Results of the 2011 EBA EU-wide stress test: Aggregate information and evolution of capital [1-4]

Name of the bank: Helaba Landesbank Hessen-Thüringen

All in million EUR, or %

A. Results of the stress test based on the **full static balance sheet assumption** without any mitigating actions, mandatory restructuring or capital raisings post 31 December 2010 (all government support measures fully paid in before 31 December 2010 are included)

		Baseline scenario		Adverse scenario	
Capital adequacy	**2010**	**2011**	**2012**	**2011**	**2012**
Risk weighted assets (full static balance sheet assumption)	57.007	58.067	56.774	61.422	67.117
Common equity according to EBA definition	3.118	3.118	3.191	2.877	2.615
of which ordinary shares subscribed by government	*0*	*0*	*0*	*0*	*0*
Other existing subscribed government capital (before 31 December 2010)	0	0	0	0	0
Core Tier 1 capital (full static balance sheet assumption)	3.118	3.118	3.191	2.877	2.615
Core Tier 1 capital ratio (%)	**5,5%**	**5,4%**	**5,6%**	**4,7%**	**3,9%**

B. Results of the stress test recognising capital issuance and mandatory restructuring plans publicly announced and fully committed before 31 December 2010

		Baseline scenario		Adverse scenario	
Capital adequacy	**2010**	**2011**	**2012**	**2011**	**2012**
Risk weighted assets (full static balance sheet assumption)	57.007	58.067	56.774	61.422	67.117
Effect of mandatory restructuring plans, publicly announced and fully committed before 31 December 2010 on RWA (+/-)		*0*	*0*	*0*	*0*
Risk weighted assets after the effects of mandatory restructuring plans publicly announced and fully committed before 31 December 2010	57.007	58.067	56.774	61.422	67.117
Core Tier 1 Capital (full static balance sheet assumption)	3.118	3.118	3.191	2.877	2.615
Effect of mandatory restructuring plans, publicly announced and fully committed before 31 December 2010 on Core Tier 1 capital (+/-)		*0*	*0*	*0*	*0*
Core Tier 1 capital after the effects of mandatory restructuring plans publicly announced and fully committed before 31 December 2010	3.118	3.118	3.191	2.877	2.615
Core Tier 1 capital ratio (%)	**5,5%**	**5,4%**	**5,6%**	**4,7%**	**3,9%**

C. Results of the stress test recognising capital issuance and mandatory restructuring plans publicly announced and fully committed before 30 April 2011

		Baseline scenario		Adverse scenario	
Capital adequacy	**2010**	**2011**	**2012**	**2011**	**2012**
Risk weighted assets after the effects of mandatory restructuring plans publicly announced and fully committed before 31 December 2010	57.007	58.067	56.774	61.422	67.117
Effect of mandatory restructuring plans, publicly announced and fully committed in period from 31 December 2010 to 30 April 2011 on RWA (+/-)		*0*	*0*	*0*	*0*
Risk weighted assets after the effects of mandatory restructuring plans publicly announced and fully committed before 30 April 2011		58.067	56.774	61.422	67.117
of which RWA in banking book		47.603	45.837	48.995	52.166
of which RWA in trading book		5.596	5.608	5.626	5.672
RWA on securitisation positions (banking and trading book)		1.822	2.295	3.785	6.308
Total assets after the effects of mandatory restructuring plans publicly announced and fully committed and equity raised and fully committed by 30 April 2011					
Core Tier 1 capital after the effects of mandatory restructuring plans publicly announced and fully committed before 31 December 2010	3.118	3.118	3.191	2.877	2.615
Equity raised between 31 December 2010 and 30 April 2011					
Equity raisings fully committed (but not paid in) between 31 December 2010 and 30 April 2011		*1.920*	*1.920*	*1.920*	*1.920*
Effect of government support publicly announced and fully committed in period from 31 December 2010 to 30 April 2011 on Core Tier 1 capital (+/-)					
Effect of mandatory restructuring plans, publicly announced and fully committed in period from 31 December 2010 to 30 April 2011 on Core Tier 1 capital (+/-)					
Core Tier 1 capital after government support, capital raisings and effects of restructuring plans fully committed by 30 April 2011		5.038	5.111	4.797	4.535
Tier 1 capital after government support, capital raisings and effects of restructuring plans fully committed by 30 April 2011		*5.038*	*5.111*	*4.797*	*4.535*
Total regulatory capital after government support, capital raisings and effects of restructuring plans fully committed by 30 April 2011		*8.818*	*8.900*	*8.582*	*8.331*
Core Tier 1 capital ratio (%)	**5,5%**	**8,7%**	**9,0%**	**7,8%**	**6,8%**
Additional capital needed to reach a 5% Core Tier 1 capital benchmark					

