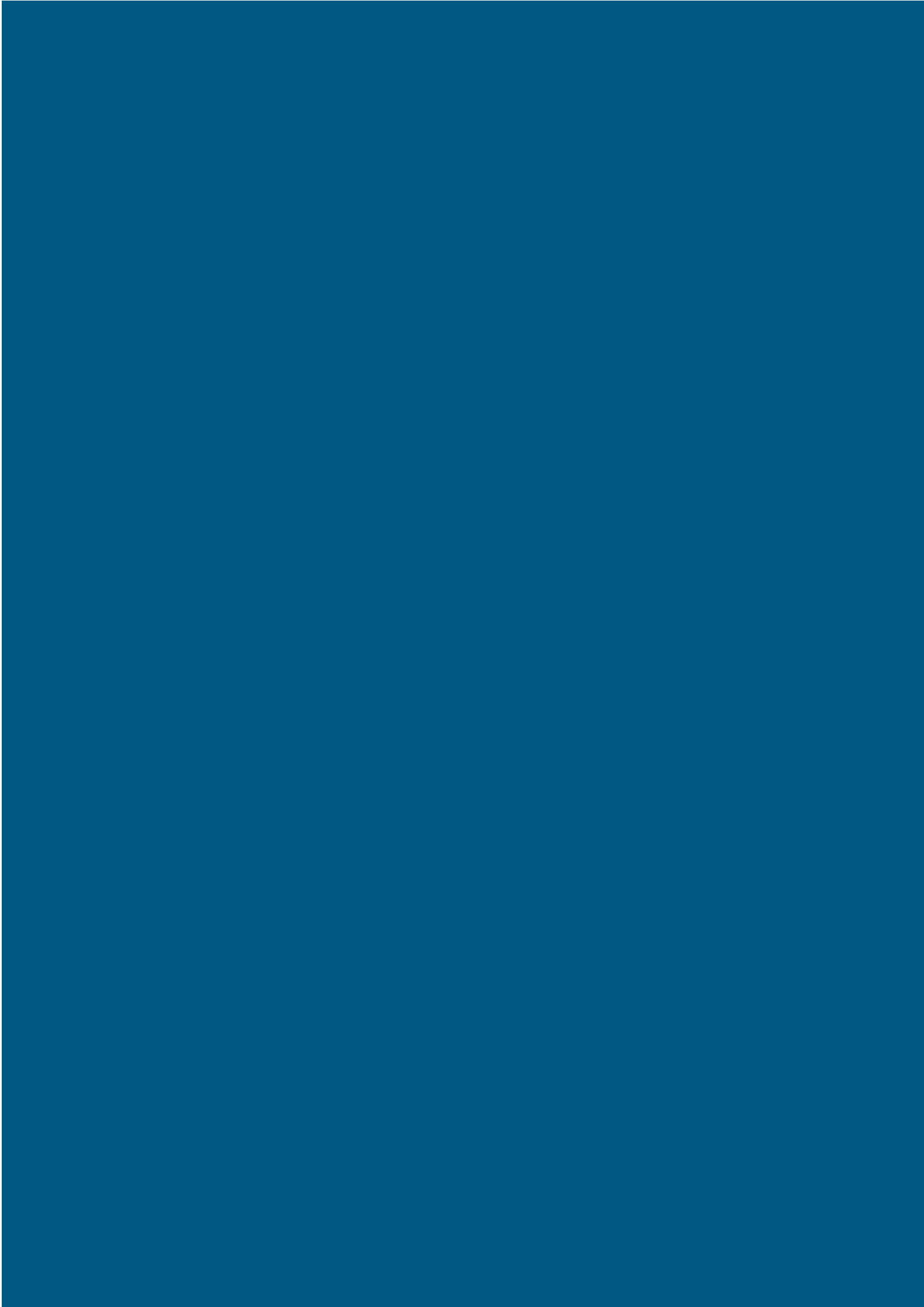


# Report and Financial Statements 2001



13 Month Period ended 31 December 2001

**Helaba** *International Finance plc*



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## Directors and other information

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### Board of Directors

R. Krick (Chairman)  
L. Steinborn-Reetz  
P. von Gordon  
E. Hanly  
N. O'Byrne

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### Secretary

Wilton Secretarial Limited

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### Registered office

PO Box 3137  
Guild Street  
IFSC  
Dublin 1  
Registered Number: 166932

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### Auditors

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
George's Quay  
Dublin 2

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### Solicitors

William Fry  
Fitzwilton House  
Wilton Place  
Dublin 2

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### Bankers

Landesbank Hessen-Thüringen  
Girozentrale  
Frankfurt am Main  
Germany  
Bank of Ireland



MAIN TOWER  
Headquarters of  
Landesbank Hessen-Thüringen  
in Frankfurt am Main

## Report of the Directors

The directors submit their report together with the audited financial statements for the 13 month period ended 31 December 2001.

