Publication of the stress test outputs

Name of bank: Helaba (Landesbank Hessen-Thüringen)

Actual results

At December 31, 2009	mln EUR
Total Tier 1 capital	5.416
Total regulatory capital	8.269
Total risk weighted assets	61.272
Pre-impairment income (including operating expenses)	1.041
Impairment losses on financial assets in the banking book	-526
1 yr Loss rate on Corporate exposures (%)[1]	0,4%
1 yr Loss rate on Retail exposures (%)[1]	0,1%
Tier 1 ratio (%)	8,8 %

Outcomes of stress test scenarios

The stress test was carried out under a number of key common simplifying assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures). Therefore, the information relative to the benchmark scenarios is provided only for comparison purposes and should in no way be construed as a forecast.

Benchmark scenario at December 31, 2011[2]	mln EUR
Total Tier 1 capital after the benchmark scenario	5.604
Total regulatory capital after the benchmark scenario	8.520
Total risk weighted assets after the benchmark scenario	62.988
Tier 1 ratio (%) after the benchmark scenario	8,9 %

Adverse scenario at December 31, 2011[2]	mln EUR
Total Tier 1 capital after the adverse scenario	5.647
Total regulatory capital after the adverse scenario	8.366
Total risk weighted assets after the adverse scenario	71.602
2 yr cumulative pre-impairment income after the adverse scenario (including operating expenses)[2]	1.580
2 yr cumulative impairment losses on financial assets in the banking book after the adverse scenario[2]	-1.020
2 yr cumulative losses on the trading book after the adverse scenario[2]	-394
2 yr Loss rate on Corporate exposures (%) after the adverse scenario[1, 2]	0,9%
2 yr Loss rate on Retail exposures (%) after the adverse scenario[1, 2]	0,3%
Tier 1 ratio (%) after the adverse scenario	7,9 %

Additional sovereign shock on the adverse scenario at December 31, 2011	mln EUR
Additional impairment losses on the banking book after the sovereign shock[2]	-86
Additional losses on sovereign exposures in the trading book after the sovereign shock[2]	-378
2 yr Loss rate on Corporate exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	1,0%
2 yr Loss rate on Retail exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	0,4%
Tier 1 ratio (%) after the adverse scenario and sovereign shock	7,3 %
Additional capital needed to reach a 6 % Tier 1 ratio under the adverse scenario + additional sovereign shock, at the end of 2011	-

1. Impairment losses as a % of corporate/retail exposures in AFS, HTM, and loans and receivables portfolios
2. Cumulative for 2010 and 2011
3. On the basis of losses estimated under both the adverse scenario and the additional sovereign shock

Explanations concerning the Regulatory Stress Test

- Helaba (Landesbank Hessen-Thüringen) was subject to the 2010 EU-wide stress testing exercise coordinated by the Committee of European Banking Supervisors (CEBS), in cooperation with the European Central Bank and BaFin / Deutsche Bundesbank.

- Helaba (Landesbank Hessen-Thüringen) acknowledges the outcomes of the EU-wide stress tests.

- This stress test complements the risk management procedures and regular stress testing programmes set up in Helaba (Landesbank Hessen-Thüringen) under the Pillar 2 framework of the Basel II and CRD[1] requirements as well as the German Minimum Requirements on Risk Management (MaRisk).

- The exercise was conducted using the scenarios, methodology and key assumptions provided by CEBS (see the aggregate report published on the CEBS website[2]). As a result of the assumed shock under the adverse scenario, the estimated consolidated Tier 1 capital ratio would change to 7.9% in 2011 compared to 8.8% as of end of 2009. An additional sovereign risk scenario would have a further impact of 0.6 percentage point on the estimated Tier 1 capital ratio, bringing it to 7.3% at the end of 2011, compared with the CRD regulatory minimum of 4%.

- The results of the stress suggest a buffer of 1 bn EUR of the Tier 1 capital against the threshold of 6% of Tier 1 capital adequacy ratio for Helaba (Landesbank Hessen-Thüringen) agreed exclusively for the purposes of this exercise. This threshold should by no means be interpreted as a regulatory minimum (the regulatory minimum for the Tier 1 capital ratio is set to 4%), nor as a capital target reflecting the risk profile of the institution determined as a result of the supervisory review process in Pillar 2 of the CRD.

- BaFin / Deutsche Bundesbank has held rigorous discussions of the results of the stress test with Helaba (Landesbank Hessen-Thüringen). As a result no specific actions have been agreed.

- Given that the stress test was carried out under a number of key common simplifying assumptions (e.g. constant balance sheet) the information on benchmark scenarios is provided only for comparison purposes and should in no way be construed as a forecast.

- In the interpretation of the outcome of the exercise, it is imperative to differentiate between the results obtained under the different scenarios developed for the purposes of the EU-wide exercise. The results of the adverse scenario should not be considered as representative of the current situation or possible present capital needs. A stress testing exercise does

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[1] Directive EC/2006/48 – Capital Requirements Directive (CRD)

[2] See: http://www.c-ebs.org/EU-wide-stress-testing.aspx

not provide forecasts of expected outcomes since the adverse scenarios are designed as "what-if" scenarios including plausible but extreme assumptions, which are therefore not very likely to materialise. Different stresses may produce different outcomes depending on the circumstances of each institution.

- **Background**

The objective of the 2010 EU-wide stress test exercise conducted under the mandate from the EU Council of Ministers of Finance (ECOFIN) and coordinated by CEBS in cooperation with the ECB, national supervisory authorities and the EU Commission, is to assess the overall resilience of the EU banking sector and the banks' ability to absorb further possible shocks on credit and market risks, including sovereign risks.

The exercise has been conducted on a bank-by-bank basis for a sample of 91 EU banks from 20 EU Member States, covering at least 50% of the banking sector, in terms of total consolidated assets, in each of the 27 EU Member States, using commonly agreed macro-economic scenarios (benchmark and adverse) for 2010 and 2011, developed in close cooperation with the ECB and the European Commission.

More information on the scenarios, methodology, aggregate and detailed individual results is available from CEBS[3]. Information can also be obtained from the website BaFin / Deutsche Bundesbank.

[3] See: http://www.c-ebs.org/EU-wide-stress-testing.aspx

Exposures to central and local governments

Banking group's exposure on a consolidated basis
Amount in million EURO

Name of bank	Helaba (Landesbank Hessen-Thüringen)
Reporting date	31. Mai 2010

	Gross exposures	of which Banking book	of which Trading book	**Net exposures**
Austria	57	11	46	31
Belgium	90	50	40	90
Bulgaria	0	0	0	0
Cyprus	0	0	0	0
Czech Republic	5	0	5	5
Denmark	0	0	0	0
Estonia	0	0	0	0
Finland	6	0	6	6
France	214	44	170	154
Germany	20.999	15.250	5.749	20.401
Greece	88	78	10	78
Hungary	123	40	83	119
Iceland	0	0	0	0
Ireland	46	0	46	41
Italy	387	215	172	367
Latvia	16	0	16	14
Liechtenstein	0	0	0	0
Lithuania	7	0	7	7
Luxembourg	14	0	14	14
Malta	0	0	0	0
Netherlands	130	0	130	70
Norway	0	0	0	0
Poland	56	15	41	34
Portugal	163	85	78	142
Romania	0	0	0	0
Slovakia	66	16	50	26
Slovenia	3	0	3	3
Spain	1.831	1.583	248	1.733
Sweden	0	0	0	0
United Kingdom	129	129	0	129