		Baseline scenario		Adverse scenario	
Profit and losses	**2010**	**2011**	**2012**	**2011**	**2012**
Net interest income	1.058	1.058	1.100	1.040	1.058
Trading income	211	-120	-120	-395	-395
of which trading losses from stress scenarios		*160*	*160*	*435*	*435*
of which valuation losses due to sovereign shock				*78*	*78*
Other operating income [5]	107	100	100	90	80
Operating profit before impairments	716	378	420	75	83
Impairments on financial and non-financial assets in the banking book [6]	*321*	*333*	*308*	*414*	*477*
Operating profit after impairments and other losses from the stress	395	45	113	-339	-394
Other income [5,6]	67	30	30	30	30
Net profit after tax [7]	361	57	107	-232	-273
of which carried over to capital (retained earnings)	*295*	*15*	*65*	*-232*	*-273*
of which distributed as dividends	*66*	*42*	*42*	*0*	*0*

Additional information	2010	Baseline scenario 2011	Baseline scenario 2012	Adverse scenario 2011	Adverse scenario 2012
Deferred Tax Assets [8]	301	301	301	301	301
Stock of provisions [9]	1.317	1.650	1.957	1.731	2.208
of which stock of provisions for non-defaulted assets	177	178	179	196	224
of which Sovereigns [10]	0	0	0	4	7
of which Institutions [10]	1	2	3	12	23
of which Corporate (excluding Commercial real estate)	42	42	42	42	47
of which Retail (excluding Commercial real estate)	7	7	7	7	7
of which Commercial real estate [11]	127	127	127	132	140
of which stock of provisions for defaulted assets	1.140	1.434	1.701	1.458	1.830
of which Corporate (excluding Commercial real estate)	411	505	589	513	635
of which Retail (excluding commercial real estate)	60	138	217	148	252
of which Commercial real estate	656	767	858	785	930
Coverage ratio (%) [12]					
Corporate (excluding Commercial real estate)	37,7%	36,9%	36,4%	36,8%	36,1%
Retail (excluding Commercial real estate)	41,9%	44,9%	45,9%	46,8%	49,8%
Commercial real estate	31,8%	30,7%	30,0%	30,5%	29,6%
Loss rates (%) [13]					
Corporate (excluding Commercial real estate)	0,3%	0,3%	0,3%	0,3%	0,4%
Retail (excluding Commercial real estate)	1,0%	1,1%	1,1%	1,2%	1,4%
Commercial real estate	0,3%	0,3%	0,3%	0,4%	0,4%
Funding cost (bps)	279			303	333

