Annual financial report 2024

Annual financial statements of Helaba

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Basic information about Helaba

The Helaba business model

Landesbank Hessen-Thüringen Girozentrale (Helaba) is a credit institution organised under public law, with a commitment to operating sustainably; its long-term strategic business model is that of a full-service bank with a regional focus, a presence in carefully selected international markets and a very close relationship with the Sparkassen-Finanzgruppe. One key aspect of Helaba's business model is its legal form as a public-law institution. Helaba operates as a for-profit entity in line with the applicable provisions of the Charter and the Treaty of the Formation of a Joint Savings Banks Association Hesse-Thuringia. The Treaty and the Charter establish the legal framework for Helaba's business model. Other factors central to this business model are Helaba's status as part of the Sparkassen-Finanzgruppe with its institutional protection scheme, the distribution of tasks between Sparkassen, Landesbanken and other S-Group institutions, the large stake in Helaba owned by the Sparkassen organisation and Helaba's retention and expansion of its activities in the S-Group and public development and infrastructure business.

Helaba serves its clients in three functions: as a commercial bank, as a Sparkasse central bank and as a development bank.

As a commercial bank, Helaba operates in Germany and abroad. Helaba's hallmarks include stable, long-term customer relationships. It works with companies, institutional clients and the public sector.

Helaba is a Sparkasse central bank and S-Group bank for the Sparkassen in Hesse, Thuringia, North Rhine-Westphalia and Brandenburg and, therefore, for around 40 % of all Sparkassen in Germany. It operates as a partner to the Sparkassen rather than as a competitor.

Helaba maintains a close relationship with the Sparkassen in Hesse and Thuringia via the S-Group Concept, the main pillars of which remain in place despite the planned and successive liquidation of the reserve fund starting in 2025. Comprehensive co-operation and business agreements have been entered into with the Sparkassen and their associations in North Rhine-Westphalia. In addition, there are sales co-operation agreements with the Sparkassen in Brandenburg. The agreements with the Sparkassen in North Rhine-Westphalia and Brandenburg complement the S-Group Concept of the Sparkassen-Finanzgruppe Hessen-Thüringen.

Helaba's registered offices are situated in Frankfurt am Main and Erfurt and it has branches in Düsseldorf, Kassel, London, New York, Paris and Stockholm. The branches allow Helaba to strengthen its local presence close to customers and Sparkassen. The foreign branches also provide Helaba with access to the funding markets based on the US dollar and pound sterling. The organisation also includes representative and sales offices, subsidiaries and affiliates.

In its capacity as the central development institution for Hesse, Helaba administers public-sector development programmes through Wirtschafts- und Infrastrukturbank Hessen (WIBank). As a dependent institution within Helaba, WIBank enjoys a direct statutory guarantee from the State of Hesse as permitted under EU law. WIBank's business activities are guided by the development objectives of the State of Hesse. Helaba also has stakes in a number of other development institutions in Hesse and Thuringia.

In addition to Helaba, the business model includes further strong, well-known brands (in some cases, legally independent subsidiaries) that complement the Group's product portfolio.

Helaba is a market leader in the home loans and savings business in both Hesse and Thuringia through the legally dependent Landesbausparkasse Hessen-Thüringen (LBS) and also helps the Sparkassen with the marketing of real estate through Sparkassen-Immobilien-Vermittlungs-GmbH.

Frankfurter Sparkasse, a wholly owned subsidiary of Helaba organised under German public law, supports private, business, trade, and corporate customers as well as public finance bodies in the Rhine-Main region with the full range of products for the financial services sector. Frankfurter Sparkasse is the leading retail bank in the Frankfurt am Main region. It also has a presence in the nationwide direct banking market through 1822direkt.

Frankfurter Bankgesellschaft Group (FBG) provides Helaba's products and services for Savings Banks in private Group banking and in the wealth and asset management businesses. FBG, which operates as the private bank of the Sparkassen-Finanzgruppe, acquires high-net-worth customers in Germany through Sparkassen in the S-Group with which it has a collaboration agreement. In its role as a central partner for the Sparkassen, FBG offers the Family Office service, enhancing its range of professional advisory services in connection with all asset-related matters, while its majority interest in consulting company Imap allows it to provide end-to-end advisory services for family-owned businesses.

Helaba Invest is one of Germany's leading asset management companies with a focus on institutional asset management. It is one of the few companies that manages and administers both liquid securities and alternative investments. Its range of products includes special funds for institutional investors and retail funds as part of a management and/or advisory portfolio, a comprehensive range of management services (including reporting and risk management) and advice on strategic asset allocation.

The GWH Group manages around 53,000 residential units and thus holds one of the largest residential real estate portfolios in Hesse. The group focuses on developing housing projects, managing and optimising residential property portfolios, and initiating and supporting residential real estate funds.

The OFB Group is a full-service group of companies in the fields of real estate project development, land development and the construction and project management of high-value commercial real estate especially. It operates throughout Germany with a focus on the Rhine-Main region.

Sustainability in the sense of environmental and social responsibility is an integral part of the binding Group-wide business strategy, as is sustainability in the context of fair corporate governance, which means that the business activities of all Group companies are systematically oriented around these requirements.

Management instruments and non-financial performance indicators

In the context of Group steering, Helaba has integrated systems in place for business and profitability management which are firmly embedded in an overarching management framework. In accordance with IFRS, Group steering includes the analysis of income and expenses at various levels. The organizational units are managed on the basis of a multi-level margin accounting system which is used to prepare an income statement by organizational unit and segment reporting. In line with management reporting, the segment information is based on external financial reporting alongside internal management (contribution margin accounting). This system is also used for the annual multi-year planning process (five-year period), from which a budgeted statement of financial position and income statement for the Group and its organizational units and subsidiaries are derived. The planning is regularly validated by forecasts during the year.

Regular plan/actual comparisons are generated and variances analysed based on a management income statement produced in the margin accounting system. Profitability and the results of cross-selling are also described.

Profitability targets are managed on the basis of, for example, return on equity (RoE) as the economic return on equity (ratio of operating result before taxes to average capital employed in the financial year determined in accordance with IFRS). The Helaba Group has set a target range of 7 % to 9 % for the economic return on equity before taxes.

The strategic target for the cost-income ratio (CIR) at Group level is in the range of 60 % to 70 %. The CIR is the ratio of general and administrative expenses including depreciation and amortisation to total profit/loss before taxes net of general and administrative expenses including depreciation and amortisation and of loss allowances for loans and advances.

Capital adequacy is managed through the allocation of regulatory and economic limits and through the own funds ratios. When the target capital ratios are set, the targets take into account the additional own funds requirements specified by the European Central Bank (ECB). Taking into account the capital buffer requirements applicable at 31 December 2024, the minimum Common Equity Tier 1 (CET1) capital ratio (including capital buffer requirements) required to be maintained by the Helaba Regulatory Group under the Supervisory Review and Evaluation Process (SREP) decision taken by the ECB was 9.26 %.

In November 2023, the ECB notified the Helaba Regulatory Group of the findings of the Supervisory Review and Evaluation Process (SREP) for 2024. This showed that, in 2024, Landesbank Hessen-Thüringen Girozentrale had to satisfy, on a consolidated basis, an SREP total capital requirement of 10.25 % (including an additional capital requirement (Pillar 2) of 2.25 %, which must consist of at least 56.25 % CET1 capital and 75 % Tier 1 capital).

The leverage ratio measures the ratio between regulatory capital and the unweighted total of all on-balance sheet and off-balance sheet asset items including derivatives. Under the CRR, banks generally have to comply with a leverage ratio of 3.0 %.

The CRR specifies that banks must comply with a (short-term) liquidity coverage ratio (LCR) and a net stable funding ratio (NSFR). The regulatory minimum for both ratios is 100 %. Both liquidity ratios are leading to increased liquidity management costs and therefore have a negative impact on profitability.

One key indicator used to manage portfolios is the volume of new medium- and long-term business (defined as new business with a funding term of more than one year). Systematic preliminary costings are carried out for loan agreements, in particular to ensure that new business is managed with a focus on risk and profitability.

As part of the implementation of the Single Resolution Mechanism (SRM) in Europe, the competent resolution authority has specified an institution-specific minimum requirement for own funds and eligible liabilities (MREL). By decision of BaFin on 24 January 2024, Helaba was notified of the final MREL requirements for the Helaba Regulatory Group.

In 2024, the MREL for Helaba was 22.47 % of RWAs, plus the current combined capital buffer requirements of 3.50 % as at 31 December 2024. The portion of the MREL that needs to be covered by subordinated (i.e. non-preferred) instruments was 22.40 % of RWAs, also plus the current combined capital buffer requirements.

Helaba must also have a leverage ratio exposure (LRE) of 8.02 % to comply with the MREL. The proportion of the MREL to be covered by subordinated instruments was also 8.02 % as a function of the LRE.

By decision of BaFin on 14 January 2025, the Helaba Regulatory Group was notified of the final MREL requirements for the 2025 financial year. In 2025, the MREL for Helaba is 22.41 % of RWAs, plus the current combined capital buffer requirements. The portion of the MREL that needs to be covered by subordinated (i.e. non-preferred) instruments is 17.76 % of RWAs, also plus the current combined capital buffer requirements.

Helaba must also have a leverage ratio exposure (LRE) of 8.19 % to comply with the MREL. The proportion of the MREL to be covered by subordinated instruments is 6.86 % as a function of the LRE.

For 2025, Helaba has been granted alleviations in respect of the MREL requirements which are reflected in the aforementioned ratios. These alleviations were granted by the supervisory authorities in light of Helaba's progress towards resolvability, its ample MREL surplus and its ability to provide the necessary information.

To fund itself, Helaba draws on different sources and products, focusing in particular on the sources of funding available through the Sparkassen (proprietary and customer transactions) as a result of belonging to a strong association of financial institutions. These are supplemented by Pfandbrief issues, which are a cost-efficient component of its stable funding base, and funds raised through development institutions such as WIBank. In addition, the capital transaction in connection with the owners' partial restructuring of Helaba's equity resulted in cash inflows in 2024 (for further details, please refer to Note (35)).

Acting sustainably is a core component of Helaba's strategic agenda. Attention is focused on ensuring that business activities are oriented around sustainability and, in particular, that customers are supported in the necessary transformation to a climate-neutral circular economy.

The Helaba Regulatory Group has set itself strategic objectives across the three dimensions of sustainability, environment, social and governance (ESG). The ESG objectives form an integral part of the business strategy. To measure the attainment of the ESG objectives, the Helaba Regulatory Group has developed corresponding key performance indicators. In this way, the Helaba Regulatory Group's documents its ambition to orient its business activities around sustainability and is able to measure its progress in quantitative terms.

In lending operations, Helaba has established mandatory Group-wide sustainability criteria that have been incorporated into the risk strategies and are reviewed each year. Its aim is to use the risk management system to minimise sustainability risks associated with its financing activities, including the transitional and physical risks caused by climate change mitigation and climate change adaptation. For critical sectors of the economy, it has developed specific lending criteria that rule out controversial business practices in particular, and take into account sector-specific risk issues.

Helaba's Sustainable Lending Framework provides a standardised method for the definition, measurement and management of sustainable lending business. It is supplemented by the Sustainable Investment Framework developed for the sustainable asset management business.

Employees

HR strategy

The basic principles of Helaba's HR activities are derived from its business strategy. These principles incorporate social, economic and regulatory changes. The core tasks include, for example, strategy-oriented and needs-based recruitment of suitable employees, the provision of professional services, attractive remuneration and ancillary benefits (such as occupational pensions and benefits), and continuing professional development that focuses on sustainability aspects (including talent management). Helaba focuses particularly on health management, the development of its corporate culture and diversity management. Various indicators, such as a low staff turnover rate, average length of service and low absenteeism, confirm that employees are satisfied and highly committed.

Remuneration principles

The business strategy and risk strategy specify the degree of flexibility available to employees. Helaba's remuneration strategy and remuneration principles set out the relationship between business strategy, risk strategy and remuneration strategy, taking account of the corporate culture and risk-related environmental, social and governance (ESG) targets. The remuneration system reflects this approach and aims to ensure that employees are properly and sustainably rewarded without gender bias for their efforts and achievements, and are not encouraged to take inappropriate risks in any way. The remuneration strategy takes into account the attainment of targets specified in operational planning when determining an overall budget for the Bank and allocating the budget for variable remuneration at unit level, thereby ensuring that there is a link between the remuneration strategy and divisional strategic objectives. For the corporate centre units, budgets are allocated based on the results generated by Helaba and the attainment of qualitative targets. The remuneration policy and practices (including the use of retentions and performance criteria) help to support a long-term approach to the management of ESG, climate and environmental risks. Helaba also ensures that the control functions involved in the management of climate-related and environmental risks are appropriately staffed and funded.

Sustainable human resources development

Helaba invests in the professional development of its employees both to satisfy its current skills needs and to meet future business requirements. Processes are therefore set up on a sustainable basis. A regular structured dialogue between managers and employees creates transparency in working relationships, ensures that targets are clear and allows development opportunities to be discussed. This learning culture has been actively embraced and is sustained by a portfolio of development options aligned with the increasingly dynamic working environment and the individual job-related needs of the Bank's employees. The portfolio is very diverse in terms of the topics addressed and consists of conventional training events, online self-instruction and formats that enable employees to learn from each other. Based on the Bank's internal life-stage model, employees at different stages in their professional careers are offered suitable development activities so that they can remain productive in the business over the long term and develop their capabilities according to their potential.

Talent management

Demographic change and ongoing digitalisation will have an impact on Helaba's competitiveness in the long term. The recruitment, development and retention of talents is therefore correspondingly important. Based on vocational training and general trainee programmes, plus internships and other offerings for students, Helaba offers those at the start of their careers the opportunity to become familiar with banking practice and acquire basic skills. To reach the young target group, recruitment is making greater use of digital media channels. In addition, Helaba is focusing on the development of its own talents, providing them with the foundations for a career as a technical or sales specialist, in projects or as an executive manager. A systematic process for identifying high-potential employees helps managers to identify such talents within Helaba and provide them at an early stage with the specific grounding they need to take on new positions with greater responsibility. This is achieved using individual development plans, as part of development programmes or via mentoring across the Helaba Group.

Health management

Helaba operates an occupational health management system and a company sports programme, helping employees to maintain their physical and mental well-being and nurturing an awareness of the need for a healthy lifestyle. They are supplemented by an employee assistance programme that provides counselling for employees and managers on professional, family, health and other personal matters. In addition, Helaba offers virtual training aimed at helping employees work in a healthy manner.

Transformation support

Helaba continues to develop its corporate culture, piloting and implementing new ways of working, new processes and new forms of collaboration. Mobile technology is used to provide key infrastructure for remote working, thereby facilitating concentrated job activities and smooth operation of virtual teamwork. Moreover, hybrid working is seen as equivalent to office-based working. In this kind of transformation project, the Human Resources unit plays a key role as adviser and partner for employees and managers in the implementation of the various activities and also ensures that the transformation is supported by appropriate change management. It is also reflected in the "Let's go 2030" programme, a Bank-wide cultural development initiative.

Promoting diversity

Helaba is focusing on diversity management to achieve a greater level of innovative capability and to improve the risk culture in its organisation. It works to ensure that diversity and equality of opportunity are established as permanent features of its sustainable corporate culture and also expresses this through various network initiatives. It seeks to provide an inclusive environment and fair access to opportunities so that every employee at every stage of life contributes to its long-term success irrespective of age, gender, ethnicity, educational and professional background, geographical origin, sexual identity, disability and other such factors. The aim is to purposefully incorporate diversity into the working environment from a number of perspectives and make greater use of internal potential. Particular attention is paid to the advancement of women. In a voluntary commitment, Helaba aims to ensure that more than 30 % of all management positions are occupied by women by the end of 2025 and that the proportion of women in Helaba's programmes for junior staff and professional development is increased to 50 %. These efforts are supported by dedicated seminars for women and appropriate mentoring. Helaba has also created conditions in which it is possible for employees to achieve a work/life balance. This includes the offer of childcare places and the use of flexible types of working and working-time models.

Development of the real estate market

Geopolitical tensions and political uncertainty continue to impact the economy and cause a high level of volatility on the capital markets. Despite persistently weak economic development and only slight interest rate relief, the correction to Germany's real estate market ended in 2024. In the second half of the year, the prices of residential real estate in particular rose again. The commercial segments of the real estate market have also stabilised but are still facing adverse structural effects such as the increased tendency to work from home.

Helaba focuses on long-term customer relationships built on trust, never more so than when times are tough. As part of its range of services and advisory activities, Helaba also helps its customers to raise funds through the capital markets.

The difficult economic environment is currently reflected to a varying extent in Helaba's portfolios. At present, only parts of Helaba's company and banking portfolio are being impacted by the monetary, economic and political effects reported. In the real estate portfolio as well, trends vary for the individual asset classes and regional markets.

