2016

Half-Yearly Disclosure Report

Helaba

Disclosure of the Helaba Group
Pursuant to the Capital Requirements Regulation (CRR)

30 June 2016

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Preamble

The Helaba Group

Landesbank Hessen-Thüringen Girozentrale of Frankfurt am Main and Erfurt (Helaba) provides financial services in Germany and other countries for companies, banks, institutional investors and the public sector. Helaba serves as the Sparkasse central bank for Hesse, Thuringia, North Rhine-Westphalia and Brandenburg, making it a strong partner for 40 percent of Germany's Sparkassen.

Frankfurter Sparkasse (FSP), the regional market leader in retail banking, is a wholly-owned subsidiary of Helaba. The Helaba Group also includes Landesbausparkasse Hessen-Thüringen (LBS) and Wirtschafts- und Infrastrukturbank Hessen (WIBank). The latter implements development programmes on behalf of the State of Hesse.

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 applicable provisions of the Charter and the Treaty of the Formation of a Joint Savings Banks Association Hesse-Thuringia. The Treaty and the Charter establish the legal framework for Helaba's business model. Other factors central to this business model are Helaba's status as part of the Sparkassen-Finanzgruppe with its institutional protection scheme, the distribution of tasks between Sparkassen, Landesbanken and other S-Group institutions, the large stake in Helaba owned by the Sparkassen organisation, and Helaba's retention and expansion of its 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. The Bank's registered offices are situated in Frankfurt am Main and Erfurt, and it also has branches in Düsseldorf, Kassel, Paris, London and New York. These are joined by representative and sales offices, subsidiaries and affiliates.

Helaba's sound strategic business model is based on three business units

Helaba …
… a Universal Bank with strong Regional Focus

Wholesale Business	S-Group Business, Private Customers and SME Business	Public Development and Infrastructure Business
Helaba	Verbundbank	WIBank – Wirtschafts- und Infrastrukturbank Hessen
Business Divisions: Real Estate; Corporate Finance; Financial Institutions and Public Finance; Global Markets; Asset Management; Transaction Banking	LBS; Frankfurter Sparkasse 1822; 1822direkt – Ein Unternehmen der Frankfurter Sparkasse; Frankfurter Bankgesellschaft – Privatbank, Zürich, Frankfurt	

Frankfurt am Main · Erfurt · Düsseldorf · Kassel · London · Paris — New York · Zurich · Madrid · Moscow · Shanghai · Singapore

Disclosure Report

Helaba is the superordinated institution in the Group and, as such, is responsible for meeting the disclosure requirements at Group level in accordance with Part 8 of the Capital Requirements Regulation (CRR). This Disclosure Report satisfies these requirements for the reporting date of 30 June 2016. The supplementary provisions set out in Sections 10 and 10a of the German Banking Act (Kreditwesengesetz – KWG), Article 13 CRR, the transitional provisions set out in Part 10 CRR and the regulatory and implementing standards of relevance to disclosure are also taken into account.

The frequency and scope of the Disclosure Report are based on the European Banking Authority's (EBA) requirements as specified in EBA/GL/2014/14. Article 13 CRR requires significant subsidiaries of EU parent institutions and those subsidiaries that are of material significance for their local market to prepare their own disclosure report on an individual or subconsolidated basis.

Helaba's FSP subsidiary, which is the regional market leader in retail banking, falls under this separate disclosure requirement. Since the disclosure reporting date of 31 December 2015, the disclosure report for FSP as an individual bank has been published in a "Disclosure report" section within its Annual Report, which is available on FSP's website. The disclosure report will be updated each year in the same way as FSP's Annual Report.

The regulatory capital requirements and the Helaba Group's own funds are based on financial reporting in accordance with IFRS.

The remuneration policy details in accordance with Article 450 CRR are presented in a separate remuneration report and published on Helaba's website.

Country-by-country reporting in accordance with Section 26a KWG can be found in the Annual Report in the section thus entitled.

Given the differences in the basis of consolidation for regulatory purposes and that under IFRS, please refer to the Helaba Group's Annual Report (published on Helaba's website) for more detailed information relating to the financial statements.

Scope of Application

This disclosure is provided for the Helaba Group on the basis of the group of consolidated companies for regulatory purposes pursuant to the KWG/CRR. The document is prepared and coordinated by the parent company – Helaba. A total of 21 companies are fully consolidated in the consolidation process for regulatory purposes in accordance with Sections 10 and 10a KWG and Article 18 CRR in addition to Helaba as the superordinated institution, and one other company is included in the consolidation on a pro-rata basis. A further 44 companies are excluded from the scope of consolidation for regulatory purposes in accordance with Section 31 KWG in conjunction with Article 19 CRR. There have been no changes to the group of consolidated companies for regulatory purposes compared with the corresponding basis of consolidation as at 31 December 2015.

