaries Frankfurter Sparkasse and Frankfurter Bankgesellschaft (Deutschland) AG are among the institutions directly supervised by the ECB.

  At the end of 2014, the European Banking Authority (EBA) published guidelines on the supervisory review and evaluation process (SREP) referred to in Article 97 of CRD IV. The assessments centre on internal governance and controls, principal risks, and capital and liquidity resources. This is now joined by an analysis of the business model. The overall outcome of the supervisory review is summarised in an overall SREP score, on the basis of which the competent supervisory authorities can request capital add-ons or additional liquidity buffers, for example.

- Single Resolution Mechanism
  A second cornerstone of European banking union to accompany the Single Supervisory Mechanism is the Single Resolution Mechanism (SRM). The resolution fund is funded by the European bank levy being collected for the first time in 2015. The target volume of the fund to be achieved by 1 January 2024 is approximately € 55 bn. Contributions comprise a basic amount and a risk-adjusted component.

- European deposit guarantee schemes
  On 3 July 2015, the Deposit Guarantee Act (Einlagensicherungsgesetz) entered into force in Germany, transposing a related EU Directive into law. The Sparkassen-Finanzgruppe has adapted its guarantee scheme in accordance with these statutory requirements. Among other things, it will raise the target volume of the guarantee facility to around € 4.9 bn, or 0.8 % of the deposits covered (customer deposits of up to € 100,000 per customer), by 2024. The German Federal Financial Supervisory Authority (BaFin) has recognised the Sparkassen-Finanzgruppe's adapted guarantee scheme as an institutional protection scheme. The aim of the principle of institutional protection is to protect institutions by averting impending or existing financial difficulties. In addition to the institutional protection scheme, depositors are guaranteed compensation under the statutory deposit guarantee scheme. If, in exceptional circumstances, the institutional protection scheme does not pay out, the customer is entitled to claim reimbursement of deposits of up to € 100,000.

Business performance

Business performance in the first half of 2015 was shaped by a very positive trend in operating business. The volume of new medium- and long-term business (excluding development business) in the Group stood at € 9.4 bn (H1 2014: € 7.9 bn), exceeding the pro rata forecast. Although down due to increased competitive pressures, margins on new business were still satisfactory and higher than forecast. The average term of new business increased year on year.

Loans and advances to customers were just over 5 % up on the prior-year figure to around € 96 bn. Business was expanded with corporate and public-sector customers in particular. Added to this were loans and advances to affiliated Sparkassen in the amount of € 8 bn. At 57 %, the degree of interconnectedness with the real economy, i.e. the percentage of total assets accounted for by customer business, held steady at a high level overall (30 June 2014: 57 %).

Driven by one large transaction, the volume of corporate promissory notes (Schuldscheine) issued in the European market grew by 130 % year on year in the first half of 2015. Helaba is a leading provider in this dynamic German corporate promissory note market. Helaba is also an influential player in the market segment covering German cities as well as domestic and foreign public authorities.

Since 2014, the regulatory own funds requirement and the capital ratios have been determined in accordance with the provisions of the CRR. As at 30 June 2015, Helaba reported a Common Equity Tier 1 (CET 1) capital ratio of 12.9 % and a total capital ratio of 17.9 %, well above the regulatory capital requirements specified in the CRR, which have been raised both quantitatively and qualitatively. There is a transitional phase until the end of 2021 for capital instruments that were previously recognised as regulatory Tier 1 capital, but no longer meet the new requirements for Tier 1 capital. At Helaba, this affects silent participations with a nominal amount of € 953 m.

Helaba's leverage ratio as at 30 June 2015 was 3.8 % and therefore exceeded the regulatory requirements.

In the first half of 2015, the market environment for funding operations was very positive overall for eurozone financial institutions. In the first six months of the year, medium- and long-term funding of around € 7.7 bn was obtained on capital markets (H1 2014: € 6.0 bn). Helaba was able to obtain funding inexpensively and without difficulty from institutional and retail investors during the first half of 2015. It benefited here from its strategic business model and from its sound business and earnings performance. Unsecured funding amounted to approximately € 4.1 bn (H1 2014: € 3.0 bn). Due to the low interest rate environment, sales of retail issues placed through the Sparkassen network declined to around € 1.3 bn (H1 2014: € 2.1 bn). Pfandbrief issues amounted to almost € 3.0 bn in total (H1 2014: € 3.0 bn), with public and mortgage Pfandbriefe each accounting for about half. In the first half of 2015, subordinated debt amounting to some € 500 m also helped to strengthen the funding base. The customer deposits in the retail business within the Group, in particular through the subsidiary Frankfurter Sparkasse, bring further diversification to the funding base.

Collaboration with the Sparkassen in the regions of Hesse, Thuringia and North Rhine-Westphalia held steady at a high level in the first half of 2015. The S-Group ratios in Hesse and Thuringia are clearly within the target range. The S-Group ratios in North Rhine-Westphalia were on a positive track, although the target range has not yet been reached in all product areas.

The cost-income ratio as at 30 June 2015 was 58.8 % and therefore within the target range (< 60 %). The return on equity rose to 9.9 % (31 December 2014: 8.3 %).

Financial Position and Financial Performance

Financial performance of the Group

	1.1.–30.6.2015	1.1.–30.6.2014	Change	
	in € m	in € m	in € m	in %
Net interest income	668	657	11	1.7
Provisions for losses on loans and advances	–66	–45	–21	–46.7
Net interest income after provisions for losses on loans and advances	**602**	**612**	**–10**	**–1.6**
Net fee and commission income	163	154	9	5.8
Net trading income	128	94	34	36.2
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied	–18	44	–62	> –100.0
Net income from hedge accounting	–2	5	–7	> –100.0
Net income or expense from financial investments and share of profit or loss of equity-accounted entities	–3	12	–15	> –100.0
Other net operating income	102	36	66	> 100.0
General and administrative expenses	–610	–635	25	3.9
Profit before taxes	**362**	**322**	**40**	**12.4**
Taxes on income	–125	–106	–19	–17.9
Consolidated net profit	**237**	**216**	**21**	**9.7**

Helaba generated profit before taxes of € 362 m in the first half of 2015, a sharp increase on the very strong prior-year figure of € 322 m. The key factors influencing earnings were the consolidation of net interest income and net fee and commission income at the high prior-year level and an increase in net trading income. The positive trend in earnings was helped by a decline in general and administrative expenses. While net operating income and net trading income were well in excess of budget, provisions for losses on loans and advances were well below the budgeted amount. Accordingly, profit before taxes was also higher than forecast. The changes in the individual items in the income statement were as described below.

Net interest income amounted to € 668 m, a slight increase on the previous year (H1 2014: € 657 m). With portfolios relatively stable, it was possible to generate adequate margins from new business despite the historically low level of interest rates. The increase in net interest income was driven by rising income from certificates business and transaction-related income from buoyant new business. This enabled Helaba to offset the low levels of income from investing own funds.

Provisions for losses on loans and advances amounted to € 66 m (H1 2014: € 45 m). Specific loan loss allowances and specific loan loss allowances evaluated on a group basis accounted for a net addition of € 68 m (H1 2014: € 40 m). Portfolio loan loss allowances for exposures that are not at serious risk of default increased by € 3 m (H1 2014: € 8 m). The balance of direct write-downs, net additions to provisions for lending business risks and recoveries on loans and advances previously written off amounted to net income of € 5 m (H1 2014: € 3 m).

Net interest income after provisions for losses on loans and advances declined from € 612 m in the first half of 2014 to € 602 m in the current reporting period.

Net fee and commission income increased by € 9 m to € 163 m. In particular, fees and commissions from Helaba Invest's asset management activities were on an upward trajectory, while those from payment transactions dropped slightly.

Net trading income amounted to € 128 m, an increase on the prior-year period (H1 2014: € 94 m) and well in excess of budget. In the second quarter, a positive economic outlook and higher inflation led to a dramatic correction in the bond markets and a general increase in volatility. These trends benefited the customer-related capital markets business. Helaba Bank was responsible for most of the Group's trading activities.

In the same way as net trading income, the gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied is to a significant extent impacted by mark-to-market valuation. It amounted to a net loss of € 18 m in the reporting period compared with a net gain of € 44 m in the first half of 2014. The decline is due mainly to the net loss of € 21 m attributable to derivative and non-derivative financial instruments held by consolidated special and retail funds, which includes both unrealised remeasurement gains or losses and realised sale proceeds (H1 2014: net gain of € 35 m). The general rise in interest rates in the second quarter had a negative impact here. The net loss on remeasurement of the banking book derivatives used to manage interest rates includes the liquidity component of foreign currencies (cross currency basis spread) in the measurement of derivatives and amounted to € 4 m compared with a net loss of € 5 m in the first half of 2014. Net income from hedge accounting, in which the ineffective portion of micro hedges is reported, amounted to a net expense of € 2 m (H1 2014: net income of € 5 m).

The net expense from financial investments of € 4 m (H1 2014: net income of € 17 m) was impacted by the write-down of a HETA Asset Resolution AG bond by € 37 m. Realised gains and losses on the disposal of available-for-sale securities rose from € 17 m to € 33 m. The share of profit or loss of associates and joint ventures accounted for using the equity method amounted to income of € 1 m (H1 2014: expense of € 5 m).

Other net operating income amounted to € 102 m (H1 2014: € 36 m) and was mainly influenced by one of its components, net income from investment property, which amounted to € 71 m (H1 2014: € 66 m) and is the balance of rental income, gains and losses on disposals, operating costs, depreciation and impairment losses. The sharp increase in other net operating income is due mainly to the absence of one-time items that depressed it in the first half of 2014.

General and administrative expenses comprised personnel expenses of € 308 m (H1 2014: € 299 m), other administrative expenses of € 282 m (H1 2014: € 315 m) and depreciation, amortisation and impairment losses of € 20 m (H1 2014: € 21 m). The increase in personnel expenses is the result of increases in collectively agreed pay scales. The decline in other administrative expenses is due mainly to the absence of expenses for services provided by Portigon AG, which in the first half of 2014 amounted to € 34 m. The full recognition of the predicted bank levy in the amount of € 53 m (H1 2014: € 36 m) and expenses for the Association overhead allocation and contributions to the DSGV Reserve Fund and the SGVHT deposit security reserve fund in the amount of € 28 m (H1 2014: € 24 m) had the opposite effect.

Profit before taxes amounted to € 362 m (H1 2014: € 322 m).

After deduction of the income tax expense of € 125 m (H1 2014: € 106 m), consolidated net profit was € 237 m (H1 2014: € 216 m), of which € 6 m was attributable to non-controlling interests in consolidated subsidiaries (H1 2014: € 7 m).

Comprehensive income increased from € 175 m to € 215 m. This figure includes other comprehensive income in addition to the consolidated net profit for the period as reported in the income statement. Other comprehensive income amounted to a loss of € 22 m (H1 2014: loss of € 41 m). It was negatively impacted by the loss of € 50 m before taxes recognised in other comprehensive income under gains or losses on available-for-sale financial assets (H1 2014: gain of € 116 m). The remeasurement of the net defined benefit liability resulted in a loss of € 9 m before taxes (H1 2014: loss of € 176 m). The average discount rate used to determine pension provisions was 2.3 % (H1 2014: 3.0 %).

Statement of Financial Position

Assets

	30.6.2015	31.12.2014	Change	
	in € m	in € m	in € m	in %
Loans and advances to banks including cash reserve	20,687	21,612	−925	−4.3
Loans and advances to customers	95,729	91,109	4,620	5.1
Allowances for losses on loans and advances	−1,015	−1,007	−8	−0.8
Trading assets	29,000	31,262	−2,262	−7.2
Positive fair values of non-trading derivatives	4,764	5,828	−1,064	−18.3
Financial investments and shares in equity-accounted entities	27,484	26,629	855	3.2
Investment property, property and equipment and intangible assets	2,465	2,493	−28	−1.1
Income tax assets	379	371	8	2.2
Other assets	1,031	1,192	−161	−13.5
Total assets	**180,524**	**179,489**	**1,035**	**0.6**

Equity and liabilities

	30.6.2015	31.12.2014	Change	
	in € m	in € m	in € m	in %
Liabilities due to banks	35,137	35,612	−475	−1.3
Liabilities due to customers	50,269	45,320	4,949	10.9
Securitised liabilities	51,670	48,320	3,350	6.9
Trading liabilities	22,661	29,219	−6,558	−22.4
Negative fair values of non-trading derivatives	4,829	5,351	−522	−9.8
Provisions	2,155	2,152	3	0.1
Income tax liabilities	120	125	−5	−4.0
Other liabilities	707	630	77	12.2
Subordinated capital	5,521	5,410	111	2.1
Equity	7,455	7,350	105	1.4
Total equity and liabilities	**180,524**	**179,489**	**1,035**	**0.6**

Helaba's consolidated total assets rose from € 179.5 bn to € 180.5 bn as at 30 June 2015. Loans and advances to customers increased sharply, rising by € 4.6 bn to € 95.7 bn. Of this amount, commercial real estate loans accounted for € 33.9 bn (31 December 2014: € 32.3 bn) and infrastructure loans for € 15.7 bn (31 December 2014: € 15.1 bn). The € 0.9 bn decline in loans and advances to banks including the cash reserve to € 20.7 bn was due in particular to the reduction in cash collateral pledged. Trading assets recognised at fair value were down by € 2.3 bn compared with year-end to € 29.0 bn. The portfolio of bonds and other fixed-income securities, which represented the lion's share of trading assets, were selectively reduced and amounted to € 14.5 bn at the reporting date (31 December 2014: € 16.0 bn). Loans held for trading and the positive fair values of derivatives each fell by € 0.4 bn. Non-trading derivatives likewise declined by € 1.1 bn, meaning that the positive fair values of all derivatives decreased by € 1.5 bn overall to € 17.2 bn. Financial investments, of which bonds constituted 97.9 %, increased by € 0.9 bn to € 27.4 bn.

A similar picture emerged on the liabilities side. Liabilities due to customers increased by € 4.9 bn to € 50.3 bn, with balances on current accounts growing by € 3.1 bn to € 13.1 bn and overnight and time deposits by € 2.5 bn to € 15.9 bn. Securitised liabilities climbed by € 3.4 bn to € 51.7 bn due in particular to the expanded volume of money market instruments. Conversely, liabilities due to banks declined to the reported amount of € 35.1 bn (31 December 2014: € 35.6 bn). Trading liabilities fell by € 6.6 bn to € 22.7 bn, with liabilities held for trading down by € 3.7 bn, negative fair values of derivatives down by € 2.1 bn and issued money market instruments down by € 0.8 bn. Taking into account the non-trading derivatives, the negative fair values of derivatives declined by a total of € 2.6 bn to € 15.4 bn. This decline is due to a general rise in interest rates in the second quarter of this year.

Subordinated capital rose from € 5.4 bn at the end of 2014 to € 5.5 bn.

Equity

As at 30 June 2015, the Helaba Group's equity amounted to € 7.5 bn (31 December 2014: € 7.4 bn). The increase is mainly attributable to the comprehensive income of € 215 m generated in the first half of 2015. Retained earnings include remeasurement losses on pension obligations. The carrying amount of these cumulative losses after deferred taxes was € 473 m (31 December 2014: losses of € 466 m). The revaluation reserve recognised directly in equity decreased by € 26 m to € 223 m after deferred taxes. This decrease in the revaluation reserve was driven most notably by remeasurement losses due to the general rise in interest rates in the second quarter. Exchange rate factors resulted in an increase in the currency translation reserve to € 22 m. A sum of € 110 m was distributed to the owners from consolidated net profit for 2014 based on their shareholdings and capital contributions.

Please refer to the risk report and Note (43) in the Notes for information on the regulatory capital ratios.

Financial performance by segment

In line with management reporting, the segment information is based on internal management (contribution margin accounting) and also on external financial reporting. The Helaba Group redefined its operating segments at reporting date 31 December 2014. The prior-year figures were restated accordingly.

The contributions of the individual segments to the profit before taxes of € 362 m for the first half of 2015 (H1 2014: € 322 m) were as follows:

in € m

	1.1.–30.6.2015	1.1.–30.6.2014
Real Estate	227	167
Corporate Finance	69	91
Financial Markets	44	86
S-Group Business, Private Customers and SME Business	85	65
Public Development and Infrastructure Business	11	9
Other	–117	–165
Consolidation / reconciliation	43	69
Group	**362**	**322**

Real Estate segment

The Real Estate Lending and Real Estate Management business lines are reported in the Real Estate segment. The equity investments operating in the real estate sector (the OFB Group and the GWH Group) are included in this segment.