Whereas residential real estate prices (especially in Germany) have already stabilised thanks to continuing high demand for homes and low levels of new construction activity, there were further declines in the prices of commercial real estate for which there is no viable future use. This largely affects the office segment because of growing demand from investors and tenants for central locations, strict ESG requirements and the increased implementation of new working concepts.

In response to trends in the real estate sector, Helaba has revised the strategic real estate financing framework and introduced a range of complementary measures and instruments to actively manage and contain risks in the real estate portfolio.

Developments continue to be monitored closely at both the individual borrower and portfolio levels. For further details, please refer to the risk report.

The loss allowances in 2024 were down on the previous year yet remained high in a reflection of the situation on the commercial real estate market and the adverse economic effects on the customers for corporate loans.

Depending on further geopolitical developments, real estate market trends and capital market volatility, Helaba cannot rule out the possibility of deteriorations in ratings or defaults in 2025 as well.

The Helaba Regulatory Group's ratio of forbearance measures increased significantly in 2024. In addition, the Helaba Regulatory Group saw the ratio of non-performing loans (NPL ratio) in accordance with EBA Risk Indicator Code AQT_3.2.1.2 as at 31 December 2024 increase to 3.2 % (31 December 2023: 2.4 %, adjusted in accordance with EBA Risk Indicator Code AQT_3.2.1.2) due to new defaults in the real estate portfolio especially, with a slowdown in the inflow of NPLs in the second half of the year. In last year's report, the NPL ratio was calculated on the basis of EBA Risk Indicator Code AQT_3.2 and thus included the balances at central banks. By contrast, the NPL ratio in accordance with EBA Risk Indicator Code AQT_3.2.1.2 does not include these balances.

For further details, please refer to the risk report.

Economic report

Macroeconomic and sector-specific conditions in Germany

German industry is plagued by structural problems, especially the high energy costs, taxes and levies, as well as bureaucratic hurdles compared with its international peers. As a result, Germany's gross domestic product declined in 2024 for the second year in succession. Economic output decreased by 0.2 % in 2024. All growth impulses came from government consumption which expanded by 2.6 % and is likely to increase again in the current year. Despite renewed increases in real wages, private consumption grew by just 0.3 % in 2024. Consumers used higher incomes to replenish their savings but are likely to purchase more again in the new year. Gross fixed capital formation declined by 2.8 % in 2024 and is not expected to provide any impulses in the current year either. Last year's foreign trade contribution was also negative but rising foreign demand in the months ahead is expected to result in a slight improvement in exports. Overall, seasonally adjusted economic growth of 0.7 % is forecast for 2025.

In 2024, an average annual inflation rate of 2.2 % was close to the ECB inflation target. Price growth is likely to return to the range of 2 % in the new year. However, inflation in personnel-intensive services is currently higher at around 4 % due to large pay increases. Since energy costs are lower than they were a year ago, inflation on goods is lower.

Digitalisation is affecting more and more aspects of society and the economy in a process that has accelerated, due especially to advances in the field of artificial intelligence (AI). Alongside further process optimisation and automation, AI provides opportunities for new data-driven products and services. Moreover, largely due to mobile working practices, there has been significant growth in the use of digital media in the collaboration within and between companies. Companies are pressing ahead with the digitalisation of their processes, not least because of the worsening labour shortage.

Platforms are playing a growing role in business relations with major international corporate customers. For some time, derivative platforms have enabled currency hedges to be effected using standardised processes, lending portals arrange funding for small and medium-sized corporate customers through banks or directly through institutional investors, and banks analyse their customer data in search of more effective ways of offering products. On these platforms and beyond, AI has the potential to fundamentally change the way people and machines interact, and to influence broad areas of society and the economy. This is already the case in areas such as the automotive industry, health care and the finance sector. In the finance sector, for example, neural networks are being used in combination with state-of-the-art language models to prevent fraud, improve trading algorithms in respect of risk management, and interact with customers and business partners. Worldwide, investment in AI technologies and the training of AI specialists is increasing significantly. On the one hand, this reflects the growing awareness of the transformational power of AI but it can also be a limiting factor on the broad-based use of AI solutions. In addition, new challenges are arising in respect of data protection and security as well as with regard to the ethical guidelines for the use of AI. In the EU, the use of trustworthy AI solutions is regulated by the AI Act that came into force in August 2024. This ensures that the AI systems deployed in the EU are safe, transparent, understandable, non-discriminatory and sustainable.

In light of these developments, Helaba is increasing the use of AI by establishing a Bank-wide programme to embed this technology in the core processes of the Helaba Regulatory Group. The goal is to create the framework conditions for the safe and targeted use of AI that will enable the Bank to leverage the opportunities while addressing the challenges associated with the dynamic development of this technology.

In the private customer business as well, AI represents another step in digital development. Added to this, neobrokers have entered the market, offering their customers easy access to a limited portfolio of securities for low transaction fees. New payment models such as pay-per-use or request-to-pay are further examples of the digital developments for private and corporate customers.

There is also a growing trend in the market to use blockchain technology as a means of making processes efficient, fast and inexpensive. These conditions make it possible to create new products and make existing products more efficient. For example, transactions can be initiated and executed automatically, as demonstrated in the recent piloting of trigger events by the Deutsche Bundesbank. Compared with the rest of the world, advanced regulation such as the German Electronic Securities Act (eWPG) and the EU's Markets in Crypto-Assets Regulation (MiCAR) make Germany and the EU ideal locations for effectively promoting and leveraging the advantages of this technology.

In June 2023, the European Commission presented a legislative proposal for the digital euro. As a result, the European Central Bank (ECB) decided in October 2023 to start a two-year preparatory phase for the introduction of the digital euro. During this phase, work will continue to develop the regulations for the digital euro system and select suitable service providers to create the necessary platform and infrastructure. Helaba has already implemented its own measures and is working closely with the Sparkassen to prepare as well as possible for the pending changes.

En route to a climate-neutral economy, ESG data are becoming increasingly important, not least because they are required by regulations such as the EU Taxonomy Regulation or the CSRD. Making these data available for broader use, for example via platform solutions, is providing new business opportunities.

The Helaba Regulatory Group (within the meaning of the KWG and the CRR), together with its affiliated subsidiaries Frankfurter Sparkasse and Frankfurter Bankgesellschaft (Deutschland) AG, is among the banks classified as “significant” and therefore subject to direct supervision by the ECB.

In order to implement ECB and BaFin requirements, the general meeting of members of the German Savings Banks Association resolved in June 2023 to refine the protection system for the Sparkassen-Finanzgruppe and amend the statutes accordingly. These came into force in January 2024. Among other things, the risk monitoring system was improved and decision-making structures organised more effectively. Moreover, as at 1 January 2025, an additional fund has been created to protect the solvency and liquidity of the Sparkassen-Finanzgruppe institutions. This must be contributed over a period of at least eight calendar years starting in 2025. The target fund volume is 0.5 % of the member institutions’ total risk exposure and up to 30 % may be in the form of fully collateralised debt obligations.

In connection with the partial restructuring of equity, the general meeting of the Sparkassen- und Giroverband Hessen-Thüringen resolved on 20 November 2024 to liquidate the Reserve Fund in instalments on a linear basis over a period of probably eight years starting in 2025 and to transfer the resulting amounts to the additional fund that has been newly established under the Sparkassen-Finanzgruppe’s protection scheme. The secretariat of the Sparkassen- und Giroverband Hessen-Thüringen was instructed to analyse after four years whether it makes sense to continue this process or to maintain an amount in the Reserve Fund.

At the EU level, amendments to the crisis management and deposit insurance framework (CMDI) are currently being discussed following a review. The outcome of this consultation process is still pending. It cannot be ruled out that it might result in an additional administrative burden on bank protection systems and complex consultation processes between the authorities involved.

In the first half of 2024, the ECB conducted a cyber resilience stress test for all the banks under supervision. The results were included in the SREP score for 2024.

Key developments in the regulatory and sector-specific frameworks were as follows:

Banking package

The consultation on the EU banking package (CRR III and CRD VI) that was initiated in October 2021 has now been completed and the findings published in the Official Journal of the EU on 19 June 2024, implementing the finalisation of Basel III in the EU. Generally speaking, the CRR III requirements must be applied from 1 January 2025 although there are a few exemptions in respect of the date of application. For example, the provisions of the Fundamental Review of the Trading Book (FRTB) need not be applied until 1 January 2026. The CRD VI requirements are to be transposed into national law by 10 January 2026 and applied from 11 January 2026. Helaba has regularly taken part in impact studies and factors the results of impact calculations into its medium-term planning on an ongoing basis.

EU Action Plan on Financing Sustainable Growth

Application of the Taxonomy Regulation, part of the EU Action Plan on Financing Sustainable Growth, has been required since 2021 and covers stipulations in respect of six environmental objectives.

In 2024, it was still necessary to report the taxonomy eligibility of the financing of economic activities relating to the environmental objectives of sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems. Starting in the 2025 financial year, the Taxonomy Regulation must be applied in full. In November 2024, the EU Commission published further clarifications about the scope and methods relating to the auditing of taxonomy eligibility and alignment (C/204/6691). Helaba has established projects to implement the actions resulting from these requirements.

On 30 November 2023, the EU adopted the European Green Bond Standard Regulation as the legal basis for the EU Green Bond Standard (EU GBS). This came into force in December 2024. The application of the standard is voluntary and is intended to complement established market standards. Issuers that apply the EU GBS must satisfy strictly defined requirements which are linked to the environmental sustainability criteria stipulated by the EU Taxonomy Regulation.

ECB Guide on climate-related and environmental risks
In connection with the implementation of the 13 expectations associated with the climate-related and environmental risks set out in the ECB Guide, an analysis of the European banking sector in respect of its fulfilment of the climate objectives was published in January 2024. The ECB continues to support the implementation of its expectations by way of the thematic review. The requirements of the ECB Guide were implemented by 31 December 2023. Helaba has established projects to implement the actions resulting from this requirement.

Since 2022, the requirements of the EBA concerning disclosures of ESG risks in accordance with Article 449a CRR are satisfied in the Helaba Regulatory Group's Disclosure Report.

The expanded disclosures on decarbonisation pathways and targets were implemented in the disclosure report in accordance with regulatory requirements. In January 2024, the European Banking Authority (EBA) launched a consultation in respect of new guidelines on the management of ESG risks. With these guidelines, the EBA is fulfilling its mandate in accordance with Article 87a (5) of the CRD (2013/36/EU). The guidelines therefore deal extensively with ESG risk management. The final version was published in January 2025 and application is mandatory from January 2026.

German Act on Corporate Due Diligence in Supply Chains Chains (LkSG)
The German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG), which came into force on 1 January 2023, obligates companies to respect human rights by complying with defined due diligence requirements. Helaba and the subsidiaries under its control fall within this law's scope of application. To implement the requirements arising from the LkSG, Helaba has created the roles of Human Rights Officer and two Human Rights Coordinators.

The reporting stipulated by the LkSG was submitted to the competent supervisory authority in May 2024 and the updated policy statement was published in December 2024.

EU AI Act
The EU Regulation defining harmonised rules on artificial intelligence (AI Act) entered into force on 1 August 2024. Whereas a 24-month transition period applies for most of the provisions of the AI Act which must therefore be applied from 2 August 2026 (general application), some provisions must already be applied from 2 February 2025.

From this date, undertakings must implement suitable measures to ensure that the individuals who operate and use AI systems have suitable AI expertise. Also from 2 February 2025, AI systems assigned to the highest of the AI Act's risk categories will no longer be permitted in the European Union. Such systems include, for example, those used for the evaluation of social behaviour, real-time biometric identification or manipulative practices that might harm third parties.

To implement the requirements, Helaba has already developed training programmes such as its AI Driving Licence and will continue to refine these successively. Moreover, Helaba does not operate any systems that fall within the classification no longer permitted in the EU.

Digitalisation: Key assessment criteria and collection of sound practices
In July 2024, the ECB published a report entitled "Digitalisation: Key assessment criteria and collection of sound practices" relating to the impacts of business models, governance and risk management.

Helaba took this opportunity to expand its digital strategy in respect of the formulation requirements defined in the report and the process framework for implementing digitalisation initiatives.

Minimum Requirements for Risk Management (MaRisk)
On 29 May 2024, BaFin published the 8th MaRisk amendment (BaFin Circular 06/2024 (BA)), transposing the EBA Guidelines on IRRBB and CSRBB (EBA / GL / 2022 / 14) into German law.

Digital Operational Resilience Act (DORA)
The Digital Operational Resilience Act (DORA) came into force in the European Union on 16 January 2023. Its main goal is to strengthen the digital resilience of companies in the finance sector and make them better prepared for potential cyberattacks and information and communications technology (ICT) incidents. On the basis of a gap analysis and the resulting risk-based approach, Helaba began implementation with the goal of achieving DORA readiness by the application date. DORA came into force on 17 January 2025. From that date, regulatory requirements were translated into internal processes and policies and applied accordingly. Moreover, further hardening measures are planned in 2025 in order to increase the maturity of implementation in specific areas.

EBA GL Governance and Risk Culture
The draft of the ECB Guide on governance and risk culture was published in July 2024. This explains and details the ECB's regulatory expectations of the banks under its supervision in respect of internal governance and risk culture, especially the composition and function of the management bodies, the tasks and responsibilities of the internal control functions and the risk appetite framework. The final Guide is to be published by mid-2025 following the consultation phase. No transition period is planned.

Helaba has analysed the consultation draft and assessed it in respect of potential action areas. In the fourth quarter of 2024, an initiative was started to implement the action areas identified.

Business performance

In 2024, the market environment was characterised by a high level of geopolitical and macroeconomic uncertainty.

Despite the ECB's termination of its supporting measures, the general liquidity position of the money and capital markets remained stable in 2024. The Helaba Regulatory Group's overall liquidity situation remains excellent and sound.

In August 2024, following the fulfilment of all implementation conditions, Helaba's owners undertook a partial restructuring of its equity. The associated measures included the termination and return of the capital contributions of € 1,920 m from the State of Hesse, contributions by the State of Hesse totalling € 1,500 m to the share capital and capital reserves in the context of a capital increase and the subscription of an AT1 bond of € 500 m. For details about the changes in the owners' holdings, please refer to Note (29) of the consolidated financial statements.

In 2024, the market environment for funding transactions was constructive overall. Despite the persistently high level of volatility, the weaker economy and geopolitical tensions, markets were active across all asset classes. The severe narrowing of the Bund swap spread during the course of the year distorted government bond spreads and caused a significant increase in covered bond spreads. By contrast, lending product spreads declined successively in 2024.

Bank issuing activities in the capital market in 2024 were slightly below the prior-year level and were easily absorbed by the financial markets. Interest rate trends generated good demand for spread products across all maturities. The level of interest rates meant that the fixed income market remained attractive and Helaba was able to implement its planned issues in all asset classes.

In 2024, Helaba raised funding of approximately € 13.4 bn (2023: € 16.2 bn), focusing mainly on unsecured funding.

In the area of syndicated benchmark issues, the Bank successfully placed two senior non-preferred bonds of € 1.75 bn with maturities of two years (€ 1 bn) and six years (€ 0.75 bn), as well as a ten-year public Pfandbrief issue of € 1.25 bn. The volume of subordinated issues was € 0.7 bn (including an AT1 issue of € 0.5 bn in connection with the partial restructuring of Helaba's equity).

Sales of retail issues placed through the Sparkasse network continued to benefit from interest rate trends, again achieving an above-average high volume of around € 7 bn (2023: € 10 bn). As in previous years, the customer deposits in the retail business within the Group, in particular through the subsidiary Frankfurter Sparkasse, brought further diversification to the funding base. In addition, new medium- and long-term funding at WIBank amounted to almost € 1.6 bn (2023: € 2.5 bn).

Loans and advances to customers (financial assets measured at amortised cost) remained almost unchanged at € 101.4 bn (31 December 2023: € 104.5 bn). Added to these were loans and advances to Sparkassen (financial assets measured at amortised cost) in the amount of € 8.3 bn (31 December 2023: € 9.1 bn).

The cost-income ratio for Helaba was 59.0 % for the year ended 31 December 2024 (31 December 2023: 56.7 %). Return on equity amounted to 6.2 % (31 December 2023: 4.1 %).

As at 31 December 2024 Helaba's CET1 capital ratio was 10.7 % (31 December 2023: 11.4 %) and its total capital ratio was 16.4 % (31 December 2023: 15.9 %). Once again the CET1 ratio therefore remains well above the regulatory requirements.

Helaba's leverage ratio as at 31 December 2024 was 4.0 % (31 December 2023: 3.8 %), which is above the required minimum ratio.

The liquidity coverage ratio (LCR) for Helaba was 160.8 % as at 31 December 2024 (31 December 2023: 162.7 %). As at 31 December 2024, the NSFR for Helaba was noticeably higher than the target figure at 118.6 % (31 December 2023: 117.8 %).

