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Good start to the year for Helaba

Frankfurt (ots) -

- Quarterly earnings before tax reach EUR 141 million
- Net interest income and net fee and commission income up by more than 7 per cent
- Earnings forecast for 2015 reconfirmed

Helaba Landesbank Hessen-Thüringen posted Group net profit before tax of EUR 141 million in the first quarter of 2015. As was expected, that was slightly lower than the very high earnings figure of EUR 150 million posted in the same period last year. After tax, Group net profit amounted to EUR 93 million after EUR 102 million in the comparable period last year.

Net interest income after provisions for losses on loans and advances rose by EUR 69 million to EUR 333 million, also as a result of good customer business operations. That was attributable to increased loans and advances to customers as well as to profitable new business. Provisions for losses on loans and advances amounted to EUR 5 million, substantially below the Q1 2014 figure and also below target. Net fee and commission income increased by EUR 7 million to EUR 82 million thanks to gratifying customer business with cash management / payment transactions, asset management, and securities and deposit business.

Net income from financial instruments measured at fair value through profit or loss (net trading income plus net income from hedge accounting and non-trading derivatives) fell from EUR 68 million to EUR -2.0 million. Volatility in fixed-income and currency markets led to temporary burdens from conservatively calculated remeasurements. Net income from customer-oriented capital markets business was good however.

Net income from financial investments decreased by EUR 16 million to EUR -11 million owing to an adjustment of EUR 40 million on the Group's HETA exposure. Other operating income amounted to EUR 47 million (Q1 2014: EUR 42 million). Owing to the implementation of collective wage agreements, general and administrative expenses grew only moderately, rising by EUR 4 million to EUR 308 million. Lower non-personnel operating expenses partially made up for slightly higher personnel expenses.

Relative to year-end 2014, the Helaba Group's total assets rose by EUR 13 billion to a good EUR 192 billion, due to exchange rate factors and to remeasurement gains and losses attributable to low interest rates. Business volume (including off-balance-sheet lending business) rose by almost EUR 14 billion to EUR 219 billion.

On the assets side, loans and advances to banks and trading assets together increased by EUR 9.2 billion as a result of changes in exchange rates and interest rates. Loans and advances to customers rose by EUR 2.6 billion to almost EUR 94 billion, with corporate and real estate customers (EUR 2.2 billion) and public-sector customers (EUR 0.4 billion) accounting for this portfolio growth. Loans and advances to private customers remained virtually unchanged. At EUR 4.1 billion, new medium-term and long-term business was well above the Q1 2014 figure of EUR 3.6 billion.

At 31 March 2015, the Helaba Group's CET1 capital ratio amounted to 12.7 per cent, after 13.4 per cent at 31 December 2014, mainly because of higher risk weighted assets in accordance with the CRR/CRD IV. Owing to changes in interest and exchange rates, risk weighted assets rose to EUR 56.3 billion compared with EUR 53.8 billion at year-end 2014. The total equity ratio reached 17.7 per cent. The leverage ratio amounted to 3.7 per cent. As Hans-Dieter Brenner, Chairman of the Board of Managing Directors of Helaba, noted: "Given Helaba's risk profile and customer-led business model, the Bank has a very satisfactory amount of capital and an extremely comfortable liquidity position."

The CEO was pleased with the Bank's quarterly earnings: "We got off to a very good start in 2015. The growth in new business demonstrates that our customer business operations are on the right track. Despite a conservative approach to valuations and the accrual of expenses, we were able to post net profit of EUR 141 million, or one-quarter of our target figure for 2015. That is a very good performance. We remain cautiously optimistic as regards our assessment of the market. In view of the economic forecasts, we expect operating earnings to remain stable despite persistently low interest rates. Our earnings forecast remains unchanged: we expect 2015 to be another successful year."

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