

Report and Financial Statements 2004



Year ended 31 December 2004

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Directors and other Information

Board of Directors	R. Krick (Chairman) L. Steinborn-Reetz E. Hanly N. O'Byrne P. Murray P. Smyth
Secretary	Wilton Secretarial Limited
Registered Office	P.O. Box 3137 5 George's Dock IFSC Dublin 1 Registered Number: 166932
Auditors	PricewaterhouseCoopers Chartered Accountants and Registered Auditors George's Quay Dublin 2
Solicitors	William Fry Fitzwilton House Wilton Place Dublin 2
Bankers	Landesbank Hessen-Thüringen Girozentrale Frankfurt am Main/Erfurt Germany Bank of Ireland IFSC Dublin 1



Helaba | 

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31 December 2004.

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 2003 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.

The directors are responsible for the maintenance and integrity of the company's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Books of Account

The measures taken by the directors to secure compliance with the company'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 P.O. Box 3137, Guild Street, IFSC, Dublin 1. Helaba International Finance plc is moving to new office premises before the end of March 2005. The new address, which is where the books of account will be kept is P.O. Box 3137, 5 George's Dock, IFSC, Dublin 1.

Principal Activities and Review of the Business

During the financial year 2004, the balance sheet total of Helaba International Finance plc decreased by € 341 million, or 6.7%, to € 4,703 million, as compared with the 31st December 2003. The decrease in the balance sheet total reflects (note 10) the net of 2 new issues (1 AUD and 1 NZD) and 5 redemptions (NLG, CZK, USD, CAD, SEK).

All issues are unconditionally and irrevocably guaranteed by Landesbank Hessen-Thüringen Girozentrale and have been rated "Aaa" (Moody's Investors Service), "AAA" (FitchRatings) and "AA+" (Standard & Poor's). The proceeds from these issues are exclusively used for the financing of associated companies within the Helaba Group.

The guarantees of the owners of Landesbank Hessen-Thüringen Girozentrale (the Savings Banks and Giro Association of Hesse-Thuringia and the Federal States of Hesse and Thuringia) in the form of Anstaltslast (statutory liability) and Gewährträgerhaftung (guarantor obligation) ensure a high credit quality of Helaba. The German authorities and the European Commission agreed, in July 2001 and February 2002, on a restructuring of the guarantee mechanisms of German public banks. Anstaltslast can be maintained in its present form until 18 July 2005. Gewährträgerhaftung will phase out as from 19 July 2005:

- Existing obligations at 18 July 2001 maturing any time will be covered by Gewährträgerhaftung;
- New obligations incurred between 19 July 2001 and 18 July 2005 and maturing by 31 December 2015 will also be covered by Gewährträgerhaftung;
- New obligations incurred between 19 July 2001 and 18 July 2005 and maturing after 31 December 2015 will be guaranteed until 18 July 2005;
- New obligations incurred after 18 July 2005 will not be guaranteed.

Helaba's senior unsecured unguaranteed obligations (obligations not covered by Gewährträgerhaftung) are rated "Aa2"/"A+"/"A" (long-term) by Moody's Investors Service, FitchRatings, and Standard & Poor's respectively.

Profits, Dividends and Reserves in thousand €		
	Profit for the financial year	1,939
	Balance at beginning of year	136
	Profit retained for the year	2,075
	Dividends proposed	-2,000
	Total Profit retained	75

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 2005, the company plans to continue its financing function for the Helaba Group.

Directors

The names of the persons who were directors during the year ended 31 December 2004, are set out below. They served as directors for the entire year except where noted.

R. Krick (Chairman) (German)
 L. Steinborn-Reetz (German)
 P. von Gordon (Resigned 13 January 2004) (German)
 E. Hanly
 N. O'Byrne
 P. Murray
 P. Smyth

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

Ultimate Holding Company

The ultimate holding company is Landesbank Hessen-Thüringen Girozentrale, ("Helaba") Federal Republic of Germany, which senior, unsecured debt is rated "Aaa"/"AAA"/"AA+" by the leading international rating agencies Moody's Investors Service, FitchRatings and Standard & Poor's.