The Real Estate Lending business line made the largest contribution to earnings in the Real Estate segment. In the first half of 2015, the volume of new medium- and long-term business closed in real estate lending increased by 19 % year on year to € 5.2 bn (H1 2014: € 4.4 bn) and therefore exceeded the pro rata forecast by some way. While margins on new business declined, net interest income in the segment climbed by 6 % to € 205 m (H1 2014: € 193 m) due to the increase in the portfolio.

At € 10 m, provisions for losses on loans and advances were well below the prior-year figure and below budget. The contributing factors in the first half of the year included reversals of specific loan loss allowances and the small amount of new additions.

The gain of € 8 m on non-trading derivatives and financial instruments to which the fair value option is applied arose primarily as a result of the real estate subsidiaries' interest rate hedging arrangements (H1 2014: loss of € 2 m).

Net income from equity investments in the real estate sector included within other net operating income improved slightly year on year and was as forecast. While, in 2014, this item included charges arising from entities required to be consolidated in accordance with IFRS 10, income in the first half of 2015 was positively impacted by the deconsolidation of real estate companies. Other net operating income was € 39 m higher year on year, resulting in an overall rise above expectations to € 124 m (H1 2014: € 85 m).

General and administrative expenses in the segment increased by € 19 m compared with the prior-year period to € 113 m (H1 2014: € 94 m). Of the total increase, € 11 m was attributable to a change to the cost allocation method involving a higher allocation year on year. This reduced the costs charged to the Other segment.

The segment's profit before taxes increased by 36 % compared with the prior-year period to € 227 m (H1 2014: € 167 m). The increase exceeded expectations significantly due mainly to the low level of provisions for losses on loans and advances.

Corporate Finance segment

The Corporate Finance segment comprises the earnings of the Corporate Finance business line, the share of profit or loss of the equity-accounted HANNOVER LEASING Group and consolidated equity investments.

The volume of new medium- and long-term business in the Corporate Finance business line was significantly higher year on year at € 2.2 bn (H1 2014: € 1.5 bn). The new business includes a large volume of refinancing arrangements, as a result of which the portfolio volume and therefore the interest terms contribution remained unchanged year on year. As new business was buoyant, income within interest and within fees and commissions rose sharply year on year.

Net interest income increased by a total of 10 % compared with the prior-year period to € 183 m (H1 2014: € 167 m).

Provisions for losses on loans and advances amounted to € 63 m, a significant increase on the low prior-year figure (H1 2014: € 20 m). This is mainly the result of the additions to allowances in the shipping portfolio recognised in the first half of the year.

General and administrative expenses in the segment increased by € 10 m compared with the prior-year period to € 61 m (H1 2014: € 51 m), mainly as a result of a change to the cost allocation method involving a higher allocation year on year.

The segment's profit before taxes was down significantly on the prior-year figure to € 69 m (H1 2014: € 91 m).

Financial Markets segment

The Financial Markets segment brings together the earnings of the Capital Markets, Asset / Liability Management, Sales Public Authorities, and Financial Institutions and Public Finance business lines. Since the end of 2014, the segment has also included the earnings from the business involving asset management for institutional investors operated by Helaba Invest Kapitalanlagegesellschaft mbH. The prior-year figures were restated accordingly.

The segment's net interest income resulted primarily from lending business with domestic and foreign local and regional authorities and money market trading with customers. In the first half of 2015, the volume of new medium- and long-term business closed with domestic and foreign local and regional authorities declined slightly year on year, by € 0.1 bn to € 0.6 bn. The segment's net interest income was down on the prior-year figure to € 26 m due to lower loan portfolios and lower margins on money market trading (H1 2014: € 32 m).

In asset management and business with foreign financial institutions, fees and commissions increased year on year. In capital markets business, earnings were slightly below budget due to fee and commission expenses for securities lending.

While net trading income in the first quarter was depressed by discounts due to remeasurement and the introduction of a model reserve, income as at 30 June 2015 was both above budget and up on the prior-year period at € 121 m (H1 2014: € 84 m).

The gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied deteriorated by € 43 m to a loss of € 19 m. Net income from hedge accounting amounted to an expense of € 2 m in the first half of 2015 (H1 2014: income of € 5 m).

General and administrative expenses in the segment increased by € 8 m compared with the prior-year period to € 111 m (H1 2014: € 103 m), mainly as a result of a change to the cost allocation method involving a higher allocation year on year.

Profit before taxes in the segment was down significantly on the prior-year figure to € 44 m (H1 2014: € 86 m).

S-Group Business, Private Customers and SME Business

Since the end of 2014, this segment has included the earnings of Frankfurter Sparkasse, S-Group Bank, Landesbausparkasse Hessen-Thüringen (LBS) and the Frankfurter Bankgesellschaft Group (FBG). The prior-year figures were restated accordingly.

Income before the S-Group Bank's provisions for losses on loans and advances increased as forecast by € 18 m to € 71 m (H1 2014: € 53 m) due in particular to higher interest income from the certificates business. The S-Group Bank's general and administrative expenses declined slightly, as a result of which S-Group Bank earnings in the segment improved significantly year on year.

In Frankfurter Sparkasse's business, the low level of interest rates was reflected in a year-on-year decline in net interest income and in lower net income from special funds and from financial investments. In the case of net fee and commission income and other operating income, the prior-year figures were exceeded. With general and administrative expenses having fallen slightly, Frankfurter Sparkasse's profit before taxes in the segment was down slightly on the prior-year figure to € 60 m (H1 2014: € 68 m).

In the reporting period, LBS generated gross new business just short of the prior-year level and contributed € 4 m (H1 2014: € 5 m) to segment earnings. In the first half of 2015, Frankfurter Bankgesellschaft managed to increase customer volumes under management and its contribution to earnings in the segment year on year.

Profit before taxes in the S-Group Business, Private Customers and SME Business segment was up significantly on the prior-year figure to € 85 m (H1 2014: € 65 m).

Public Development and Infrastructure Business segment
The Public Development and Infrastructure Business segment mainly comprises the business of WIBank.

The first half of 2015 saw the expansion of development activities related to infrastructure, the economy and housing. As part of its administrative activities related to the Municipal Protection Shield, which aims to safeguard the long-term efficiency of regional and local authorities in the State of Hesse, WIBank has now paid out a total of € 2.4 bn to municipal authorities in Hesse.

As forecast, net interest income rose by € 1 m compared with the figure for the first half of 2014 (€ 24 m) to € 25 m due to the expansion of development activities related to infrastructure, the economy and housing. Net fee and commission was up slightly on the prior-year figure to € 18 m.

General and administrative expenses for the first half of 2015 were unchanged at € 32 m.

Profit before taxes in the segment was up slightly on the prior-year figure to € 11 m (H1 2014: € 9 m).

Other segment
The Other segment contains the contributions to income and expenses that cannot be attributed to the operating segments. In particular, this segment includes the net income from the transaction banking business as well as the costs of the central units that cannot be allocated to the individual segments in line with the user-pays principle.

Specifically included are the Cash Management, Settlement and Custody Services business lines, the corporate centres and the net income or expense from own fund investing activities.

The segment's net interest income, a negative amount of € 13 m (H1 2014: € 9 m), and the gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied were mainly influenced by own fund investing activities and the centrally recognised costs of capital. The contribution to interest from own fund investing activities declined by around € 22 year on year.

Net fee and commission income of € 14 m (H1 2014: € 16 m) was largely generated by the Cash Management and Settlement / Custody Services business lines.

In contrast to the previous year, other net operating income for the first half of 2015 did not include any significant charges resulting from the recognition of provisions.

General and administrative expenses in the Other segment fell sharply year on year to € 118 m in the first half of 2015 (H1 2014: € 191 m). This was partly due to the absence of the flat-rate servicing fees of € 34 m payable to Portigon AG. In addition, in 2015 a new cost allocation method was introduced, increasing the cost allocations to the segments and thus reducing the costs charged to the Other segment. General and administrative expenses include the bank levy in the amount of € 50 m (H1 2014: € 36 m).

The segment's loss before taxes amounted to € 117 m (H1 2014: loss of € 165 m).

Consolidation / reconciliation
Effects arising from consolidation and intragroup adjustments between the segments are reported under consolidation / reconciliation. Effects that arise from the reconciliation between the segment figures and the consolidated income statement, in particular in relation to net interest income, are also reported under consolidation / reconciliation. Since the contribution margin statement shows net interest income on the basis of the market interest rate method, differences also result in the case of non-recurring income and net interest income attributable to other periods.

The segment's profit before taxes amounted to € 43 m (H1 2014: € 69 m).

Report on Events After the Reporting Date

There were no significant events after 30 June 2015.

Risk Report

The Board of Managing Directors is responsible for all of the risks to which Helaba is exposed and for defining a risk strategy consistent with the business strategy. Drafted in accordance with the requirements imposed by the law, the Charter and the banking regulatory authorities, the risk strategy lays down the principal elements of the approach adopted to deal with risk, the objectives of risk containment and the measures employed to achieve these objectives at Helaba and at the Group companies included in Group-wide risk management. Once adopted, the risk strategy is presented to and discussed with the Supervisory Board and the Board of Public Owners.

The Helaba Group derives its risk strategy from its business strategy, which forms an integral part of the business and risk strategy of the Sparkassen-Finanzgruppe Hessen-Thüringen.

The risk strategy concentrates on the assumption of risk in order to achieve a commensurate profit, taking into account the economic situation and regulatory capital position and the need to ensure liquidity and maintain a conservative risk profile. The risk management system accordingly plays a central role in the management of the company.

Risk Types

The risk types of relevance to Helaba result directly from its business activities. The structured risk inventory process, which is implemented at regular intervals and, where necessary, in response to relevant developments, examines which risks have the potential to cause material damage to the assets (including capital resources), results of operations or liquidity position of the Helaba Group and Helaba Bank. The following primary risk types have been identified for the Helaba Group and Helaba Bank (real estate risk excepted):

- default risk,
- market price risk,
- liquidity risk,
- operational risk,
- business risk and
- real estate risk.

Risk-Bearing Capacity

Helaba uses its established procedures for measuring and containing risks to ensure that all primary risks within the Helaba Group are always covered by risk cover pools and that its risk-bearing capacity is thus assured.

The calculation of risk-bearing capacity across risk types takes into account risk exposures in relation to default risks, market price risks, operational risks, business risks and real estate risks. Risk exposures are quantified along with the regulatory expected loss (EL) and regulatory capital requirement as part of an economic assessment using the regulatory measurement specifications. A capital deduction from the regulatory EL / impairment comparison is taken into account when quantifying regulatory own funds.

Two other parameters are also reported in addition to the risk-bearing capacity based on cover pools: the result of the regulatory interest rate shock, which applies to market price risks, and the liquidity horizon for liquidity risks.

Risk-bearing capacity is presented on the basis of a time frame of one year and both risk exposures and risk cover pools are designed and quantified for this period.

The scenarios applied comprise a base scenario, which maps the risk-bearing capacity as at the reporting date, plus historical and hypothetical stress scenarios whose implications for the risk-bearing capacity are investigated on a regular basis. These scenarios include a macroeconomic stress scenario and a scenario simulating extreme market dislocation on the basis of observed market behaviour during a global financial crisis. Inverse stress tests are also conducted.

Helaba's Group calculation of risk-bearing capacity maps two distinct situations reflecting the regulatory requirements stipulating a going-concern approach and a gone-concern approach.

The going-concern approach aims to verify that the minimum capital requirements specified by the regulator can be satisfied even if expected and unexpected losses are incurred. Risk exposures are quantified with a 95.0 % confidence level for this purpose. The calculation of risk-bearing capacity under the gone-concern approach is intended to demonstrate that the Helaba Group's capital is sufficient to satisfy all creditors in full even in the event of exceptional and heavy losses being incurred (expected and unexpected losses at a confidence level of 99.9 %).

The going-concern approach involves comparing the total economic risk exposures according to the calculation of risk-bearing capacity for the Group against a sustainable result before risks and total own funds not committed for regulatory purposes (minus an internally defined risk buffer, depending on the scenario). The going-concern approach also regularly quantifies the implications of the stress scenarios for the regulatory capital requirement and regulatory own funds in order to analyse the impact on the regulatory capital ratios.

Helaba applies particular weight to the going-concern approach, which looks at effects on the regulatory capital ratios, in its capital allocation decisions and allocates regulatory capital to divisions and Group units on the basis of the associated anticipated changes in capital ratios. This ensures consistency between capital allocation assuming full utilisation of the limits and the result thus produced in the calculation of risk-bearing capacity. In addition, the economic risk exposures are limited to ensure that, if the allocated regulatory capital is utilised at the same time as the economic risk exposures, the capital does not fall below the internally specified minimum capital requirements even if economic risks materialise.

The gone-concern approach draws on an economic cover pool to cover the internal capital requirement. This pool takes into account the cumulative consolidated net income at the reporting date, the equity and the subordinated capital under IFRSs. Cover pool components are also adjusted in accordance with economic criteria. The gone-concern approach does not treat silent reserves as a cover pool component.

The risk-bearing capacity assessment for the Group, which covers all risk types, reveals that the existing risk cover pools once again exceeded the quantified risk exposures by a substantial margin at the end of the second quarter of 2015, underlining Helaba's consistently conservative approach to risk. The same applies in respect of the calculation of risk-bearing capacity for Helaba Bank.

The base scenario of the going-concern approach for the Group shows a capital buffer of € 2.7 bn (31 December 2014: € 3.3 bn) with respect to the economic risk exposures taking account of an internal risk buffer. The capital buffer with respect to the economic risk exposures under the gone-concern approach for the Group amounts to € 6.1 bn (31 December 2014: € 6.1 bn).

The capital ratios achieved under the simulated stress scenarios exceed the regulatory minimum requirements by a significant margin.

Helaba additionally conducts two inverse stress tests to investigate what nature of event could jeopardise its continued existence. The associated scenarios, "minimum capital requirements not met" and "illiquid", examine the implications of a variety of economic developments that could result in Helaba being unable to meet the minimum capital requirements specified by the regulator or using up all of its liquidity reserves. There is currently no indication of these scenarios becoming a reality.

Other deposit security mechanisms

There are other deposit security mechanisms in addition to the risk cover pool. Helaba is a member of the Reserve Fund of the Landesbanken and Girozentralen and is thus included in the Sparkassen-Finanzgruppe's nationwide Joint Liability Scheme, which safeguards the affiliated institutions themselves and their liquidity and solvency. The scheme adapted in line with the requirements of the Deposit Guarantee Act with effect from 3 July 2015 has been recognised by the German Federal Financial Supervisory Authority (BaFin) as an institutional protection scheme.

The most notable features of this protection scheme are the way that it safeguards the viability of the affiliated institutions while averting imminent or existing financial difficulties, its risk monitoring system for the early detection of exceptional risk positions and the calculation of the amounts to be paid into the deposit security facility by the various institutions based on risk parameters defined by the supervisory authorities. The legally dependent Landesbausparkasse Hessen-Thüringen, subsidiary Frankfurter Sparkasse and Frankfurter Bankgesellschaft (Deutschland) AG, which is a subsidiary of Frankfurter Bankgesellschaft (Schweiz) AG, are also directly integrated into this deposit security system.

Helaba and Frankfurter Sparkasse are also affiliated to the Reserve Fund of the Sparkassen- und Giroverband Hessen-Thüringen under the terms of their Charters. The reserve fund provides further protection in the event of a default in addition to the nationwide Joint Liability Scheme and provides creditors of the affiliated institutions (Helaba, Sparkassen) with a direct and uncapped entitlement. The total volume of the fund is equal to 0.5 % of the affiliated institutions' weighted regulatory risk assets in accordance with the German Solvency Regulation (Solvabilitätsverordnung – SolvV) and amounted to € 508 m in total at the end of 2014. The Sparkassen- und Giroverband Hessen-Thüringen has undertaken to make up the shortfall between the amount actually paid in and the full amount should the fund be required before such time as the full amount has been contributed.

Rheinischer Sparkassen- und Giroverband (RSGV) and Sparkassenverband Westfalen-Lippe (SVWL) have each also unilaterally set up an additional regional reserve fund for Helaba.