### Statement of directors' responsibilities

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts 1963 to 2001 and the European Communities (Credit Institutions: Accounts) Regulations, 1992. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Books of account

The measures taken by the directors to secure compliance with the bank's obligation to keep proper books of account are the use of appropriate systems and procedures and the employment of competent persons. The books of account are kept at the company's offices at Guild Street, IFSC, Dublin 1.

### Principal activities and review of the business

During the financial period 2001, the balance sheet total of Helaba International Finance plc increased by € 278 million or 4% to € 6,873 million as compared with the 30 November 2000. The rise in the balance sheet total is the result of 3 AUD, 2 CAD, and one each USD, GBP, EUR, NZD and ZAR (South African Rand) note issues. The issues, which have been unconditionally and irrevocably guaranteed by Landesbank Hessen-Thüringen Girozentrale have been rated AAA/Aaa by the leading international rating agencies. The proceeds from these issues are exclusively used for the financing of associated companies within the Helaba Group. There were 12 redemptions during the year.

<b>Profits, dividends and reserves</b> in thousand €	Profit for the financial year	4,687
	Balance at beginning of year	4,069
	Profit retained for the period	<b>8,756</b>
	Dividends paid	-8,500
	Total Profit retained	<b>256</b>

**Staff** At year end 2 employees were employed by the company. The directors would like to take this opportunity to thank the employees for their dedication and loyalty during the past year.

**Events since the year end** There have been no significant events affecting the company since the year end.

**Safety, health and welfare of employees** It is the policy of the company to ensure the health and welfare of its employees by maintaining a safe place and system of work. This policy is based on the requirements of employment legislation, including the Safety, Health and Welfare at Work Act, 1989.

**Future developments** In its financial year 2002 the company plans to continue its financing function for the Helaba Group.

**Directors** The names of the persons who were directors during the 13 month period ended 31 December 2001, are set out below. They served as directors for the entire period except where noted.

R. Krick (German)  
 Dr. N. Bräuer (Retired 6 March 2001) (German)  
 L. Steinborn-Reetz (German)  
 P. von Gordon (German)  
 E. Hanly  
 N. O'Byrne

The directors are not required to retire by rotation under the terms of the company's articles of association.

<b>Ultimate holding company</b>	The ultimate holding company is Landesbank Hessen-Thüringen Girozentrale, Federal Republic of Germany, which is rated AAA/Aaa by the leading international rating agencies Standard & Poor's, Moody's Investors Service and FITCH.
<b>Directors' and other interests</b>	None of the directors in office at 31 December 2001 had any interest in the shares or debentures of the company, its holding company or other group companies.
<b>Transactions involving Directors</b>	There were no transactions involving directors during the period as defined by Section 41 of the Companies Act, 1990.
<b>Introduction of the Euro</b>	Business processes and procedures were modified to facilitate the introduction of the Euro on 1 January 2002. This occurred without causing the company any problems.
<b>Auditors</b>	<p>The auditors, PricewaterhouseCoopers, offer themselves for re-appointment in accordance with section 160(2) of the Companies Act, 1963.</p> <p>R. Krick, <i>Chairman of the Board of Directors</i>  P. von Gordon, <i>Managing Director</i></p> <p>8 March 2002</p>

## Independent Report of the Auditors

To the Members of Helaba International Finance plc

We have audited the financial statements on pages 11 to 31.

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### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 5, this includes responsibility for preparing the financial statements in accordance with Accounting Standards generally accepted in Ireland. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2001, and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the company, as stated in the company balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information required by law regarding directors' remuneration and transactions is not disclosed.

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### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2001, and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 5 to 7 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 14, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2001, a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Dublin

*8 March 2002*

## Accounting Policies and Estimates

The significant accounting policies adopted by the company are as follows:

<b>Basis of preparation</b>	The financial statements are prepared under the historical cost convention and in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2001 and the European Communities (Credit Institutions: Accounts) Regulations, 1992. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.
<b>Tangible assets</b>	Tangible assets are stated at cost less accumulated depreciation.  Depreciation is calculated in order to write off the cost of tangible assets over their estimated useful lives by equal annual instalments.
<b>Reporting currency</b>	The financial statements are prepared in thousands of Euro.
<b>Interest Income</b>	Interest income consists of interest income receivable, premiums earned on loans and advances and other trade related income.
<b>Income and Expense Recognition</b>	Interest income and expenses are recognised in the profit and loss account on an accruals basis.
<b>Foreign currencies</b>	All monetary assets and liabilities, denominated in currencies other than Euro are translated into Euro at the exchange rates ruling at the balance sheet date.  Tangible assets are translated at the historical rate.  The monthly revenues and costs arising in currencies other than Euro are translated into Euro at the relevant exchange rate at each month end.  Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in currencies other than Euro are dealt with through the profit and loss account.
<b>Deferred taxation</b>	Deferred taxation is provided on timing differences to the extent that it is expected to become payable in the foreseeable future and any amount not provided for is disclosed as a contingent liability.  Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