The existing guarantees of the owners of Helaba will be abolished after 18 July 2005 in case of Anstaltslast (statutory liability) respectively will phase out as from 19 July 2005 in case of Gewährträgerhaftung (guarantor obligation) (see "Principal Activities and Review of the Business"). Helaba's senior unsecured unguaranteed obligations (obligations not covered by Gewährträgerhaftung) are rated "Aa2"/"A+"/"A" (long-term) by Moody's Investors Service, FitchRatings, and Standard & Poor's respectively.

Directors' and other Interests

None of the directors in office at 31 December 2004 had any interest in the shares or debentures of the company, its holding company or other group companies.

Transactions involving Directors

There were no transactions involving directors during the year as defined by Section 41 of the Companies Act, 1990.

Auditors

The auditors, PricewaterhouseCoopers, offer themselves for re-appointment in accordance with section 160(2) of the Companies Act, 1963.

R. Krick, *Chairman of the Board of Directors*
 P. Murray, *Managing Director*

16 March 2005

Independent Auditors' Report

To the Members of Helaba International Finance plc

We have audited the financial statements on pages 12 to 34.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report. As described on page 7, 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and auditing standards issued by the Auditing Practices Board applicable in Ireland. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 2003, 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.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2003, 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 7 to 9 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 17, 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 2004, 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

16 March 2005

Accounting Policies and Estimates

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

Basis of Preparation

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 2003 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.

Tangible Assets

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.

Reporting Currency

The financial statements are prepared in thousands of Euro, denoted by the symbol T €.

Interest Income

Interest income consists of interest income receivable, premiums earned on loans and advances and other trade related income.

Income and Expense Recognition

Interest income and expenses are recognised in the profit and loss account on an accruals basis.

Foreign Currencies

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.

Deferred Taxation

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.

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.

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.

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

Year ended 31 December 2004

in thousand €

	Notes	2004	2003	2002	13 month period ended 2001	2000
Interest receivable and similar income		245,051	250,444	327,192	433,027	345,724
Interest payable and similar charges		-242,478	-247,904	-323,482	-427,392	-341,324
Net interest income		2,573	2,540	3,710	5,635	4,400
Administration expenses		-420	-377	-474	-459	-361
Profit on ordinary activities before tax	2	2,153	2,163	3,236	5,176	4,039
Tax on profit on ordinary activities	3	-214	-209	-310	-489	-401
Profit on ordinary activities after tax		1,939	1,954	2,926	4,687	3,638
Balance at beginning of year		136	182	256	4,069	431
		2,075	2,136	3,182	8,756	4,069
Dividends	4	-2,000	-2,000	-3,000	-8,500	-
Balance at end of year	5	75	136	182	256	4,069

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. Murray, *Managing Director*

16 March 2005

The accounting policies on pages 12 to 13 and the notes to the Financial Statements on pages 19 to 34 form part of these accounts. Auditors' Report pages 10 to 11.



Balance Sheet

31 December 2004

in thousand €

	Notes	2004	2003	2002	2001	2000
Assets						
Cash at bank	18	885	360	1,095	2	2,574
Advances to Group Companies	7	4,593,212	4,915,609	4,741,573	6,699,628	6,410,332
Other debtors	8	1,021	1,392	35	893	2,298
Tangible fixed assets	6	–	–	–	1	2
Prepayments and accrued income	9	108,145	126,642	116,745	172,275	180,128
Total Assets		4,703,263	5,044,003	4,859,448	6,872,799	6,595,334
Liabilities						
Debt securities in issue	10	4,563,271	4,873,744	4,680,455	6,628,151	6,333,818
Creditors (amounts falling due within one year)	11	26,263	40,042	58,652	69,362	74,712
Other Liabilities	12	2,000	–	–	–	–
Accruals and deferred income	13	106,541	124,968	115,046	169,917	177,622
Shareholders' Funds						
Called up share capital	14	5,000	5,000	5,000	5,000	5,113
Capital conversion reserve fund	15	113	113	113	113	–
Profit and loss account	5	75	136	182	256	4,069
Total Liabilities		4,703,263	5,044,003	4,859,448	6,872,799	6,595,334

R. Krick, *Chairman of the Board of Directors*P. Murray, *Managing Director*

16 March 2005

The accounting policies on pages 12 to 13 and the notes to the Financial Statements on pages 19 to 34 form part of these accounts. Auditors' Report pages 10 to 11.