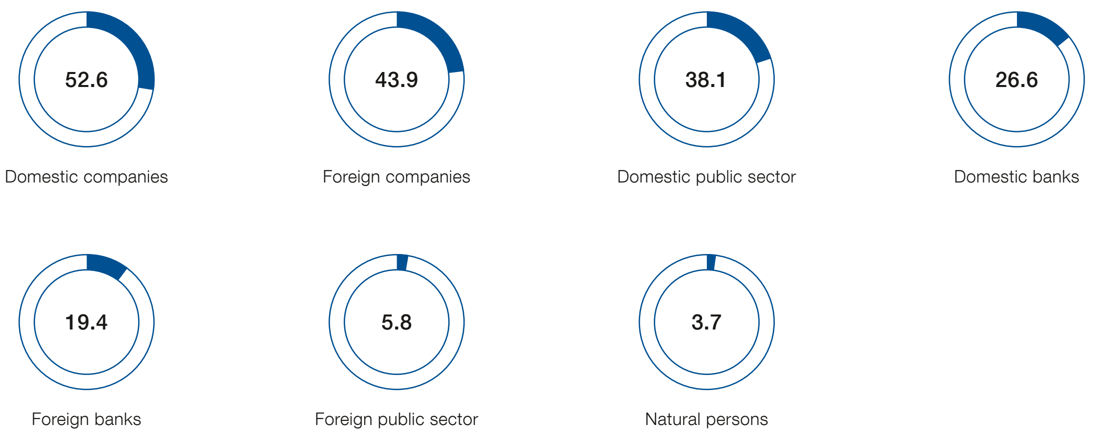
Development institution WIBank, which is organised as a dependent institution within Landesbank Hessen-Thüringen, enjoys the direct statutory guarantee of the State of Hesse as regulated by law and as permitted under EU law on state aid.

Default Risks

Chart 1 shows the total volume of lending as at 30 June 2015 comprising drawings and unutilised committed credit lines of the narrow Group companies (Helaba Bank plus subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG and Helaba Asset Services) totalling € 190.1 bn (31 December 2014: € 187.2 bn), broken down by customer group.

Total volume of lending by customer group (narrow Group companies)
(Chart 1)

in € bn



In line with the business model, the focus of Helaba's lending activities as at 30 June 2015 remained unchanged, centring on the banking sector, the public sector and the real estate and housing sector.

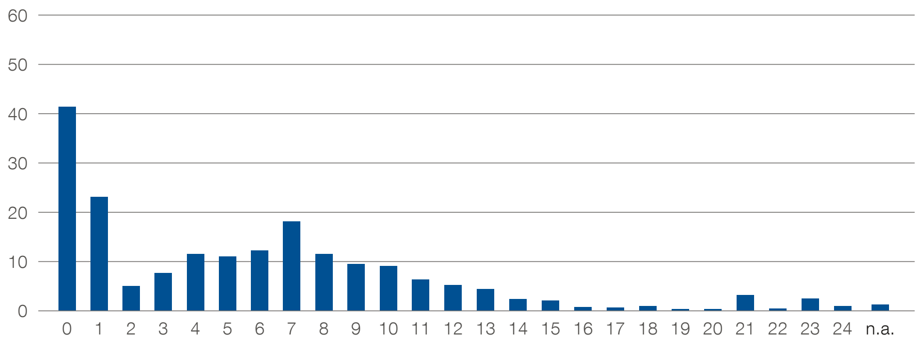
Creditworthiness / risk appraisal

The Bank employs 14 rating systems developed together with the German Savings Banks Association (Deutscher Sparkassen- und Giroverband – DSGV) or other Landesbanken and three rating systems developed internally. Based on statistical models, these systems classify loan exposures, irrespective of the customer or object group, by the fixed probability of default (PD) using a 25-point cardinal default rating scale.

In the narrow Group companies (Helaba Bank with the subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG and Helaba Asset Services), the breakdown of the total lending volume of € 190.1 bn (31 December 2014: € 187.2 bn) by default rating category is as shown in chart 2.

Total volume of lending by default rating category (narrow Group companies)
(Chart 2)

in € bn



The base scenario of the risk-bearing capacity calculation shows an economic risk exposure of € 858 m (31 December 2014: € 750 m) for the Group from default risks. The increase in the first half of 2015 is mainly attributable to the reclassification of specialised lending exposures in securitisation transactions assigned to tranches as well as to the change in the USD exchange rate and the expansion of business.

Allowance for losses on loans and advances
An appropriate allowance for losses on loans and advances is created for default risks. The adequacy of the allowance is reviewed regularly and adjustments are made where necessary.

Country risks
The transfer, conversion and event risks from Helaba loans issued by the narrow Group companies to borrowers based outside Germany amounted to € 45.6 bn (31 December 2014: € 43.1 bn), most of which was accounted for by borrowers in Europe (82.3 %) and North America (14.9 %). As at 30 June 2015, 91.8 % (31 December 2014: 91.0 %) of these risks were assigned to country rating classes 0 and 1 and a further 7.2 % (31 December 2014: 8.0 %) came from rating categories 2 – 9. Just 0.2 % (31 December 2014: 0.2 %) fell into rating class 14 or worse.

Exposure in selected countries
Helaba's net exposure to borrowers in Russia across the narrow Group companies amounted to € 0.2 bn as at 30 June 2015 (31 December 2014: € 0.2 bn). As was the case at 31 December 2014, there was no net exposure to Ukraine.

Equity risks
The composition of the equity investments portfolio is virtually unchanged from year-end 2014. The base scenario of the going-concern approach for the risk-bearing capacity calculation shows an economic risk exposure of € 9 m for the Group from equity risks, a lower level than at the end of 2014 (31 December 2014: € 11 m).

Market Price Risks

Quantification of market price risks
Market price risks are quantified using a money-at-risk approach backed up by stress tests, the measurement of residual risks, sensitivity analyses for credit spread risks and the assessment of incremental risks for the trading book. The money-at-risk (MaR) figure corresponds to what is deemed, with a certain confidence level, to be the upper threshold of the potential loss of a portfolio or position due to market fluctuations within a prescribed holding period.

The risk measurement systems employed at Helaba for each of the various types of market price risk (interest rates, share prices and foreign exchange rates) all use the same statistical parameters in order to facilitate comparisons across the different risk types. This also makes it possible to aggregate the risk types into an overall risk. The overall risk assumes that the various different losses occur simultaneously. The MaR figure calculated using the risk models provides a measure of the maximum loss that will not be exceeded, with a probability of 99.0 %, on the basis of the underlying historical observation period of one year and a holding period for the position of ten trading days.

Chart 3 contains a reporting date assessment of the market price risks (including correlation effects between the portfolios) taken on as at 30 June 2015 plus a breakdown by trading book and banking book. The linear interest rate risk is the most significant of the market price risk types. Rating-dependent government, financials and corporate yield curves are also used alongside swap and Pfandbrief curves for measurement purposes. Euro positions account for 77 % (31 December 2014: 70 %) of the linear interest rate risk for the overall portfolio of the narrow Group companies, US dollar positions for 11 % (31 December 2014: 22 %). In equities trading, the focus is on securities listed on the DAX and DJ Euro Stoxx 50. The main foreign currency risks are attributable to US dollar, Swiss franc, Japanese yen and sterling positions. Residual risk, an indicator introduced in 2013, amounted to € 17 m for the Group (31 December 2014: € 23 m). The incremental risk in the trading book amounted, with a time horizon of one year and a confidence level of 99.9 %, to € 163 m (31 December 2014: € 192 m). The base scenario of the going-concern approach for the risk-bearing capacity calculation shows an economic risk exposure of € 333 m (31 December 2014: € 273 m) for the Group from market price risks.

Group MaR by risk type
(Chart 3)

in € m

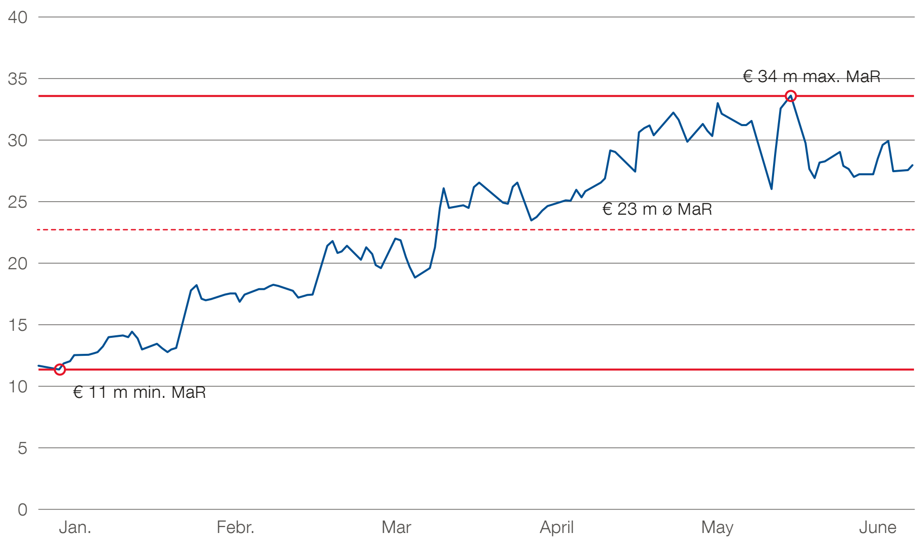
	Total risk		Interest rate risk		Currency risk		Equities risk	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Trading book	28	11	26	10	0	0	1	1
Banking book	48	36	37	22	2	1	9	13
Total	**70**	**45**	**59**	**30**	**2**	**1**	**10**	**14**

All risk measurement systems are based on a modified variance-covariance approach or a Monte Carlo simulation. The latter is used in particular for mapping complex products and options. Non-linear risks in the currency field, which are of minor significance at Helaba, are monitored using sensitivity analyses.

Market price risks in the trading book

All market price risks are calculated daily on the basis of the end-of-day position of the previous trading day and the current market parameters. Helaba also uses the parameters prescribed by the regulatory authorities for internal risk management. Chart 4 shows the MaR for the trading book (Helaba Bank) for the first half of 2015. In the first half of 2015, the average MaR was € 23 m (2014 as a whole: € 18 m), the maximum MaR was € 34 m (2014 as a whole: € 32 m) and the minimum MaR was € 11 m (2014 as a whole: € 11 m). The increase in risk compared with 2014 is largely attributable to increased interest rate volatility in the first half of 2015.

Daily MaR of the trading book in the first half of 2015
(Chart 4)



Market price risks in the banking book
Helaba employs the MaR approach used for the trading book to map the market price risks in the banking book. The risk figures calculated using this approach are supplemented with maturity gap analyses calculated daily, from which the maturity structure of the positions taken out can be ascertained. Regular stress tests with holding periods of between ten days and twelve months back up daily risk measurement for the banking book.

The quantification of interest rate risks in the banking book is also subject to regulatory requirements, which stipulate a risk computation based on standardised interest shocks. The computation examines the effects of a rise and fall of 200 basis points in interest rates in line with the requirements of the banking regulator. As at 30 June 2015, such an interest rate shock would, in the unfavourable scenario, result in a negative change in value of € 234 m in the Helaba Group banking book (31 December 2014: € 234 m). Of this figure, € 222 m (31 December 2014: € 215 m) is attributable to local currency and € 12 m (31 December 2014: € 19 m) to foreign currencies. Helaba carries out an interest rate shock test at least once every quarter.

Performance measurement
The Bank carries out risk-return comparisons at regular intervals in order to assess the performance of individual organisational units. These comparisons calculate the ratio of the performance achieved to the average MaR. Other aspects, including qualitative factors, are also included in the assessment in acknowledgement of the fact that the short-term generation of profits is not the sole objective of the trading offices.

Liquidity Risks
Ensuring liquidity so as to safeguard its short-term solvency and avoid cost risks in procuring medium- / long-term funding is a top priority at Helaba, which accordingly employs a comprehensive set of constantly evolving tools to record, contain and monitor liquidity risks. The processes, tools and responsibilities in place for managing liquidity risks have clearly demonstrated their value over recent years in the face of the global crisis in the financial markets and the resultant turmoil in the money and capital markets. Helaba's liquidity was once again fully assured at all times in the first half of 2015.

The Helaba Group operates a local containment and monitoring policy for liquidity risks under which each company has responsibility for ensuring its own solvency and carrying out independent monitoring. The corresponding conditions are agreed with Helaba. The subsidiaries falling within the narrow Group companies report their liquidity risks regularly to Helaba as part of Group-wide risk management using methods based on Helaba's own.

Helaba has been authorised by BaFin to use its own liquidity risk measurement and management procedure in accordance with Section 10 of the German Regulation on the Liquidity of Institutions (Liquiditätsverordnung – LiqV). This enables it to use its own method for establishing its short-term liquidity status for regulatory reporting rather than the monthly notification required under the LiqV standard method. Helaba complied with the liquidity requirements imposed by the banking regulator in full at all times in the first half of 2015. Together with the parallel calculation and management of the liquidity coverage ratio (LCR), the model provides an important basis for the supervisory ILAAP assessment process.

Loan and liquidity commitments not included in the statement of financial position, which are maintained in a central database, are reviewed regularly with regard to their drawing potential and features of relevance to liquidity and are integrated into liquidity management. Guarantees and warranties are similarly reviewed. Liquidity costs are calculated and allocated to the relevant business lines as a function of the internal risk classification. Helaba determines and plans the liquidity to be held available using a scenario calculation that includes a market disturbance. Back-testing investigations have shown that the liquidity maintained has exceeded the liquidity actually drawn at all times during the recent years of the financial market crisis.

The Board of Managing Directors defines the risk tolerance for liquidity risk at least annually. This covers the limit applicable for short-term and structural liquidity risk, liquidity building for off-balance sheet liquidity risks and the definition of the corresponding models and assumptions. A comprehensive plan of action in the event of any liquidity shortage is maintained for all locations.

Operational Risks

Principles of risk containment
In line with capital regulations, Helaba defines operational risk as “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”. This definition includes legal risks. Strategic and reputation risks are not included under operational risk. Helaba identifies, measures and contains operational risks using an integrated management approach introduced for this purpose in accordance with the regulatory requirements.

Quantification
Operational risks are quantified for Helaba, Frankfurter Sparkasse and Helaba Invest using an internal model based on a loss distribution approach, which looks to internal and external losses as well as risk scenarios to calculate value at risk. Chart 5 below shows the risk profile for Helaba, Frankfurter Sparkasse, Helaba Invest and the other Helaba Group companies in the first half of 2015:

Operational risks – risk profile
(Chart 5)

in € m

Operational risks
Economic risk exposure – base scenario (VaR 95 %)

	30.6.2015	31.12.2014
Helaba Bank	39	35
Other subsidiaries	68	62
Narrow Group companies	**107**	**97**

The base scenario of the going-concern approach for the risk-bearing capacity calculation shows an unexpected loss (economic risk exposure) of € 107 m (31 December 2014: € 97 m) for the Group from operational risks. The slight increase is the result of changes on the loss side.

Business Risks

Business risk is the potential economic loss attributable to possible changes in customer behaviour, in competitive conditions in the market or in general economic conditions. Damage to Helaba’s reputation could also trigger a change in customer behaviour.

Reputation risk involves the possibility of a deterioration in Helaba’s public reputation in respect of its competence, integrity and trustworthiness as a result of perceptions of the individuals having a business or other relationship with the Bank. The material consequences of reputation risks impact on the business and liquidity risk and are accordingly considered under these two risk types. The necessary capital requirements for the calculation of risk-bearing capacity are maintained via the business risk. Short-term liquidity risk takes into account any liquidity squeezes resulting from a loss of reputation.

Operational and strategic risk containment is the responsibility of the Bank's front office units and the management of the respective equity investments. The Risk Controlling unit analyses trends in business risks and is responsible for quarterly risk reporting to the Risk Committee of the Board of Managing Directors.

Business risks increased by € 6.8 m compared with year-end to € 163.0 m as at 30 June 2015 due to the first-time inclusion of GWH and Frankfurter Bankgesellschaft, which took place as of 31 March 2015 (31 December 2014: € 156.2 m).

Real Estate Risks

Real estate risks comprise the real estate portfolio risk – the potential economic loss from fluctuations in the value of an entity's own real estate – and the real estate project management risk associated with project development business. Risks associated with the provision of equity and loan capital for a project are excluded from this risk type, as are risks associated with real estate finance.

Risks from fluctuations in market values currently arise in particular for the portfolio properties of the GWH Group (GWH Wohnungsgesellschaft mbH Hessen) and properties owned by Helaba. Risks in project development business, which are associated with deadline, quality, cost and marketing factors, arise in particular in the operationally independent subsidiaries of the OFB Group (OFB Projektentwicklung GmbH) and the GWH Group (in its real estate development business) and also in real estate developments held by Helaba directly or indirectly through project companies.