The NPL ratio of the Helaba Regulatory Group (in accordance with EBA Risk Indicator Code AQT_3.2.1.2) was 3.2 % as at 31 December 2024 (31 December 2023: 2.4 %, adjusted in accordance with EBA Risk Indicator Code AQT_3.2.1.2). In last year's report, the NPL ratio was calculated on the basis of EBA Risk Indicator Code AQT_3.2 and thus included the balances at central banks. By contrast, the NPL ratio in accordance with EBA Risk Indicator Code AQT_3.2.1.2 does not include these balances. Due to the still challenging real estate market environment, this significant change is mainly attributable to new defaults in the commercial real estate portfolio with, in the second half of the year, a slowdown in the default rate in the real estate portfolio.

The volume of new medium- and long-term business (excluding the WIBank development business, which does not form part of the competitive market) was substantially below original expectations at € 11.6 bn (2023: € 13.1 bn). Margin development was noticeably positive overall and better than expected.

The lower transaction volumes on the real estate markets resulted in a selective approach to concluding new business. By contrast, the corporate lending, municipal lending and project finance businesses developed very positively in the second half of 2024, as had been expected, with volumes almost at the forecast levels.

As at 31 December 2024, the MREL ratio for the Helaba Regulatory Group stood at 53.9 % based on risk-weighted assets (RWAs) and 18.0 % based on the leverage ratio exposure (LRE). In the Helaba Regulatory Group's MREL portfolio, regulatory own funds

accounted for 19.0 %, subordinated (i.e. non-preferred) debt 27.3 % and non-subordinated (i.e. preferred) debt 7.5 %, based on RWAs. Based on LRE, the composition of the portfolio as at 31 December 2024 was as follows: 6.3 % regulatory own funds, 9.1 % subordinated debt and 2.5 % non-subordinated debt. Consequently, as at 31 December 2024, the ratio of subordinated instruments was 46.3 % based on RWAs and 15.5 % based on LRE.

Therefore, as at 31 December 2024, the MREL portfolio was well in excess of the MREL requirements specified for the Helaba Regulatory Group by the competent resolution authority on 24 January 2024 that have been complied with since 1 January 2024.

One of Helaba's core strategic areas of activity is to act as a partner, providing targeted support to actively help its customers with the transformation to a sustainable future in the form of a climate-neutral and circular economy.

The focus of the Sustainable Finance Advisory Team in 2024 was financing that is to be used in projects specifically related to sustainability or with funding costs linked to predefined ESG indicators. This represents an effective lever for transforming the regional economy, especially in respect of Helaba's corporate and Sparkassen customers.

In 2024, Helaba served as the ESG coordinator to develop and implement ESG margin links for syndicated loans, for example.

In the Asset Finance business, Helaba structures projects in the renewable energy, energy efficiency, rail transport and social and digital infrastructure segments. The issue proceeds from the green bond are being used on a portfolio basis to fund sustainability-related projects aimed at expanding the use of solar and wind energy, as well as the land transport portfolio. A second party opinion was obtained for the Green Bond Framework.

Helaba is one of the leading arrangers in the sustainable promissory note segment of the market, regularly supporting or arranging ESG-linked transactions, including the issue of ESG-linked promissory notes in which the interest cost attaching to the promissory note is tied to the entity's sustainability performance. For example, in 2024, Helaba supported a customer from North-Rhine Westphalia in reissuing a green promissory note and an international automotive supplier in issuing an ESG-linked promissory note.

With individual concepts such as a rendezvous clause, Helaba is tapping sustainable finance, particularly for the wide range of small and medium-sized enterprises and those companies that are just starting to equip themselves with ESG objectives and management tools.

The Helaba Regulatory Group views digitalisation as a cross-cutting task. In 2024, it continued to refine its digital strategy, taking account of current trends and developments. The digital strategy is the Helaba Regulatory Group's framework for a large number of topic areas – from efficiency to new products, Helaba aims to continue driving innovation and pressing ahead with digitalisation. To ensure the measurability of its progress in digitalisation, Helaba has defined a set of KPIs based on its digital strategy. The main dimensions here are the optimised use of new technologies and the implementation of modern cooperation models. Another particular focus of strategic development is the implementation and use of artificial intelligence (AI). In this context, Helaba has executed an AI programme to create the technical and organisational conditions for integrating AI solutions into the Group's core processes. In the fourth quarter of 2024, Helaba established the function of Chief AI Officer (CAIO) to coordinate the Group's AI activities. The first of these are currently being piloted and are to be rolled out in 2025.

In connection with digitalisation initiatives, it is now possible to use the vc trade platform to process promissory notes for their entire life cycle. The depositary bank function was already transferred to vc trade in February 2024. This is already a clear success, as evidenced by the fact that it is being used by a large number of Sparkassen to process promissory notes digitally. Syndicated loans such as those for the corporate and real estate financing asset classes can also be processed fully digitally on vc trade using ESG criteria.

Helaba was very successful in 2024 providing support for bonds for corporate customers. This success is built on a consistently strong market position for the syndicated loan anchor product and its promissory note "sister product", as well as on the strategic measures taken in previous years.

As part of the new Asset Finance strategy, new and sustainable asset classes were developed in 2024. In Project Finance, for example, a new segment supporting decarbonisation was added to the portfolio with a first transaction in the field of carbon storage in the UK. Transport Finance succeeded in expanding its sustainable mobility business and accessing new markets, for example, with an investment in the development of the regional rail passenger network in Northern France.

Helaba provides the Sparkassen with a financing solution for the fully digital processing of public participation projects. Launched in 2024, the HelabaCrowd crowdfunding platform can be used for public participation projects focused on sustainable and transformation financing.

Spring, the new platform for foreign risks, provides a digital marketplace for outplacing risks associated with foreign trade transactions.

In order to intensify the S-Group business with the Sparkassen in the long term, Helaba has optimised its sales collaboration with Sparkassen and integrated its S-Group offering into the S-Group corporate customer portal. In this way, it is contributing to the omnichannel approach of the Sparkassen, supporting branch-based sales activities with a comprehensive offering for corporate customer advisers on the SPARKASSENPortal communication and information platform.

As a partner to the Sparkassen, Helaba has continued to extend its support in respect of sustainability. In addition to HelabaCrowd, it has established other cooperation models such as the Límon energy efficiency advisory. Helaba is also strengthening the development loan business of the Sparkassen in Hesse and Thuringia by increasing expertise, delivering advice to customers and providing training.

In collaboration with komuno, Helaba is continuing to digitalise municipal loans. After taking over the German business of Loanboox and Capveriant in 2023, other major lending partners from the private banking sector joined the platform in 2024.

In 2023, Helaba entered into a strategic partnership with Cashlink to develop blockchain-based products in collaboration with its customers and the Sparkassen. The resulting opportunities range from digital precious metals to digital bonds, creating a large number of viable business models for Helaba. In the context of this partnership, Helaba participated in the German Bundesbank's trigger solution based on distributed ledger technology (DLT). This combines DLT transactions with traditional payments systems, making it possible to process financial transactions in central bank money and thereby minimise loan and liquidity risks. In May, the ECB began a seven-month trial of DLT-based financial transactions to test the technical solutions and gain practical insights. Helaba participated successfully with four application cases.

With its Bank-wide ATLAS programme, Helaba is modernising its information technology system to achieve its strategic IT targets. The programme includes an extensive project portfolio.

A large number of upgrades have already been implemented. For example, the JETS platform for large-value and individual payments has been modernised. As the first on the promissory note market, Helaba has implemented a fully digital process in collaboration with vc trade. In addition, the new Fusion Midas overseas core banking system was introduced in New York and a new API management platform was implemented for connecting with third parties.

Selected core banking systems were introduced successfully and on schedule in 2024.

Helaba is continuing to develop its business model, reviewing the composition and alignment of all its business areas. The business environment analysis examines macroeconomic, market and competition, technology/society/demography and policy/legislation impact drivers. This analysis also covers the potential impacts (opportunities and risks) of emerging climate-related and environmental risks, which are then considered in the adjacent business and risk strategy development processes. At present, most business areas have been found to have only very limited susceptibility to climate-related and environmental risks because physical risks can usually be reduced by way of geographical focus and with mitigating actions and transition risks are regarded as manageable in the short and medium term in most business areas.

Overall, the opportunities associated with supporting the transformation in the business areas outweigh the climate-related and environmental risks that remain after collateral and mitigating factors.

This analysis is being performed as part of the strategy review process. The findings of the business environment analysis are also considered in the various sub-strategies such as the IT and digital strategies and the subsidiaries' strategies.

The Helaba Group's sustainability performance is regularly rated by sustainability rating agencies. The ratings are a core component in the process of analysing and refining Helaba's sustainability profile.

The Helaba Group has a stable rating in the upper average range for the global industry and the upper third of the comparison group of German banks and Landesbanken from all relevant sustainability rating agencies. As at 31 December 2024, rating agency Sustainalytics gave Helaba a rating of 18.4 (low risk). Helaba also offers its employees comprehensive ESG training modules with a view to nurturing knowledge and expertise in this field. ESG training is one of the elements required to achieve one of the sustainability targets.

In order to further strengthen its innovative capability and creativity, Helaba is implementing targeted measures to increase its attractiveness as an employer in the competition for talented young people.

In the past, Helaba's growth-oriented and diversified business model has already demonstrated its resilience on a continuous basis. On the basis of the good performance achieved, it has been possible to service all subordinated debt and silent participations in full.

Net assets, financial position and results of operations

Key performance data for 2024

	2024	2023	Changes	
	in € m	in € m	in € m	in %
Business volume	214,006	215,949	–1,943	–0.9
Total assets	181,305	181,526	–221	–0.1
Operating result before loss allowances	848	841	6	0.7
Net additions to loss allowances and net remeasurement gains/losses	–408	–565	157	27.8
Net income for the year	274	213	61	28.8

The reporting currency of the management report is the euro (€). Euro amounts are generally rounded to the nearest million. Minor discrepancies may arise in totals or in the calculation of percentages in this report due to rounding.

Helaba does not include the cost of servicing the additional Tier 1 capital instruments in its presentation of the results of operations. For this reason, net interest income and therefore also the operating result and net income for the year reported under the results of operations are € 29 m (2023: € 14 m) higher than in the income statement prepared in accordance with the German Commercial Code (Handelsgesetzbuch, HGB). In addition, income of € 147 m (2023: € 101 m) from equity investments and dividends is not shown separately under results of operations, but instead included in net interest income.

Results of operations

	2024	2023	Changes	
	in € m	in € m	in € m	in %
Net interest income	1,517	1,290	228	17.6
Net fee and commission income	265	242	23	9.5
Net income of the trading portfolio	217	333	–116	–34.8
Other net operating income	66	79	–13	–16.6
Net operating income	**2,065**	**1,944**	**121**	**6.2**
General and administrative expenses	–1,218	–1,102	–115	–10.5
Operating result before loss allowances	**848**	**841**	**6**	**0.7**
Net additions to loss allowances and net remeasurement gains/losses	–408	–565	157	27.8
Operating result before taxes	**440**	**277**	**163**	**58.9**
Tax expense	–165	–64	–102	>-100,0
Net income for the year	**274**	**213**	**61**	**28.8**

Helaba's net operating income increased again in 2024, exceeding the prior-year figure by € 121 m. The strong growth in net interest income and the very sharp decline in net income of the trading portfolio coupled with a noticeable increase in general and administrative expenses resulted in an operating result before loss allowances of € 848 m (2023: € 841 m).

Due to the very significant decrease in expense under net additions to loss allowances/net remeasurement gains/losses, Helaba's operating result before taxes increased by € 163 m to € 440 m. After taking into account a tax expense of € 165 m (2023: € 64 m), net income for the year amounted to € 274 m (2023: € 213 m).

Net interest income, a key component of Helaba's income, was significantly above the prior-year level at € 1,517 m (2023: € 1,290 m) Whereas the interest rate margins for new business were higher than the previous year, the lower average annual volume overall resulted in a slight decrease in the operating net interest income. The income from investments of own funds continued to have a positive effect on net interest income. Due to the reduced portfolio of own bonds and notes, the resulting interest expense was significantly lower year on year, which led to an overall increase in net interest income.

Net fee and commission income increased by € 23 m year on year to € 265 m and was derived largely from fee and commission income from payment transactions (€ 94 m; 2023: € 87 m), the lending and guarantee business (€ 71 m; 2023: € 74 m) and the management of public-sector subsidy and development programmes (€ 77 m; 2023: € 74 m).

All realised and unrealised contributions to income from trading transactions are reported under net income of the trading portfolio. Once again, the income of € 217 m (2023: € 333 m) resulted mainly from interest rate-related business, which is the focus of the customer-driven capital market activities. The customer-driven trading business with derivatives, foreign currency, precious metals and securities was within the expected range. Despite an overall decline in market volatility in 2024, demand for hedging instruments from customers – especially corporate customers and project financing companies (asset finance) – and trading volumes for precious metals and securities in the primary and secondary markets continued to improve slightly. By contrast, the significant widening of credit spreads for top-rated bonds (including Pfandbriefe) in the fourth quarter had a negative impact on the remeasurement of securities and derivatives.

Other net operating income amounted to net income of € 66 m (2023: net expense of € 79 m). The decrease was due to a higher addition to provisions.

General and administrative expenses increased by € 115 m to € 1,218 m. These expenses comprised personnel expenses of € 514 m (2023: € 396 m), non-personnel operating expenses of € 664 m (2023: € 662 m) and depreciation charges and write-downs on property and equipment plus amortisation charges on intangible assets totalling € 40 m (2023: € 44 m). Higher personnel expenses resulted from pay-scale increases in July 2023 and November 2024, the payment of a bonus to compensate for inflation and planned increases in headcount in selected Helaba operating segments and the development business. Helaba employed an average of 3,559 people in the year under review (2023: 3,406). The other general and administrative expenses were almost unchanged and impacted by opposing effects. On the one hand, the build-up phase of the European Single Resolution Fund ended; in the prior-year period this had resulted in an expense of € 66 m.

On the other hand, expenses increased due to the modernisation of the IT infrastructure and the growth initiatives. In addition, the other general and administrative expenses include expenses of € 85 m (2023: € 83 m) for association overhead allocations and reserve funds.

The net operating income of € 2,065 m (2023: € 1,944 m) and general and administrative expenses (including write-downs) of € 1,218 m (2023: € 1,102 m) combined to give an operating result before loss allowances of € 848 m (2023: € 841 m), which equates to a year-on-year increase of € 6 m. The cost-income ratio (CIR), which is the ratio of general and administrative expenses to net operating income, was 59.0 % as at 31 December 2023 (31 December 2023: 56.7 %). The following table shows the breakdown of net additions to loss allowances and net remeasurement gains / losses:

	2024	2023		Changes
	in € m	in € m	in € m	in %
Result of lending operations	–407	–507	100	19.7
Result of investment operations	–2	–59	58	97.2
Result of securities allocated to the liquidity reserve, fixed assets and banking book derivatives	1	1	–0	–42.1
Net additions to loss allowances and net remeasurement gains / losses	**–408**	**–565**	**157**	**27.8**

The decrease was caused by a reduced need for loss allowances in the real estate loan portfolio, offset in part by the increased loss allowances in the corporate loan business due to the adverse economic effects in Germany and potential geopolitical risks. The latter were covered by an addition to the post-model adjustment.

Balance sheet

Assets

	31.12.2024	31.12.2023	Changes	
	in € m	in € m	in € m	in %
Loans and advances to banks including cash reserve	44,928	43,947	981	2.2
Loans and advances to customers	101,432	104,474	–3,042	–2.9
Bonds and equities	14,727	14,195	532	3.7
Trading portfolio (assets)	10,359	11,927	–1,568	–13.1
Equity investments and shares in affiliated companies	1,839	1,842	–3	–0.1
Other assets	8,020	5,141	2,879	56.0
Total assets	**181,305**	**181,526**	**–221**	**–0.1**

Equity and liabilities

	31.12.2024	31.12.2023	Changes	
	in € m	in € m	in € m	in %
Liabilities due to banks	41,428	46,892	–5,464	–11.7
Liabilities due to customers	49,655	44,357	5,298	11.9
Securitised liabilities	61,159	65,022	–3,863	–5.9
Trading portfolio (liabilities)	9,904	9,368	536	5.7
Own funds	10,717	10,588	129	1.2
Other liabilities	8,443	5,300	3,143	59.3
Total equity and liabilities	**181,305**	**181,526**	**–221**	**–0.1**
Business volume	214,006	215,949	–1,943	–0.9

Helaba's total assets of € 181.3 bn were at the prior-year level (31 December 2023: € 181.5 bn).

On the assets side of the balance sheet, loans and advances to customers continued to dominate, accounting for a large proportion of total assets (56.0 %). This item decreased by € 3.0 bn to € 101.4 bn, mainly because of the planned reduction in commercial real estate loans.