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**Deferral of premiums,  
discounts, commissions  
and issue expenses**

Premiums, discounts, commissions and issue expenses arising on long term borrowings and loans with a fixed maturity are amortised to the profit and loss account over the period of the related loans and borrowings. For bonds and notes in issue the unamortised balance is netted against the nominal value in the balance sheet.

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**Off-Balance sheet items**

Off-balance sheet items such as interest rate financial futures and swaps may be used by the company in hedging and trading transactions. Trading items are valued at the lower of cost or net realisable value with the resulting provisions taken to the profit and loss account as they arise. Profits and losses arising from hedging items are recognised in accordance with the underlying transactions.

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**Pensions**

The pension obligations of the company are met by payments to a pension plan, which are made by Helaba Dublin under the terms of a management agreement. The annual contributions are paid by Helaba Dublin in the accounting year to which they relate.

## Profit and Loss Account

13 month period ended 31 December 2001

in thousand €

	Notes	13 month period ended 2001	2000	1999	1998	1997
<b>Interest receivable and similar income</b>	2					
Interest receivable and similar income		433,027	345,724	301,937	262,422	178,594
Other income		–	–	–	–	18
<b>Interest payable and similar charges</b>		–427,392	–341,324	–297,794	–259,127	–176,186
<b>Net interest income</b>		<b>5,635</b>	<b>4,400</b>	<b>4,143</b>	<b>3,295</b>	<b>2,426</b>
Administration expenses		–459	–361	–361	–366	–361
<b>Profit on ordinary activities before tax</b>	3	<b>5,176</b>	<b>4,039</b>	<b>3,782</b>	<b>2,929</b>	<b>2,065</b>
Tax on profit on ordinary activities	4	–489	–401	–378	–284	–211
<b>Profit on ordinary activities after tax</b>		<b>4,687</b>	<b>3,638</b>	<b>3,404</b>	<b>2,645</b>	<b>1,854</b>
<b>Balance at beginning of year</b>		<b>4,069</b>	<b>431</b>	<b>527</b>	<b>438</b>	<b>4,208</b>
		<b>8,756</b>	<b>4,069</b>	<b>3,931</b>	<b>3,083</b>	<b>6,062</b>
<b>Dividends paid</b>	5	–8,500	–	–3,500	–2,556	–5,624
<b>Balance at end of year</b>	6	<b>256</b>	<b>4,069</b>	<b>431</b>	<b>527</b>	<b>438</b>

Profit on ordinary activities arose solely from continuing operations. There are no recognised gains or losses other than those included in the profit and loss account. There is no difference between the profit on ordinary activities before taxation and the retained profits for the periods stated above, and their respective historical cost equivalents.

R. Krick, *Chairman of the Board of Directors*

P. von Gordon, *Managing Director*

8 March 2002

The accounting policies on pages 11-12 and the notes to the Financial Statements on pages 16 to 31 form part of these accounts. Auditors' Report pages 8 to 9.

## Balance Sheet

31 December 2001

in thousand €

	Notes	2001	2000	1999	1998	1997
<b>Assets</b>						
Cash at bank		2	2,574	1,854	186	1,071
Advances to Group Companies	8	6,699,628	6,410,332	5,737,300	4,313,854	3,696,427
Other debtors	9	893	2,298	3,521	4,824	3,505
Tangible fixed assets	7	1	2	3	4	7
Prepayments and accrued income	10	172,275	180,128	161,637	118,138	93,190
<b>Total Assets</b>		<b>6,872,799</b>	<b>6,595,334</b>	<b>5,904,315</b>	<b>4,437,006</b>	<b>3,794,200</b>
<b>Liabilities</b>						
Debt securities in issue	11	6,628,151	6,333,818	5,693,082	4,294,262	3,674,421
Creditors (amounts falling due within one year)	12	69,362	74,712	46,413	20,553	22,413
Accruals and deferred income	13	169,917	177,622	159,276	116,551	91,815
<b>Shareholders' Funds</b>						
Called up share capital	14	5,000	5,113	5,113	5,113	5,113
Capital conversion reserve fund	15	113	–	–	–	–
Profit and loss account	6	256	4,069	431	527	438
<b>Total Liabilities</b>		<b>6,872,799</b>	<b>6,595,334</b>	<b>5,904,315</b>	<b>4,437,006</b>	<b>3,794,200</b>

R. Krick, *Chairman of the Board of Directors*

P. von Gordon, *Managing Director*

8 March 2002

The accounting policies on pages 11-12 and the notes to the Financial Statements on pages 16 to 31 form part of these accounts. Auditors' Report pages 8 to 9.