Due to the performance of individual projects, risks from real estate projects and real estate portfolios increased to € 44 m in the first half of 2015 (31 December 2014: € 31 m). These risks continue to be fully covered by the expected income from this business.

Outlook and Opportunities

Global Economic Conditions

The global economy is on a bumpy growth trajectory. In key emerging markets such as China, Russia and Brazil, economic growth remains weak. The US economy continues to expand, but as in the previous year, it was temporarily held in check at the beginning of 2015 by the harsh winter and other one-time factors. It is being boosted by an easing in the financial policy headwind, a sharp uptrend in the labour market, a continuation of the expansionary monetary policy and a banking and financial system restored to health. Given the dip during the winter, however, the US economy is only likely to achieve average growth of around 2.5 % in 2015, slightly above its medium-term trend. Unemployment continues to fall markedly. The recovery in the euro zone marches on, gaining ground regionally. Growth is likely to be around 1.5 % in 2015. The pace of expansion in previously crisis-hit Spain is particularly strong. The outlook has also brightened significantly in France and Italy due to the sharp fall in the oil price and a weak euro. Monetary policy remains extremely expansionary, making it easier to finance investment, and fiscal policy is not exerting any drags. Unemployment in the euro zone is falling only slowly, however. While the ECB is holding key interest rates at record lows and continuing its bond-buying programme, the US Federal Reserve is set to change course in the third quarter of 2015. Starting from almost zero, the prime rate in the United States will gradually rise over the coming years without severely hampering the economy. Global economic growth in 2016 is likely to be around 3 %, not much higher than in the previous year.

Opportunities

Helaba has long had a stable and viable strategic business model in place. The factors behind Helaba's success remain its conservative risk profile, backed up by effective risk management, and the strategic business model for the Group as a whole based on the concept of a full-service bank with its own retail operations, public development and infrastructure business, a strong base in the region, a very close relationship with the Sparkassen and robust capital and liquidity backing. Helaba is valued by its customers as a reliable partner because of its sound business model. This is reflected particularly in the long-term financing operations of the Real Estate Lending and Corporate Finance business lines, in which the Bank is one of the leading providers in Germany.

In lending business, Helaba will both expand the range of products and services it offers customers and investors and fine-tune the management of its own assets and liabilities by bolstering its syndication teams. Syndication arrangements also allow Sparkassen to participate in lending transactions set up by Helaba experts and thus diversify their risk.

Helaba serves as the S-Group and Sparkasse central bank for almost 170 Sparkassen across Hesse, Thuringia, North Rhine-Westphalia and Brandenburg, making it a leading S-Group bank in the German Sparkassen organisation. Given that Helaba is 88 % owned by the Sparkassen organisation, it is also the Landesbank with the strongest roots in the German Sparkassen organisation in terms of ownership. In accordance with the principle of sharing the marketing tasks in the S-Group, Helaba acts as a partner and not as a competitor to the Sparkassen. This opens up additional market opportunities for Helaba, primarily in the regions in which other Landesbanken compete with the Sparkassen, especially for SME business. Helaba's position as a leading S-Group bank also generates positive synergies for other business lines.

One example is Helaba's repositioning in international trade finance. In this field of activity, Helaba offers its target customers – the Sparkassen and their customers, together with banks abroad – competitive international trade finance solutions tailored to requirements. In May 2015, the Bank opened a representative office in Singapore so as to provide a better level of service to customers in Asia. It is also underpinning the expansion of its business activities and enhancement of its market position by entering into collaboration agreements.

In payment transactions, Helaba is the second largest payments clearing house in Germany and a leading Landesbank in this sector. The resulting opportunities, particularly in clearing and card processing business, will be systematically exploited, leading to a further increase in fee and commission income from payment transactions. The structural shift to digital is leading to an ongoing change in customer behaviour and impacting on trading and payment methods in e-commerce and m-commerce. To protect its anchor product – the current account – and fend off competitors from outside the industry, the banking sector is currently developing a joint standard payment system that will safeguard as wide a range of buyers and merchants as possible. Helaba is playing a leading role within the Sparkassen-Finanzgruppe in developing and marketing the payment system and will also position itself appropriately in this important growth segment by acquiring shares in the new company.

Following the introduction of the Banking Restructuring and Resolution Directive (BRRD), the rating agencies reviewed the ratings of European banks. Assumptions regarding government support may no longer be taken into account, raising the banks' ratings. Helaba, which is assessed by Fitch Ratings (Fitch) and Standard & Poor's (S&P) as part of an S-Group rating, was not affected by these rating actions. The S-Group ratings assigned by Fitch (A+ / F1+) and S&P (A/A–1) are based on the financial strength of the S-Group, do not take into account any assumptions regarding support and have a stable outlook. In some cases, the ratings of other banks were revised sharply down in the course of the review. This sometimes led to the short-term rating being downgraded, as a result of which these banks are no longer available for certain lines of business (e.g. hedging transactions). Moody's Investors Service (Moody's) also fundamentally revised its rating method and now looks to a greater extent to the structure of the liabilities side. In adapting the ratings in line with the new method, the rating for Helaba's long-term unsecured liabilities was raised a notch to "A1" with a stable outlook. Helaba's deposits rating is also "A1" with a positive outlook. In the course of the rating action, Moody's likewise raised the ratings of Main Capital Funding silent participations placed in the capital market by one notch to "Ba1". Overall, Helaba's relative position in the rating table ranking German banks improved significantly as a result of the latest rating action, thereby opening up further business potential.

Helaba finds itself well placed to meet the challenges of the future over the long term with its established strategic business model and sees additional development opportunities in the expansion of regional private customer and SME business at Frankfurter Sparkasse, S-Group business, public development and infrastructure business, and in the closure of gaps in its client base and product range (at both domestic and international levels) in wholesale business.

Probable Development of the Group

Helaba expects the volume of new medium- and long-term business achieved to be slightly above budget at € 17 bn (excluding development business).

Given the steady trend in operating activities and the fact that margins on new business remain at a satisfactory level, net interest income for 2015 as a whole is anticipated to be higher than previously forecast.

Based on the economic situation, the Bank expects the additions to provisions for losses on loans and advances to be at an average level in the second half of the year.

Fee and commission income is predicted to maintain a continuous trend and rise year on year. Net fee and commission income will be slightly lower than budgeted.

Net trading income is also expected to maintain a continuous trend during 2015, reaching earnings targets.

Within other net operating income, net income from equity investments in the real estate sector is expected to be as budgeted in the second half of the year. Overall, the budget is anticipated to be undershot slightly.

Due to the costs for the bank levy being included in full in the first six months, general and administrative expenses will decline slightly in the second half of the year and come in as forecast.

There are risks to Helaba's earnings performance in the second half of 2015 from an economic slowdown in the euro zone combined with a continued risk of contamination due to political instability in Eastern Europe and the Middle East. In addition, central banks' interest rate and monetary policy is generating constant uncertainty, which may impact on the real economy through setbacks in the money and capital markets.

In light of the positive trend in the first half of 2015, Helaba currently expects to be well able to achieve the consolidated net profit set out in the annual budget and thus live up to the very good results of the previous year.

On this basis, it is anticipated that all silent participations, profit participation rights and subordinated debt will be serviced in full in financial year 2015. The CET 1 capital ratio and the total capital ratio are expected to be marginally lower than the levels achieved at the midpoint in the year.

Overall Assessment

In the first half of 2015, Helaba successfully sustained the positive business and earnings performance seen in recent years. This was thanks to the gratifying trend in net interest income and net trading income combined with a requirement for only a smaller than budgeted amount of provisions for losses on loans and advances due to economic conditions. From a current perspective, Helaba is well able to achieve the target set out in the annual budget and thus live up to the very good results of the previous year. It sees the greatest uncertainties with an impact on full-year business performance in potential turbulence on the capital market, which may be triggered by political uncertainty and central bank actions affecting interest and exchange rates.

Frankfurt am Main/Erfurt, 18 August 2015

Landesbank Hessen-Thüringen Girozentrale

The Board of Managing Directors

Brenner	Grüntker	Fenk	Groß
Dr. Hosemann	Krick	Mulfinger	Dr. Schraad

Consolidated Interim Financial Statements

Income Statement

for the period 1 January to 30 June 2015

	Notes	1.1.-30.6.2015 in € m	1.1.-30.6.2014 in € m	Change in € m	Change in %
Interest income		2,248	2,455	−207	−8.4
Interest expense		−1,580	−1,798	218	12.1
Net interest income	(3)	**668**	**657**	**11**	**1.7**
Provisions for losses on loans and advances	(4)	−66	−45	−21	−46.7
Net interest income after provisions for losses on loans and advances		**602**	**612**	**−10**	**−1.6**
Fee and commission income		270	250	20	8.0
Fee and commission expenses		−107	−96	−11	−11.5
Net fee and commission income	(5)	**163**	**154**	**9**	**5.8**
Net trading income	(6)	128	94	34	36.2
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied	(7)	−18	44	−62	> −100.0
Net income from hedge accounting	(8)	−2	5	−7	> −100.0
Net income from financial investments	(9)	−4	17	−21	> −100.0
Share of profit or loss of equity-accounted entities	(10)	1	−5	6	> 100.0
Other net operating income	(11)	102	36	66	> 100.0
General and administrative expenses	(12)	−610	−635	25	3.9
Profit before taxes		**362**	**322**	**40**	**12.4**
Taxes on income		−125	−106	−19	−17.9
Consolidated net profit		**237**	**216**	**21**	**9.7**
thereof: Attributable to non-controlling interests		−6	−7	1	14.3
thereof: Attributable to shareholders of the parent company		243	223	20	9.0

Statement of Comprehensive Income

for the period 1 January to 30 June 2015

	Notes	1.1.-30.6.2015	1.1.-30.6.2014	Change	
		in € m	in € m	in € m	in %
Consolidated net income according to the income statement		**237**	**216**	**21**	**9.7**
Items that will not be reclassified to the income statement:					
Remeasurement of net defined benefit liability		–9	–176	167	94.9
Taxes on income on items that will not be reclassified to the income statement		3	52	–49	–94.2
Subtotal		**–6**	**–124**	**118**	**95.2**
Items that will be subsequently reclassified to the income statement:					
Gains or losses on available-for-sale financial assets					
Measurement gains (+) or losses (-) on available-for-sale financial assets		–56	129	–185	>–100.0
Gains (-) or losses (+) reclassified to the income statement upon disposal or impairment of the assets		6	–13	19	>100.0
Changes due to currency translation					
Gains (+) or losses (-) on currency translation of foreign operations		8	1	7	>100.0
Taxes on income on items that will be reclassified to the income statement	(13)	26	–34	60	>100.0
Subtotal		**–16**	**83**	**–99**	**>–100.0**
Other comprehensive income after taxes		**–22**	**–41**	**19**	**46.3**
Comprehensive income for the reporting period		**215**	**175**	**40**	**22.9**
thereof: Attributable to non-controlling interests		–4	–2	–2	–100.0
thereof: Attributable to shareholders of the parent company		219	177	42	23.7

Statement of Financial Position

as at 30 June 2015

Assets

	Notes	30.6.2015 in € m	31.12.2014 in € m	Change in € m	Change in %
Cash reserve	(15)	3,610	1,033	2,577	> 100.0
Loans and advances to banks	(16)	17,077	20,579	–3,502	–17.0
Loans and advances to customers	(17)	95,729	91,109	4,620	5.1
Allowances for losses on loans and advances	(18)	–1,015	–1,007	–8	–0.8
Trading assets	(19)	29,000	31,262	–2,262	–7.2
Positive fair values of non-trading derivatives	(20)	4,764	5,828	–1,064	–18.3
Financial investments	(21)	27,445	26,590	855	3.2
Shares in equity-accounted entities	(22)	39	39	–	–
Investment property	(23)	1,892	1,909	–17	–0.9
Property and equipment	(24)	435	443	–8	–1.8
Intangible assets	(25)	138	141	–3	–2.1
Income tax assets		379	371	8	2.2
Other assets	(26)	1,031	1,192	–161	–13.5
Total assets		**180,524**	**179,489**	**1,035**	**0.6**

Equity and liabilities

		30.6.2015	31.12.2014	Change	
	Notes	in € m	in € m	in € m	in %
Liabilities due to banks	(27)	35,137	35,612	−475	−1.3
Liabilities due to customers	(28)	50,269	45,320	4,949	10.9
Securitised liabilities	(29)	51,670	48,320	3,350	6.9
Trading liabilities	(30)	22,661	29,219	−6,558	−22.4
Negative fair values of non-trading derivatives	(31)	4,829	5,351	−522	−9.8
Provisions	(32)	2,155	2,152	3	0.1
Income tax liabilities		120	125	−5	−4.0
Other liabilities	(33)	707	630	77	12.2
Subordinated capital	(34)	5,521	5,410	111	2.1
Equity	(35)	7,455	7,350	105	1.4
Subscribed capital		2,509	2,509	–	–
Capital reserves		1,546	1,546	–	–
Retained earnings		3,157	3,030	127	4.2
Revaluation reserve		223	249	−26	−10.4
Currency translation reserve		22	14	8	57.1
Non-controlling interests		−2	2	−4	>−100.0
Total equity and liabilities		**180,524**	**179,489**	**1,035**	**0.6**

Statement of Changes in Equity

for the period 1 January to 30 June 2015

in € m

	Equity attributable to shareholders of the parent company							Non-controlling interests	Total equity
	Subscribed capital	Capital reserves	Retained earnings	Revaluation reserve	Currency translation reserve	Cash flow hedge reserve	Subtotal		
Equity at 1.1.2014	**2,509**	**1,546**	**3,047**	**138**	**2**	**–4**	**7,238**	**3**	**7,241**
Changes in the basis of consolidation							–	–2	–2
Dividend payment			–100				–100		–100
Comprehensive income for the reporting period			99	77	1	–	177	–2	175
Equity at 30.6.2014	**2,509**	**1,546**	**3,046**	**215**	**3**	**–4**	**7,315**	**–1**	**7,314**
Changes in the basis of consolidation							–	–2	–2
Dividend payment			–4				–4		–4
Comprehensive income for the reporting period			–12	34	11	4	37	5	42
Equity at 31.12.2014	**2,509**	**1,546**	**3,030**	**249**	**14**	**–**	**7,348**	**2**	**7,350**
Dividend payment			–110				–110	–	–110
Comprehensive income for the reporting period			237	–26	8	–	219	–4	215
Equity at 30.6.2015	**2,509**	**1,546**	**3,157**	**223**	**22**	**–**	**7,457**	**–2**	**7,455**

Cash Flow Statement

for the period 1 January to 30 June 2015 – condensed

in € m

	2015	2014
Cash and cash equivalents at 1.1.	**1,033**	**1,753**
Cash flow from operating activities	3,512	425
Cash flow from investing activities	–922	–1,014
Cash flow from financing activities	25	118
Effect of exchange rate changes, measurement changes and changes in basis of consolidation	–38	–9
Cash and cash equivalents at 30.6.	**3,610**	**1,273**
thereof:		
Cash on hand	67	64
Balances with central banks	3,543	1,209

The cash flow statement shows the composition of and changes in cash and cash equivalents in the first half of the financial year. Cash and cash equivalents correspond to the cash reserve, which comprises cash on hand and balances with central banks. The changes in cash and cash equivalents are attributable to operating activities, investing activities and financing activities.

Notes

Accounting Policies

(1) Basis of Presentation

Basis of accounting
The consolidated interim financial statements of the Helaba Group for the period ended 30 June 2015 have been prepared pursuant to section 315a (1) of the German Commercial Code (Handelsgesetzbuch, HGB) and Regulation (EC) No. 1606 / 2002 of the European Parliament and of the Council of 19 July 2002 (IAS Regulation) in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). They also take into consideration the requirements of IAS 34 "Interim Financial Reporting". The cash flow statement is presented in a condensed version; only selected information is disclosed in the notes.

Generally, the accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2014.

IFRSs applied for the first time
The 2015 interim financial statements were the first financial statements in which mandatory application was required for the following IFRSs and International Financial Reporting Standards Interpretations (IFRICs) adopted by the EU and of possible relevance for Helaba:

- Amendments to IAS 19 Employee Benefits – Employee Contributions
  The amendments add an option to the standard regarding the accounting for defined benefit pension plans to which employees (or third parties) contribute. The amendments must be applied retrospectively.
- IFRIC 21 Levies
  IFRIC 21 addresses the accounting for government levies that are not within the scope of IAS 12, and clarifies in particular when obligations to pay such levies should be recognised as a liability or provision in the financial statements. IFRIC 21 must be applied retrospectively.
- Annual improvements to the International Financial Reporting Standards – 2011 – 2013 cycle
  The annual improvements include changes to various IFRSs that affect the recognition, measurement and presentation of business transactions as well as terminology and editorial changes.