At € 44.9 bn (31 December 2023: € 43.9 bn), the almost unchanged loans and advances to banks including cash reserve are impacted by opposing effects. On the one hand, the amount of € 6.4 bn that represented Helaba's participation in the ECB's targeted longer-term refinancing operations (TLTRO) was reduced to zero as at 31 December 2023. On the other hand, this decline was compensated by an increase in customer deposits.

The volume of bonds and equities allocated to the investment and liquidity portfolio rose by € 0.5 bn to € 14.7 bn. The main investments were bonds and other fixed-income securities totalling € 14.5 bn (31 December 2023: € 14.0 bn). Equity shares and other variable-income securities were unchanged year on year at € 0.2 bn.

Trading assets fell by € 1.6 bn year on year to € 10.4 bn. This figure included the portfolio of own bonds and notes (return), which shrank by € 1.7 bn to € 3.8 bn. Bonds and other fixed-income securities (without return) developed in the opposite direction, with the portfolio increasing by € 0.3 bn to € 3.0 bn. The positive fair values of derivatives were unchanged at € 3.0 bn.

The most significant change in liabilities resulted from the decrease of € 5.5 bn in liabilities due to banks to € 41.4 bn caused by the termination of the ECB's targeted longer-term refinancing operations (TLTRO). Of the liabilities due to banks, € 16.6 bn (31 December 2023: € 15.4 bn) was accounted for by liabilities to Sparkassen in Hesse, Thuringia, North Rhine-Westphalia and Brandenburg.

Liabilities due to customers showed an upward trend, increasing by € 5.3 bn to € 49.7 bn. This figure included home savings deposits of € 5.0 bn (31 December 2023: € 5.2 bn).

Securitised liabilities decreased by € 3.9 bn to € 61.2 bn. The portfolio of bonds issued amounted to € 57.1 bn (31 December 2023: € 62.4 bn). Within securitised liabilities, the issuance programmes comprising short-term money market instruments amounted to € 4.0 bn (31 December 2023: € 2.6 bn).

The trading portfolio (liabilities) grew by € 0.5 bn to € 9.9 bn due to the increase of € 1.6 bn in trading liabilities to € 6.2 bn. The negative fair values of derivatives amounted to € 3.4 bn (31 December 2023: € 4.4 bn).

Own funds

On 5 August 2024, following fulfilment of all implementation requirements, the owners undertook a partial restructuring of Helaba's equity. Overall, these measures resulted in an increase of € 80 m in the regulatory capital (including AT1 capital). Please refer to Note (29) in the Notes for details.

Helaba's own funds reported on the balance sheet (equity excluding net retained profits, including the fund for general banking risks, subordinated liabilities and additional Tier 1 instruments) totalled € 10.7 bn as at 31 December 2024 (31 December 2023: € 10.6 bn).

As in previous years, Helaba further strengthened its equity by making appropriations to revenue reserves.

Helaba's regulatory own funds as at 31 December 2024 – i.e. before the annual financial statements were adopted and thus before appropriations to revenue reserves were taken into consideration and including an allowance shortfall of € 231 m resulting from the comparison of expected losses against loss allowances at the end of 2023 – amounted to € 9.0 bn. This included Tier 1 capital of € 6.7 bn. An amount of € 854 m was classified as additional Tier 1 capital. Helaba's own funds requirements under the CRR amounted to € 4.4 bn as at 31 December 2024. This resulted in a total capital ratio of 16.4 % for Helaba; the Tier 1 capital ratio was 12.3 % and the CET1 capital ratio 10.7 %. The own funds requirements specified by the CRR for the exposures for which capital charges are required were met at all times in 2024.

Results of operations by business area

In the Real Estate Finance division, the volume of new medium- and long-term business declined by a marked 9.2 % to € 3.9 bn. The reasons for this were the persistently lower transaction volume in the real estate markets and the selective approach to concluding new business. The average business volume decreased slightly in 2024 and, as a result, income could not match the prior-year level.

In the Asset Finance division, the volume of new medium- and long-term business increased significantly to € 2.2 bn, coupled with rising margins. However, this did not result in an increase in the contributions to income, especially because of one-time effects in the previous year.

In the Corporate Banking division, the volume of new medium-/long-term business amounted to € 2.9 bn, which was very significantly below the prior-year level. However, the margins on new business increased noticeably. The business volume as at the reporting date was more or less level with the previous year. Income (including fee and commission income) remained stable compared with a year earlier.

In 2024, net fee and commission income in the Capital Markets division increased substantially. Net x-value adjustments (xVAs) were significantly lower than expected and resulted mainly from the widening of credit spreads and the slight reduction in interest rates during the course of the year. Income from Treasury activities continued to reflect positive contributions from the repurchase portfolio. Viewed overall, the income of both divisions thus increased.

New business in the municipal lending business area was almost unchanged from the previous year at € 1.4 bn. The margin remained stable.

The Savings Banks and SME division comprises Sparkasse lending business including intermediated loans business for the Sparkassen, all cash management products, documentary business and lending business for SME customers. The volume of intermediated loans business was almost unchanged in 2024 at € 5.2 bn. Income from payment transaction products was unchanged year on year due to stable margins on the liabilities side and fee and commission income. The number of transactions climbed to € 11.4 bn in 2024 (2023: € 10.1 bn).

New business at LBS decreased by just under one fifth in line with market development. Interest income rose again due to the increased lending business.

Helaba performs public development functions for the State of Hesse through Wirtschafts- und Infrastrukturbank Hessen (WIBank). The sharp increase of € 0.8 bn in new business to € 3.9 bn resulted mainly from the increase in new business funding residential construction and in certain infrastructure programmes (municipal financing and direct infrastructure financing).

Comparison with prior-year forecasts

The following table shows a comparison between the actual values achieved in the year under review for the key performance indicators used by Helaba and the original forecasts:

	2023 forecast for 2024	2024 actual
Net interest income	Large increase	Large increase
Net fee and commission income	Virtually unchanged	Marked increase
Net income of the trading portfolio	Very significant decline	Very significant decline
Other net operating income	Very significant decline	Significant decline
General and administrative expenses	Moderate increase	Marked increase
Loss allowances	Moderate decline	Very significant decline
Profit or loss before tax	Year-on-year increase	Very significant year-on-year increase
Cost-income ratio	< 70 %	59.0 %
Volume of new medium- and long-term business	Significant increase	Significant decline

The main variances from Helaba's forecast business performance are described below.

Personnel expenses rose more than planned, mainly as a result of the sharp increase in the addition to pension provisions. Non-personnel operating expenses evolved as planned. Overall, general and administrative expenses increased more than planned.

Given the onset of stabilisation in the real estate markets, the loss allowance requirement was lower than planned, despite the increased loss allowances in the corporate customer portfolio necessitated by the economic situation.

Owing to the improvement in income and the decline in loss allowances, the operating result before taxes was above expectations.

In contrast with expectations, the volume of new medium- and long-term business was significantly down on the previous year, especially due to the restrained new business in Real Estate Finance.

Risk report

The Executive Board is responsible for all of the risks to which the Helaba Regulatory Group is exposed and for defining a risk strategy consistent with the business strategy. Drafted in accordance with the requirements imposed by the law, the Charter and the banking regulatory authorities and with the Rules of Procedure for the Executive Board, the risk strategy lays down the principal elements of the approach adopted to dealing with risk, the objectives of risk containment and the measures employed to achieve these objectives within the Helaba Regulatory Group. The risk strategy covers all of the main business units in the Helaba Regulatory Group as defined by the KWG and the CRR. It is modular in nature and consists of a general risk strategy and sub-risk strategies specific to the primary risk types. The general risk strategy sets out the universal stipulations for risk management, while the sub-risk strategies lay down detailed ground rules and methods for dealing with the primary risk types.

Once adopted by the Executive Board, the risk strategy is presented to and discussed with the Supervisory Board and the Board of Public Owners.

The business strategy and risk strategy of the Helaba Regulatory Group are integrally linked to the business strategy and risk strategy of Sparkassen-Finanzgruppe Hessen-Thüringen.

The principal objectives of the Helaba Regulatory Group's risk strategy are to uphold the organisation's conservative overall risk profile and maintain risk-bearing capacity at all times while ensuring that all regulatory requirements are satisfied. The risk management system accordingly plays a central role in the management of the company.

Helaba's Executive Board believes that its risk management arrangements are structured adequately with regard to the nature, scope and complexity of the business activities, the risk inherent in these activities, and the business and risk strategies of the Helaba Regulatory Group. The Helaba Regulatory Group develops its risk management arrangements continuously to accommodate changing circumstances, new findings and newly introduced regulatory requirements in both national and international contexts, to create a range of sophisticated tools for and an environment conducive to risk containment.

Principles

Responsibility of executive management

The Executive Board is responsible – regardless of the distribution of business responsibilities – for all of the risks to which the Helaba Regulatory Group is exposed and for implementing the risk strategy policy throughout the regulatory group. It defines the risk strategy with reference to the risk-bearing capacity of the Helaba Group (economic perspective) and the Helaba Regulatory Group (regulatory perspective) as determined in an analysis of the initial business policy position and an assessment of the associated primary risks defined in the risk inventory process, and is responsible for ensuring compliance with the risk strategy defined by means of the establishment of an efficient risk management process. All Regulatory Group companies are included, alongside Helaba (with LBS and WIBank), in the procedures and processes for identifying, assessing, containing, monitoring and communicating risks. Effective risk management throughout the Group is thus assured.

Protection of assets

Risks may be assumed only as permitted under the general risk strategy and the specific risk strategies and only in pursuit of the strategic objectives of the Helaba Regulatory Group on the basis of the risk appetite framework (RAF), in particular in order to maintain the Helaba Regulatory Group's long-term earnings power while protecting its assets as effectively as possible and accomplishing its mission.

Protection of the Bank's reputation

Effective risk management and the avoidance of legal or regulatory breaches that could damage its reputation are absolutely vital for the Bank if it is to preserve its positive image and achieve the best possible rating. A corresponding control process to assess reputation risks in new business has been implemented.

Segregation of functions

The independence of risk controlling and risk containment must be assured in order to maintain objectivity and transparency. Independent control processes are implemented wherever the type and degree of risk so require. The responsibilities of the organisational units for risk identification, risk appraisal, risk containment, risk monitoring and risk reporting follow a "three lines of defence" (3-LoD) policy. Please refer to the "Principal risk monitoring areas" section for details of this policy.

Transparency

The comprehensive and objective reporting and disclosure of risks is another important component of the Helaba Regulatory Group's risk strategy and is indispensable for the proper notification, by the Executive Board, of the corporate bodies, the banking regulator and the public at large.

Cost efficiency

The cost efficiency of the individual lines of defence (3-LoD) and, in particular, of the systems they use also has to be considered. The expenditure incurred in connection with risk monitoring (and also risk containment) is reasonable given the pertinent regulatory requirements and the risks under consideration in each case.

Risk Appetite Framework (RAF)

The Helaba Regulatory Group defines the RAF as a holistic approach to risk containment. Risk containment is based on a multi-stage limit framework. At the highest level, factors known as RAS indicators are identified and then used to produce a description of the overall risk profile in material terms. The RAS indicators comprise indicators that apply across all risk types and others that are specific to particular risk types; they focus on regulatory and economic capital adequacy, the appropriateness of liquidity coverage and Helaba's profitability. The Executive Board specifies threshold values for risk appetite, risk tolerance and – where relevant – risk capacity for each RAS indicator. These values are used to convert the main risk strategy objectives into operational details in the course of planning. Risk appetite refers to the level of risk that the Helaba Regulatory Group is prepared to assume to attain its strategic objectives. Risk tolerance indicates the level of variance from the risk appetite that Helaba is still prepared to tolerate in an unfavourable environment to reach its strategic objectives. On the basis of regulatory limits (where available), risk capacity specifies the maximum level of risk that the Helaba Regulatory Group can take on. The RAS indicators defined under the RAF and the threshold values specified for this purpose are formulated together in a risk appetite statement (RAS) that forms an annex to the general risk strategy.

Risk-bearing capacity / ICAAP

The procedures for quantifying and containing risks ensure that the primary risks always fall within the risk-taking potential and that risk-bearing capacity is thus assured. Risk-bearing capacity is one of the factors considered in defining the risk strategy.

Compliance with regulatory standards

The implementation of regulatory requirements, which proceeds in close consultation with the banking regulator, also has a decisive influence on the risk strategy. The Helaba Regulatory Group's regulatory capital backing and the determination of the regulatory capital are based on the provisions of the current CRR and take account of the stipulations of the Supervisory Review and Evaluation Process (SREP).

Risk culture

The risk culture at the Helaba Regulatory Group consists of the attitudes and conduct of Helaba's employees in relation to risk awareness, risk appetite and risk management in respect of all risk types. The risk culture at the Helaba Regulatory Group fosters an environment in which risks are identified and consciously handled to ensure that decision-making processes lead to results that comply with the approved risk strategy requirements and reflect Helaba's risk appetite. The Helaba Regulatory Group's risk culture therefore extends beyond the governance framework and the established controls. The refinement of the risk culture is an ongoing task for all employees and managers at the Helaba Regulatory Group. The Helaba Regulatory Group's risk culture has the following components:

- Tone from the top: A set of corporate values adopted by the Executive Board that define the Helaba Regulatory Group's basic values and guiding principles.

- Responsibilities: Every employee knows, understands and complies with Helaba's mission statement, the risk strategy requirements for their organisational unit and the system that is set down in writing.

- Communication and critical dialogue: Helaba's working environment is characterised by respect, tolerance and trust. Everyone has the right to mutual respect, free from any kind of discrimination. The Helaba Regulatory Group seeks to promote an open working climate.

- Incentives: The remuneration system reflects the Helaba Regulatory Group's business priorities and aims to ensure that employees are properly and sustainably rewarded without gender bias for their efforts and achievements and are not encouraged to take inappropriate risks in any way. Remuneration policy and practices are aimed at sustainably supporting a long-term approach to managing climate-related and environmental risks.

Given the significance of lending and credit risk in the Helaba Regulatory Group's business model, the risk culture in this environment is particularly focused. There is a special focus on a responsible and careful approach to handling credit risks (including the impact of ESG factors) and on diligence in ensuring risk-appropriate loan origination and monitoring.

Auditing

The Internal Audit function audits all of Helaba's activities and processes in line with their risk content on a process-independent basis. This helps to safeguard transactions and financial assets. Assessments of the efficacy and adequacy of the internal control system facilitate the ongoing development and improvement of the risk management processes.

Risk classification

Risk types

The primary risk types for the purposes of containment in the Helaba Regulatory Group result directly from its business activities. The structured risk inventory process, which is implemented annually and, where necessary, in response to relevant developments, examines which risks have the potential to damage the Helaba Regulatory Group's financial position (including capital resources), financial performance or liquidity position to a material degree. The following primary risk types have been identified.

- The default risk or credit risk is defined as the potential economic loss that can arise as a result of non-payment by or a deterioration in the creditworthiness of borrowers, issuers, counterparties or equity investments and as a result of restrictions on cross-border payment transactions or performance (country risk).
  - The potential economic loss is determined using internal or external credit assessments and risk parameters assessed by Helaba itself or set out in regulatory specifications.
  - The default risk does not include credit standing risks, which are mapped in the market risk under the residual risk and the incremental risk.
  - The equity risk – the potential economic loss as a result of non-payment by or a deterioration in the creditworthiness of an equity investment – that is not managed at the level of the individual risk types also forms part of the default risk. Such developments can lead to a decline in the value of the holding, to the reduction or cancellation of dividend payments, to loss transfers and to contribution, margin call and liability obligations.
- The market risk is the potential economic loss as a result of disadvantageous movements in the market value of exposures due to changes in interest rates, exchange rates, share prices and commodity prices and their volatility. In this context changes in interest rate levels in one market segment lead to general interest rate risks, specific interest rate changes (for example on the part of an issuer) lead to residual risks and changes in the price of securities subject to a credit rating as a result of rating changes (including default) lead to incremental risks. Changes in market values such as discount rates also play a significant role when measuring pension obligations at Regulatory Group level (IFRS). Interest rate risk from pension obligations at Regulatory Group level (IFRS) is mapped in the risk-bearing capacity. The xVA risk is also considered.
- The liquidity and funding risk is broken down into three categories. The short-term liquidity risk (liquidity risk) is the risk of not being able to meet payment obligations as they fall due. Structural liquidity risks (funding risk) result from imbalances in the medium- and long-term liquidity structure and a negative change in the organisation's own funding curve. Market liquidity risks result from the insufficient liquidity of assets, with the consequence that positions can be closed out only, if at all, at a disproportionately high cost. The liquidity risks associated with transactions not included in the statement of financial position lead to short-term and/or structural liquidity risks depending on their precise nature.
- Non-financial risk (NFR) at the Helaba Regulatory Group includes reputation risk as well as operational risk.