Group of consolidated companies for regulatory purposes

Regulatory treatment	Number and type of companies
Full consolidation	**21 companies** 15 financial institutions 2 asset management companies 3 banks 1 provider of ancillary services
Pro-rata consolidation	**1 company** 1 financial institution
Excluded from the scope of consolidation for regulatory purposes	**44 companies** 43 financial institutions 1 provider of ancillary services

Helaba does not avail itself of the exemptions listed in Article 7 CRR for institutions belonging to a group. Of the subsidiary enterprises included in the scope of prudential consolidation under the KWG, 21 companies are fully consolidated in the consolidated accounts under IFRS and one other company is accounted for using the equity method. Information on the group of consolidated companies under IFRS can be found in the 2016 Half-Yearly Financial Report (Note (2)) in conjunction with the Annual Report for the year ended 31 December 2015 (Note (85)).

Risk Management Structure

Members of the management bodies

Helaba's corporate governance statutes, which are based on the provisions of its Charter, assign responsibility for the appointment of members of the Board of Managing Directors to the Board of Public Owners acting with the consent of the Supervisory Board. Candidates for positions on Helaba's Board of Managing Directors are accordingly selected, with reference to Section 25d (11) KWG, by the Board of Public Owners, which is assisted in this connection by a nine-member committee.

Article 1 of the Helaba company regulations stipulates that no employee of the organisation may be treated differently from others, either by the Bank or by other employees, on the basis of gender, race, age, religion, skin colour, origin or nationality.

Helaba signed the Diversity Charter, a German corporate initiative to promote diversity in companies and institutions, in 2011. Following the maxims of the Charter, it gives consideration when selecting members of the Board of Managing Directors to the differences in knowledge, skills and experience of all members of the Board of Managing Directors.

The Board of Public Owners additionally prepares a regular, at least annual, assessment of the knowledge, skills and experience of both the individual members of the Board of Managing Directors and of the Board of Managing Directors as a whole. Here too, the Board of Public Owners is assisted in its work by the Public Owners' Committee. The Committee of the Board of Public Owners held one meeting on 23 March 2016 in the first half of 2016.

Since the disclosures in the Disclosure Report as at 31 December 2015, there have been the following changes in the management or supervisory functions of the members of Helaba's Board of Managing Directors:

Mandates held by the members of the Board of Managing Directors (in accordance with Section 24 KWG)

	at 30 June 2016		at 31 December 2015	
	Number	Thereof: subsidiaries/ equity investments > 10 %	Number	Thereof: subsidiaries/ equity investments > 10 %
Herbert Hans Grüntker	5	4	3	3
Jürgen Fenk	9	9	8	8
Thomas Groß	6	5	5	4
Dr. Detlef Hosemann	4	3	4	3
Rainer Krick	4	4	4	4
Klaus-Jörg Mulfinger	4	3	4	3
Dr. Norbert Schraad	2	2	2	2

Own Funds and Own Funds Structure

This section presents information about the Helaba Group's own funds together with a breakdown of the capital requirements for each risk type in accordance with the CRR requirements. The capital ratios are also reported.

The CRR defines own funds as Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital. The summary below shows the extent and composition of the Helaba Group's own funds at 30 June 2016.

Composition of own funds for regulatory purposes

Helaba Group — in € m

	30.06.2016
Common Equity Tier 1 capital	**7,298**
Paid-in capital instruments	2,509
Capital reserves	1,546
Retained earnings	3,879
Accumulated other comprehensive income	–329
Regulatory adjustments	–308
Additional Tier 1 capital	544
Paid-in capital instruments	632
Regulatory adjustments	–88
Tier 1 capital	**7,841**
Tier 2 capital	2,750
Paid-in capital instruments	2,789
Regulatory adjustments	–40
Own funds, total	**10,591**

The Helaba Group's Common Equity Tier 1 capital essentially comprises the subscribed capital (paid-up capital and capital contributions), capital reserves and retained earnings.

Shown in the Additional Tier 1 capital category are the silent participations that constituted liable capital in accordance with Section 10 KWG until 31 December 2013 and that fall under the grandfathering provisions set out in the CRR, meaning that they can still be applied as Additional Tier 1 capital, on a steadily decreasing basis, until 2021.