Cash Flow Statement

Year ended 31 December 2004

in thousand €

	Notes	2004	2003	2002	13 month period ended 2001	2000
Net cash inflow from operating activities	(A)	773	1,590	4,659	6,320	4,594
Dividends paid	17	–	–2,000	–3,000	–8,500	–3,500
Taxation						
Corporation tax paid		–248	–325	–566	–392	–374
Increase/(decrease) in cash	18	525	–735	1,093	–2,572	720
(A) Reconciliation of operating profit to net cash inflow from operating activities						
Profit on ordinary activities before taxation		2,153	2,163	3,236	5,176	4,039
Net decrease/(increase) in prepayments and accrued income		18,497	–9,897	55,530	7,853	–18,491
Net (decrease)/increase in accruals and deferred income		–18,427	9,922	–54,871	–7,705	18,346
Depreciation		–	–	1	1	1
Net cash inflow from trading activities		2,223	2,188	3,896	5,325	3,895
Net decrease/(increase) in advances to group companies		322,397	–174,036	1,958,055	–289,296	–673,032
Net (decrease)/increase in debt securities in issue		–310,473	193,289	–1,947,696	294,333	640,736
Net (decrease)/increase in creditors (amounts falling due within one year)		–13,745	–18,494	–10,454	–5,447	31,772
Net decrease/(increase) in other debtors		371	–1,357	858	1,405	1,223
Net cash inflow from operating activities		773	1,590	4,659	6,320	4,594

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. Profit on ordinary Activities before Taxation in thousand €

	2004	2003	2002	2001	2000
Profit before taxation has been arrived at after charging:					
Staff costs					
– wages and salaries	–	–	–	–	–
– social welfare costs	–	–	–	–	–
Depreciation	–	–	1	1	1
Auditors' remuneration	–	–	–	–	–
Operating lease rentals: Property	–	–	–	–	–
Management Agreement	420	400	473	445	360

For the periods ended 31 December 2004, 31 December 2003, 31 December 2002, 31 December 2001 and 30 November 2000, 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 T € 13 (2003: T € 13, 2002: T € 11, 2001: T € 11, 2000: T € 10) in respect of auditors' remuneration.

**3. Tax on Profit
on Ordinary Activities**
in thousand €

	2004	2003	2002	2001	2000
(A) Based on profit on ordinary activities:					
Corporation tax at 10%	214	209	310	501	404
Overaccrual re prior years	-	-	-	-12	-3
	214	209	310	489	401
(B) Deferred tax	Nil	Nil	Nil	Nil	Nil

(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.

(The ending of the special IFSC 10% tax rate on the 31 December 2005 will increase the company's effective tax rate in the future years).

4. Dividends in thousand €	2004	2003	2002	2001	2000
Paid:					
Interim dividend Nil (2003: € 0.40) (2002: € 0.60) per € 1 ordinary equity share	–	2,000	3,000	4,500	–
Interim dividend of Nil (2003: Nil) (2002: Nil) (2001: € 205) (2000: Nil) per DEM 1,000 preference share	–	–	–	2,000	–
Interim dividend of Nil (2003: Nil) (2002: Nil) (2001: € 205) (2000: Nil) per DEM 1,000 ordinary equity share	–	–	–	2,000	–
Total dividends paid	–	2,000	3,000	8,500	–
Proposed:					
Interim dividend of € 0.40 (2003: Nil) (2002: Nil) (2001: Nil) (2000: Nil) per € 1 ordinary equity share	2,000	–	–	–	–
Total proposed dividends	2,000	–	–	–	–
5. Statement of Movement in Profit and Loss Account in thousand €					
	2004	2003	2002	2001	2000
Balance at beginning of year	136	182	256	4,069	431
(Loss)/profit for the year retained	–61	–46	–74	–3,813	3,638
Balance at end of year	75	136	182	256	4,069