All IFRSs and IFRICs for which application was mandatory in the EU as at 30 June 2015 have been applied in full. The adoption of the new or amended standards had no or only an immaterial impact on the consolidated financial statements.

New financial reporting standards and interpretations

- Annual improvements to the International Financial Reporting Standards – 2010 – 2012 cycle
  Under IASB requirements, the annual improvements to the International Financial Reporting Standards – 2010 – 2012 cycle ought to have been applicable for the first time in the 2015 interim financial statements. However, when adopting the improvements, the EU postponed mandatory initial application until annual reporting periods beginning on or after 1 February 2015. Helaba did not apply these improvements in the 2015 interim financial statements. The application of these improvements will have little or no impact on Helaba's consolidated financial statements.

- IFRS 15 Revenue from Contracts with Customers
  Under IFRS 15, revenue is recognised when control over the agreed goods and / or services is passed to the customer and the customer can obtain substantially all of the remaining benefits from the goods and / or services involved. The key factor is no longer the transfer of substantially all the risks and rewards as specified in the superseded provisions in IAS 18 Revenue. The revenue must be measured in the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer. The new model sets out a five-step framework for determining revenue recognition. The provisions and definitions in IFRS 15 will in the future replace the content of both IAS 18 Revenue and IAS 11 Construction Contracts; however, they will not have any impact on the recognition of revenue arising in connection with financial instruments that fall within the scope of IFRS 9 / IAS 39. IFRS 15 must be applied in annual reporting periods beginning on or after 1 January 2018. Helaba is currently reviewing the implications of IFRS 15. This standard still has to be adopted by the EU.

- IFRS 9 Financial Instruments
  In July 2014, the IASB published the final version of IFRS 9 Financial Instruments, completing its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In the final version of IFRS 9, the main areas of financial reporting regulation that have been fundamentally revised are as follows:

  - Classification and measurement of financial instruments
    Compared with IAS 39, the provisions governing the classification and measurement of financial instruments, particularly those covering financial assets, have been fundamentally recast. In the future, the classification and measurement of these instruments will be based on two key considerations:

– What business model is used by the entity for managing the portfolio containing the financial assets concerned? In this context, IFRS 9 provides for three basic models: hold to collect the contractual cash flows, hold to collect and sell, and hold for trading.

– What are the contractual cash flow characteristics of the instrument concerned; do these cash flows consist solely of payments of interest and principal relating to the amount disbursed, other than in odd instances (cash flow test)? Given the structure of the cash flow test, only debt instruments such as bonds (from the bondholder perspective) can satisfy these requirements.

In contrast, there are hardly any changes in IFRS 9 relating to the classification and measurement provisions governing financial liabilities. The only change affects liabilities designated at fair value. In the future, changes in this fair value attributable to changes in own credit risk will have to be presented in other comprehensive income (OCI) rather than in profit or loss.

As the classification requirements differ from the existing assessments under IAS 39, it is likely that the new standard will give rise to differences in the classification and measurement of financial assets. The changes are not anticipated to have a material impact on the statement of financial position and income statement.

- Accounting treatment of the impairment of financial assets
  As a consequence of the new regulations governing the accounting treatment of impairment there will be a fundamental change in the way that impairment is recognised. This is because the new model requires the recognition not only of incurred losses (as previously) but also expected losses. In addition, there will have to be a differentiation in the recognition of expected losses depending on whether the credit risk relating to financial assets has materially deteriorated or not since initial recognition. If the credit risk has deteriorated and this risk is not classified as low on the reporting date, all expected losses over the entire lifetime must be recognised from this date onwards (lifetime expected credit losses, lifetime ECL). Otherwise, only the expected losses resulting from possible loss events within the subsequent twelve months need to be recognised (twelve-month expected credit losses, twelve-month ECL). There are exemptions for trade receivables and lease receivables.

  It is anticipated that IFRS 9 will lead to an increase in the level of provisions for losses on loans and advances. The detailed implications are currently still being investigated.

- Hedge accounting
  IFRS 9 also involves the complete revision of hedge accounting provisions. The objective of the new rules is primarily to align hedge accounting more closely with economic risk management in an entity.

  As in the current requirements, entities must document the risk management strategy including risk management objectives at the beginning of a hedging relationship. In the future however, the ratio between the hedged item and the hedging instrument (hedge ratio) will generally have to match the specifications in the risk management strategy. If this hedge ratio changes during the course of the hedging relationship but the risk management objective remains the same, the quantity of the hedged item and the quantity of the hedging instrument in the hedging relationship will have to be adjusted without the need to end the hedging relationship (rebalancing).

  Some of the restrictions in the current provisions have also been eliminated under IFRS 9, which means that it will be possible to use hedge accounting for a greater selection of hedging instruments and hedged items.

  As IFRS 9 does not address macro hedge accounting, an accounting policy choice has been provided, permitting entities to continue to apply hedge accounting as set out in IAS 39 in full until the macro hedge accounting project has been completed.

  Helaba plans to take up this option.

Subject to adoption by the EU, which is still awaited, IFRS 9 will have to be applied for the first time in annual reporting periods beginning on or after 1 January 2018. Generally speaking, first-time application must be retrospective, but various simplification options are available. Voluntary application in earlier years is permitted, but Helaba has no plans to take up this option.

The other IFRSs and IFRICs that have only been partially adopted by the EU and that will only become mandatory in later financial years have not been applied by Helaba in advance, nor is any early application planned. With the exception of IFRS 9 Financial Instruments, these standards and interpretations are expected to have little or no impact on the consolidated financial statements.

(2) Basis of Consolidation

In addition to the parent company Helaba, a total of 105 entities are consolidated in the Helaba Group (31 December 2014: 114 entities). Of this total, 78 (31 December 2014: 87) entities are fully consolidated and 27 entities are included using the equity method (as was the case at 31 December 2014). The fully consolidated entities are subsidiaries and special purpose entities, including collective investment undertakings.

The consolidated financial statements do not include 44 subsidiaries, 18 joint ventures and 18 associates that are of minor significance for the presentation of the financial position and financial performance of the Helaba Group. The shares in these entities are reported under financial investments.

The changes in the basis of consolidation during the financial year are attributable to deconsolidations at Helaba and in the OFB Group.

Changes in the group of fully consolidated entities

Deconsolidations

Fachmarktzentrum Fulda GmbH & Co. KG, Fulda	Shares sold in March 2015
HI-LBS-FONDS I, HI-LBS 2-FONDS, HI-LBS 4-FONDS, HI-LBS 5-FONDS, HI-LBS 6-FONDS, all Frankfurt am Main	Investment funds wound up in June 2015
OPUSALPHA PURCHASER LTD (Angelika), Dublin, Ireland	Entity became immaterial after the disposal of the Angelika silo's assets in March 2015
Pioneer Point Ltd., London, UK	Following derecognition of the funding in May 2015, there is no longer any consolidation requirement under IFRS 10
Vermögensverwaltung „Emaillierwerk" GmbH, Fulda	Shares sold in March 2015

The gains on deconsolidation amounted to € 11 m for Pioneer Point Ltd and a total of € 3 m for the other entities and were reported under other net operating income.

Income Statement Disclosures

(3) Net Interest Income

in € m

	1.1.–30.6.2015	1.1.–30.6.2014
Interest income from		
Lending and money market transactions	1,412	1,546
Fixed-income securities	134	160
Hedging derivatives under hedge accounting	163	154
Derivatives not held for trading	471	539
Financial instruments to which the fair value option is applied	46	38
Interest income from financial liabilities (negative interest)	2	–
Current income from		
Equity shares and other variable-income securities	15	6
Shares in affiliates	–	1
Equity investments	5	11
Interest income	**2,248**	**2,455**
Interest expense on		
Liabilities due to banks and customers	–610	–741
Securitised liabilities	–189	–204
Subordinated capital	–75	–81
Hedging derivatives under hedge accounting	–152	–158
Derivatives not held for trading	–392	–423
Financial instruments to which the fair value option is applied	–140	–166
Interest expense on financial assets (negative interest)	–1	–
Provisions	–21	–25
Interest expense	**–1,580**	**–1,798**
Total	**668**	**657**

(4) Provisions for Losses on Loans and Advances

in € m

	1.1.–30.6.2015	1.1.–30.6.2014
Additions	**–124**	**–106**
Allowances for losses on loans and advances	–121	–99
Provisions for lending business risks	–3	–7
Reversals	**58**	**60**
Allowances for losses on loans and advances	50	51
Provisions for lending business risks	8	9
Loans and advances directly written off	**–4**	**–1**
Recoveries on loans and advances previously written off	**4**	**2**
Total	**–66**	**–45**

(5) Net Fee and Commission Income

in € m

	1.1.–30.6.2015	1.1.–30.6.2014
Lending and guarantee business	16	15
Payment transactions and foreign trade business	49	52
Asset management and fund design	40	34
Securities and securities deposit business	27	27
Placement and underwriting obligations	11	9
Management of public-sector subsidy and development programmes	17	16
Home savings business	–6	–5
Trustee business	1	2
Other	8	4
Total	**163**	**154**

(6) Net Trading Income

in € m

	1.1.–30.6.2015	1.1.–30.6.2014
Share-price-related business	**1**	**1**
Equities	31	–21
Equity derivatives	–16	27
Issued equity / index certificates	–14	–5
Interest-rate-related business	**140**	**103**
Primary interest-rate-related business	13	373
Interest-rate derivatives	127	–270
Currency-related business	**–3**	**6**
Foreign exchange	–141	–35
FX derivatives	138	41
Net income or expense from credit derivatives	**–**	**–5**
Commodity-related business	**3**	**2**
Net fee and commission income or expense	**–13**	**–13**
Total	**128**	**94**

Net trading income includes disposal and remeasurement gains or losses on derivative and non-derivative financial instruments held for trading, current interest and dividends resulting from trading assets as well as fees and commissions in connection with trading activities.

The net income from primary interest-rate-related business consists mainly of the contributions to income of fixed-income securities, promissory note loans, money trading transactions as well as issued money market instruments.

The net income from currency-related business also includes foreign currency translation differences.

The net income from commodity-related business relates to hedging transactions recognised by the Bank for precious metals inventory.

(7) Gain or Loss on Non-Trading Derivatives and Financial Instruments to which the Fair Value Option is Applied

in € m

	1.1. – 30.6.2015	1.1. – 30.6.2014
Gain or loss on non-trading derivatives	–148	235
Gain or loss on financial instruments to which the fair value option is applied	130	–191
Total	**–18**	**44**

This item includes the net gain or loss from economic hedges (hedged items and derivatives). It also includes the realised and unrealised gains or losses on other financial instruments designated voluntarily at fair value. Interest and dividend income from financial instruments to which the fair value option is applied is recognised in net interest income. Of the net gain from non-trading derivatives, credit derivatives accounted for a gain of € 1 m (H1 2014: gain of € 10 m). The portion of the net gain (loss) attributable to FVO financial instruments held by consolidated special and retail funds and to non-trading derivatives amounted to a net loss of € 21 m (H1 2014: net gain of € 35 m).

(8) Net Income from Hedge Accounting

The net income from hedge accounting comprises the remeasurement gains or losses on the hedged items and hedging instruments under hedge accounting.

in € m

	1.1. – 30.6.2015	1.1. – 30.6.2014
Remeasurement gains (losses) on hedging instruments	–65	211
Remeasurement gains (losses) on hedged items	63	–206
Total	**–2**	**5**

(9) Net Income from Financial Investments

The net income or expense from financial investments includes the net disposal and remeasurement gains or losses on available-for-sale financial investments.

in € m

	1.1. – 30.6.2015	1.1. – 30.6.2014
Net disposal gains (losses) on available-for-sale financial investments	**33**	**17**
Bonds and other fixed-income securities	32	14
Equity shares and other variable-income securities	1	2
Acquired rights under endowment insurance policies	–	1
Remeasurement gains (losses) on available-for-sale financial investments	**–37**	**–**
Impairment losses	–37	–
Total	**–4**	**17**

(10) Share of Profit or Loss of Equity-Accounted Entities

The share of profit or loss of equity-accounted entities comprises all earnings contributions of equity-accounted joint ventures and associates, which are recognised in the income statement.

in € m

	1.1. – 30.6.2015	1.1. – 30.6.2014
Share of profit or loss of equity-accounted associates	1	–5
Total	**1**	**–5**

In addition to the share of period profit or loss, this item includes the contributions to earnings resulting from amortising the hidden reserves and charges realised as part of the purchase price allocation.

Changes in the equity of equity-accounted entities are recognised directly in consolidated equity.

As in the prior period, no impairment losses were recognised during the reporting period on the value reported in equity. There were also no gains or losses on the disposal of equity-accounted entities.

(11) Other Net Operating Income

in € m

	1.1. – 30.6.2015	1.1. – 30.6.2014
Other operating income	**221**	**216**
Rental and lease income (operating leases)	164	168
Income from the disposal of non-financial assets	15	14
Income from the reversal of provisions	4	4
Income from non-banking services	14	17
Income from the deconsolidation of subsidiaries	14	–
Miscellaneous other operating income	10	13
Other operating expenses	**–119**	**–180**
Operating costs of property not used for owner occupancy	–74	–79
Depreciation, amortisation and impairment losses on non-financial assets	–17	–39
Restructuring expenses	–	–23
Miscellaneous other operating expenses	–28	–39
Total	**102**	**36**

The main components of other net operating income are income and expenses attributable to investment property as well as leasing income.

In the above figures shown for other operating income and expenses, the following amounts were attributable to investment property:

in € m

	1.1.–30.6.2015	1.1.–30.6.2014
Income from investment property	**161**	**162**
Rental income	149	148
Income from disposals	12	12
Other income	–	2
Expenses from investment property	**–90**	**–96**
Operating expenses from investment property	–74	–78
thereof: From property leased to third parties	–74	–78
Depreciation and impairment losses	–16	–16
Other expenses	–	–2
Total	**71**	**66**

(12) General and Administrative Expenses

in € m

	1.1.–30.6.2015	1.1.–30.6.2014[1)]
Personnel expenses	**–308**	**–299**
Wages and salaries	–247	–242
Social security	–37	–35
Expenses for pensions and other benefits	–24	–22
Other administrative expenses	**–282**	**–315**
Buildings and premises	–26	–26
IT costs	–76	–83
Mandatory contributions, audit and consultancy fees	–122	–112
Cost of advertising, public relations and representation	–16	–16
Business operating costs	–42	–78
Depreciation, amortisation and impairment losses	**–20**	**–21**
Depreciation of and impairment losses on property and equipment	–11	–12
Amortisation of and impairment losses on software and other intangible assets	–9	–9
Total	**–610**	**–635**

[1)] Prior-year figures restated: An amount of € 3 m was reclassified from IT costs to business operating costs following a change in the allocation of costs in connection with payment transactions.

The mandatory contributions included contributions to the restructuring fund for credit institutions of € 53 m (H1 2014: € 36 m).