## Cash Flow Statement

13 month period ended 31 December 2001

in thousand €

	Notes	13 month period ended 2001	2000	1999	1998	1997
<b>Net cash inflow from operating activities</b>	(A)	6,320	4,594	4,513	4,945	2,036
<b>Dividends paid</b>	17	-8,500	-3,500	-2,556	-5,624	-1,023
<b>Taxation</b>						
<b>Corporation tax paid</b>		-392	-374	-289	-206	-604
<b>Capital expenditure</b>	7	-	-	-	-	18
<b>(Decrease)/increase in cash</b>	18	-2,572	720	1,668	-885	427
<b>(A) Reconciliation of operating profit to net cash inflow from operating activities</b>						
Profit on ordinary activities before taxation		5,176	4,039	3,782	2,929	2,065
Net decrease/(increase) in prepayments and accrued income		7,853	-18,491	-43,499	-24,946	-42,756
Net (decrease)/increase in accruals and deferred income		-7,705	18,346	42,725	24,736	44,888
Depreciation		1	1	1	3	3
Profit on sale of tangible fixed assets		-	-	-	-	-18
<b>Net cash inflow from trading activities</b>		<b>5,325</b>	<b>3,895</b>	<b>3,009</b>	<b>2,722</b>	<b>4,182</b>
Net (increase) in advances to group companies		-289,296	-673,032	-1,423,446	-617,427	-1,605,838
Net decrease in loans and advances to customers		-	-	-	-	19
Net increase in debt securities in issue		294,333	640,736	1,398,820	619,840	1,628,678
Net (decrease)/increase in creditors (amounts falling due within one year)		-5,447	31,772	24,827	1,129	-22,622
Net decrease/(increase) in other debtors		1,405	1,223	1,303	-1,319	-2,383
<b>Net cash inflow from operating activities</b>		<b>6,320</b>	<b>4,594</b>	<b>4,513</b>	<b>4,945</b>	<b>2,036</b>

## Notes to the Financial Statements

### 1. Ultimate holding company

The ultimate holding company of Helaba International Finance plc is Landesbank Hessen-Thüringen Girozentrale, Federal Republic of Germany. Landesbank Hessen-Thüringen Girozentrale is the parent company of the only group for which group financial statements are drawn up and of which the company is a member. Copies of the financial statements of Landesbank Hessen-Thüringen Girozentrale may be obtained from their registered offices at Neue Mainzer Straße 52-58, D-60311, Frankfurt am Main and Bonifaciusstraße 3, D-99084, Erfurt, Federal Republic of Germany.

### 2. Interest receivable and similar income

in thousand €

Included in other income  
Profit on sale of fixed asset

	2001	2000	1999	1998	1997
Included in other income					
Profit on sale of fixed asset	-	-	-	-	18
	-	-	-	-	18

### 3. Profit on ordinary activities before taxation

in thousand €

Profit before taxation has been arrived at after charging:

#### Staff costs

- wages and salaries	-	-	-	-	-
- social welfare costs	-	-	-	-	-
Depreciation	1	1	1	3	3
Auditors' remuneration	-	-	-	-	-
Operating lease rentals: Property	-	-	-	-	-
Management Agreement	445	360	360	363	358

For the periods ended 31 December 2001, 30 November 2000, 30 November 1999, 30 November 1998 and 30 November 1997, the day to day expenses of Helaba International Finance plc were paid by Helaba Dublin under the terms of a management agreement. This includes an amount of thousand € 11 (2000: thousand € 10, 1999: thousand € 8, 1998: thousand € 8, 1997: thousand € 8) in respect of auditors remuneration.

**4. Tax on profit  
on ordinary activities**

in thousand €

	2001	2000	1999	1998	1997
(A) Based on profit on ordinary activities:					
Corporation tax at 10%	501	404	377	288	210
Overaccrual re prior years	-12	-3	-	-4	-
Underaccrual re prior years	-	-	1	-	1
	<b>489</b>	<b>401</b>	<b>378</b>	<b>284</b>	<b>211</b>
(B) Deferred tax	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

- (A) Helaba International Finance plc has received a certificate from the Minister for Finance in Ireland confirming that all qualifying income on financial services activities are subject to Corporation Tax at the reduced rate of 10%.
- (B) No provision has been made for deferred tax as there are no material timing differences between profits as computed for tax purposes and accounting purposes.