  In compliance with the CRR, operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk, model risk or information and communication technology (ICT) risk, however not strategic risk or reputation risk.

  It includes the NFR sub-risk types of operational risk in the narrower sense, legal risk, conduct risk, model risk, information risk, third-party risk and project risk.

  - The narrower definition of operational risk and information risk encompass aspects of reputation risk and risks in relation to compliance, business continuity management (BCM) and human resources.
  - Legal risk is defined as the risk of a loss – including expenses, fines, penalties or punitive damages – that may be incurred by an institution as the result of events.
  - Conduct risk is defined as the current or potential risk of loss for an institution as a result of an inappropriate offer of financial (banking) services, including cases of intentional or negligent misconduct.
  - There are two distinct aspects to model risk:

    I. One involves the risk of underestimating the regulatory or economic capital requirement as a result of using models to quantify risks. This is in part a reflection of the fact that a model can never entirely capture reality. This aspect of model risk is taken into account at the Helaba Regulatory Group

    a) as part of determining the own capital requirement for internal Pillar I models using the model premiums/safety margins demanded by regulatory requirements and
    b) by factoring in a risk exposure premium for the primary risk types in economic risk containment.

    II. The other aspect of model risk involves the risk of losses associated with the incorrect development and implementation, inappropriate use or untimely or ineffective monitoring and validation of models by the Helaba Regulatory Group for the purposes of decision-making. This aspect is factored into operational risk. The analysis of operational risk does not include the models covered under I. a) and model risks already covered by the risk potential premiums in accordance with I. b)

- Information risk comprises the risk of losses resulting from a failure to provide the specified protection, in terms of availability, integrity, confidentiality and (as part of integrity) authenticity, for the Helaba Regulatory Group's information assets (digital, physical or verbal) at a technical, procedural, organisational or human resources level.

  I. IT risks are information risks, originally resulting from the use of the IT systems and associated processes (own processes and those operated by third parties) for which Helaba is responsible, that threaten the protection of the Helaba Regulatory Group's information.
  II. Cyber risks are information risks that arise when using resources for which Helaba is not responsible, threatening the protection of the Helaba Regulatory Group's information.
  III. Non-IT risks are information risks other than IT or cyber risks. These arise in connection with paper-based documents or the spoken word and threaten the protection of information.

  Within Helaba's risk type breakdown, ICT risk within the meaning of DORA (Digital Operational Resilience Act) encompasses information risk and those third-party and business continuity management risks – although the latter are operational risks in the strict sense – which impact information risk.

- Third-party risk covers risks in connection with suppliers to the Helaba Regulatory Group across the entire supply chain. Outsourcing risk entails matters related to non-financial risk in material and non-material outsourcing and other external procurement activities. These risks are defined as the risk of loss / damage to the Helaba Regulatory Group due to defective performance or loss of performance by the service provider.

  ICT third-party risk refers to risks across the entire supply chain and contributes to Helaba's resilience. The supply chain includes all suppliers of goods and services, including the sub-contractors needed to provide ICT services and ICT products with regulatory relevance.

- Project risk involves the risk of an event occurring that could give rise to negative consequences for project objectives or imposes scheduling, financial, human resources and other constraints.

- Reputation risk describes the deterioration in the Helaba Regulatory Group's public reputation for expertise, integrity and trustworthiness. Most of the material impact of reputation risk finds expression in the business and liquidity risk. Reputation risk, which is a non-financial risk, is therefore assigned to these risk types in the risk type breakdown based on its impact. Reputation risks include original reputation losses as well as those that arise as a result of an operational loss event.

- Business risk is the potential economic loss from a situation in which disadvantageous developments in the core performance figures

  I. result from an unexpected change in customer behaviour, unforeseen market developments or other exogenous factors,
  II. to the extent that this is not covered by any other risk type.

- Real estate risk comprises the real estate portfolio risk – the potential economic loss from fluctuations in the value of an entity's own real estate – and the real estate project management risk associated with project development business. Risks associated with the provision of equity and loan capital for a project are excluded from this risk type, as are risks associated with real estate finance.

Sustainability and social responsibility are central to the way that Helaba approaches its business. This means that sustainability factors, especially those relating to climate and the environment, can potentially also affect Helaba's risk situation. In addition to the sustainability objectives, which are set down in the business strategy, the Helaba Regulatory Group defines ESG (environmental, social or governance) factors, the occurrence of which might negatively impact the financial position (including capital resources), financial performance or liquidity position, in the course of its risk containment activities. ESG factors can therefore act as potential risk drivers for all existing risk types and are not considered a separate risk type. ESG factors must therefore be taken into account within the risk management processes of the identified risk types. The extent of the required risk containment and monitoring measures reflects the significance of the ESG factors for the risk types concerned.

E factors: Climate and the environment

Climate-related and environmental factors describe the potentially negative financial impacts on Helaba, either direct or indirect via customers, due to climate change (climate-related risk) and/or dependency on or of the negative impact on the environment (environmental risk). Climate-related risk is connected with climate change whereas environmental risk relates solely to environmental conditions that are not caused by climate change.

Climate-related and environmental factors are divided into physical and transitional risk drivers. Physical risk drivers are climate change factors (such as more frequent climate-related extreme weather events and gradual climate changes) or environmental change factors (such as environmental degradation in the form of air and water pollution, contamination of the land, water stress, loss of biodiversity and deforestation) that have potentially negative financial implications for Helaba or its customers. Transitional risk drivers exist if an institution incurs financial losses directly or indirectly in connection with the process of transformation to a more low-carbon and environmentally sustainable economy (for example, due to the sudden adoption of climate and environmental policy measures, technical advances or changes in market sentiment and preferences).

S factors: Social
Social factors refer to the potentially negative financial impacts on Helaba of social aspects that may be caused directly or indirectly by such impacts on Helaba's customers. They mainly relate to the relationships of Helaba and its customers to their own employees, customers, suppliers, communities and other relevant stakeholders. Social risk drivers include working conditions (such as non-compliance with labour laws, forced and child labour, lack of security and workplace safety, inadequate employee inclusion and diversity, inappropriate remuneration, lack of employee training and development opportunities) and a lack of social engagement.

G factors: Corporate governance
Governance-related factors describe the potentially negative impacts on Helaba and its customers due to incidents, developments or conduct that relate to corporate governance. Governance risk drivers arise in connection with governance practices such as leadership by management, inappropriate remuneration of managers, a lack of Executive Board independence, inadequate internal controls and structures to prevent unethical or unlawful conduct, a lack of checks, tax fraud, corruption and bribery, and the way in which Helaba and its customers incorporate environmental and social factors in their policies and processes.

Materiality assessment
Helaba performs an annual materiality assessment to gauge the exposure of each of the material risk types to climate-related, environmental, social and governance factors. At present, transitional risk drivers relating to Helaba's default risk portfolio are of significance because climate change and environmental factors may influence a borrower's financial position and thus their ability to repay a loan. Corresponding stipulations for lending (such as the sustainability assessment of an exposure) and the measurement and monitoring of the relevant items are described in more detail in the specific risk strategy for default risk. In addition, various monitoring parameters relating to risk-relevant sustainability matters have been established and are reported to the Risk Committee of the Executive Board on a quarterly basis. All other material risk types are not significantly affected by climate-related, environmental, social and governance factors.

As a result of and based on the findings of the materiality assessment and internal analyses and stress tests in respect of climate-related and environmental risks, it is not considered necessary to establish separate additional capital backing for these risks in line with the ICAAP.

The findings from the materiality analysis are already being used both in the preparation of the business strategy and risk strategy and in other central elements of the risk management processes and will also be considered in the design of internal climate stress tests. The analysis of climate-related and environmental risks forms an integral part of risk governance within the Helaba Regulatory Group and will accordingly be refined on an ongoing basis over the coming years. The inputs considered by Helaba in this methodological refinement process include the publications by the regulatory authorities, among them the ECB Guide on climate-related and environmental risks or the EBA Guidelines on the management of ESG risks, which define the regulatory expectations of banks in respect of the integration of climate-related, environmental, social and governance risks into bank governance.

Sustainability as Helaba understands it and the activities and processes it pursues in this connection are described in full in the Group Sustainability Report.

Risk concentrations

Risk concentrations can occur both within a single risk type and across different risk types. The areas responsible for risk monitoring are charged with managing – that is to say identifying, quantifying, containing and monitoring – risk concentrations and reporting on identified risk concentrations in line with their respective accountability for major risk types, risk-bearing capacity and stress tests.

Both concentrations within a risk type (intraconcentrations) and concentrations across risk types (interconcentrations) are analysed and integrated into the risk management reporting and decision-making processes. No risk-mitigating diversification effects between the risk types are applied in the risk-bearing capacity calculation. The design of the extreme market dislocation stress scenarios across all risk types, moreover, implicitly takes account of the main risk concentrations between risk types of significance.

Risk management process

Risk management at the Helaba Regulatory Group comprises four elements that are best understood as consecutive phases in a single continuous process.

1. Risk identification
Risks affecting the Helaba Regulatory Group are identified continuously as an integral part of daily operations. Once identified, each risk is assigned to the relevant risk type. Comprehensive identification and incorporation into existing risk measurement systems and the associated risk monitoring processes are particularly important in connection with the introduction of new products and complex transactions. The central monitoring units are involved in the authorisation of new products as part of the New Product Process for lending business and trading business pursuant to MaRisk. The risk inventory process to be completed for the Helaba Regulatory Group annually and on an ad-hoc basis also helps to

identify previously unknown risks and ensure that any of material significance are incorporated into the risk management process.

2. Risk assessment

Effective mapping of individual transactions and risk parameters in the risk measuring systems enables qualitatively and quantitatively robust risk measurement and assessment for the various risk types. A variety of models, methods and processes are used for this purpose. The Helaba Regulatory Group applies corresponding premiums and discounts to cover the model risk that results from the use of models and is confirmed in the course of independent validations.

3. Risk containment

The information obtained in the risk identification and quantification phases provides the basis for risk containment by the local management units of the LoD 1 units. Risk containment encompasses all the measures implemented in order to reduce, limit, avoid and transfer risks and keep risk exposure within the limits defined in the RAF for the primary risk types.

4. Risk monitoring and reporting

Group Risk Control provides independent central risk monitoring of the following risk types: default risk (including equity risk), market risk, liquidity and funding risk, non-financial risk, real estate risk and business risk. The responsibilities of Group Risk Control in this regard include the specification of appropriate methods, their implementation and the operation of the associated models.

An integral component of these monitoring activities is the submission of reports to the relevant authority holders and committees covering the main risk types, risk-bearing capacity, the status of the RAS indicators and the status of the relevant indicators from the recovery plan (German Regulation on the Minimum Requirements for the Design of Recovery Plans for Institutions (MaSanV)). The internal models used by Group Risk Control to assess risk in accordance with Pillars I and II are in addition recorded in a model inventory and validated regularly. Group Risk Control (Group Model Validation and Steering) is responsible for model governance, including maintaining the model inventory and ensuring that independent validation is carried out.

Risk management structure

Entities involved

The Executive Board has established a Risk Committee in accordance with the applicable banking regulatory requirements to implement and monitor the Helaba Regulatory Group's risk strategy, including the risk appetite statement (RAS), first and foremost, and to aggregate all the risks – that is to say the default risks, market risks, liquidity and funding risks, non-financial risks, business risks and real estate risks – assumed across the Helaba Regulatory Group and evaluate their combined implications. The Risk Committee is charged with identifying risks at the Helaba Regulatory Group at the earliest possible stage, designing and monitoring the calculation of risk-bearing capacity and determining measures aimed at avoiding risk and generating containment mechanisms for risk management. It also approves the containment and quantification methods employed by the various units and assesses the appropriateness of the tools applied in light of the extent of the risk.

The Executive Board has set up the Asset/Liability Management Committee and the Credit Committee of the Executive Board (VS-KA) to complement the Risk Committee. The main task of the Asset/Liability Management Committee is to manage the strategic market risk portfolio with independent responsibility and in support of the Executive Board. The Credit Committee of the Executive Board is responsible for individual lending decisions in accordance with the authority framework established by the Rules of Procedure for the Executive Board. The Risk Committee, on the other hand, is charged with containing the default risk of the entire portfolio and coordinating syndication business.

The various committees are also required, within the scope of their responsibilities as defined above, to consider risk-related aspects of ESG matters, especially in the context of climate-related and environmental factors.

Moreover, a Sustainability Board was established. Its main task is to address strategic cross-cutting issues and take key ESG decisions including those pertaining to strategic ESG targets, KPIs and ESG management, the decarbonisation of Helaba's portfolio and own operations, sustainability reporting and the Executive Board's performance of its duties in respect of the German Act on Corporate Due Diligence in Supply Chains.

The composition of the committees and their duties, powers and responsibilities are set out in separate rules of procedure approved by the Executive Board.

The organisational guidelines specify that the approval of the entire Executive Board or of the Supervisory Board or one of its committees must be obtained for decisions on matters of particular significance such as acquiring, changing or disposing of equity investments, granting loans above a certain threshold and defining the cumulative limit for market risks. Helaba's Charter, moreover, requires that any decision to take on or make changes to strategic equity investments involving a stake in excess of 25 % also be approved by the Board of Public Owners.

Risk management at Regulatory Group companies

Companies belonging to the Regulatory Group are incorporated into risk management activities at Regulatory Group level by taking account of the risks established in the course of the annual or, where applicable, an ad-hoc risk inventory. The process to determine inclusion begins by considering all direct equity investments of Helaba under commercial law plus special purpose entities, special funds and all of Helaba's front office units. The regular risk inventory covers the companies belonging to the Regulatory Group for which there exists a financial or legal imperative for inclusion. The list of companies to be included is drawn up with reference to a catalogue of criteria. Companies belonging to the Regulatory Group that are not included in the risk inventory are considered through the mechanism of the equity risk.

One outcome of the risk inventory process is to determine which Regulatory Group companies are included in risk management at Group level with which risk types and which Regulatory Group companies are considered only through the mechanism of the equity risk. Companies belonging to the Regulatory Group are included in risk management at the level of individual risks in line with their primary risk types.

These companies must in addition establish an appropriate risk management process for any of their own risks that are assigned to the risk type at Regulatory Group level. The officers responsible for the relevant risk types and methods stipulate precisely how risks are to be included. The mode of inclusion in the methods used in the risk management process varies from risk type to risk type.

Principal risk monitoring areas ("three lines of defence", 3-LoD)

The responsibilities of the organisational units follow a "three lines of defence" (3-LoD) policy. This governance policy sets out roles and responsibilities to ensure there is independent monitoring and internal auditing of the effectiveness of the risk containment and monitoring functions that have been implemented. At Helaba (including LBS and WIBank) and in the major Regulatory Group companies, the containment of risks in the first line of defence is separated in terms of disciplinary and organisational reporting lines from the independent monitoring of risks in the second line of defence. The three lines of defence policy is implemented at Helaba (including LBS and WIBank) as follows:

Risk types	Risk containing units (LoD 1)	Risk monitoring units (LoD 2)	Reviewing unit (LoD 3)
Default risk including equity risk	Product units (Lending units, Capital Markets, Treasury: Municipal Loans)	Group Risk Control (Helaba portfolio level) Group Steering (equity risk) Credit Risk Management, Restructuring/Recovery (individual exposure level and individual portfolio level)	Internal Audit
Market risk	Capital Markets, Treasury	Group Risk Control	
Liquidity and funding risk	Treasury	Group Risk Control	
Non-financial risk	All units	Group Risk Control, together with specialist functions[1] in the following units: Group Steering, Compliance including Information Security Management, Human Resources and Legal Services, and Organisation	
Business risk	Product units	Group Risk Control	
Real estate risk	Major Regulatory Group companies (GWH, OFB, Frankfurter Sparkasse), real estate management	Group Risk Control (portfolio level) Group Steering (as the coordinating unit for GWH, OFB and Frankfurter Sparkasse), Credit Risk Management for GWH, OFB and Real Estate Management	
Tasks across all risk types	–	Group Risk Control	

[1] In the case of non-financial risk, the specialist functions are responsible alongside Group Risk Control for relevant NFR/NFR sub-risk categories (as set out in the risk type breakdown) that are described in detail in the sub-risk strategy for non-financial risk.

First line of defence (LoD 1)

The first line of defence assumes risks in the course of its (business) activities, bears these risks and has responsibility for the results. In particular, it is responsible for controlling its risks and designing controls, with due regard for the methods specified by LoD 2.

Second line of defence (LoD 2)

A second line of defence (specifically including the Group Risk Control, Credit Risk Management, Restructuring/Recovery, Compliance, Organisation and Group Steering units) to provide independent monitoring of LoD 1 has been established for all primary risk types. The main task is a holistic global assessment of all risks on an individual basis and at portfolio level – both at Helaba (including LBS and WIBank) and in the major Regulatory Group companies. Helaba has in addition established an ICS evidence centre to coordinate and monitor the updating of the risks inherent in processes and the assessment of the appropriateness and effectiveness of controls.

