

Landesbank Hessen-Thüringen Girozentrale ("Helaba")

Public Section of 2016 §165(d) Resolution Plan

Public Section

(i) Executive Summary

Section 165(d) of the Dodd-Frank Act (“DFA”) and its implementing rules, as modified or supplemented from time to time by subsequent guidance and/or instructions, require, among other things, any company covered by section 165 (d) to produce a resolution plan (such plan for Landesbank Hessen-Thüringen Girozentrale (“Helaba”) being this “Resolution Plan”) to provide for such company’s rapid and orderly resolution in the event of material financial distress or failure. The implementing rules (collectively, the “Rule”) were jointly issued by the Federal Reserve System (the “Board”), codified at 12 C.F.R. Part 243, and the Federal Deposit Insurance Corporation (the “FDIC” and together with the Board, the “Agencies”), codified at 12 C.F.R. Part 381, on November 1, 2011. Helaba is considered a “Covered company” under the Rule and must file this Resolution Plan with the Agencies. References to the Rule contained herein are to 12 C.F.R. Part 243 promulgated by the Board.

Under the requirements of the Rule, Covered companies are required to assess their U.S. banking operations for the presence of “Material entities”, “Critical operations”, and “Core business lines”. Helaba performed this assessment and determined that there were no Material entities, Critical operations or Core business lines as defined in the Rule. Therefore, the focus of this Resolution Plan is the orderly resolution of Helaba’s New York State chartered branch (the “New York Branch”), which conducts the vast majority of the U.S. operations of the Covered company. Such resolution will be driven by the requirements of the New York State receivership procedures for the orderly liquidation of a banking entity in resolution.

Helaba is a legal entity under German public law. Helaba is owned by the German states of Hesse and Thuringia, the savings banks in Hesse and Thuringia (via Savings Banks and Giro Association Hesse-Thuringia (the “Association”)), the Rhineland Savings Banks and Giro Association, and the Savings Banks Association Westphalia-Lippe as well as two trust companies of the German-wide Savings Banks Finance Group (DSGV, association of German savings banks and landesbanks; via Fides Alpha Ltd. and Fides Beta Ltd.). The savings banks are at the same time customers, owners and partners of Helaba.

Helaba is dual-headquartered in Frankfurt/Main and Erfurt.

Helaba has the following three lines of business:

- “Wholesale Business” activities concentrate on Real Estate, Corporate Finance, Global Markets, Financial Institutions and Public Finance (“FIPF”), Asset Management and Transactions Business.
- “S-Group Business, Private Customers and SME Business” serves as a central product supplier and services platform for savings banks. Additionally, this line of business includes the wholly-owned subsidiary Frankfurter Sparkasse (the fourth largest savings bank in Germany) as well as Landesbausparkasse Hessen-Thüringen (which conducts home loan and savings business) and Frankfurter Bankgesellschaft (Switzerland) Ltd (a private banking unit).
- “Public Development and Infrastructure Business” undertakes public development functions on behalf of the State of Hesse via the “*Wirtschafts- und Infrastrukturbank Hessen*” (*WIBank*) – a legally dependent entity within Helaba with the statutory guarantee of the State of Hesse.

At December 31, 2015, Helaba had total consolidated assets of approximately \$188 billion (USD) and total revenue of approximately \$2.03 billion (USD). At December 31, 2015, Helaba had approximately 6,200 employees located primarily in Germany.

Since November 4, 2014, Helaba is among the 120 financial institutions in the Eurozone subject to prudential supervision by the European Central Bank (“ECB”) under the Single Supervisory Mechanism (“SSM”), a uniform system for the supervision of banks and other credit institutions in the Eurozone (and in any other EU member states on a voluntary basis). Based on the SSM regulations, the ECB requests national competent authorities to assist in the supervisory process. In the case of Helaba, especially the German Federal Financial Services Supervisory Authority and the Deutsche Bundesbank assist the ECB in such process. State supervision of Helaba and the Association is exercised by the Thuringian Ministry of Finance and the Hessian Ministry for Economics. The executive bodies of Helaba are the Board of Owners, the Supervisory Board and the Board of Managing Directors.

Overview of the New York Branch

The New York Branch was licensed by the New York State Department of Financial Services (“NYDFS”) in January 1981. The New York Branch is not required to be and is not a member of FDIC. The New York Branch also maintains an International Banking Facility (the “IBF”) for booking foreign related liabilities and assets in accordance with the regulations of the New York Superintendent of Financial Services and Federal Reserve Regulation D. As of December 31, 2015, the IBF had no assets.

The New York Branch’s offices are located at 420 Fifth Avenue, New York, New York. Helaba has no other locations in the United States. The New York Branch engages in business with customers primarily located in the United States and Canada.

The New York Branch has three lending business areas:

- Real Estate Finance
- Corporate Finance (Structured Finance)
- Financial Institutions & Public Finance

In addition, the New York Branch engages in liquidity management through money market instruments (inter-bank and selected corporates), including the management of a portfolio consisting of certificates of deposit (“CDs”) and investment-grade medium-term notes issued by banks or finance companies. The funding of the New York Branch’s loan portfolio is primarily provided by the head office of Helaba located in Frankfurt, Germany (the “Head Office”). All other funding needs of the New York Branch are fulfilled by corporate, bank and government entity deposits, and the issuance of CDs and commercial paper (“CP”).