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**5. Dividends**

in thousand €

	2001	2000	1999	1998	1997
<b>Paid:</b>					
Interim dividend of € 0.90 per € 1 ordinary equity share	4,500	–	–	–	–
Interim dividend of € 205 (2000: Nil) (1999: Nil) (1998: Nil) (1997: Nil) per DEM 1,000 preference share	2,000	–	–	–	–
Interim dividend of € 0.20 (2000: Nil) (1999: Nil) (1998: Nil) (1997: Nil) per DEM 1 ordinary equity share	–	–	–	–	–
Interim dividend of € 205 (2000: Nil) (1999: Nil) (1998: Nil) (1997: Nil) per DEM 1,000 ordinary equity share	2,000	–	–	–	–
Total dividends paid	<b>8,500</b>	–	–	–	–
<b>Proposed:</b>					
Final dividend of Nil per € 1 ordinary equity share	–	–	–	–	–
Final dividend of Nil (2000: Nil) (1999: Nil) (1998: Nil) (1997: € 409) per DEM 1,000 preference share	–	–	–	–	2,045
Final dividend of Nil (2000: Nil) (1999: Nil) (1998: € Nil) (1997: € 0.41) per DEM 1 ordinary equity share	–	–	–	–	–
Final dividend of Nil (2000: Nil) (1999: Nil) (1998: € Nil) (1997: € 409) per DEM 1,000 ordinary equity share	–	–	–	–	2,045
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,090</b>

**5. Dividends**

– continued/in thousand €

	2001	2000	1999	1998	1997
Interim dividend of Nil per € 1 ordinary equity share	–	–	–	–	–
Interim dividend of Nil (2000: Nil) (1999: € 350) (1998: € 256) (1997: € 153) per DEM 1,000 preference share	–	–	1,750	1,278	767
Interim dividend of Nil (2000: Nil) (1999: € 0.35) (1998: € 0.26) (1997: € 0.15) per DEM 1 ordinary equity share	–	–	–	–	–
Interim dividend of Nil (2000: Nil) (1999: € 350) (1998: € 256) (1997: € 153) per DEM 1,000 ordinary equity share	–	–	1,750	1,278	767
	–	–	3,500	2,556	1,534
Total proposed dividends	–	–	<b>3,500</b>	<b>2,556</b>	<b>5,624</b>

**6. Statement of movement  
in profit and loss account**

in thousand €

	2001	2000	1999	1998	1997
Balance at beginning of period	4,069	431	527	438	4,208
Profit/(loss) for the period retained	–3,813	3,638	–96	89	–3,770
Balance at end of period	<b>256</b>	<b>4,069</b>	<b>431</b>	<b>527</b>	<b>438</b>

<b>7. Tangible Fixed Assets</b> in thousand €	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Office furniture</b>	<b>Total</b>
<b>Cost</b>				
At 30 November 1997	7	7	12	26
At 30 November 1998	7	7	12	26
At 30 November 1999	7	7	12	26
At 30 November 2000	7	7	12	26
At 31 December 2001	<b>7</b>	<b>7</b>	<b>12</b>	<b>26</b>
<b>Accumulated depreciation</b>				
At 30 November 1997	7	5	7	19
Charge for the year	–	2	1	3
At 30 November 1998	7	7	8	22
Charge for the year	–	–	1	1
At 30 November 1999	7	7	9	23
Charge for the year	–	–	1	1
At 30 November 2000	7	7	10	24
Charge for the year	–	–	1	1
At 31 December 2001	<b>7</b>	<b>7</b>	<b>11</b>	<b>25</b>
<b>Net book amount</b>				
At 30 November 1997	–	2	5	7
At 30 November 1998	–	–	4	4
At 30 November 1999	–	–	3	3
At 30 November 2000	–	–	2	2
At 31 December 2001	–	–	<b>1</b>	<b>1</b>

The estimated useful lives of tangible assets by reference to which depreciation has been calculated are as follows  
(Average approximately): Fixtures and fittings 5 years  
Office furniture 10 years  
Computer equipment 3 years

### 8. Advances to group companies

in thousand €	2001	2000	1999	1998	1997
– Due after one year	3,903,847	5,409,830	5,352,072	4,306,750	3,623,801
– Due within one year	2,795,781	1,000,502	385,228	7,104	72,626
	<b>6,699,628</b>	<b>6,410,332</b>	<b>5,737,300</b>	<b>4,313,854</b>	<b>3,696,427</b>

The amounts due after one year from group companies represents the proceeds of bond issues which have been guaranteed, in full, by Landesbank Hessen-Thüringen Girozentrale, (see note 11). As security for the issue of these guarantees, the proceeds are pledged to Landesbank Hessen-Thüringen Girozentrale.