D. Other mitigating measures (see Mitigating measures worksheet for details), million EUR [14]

All effects as compared to regulatory aggregates as reported in Section C		Baseline scenario 2011	Baseline scenario 2012	Adverse scenario 2011	Adverse scenario 2012
A) Use of provisions and/or other reserves (including release of countercyclical provisions), capital ratio effect [6]		0	0	0	0
B) Divestments and other management actions taken by 30 April 2011, RWA effect (+/-)		-250	-250	-250	-250
B1) Divestments and other business decisions taken by 30 April 2011, capital ratio effect (+/-)		40	40	40	40
C) Other disinvestments and restructuring measures, including also future mandatory restructuring not yet approved with the EU Commission under the EU State Aid rules, RWA effect (+/-)		0	0	0	0
C1) Other disinvestments and restructuring measures, including also future mandatory restructuring not yet approved with the EU Commission under the EU State Aid rules, capital ratio effect (+/-)		0	0	0	0
D) Future planned issuances of common equity instruments (private issuances), capital ratio effect		0	0	0	0
E) Future planned government subscriptions of capital instruments (including hybrids), capital ratio effect		0	0	0	0
F) Other (existing and future) instruments recognised as appropriate back-stop measures by national supervisory authorities, RWA effect (+/-)		0	0	0	0
F1) Other (existing and future) instruments recognised as appropriate back-stop measures by national supervisory authorities, capital ratio effect (+/-)		1.053	1.053	1.053	1.053
Risk weighted assets after other mitigating measures (B+C+F)		57.817	56.524	61.172	66.867
Capital after other mitigating measures (A+B1+C1+D+E+F1)		6.131	6.204	5.890	5.628
Supervisory recognised capital ratio (%) [15]		***10,6%***	***11,0%***	***9,6%***	***8,4%***

Notes and definitions

(1) The stress test was carried using the EBA common methodology, which includes a static balance sheet assumption (see http://www.eba.europa.eu/EU-wide-stress-testing/2011.aspx for the details on the EBA methodology).

(2) All capital elements and ratios are presented in accordance with the EBA definition of Core Tier 1 capital set up for the purposes of the EU-wide stress test, and therefore may differ from the definitions used by national supervisory authorities and/or reported by institutions in public disclosures.

(3) Neither baseline scenario nor the adverse scenario and results of the stress test should in any way be construed as a bank's forecast or directly compared to bank's other published information.

(4) Regulatory transitional floors are applied where binding. RWA for credit risk have been calculated in accordance with the EBA methodology assuming an additional floor imposed at a level of RWA, before regulatory transitional floors, for December 2010 for both IRB and STA portfolios.

(5) Banks are required to provide explanations of what "Other operating income" and "Other income" constitutes for.
Composition of "Other operating income" and "Other income":
Income from rent and lease activities and nonbanking services

(6) If under the national legislation, the release of countercyclical provisions and/or other similar reserves is allowed, this figure for 2010 could be included either in rows "Impairments on financial assets in the banking book" or "Other income" for 2010, whereas under the EU-wide stress test methodology such release for 2011-2012 should be reported in Section D as other mitigating measures.

(7) Net profit includes profit attributable to minority interests.

(8) Deferred tax assets as referred to in paragraph 69 of BCBS publication dated December 2010 : “Basel 3 – a global regulatory framework for more resilient banks and banking systems”.

(9) Stock of provisions includes collective and specific provisions as well as countercyclical provisions, in the jurisdictions, where required by the national legislation.

(10) Provisions for non-defaulted exposures to sovereigns and financial institutions have been computed taking into account benchmark risk parameters (PDs and LGDs) provided by the EBA and referring to external credit ratings and assuming hypothetical scenario of rating agency downgrades of sovereigns.

(11) For definition of commercial real estate please refer to footnote (5) in the worksheet "4 - EADs".
(12) Coverage ratio = stock of provisions on defaulted assets / stock of defaulted assets expressed in EAD for the specific portfolio.
(13) Loss rate = total impairment flow (specific and collective impairment flow) for a year / total EAD for the specific portfolio (including defaulted and non-defaulted assets but excluding securitisation and counterparty credit risk exposures).

(14) All elements are be reported net of tax effects.
(15) The supervisory recognised capital ratio computed on the basis of additional mitigating measures presented in this section. The ratio is based primarily on the EBA definition, but may include other mitigating measures not recognised by the EBA methodology as having impacts in the Core Tier 1 capital, but which are considered by the national supervisory authorities as appropriate mitigating measures for the stressed conditions. Where applicable, such measures are explained in the additional announcements issued by banks/national supervisory authorities. Details of all mitigating measures are presented in the worksheet "3 - Mitigating measures).