

Ireland
Credit Update

Helaba Dublin Landesbank
Hessen-Thueringen International

Ratings

**Helaba Dublin Landesbank
Hessen-Thueringen International**

| | |
|-------------------------|--------|
| Foreign Currency | |
| Long-Term IDR* | A+ |
| Short-Term IDR* | F1+ |
| Outlook | Stable |

Support 1

Sovereign Risk

| | |
|------------------------|--------|
| Foreign Long-Term IDR* | AAA |
| Local Long-Term IDR* | AAA |
| Outlook | Stable |

* IDR – Issuer Default Rating

Financial Data

**Helaba Dublin Landesbank
Hessen-Thueringen International**

| | 31 Dec 06 | 31 Dec 05 |
|-----------------------|-----------|-----------|
| Total Assets (USDm) | 5,731.7 | 4,666.7 |
| Total Assets (EURm) | 4,352.1 | 3,955.8 |
| Equity (EURm) | 133.3 | 135.4 |
| Op. Profit (EURm) | 13.9 | 14.9 |
| Net Income (EURm) | 12.2 | 13.5 |
| Op. Profit/Assets (%) | 0.33 | 0.38 |
| ROE (%) | 9.08 | 9.99 |
| Equity/Assets | 3.06 | 3.42 |

Analysts

Anna Lozmann, Frankfurt
+49 69 7680 76229
anna.lozmann@fitchratings.com

Thomas v. Lüpke, Frankfurt
+49 69 7680 76150
thomas.vonluepke@fitchratings.com

■ Rating Rationale

- The Issuer Default Ratings of Helaba Dublin Landesbank Hessen-Thüringen International (“Helaba Dublin”) are driven by the potential support available from its 100% owner, Landesbank Hessen-Thüringen Girozentrale (“Helaba”, rated ‘A+/F1+’ – see Fitch’s report, available at www.fitchratings.com). The ratings are equalised with those of its parent given that it is highly integrated into the strategic planning and risk management systems of Helaba group.
- As a result of the close relationship between Helaba and Helaba Dublin, Fitch Ratings does not assign an Individual Rating to Helaba Dublin.
- Helaba Dublin is a centre for specialised international business within Helaba group. The bank is a provider of corporate and interbank loans and loan-replacement products, transportation finance, particularly for the aircraft and shipping industries, as well as foreign exchange products. Helaba Dublin focuses on structuring and arranging of tailor-made debt and targets to increase the range of non-lending services for its customers.
- Helaba Dublin’s profitability is moderate, though stable. The bank benefits from a lean cost base, as a substantial proportion of administrative work is being done by the parent bank.

Support

- Helaba submitted a Letter of Comfort to the Central Bank of Ireland in 1993 declaring that Helaba Dublin will always be able to meet its liabilities as long as it remains a subsidiary of Helaba.
- Helaba Dublin is established as a private unlimited company. An unlimited company is characterized by unlimited liability obligations of the shareholders on a winding up of the company. As such, Helaba is liable for Helaba Dublin’s commitments. However the issue of timeliness of payments to creditors could arise in case of difficulties, as the shareholders are obliged to provide support to the unlimited company and not to its creditors. Nevertheless, given the existence of the Letter of Comfort and Helaba Dublin’s role within the Helaba group, Fitch Ratings considers that it is extremely likely that support would be forthcoming in a timely manner in case of need.
- Helaba’s ratings are reinforced by its membership in S-Finanzgruppe Hessen-Thüringen (“S-Verbund”, rated ‘A+/F1+’ – see Fitch’s report), a single economic group of 50 savings banks in Hesse-Thüringia and Helaba. S-Verbund’s ratings are backed by potential support from the German states of Hesse and Thuringia (both rated ‘AAA’). S-Verbund member banks also benefit from a strong mutual support mechanism.