6. Tangible Fixed Assets in thousand €	Fixtures and fittings	Computer equipment	Office furniture	Total
Cost				
At 30 November 2000	7	7	12	26
At 31 December 2001	7	7	12	26
At 31 December 2002	7	7	12	26
At 31 December 2003	7	7	12	26
At 31 December 2004	7	6	12	25
Accumulated depreciation				
At 30 November 2000	7	7	10	24
Charge for the period	–	–	1	1
At 31 December 2001	7	7	11	25
Charge for the year	–	–	1	1
At 31 December 2002	7	7	12	26
Charge for the year	–	–	–	–
At 30 December 2003	7	7	12	26
Charge for the year	–	–	–	–
At 31 December 2004	7	6	12	25
Net book amount				
At 30 November 2000	–	–	2	2
At 31 December 2001	–	–	1	1
At 31 December 2002	–	–	–	–
At 31 December 2003	–	–	–	–
At 31 December 2004	–	–	–	–

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

**7. Advances
to Group Companies**
in thousand €

	2004	2003	2002	2001	2000
– Due after one year	3,697,600	4,514,149	4,635,360	3,903,847	5,409,830
– Due within one year	895,612	401,460	106,213	2,795,781	1,000,502
	4,593,212	4,915,609	4,741,573	6,699,628	6,410,332

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 10). As security for the issue of these guarantees, the proceeds are pledged to Landesbank Hessen-Thüringen Girozentrale.

8. Other Debtors
in thousand €

	2004	2003	2002	2001	2000
Other debtors comprises of:					
Deferred premium on loans	1,021	1,392	35	893	2,298
	1,021	1,392	35	893	2,298

**9. Prepayments
and Accrued Income**
in thousand €

	2004	2003	2002	2001	2000
Interest on advances to group	108,145	126,642	116,745	172,275	180,128
	108,145	126,642	116,745	172,275	180,128

10. Debt Securities in Issue
in thousand €

	2004	2003	2002	2001	2000
Amounts falling due in less than one year excluding interest					
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	-

10. Debt Securities in Issue

– continued/in thousand €

	2004	2003	2002	2001	2000
CHF 150 million 5.00% due 30 May 2003	–	–	103,277	–	–
NLG 300 million 5.875% due 9 February 2004	–	136,134	–	–	–
CZK 500 million 6.250% due 14 April 2004	–	15,427	–	–	–
USD 100 million 7.625% due 14 June 2004	–	79,177	–	–	–
CAD 200 million 6.500% due 25 February 2004	–	123,198	–	–	–
SEK 400 million 3.875% due 3 March 2004	–	44,053	–	–	–
NZD 100 million 8.00% due 10 March 2005	52,991	–	–	–	–
CHF 350 million 2.00% due 23 March 2005	226,845	–	–	–	–
CHF 250 million 2.00% due 23 March 2005	162,033	–	–	–	–
CHF 250 million 2.00% due 23 March 2005	162,033	–	–	–	–
CHF 150 million 2.00% due 23 March 2005	97,220	–	–	–	–
CZK 1.5 billion 6.750% due 27 July 2005	49,238	–	–	–	–
CZK 500 million 6.250% due 27 July 2005	16,413	–	–	–	–
EUR 75 million 5.500% due 18 August 2005	75,000	–	–	–	–
PLN 200 million 0.00% due 21 September 2005	48,966	–	–	–	–
Deferred premium on notes	253	20	178	5,306	3,153
Deferred management/ underwriting commission/ issue expenses on notes	–1,399	–83	–143	–6,416	–3,512
	889,593	397,926	103,312	2,791,013	995,177

10. Debt Securities in Issue

– continued/in thousand €

	2004	2003	2002	2001	2000
Amounts falling due after one year excluding interest					
USD 500 million 6.875% due 29 April 2002	–	–	–	–	575,772
CHF 150 million 5.00% due 30 May 2003	–	–	–	101,153	99,371
NLG 300 million 5.875% due 9 February 2004	–	–	136,134	136,134	136,134
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
USD 100 million 6.250% due 12 August 2002	–	–	–	–	115,154
CHF 450 million 3.00% due 22 July 2002	–	–	–	–	298,112
CHF 250 million 2.00% due 23 March 2005	–	160,472	172,129	168,589	165,618
CHF 250 million 2.00% due 23 March 2005	–	160,472	172,129	168,589	165,618
CHF 150 million 2.00% due 23 March 2005	–	96,283	103,276	101,153	99,370
GBP 200 million 7.375% due 30 December 2002	–	–	–	–	326,371
GBP 200 million 5.00% due 18 February 2002	–	–	–	–	326,371
GBP 50 million 5.00% due 18 February 2002	–	–	–	–	81,593
GBP 200 million 4.750% due 7 December 2009	283,667	283,768	307,456	328,677	326,371
GBP 50 million 4.750% due 7 December 2009	70,917	70,942	76,863	82,169	81,593
DEM 1 billion 5.500% due 4 February 2013	511,292	511,292	511,292	511,292	511,292