### 9. Other Debtors

in thousand €	2001	2000	1999	1998	1997
Other debtors comprises of:					
Deferred premium on loans	893	2,298	3,521	4,824	3,490
Vat receivable	–	–	–	–	15
	<b>893</b>	<b>2,298</b>	<b>3,521</b>	<b>4,824</b>	<b>3,505</b>

### 10. Prepayments and accrued income

in thousand €	2001	2000	1999	1998	1997
Interest on advances to group	172,275	180,128	161,637	118,138	93,190
	<b>172,275</b>	<b>180,128</b>	<b>161,637</b>	<b>118,138</b>	<b>93,190</b>

## 11. Debt securities in issue

in thousand €

	2001	2000	1999	1998	1997
Amounts falling due in less than one year excluding interest					
CHF 100 million 5.125 % due 1 October 1998	–	–	–	–	63,216
NLG 400 million 6.125 % due 30 June 2000	–	–	181,512	–	–
USD 200 million 6.125 % due 21 February 2000	–	–	198,079	–	–
NLG 250 million 6.125 % due 11 October 2001	–	113,445	–	–	–
USD 100 million 6.250 % due 18 October 2001	–	115,154	–	–	–
DEM 1.5 billion 5.750 % due 30 November 2001	–	766,937	–	–	–
USD 500 million 6.875 % due 29 April 2002	567,344	–	–	–	–
DEM 1 billion 4.750 % due 2 October 2002	511,292	–	–	–	–
USD 100 million 6.250 % due 12 August 2002	113,469	–	–	–	–
CHF 450 million 3.00 % due 22 July 2002	303,460	–	–	–	–
GBP 200 million 7.375 % due 30 December 2002	328,677	–	–	–	–
GBP 200 million 5.00 % due 18 February 2002	328,677	–	–	–	–
GBP 50 million 5.00 % due 18 February 2002	82,169	–	–	–	–
DEM 250 million 4.750 % due 2 October 2002	127,823	–	–	–	–
CHF 150 million 3.00 % due 22 July 2002	101,153	–	–	–	–
EUR 15 million 5.140 % due 27 September 2002	15,000	–	–	–	–
USD 25.9 million 7.560 % due 20 May 2002	29,388	–	–	–	–
USD 250 million 7.00 % due 12 September 2002	283,671	–	–	–	–
Deferred premium on notes	5,306	3,153	381	–	230
Deferred management/underwriting commission/issue expenses on notes	–6,416	–3,512	–612	–	–246
	2,791,013	995,177	379,360	–	63,200

**11. Debt securities in issue**

– continued /in thousand €

	2001	2000	1999	1998	1997
Amounts falling due after one year excluding interest					
USD 500 million 6.875 % due 29 April 2002	–	575,772	495,197	435,109	450,882
CHF 150 million 5.00 % due 30 May 2003	101,153	99,371	93,627	93,060	94,824
NLG 400 million 6.125 % due 30 June 2000	–	–	–	181,397	181,494
NLG 250 million 6.125 % due 11 October 2001	–	–	113,445	113,372	113,434
NLG 300 million 5.875 % due 9 February 2004	136,134	136,134	136,134	136,047	136,121
DEM 1.5 billion 5.750 % due 30 November 2001	–	–	766,938	766,938	766,938
DEM 1 billion 6.00 % due 21 February 2006	511,292	511,292	511,292	511,292	511,292
DEM 1 billion 4.750 % due 2 October 2002	–	511,292	511,292	511,292	511,292
USD 200 million 6.125 % due 21 February 2000	–	–	–	174,044	180,353
USD 100 million 6.250 % due 18 October 2001	–	–	99,039	87,022	90,177
USD 100 million 6.250 % due 12 August 2002	–	115,154	99,039	–	–
CHF 450 million 3.00 % due 22 July 2002	–	298,112	280,881	279,181	284,472
CHF 250 million 2.00 % due 23 March 2005	168,589	165,618	156,045	–	–
CHF 250 million 2.00 % due 23 March 2005	168,589	165,618	156,045	–	–
CHF 150 million 2.00 % due 23 March 2005	101,153	99,370	93,627	–	–
GBP 200 million 7.375 % due 30 December 2002	–	326,371	316,206	285,812	302,521
GBP 200 million 5.00 % due 18 February 2002	–	326,371	316,206	–	–
GBP 50 million 5.00 % due 18 February 2002	–	81,593	79,051	–	–
GBP 200 million 4.750 % due 7 December 2009	328,677	326,371	316,206	–	–