(13) Taxes on Income

The following table shows a breakdown of the gains and losses recognised in other comprehensive income and the related deferred taxes.

in € m

	Before tax		Taxes		After tax	
	1.1.–30.6.2015	1.1.–30.6.2014	1.1.–30.6.2015	1.1.–30.6.2014	1.1.–30.6.2015	1.1.–30.6.2014
Items that will not be reclassified to the income statement:						
Remeasurement of net defined benefit liability	–9	–176	3	52	–6	–124
Items that will be subsequently reclassified to the income statement:						
Gains or losses on available-for-sale financial assets	–50	116	26	–34	–24	82
Changes due to currency translation	8	1	–	–	8	1
Total	**–51**	**–59**	**29**	**18**	**–22**	**–41**

(14) Segment Reporting

in € m

	Real Estate		Corporate Finance		Financial Markets		S-Group Business, Private Customers and SME Business	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014	30.6.2015	30.6.2014 [1]	30.6.2015	30.6.2014 [1]
Net interest income	205	193	183	167	26	32	208	197
Provisions for losses on loans and advances	–10	–23	–63	–20	–	–1	4	–
Net interest income after provisions for losses on loans and advances	**195**	**170**	**120**	**147**	**26**	**31**	**212**	**197**
Net fee and commission income	12	9	9	8	38	34	75	69
Net trading income	–	–	–	–	121	84	14	10
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied	8	–2	–	–	–19	24	1	3
Net income from hedge accounting	–	–	–	–	–2	5	–	–
Net income from financial investments	–	–	2	2	–11	8	–	7
Share of profit or loss of equity-accounted entities	1	–1	–	–6	–	–	–	2
Other net operating income	124	85	–1	–9	2	3	6	2
Total income	**340**	**261**	**130**	**142**	**155**	**189**	**308**	**290**
General and administrative expenses	–113	–94	–61	–51	–111	–103	–223	–225
Profit before taxes	**227**	**167**	**69**	**91**	**44**	**86**	**85**	**65**
Assets (€ bn)	35.5	32.6	25.6	25.2	66.5	74.5	36.4	36.5
Liabilities (€ bn)	3.5	3.3	3.1	3.5	76.0	84.7	63.7	63.5
Risk-weighted assets (€ bn)	16.5	17.1	13.5	12.7	10.9	11.8	5.7	5.5
Allocated capital (€ m)	2,248	2,335	1,804	1,707	1,437	1,549	754	731
Return on allocated capital (%)	20.1	14.3	7.6	10.7	6.2	11.2	22.7	17.8
Cost-income ratio before provisions for losses on loans and advances (%)	32.4	33.0	31.7	31.4	71.5	54.1	73.3	77.6

[1] The segments were redefined as at 31 December 2014. The prior-year figures have been restated accordingly.

in € m

	Public Development and Infrastructure Business		Other		Consolidation / reconciliation		Group	
	30.6. 2015	**30.6. 2014**	**30.6. 2015**	**30.6. 2014**	**30.6. 2015**	**30.6. 2014**	**30.6. 2015**	**30.6. 2014**
Net interest income	25	24	–13	9	34	35	668	657
Provisions for losses on loans and advances	–	–	3	–1	–	–	–66	–45
Net interest income after provisions for losses on loans and advances	**25**	**24**	**–10**	**8**	**34**	**35**	**602**	**612**
Net fee and commission income	18	17	14	16	–3	1	163	154
Net trading income	–	–	–	–	–7	–	128	94
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied	–	–	–7	18	–1	1	–18	44
Net income from hedge accounting	–	–	–	–	–	–	–2	5
Net income from financial investments	–	–	–	–	5	–	–4	17
Share of profit or loss of equity-accounted entities	–	–	–	–	–	–	1	–5
Other net operating income	–	–	4	–16	–33	–29	102	36
Total income	**43**	**41**	**1**	**26**	**–5**	**8**	**972**	**957**
General and administrative expenses	–32	–32	–118	–191	48	61	–610	–635
Profit before taxes	**11**	**9**	**–117**	**–165**	**43**	**69**	**362**	**322**
Assets (€ bn)	15.7	14.6	8.3	7.5	–7.5	–14.4	180.5	176.5
Liabilities (€ bn)	15.7	14.6	11.4	9.5	7.1	–2.6	180.5	176.5
Risk-weighted assets (€ bn)	1.1	1.2	7.3	7.0	–	–0.2	55.3	55.1
Allocated capital (€ m)	151	162	943	927	–	–188	7.331	7.223
Return on allocated capital (%)	15.0	10.8	–	–	–	–	9.9	8.9
Cost-income ratio before provisions for losses on loans and advances (%)	73.0	78.7	–	–	–	–	58.8	63.4

IFRS 8 is the basis for preparing the segment report. The segment definition is based on the internal divisional structure of the Bank and follows the management approach. Equity investments are assigned to the segments on the basis of their specific focus.

The segment report is broken down into the five operating segments explained below.

- The Real Estate Lending and Real Estate Management business lines are reported in the Real Estate segment. The services Helaba provides for real estate customers are thus pooled in one operating segment. The range of products covers traditional real estate financing in Germany and abroad, residential investments, planning and support for own and third-party real estate as well as public-private partnership projects right through to facility management. The OFB Group and the GWH Group are included in this operating segment.
- The Corporate Finance segment comprises the Corporate Finance business line. Financing solutions tailored specifically to meet the needs of corporate customers are pooled in this segment. These include structured finance, investment finance, asset-backed securities, lease finance as well as the structuring and distribution of fund concepts. The share of profit or loss of the HANNOVER LEASING Group is allocated to this segment as an equity-accounted investment. Certain property companies of HANNOVER LEASING continue to be fully consolidated as special purpose entities of Helaba and are also reported in the Corporate Finance segment.
- The Financial Markets segment brings together the earnings of the Capital Markets, Asset / Liability Management, Sales Public Authorities, Financial Institutions and Public Finance business lines and those of various special purpose entities and of the equity investment in Helaba Invest Kapitalanlagegesellschaft mbH. The segment primarily pools the treasury, trading and sales activities of Helaba. The Financial Markets product portfolio contains traditional capital market products, financial instruments for managing interest rate risk, currency risk, credit risk and liquidity as well as financing solutions tailored to meet the needs of businesses and the public sector. The asset management products at Helaba Invest Kapitalanlagegesellschaft mbH also include traditional asset management and administration, the management of special and retail funds for institutional investors and support for master investment trust clients.

- The S-Group Business, Private Customers and SME Business segment encompasses the retail banking and private banking businesses, the S-Group Bank and Landesbausparkasse Hessen-Thüringen. Frankfurter Sparkasse reflects the earnings from the conventional products of a retail bank. The Frankfurter Bankgesellschaft Group rounds off the range of private banking products available from Helaba. This segment deals primarily with providing support for the Sparkassen and their customers for whom products are developed and provided.
- The Public Development and Infrastructure Business segment mainly comprises the Wirtschafts- und Infrastrukturbank Hessen (WIBank) business line. This segment thus pools the earnings from Helaba's activities in connection with development and infrastructure work in the fields of housing, municipal and urban development, agriculture as well as environmental protection.

In line with management reporting, the segment information is based on internal management (contribution margin accounting) and also on external financial reporting.

For internal management purposes, net interest income in the lending business is calculated using the market interest rate method from the difference between the customer interest rate and the market interest rate for an alternative transaction with a matching structure. Gains or losses on maturity transformation are reported as net interest income in Asset / Liability Management.

The net trading income, gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied, net income from hedge accounting and financial investments and share of profit or loss of equity-accounted entities are determined in the same way as the figures for external financial reporting under IFRSs.

The directly attributable costs plus corporate centre costs, which are allocated internally on the basis of arm's-length pricing agreements and volume drivers according to the user-pays principle, are reported under general and administrative expenses.

Assets included in the statement of financial position are reported under assets, and equity and liabilities under equity and liabilities of the respective units. Contribution margin accounting is used for allocating these items to the operating segments. The risk exposure item comprises the risk exposure of the banking and trading book, including the market risk exposure in accordance with the Capital Requirements Regulation (CRR). The average equity shown in the statement of financial position is broken down according to risk exposures and, in relation to the real estate and other non-bank activities, allocated in accordance with the assets reported in the statement of financial position.

The return ratios reflect the net profit before provisions for losses on loans and advances expressed as a percentage of the allocated capital. The cost-income ratio is the ratio of general and administrative expenses to income before provisions for losses on loans and advances.

The Other segment contains the contributions to income and expenses that cannot be attributed to the operating segments. In particular, this segment includes the net income from the transaction banking business as well as the costs of the central units that cannot be allocated to the individual segments in line with the user-pays principle. Moreover, the profit generated by centrally investing own funds as well as through strategic planning decisions are shown in this segment.

Effects arising from consolidation and intragroup adjustments between the segments are reported under consolidation / reconciliation. Effects that arise from the reconciliation between the segment figures and the consolidated income statement, in particular in relation to net interest income, are also reported under consolidation / reconciliation. Since the contribution margin statement shows net interest income on the basis of the market interest rate method, differences also result in the case of non-recurring income and net interest income attributable to other periods.

Statement of Financial Position Disclosures

(15) Cash Reserve

in € m

	30.6.2015	31.12.2014
Cash on hand	67	78
Balances with central banks	3,543	955
Total	**3,610**	**1,033**

(16) Loans and Advances to Banks

in € m

	30.6.2015	31.12.2014
Affiliated Sparkassen	7,936	9,348
Central giro institutions	372	452
Banks	8,769	10,779
Total	**17,077**	**20,579**
thereof:		
Domestic banks	12,227	14,710
Foreign banks	4,850	5,869

in € m

	30.6.2015	31.12.2014
Loans and advances repayable on demand	7,071	9,089
Other loans and advances	10,006	11,490
Total	**17,077**	**20,579**
thereof:		
Overnight and time deposits	3,978	4,218
Cash collateral provided	4,188	5,895
Forwarding loans	5,129	5,247
Promissory note loans	924	1,034

(17) Loans and Advances to Customers

in € m

	30.6.2015	31.12.2014
Corporate customers	68,556	65,728
Retail customers	5,675	5,634
Public sector	21,498	19,747
Total	**95,729**	**91,109**
thereof:		
Domestic customers	65,225	62,337
Foreign customers	30,504	28,772

in € m

	30.6.2015	31.12.2014
Loans and advances repayable on demand	3,898	2,226
Other loans and advances	91,831	88,883
Total	**95,729**	**91,109**
thereof:		
Commercial real estate loans	33,885	32,319
Residential building loans	4,118	4,061
Forwarding loans	2,085	2,108
Infrastructure loans	15,673	15,077
Consumer loans	102	102
Promissory note loans	3,800	3,881
Financial assets from credit substitute business	156	264
Current accounts and overnight money	2,864	1,212
Cash collateral provided	731	669
Time deposits	2,034	1,901
Receivables from finance leases	5	6
Receivables from securities repurchase transactions (reverse repos)	900	72
Project finance loans	6,135	6,239

(18) Allowances for Losses on Loans and Advances

in € m

	30.6.2015	31.12.2014
Allowances on loans and advances to banks	**2**	**2**
Specific loan loss allowances	1	1
Portfolio loan loss allowances	1	1
Allowances on loans and advances to customers	**1,013**	**1,005**
Specific loan loss allowances	684	669
Specific loan loss allowances evaluated on a group basis	72	82
Portfolio loan loss allowances	257	254
Provisions for lending business risks	**48**	**58**
Total	**1,063**	**1,065**

The allowances for losses on loans and advances are reported separately on the assets side of the statement of financial position. The provisions for losses on loans and advances for business not reported in the statement of financial position are recognised as a provision and explained under that item. The allowances for losses on loans and advances changed as follows:

in € m

	Specific allowances		Specific allowances on a group basis		Portfolio allowances		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
As at 1.1.	**670**	**760**	**82**	**93**	**255**	**266**	**1,007**	**1,119**
Changes due to currency translation	4	1	–	–	–	–	**4**	**1**
Use	–47	–106	–8	–5	–	–	**–55**	**–111**
Reversals	–41	–45	–9	–6	–	–	**–50**	**–51**
Reclassifications	5	7	–	–	–	–	**5**	**7**
Unwinding	–17	–18	–	–			**–17**	**–18**
Additions	111	85	7	6	3	8	**121**	**99**
As at 30.6.	**685**	**684**	**72**	**88**	**258**	**274**	**1,015**	**1,046**

The allowances for losses on loans and advances to customers were broken down by customer group (Deutsche Bundesbank customer classification) as follows:

in € m

	30.6.2015	31.12.2014
Government	3	3
Agriculture, forestry and fishing	1	1
Mining and quarrying	9	8
Manufacturing	69	68
Electricity, gas, steam and air-conditioning supply	43	42
Water supply, sewerage, waste management and remediation activities	8	9
Construction	23	23
Wholesale and retail trade, maintenance and repair of motor vehicles and motorcycles	24	25
Transportation and storage	241	223
Accommodation and food service activities	4	4
Information and communication	3	2
Real estate activities	279	315
Professional, scientific and technical activities	18	30
Administrative and support service activities	45	45
Education	–	1
Human health and social work activities	6	7
Arts, entertainment and recreation	1	1
Other service activities	91	91
Other financial activities	85	43
Households	60	64
Total	**1,013**	**1,005**

(19) Trading Assets

in € m

	30.6.2015	31.12.2014
Bonds and other fixed-income securities	**14,507**	**15,983**
Money market instruments	35	187
Public-sector issuers	–	20
Other issuers	35	167
Bonds and notes	14,472	15,796
Public-sector issuers	4,944	5,348
Other issuers	9,528	10,448
Equity shares and other variable-income securities	**192**	**140**
Positive fair values of derivatives	**12,469**	**12,885**
Share-price derivatives	147	131
Interest-rate derivatives	10,683	11,585
Currency derivatives	1,607	1,136
Credit derivatives	29	26
Commodity derivatives	3	7
Loans held for trading	**1,832**	**2,254**
Total	**29,000**	**31,262**

The financial instruments under trading assets are measured at fair value and assigned exclusively to the category of financial assets at fair value through profit or loss (held-for-trading sub-category). Loans held for trading mainly comprise promissory note loans, repos and money trading transactions.

(20) Positive Fair Values of Non-Trading Derivatives

in € m

	30.6.2015	31.12.2014
Hedging derivatives under hedge accounting	1,075	1,256
Other non-trading derivatives	3,689	4,572
Total	**4,764**	**5,828**

The hedging derivatives under hedge accounting are used within the framework of qualifying micro fair value hedges under IAS 39. Other non-trading derivatives comprise derivative financial instruments used as economic hedges as part of hedge management, although fulfilment of the hedge accounting requirements is not formally documented in accordance with IAS 39.

(21) Financial Investments

in € m

	30.6.2015	31.12.2014
Bonds and other fixed-income securities	**26,881**	**25,970**
Public-sector issuers	10,123	10,024
Other issuers	16,758	15,946
Equity shares and other variable-income securities	**261**	**344**
Equities	73	87
Other variable-income securities	188	257
Shares in non-consolidated affiliates	**26**	**27**
Measured at fair value	18	18
Measured at cost	8	9
Equity investments	**113**	**82**
Measured at fair value	85	56
Measured at cost	28	26
Purchase of receivables from endowment insurance policies	**164**	**167**
Measured at fair value	164	167
Total	**27,445**	**26,590**

The other variable-income securities mainly comprise shares in collective investment undertakings.

(22) Shares in Equity-Accounted Entities

in € m

	30.6.2015	31.12.2014
Investments in joint ventures	30	31
Investments in associates	9	8
Total	**39**	**39**

(23) Investment Property

in € m

	30.6.2015	31.12.2014
Land and buildings leased to third parties	1,804	1,835
Undeveloped land	44	43
Vacant buildings	4	4
Property under construction	40	27
Total	**1,892**	**1,909**

Investment property with a value of € 1,784 m (31 December 2014: € 1,800 m) related to residential property held by the GWH Group.

(24) Property and Equipment

in € m

	30.6.2015	31.12.2014
Owner-occupied land and buildings	373	378
Operating and office equipment	56	59
Leased assets	6	6
Total	**435**	**443**

(25) Intangible Assets

in € m

	30.6.2015	31.12.2014
Goodwill	99	99
Purchased software	39	42
Total	**138**	**141**

The goodwill was attributable to the acquisition of Frankfurter Sparkasse in 2005.

(26) Other Assets

in € m

	30.6.2015	31.12.2014
Property held for sale	**325**	**421**
Completed property	51	156
Property under construction	274	265
Advance payments and payments on account	**100**	**65**
Trade accounts receivable	**51**	**41**
Other taxes receivable (excl. income taxes)	**20**	**19**
Other assets	**535**	**646**
Total	**1,031**	**1,192**

(27) Liabilities Due to Banks

in € m

	30.6.2015	31.12.2014
Central banks	2,657	2,858
Affiliated Sparkassen	6,728	6,539
Central giro institutions	1,323	1,595
Banks	24,429	24,620
Total	**35,137**	**35,612**
thereof:		
Domestic banks	31,236	31,001
Foreign banks	3,901	4,611

in € m

	30.6.2015	31.12.2014
Amounts payable on demand	7,595	5,984
Amounts due with an agreed maturity or period of notice	27,542	29,628
Total	**35,137**	**35,612**
thereof:		
Promissory note loans raised	5,296	6,352
Forwarding loans	7,604	7,772
Issued registered bonds	2,664	2,792
Overnight and time deposits	5,238	5,510
Current accounts	5,399	5,067

(28) Liabilities Due to Customers

in € m

	30.6.2015	31.12.2014
Corporate customers	29,675	25,856
Retail customers	16,267	15,983
Public sector	4,327	3,481
Total	**50,269**	**45,320**
thereof:		
Domestic customers	45,756	42,562
Foreign customers	4,513	2,758

in € m

	30.6.2015	31.12.2014
Amounts payable on demand	25,534	20,103
Amounts due with an agreed maturity or period of notice	24,735	25,217
Total	**50,269**	**45,320**
thereof:		
Current accounts	13,124	9,980
Overnight and time deposits	15,896	13,395
Savings deposits	1,944	2,000
Home savings deposits	4,137	4,098
Issued registered bonds	10,986	11,281
Promissory note loans raised	2,882	3,261

(29) Securitised Liabilities

in € m

	30.6.2015	31.12.2014
Bonds issued	**42,766**	**45,271**
Mortgage Pfandbriefe	5,571	4,096
Public Pfandbriefe	14,791	14,806
Other debt instruments	22,404	26,369
Other securitised liabilities	**8,904**	**3,049**
Total	**51,670**	**48,320**

(30) Trading Liabilities

in € m

	30.6.2015	31.12.2014
Negative fair values of derivatives	**10,611**	**12,727**
Share-price derivatives	133	117
Interest-rate derivatives	9,289	11,589
Currency derivatives	1,162	989
Credit derivatives	24	25
Commodity derivatives	3	7
Issued money market instruments	**1,092**	**1,889**
Issued equity / index certificates	**135**	**130**
Liabilities held for trading	**10,823**	**14,473**
Total	**22,661**	**29,219**

This item solely comprises financial instruments classified as financial liabilities at fair value through profit or loss (held-for-trading sub-category). The liabilities held for trading mainly comprise money trading transactions.