Third line of defence (LoD 3)

Internal Audit conducts risk-based audits, in particular of the appropriateness and effectiveness of the activities of the first two lines of defence. The other organisational units must provide the necessary information and assistance to enable the aforementioned Helaba organisational units (including LBS and WIBank) to comply with their assigned responsibilities.

The monitoring and containment of risk-related climate and environmental factors is an interdisciplinary task that is performed by all three lines of defence, according to their respective function, within the framework defined by the business strategy and risk strategy. LoD 1 at transaction level, for example, is bound to observe all climate-related and environmental requirements, procedures and limits when entering into transactions while LoD 2 is responsible for overarching risk assessment and monitoring for climate-related and environmental risks within the existing risk types.

The independent management of risk (risk containment, risk monitoring) within the major Regulatory Group companies is generally structured in the same way as at Helaba (including LBS and WIBank) in terms of the three lines of defence principle. There may, however, be specific arrangements in place as well.

LBS and WIBank are integrated into the Helaba Regulatory Group's risk management and have supplementary requirements for their own risk management where necessary.

Internal Audit

Internal Audit, which reports to and is directly subordinate to the Executive Board, performs its tasks independently and without external direction. It examines and assesses all of Helaba's activities and processes, including those that have been outsourced, on a risk-oriented and process-independent basis. It conducts audits at subsidiaries both in its role as the internal auditor and when specifically asked to do so. The annual audit plan drawn up in accordance with the risk-oriented multi-year plan and approved by the Executive Board forms the basis of all auditing activities.

Internal Audit focuses in particular on assessing the efficacy and adequacy of the Internal Control System and of risk management, thereby helping to safeguard financial assets. Internal Audit also supports major projects.

The scope and findings of audits are documented in accordance with uniform standards. Written audit reports are supplied promptly to the Executive Board and the people responsible for the units audited. The timely resolution of deficiencies identified is monitored and matters are escalated if necessary. On a quarterly basis, Internal Audit reports significant audit findings, the actions adopted and the implementation status of these actions to the Executive Board, the Supervisory Board and the Audit Committee of the Supervisory Board. In addition, these governing bodies receive an annual report from Internal Audit summarizing the audit activities, its independence and objectivity and its quality and improvement programme.

Compliance

The Compliance function reports to and is directly subordinate to the Executive Board (in accordance with the German Minimum Requirements for Risk Management (AT 4.4.2 MaRisk)). The institution has appointed a Head of Compliance, who is registered with the supervisory authorities as performing the functions of the Group Anti-Money Laundering Officer, the MaRisk Compliance Officer and the WpHG Compliance Officer.

There are three departments within the Compliance division: Corporate Compliance, Information Security Management (ISM), which includes data protection, and Compliance Money Laundering and Fraud Prevention/TF. The Chief Information Security Officer (CISO) representative function and the Data Protection Officer are based in the ISM department.

The MaRisk Compliance function, which forms part of the Corporate Compliance department, promotes the adoption of effective procedures to implement and ensure compliance with the principal legal rules and stipulations identified in the context of risk and conducts related checks. It also conducts regular analyses in this connection of the adequacy and efficacy of the business processes and practices associated with the implementation of and compliance with the principal legal rules and stipulations in Helaba.

The tasks of the capital market compliance function at Helaba are the responsibility of the Corporate Compliance I unit. This advises the operational divisions and monitors and assesses principles, processes and procedures for compliance with relevant provisions regarding capital market compliance risk. The unit also performs regular risk-oriented monitoring activities based on a prior risk analysis, paying particular attention in this regard to the rules prohibiting insider dealing and market manipulation, and identifies and regulates potential conflicts of interest.

The Compliance Money Laundering and Fraud Prevention/TF department, acting in its capacity as the central authority for the purposes of Section 25h KWG, develops internal principles and adequate transaction- and customer-related safeguards and checks to prevent money laundering, the funding of terrorism and criminal acts. The precautionary organisational measures to be implemented are based in part on the Helaba Regulatory Group's risk analysis (money laundering, terrorism financing, fraud prevention and sanctions) and also in part on the Group Policy that sets out the Helaba Regulatory Group's general ground rules, reflecting the relevant legal and regulatory requirements. Monitoring software keeps business relationships under constant surveillance. Moreover, the Compliance Money Laundering and Fraud Prevention/TF department is responsible for the organisation and function of the whistleblower system in accordance with the relevant statutory requirements. The Compliance Money Laundering and Fraud Prevention/TF department is also responsible for the implementation of the legal requirements created by the Agreement between the United States of America and the Federal Republic of Germany to Improve International Tax Compliance (FATCA) and the international Automatic Exchange of Information (AEOI) process.

Information Security Management and Data Protection

The Information Security Management function is responsible for ensuring the proper control, coordination and development of information security management in line with the business strategy, risk strategy, information security strategy and IT strategy.

It also determines and defines necessary security requirements arising in connection with relevant best practices, laws and regulations, supports the regular analysis of information protection classifications and coordinates appropriate technical and organisational measures to ensure that an adequate level of security is maintained.

Implementation of existing requirements is monitored and deviations which could have repercussions for the Helaba Regulatory Group are fed into the information risk process. Measures and checks for sustainable risk reduction and risk monitoring are continuously refined.

The Data Protection Officer reports to and advises the Executive Board and all organisational units and employees with regard to data protection requirements. The function involves responsibility for monitoring the implementation of and compliance with the requirements of data protection law Helaba maintains a record of processing activities (Article 30 GDPR) covering procedures that involve the processing of personal data. This record provides the basis for ensuring that the processing of personal data complies with the data protection regulations.

Helaba has developed an information security management system (ISMS) aligned with the ISO 27001 family of standards to ensure the availability, confidentiality and integrity of data and to assess the resilience (maintenance of operability) of data-processing systems.

The Information Security Management function and the Data Protection Officer are responsible for employee training and for measures to raise awareness among employees. Both of these functions report directly to the Executive Board.

Risk-bearing capacity / ICAAP

Established procedures for quantifying and containing risks ensure that the primary risks within the Helaba Group and Helaba Regulatory Group are always covered by risk cover pools and that its risk-bearing capacity is thus assured.

In terms of concept, the risk-bearing capacity approach reflects the supervisory requirements for an ICAAP at institutions from an economic internal perspective. In other words, the calculation of risk-bearing capacity takes into account all risks that could jeopardise the continued existence of the Helaba Group as a going concern from an economic internal perspective. The economic limitation and containment of risks is also based on ensuring risk-bearing capacity in accordance with this economic internal perspective. The risk tolerance and risk appetite related to the risk exposures in this perspective are specified in the risk appetite statement (RAS).

Risk-bearing capacity is determined on the basis of a time frame of one year in the economic internal perspective and both risk exposures and risk cover pools are designed and quantified for this period.

The economic risk cover pools are calculated on the basis of own funds determined in accordance with IFRS financial reporting requirements, adjusted for economic correction factors. These factors ensure a loss absorption capacity comparable with regulatory CET1 capital.

In terms of risk, risk exposures for default risk (including equity risk), market risk, operational risk, business and real estate risk are included in the analysis for the economic internal perspective with a confidence level of 99.9 %. This approach is used to demonstrate that the economic risk cover pool is adequate enough – even if rare and serious loss scenarios should materialise – to ensure that the Group can continue as a going concern on the basis of its own resources, i. e. without recourse to third-party funds.

The risk-bearing capacity assessment for the Helaba Group covering all risk types reveals that the existing risk cover pools at the end of 2024 once again overcollateralised the quantified risk exposures by a substantial margin, underlining the conservative risk profile. Helaba had a capital buffer of € 4.4 bn in respect of its economic risk exposures as at the reporting date (31 December 2023: € 4.6 bn).

Helaba regularly examines the effects of historical and hypothetical stress scenarios on risk-bearing capacity as well as analysing risk-bearing capacity for given reference dates. The scenarios considered include macroeconomic stress scenarios and a scenario involving exceptional market dislocation based on the most extreme changes in parameters observed over the historical time frame.

To complement the economic internal perspective in Pillar II, an analysis using the regulatory internal perspective is conducted quarterly. The regulatory internal perspective examines how the primary Pillar II risks affect the regulatory ratios in accounting terms and the Helaba Regulatory Group's internal objectives for capital ratios in the context of the RAS over a multi-year period. This analysis is conducted using various macroeconomic scenarios. Pillar II risks affect regulatory capital, both through profit and loss and through other comprehensive income, whereas Pillar I risk quantification is reflected in a change in risk-weighted assets (RWAs).

The objective of this analysis is to ensure ongoing compliance with regulatory requirements and with the internal targets derived from the risk strategy and RAS. The capital ratios achieved under the simulated scenarios exceed the regulatory minimum CET1 capital ratio by a significant margin.

Reverse stress tests are also conducted to investigate what kind of idiosyncratic or market-wide events could jeopardise the continued existence of the Helaba Group or Helaba Regulatory Group as a going concern. The analyses focus on the regulatory minimum capital requirements, the available liquidity reserves and economic risk-bearing capacity in the economic internal perspective. There is currently no indication of any such scenario becoming a reality.

In 2024 again, an internal climate-related risk scenario as at 30 June 2024 was additionally considered in both risk-bearing capacity perspectives. It was a short-term transition risk scenario based on the fragmented world scenario defined by the Network for Greening the Financial System.

Compared with other stress scenarios like the scenario of normal negative macroeconomic development, the impact of this scenario was unremarkable and slight. Since 2022, climate-related risk scenarios have been considered at least once a year and are being refined continuously on the basis of current external requirements and internal findings such as those delivered by the materiality assessment.

Other protection mechanisms

There are other protection mechanisms in addition to the risk cover pool. Helaba is a member of the sub-funds of the Landesbanken and Girozentralen and is thus included in the Sparkassen-Finanzgruppe's protection scheme, which comprises the eleven sub-funds of the regional savings bank and giro associations, the sub-fund of the Landesbanken and Girozentralen, and the sub-fund of the Landesbausparkassen.

The most notable features of this protection scheme are the way that it safeguards the viability of the affiliated institutions, especially their liquidity and solvency, its risk monitoring system for the early detection of specific risk profiles and its use of a method based on risk parameters defined by the supervisory authorities to calculate the amounts to be paid into the protection scheme by the various institutions.

The legally dependent Landesbausparkasse Hessen-Thüringen, the subsidiary Frankfurter Sparkasse and Frankfurter Bankgesellschaft (Deutschland) AG, which is a subsidiary of Frankfurter Bankgesellschaft Holding AG (which in turn is a subsidiary of Helaba), are also direct members of this protection scheme.

In order to implement ECB and BaFin requirements, the general meeting of members of the German Savings Banks Association resolved in June 2023 to amend the statutes of the protection scheme for the Sparkassen-Finanzgruppe. These amended statutes entered into force in January 2024. Among other things, the risk monitoring system was improved and decision-making structures organised more effectively. Moreover, since 1 January 2025, an additional fund is being created to protect the solvency and liquidity of the Sparkassen-Finanzgruppe institutions. It must be contributed over a period of at least eight calendar years starting in 2025. The target fund volume is 0.5 % of the member institutions' total risk exposure and up to 30 % may be in the form of fully collateralised debt obligations.

As well as safeguarding the viability of the affiliated institutions themselves, the Sparkassen-Finanzgruppe scheme includes a deposit guarantee scheme to protect qualifying deposits up to a value of € 100,000 per customer. The deposits thus protected in the Helaba Group amount to € 18.5 bn in total (31 December 2023: € 18.9 bn). The German Federal Financial Supervisory Authority (BaFin) has recognised the Sparkassen-Finanzgruppe's institutional protection scheme as a deposit guarantee scheme for the purposes of the German Deposit Guarantee Act (EinSiG).

Helaba and Frankfurter Sparkasse are also affiliated to the Reserve Fund of the Sparkassen- und Giroverband Hessen-Thüringen under the terms of their Charters. The Reserve Fund provides further protection in the event of a default in addition to the nationwide protection scheme. It covers the liabilities of Helaba and Frankfurter Sparkasse to customers, including banks, insurance companies and other institutional investors, and their securitised liabilities. Liabilities that serve or have served at the institutions as components of own funds pursuant to Section 10 KWG, such as asset contributions of dormant shareholders, liabilities under profit participation rights and subordinated liabilities, are not covered irrespective of their remaining term. The amendment to the charter for the reserve fund that came into effect on 17 November 2022 set the total volume of the fund at € 600 m.

On 20 November 2024, the general meeting of the Sparkassen- und Giroverband Hessen-Thüringen resolved to liquidate the Reserve Fund in instalments on a linear basis over a period of probably eight years starting in 2025, and to transfer the resulting amounts to the additional fund that has been newly established under the Sparkassen-Finanzgruppe's protection scheme. The secretariat of the Sparkassen- und Giroverband Hessen-Thüringen was instructed to analyse after four years whether it makes sense to continue this process or to maintain an amount in the Reserve Fund.

Development institution WIBank, which is organised as a dependent institution within Helaba, enjoys the direct statutory guarantee of the State of Hesse as regulated by law and as permitted under EU law on state aid.

Default risk

The lending business is one of Helaba's core activities and the acceptance, control and containment of default risks accordingly constitutes one of its core competencies. Events in the market and developments in the regulatory environment for banks are together generating a continuous stream of new challenges for internal default risk management, making rigorous examination of the existing procedures absolutely essential.

Guiding these steps is a comprehensive and universal risk strategy derived from the business strategy. The specific risk strategy for default risks defines the risk propensity, differentiated by product, customer segment and risk type, for every business segment. It is reviewed annually.

Regulatory own funds requirements

Depending on the item, Helaba applies the IRBA or CRSA. The corresponding regulatory requirements as set out in the current CCR are implemented in Helaba's procedures and systems with the internal rating methods (default rating) for the lending portfolio approved for the IRBA, the Collateral Management System, the credit loss database, which is used to record and analyse the default portfolio and the specific loan loss allowances, and a regulatory calculation module.

Risk monitoring using the global limit system

Helaba employs a global limit system that records counterparty-specific default risks promptly in a structured and transparent manner. The system uses counterparty limits based on a combination of the creditworthiness (rating) of counterparties and Helaba's risk-bearing capacity.

Cumulative limits for each borrower are recorded in the global limit system at Group level to help monitor, limit and contain default risks. All types of loans in accordance with Articles 389 et seq. of the CRR and guarantees in accordance with Article 403 CRR made to borrowers in both trading and banking book activities are counted against these cumulative limits. Advance payment and settlement risks attributable to foreign currency and securities transactions, current account intraday risks, creditor risks associated with direct debits and what are referred to as "additional risks from constructs" are approved as commercial risks and counted against separate limits.

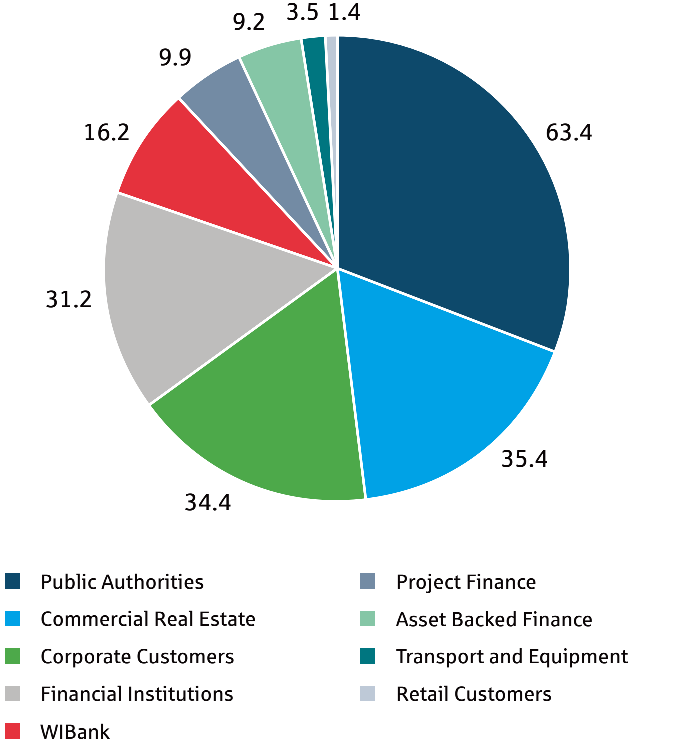
The approved total limits are allocated to individual borrowers, product categories and the operating divisions concerned in accordance with the application for approval. The utilisation of the individual limits is monitored on a daily basis and appropriate measures are initiated immediately if any limit is exceeded.

Swaps, forward transactions and options are counted towards the total limit at their credit equivalent amounts based on an internal add-on method. Group Risk Control validates and, where appropriate, adjusts the add-ons once a year or on an ad hoc basis (for example in the event of market turmoil). All other trading book positions (for example money market trading and securities) are valued at market prices.

Secondary risks resulting from leasing commitments (lessees) or guarantees received are also recorded as other commercial risks.