The Tier 2 capital as defined in the CRR consists largely of profit participation rights and other subordinated liabilities of Helaba.

Compared with the position as at 31 December 2015, the Helaba Group's Common Equity Tier 1 capital has contracted by approximately € 266 m, largely as a result of a high negative remeasurement of pension obligations and an increase in regulatory deductions. The increased regulatory deductions are principally a result of the increased percentage CET1 deductions (phase-in) to 60 % at the turn of the year. Total own funds have declined by approximately € 288 m. The main reason other than the decrease in Common Equity Tier 1 capital was the effects from residual maturity amortisation.

The table below shows the RWAs and capital requirements for default risks, broken down by exposure class, and market risks, operational risks and CVA at 30 June 2016.

The most significant changes compared with 31 December 2015 resulted from a decrease in market risk (internal model), in the 'Corporates – specialised lending exposures' and 'Corporates, other' IRB exposure classes and in the securitisation exposures under the IRB Approach. The decline in market risks equating to approximately € 426 m of RWAs was essentially attributable to the fact that the high volatility in 2015 was no longer present in the one year calculation span used in the second quarter of 2016. The significant volatility in 2015 had resulted from quantitative easing (ECB bond-buying programme) and the unpegging of the Swiss franc from the euro. Securitisation exposures under the IRB Approach went down by around € 341 m of RWAs, mainly as a consequence of redemptions, disposals of securities and business-related changes. The decreases in the corporates exposure classes amounting to approximately € 1.1 bn of RWAs arose largely because of rating or business-related changes.

RWAs and capital requirements

in € m

Exposure class	RWAs	Capital requirement
Credit Risk Standardised Approach (CRSA)	**6,044**	**484**
Central governments or central banks	45	4
Regional governments or local authorities	24	2
Public-sector entities	199	16
Multilateral development banks	0	0
International organisations	0	0
Institutions	705	56
Corporates	1,870	150
Retail	95	8
Exposures secured by real estate	475	38
Exposures in default	171	14
Higher risk categories	73	6
Covered bonds	15	1
Exposures to institutions and corporates with a short-term credit assessment	–	–
Collective investment undertakings (CIU)	–	–
Equity exposures	967	77
thereof: Grandfathered exposures	248	20
Other exposures	331	26
Securitisation exposures	1,074	86
Internal Ratings-Based Approach (IRBA)	**38,967**	**3,117**
FIRB	**35,101**	**2,808**
Central governments or central banks	1,779	142
Institutions	3,803	304
Corporates – SMEs	1,676	134
Corporates – Specialised lending exposures	15,758	1,261
Corporates – Other	12,085	967
AIRB	**1,109**	**89**
Central governments or central banks	–	–
Institutions	–	–
Corporates – SMEs	–	–
Corporates – Specialised lending exposures	–	–
Corporates – Other	–	–
Retail – Secured by real estate, SMEs	185	15
Retail – Secured by real estate, non-SME	547	44
Retail – Qualifying revolving	47	4
Retail – Other, SMEs	66	5
Retail – Other, non-SME	264	21
IRBA equity exposures	**596**	**48**
thereof: Simple risk-weight approach	518	41
Private equity exposures in sufficiently diversified portfolios (190 %)	86	7
Exchange traded equity exposures (290 %)	192	15
Other equity exposures (370 %)	240	19
thereof: PD/LGD approach	37	3
thereof: Risk-weighted equity exposures	41	3
IRBA securitisation positions	**1,797**	**144**
Other non credit-obligation assets	**364**	**29**
Default fund contributions to a central counterparty (CCP)	**–**	**–**
Settlement and delivery risks	**–**	**–**

in € m

Exposure class	RWAs	Capital requirement
Position, foreign-exchange and commodities risks	**3,069**	**246**
In accordance with standardised approaches (SA)	**1,397**	**112**
Position risk	1,148	92
Foreign-exchange risk	240	19
Commodities risk	9	1
In accordance with internal models (IM)	**1,672**	**134**
Operational risks	**3,684**	**295**
Standardised Approach (STA)	3,684	295
Credit valuation adjustment (CVA)	**818**	**65**
Total	**52,582**	**4,207**

There were no capital requirements on the reporting date for trading book activities of the Helaba Group in relation to large exposures above the limits set out in Articles 395 to 401 CRR.

The table below shows the capital ratios of the Helaba Group, Helaba Bank and the significant subsidiary FSP.