■ Rating Outlook and Key Rating Drivers

- Helaba Dublin’s ratings are equalised with those of its parent, Helaba; its Long-Term IDR, thus, has the same Stable Outlook as Helaba’s. For information on Helaba’s rating drivers, see Fitch’s report on Helaba.

■ Profile

- Helaba Dublin was founded as Helaba Asset Management in 1990 to develop Helaba group’s international business. The present name was adopted in 1993 when a full banking license was granted.
- The bank has a lean operating structure with 27 staff by end-2006.

21 August 2007

Balance Sheet Analysis

HELABA DUBLIN LANDESBANK HESSEN-THUERINGEN INTERNATIONAL

| | 31 Dec 2006 | | | | 31 Dec 2005 | | 31 Dec 2004 | | 31 Dec 2003 | |
|---|------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Year End USDm | Year End EURm | As % of Assets | Average EURm | Year End EURm | As % of Assets | Year End EURm | As % of Assets | Year End EURm | As % of Assets |
| | Original | Original | Original | Original | Original | Original | Original | Original | Original | Original |
| A. LOANS | | | | | | | | | | |
| 1. Loans > 5 Years | 1,897.9 | 1,441.1 | 33.11 | 1,286.5 | 1,131.9 | 28.61 | 1,161.6 | 30.58 | 1,065.0 | 27.71 |
| 2. Loans > 1 < 5 Years | 834.6 | 633.7 | 14.56 | 666.5 | 699.3 | 17.68 | 660.8 | 17.39 | 919.1 | 23.92 |
| 3. Loans < 1 Year | 317.9 | 241.4 | 5.55 | 201.0 | 160.6 | 4.06 | 226.9 | 5.97 | 187.0 | 4.87 |
| TOTAL A. | 3,050.4 | 2,316.2 | 53.22 | 2,154.0 | 1,991.8 | 50.35 | 2,049.3 | 53.95 | 2,171.1 | 56.50 |
| B. OTHER EARNING ASSETS | | | | | | | | | | |
| 1. Deposits with Banks (net) | 5.9 | 4.5 | 0.10 | 769.7 | 1,534.9 | 38.80 | 1,279.8 | 33.69 | 1,067.6 | 27.78 |
| 2. Government Securities and Eligible Bills | n.a. | n.a. | - | n.a. | n.a. | - | n.a. | - | n.a. | - |
| 3. Other Investments | 0.0 | 0.0 | 0.00 | 194.5 | 388.9 | 9.83 | 419.8 | 11.05 | 548.1 | 14.26 |
| 4. Equity Investments | 2,616.9 | 1,987.0 | 45.66 | n.a. | n.a. | - | n.a. | - | n.a. | - |
| TOTAL B | 2,622.8 | 1,991.5 | 45.76 | 1,957.7 | 1,923.8 | 48.63 | 1,699.6 | 44.74 | 1,615.7 | 42.04 |
| C. TOTAL EARNING ASSETS (A+B) | 5,673.3 | 4,307.7 | 98.98 | 4,111.7 | 3,915.6 | 98.98 | 3,748.9 | 98.69 | 3,786.8 | 98.54 |
| D. FIXED ASSETS | 0.3 | 0.2 | 0.00 | 0.2 | 0.2 | 0.01 | 0.3 | 0.01 | 0.2 | 0.01 |
| E. NON-EARNING ASSETS | | | | | | | | | | |
| 1. Cash and Due from Banks | 9.4 | 7.1 | 0.16 | 6.9 | 6.6 | 0.17 | 13.1 | 0.34 | 15.4 | 0.40 |
| 2. Other | 48.9 | 37.1 | 0.85 | 35.3 | 33.4 | 0.84 | 36.5 | 0.96 | 40.4 | 1.05 |
| F. TOTAL ASSETS | 5,731.7 | 4,352.1 | 100.00 | 4,154.0 | 3,955.8 | 100.00 | 3,798.8 | 100.00 | 3,842.8 | 100.00 |
| G. DEPOSITS & MONEY MARKET FUNDING | | | | | | | | | | |
| 1. Demand and Deposits < 1 Year | 365.6 | 277.6 | 6.38 | 302.7 | 327.7 | 8.28 | 196.9 | 5.18 | 263.7 | 6.86 |
| 2. Deposits > 1 < 5 Years | 1,135.4 | 862.1 | 19.81 | 1,012.6 | 1,163.1 | 29.40 | 795.8 | 20.95 | 686.7 | 17.87 |
| 3. Deposits > 5 Years | 2,472.9 | 1,877.7 | 43.14 | 1,630.4 | 1,383.0 | 34.96 | 1,615.1 | 42.52 | 1,731.3 | 45.05 |
| 4. Deposits from Banks | 718.2 | 545.3 | 12.53 | 605.6 | 665.9 | 16.83 | 332.4 | 8.75 | 302.3 | 7.87 |
| 5. Debt Securities in Issue | 370.7 | 281.5 | 6.47 | 248.0 | 214.5 | 5.42 | 654.9 | 17.24 | 655.7 | 17.06 |
| TOTAL G. | 5,062.8 | 3,844.2 | 88.33 | 3,799.2 | 3,754.2 | 94.90 | 3,595.1 | 94.64 | 3,639.7 | 94.71 |
| H. OTHER (Non-Interest Bearing) | 493.3 | 374.6 | 8.61 | 220.4 | 66.2 | 1.67 | 68.8 | 1.81 | 63.9 | 1.66 |
| I. EQUITY | | | | | | | | | | |
| 1. Common Equity | 175.6 | 133.3 | 3.06 | 134.4 | 135.4 | 3.42 | 134.9 | 3.55 | 139.2 | 3.62 |
| TOTAL I. | 175.6 | 133.3 | 3.06 | 134.4 | 135.4 | 3.42 | 134.9 | 3.55 | 139.2 | 3.62 |
| J. TOTAL LIABILITIES AND EQUITY | 5,731.7 | 4,352.1 | 100.00 | 4,154.0 | 3,955.8 | 100.00 | 3,798.8 | 100.00 | 3,842.8 | 100.00 |
| Exchange Rate | | | | | | | | | | |
| | | USD1 = EUR 0.7593 | | | USD1 = EUR 0.8477 | | USD1 = EUR 0.7342 | | USD1 = EUR 0.7918 | |