Chart 1 shows the total volume of lending (comprising drawdowns and unutilised lending commitments) in the narrow Group companies (Helaba plus subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG, Frankfurter Bankgesellschaft (Deutschland) AG (since 1 January 2024) and Helaba Asset Services) of € 225.6 bn as at 31 December 2024 (31 December 2023: € 229.5 bn) broken down by portfolio. The total volume of lending is the risk exposure value calculated in accordance with the legal provisions applicable to large exposures before applying the exemptions in relation to calculating utilisation of the large exposure limit and before applying credit mitigation techniques.

Total volume of lending by portfolios (Helaba Bank)
Chart 1 in € bn



The lending activities in the narrow Group companies as at 31 December 2024 focused on the following portfolios: public sector, real estate and corporate customers.

The summary below provides an overview of the regional breakdown of the total lending volume in the narrow Group companies by borrower's country of domicile.

Region		in € bn
	31.12.2024	31.12.2023
Germany	140.6	143.5
Rest of Europe	43.9	45.6
North America	19.2	18.9
Oceania	0.1	0.0
Other	0.9	0.5

The table shows that Germany and other European countries continue to account for most of the total lending volume.

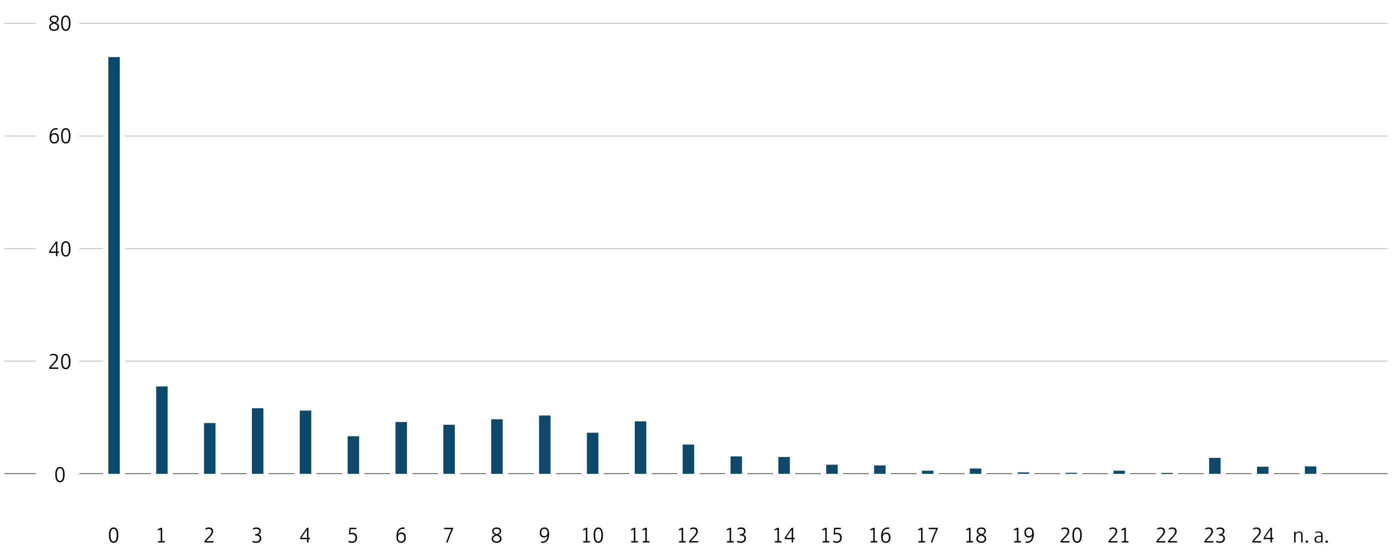
Creditworthiness / risk appraisal

Helaba employs 16 rating systems developed together with DSGV or other Landesbanken and two rating systems developed internally. Based on statistical models, these systems classify loan exposures, irrespective of the customer or asset group, by the fixed probability of default (PD) using a 25-point cardinal default rating scale.

Chart 2 shows the total volume of lending in the narrow Group companies (Helaba plus subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG, Frankfurter Bankgesellschaft (Deutschland) AG (since 1 January 2024) and Helaba Asset Services) of € 225.6 bn (31 December 2023: € 229.5 bn) broken down by default rating category. The n.a. item comprises the retail business (below the materiality thresholds) of Frankfurter Sparkasse, LBS and WIBank that is not broken down by rating category for reasons of reporting efficiency.

Total volume of lending by default rating category (Helaba Bank)
Chart 2

in € bn



The weighted average probability of default of the total volume of lending (excluding the liquidity buffer and risk exposures at default) is unchanged from the previous year at 0.34 % (31 December 2023: 0.34 %).

Collateral

Like the creditworthiness of borrowers or counterparties, the collateral arrangements (or general credit risk reduction techniques) available are of major importance when determining the extent of default risks. Collateral is measured in accordance with Helaba's lending principles. The measurement is adjusted as part of the regular or ad hoc monitoring process if there are any changes in factors relevant for measurement purposes.

Helaba's Collateral Management System meets the necessary conditions to allow full advantage to be taken of the comprehensive opportunities for recognising credit risk reduction techniques that enhance shareholders' equity in accordance with the CRR. It provides the data resources required to verify and distribute the assets eligible as collateral to the risk exposures secured.

Country risks

Helaba's definition of country risk encompasses the risk of sovereign default as well as transfer and conversion risk, which means that country risk exposure also includes individual transactions entered into by a Helaba location with a borrower in the same country in local currency (local transactions).

Helaba has a uniform methodology for the internal measurement and allocation of country risks based on the entity bearing the economic risk. The risk initially assigned to the borrower's country of domicile in accordance with the strict domicile principle is accordingly transferred, subject to certain conditions, to the country of domicile of the parent company of the Group, the lessee or, in the case of cash flow structures and when collateral is involved, to the country of the entity bearing the economic risk.

The country risk system is the central tool for the comprehensive, timely and transparent risk-oriented recording, monitoring and containment of country risks. All of Helaba's lending and trading units, including subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG and Helaba Asset Services, are involved in country risk containment. The total country risk, excluding the countries of the euro zone, may not exceed seven times the Tier 1 capital of the Helaba Group of institutions. As at 31 December 2024, utilisation was 3.9 times the Tier 1 capital.

At least once a year, the Risk Committee of the Executive Board decides a (portfolio) limit for country risks and its allocation to continents as sub-portfolios. Within these sub-portfolios, individual limits are defined for all countries with the exception of Germany. The decision-making authority is based on the ratio of the country limit requiring approval to the country risk appetite. The country risk appetite is based on Helaba's equity, the default rates of the individual country rating, the size of the relevant economy (GDP factor) and other factors. The country risks for long-term transactions are subject to corresponding sub-limits.

The internal rating method for country and transfer risks provides 25 different country rating categories based on the uniform master scale used throughout the Bank. All classifications are established at least annually by the Research & Advisory department and ultimately defined by the Credit Risk Management unit. The Credit Risk Management unit, which performs the central coordination function for country limit requests, prepares country limit requests on this basis – factoring in bank-specific considerations and relevant factors relating to business policy and risk methodology – and submits these to the necessary decision-making bodies for approval.

Country risk (transfer, conversion and sovereign default risks) from Helaba loans issued by the narrow Group companies to borrowers based outside Germany amounted to € 61.2 bn (31 December 2023: € 63.0 bn), most of which was accounted for by borrowers in Europe (67.9 %) and North America (31.0 %). As at 31 December 2024, 80.7 % (31 December 2023: 54.4 %) of these risks were assigned to country rating classes 0 and 1 and a further 19.0 % (31 December 2023: 45.4 %) came from rating categories 2 to 15. Just 0.3 % (31 December 2023: 0.2 %) fell into rating class 16 or worse. The change in the rating structure compared with the previous year resulted especially from the migration of the United States of America from rating category 2 to rating category 1.

Exposures in the Russian Federation (rating category 22) and Ukraine (rating category 22) totalled approximately € 17.1 m as at the reporting date (31 December 2023: approximately € 18 m).

Credit risk processes and organisation

The MaRisk contain differentiated rules in respect of the organisation of lending business, of lending processes and of the design of the methods used to identify, quantify, contain and monitor risks in lending business.

The Executive Board has defined the main requirements of business policy regarding structural and procedural organisation in lending business in separate organisational guidelines for lending business.

Approval procedure

The approval procedure followed by Helaba ensures that no credit risks are entered into without prior approval. The rules of procedure for the Executive Board state that loans above a certain value require the approval of the Supervisory Board Risk and Credit Committee. Commitments in amounts below this value are approved at different authorising levels (entire Executive Board, Credit Committee of the Executive Board, individual members of the Executive Board, staff members) depending on the amounts involved. Loans are approved on the basis of detailed risk assessments. In accordance with the MaRisk, the loan documents in what is designated risk-relevant business always comprise two independent opinions, one from the relevant front office unit and one from the relevant back office unit. The representative of the relevant back office unit also always has a right of veto in this connection as part of an escalation process. The ultimate decision rests with the entire Executive Board.

The procedure also takes account of the concentration limits derived from the Helaba Group's risk-bearing capacity, which place an additional limit on exposures in line with the default rating category of the economic group of connected clients. All loans also have to be reviewed at least once every twelve months. Mechanisms for ensuring on a daily basis that limits are not exceeded include the use of the global limit system, which aggregates all loans (credit lines and utilisations) extended by the narrow Group companies for each group of connected clients.

Quantifying default risks

For regulatory purposes, expected and unexpected default risks are quantified using the regulatory calculation module. Expected default risks are treated for calculation purposes on a transaction-by-transaction basis in the form of the expected loss. The calculation for regulatory purposes is carried out using the internal rating methods and regulatory loss given default (LGDs). The equity to be held available in accordance with the CRR to cover unexpected losses is also calculated on a transaction-by-transaction basis and is used for containment purposes for both the specific transaction and the risk capital.

Default risks are determined for the purposes of internal containment using a value-at-risk approach. Risks are quantified using a Credit Metrics-based credit risk model (Monte Carlo simulation) developed in house taking account of risk concentrations and additional migration and stochastic LGD risks. The value-at-risk (VaR) calculated from the simulated probability distribution provides a measure – with a probability (confidence level) of 99.9 % (economic internal perspective) – of the upper limit of the potential loss of a portfolio within a period of one year.

The risk parameters applied additionally include migration matrices and LGD parameters estimated internally and empirically measured correlation values as well as the internal rating methods. The overall risk assumes a simultaneous, correlated onset of losses (systematic risk).

The quantification of default risk is additionally assessed against various scenarios to determine the impact of corresponding stress situations. The risk parameters are modelled scenario by scenario for this purpose.

The analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity indicates that the economic risk exposure for the Helaba Regulatory Group from default risk, calculated on the basis of the VaR, was € 1,495 m (31 December 2023: € 1,399 m). The main reasons for this increase in the economic risk exposure are the ongoing rating deteriorations and defaults in the Real Estate Finance division. It was offset in part by declining exposures in the Corporate Banking and Capital Markets divisions, and improved ratings in the Asset Finance division.

Exceptional default risk management issues in 2024

Despite the year-on-year reduction in inflation and falling ECB benchmark rates since the middle of the year, Germany's price-adjusted GDP decreased by 0.2 %. The prices of both residential and commercial real estate stabilised in the second half of the year.

Despite this stabilisation of the real estate market, selective rating deteriorations and loan defaults in the commercial real estate sector caused additional adverse effects. Moreover, a growing number of corporate insolvencies resulted in individual defaults in the Bank's loan book.

In 2024, Helaba continued its active management of the critical sub-portfolios identified and its closer monitoring of exposures that have been classified as under intensive management, recovering or non-performing. The critical sub-portfolio concept is a low-threshold instrument for the early detection of credit risks at the portfolio level. This risk containment in conjunction with the stricter strategic real estate financing framework that has been introduced already contributed to a stabilisation of the risks in the real estate portfolio in 2024 and will result in a substantial reduction in the future.

The total volume of lending of the critical sub-portfolios, mainly real estate sub-portfolios, decreased to € 29.8 bn (31 December 2023: € 32.4 bn). This was due to a general decline in the total volume of lending across all critical sub-portfolios. In addition, the sub-portfolio of transport and the carriage of people and goods was declassified in the third quarter. The two exposures that contribute the most to the watchlist are once more performing at or above the pre-COVID 19 pandemic level. The corporate customer sub-portfolio relating to the chemical industry – newly classified as critical in the first half of the year – and the sub-portfolio of human health and social work activities were also declassified again in the third quarter due to their declining watchlist content.

This notwithstanding, the watchlist content of the critical sub-portfolios increased by € 1.9 bn year on year to € 6.3 bn or 21 % of the total volume of lending (31 December 2024: 16 %), mainly due to new loans under intensive management (an increase of € 1.7 bn as at 31 December 2024) in the real estate sub-portfolio. Despite the challenging economic environment, the watchlist content of the corporate customer portfolio improved slightly by € 0.3 bn.

The following table shows the volume in respect of the sub-portfolios classified as critical and the volume of customers/transactions in those portfolios already on the watchlist, broken down by the sub-portfolios of the real estate and corporate customers portfolios as at the reporting date:

in € bn

	thereof: Sub-portfolios classified as critical		thereof: On the watchlist	
Portfolio	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Real Estate	26.3	28.1	6.0	4.3
Corporate Customers	3.5	4.3	0.4	0.7

In 2025, the Bank will revise its critical sub-portfolio concept and, after reviewing its early warning instruments, will again strengthen its management of the credit risks on the watchlist.

In 2024, despite persistent negative effects in commercial real estate especially, the inherent risks in the lending portfolio of the narrow Group companies remained mainly stable. At € 351 m, risk allowances were lower than in the previous year (€ 448 million). This was due to a very significant reduction in adverse effects in the real estate loan portfolio. By contrast, adverse economic effects in Germany and geopolitical risks led to an increase in loss allowances in the corporate loan portfolio. As a result, total risk allowances are above budget.

Whereas residential real estate prices in Germany and the USA have already stabilised thanks to continuing high demand for homes and low levels of new construction activity, there were further declines in the prices of commercial real estate for which there is no viable future use. This largely affects the office segment because of strict ESG requirements, growing demand from investors and tenants for central locations and a use concept that responds to the increased implementation of new working concepts since the COVID-19 pandemic. With a volume of € 17.6 bn (31 December 2023: € 18.7 bn) at Helaba, the office segment is one of the critical sub-portfolios that is being monitored closely. Office real estate in the USA accounts for around € 3.4 bn of this amount (31 December 2023: around € 3.3 bn).

Despite corresponding precautions and risk-mitigating measures, the situation in connection with the Ukraine war and the associated turmoil and geopolitical tensions continue to present a risk to the Bank, although its direct exposure in the Russian Federation and Ukraine was only small as at the reporting date.

Our exposures (excluding collateral) in the region affected by the Middle East conflict remain low at € 0.1 bn (31 December 2023: € 0.1 bn). For this reason, no separate analysis was performed. There is no exposure in Syria.

The lending risks of the narrow Group companies remain subject to close monitoring and regular assessment. Depending on factors that include the future development of interest rates, real estate values, the German economy and the Middle East conflict, coupled with the second-round and third-round effects of the Ukraine war, further rating deteriorations or loan defaults cannot be ruled out in 2025. In addition, the policies of the new Trump government in the USA are likely to have global repercussions.

The Bank also continues to regularly monitor the impact of climate-related and environmental risks on the default risk of its customers. The risks arising from the transition to a decarbonised economy may increase the risks to the lending portfolio of a financial institution. Taking account of the requirements of the ECB Guide on climate-related and environmental risks and other regulatory ESG requirements, the Bank is therefore continuing to develop its risk management process in respect of climate-related risks.

Loss allowances

Appropriate loss allowances are recognised to cover default risk. The adequacy of the loss allowances is reviewed regularly and adjustments are made where necessary. Helaba's loss allowance process was refined in two steps effective 30 June and 30 September 2024. As a result, the circumstances and risks that were not yet fully reflected as rating deteriorations or default events in the model-based calculation of loss allowances are primarily covered by in-model adjustments (IMAs). IMAs adjust the loss allowances at the individual transaction level. As at 31 December 2024, the IMA for the CRE portfolio is € 121 m. With application of the collective stage allocation, an IMA totalling € 11 m was established for the three other critical sub-portfolios – mechanical engineering, metal production and processing and retail / textile and clothing products – as at 31 December 2024.