**11. Debt securities in issue**

– continued/in thousand €

	2001	2000	1999	1998	1997
GBP 50 million 4.750 % due 7 December 2009	82,169	81,593	79,051	–	–
DEM 1 billion 5.500 % due 4 February 2013	511,292	511,292	511,292	511,292	–
DEM 250 million 4.750 % due 2 October 2002	–	127,823	127,823	127,823	–
CHF 150 million 3.00 % due 22 July 2002	–	99,371	93,627	93,060	–
CZK 1.5 billion 6.750 % due 27 July 2005	46,930	43,318	–	–	–
CZK 500 million 6.250 % due 27 July 2005	15,644	14,439	–	–	–
CZK 500 million 6.250 % due 14 April 2004	15,644	14,439	–	–	–
EUR 75 million 5.500 % due 18 August 2005	75,000	75,000	–	–	–
EUR 15 million 5.140 % due 27 September 2002	–	15,000	–	–	–
GBP 65 million 4.750 % due 7 December 2009	106,820	106,071	–	–	–
JPY 5 billion 2.460 % due 8 January 2010	43,354	51,846	–	–	–
NZD 100 million 8.00 % due 10 March 2005	47,136	46,757	–	–	–
PLN 200 million 0.000 % due 21 September 2005	57,220	51,569	–	–	–
USD 100 million 7.625 % due 14 June 2004	113,469	115,154	–	–	–
USD 25.9 million 7.560 % due 20 May 2002	–	29,825	–	–	–
USD 250 million 7.00 % due 12 September 2002	–	287,885	–	–	–
ZAR 100 million 11.500 % due 7 February 2006	9,588	–	–	–	–
AUD 100 million 5.500 % due 2 February 2006	57,870	–	–	–	–
CAD 100 million 5.500 % due 8 March 2006	71,038	–	–	–	–
USD 300 million 5.625 % due 18 December 2006	340,406	–	–	–	–

**11. Debt securities in issue**

– continued /in thousand €

	2001	2000	1999	1998	1997
CAD 50 million 5.500 % due 8 March 2006	35,519	–	–	–	–
AUD 100 million 6.00 % due 15 June 2006	57,870	–	–	–	–
EUR 500 million 4.500 % due 25 September 2006	500,000	–	–	–	–
GBP 85 million 4.750 % due 7 December 2009	139,687	–	–	–	–
AUD 25 million 5.500 % due 2 February 2006	14,468	–	–	–	–
NZD 100 million 6.750 % due 12 September 2006	47,136	–	–	–	–
Deferred premium on notes	27,306	32,841	42,754	50,562	47,159
Deferred management/ underwriting commission/ issue expenses on notes	–94,015	–104,021	–81,095	–63,041	–59,738
	3,837,138	5,338,641	5,313,722	4,294,262	3,611,221
Total debt securities in issue	<b>6,628,151</b>	<b>6,333,818</b>	<b>5,693,082</b>	<b>4,294,262</b>	<b>3,674,421</b>

These bonds/notes issued are guaranteed in full as to principal and coupons by Landesbank Hessen-Thüringen Girozentrale.

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**12. Creditors (amounts falling due within one year)**

in thousand €	2001	2000	1999	1998	1997
Amounts due to intercompany	1	154	151	138	242
Corporation tax	501	404	377	288	210
Other provisions	–	48	48	48	48
Deferred guarantee fees and paying agent fees	146	262	231	206	203
Deferred discount on loans	68,714	73,844	42,106	17,317	16,086
Dividends payable	–	–	3,500	2,556	5,624
	<b>69,362</b>	<b>74,712</b>	<b>46,413</b>	<b>20,553</b>	<b>22,413</b>

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**13. Accruals and deferred income**

in thousand €	2001	2000	1999	1998	1997
Amounts due on debt securities	169,917	177,622	159,276	116,551	91,815
	<b>169,917</b>	<b>177,622</b>	<b>159,276</b>	<b>116,551</b>	<b>91,815</b>

**14. Share capital**

in thousand €

	2001	2000	1999	1998	1997
<b>Authorised:</b>					
5,000,000 ordinary equity shares of EUR 1 each	5,000	–	–	–	–
5,000,000 ordinary equity shares of DEM 1 each	–	2,556	2,556	2,556	2,556
40,000 ordinary equity shares of DEM 1,000 each	–	20,452	20,452	20,452	20,452
5,000 redeemable preference shares of DEM 1,000 each	–	2,556	2,556	2,556	2,556
	<b>5,000</b>	<b>25,564</b>	<b>25,564</b>	<b>25,564</b>	<b>25,564</b>
<b>Issued and fully paid:</b>					
5,000,000 ordinary equity shares of EUR 1 each	5,000	–	–	–	–
7 ordinary equity shares of DEM 1 each	–	–	–	–	–
5,000 ordinary equity shares of DEM 1,000 each	–	2,557	2,557	2,557	2,557
5,000 redeemable preference shares of DEM 1,000 each	–	2,556	2,556	2,556	2,556
	<b>5,000</b>	<b>5,113</b>	<b>5,113</b>	<b>5,113</b>	<b>5,113</b>

On 18 July 2001, the authorised and issued share capital of the company was converted to Euro, an amount of thousand € 113 transferred to the Capital Conversion Reserve Fund (note 15).