(ii) Consolidated or segment financial information regarding assets, liabilities, capital and major funding sources

The balance sheet of the Covered Company is set forth below:

Figure 1

Statement of Financial Position

as at 31 December 2015

Assets

| | Notes | 31.12.2015 | 31.12.2014 | Change | |
|---|----------------|----------------|----------------|---------------|-------------|
| | | in € m | in € m | in € m | in % |
| Cash reserve | (34) | 1,909 | 1,033 | 876 | 84.8 |
| Loans and advances to banks | (4), (35) | 17,144 | 20,579 | -3,435 | -16.7 |
| Loans and advances to customers | (4), (36) | 93,194 | 91,109 | 2,085 | 2.3 |
| Allowances for losses on loans and advances | (12), (37) | -986 | -1,007 | 21 | 2.1 |
| Trading assets | (4), (38) | 26,078 | 31,262 | -5,184 | -16.6 |
| Positive fair values of non-trading derivatives | (4), (6), (39) | 4,376 | 5,828 | -1,452 | -24.9 |
| Financial investments | (4), (40) | 26,575 | 26,590 | -15 | -0.1 |
| Shares in equity-accounted entities | (2), (41) | 34 | 39 | -5 | -12.8 |
| Investment property | (13), (42) | 1,946 | 1,909 | 37 | 1.9 |
| Property and equipment | (14), (43) | 425 | 443 | -18 | -4.1 |
| Intangible assets | (15), (44) | 141 | 141 | - | - |
| Income tax assets | (20), (45) | 495 | 371 | 124 | 33.4 |
| Other assets | (17), (46) | 925 | 1,192 | -267 | -22.4 |
| Total assets | | 172,256 | 179,489 | -7,233 | -4.0 |

Equity and liabilities

| | Notes | 31.12.2015 | 31.12.2014 | Change | |
|---|------------------|----------------|----------------|---------------|-------------|
| | | in € m | in € m | in € m | in % |
| Liabilities due to banks | (4), (47) | 35,976 | 35,612 | 364 | 1.0 |
| Liabilities due to customers | (4), (48) | 47,727 | 45,320 | 2,407 | 5.3 |
| Securitised liabilities | (4), (49) | 47,073 | 48,320 | -1,247 | -2.6 |
| Trading liabilities | (4), (50) | 22,423 | 29,219 | -6,796 | -23.3 |
| Negative fair values of non-trading derivatives | (4), (6), (51) | 4,380 | 5,351 | -971 | -18.1 |
| Provisions | (15), (19), (52) | 2,089 | 2,152 | -63 | -2.9 |
| Income tax liabilities | (20), (53) | 184 | 125 | 59 | 47.2 |
| Other liabilities | (17), (54) | 642 | 630 | 12 | 1.9 |
| Subordinated capital | (21), (55) | 4,086 | 5,410 | -1,324 | -24.5 |
| Equity | (56) | 7,676 | 7,350 | 326 | 4.4 |
| Subscribed capital | | 2,509 | 2,509 | - | - |
| Capital reserves | | 1,546 | 1,546 | - | - |
| Retained earnings | | 3,398 | 3,090 | 308 | 12.1 |
| Revaluation reserve | | 202 | 249 | -47 | -18.9 |
| Currency translation reserve | | 23 | 14 | 9 | 64.3 |
| Non-controlling interests | | -2 | 2 | -4 | >-100.0 |
| Total equity and liabilities | | 172,256 | 179,489 | -7,233 | -4.0 |

In addition to Head Office funding, the New York Branch also funds itself by issuing CP and CDs.

(iii) A description of derivative activities and hedging activities

The New York Branch engages in derivative activities solely to hedge interest rate risk. There are no other derivative or hedging activities.

(iv) A list of memberships in material payment, clearing and settlement systems

The New York Branch is not a member of any material payment, clearing or settlement system.

(v) A description of foreign operations

The New York Branch has no foreign operations (other than the Head Office) material to its resolution.

(vi) The identities of material supervisory authorities

The New York Branch is supervised by the following authorities:

USA

- (1) NYDFS; and
- (2) Federal Reserve Bank of New York.

Germany

- (1) The ECB;
- (2) Deutsche Bundesbank Hauptverwaltung in Hessen;
Regionalbereich Banken und Finanzaufsicht Sachgebiet Systemrelevante Banken IV
- (3) Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”); and
- (4) State supervision exercised by the Thuringian Ministry of Finance or the Hessian Ministry of Economics (alternating every four years).

(vii) The identities of the principal officers

Hans-Christian Ritter, Executive Vice President and Branch Manager

(viii) A description of the corporate governance structure and processes related to resolution planning

Executive bodies of Helaba are the Board of Owners, the Supervisory Board and the Board of Managing Directors (the latter being the “Managing Board”). Authority and responsibility for this Resolution Plan rests with the Managing Board. Helaba has a Steering Committee which serves as the principal advisory committee to the Managing Board in respect of this Resolution Plan. The Steering Committee is

comprised of senior executives within the New York Branch and is responsible for overseeing matters related to resolution planning under the Rule.

(ix) **A description of material management information systems**

The New York Branch uses two material management information systems, known as Midas and Murex. Midas processes Helaba's transactions and updates its records. Murex is a front office system used to capture transactions entered into for liquidity management and risk management.

(x) **A description, at a high level, of the Covered company's resolution strategy, covering such items as the range of potential purchasers of the Covered company, its Material entities and Core business lines.**

As a branch of Helaba, the New York Branch would be liquidated under New York State Banking Law. Pursuant to New York law, the Superintendent of the NYDFS administers substantial resolution policies and procedures to which the New York Branch would be subject.