Income Statement Analysis

HELABA DUBLIN LANDESBANK HESSEN-THUERINGEN INTERNATIONAL

| | 31 Dec 2006 | | 31 Dec 2005 | | 31 Dec 2004 | | 31 Dec 2003 | |
|--|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| | Income | As % of | Income | As % of | Income | As % of | Income | As % of |
| | Expenses | Total AV | Expenses | Total AV | Expenses | Total AV | Expenses | Total AV |
| | EURm | Earning Assts | EURm | Earning Assts | EURm | Earning Assts | EURm | Earning Assts |
| | Original | Original | Original | Original | Original | Original | Original | Original |
| 1. Interest Receivable | 241.7 | 5.88 | 236.3 | 6.17 | 233.7 | 6.20 | 232.4 | 6.32 |
| 2. Interest Payable | 228.8 | 5.56 | 224.3 | 5.85 | 216.8 | 5.75 | 218.6 | 5.95 |
| 3. NET INTEREST REVENUE | 12.9 | 0.31 | 12.0 | 0.31 | 16.9 | 0.45 | 13.8 | 0.38 |
| 4. Commission Revenue - Net | 2.9 | 0.07 | 2.8 | 0.07 | 5.0 | 0.13 | 2.7 | 0.07 |
| 5. Other Operating Income | 0.7 | 0.02 | 2.7 | 0.07 | 2.6 | 0.07 | 0.7 | 0.02 |
| 6. Personnel Expenses | 1.6 | 0.04 | 2.0 | 0.05 | 1.9 | 0.05 | 2.0 | 0.05 |
| 7. Other Non-Interest Expenses | 1.0 | 0.02 | 1.9 | 0.05 | 2.1 | 0.06 | 2.2 | 0.06 |
| 8. Loan Loss Provisions | 0.0 | 0.00 | -1.3 | -0.03 | 1.2 | 0.03 | 0.1 | 0.00 |
| 9. CONTINUING OPERATIONS PROFIT | 13.9 | 0.34 | 14.9 | 0.39 | 19.3 | 0.51 | 12.9 | 0.35 |
| 10. Items arising from Discontinued Operations | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 11. PRE-TAX PROFIT ON ORDINARY ACTIVITIES | 13.9 | 0.34 | 14.9 | 0.39 | 19.3 | 0.51 | 12.9 | 0.35 |
| 12. Exceptional Items - Net | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 |
| 13. PRE-TAX PROFIT | 13.9 | 0.34 | 14.9 | 0.39 | 19.3 | 0.51 | 12.9 | 0.35 |
| 14. Taxation | 1.7 | 0.04 | 1.4 | 0.04 | 1.9 | 0.05 | 1.2 | 0.03 |
| 15. NET INCOME | 12.2 | 0.30 | 13.5 | 0.35 | 17.4 | 0.46 | 11.7 | 0.32 |