10. Debt Securities in Issue

– continued/in thousand €

	2004	2003	2002	2001	2000
DEM 250 million 4.750% due 2 October 2002	–	–	–	–	127,823
CHF 150 million 3.00% due 22 July 2002	–	–	–	–	99,371
CZK 1.5 billion 6.750% due 27 July 2005	–	46,282	47,503	46,930	43,318
CZK 500 million 6.250% due 27 July 2005	–	15,427	15,834	15,644	14,439
CZK 500 million 6.250% due 14 April 2004	–	–	15,834	15,644	14,439
EUR 75 million 5.500% due 18 August 2005	–	75,000	75,000	75,000	75,000
EUR 15 million 5.140% due 27 September 2002	–	–	–	–	15,000
GBP 65 million 4.750% due 7 December 2009	92,192	92,225	99,923	106,820	106,071
JPY 5 billion 2.460% due 8 January 2010	35,804	37,023	40,196	43,354	51,846
NZD 100 million 8.00% due 10 March 2005	–	51,964	50,063	47,136	46,757
PLN 200 million 0.00% due 21 September 2005	–	42,536	49,739	57,220	51,569
USD 100 million 7.625% due 14 June 2004	–	–	95,356	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	13,004	12,008	11,099	9,588	–
AUD 100 million 5.500% due 2 February 2006	57,277	59,516	53,891	57,870	–
CAD 100 million 5.500% due 8 March 2006	60,916	61,599	60,423	71,038	–

10. Debt Securities in Issue

– continued/in thousand €

	2004	2003	2002	2001	2000
USD 300 million 5.625% due 18 December 2006	220,248	237,530	286,068	340,406	–
CAD 50 million 5.500% due 8 March 2006	30,458	30,800	30,211	35,519	–
AUD 100 million 6.00% due 15 June 2006	57,277	59,517	53,891	57,870	–
EUR 500 million 4.500% due 25 September 2006	500,000	500,000	500,000	500,000	–
GBP 85 million 4.750% due 7 December 2009	120,559	120,602	130,669	139,687	–
AUD 25 million 5.500% due 2 February 2006	14,319	14,879	13,473	14,468	–
NZD 100 million 6.750% due 12 September 2006	52,991	51,964	50,064	47,136	–
CHF 350 million 2.00% due 23 March 2005	–	224,661	240,981	–	–
AUD 50 million 5.500% due 2 February 2006	28,639	29,758	26,946	–	–
EUR 75 million 4.500% due 25 September 2006	75,000	75,000	75,000	–	–
AUD 100 million 5.750% due 8 August 2007	57,277	59,517	53,891	–	–
NOK 500 million 6.540% due 11 September 2013	60,705	59,424	68,723	–	–
EUR 500 million 4.00% due 27 September 2007	500,000	500,000	500,000	–	–
EUR 100 million 4.00% due 27 September 2007	100,000	100,000	–	–	–
AUD 100 million 5.00% due 30 July 2008	57,277	59,520	–	–	–
DEM 30 million (Note (i)) due 29 December 2006	15,339	15,339	–	–	–
ESP 10 billion (Note (ii)) due 30 May 2007	60,101	60,101	–	–	–

10. Debt Securities in Issue

– continued/in thousand €

	2004	2003	2002	2001	2000
ZAR 100 million 13.500% due 31 March 2008	13,004	12,008	–	–	–
CZK 500 million 11.00% due 19 June 2008	16,413	15,427	–	–	–
AUD 50 million 5.00% due 30 July 2008	28,639	–	–	–	–
NZD 100 million 6.500% due 15 December 2008	52,992	–	–	–	–
Deferred premium on notes	17,384	24,272	27,583	27,306	32,841
Deferred management/ underwriting commission/ issue expenses on notes	–41,305	–62,602	–85,789	–94,015	–104,021
	3,673,678	4,475,818	4,577,143	3,837,138	5,338,641
Total debt securities in issue	4,563,271	4,873,744	4,680,455	6,628,151	6,333,818