Capital ratios

in %

Entity	Total capital ratio	Tier 1 capital ratio	CET1 capital ratio
Helaba Group (IFRS)	20.1	14.9	13.9
Helaba Bank (HGB)	20.2	14.1	12.9
Frankfurter Sparkasse (HGB)	19.2	17.9	17.9

The Helaba Group has a comfortable capital position with a Tier 1 capital ratio of 14.9 % and a Common Equity Tier 1 capital ratio of 13.9 % as at 30 June 2016.

IRB Exposures

Helaba's internal rating methods and processes have been reviewed thoroughly by the supervisory authority in a number of individual and follow-up examinations conducted between 2006 and 2016, and in December 2006, Helaba was approved by the German Federal Financial Supervisory Authority (BaFin) to use the FIRB Approach in accordance with the German Solvency Regulation (Solvabilitätsverordnung – SolvV). This approval covered both the Helaba Group and Helaba Bank. The parameters laid down in the Foundation Approach for internal ratings are therefore applied for both regulatory capital backing and internal management purposes. The approval of the rating method for aircraft finance in December 2010 marked the completion of the regulatory audits in relation to the use of the internal rating methods for the FIRB and thus the full delivery of the IRBA implementation plan. The AIRB Approach has been applied for the retail portfolio of FSP since 2008. In 2013, LBS gained permission to use the "LBS-Kunden-Scoring" rating method and the LGD model devised by Sparkassen Rating- und Risikosysteme GmbH (S-Rating) in the AIRB Approach for retail exposures.

The following table shows, for FIRB exposures, the exposure value in accordance with the CRR, the average probability of default (mean PD), the average risk weight taking into account credit risk mitigation effects and the exposure value of outstanding loans and unutilised and partially utilised loan commitments. The average risk weight does not include the deduction factor for credit risk on exposures to SMEs to be applied in accordance with Article 501 CRR.

Exposure values by PD band, FIRB

Exposure class	PD band (mean PD) 0.00 – 0.17 %	0.26 – 1.25 %	1.32 – 45.00 %	Default
Central governments or central banks				
Exposure value in € m	30,885	0	458	0
Average PD in %	0.01	0.00	19.98	100.00
Average RW in %	2.02	0.00	252.40	0.00
thereof: Exposure value of outstanding loans, in € m	24,919	0	458	0
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	836	0	0	0
Institutions				
Exposure value in € m	17,343	248	78	2
Average PD in %	0.05	0.40	3.78	100.00
Average RW in %	20.70	40.84	142.93	0.00
thereof: Exposure value of outstanding loans, in € m	14,509	182	58	2
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	1,599	25	19	0
Corporates – SMEs				
Exposure value in € m	775	1,562	609	52
Average PD in %	0.11	0.57	3.80	100.00
Average RW in %	26.77	61.37	111.87	0.00
thereof: Exposure value of outstanding loans, in € m	698	1,318	520	45
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	77	240	86	7
Corporates – Specialised lending exposures				
Exposure value in € m	21,381	10,771	2,004	1,153
Average PD in %	0.10	0.47	4.31	100.00
Average RW in %	29.01	64.16	132.03	0.00
thereof: Exposure value of outstanding loans, in € m	18,124	9,095	1,745	1,129
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	2,341	1,456	88	16
Corporates – Other				
Exposure value in € m	20,262	7,171	1,807	756
Average PD in %	0.09	0.39	6.65	100.00
Average RW in %	27.90	60.92	114.12	0.00
thereof: Exposure value of outstanding loans, in € m	13,791	4,395	1,485	705
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	5,370	2,626	297	49
Equity exposures				
Exposure value in € m	27	8	0	0
Average PD in %	0.10	1.25	0.00	100.00
Average RW in %	74.10	201.65	0.00	437.50
thereof: Exposure value of outstanding loans, in € m	27	8	0	0
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	0	0	0	0

The AIRB exposures of LBS and FSP are presented below.