(31) Negative Fair Values of Non-Trading Derivatives

in € m

	30.6.2015	31.12.2014
Hedging derivatives under hedge accounting	405	553
Other non-trading derivatives	4,424	4,798
Total	**4,829**	**5,351**

The hedging derivatives under hedge accounting are used within the framework of qualifying micro fair value hedges under IAS 39. Other non-trading derivatives comprise derivative financial instruments used as economic hedges as part of hedge management, although fulfilment of the hedge accounting requirements is not formally documented in accordance with IAS 39.

(32) Provisions

in € m

	30.6.2015	31.12.2014
Provisions for pensions and similar obligations	**1,733**	**1,713**
Other provisions	**422**	**439**
Personnel provisions	84	100
Provisions for lending business risks	48	58
Restructuring provisions	40	56
Provisions for litigation risks	52	57
Sundry provisions	198	168
Total	**2,155**	**2,152**

In the calculation of the pension provisions, the main pension obligations in Germany were remeasured while retaining the same discount rate of 2.25 % (31 December 2014: 2.25 %).

(33) Other Liabilities

in € m

	30.6.2015	31.12.2014
Trade accounts payable	116	113
Liabilities to employees	31	23
Advance payments and payments on account	357	347
Other taxes payable (excl. income taxes)	45	17
Other liabilities	158	130
Total	**707**	**630**

(34) Subordinated Capital

in € m

	30.6.2015	31.12.2014
Subordinated liabilities	3,836	3,661
thereof: Accrued interest	71	28
Profit participation rights	708	730
thereof: Accrued interest	17	36
Silent participations	977	1,019
thereof: Accrued interest	8	50
Total	**5,521**	**5,410**
thereof: Securitised subordinated debt	3,445	3,388

The silent participations shown under this item do not meet the equity criteria of IAS 32.

(35) Equity

in € m

	30.6.2015	31.12.2014
Subscribed capital	2,509	2,509
Capital reserves	1,546	1,546
Retained earnings	3,157	3,030
Revaluation reserve	223	249
Currency translation reserve	22	14
Non-controlling interests	−2	2
Total	**7,455**	**7,350**

The subscribed capital comprises the share capital of € 589 m paid in by the owners in accordance with the Charter and the capital contributions of € 1,920 m paid by the Federal State of Hesse.

As at 30 June 2015, the share capital was attributable to the owners as follows:

	in € m	in %
Sparkassen- und Giroverband Hessen-Thüringen	405	68.85
State of Hesse	48	8.10
Rheinischer Sparkassen- und Giroverband	28	4.75
Sparkassenverband Westfalen-Lippe	28	4.75
Fides Alpha GmbH[1)]	28	4.75
Fides Beta GmbH[1)]	28	4.75
State of Thuringia	24	4.05
Total	**589**	**100.00**

[1)] represented by DSGV e.V. as the trustee

The capital reserves comprise the premiums from issuing share capital to the owners.

The retained earnings comprise the profits retained by the parent company and the contributions to earnings from consolidated subsidiaries since initial consolidation as well as other consolidation measures. In addition, retained earnings also include remeasurement gains or losses on defined benefit obligations, which have to be recognised in other comprehensive income, taking into account the appropriate deferred taxes.

The revaluation reserve contains the remeasurement gains or losses, after deferred taxes, on available-for-sale financial instruments recognised in other comprehensive income. The gains or losses are only recognised in the income statement when the asset is sold or derecognised.

Further Disclosures About Financial Instruments

(36) Derivatives

The Helaba Group uses derivative financial instruments for both trading and hedging purposes.

Derivatives can be entered into in the form of standard contracts on an exchange or individually negotiated as OTC derivatives.

The nominal values reflect the gross volume of all purchases and sales. This figure is used as a reference for determining mutually agreed compensation payments; however, they are not receivables or liabilities that can be shown in the statement of financial position.

The nominal and fair values of derivatives as at the reporting dates were as follows:

in € m

	Nominal amounts		Positive fair values		Negative fair values	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Equity-/index-related transactions	**3,504**	**3,189**	**147**	**136**	**135**	**118**
OTC products	**2,325**	**2,200**	**128**	**116**	**106**	**88**
Equity options	2,325	2,200	128	116	106	88
Calls	1,364	1,289	128	116	–	–
Puts	960	911	–	–	106	88
Exchange-traded products	**1,179**	**989**	**19**	**20**	**29**	**30**
Equity/index futures	403	404	4	12	1	–
Equity/index options	776	585	15	8	28	30
Interest-rate-related transactions	**556,450**	**489,784**	**15,104**	**17,303**	**12,606**	**15,740**
OTC products	**512,758**	**439,147**	**15,089**	**17,294**	**12,599**	**15,701**
Forward rate agreements	35,369	20,274	–	–	1	–
Interest rate swaps	421,121	362,697	13,020	14,974	9,882	12,473
Interest rate options	56,139	56,118	2,069	2,320	2,716	3,228
Calls	24,016	23,852	2,012	2,270	12	12
Puts	32,123	32,266	57	50	2,704	3,216
Other interest rate contracts	129	58	–	–	–	–
Exchange-traded products	**43,692**	**50,637**	**15**	**9**	**7**	**39**
Interest rate futures	43,692	50,316	15	9	7	39
Interest rate options	–	321	–	–	–	–
Currency-related transactions	**67,022**	**58,825**	**1,950**	**1,240**	**2,667**	**2,182**
OTC products	**67,022**	**58,825**	**1,950**	**1,240**	**2,667**	**2,182**
Currency spot and futures contracts	40,030	34,360	1,064	747	750	566
Cross-currency swaps	26,101	23,662	864	476	1,895	1,598
Currency options	891	803	22	17	22	18
Calls	443	399	22	17	–	–
Puts	448	405	–	–	22	18
Credit derivatives	**4,590**	**3,879**	**29**	**27**	**29**	**31**
OTC products	**4,590**	**3,879**	**29**	**27**	**29**	**31**
Commodity-related transactions	**161**	**156**	**3**	**7**	**3**	**7**
OTC products	**161**	**156**	**3**	**7**	**3**	**7**
Commodity swaps	24	44	2	5	2	5
Commodity options	137	112	1	2	1	2
Total	**631,727**	**555,833**	**17,233**	**18,713**	**15,440**	**18,078**

Nominal amounts broken down by term to maturity:

in € m

	Equity-/index-related transactions		Interest-rate-related transactions		Currency-related transactions	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Up to three months	524	594	79,911	76,141	23,589	19,879
More than three months and up to one year	1,158	832	102,296	86,255	14,378	13,096
More than one year and up to five years	1,688	1,698	208,560	178,552	22,763	19,513
More than five years	134	65	165,683	148,836	6,292	6,337
Total	**3,504**	**3,189**	**556,450**	**489,784**	**67,022**	**58,825**

in € m

	Credit derivatives		Commodity-related transactions		Total	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Up to three months	225	182	33	50	104,282	96,846
More than three months and up to one year	289	443	25	15	118,146	100,641
More than one year and up to five years	4,022	3,249	103	91	237,136	203,103
More than five years	54	5	–	–	172,163	155,243
Total	**4,590**	**3,879**	**161**	**156**	**631,727**	**555,833**

Derivatives have been entered into with the following counter-parties:

in € m

	Nominal amounts		Positive fair values		Negative fair values	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Banks in OECD countries	237,355	229,973	9,764	10,144	12,267	14,444
Banks outside OECD countries	18	17	–	–	3	3
Other counterparties (including exchanges)	340,524	264,908	3,310	3,493	1,045	1,160
Public institutions in OECD countries	53,830	60,935	4,159	5,076	2,125	2,471
Total	**631,727**	**555,833**	**17,233**	**18,713**	**15,440**	**18,078**

(37) Carrying Amounts and Contributions to Earnings, Broken Down by Measurement Category

The following table sets out the carrying amounts of financial assets and liabilities as at 30 June 2015 in accordance with the measurement categories of IAS 39. It also shows the figures reported in the statement of financial position.

in € m

	LaR/OL	AfS	HfT	FVO	Total
Assets					
Cash reserve	3,610				3,610
Loans and advances to banks	17,072			5	17,077
Loans and advances to customers	95,127			602	95,729
Trading assets			29,000		29,000
Positive fair values of non-trading derivatives			4,764		4,764
Financial investments		24,370		3,075	27,445
Total	**115,809**	**24,370**	**33,764**	**3,682**	**177,625**
Liabilities					
Liabilities due to banks	34,724			413	35,137
Liabilities due to customers	46,806			3,463	50,269
Securitised liabilities	45,330			6,340	51,670
Trading liabilities			22,661		22,661
Negative fair values of non-trading derivatives			4,829		4,829
Subordinated capital	4,951			570	5,521
Total	**131,811**		**27,490**	**10,786**	**170,087**

The corresponding carrying amounts as at 31 December 2014 were as follows:

in € m

	LaR/OL	AfS	HfT	FVO	Total
Assets					
Cash reserve	1,033				1,033
Loans and advances to banks	20,571			8	20,579
Loans and advances to customers	90,457			652	91,109
Trading assets			31,262		31,262
Positive fair values of non-trading derivatives			5,828		5,828
Financial investments		23,397		3,193	26,590
Total	**112,061**	**23,397**	**37,090**	**3,853**	**176,401**
Liabilities					
Liabilities due to banks	35,222			390	35,612
Liabilities due to customers	41,664			3,656	45,320
Securitised liabilities	39,520			8,800	48,320
Trading liabilities			29,219		29,219
Negative fair values of non-trading derivatives			5,351		5,351
Subordinated capital	4,838			572	5,410
Total	**121,244**		**34,570**	**13,418**	**169,232**

The following table shows the contributions to earnings from financial instruments in each measurement category for the period 1 January to 30 June 2015:

in € m

	LaR	OL	AfS	HfT	FVO	Non-trading derivatives	Total
Net interest income	1,411	–872	151		–91	90	689
Provisions for losses on loans and advances	–66						–66
Net trading income				128			128
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied					130	–148	–18
Net income from hedge accounting	11	52				–65	–2
Net income from financial investments			–4				–4
Contributions to earnings recognised under other comprehensive income			–50				–50
Total	**1,356**	**–820**	**97**	**128**	**39**	**–123**	**677**

The equivalent amounts for the first six months of 2014 were as follows:

in € m

	LaR	OL	AfS	HfT	FVO	Non-trading derivatives	Total
Net interest income	1,546	–1,025	174		–124	111	682
Provisions for losses on loans and advances	–45						–45
Net trading income				94			94
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied					–191	235	44
Net income from hedge accounting	–52	–154				211	5
Net income from financial investments			17				17
Contributions to earnings recognised under other comprehensive income			116				116
Total	**1,449**	**–1,179**	**307**	**94**	**–315**	**557**	**913**

Net interest income as per the income statement includes interest from financial instruments as well as the net interest income or expense attributable to pension obligations, the interest cost from unwinding the discount on other non-current provisions and net interest income from finance leases.

(38) Fair Values of Financial Instruments

The following overview compares the fair values of financial assets and liabilities with their corresponding carrying amounts.

in € m

	Fair value		Carrying amount		Difference	
	30.6.2015	**31.12.2014**	**30.6.2015**	**31.12.2014**	**30.6.2015**	**31.12.2014**
Assets						
Cash reserve	3,610	1,033	3,610	1,033	–	–
Loans and advances to banks[1)]	17,239	20,824	17,075	20,577	164	247
Loans and advances to customers[1)]	101,022	95,391	94,716	90,104	6,306	5,287
Trading assets	29,000	31,262	29,000	31,262	–	–
Positive fair values of non-trading derivatives	4,764	5,828	4,764	5,828	–	–
Financial investments	27,445	26,590	27,445	26,590	–	–
Total	**183,080**	**180,928**	**176,610**	**175,394**	**6,470**	**5,534**
Liabilities						
Liabilities due to banks	36,222	36,884	35,137	35,612	1,085	1,272
Liabilities due to customers	51,418	47,009	50,269	45,320	1,149	1,689
Securitised liabilities	52,178	48,937	51,670	48,320	508	617
Trading liabilities	22,661	29,219	22,661	29,219	–	–
Negative fair values of non-trading derivatives	4,829	5,351	4,829	5,351	–	–
Subordinated capital	5,847	5,602	5,521	5,410	326	192
Total	**173,155**	**173,002**	**170,087**	**169,232**	**3,068**	**3,770**

1) Net carrying amount after provisions for losses on loans and advances.

The market price as observable on an active market is the best indicator of the fair value of financial instruments. If no price is quoted on the reporting date, the most recent available market price is used for measurement purposes and is modified to account for the effect of major changes in conditions (Level 1).

If there is no market price for a financial instrument, fair value is measured on the basis of recognised, standard methods, whereby the inputs used are based on market prices and are taken from external sources (Level 2).

If the inputs needed for the measurement are not directly observable on an active market, measurement is based on realistic assumptions relating to market circumstances. If no market prices are available for non-derivative financial instruments, arranger prices are used. Unlisted equity investments recognised at fair value are also measured on the basis of inputs that cannot be observed, particularly the surpluses derived from corporate planning (Level 3).

The breakdown of financial instruments on the assets side measured at fair value according to the hierarchy of the inputs used was as follows:

in € m

	Level 1		Level 2		Level 3		Total	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Non-derivative financial instruments	**38,681**	**39,161**	**5,006**	**5,511**	**859**	**920**	**44,546**	**45,592**
Loans and advances to banks			5	8	–	–	5	8
Loans and advances to customers			507	542	95	110	602	652
Trading assets	13,741	15,077	2,666	3,157	124	143	16,531	18,377
Financial investments	24,940	24,084	1,828	1,804	640	667	27,408	26,555
Derivatives	**34**	**29**	**17,101**	**18,577**	**98**	**107**	**17,233**	**18,713**
Trading assets	23	22	12,372	12,797	74	66	12,469	12,885
Positive fair values of non-trading derivatives	11	7	4,729	5,780	24	41	4,764	5,828
Total	**38,715**	**39,190**	**22,107**	**24,088**	**957**	**1,027**	**61,779**	**64,305**

The financial instruments recognised as liabilities in the statement of financial position were broken down as follows:

in € m

	Level 1		Level 2		Level 3		Total	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Non-derivative financial instruments	**498**	**707**	**21,849**	**28,666**	**489**	**537**	**22,836**	**29,910**
Liabilities due to banks			390	354	23	36	413	390
Liabilities due to customers			3,418	3,611	45	45	3,463	3,656
Securitised liabilities	–	–	5,919	8,344	421	456	6,340	8,800
Trading liabilities	498	707	11,552	15,785	–	–	12,050	16,492
Subordinated capital	–	–	570	572	–	–	570	572
Derivatives	**36**	**69**	**15,321**	**17,940**	**83**	**69**	**15,440**	**18,078**
Trading liabilities	33	46	10,502	12,615	76	66	10,611	12,727
Negative fair values of non-trading derivatives	3	23	4,819	5,325	7	3	4,829	5,351
Total	**534**	**776**	**37,170**	**46,606**	**572**	**606**	**38,276**	**47,988**

The breakdown of assets-side non-derivative financial instruments in Level 3 was as follows:

in € m

	30.6.2015	31.12.2014
Loans and advances to customers	**95**	**110**
Bonds and other fixed-income securities	**346**	**345**
Bonds	217	194
Promissory notes	124	143
Asset-backed securities	5	8
Unlisted equity investments	**102**	**75**
Investment units	**152**	**223**
Purchase of receivables from endowment insurance policies	**164**	**167**
Total	**859**	**920**

The breakdown of Level 3 bonds and other fixed-income securities over the various rating categories was as follows:

in € m

	30.6.2015	31.12.2014
AAA	4	8
AA	252	243
A	85	89
No external rating	5	5
Bonds and other fixed-income securities	**346**	**345**

Helaba's model for measuring the Level 3 instruments used inputs producing a price that knowledgeable market participants would apply. For individual inputs, more or less favourable factors could have been applied as an alternative.