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

Note (i) Floating rate based on 16% minus (2 x 6 month Euribor) subject to a minimum coupon of 0%

Note (ii) Floating rate based on 6 month Euribor plus 30 basis points, maximum rate 8.40%, minimum rate 4.00%

11. Creditors (Amounts falling due within one Year)
in thousand €

	2004	2003	2002	2001	2000
Amounts due to intercompany	4	2	–	1	154
Corporation tax	95	129	245	501	404
Other provisions	–	–	–	–	48
Deferred guarantee fees and paying agent fees	85	83	201	146	262
Deferred discount on loans	26,079	39,828	58,206	68,714	73,844
	26,263	40,042	58,652	69,362	74,712

Corporation tax is net of T € 120 preliminary tax paid for 2004 (2003: T € 80).

12. Other Liabilities
in thousand €

	2004	2003	2002	2001	2000
Proposed Dividend	2,000	–	–	–	–
	2,000	–	–	–	–

13. Accruals and Deferred Income
in thousand €

	2004	2003	2002	2001	2000
Amounts due on debt securities	106,541	124,968	115,046	169,917	177,622
	106,541	124,968	115,046	169,917	177,622

14. Share Capital
 in thousand €

	2004	2003	2002	2001	2000
Authorised:					
5,000,000 ordinary equity shares of EUR 1 each	5,000	5,000	5,000	5,000	–
5,000,000 ordinary equity shares of DEM 1 each	–	–	–	–	2,556
40,000 ordinary equity shares of DEM 1,000 each	–	–	–	–	20,452
5,000 redeemable preference shares of DEM 1,000 each	–	–	–	–	2,556
	5,000	5,000	5,000	5,000	25,564
Issued and fully paid:					
5,000,000 ordinary equity shares of EUR 1 each	5,000	5,000	5,000	5,000	–
7 ordinary equity shares of DEM 1 each	–	–	–	–	–
5,000 ordinary equity shares of DEM 1,000 each	–	–	–	–	2,557
5,000 redeemable preference shares of DEM 1,000 each	–	–	–	–	2,556
	5,000	5,000	5,000	5,000	5,113

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

15. Capital Conversion Reserve Fund

in thousand €

	2004	2003	2002	2001	2000
Capital conversion reserve fund	113	113	113	113	–
	113	113	113	113	–

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 €

	2004	2003	2002	2001	2000
Profit on ordinary activities after tax	1,939	1,954	2,926	4,687	3,638
Dividends	–2,000	–2,000	–3,000	–8,500	0
Net (reduction)/addition to shareholders' funds	–61	–46	–74	–3,813	3,638
Opening shareholders' funds	5,249	5,295	5,369	9,182	5,544
Closing shareholders' funds	5,188	5,249	5,295	5,369	9,182
Equity shareholders' funds	5,188	5,249	5,295	5,369	6,626
Non equity shareholders' funds	–	–	–	–	2,556
Shareholders' funds	5,188	5,249	5,295	5,369	9,182

17. Dividends paid

in thousand €

	2004	2003	2002	2001	2000
Ordinary equity dividends paid	–	–2,000	–3,000	–6,500	–1,750
Preference dividends paid	–	–	–	–2,000	–1,750
	–	–2,000	–3,000	–8,500	–3,500

18. Cash and Cash Equivalents

in thousand €	2004	2003	2002	2001	2000
Balance at beginning of year	360	1,095	2	2,574	1,854
Increase/(decrease) in cash and cash equivalents	525	-735	1,093	-2,572	720
Balance at end of year	885	360	1,095	2	2,574

19. Directors' Remuneration

in thousand €	2004	2003	2002	2001	2000
Emoluments					
– for services as directors	16	16	16	15	11
– for other services	81	63	47	47	74
	97	79	63	62	85

20. Particulars of Staff

	2004	2003	2002	2001	2000
The average number of persons employed by the company during the year was:	2	2	2	2	2

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 T € 15 for the current financial year (2003: T € 12). There were no outstanding contributions at the balance sheet date.

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.
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).
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.
25. Approval of the Financial Statements	The financial statements for 2004, 2003, 2002, 2001 and 2000 were approved by the directors on the 16 March 2005, 12 March 2004, 5 March 2003, 8 March 2002 and 21 February 2001 respectively.

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