Retail portfolio exposure values by PD band, AIRB

Exposure class	PD band (mean PD)			
	0.00 – 0.17 %	0.26 – 1.25 %	1.32 – 45.00 %	Default
Retail				
Exposure value in € m	2,415	1,796	680	56
Average PD in %	0.09	0.46	5.24	100.00
Average RW in %	7.69	25.65	76.84	40.74
Average LGD in %	41.15	36.69	35.34	53.80
thereof: Exposure value of outstanding loans, in € m	1,857	1,632	606	55
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	557	165	74	1
Average CCF in %	67.06	61.78	53.11	97.78
Secured by real estate				
Exposure value in € m	1,579	1,310	481	34
Average PD in %	0.10	0.46	5.10	100.00
Average RW in %	7.40	22.03	76.68	45.37
Average LGD in %	31.02	29.50	27.36	40.16
thereof: Exposure value of outstanding loans, in € m	1,553	1,289	470	34
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	26	21	12	0
Average CCF in %	62.41	54.82	37.97	100.00
thereof: SMEs				
Exposure value in € m	118	221	167	0
Average PD in %	0.11	0.55	5.38	100.00
Average RW in %	9.18	29.92	99.25	21.65
Average LGD in %	34.12	34.84	34.56	35.35
thereof: Exposure value of outstanding loans, in € m	112	213	160	0
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	6	8	7	0
Average CCF in %	65.63	70.00	77.31	52.56
Qualifying revolving				
Exposure value in € m	429	70	46	2
Average PD in %	0.05	0.52	5.94	100.00
Average RW in %	2.04	14.61	68.04	26.33
Average LGD in %	61.65	61.33	61.55	74.19
thereof: Exposure value of outstanding loans, in € m	12	20	23	2
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	418	50	23	0
Average CCF in %	66.81	67.58	67.46	99.39
Other retail				
Exposure value in € m	406	416	153	20
Average PD in %	0.10	0.47	5.48	100.00
Average RW in %	14.77	38.89	79.97	33.90
Average LGD in %	58.84	55.21	52.60	75.77
thereof: Exposure value of outstanding loans, in € m	293	322	113	19
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	114	94	39	1
Average CCF in %	69.06	60.25	49.06	97.30
thereof: SMEs				
Exposure value in € m	37	71	53	0
Average PD in %	0.11	0.52	6.01	0.00
Average RW in %	16.41	46.04	89.50	0.00
Average LGD in %	58.63	60.88	57.87	0.00
thereof: Exposure value of outstanding loans, in € m	16	42	35	0
thereof: Exposure value for unutilised/partially utilised loan commitments, in € m	21	29	18	0
Average CCF in %	60.51	65.69	57.64	0.00

The IRB Approach exposure values for exposures with general risk weighting, other non credit-obligation assets and securitisations are presented below.

Equity investments under the simple risk-weight approach in € m

Simple risk-weight approach	Exposure value
Private equity exposures in sufficiently diversified portfolios (190 %)	45
Exchange traded equity exposures (290 %)	66
Other equity exposures (370 %)	65

The exposure value for other non credit-obligation assets amounted to € 437 m, and for securitisations under the IRB Approach € 5,190 m. No specialised lending exposures based on the supervisory slotting criteria were reported as at 30 June 2016.

Leverage Ratio

In January 2015, the requirements for calculating the leverage ratio were redefined and issued by the European Commission in Delegated Act EU 2015/62.

The leverage ratio is based on the relationship between Tier 1 capital and the unweighted total of all on-balance-sheet and off-balance-sheet asset items (including derivatives).

These disclosures are published in compliance with Commission adapted implementing technical standard ITS 2016/200 (Disclosure template for leverage ratio). The table below presents the variables used to determine the leverage ratio taking account of the transitional provisions in accordance with Article 499 (1b) CRR.

Leverage ratio in accordance with Delegated Act in € m

CRR Leverage Ratio – Disclosure Template

Reference date	30.06.2016
Entity name	Landesbank Hessen-Thüringen
Level of application	Consolidated

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposure measure

		Applicable amounts
1	Total assets as per published financial statements	175,629
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(1,199)
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure used in the calculation of the leverage ratio in accordance with Article 429 (13) of Regulation (EU) No 575/2013 “CRR”)	0
4	Adjustments for derivative financial instruments	(6,854)
5	Adjustments for securities financing transactions “SFTs”	102
6	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	13,669

		Applicable amounts
EU-6a	(Adjustment for intragroup exposures excluded from the total exposure measure used in the calculation of the leverage ratio in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	0
EU-6b	(Adjustment for exposures excluded from the total exposure measure used in the calculation of the leverage ratio in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	0
7	Other adjustments	502
8	**Total exposure measure used in the calculation of the leverage ratio**	**181,848**