**15. Capital conversion  
reserve fund**

in thousand €	2001	2000	1999	1998	1997
Capital conversion reserve fund	113	–	–	–	–
	<b>113</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

An amount equal to the aggregate amount of the reduction in the issued share capital of the company resulting from the conversion and redenomination of the ordinary shares to Euro was transferred to the Capital Conversion Reserve Fund on 18 July 2001.

**16. Reconciliation of movements  
in shareholders' funds**

in thousand €	2001	2000	1999	1998	1997
Profit on ordinary activities after tax	4,687	3,638	3,404	2,645	1,854
Dividends paid	–8,500	–	–	–	–
Dividends proposed	–	–	–3,500	–2,556	–5,624
Net (reduction)/addition to shareholders' funds	–3,813	3,638	–96	89	–3,770
Opening shareholders' funds	9,182	5,544	5,640	5,551	9,321
Closing shareholders' funds	<b>5,369</b>	<b>9,182</b>	<b>5,544</b>	<b>5,640</b>	<b>5,551</b>
Equity shareholders' funds	5,369	6,626	2,988	3,084	2,995
Non equity shareholders' funds	–	2,556	2,556	2,556	2,556
Shareholders' funds	<b>5,369</b>	<b>9,182</b>	<b>5,544</b>	<b>5,640</b>	<b>5,551</b>

**17. Dividends paid**

in thousand €	2001	2000	1999	1998	1997
Ordinary equity dividends paid	–6,500	–1,750	–1,278	–2,812	–511
Preference dividends paid	–2,000	–1,750	–1,278	–2,812	–512
	<b>–8,500</b>	<b>–3,500</b>	<b>–2,556</b>	<b>–5,624</b>	<b>–1,023</b>

**18. Cash and cash equivalents**

in thousand €	2001	2000	1999	1998	1997
Balance at beginning of period	2,574	1,854	186	1,071	644
(Decrease)/increase in cash and cash equivalents	-2,572	720	1,668	-885	427
Balance at end of period	<b>2</b>	<b>2,574</b>	<b>1,854</b>	<b>186</b>	<b>1,071</b>

**19. Directors' remuneration**

in thousand €	2001	2000	1999	1998	1997
<b>Emoluments</b>					
– for services as directors	15	11	7	6	9
– for other services	47	74	67	60	81
	<b>62</b>	<b>85</b>	<b>74</b>	<b>66</b>	<b>90</b>

**20. Particulars of staff**

	2001	2000	1999	1998	1997
The average number of persons employed by the company during the year was:	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

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**21. Pensions**

Pensions for employees arise from a defined contribution scheme. These pensions are funded through an external pension scheme for the sole benefit of qualifying employees or their dependants. Under the terms of the management agreement Helaba Dublin pays the pension premium for Helaba International Finance plc, which amounted to thousand € 12 for the current financial year. There were no outstanding contributions at the balance sheet date.

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**22. Derivatives and other financial Instruments**

The activities of the company are the issuing of notes and placing the proceeds of these issues with companies of the Helaba Group. The proceeds are placed for the same term as that of the issue and at a rate higher than the rate of the issue. Therefore, the normal risks of market price, foreign currency, interest rate, liquidity and credit are not material.

Market price risk

The issues and the placing of the proceeds are at fixed rates for the full term.

Foreign currency risk

The margins earned on the placing of the proceeds of the issues do represent foreign currency risk. However, this risk is not material.

Interest rate risk

The issues and the placing of the proceeds are at fixed rates for the full term.

Liquidity risk

The proceeds of the issues are placed with Helaba group companies for the same term as the related issues.

Credit risk

The company is exposed to a credit risk on other Helaba group companies and bears the risk of settlement default. However, this risk is low.

Fair value of financial assets and financial liabilities

All of the financial assets are held at book value and financial liabilities are held at nominal value as adjusted by the unamortised balance of premiums, discounts, commissions and issue expenses arising on the long-term borrowings.

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**23. Segmental reporting**

The principal class of business of the company is capital markets fundraising and lending which takes place in the international financial markets (excluding Ireland).

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- 24. Related party transactions** Advantage has been taken of the exemption in Financial Reporting Standard No. 8, “Related Party Disclosures” which permits wholly-owned subsidiary undertakings not to disclose transactions and balances between Group undertakings which are eliminated on consolidation.
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- 25. Approval of the financial statements** The financial statements for 2001, 2000, 1999, 1998 and 1997 were approved by the directors on the 8 March 2002, 21 February 2001, 31 January 2000, 29 January 1999 and 22 January 1998 respectively.



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