For loans and advances to customers, bonds and other fixed-income securities, this is particularly true of the inputs used in estimating and determining credit spreads. The process uses scenario values on the basis of determined historical standard deviations in the sectors concerned. As was the case at 31 December 2014, the deviations calculated in this way were negligible.

Simulations were carried out for unlisted equity investments and investment units for which a discounted earnings approach is used to determine fair value. The main variations in the simulations were to increase or reduce the cash flows by 10 % before discounting. The enterprise values calculated in this way were used as the basis for determining alternative values, which were then found to be up to € 22 m (31 December 2014: € 31 m) higher or lower.

There were no significant sensitivities evident in the other Level 3 instruments.

The following tables show the changes in the portfolio of financial instruments that are measured at fair value and allocated to Level 3 as well as the net gains or losses on remeasurement of the financial instruments still held in the portfolio as at 30 June 2015:

in € m

	Loans and advances to customers		Trading assets		Financial investments	
Assets	2015	2014[1)]	2015	2014	2015	2014
Carrying amounts as at 1.1.	**110**	**106**	**143**	**20**	**667**	**641**
Gains or losses recognised in profit or loss						
Net interest income or expense	–1	–			–6	1
Net trading income			–2	–		
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied	–12	3			–	1
Net income from financial investments					1	–1
Gains or losses recognised in other comprehensive income					27	8
Additions	–	–	55	10	31	7
Disposals / liquidations	–2	–2	–72	–20	–87	–57
Changes due to currency translation	–	–	–	–	7	1
Transfers from Level 1	–	–	–	–	–	2
Carrying amounts as at 30.6.	**95**	**107**	**124**	**10**	**640**	**603**
Gains or losses on financial assets in the portfolio recognised in profit or loss	–12	3	–4	–	–1	2

1) Prior-year figures restated: In 2014, loans and advances to customers amounting to € 107 m were not classified as Level 3 even though this ought to have been required based on measurement parameters used.

in € m

	Positive fair values of the trading portfolio		Positive fair values of the trading portfolio	
Assets	2015	2014	2015	2014
Carrying amounts as at 1.1.	**66**	**29**	**41**	**36**
Gains or losses recognised in profit or loss				
Net interest income or expense			–2	–2
Net trading income	17	20		
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied			–15	5
Additions	3	1	–	–1
Disposals / liquidations	–5	–9	–	–
Transfers from Level 2	–	29	–	–
Transfers to Level 2	–7	–	–	–
Carrying amounts as at 30.6.	**74**	**70**	**24**	**38**
Gains or losses on financial assets in the portfolio recognised in profit or loss	27	20	–10	6

in € m

Liabilities	Liabilities due to banks 2015	Liabilities due to banks 2014	Liabilities due to customers 2015	Liabilities due to customers 2014	Securitised liabilities 2015	Securitised liabilities 2014
Carrying amounts as at 1.1.	**36**	**38**	**45**	**37**	**456**	**508**
Gains or losses recognised in profit or loss						
Net interest income or expense	–	–	1	–1	–2	–2
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied	–1	1	–1	4	–16	8
Additions	–	8	–	8	14	56
Disposals / liquidations	–12	–5	–	–	–31	–61
Carrying amounts as at 30.6.	**23**	**42**	**45**	**48**	**421**	**509**
Gains or losses on liabilities in the portfolio recognised in profit or loss	1	–	1	1	16	2

in € m

Liabilities	Trading liabilities 2015	Trading liabilities 2014	Negative fair values of the trading portfolio 2015	Negative fair values of the trading portfolio 2014	Negative fair values of non-trading derivatives 2015	Negative fair values of non-trading derivatives 2014
Carrying amounts as at 1.1.	**–**	**–**	**66**	**7**	**3**	**8**
Gains or losses recognised in profit or loss						
Net trading income	–	–	18	16		
Gain or loss on non-trading derivatives and financial instruments to which the fair value option is applied					4	–4
Additions	–	–	3	1	–	–
Disposals / liquidations	–	–	–5	1	–	–
Transfers from Level 2	–	6	–	41	–	1
Transfers to Level 2	–	–	–6	–	–	–
Carrying amounts as at 30.6.	**–**	**6**	**76**	**66**	**7**	**5**
Gains or losses on liabilities in the portfolio recognised in profit or loss	–	–	–29	–16	–8	4

Fair values were determined for financial instruments not measured at fair value. According to the hierarchy of the inputs used, the breakdown as at 30 June 2015 was as follows:

in € m

	Level 1		Level 2		Level 3		Total	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Assets								
Cash reserve	3,610	1,033					3,610	1,033
Loans and advances to banks			12,585	15,790	4,649	5,026	17,234	20,816
Loans and advances to customers			89,767	81,314	10,653	13,425	100,420	94,739
Financial investments	–	–	–	–	37	35	37	35
Total	**3,610**	**1,033**	**102,352**	**97,104**	**15,339**	**18,486**	**121,301**	**116,623**
Liabilities								
Liabilities due to banks			29,370	31,320	6,439	5,174	35,809	36,494
Liabilities due to customers			42,617	38,037	5,338	5,316	47,955	43,353
Securitised liabilities	1,767	1,627	44,067	38,469	4	41	45,838	40,137
Subordinated capital	507	506	4,770	4,524	–	–	5,277	5,030
Total	**2,274**	**2,133**	**120,824**	**112,350**	**11,781**	**10,531**	**134,879**	**125,014**

The portfolios reported under Level 3 involve types of business for which observable measurement parameters are not generally available for all the key inputs. The development and retail businesses are the main types of business involved in this case.

(39) Reclassification of Financial Assets

In accordance with the amendments to IAS 39 and IFRS 7 "Reclassification of Financial Assets", the Helaba Group reclassified certain trading assets and available-for-sale financial assets as loans and receivables (LaR) in the second half of 2008. This reclassification procedure covered assets that, on 1 July 2008, were clearly no longer intended to be sold or traded in the short term and that instead were intended to be held for the foreseeable future. In accordance with the amended IAS 39, such assets were reclassified with effect from 1 July 2008 using the fair value determined on this reference date. No further reclassifications have been carried out since that time.

The reclassification also resulted in a change in the line item in which the assets are shown in the statement of financial position. The following table shows the carrying amounts and the fair values of the reclassified assets.

in € m

	30.6.2015 Carrying amount	30.6.2015 Fair value	31.12.2014 Carrying amount	31.12.2014 Fair value	1.7.2008 Carrying amount
Trading assets reclassified to loans and advances to customers	81	80	96	96	437
Financial investments reclassified to loans and advances to customers	75	75	161	162	1,722
Total	**156**	**155**	**257**	**258**	**2,159**

At the time of reclassification, the effective interest rates of the reclassified trading assets were between 4.5 % and 6.5 %, with expected attainable cash flows of € 452 m. The effective interest rates of the reclassified financial assets available for sale were between 3.2 % and 9.3 %, with expected attainable cash flows of € 1,794 m.

If the reclassifications had not been carried out, additional unrealised remeasurement losses of € 1 m would have arisen on trading assets and been recognised in the income statement for the first half-year of 2015 (H1 2014: remeasurement gains of € 7 m); additional unrealised remeasurement gains of € 0 m would also have arisen on financial investments and been recognised in other comprehensive income (H1 2014: € 10 m).

No impairment losses were recognised (H1 2014: € 0 m) for the reclassified financial assets in the first six months of 2015.

(40) Disclosures Relating to Issuing Activities

The following table provides an overview of changes in the Helaba Group's securitised funding during the reporting period:

in € m

	Securitised trading liabilities		Securitised liabilities		Securitised subordinated capital		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
As at 1.1.	**2,019**	**2,746**	**48,320**	**48,371**	**3,388**	**3,283**	**53,727**	**54,400**
Changes due to currency translation	137	14	293	23	3	2	433	39
Additions from issues	8,440	3,045	20,325	13,431	70	30	28,835	16,506
Redemptions	−9,377	−4,387	−16,324	−11,660	–	−17	−25,701	−16,064
Repurchases	−8	−5	−602	−1,051	–	–	−610	−1,056
Changes in accrued interest	1	–	−160	−88	7	7	−152	−81
Changes in value recognised through profit or loss	15	6	−182	67	−23	−24	−190	49
As at 30.6.	**1,227**	**1,419**	**51,670**	**49,093**	**3,445**	**3,281**	**56,342**	**53,793**

As part of its issuing activities, the Helaba Group places short-term commercial paper as well as medium- and long-term bonds and subordinated sources of funding on the money and capital markets.

Additions from issues and redemptions also include the placement volume of short-term commercial paper that could be repaid again by as early as the end of the reporting period. The changes in value recognised through profit or loss result from remeasurement gains or losses on financial liabilities held as at the reporting date that were either accounted for as hedged items or to which the fair value option was applied.

Off-Balance Sheet Transactions and Obligations

(41) Contingent Liabilities and Other Off-Balance Sheet Obligations

in € m

	30.6.2015	31.12.2014
Contingent liabilities	**5,512**	**5,178**
Liabilities from guarantees and warranty agreements	5,512	5,178
Other obligations	**20,193**	**19,505**
Placement and underwriting obligations	2,654	2,103
Irrevocable loan commitments	17,393	17,254
Contribution obligations	46	51
Contractual obligations for the acquisition of property and equipment, intangible assets and other assets	35	29
Contractual obligations in connection with investment property	52	57
Litigation risk obligations	3	1
Other obligations	10	10
Total	**25,705**	**24,683**

(42) Fiduciary Transactions

in € m

	30.6.2015	31.12.2014
Trust assets	**885**	**917**
Loans and advances to banks	173	176
Loans and advances to customers	437	466
Equity investments	61	61
Other assets	214	214
Trust liabilities	**885**	**917**
Liabilities due to banks	1	–
Liabilities due to customers	573	607
Other liabilities	311	310

Other Disclosures

(43) Capital Management and Regulatory Ratio Disclosures

Capital management in the Helaba Group comprises planning regulatory own funds as part of the planning process, allocating own funds, monitoring changes in risk exposures and complying with capital limits, monitoring and determining the plausibility of the remaining capital buffer as well as recognising a projected cost of capital as part of contribution margin accounting. The aim of capital management is to allocate capital over the various divisions of the Group, with due consideration being given to risk and return aspects, and also in line with the need to comply with regulatory requirements concerning capital adequacy.

The regulatory own funds of the Helaba banking group are determined in accordance with Regulation (EU) No. 575 / 2013 (CRR) and the complementary provisions in sections 10 and 10a of the German Banking Act (KWG). In accordance with the classification specified in the CRR, own funds comprise Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital.

The regulatory capital requirement and the capital ratios are also determined in accordance with the provisions of the CRR.

As at 30 June 2015, the breakdown of the own funds of the Helaba banking group was as follows (each amount shown after regulatory adjustments):

in € m

	30.6.2015	31.12.2014
Tier 1 capital	**7,589**	**7,703**
Common Equity Tier 1 capital (CET 1)	7,111	7,212
Additional Tier 1 capital	478	491
Tier 2 capital	**2,304**	**2,262**
Own funds, total	**9,893**	**9,965**

The capital requirements and capital ratios as at the reporting date were as follows:

in € m

	30.6.2015	31.12.2014
Default risk (including equity investments and securitisations)	3,699	3,628
Market risk (including CVA risk)	426	348
Operational risk	296	330
Total capital requirement	**4,421**	**4,306**
CET 1 capital ratio	12.9 %	13.4 %
Tier 1 capital ratio	13.7 %	14.3 %
Total capital ratio	17.9 %	18.5 %

The regulatory capital requirements are satisfied.

(44) Related Party Disclosures

In the course of the ordinary activities of the Helaba Group, transactions with parties deemed to be related in accordance with IAS 24 are conducted on an arm's-length basis. The following disclosures relate mainly to transactions with non-consolidated affiliated companies, with associates and with joint ventures of the Helaba Group, the Sparkassen- und Giroverband Hessen-Thüringen, the Federal State of Hesse and the Free State of Thuringia in their role as shareholders, as well as with subsidiaries of the related parties. The disclosures relating to persons in key positions of the Helaba Group and the Sparkassen- und Giroverband Hessen-Thüringen as defined in IAS 24, including their close family relations as well as companies controlled by these persons, are also included in the following table.

The Helaba Group had the following receivables from, liabilities due to and off-balance sheet commitments to related parties as at 30 June 2015:

in € m

	Non-consolidated subsidiaries	Equity investments in joint ventures and associates	Helaba shareholders	Other related parties	Total
Assets	**82**	**1,268**	**3,082**	**2**	**4,433**
Loans and advances to banks	–	3	41	–	**44**
Loans and advances to customers	57	1,234	1,322	2	**2,615**
Allowances for losses on loans and advances	–	–17	–	–	**–17**
Trading assets	–	8	1,010	–	**1,018**
Financial investments	25	38	594	–	**656**
Other assets	–	2	115	–	**117**
Liabilities	**12**	**331**	**2,611**	**36**	**2,990**
Liabilities due to banks	–	–	176	–	**176**
Liabilities due to customers	12	329	2,171	36	**2,548**
Trading liabilities	–	1	150	–	**151**
Subordinated capital	–	–	103	–	**103**
Other liabilities	–	1	11	–	**12**
Off-balance sheet activities	**12**	**130**	**85**	**3**	**230**

The equivalent amounts as at 31 December 2014 were as follows:

in € m

	Non-consolidated subsidiaries	Equity investments in joint ventures and associates	Helaba shareholders	Other related parties	Total
Assets	**121**	**1,591**	**3,134**	**80**	**4,926**
Loans and advances to banks	–	3	40	62	**105**
Loans and advances to customers	62	1,558	1,154	18	**2,792**
Allowances for losses on loans and advances	–6	–24	–	–	**–30**
Trading assets	40	10	1,308	–	**1,358**
Financial investments	25	38	516	–	**579**
Other assets	–	6	116	–	**122**
Liabilities	**23**	**283**	**1,048**	**24**	**1,378**
Liabilities due to customers	13	281	816	24	**1,134**
Trading liabilities	9	1	175	–	**185**
Subordinated capital	–	–	43	–	**43**
Other liabilities	1	1	14	–	**16**
Off-balance sheet activities	**17**	**165**	**59**	**3**	**244**

As in the first half of 2014, no receivables from related parties were waived or derecognised during the reporting period.

(45) Members of the Board of Managing Directors

Hans-Dieter Brenner
Chairman

Herbert Hans Grüntker
Vice-Chairman
– since 1 August 2015 –

Jürgen Fenk

Thomas Groß

Dr. Detlef Hosemann

Rainer Krick

Klaus-Jörg Mulfinger
– since 1 January 2015 –

Dr. Norbert Schraad

Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year."

Frankfurt am Main / Erfurt, 18 August 2015

Landesbank Hessen-Thüringen Girozentrale

The Board of Managing Directors

Brenner	Grüntker	Fenk	Groß
Dr. Hosemann	Krick	Mulfinger	Dr. Schraad

Copy of the Auditor's Report

"To Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main/Erfurt

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, the income statement and the statement of comprehensive income, the condensed cash flow statement, the statement of changes in equity and selected explanatory notes – and the interim Group management report of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main/Erfurt for the period from 1 January to 30 June 2015, which are part of the half-yearly financial report pursuant to § 37w German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG"). The preparation of the con-densed consolidated interim financial statements in accordance with the IFRS applicable to interim finan-cial reporting, as adopted by the EU, and of the interim Group management report in accordance with the provisions of the WpHG applicable to interim Group management reports is the responsibility of the Bank's Board of Managing Directors. Our responsibility is to issue a review report on the condensed con-solidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting, as adopted by the EU, and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trad-ing Act applicable to interim Group management reports. A review is limited primarily to inquiries of Bank personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting, as adopted by the EU, nor that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim Group management reports."

Frankfurt am Main, 18 August 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Burkhard Eckes	Peter Flick
Wirtschaftsprüfer	Wirtschaftsprüfer