Table LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures
	On-balance sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	154,715
2	(Asset amounts deducted in determining Tier 1 capital)	(396)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**154,319**
	Derivative exposures	
4	Replacement cost associated with derivatives transactions (i.e. net of eligible cash variation margin)	10,236
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	2,633
EU-5a	Exposure determined under Original Exposure Method	0
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted CCP leg of client-cleared trade exposures)	0
9	Adjusted effective notional amount of written credit derivatives	3,232
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(2,423)
11	**Total derivative exposures (sum of lines 4 to 10)**	**13,678**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	90
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	Counterparty credit risk exposure for SFT assets	92
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	0
15	Agent transaction exposures	0
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	0
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	**182**
	Other off-balance sheet exposures	
17	Off-balance sheet exposures at gross notional amount	31,765
18	(Adjustments for conversion to credit equivalent amounts)	(18,096)
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	**13,669**
	Exempted exposures in accordance with CRR Article 429 (14) (on and off balance sheet)	
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429 (7) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
	Capital and total exposure measure	
20	**Tier 1 capital**	**7,841**
21	**Total exposure measure in leverage ratio (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**181,848**

		CRR leverage ratio exposures
	Leverage ratio	
22	**Leverage ratio**	**4.31 %**
	Choice on transitional arrangements and amount of derecognised fiduciary items	
EU-23	Choice on transitional arrangements for the definition of the capital measure	Transitional
EU-24	Amount of derecognised fiduciary items in accordance with Article 429 (11) of Regulation (EU) No. 575/2013	0

Table LRSpl: Breakdown of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and excluded exposures), of which:	153,828
EU-2	Trading book exposures	11,986
EU-3	Banking book exposures, of which:	141,842
EU-4	Covered bonds	4,311
EU-5	Exposures treated as sovereigns	31,690
EU-6	Exposures to regional governments, MDBs, international organisations and PSEs NOT treated as sovereigns	4,584
EU-7	Institutions	27,687
EU-8	Secured by mortgages on real estate	14,837
EU-9	Retail exposures	1,739
EU-10	Corporates	44,537
EU-11	Exposures in default	2,056
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	10,401

Description of the process for monitoring the risk of excessive leverage

Helaba is already taking the leverage ratio requirements into account in the monitoring and control of its business portfolio. The risk of excessive leverage is addressed by including the leverage ratio in the planning and control process. Based on the business and risk strategy, an internal target ratio is specified as an additional key performance indicator, supplementing the capital ratios. Helaba is managing its business using qualitative and quantitative guidelines, taking into account the limits it will have to comply with in the future. Changes in the leverage ratio are subject to regular monitoring. In addition to ex-post analyses of the leverage ratio in the internal reporting system, future changes in the ratio and in the basis of measurement form an integral part of the Bank's internal planning process.

Description of the factors that impacted the disclosed leverage ratio during the reporting period

As at 30 June 2016, the leverage ratio had declined to 4.3 % (31 December 2015: 4.5 %) One of the reasons for this was a slight increase in the measurement basis to € 181.8 bn. A significant contributing factor in turn was the rise resulting from the remeasurement of derivatives, whereas the main on-balance-sheet and off-balance-sheet items remained virtually unchanged.

Another reason was that the decline in Tier 1 capital to € 7.8 bn also had a negative impact on the change in the leverage ratio. Please refer to "Own Funds and Own Funds Structure" in this report for further information on the changes in Tier 1 capital.

List of Abbreviations and Key Terms

Term/abbreviation	Definition
AIRB	Advanced IRB
BaFin	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
CCF	Credit conversion factor
CCP	Central counterparty
CET1	Common Equity Tier 1 capital
CIU	Collective investment undertakings
CRR	Capital Requirements Regulation
CRSA	Credit Risk Standardised Approach
CVA	Credit valuation adjustment
EBA	European Banking Authority
ECB	European Central Bank
FIRB	Foundation IRB
FSP	Frankfurter Sparkasse
HGB	German Commercial Code (Handelsgesetzbuch)
IFRS	International Financial Reporting Standards
IM	Internal models for market risk
IRB	Internal Ratings-Based (Approach) (FIRB/AIRB)
ITS	Implementing technical standards (EBA)
KWG	German Banking Act (Kreditwesengesetz)
LBS	Landesbausparkasse Hessen-Thüringen
LGD	Loss Given Default
PD	Probability of default
RW	Risk weighting
RWA	Risk-weighted assets
SA	Standardised Approach (market risk)
SFTs	Securities financing transactions
SME	Small and medium-sized enterprises
SolvV	German Solvency Regulation
S-Rating	Sparkassen Rating- und Risikosysteme GmbH
STA	Standardised approach to operational risk
WIBank	Wirtschafts- und Infrastrukturbank Hessen

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