Ratio Analysis

HELABA DUBLIN LANDESBANK HESSEN-THUERINGEN INTERNATIONAL

| | 31 Dec 2006 | 31 Dec 2005 | 31 Dec 2004 | 31 Dec 2003 | |
|--|-------------|-------------|-------------|-------------|-------|
| | Original | Original | Original | Original | |
| I. PROFITABILITY LEVEL | | | | | |
| 1. Continuing Operations Profit/ Total Assets (av) | % | 0.33 | 0.38 | 0.51 | 0.35 |
| 2. Net Income/Equity (av) | % | 9.08 | 9.99 | 12.69 | 8.45 |
| 3. Net Income less Preference Dividend/ Common Equity (av) | % | 9.08 | 9.99 | 12.69 | 8.45 |
| 4. Net Income/Total Assets (av) | % | 0.29 | 0.35 | 0.46 | 0.31 |
| 5. Total Non-Int Expense/Net Interest Revenue & Other Operating Income | % | 15.76 | 22.29 | 16.33 | 24.42 |
| 6. Net Interest Revenue/Total Assets (av) | % | 0.31 | 0.31 | 0.44 | 0.37 |
| II. CAPITAL ADEQUACY (year end) | | | | | |
| 1. Internal Capital Generation | % | -2.53 | 0.37 | -3.21 | 1.23 |
| 2. Equity/Total Assets | % | 3.06 | 3.42 | 3.55 | 3.62 |
| 3. Equity/Net Loans | % | 5.76 | 6.80 | 6.58 | 6.41 |
| 4. Capital/Risks - Tier 1 | % | n.a. | n.a. | n.a. | n.a. |
| 5. Capital/Risks - Total | % | n.a. | n.a. | n.a. | n.a. |
| 6. Common Equity/Total Assets | % | 3.06 | 3.42 | 3.55 | 3.62 |
| III. LIQUIDITY (year end) | | | | | |
| 1. Liquid Assets/Deposits & Money Mkt Funding | % | 0.30 | 40.45 | 35.69 | 29.07 |
| 2. Liquid Assets & Marketable Debt Securities/Deposits & Money Mkt Funding | % | 0.30 | 51.42 | 47.64 | 44.81 |
| 3. Net Loans/Deposits & Money Mkt Funding | % | 60.25 | 53.06 | 57.00 | 59.65 |
| IV. ASSET QUALITY | | | | | |
| 1. Loan Loss Provisions/Loans Gross (av) | % | 0.00 | -0.06 | 0.06 | 0.00 |
| 2. Loan Loss Provisions/Profit before Provisions and Taxes | % | 0.00 | -9.56 | 5.85 | 0.77 |