Helaba additionally applies a post-model adjustment (PMA) to calculate loss allowances for risks which, under certain assumptions, could become significant in the future and whose impact and further development are difficult to gauge. These risks were not yet fully reflected in the individual calculations of loss allowances as a result of rating deteriorations and default events. Owing to the currently high watchlist content and an anticipated deterioration in economic performance, an additional loss allowance totalling € 12 m was recognised in the form of a PMA for the critical sub-portfolios of mechanical engineering and metal production and processing. The resulting effect on the loss allowances is recognised as a PMA in stage 2. In addition, Helaba has applied a PMA to calculated loss allowances for geopolitical risks. For this purpose, the geopolitical scenario was weighted, the potentially affected stage 1 and 2 sub-portfolios were taken into account and rating deteriorations of at least two and up to five stages were simulated; the resulting effects on the loss allowances were determined for each individual transaction. This resulted in an effect of € 60 m on the stage 2 loss allowances. No actual stage transfer of individual transactions took place as a result. The stage 1 and 2 loss allowances were reported as global allowances.

As at 31 December 2023, Helaba had established allowances by way of a post-model adjustment (PMA) for additional risks that were not yet fully reflected by rating deteriorations and default events in the individual calculations of loss allowances. This additional loss allowance requirement was calculated on the basis of critical sub-portfolios for which assumptions were made in a simulation about rating deteriorations and / or haircuts and, therefore, a corresponding rise in ECLs. In calculating the PMA, stage 1 and 2 volumes were taken into account and rating deteriorations of three and up to nine stages were simulated. The resulting effect on the loss allowances was calculated as a PMA in stage 2. As at 31 December 2023, no actual stage transfer of individual transactions took place as a result. As at 31 December 2023, the PMA of € 353 m concerned the critical sub-portfolios of mechanical engineering (€ 10 m) and retail and office real estate (€ 343 m).

Sustainability criteria in lending business

In order to minimise or rule out the fundamental risk that companies or projects financed by Helaba might impact negatively on the environment and society, Helaba has developed sustainability criteria and exclusion criteria for lending that have been integrated into the existing risk process and risk management and apply throughout the Group. These are published on the Helaba website ("Sustainability Criteria for Lending Activities").

The process of identifying, measuring and managing sustainable lending is governed by Helaba's Sustainable Lending Framework. This framework includes a comprehensive set of criteria and a standardised Group-wide method for classifying sustainable finance and thus further increasing its share of the total lending volume. It is applied in all lending business at Helaba and Frankfurter Sparkasse.

The loan origination and review processes take account of environmental, social and governance factors and the associated risks for the financial position of borrowers. Particular attention is paid to the potential effects of environmental factors and climate change on the ability of our borrowers to make their repayments. These effects are assessed together with any risk-mitigating measures on the part of the borrower. Relevant ESG factors are identified and assessed according to a defined, standardised system. The result of the assessment is expressed using a multi-stage scale and documented as part of the risk analysis.

Since 31 December 2022, the development of transition risk as a key aspect of climate-related and environmental risks in Helaba's default risk has been monitored regularly and communicated to the Risk Committee in the quarterly risk reporting. This showed that, as at 31 December 2024, only 2 % (31 December 2023: 6 %) of the total lending portfolio of € 187.2 bn (31 December 2023: € 123.1 bn) that is relevant to risk assessment in terms of current and future-oriented risk factors was classified as very high risk. In the case of new business in the past twelve months, the share was 6 % (31 December 2023: 5 %).

To limit the transition risk classified as high or above in the relevant total volume of lending, monitoring values were introduced for the real estate, corporate customers and project finance portfolios on 1 January 2024. Compliance with these values is also an aspect of the quarterly reporting to the Risk Committee of the Executive Board. The monitoring values were complied with at all times in 2024. Since 1 January 2025, the monitoring values have been replaced with limits.

Equity risk

The equity risk category brings together those risks attributable to equity investments whose individual risk types are not considered separately by risk type by Group Risk Control. Equity risks do not have to be considered for an equity investment if all risk types of relevance for the equity investment concerned are integrated into Group-wide risk management (at the level of individual risks) in line with their relative significance and the relevant legal options. Financial instruments classified under the CRR as equity exposures are also reported as equity risks alongside the equity investments under commercial law.

The risk content of each individual equity investment is classified with regard to value using a two-phase catalogue of criteria (traffic-signal method). In addition, the risk assessment is based on the appraisal and development of the rating of the company concerned within the framework of the Bank's internal rating method. Equity risks are reported quarterly to the Risk Committee of the Executive Board and the Risk and Credit Committee of the Supervisory Board.

The analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity shows an economic risk exposure of € 201 m (31 December 2023: € 187 m) for the Helaba Group from equity risk. The slight increase resulted mainly from new equity investments.

Market risk

Risk containment

Helaba manages market risks for the trading book and the banking book as part of its overall bank management. Clearly defined responsibilities and business processes create the necessary conditions for effective limitation and containment of market risks. The subsidiaries are integrated into the containment process as part of Group-wide risk management according to a graduated system based on the risk inventory process in line with the specific business activities involved. Attention in this area focuses principally on subsidiaries Frankfurter Sparkasse and Frankfurter Bankgesellschaft. Market risks are quantified using Helaba's own methods.

Trading activities focus for strategic purposes on customer-driven business, which is supported by a demand-led product range. Responsibility for containing trading book exposures rests with the Capital Markets unit, while the Treasury unit has responsibility for funding and for the management of the interest rate and liquidity risks in the banking book. The own issues repurchase portfolio belonging to the trading book also falls under the jurisdiction of the Treasury unit.

Limitation of market risks

Helaba employs a uniform limit structure to limit market risks. The process through which limits are allocated involves Helaba's internal corporate bodies and, in the context of limit definition for the risk-bearing capacity, the Risk and Credit Committee of the Supervisory Board.

The Risk Committee allocates limits to the risk-incurring divisions and the various types of market price risk within the scope of the defined cumulative limit for market price risks. In addition separate limits are defined for the trading book and the banking book. Responsibility for the onward allocation of limits to Helaba's subordinate organisational units and its various sites rests with the divisions to which a limit has been assigned. Portfolio limits and dynamic loss limits are additionally used to limit market risks. The trading units also independently use stop-loss limits for this purpose.

Compliance with the cumulative market risk limit was maintained at all times in the year under review.

Risk monitoring

Group Risk Control is responsible for identifying, quantifying and monitoring market risks. This responsibility includes checking transactions for market conformity and determining the economic profit or loss as well as risk quantification. In addition, the reconciliation statement with external Accounting is prepared.

Continuous functional and technical development of the methods and systems used and intensive data entry play a key role in ensuring that Helaba's market risks are recorded properly. A special process owned by the New Products Committee has to be completed whenever a new product is introduced. New products must be incorporated correctly into the required systems for position recording, processing, profit or loss determination, risk quantification, accounting and reporting before they can gain authorisation.

A comprehensive reporting regime ensures that the relevant members of the Executive Board and the position-keeping units are notified daily of the risk figures calculated and the economic profit and loss generated on the basis of current market prices. Information about the current risk and earnings situation is in addition provided weekly to the entire Executive Board and the Asset/Liability Management Committee and monthly to the Risk Committee. Any breach of a defined limit triggers the escalation process to limit and reduce the associated risks.

Quantification of market risk

Market risk is quantified using a money-at-risk approach backed up by stress tests (which also include the widening of spreads, as occurred during the COVID-19 pandemic, and ESG risks), the measurement of residual risks, sensitivity analyses for credit spread risks and the assessment of incremental risks for the trading book. The money-at-risk (MaR) figure corresponds to what is deemed, with a certain confidence level, to be the upper threshold of the potential loss of a portfolio or position due to market fluctuations within a prescribed holding period.

The risk measurement systems employed in the Helaba Regulatory Group for each of the various types of market risk (interest rates, share prices and foreign exchange rates) all use the same statistical parameters in order to facilitate comparisons across the different risk types. This also makes it possible to aggregate the risk types into an overall risk. The overall risk assumes that the various different losses occur simultaneously. The MaR figure calculated using the risk models provides a measure of the maximum loss that will not be exceeded, with a probability of 99.0%, on the basis of the underlying historical observation period of one year and a holding period for the position of ten trading days.

The summary below presents a reporting date assessment of the market risks (including correlation effects between the portfolios) taken on as at the end of 2024 plus a breakdown by trading book and banking book. The linear interest rate risk is the most significant of the market risk types. Its development is due to a decline in volatility in calculating the parameters, coupled with item adjustments. Various country- and rating-dependent government, financials and corporate yield curves are also used alongside swap and Pfandbrief curves for measurement purposes. Euro positions account for 94% (31 December 2023: 92%) of the linear interest rate risk for the overall portfolio of the narrow Group companies, sterling positions for 1% (31 December 2023: 2%) and US dollar positions for 3% (31 December 2023: 4%). In the field of equities, the focus is on securities listed in the DAX and DJ Euro Stoxx 50. The main foreign currency risks are attributable to US dollar and sterling positions. Residual risk amounted to € 10 m for the Group

(31 December 2023: € 16 m). With a time horizon of one year and a confidence level of 99.9 %, the incremental risk in the trading book amounted to € 83 m (31 December 2023: € 132 m). The analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity shows an economic risk exposure of € 1,813 m (31 December 2023: € 1,572 m) for the Group from market risk (excluding xVA risk). The increase in the economic risk exposure resulted mainly from higher linear interest rate risk based on the assumptions of the risk-bearing capacity calculation. The interest rate risk in connection with pension obligations was also considered.

Group MaR by risk type in € m

	Total risk		Interest rate risk		Currency risk		Equities risk	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Trading book	21	31	21	30	–	–	–	1
Banking book	94	108	80	95	1	–	13	13
Total	**113**	**136**	**99**	**123**	**1**	**–**	**13**	**13**

The risk measuring systems are based on a modified variance-covariance approach or a Monte Carlo simulation. The latter is used in particular for mapping complex products and options. Non-linear risks in the currency field, which are of minor significance at Helaba, are monitored using scenario analyses.

Internal model in accordance with the CRR

Helaba calculates the regulatory capital required for the general interest rate risk using an internal model in accordance with the CRR. This model, which consists of the risk measurement systems MaRC² (linear interest rate risk) and ELLI (interest rate option risk), has been approved by the banking regulator. The MaR in the internal model at year-end amounted to € 21 m (31 December 2023: € 30 m).

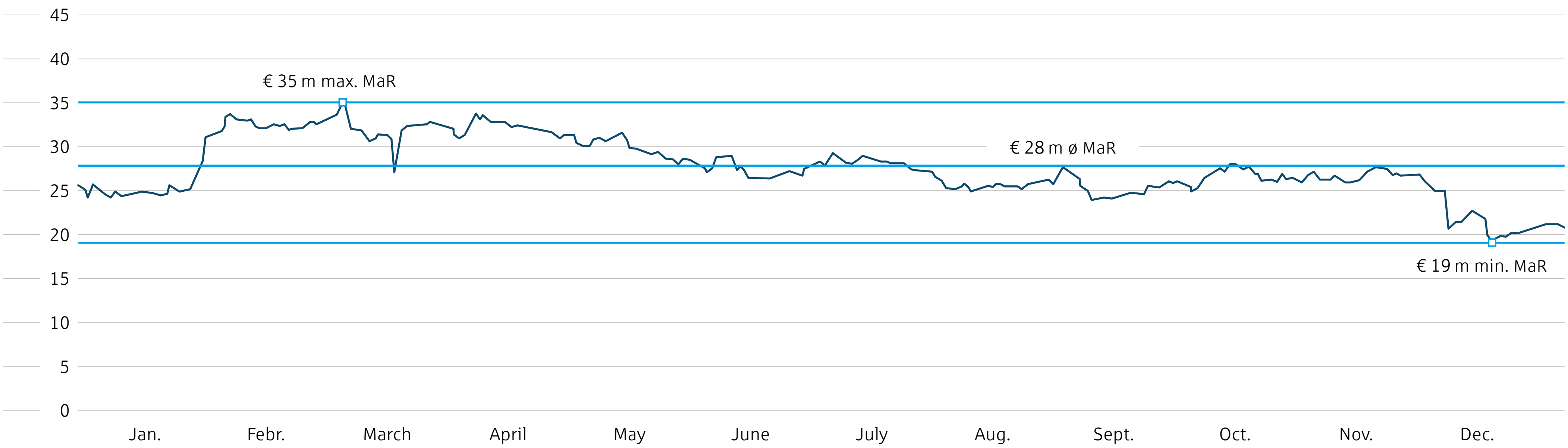
Market risk in the trading book

All market risks are calculated daily on the basis of the end-of-day position of the previous trading day and the current market parameters. Helaba uses the parameters prescribed by the regulatory authorities – a 99 % confidence level, a holding period of ten trading days and a historical observation period of one year – for internal risk management as well. Chart 3 shows the MaR for the trading book (Helaba Bank) for the 2024 financial year. The average MaR for 2024 as a whole was € 28 m (2023 as a whole: € 33 m), the maximum MaR was € 35 m (2023 as a whole: € 41 m) and the minimum MaR was € 19 m (2023 as a whole: € 24 m). The changes in risk in financial year 2024 stemmed primarily from linear interest rate risk and were attributable to regular parameter updates (volatility, correlations) and to a normal level of reallocated exposures.

Daily MaR of the trading book in financial year 2024

Chart 3

in € m



Helaba's international branch offices plus Frankfurter Bankgesellschaft and Frankfurter Sparkasse make the most recent business data from their position-keeping systems available to Group headquarters in a bottom-up process so that consolidated MaR figures can be calculated for the Group. The market parameters, in contrast, are made available in a standard form right across the Group in a top-down process. This arrangement means that risk quantification can be performed not just centrally at headquarters, but also locally at the sites.

The summary below shows the average daily MaR amounts for the trading book.

Average MaR for the trading book in financial year 2024

	Q1		Q2		Q3		Q4		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Interest rate risk	29	35	30	35	26	31	25	29	27	32
Currency risk	–	–	–	–	–	–	–	–	–	–
Equities risk	–	–	–	–	–	–	–	–	–	–
Total risk	**30**	**36**	**30**	**35**	**26**	**32**	**25**	**29**	**28**	**33**

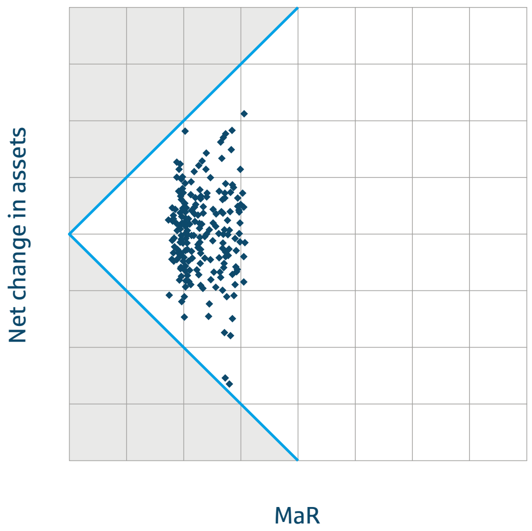
The annual average MaR for the trading book for Frankfurter Sparkasse and Frankfurter Bankgesellschaft remains unchanged at € 0 m in each case.

Back-testing

Helaba carries out clean mark-to-market back-testing daily for all market risk types to check the forecasting quality of the risk models. This involves determining the MaR figure for a holding period of one trading day with a one-tailed confidence level of 99 % and a historical observation period of one year. The forecast risk figure is then compared with the hypothetical change in the net value of the trading book, which represents the change in the value of the portfolio over one trading day for an unchanged position and on the basis of new market prices. Any case in which the decrease in the net value of the trading book exceeds the potential risk figure constitutes a back-testing outlier.

Chart 4 shows the back-testing results of the Helaba risk models for the trading book across all types of market risk in financial year 2024.

Back-testing for the trading book in financial year 2024
Chart 4



The internal model for the general interest rate risk produced no negative outliers in clean back-testing and no negative outliers in dirty back-testing in 2024 in regulatory mark-to-market back-testing (2023: one negative outlier in clean back-testing and one negative outlier in dirty back-testing).

Stress test programme

A proper analysis of the effects of extraordinary but not unrealistic market situations requires the use of stress tests in addition to the daily risk quantification routine. Various portfolios are remeasured regularly under the assumption of extreme market scenarios. Portfolios are selected for stress testing on the basis of the level of exposure (significance) and the presence or absence of risk concentrations unless specific banking regulatory provisions apply. Stress tests are carried out daily on Helaba's options book. The results of the stress tests are included in market risk reporting to the Executive Board and are taken into consideration in the limit allocation process. ESG stress tests have been included for market risk since the end of 2022.

Methods available for use in stress testing include historical simulation, Monte Carlo simulation, a modified variance-covariance approach and a variety of scenario calculations – including those based on the main components of the correlation matrix. Helaba also performs stress tests to simulate extreme spread changes. The stress tests for market risks are supplemented by reverse stress tests and stress tests across risk types conducted in the course of Helaba's calculation of risk-bearing capacity.

Market risk (including interest rate risk) in the banking book

Helaba employs the MaR approach used for the trading book to map the market risk in the banking book. The risk figures calculated using this approach are supplemented with daily reports from which the maturity structure of the positions taken out can be ascertained. Regular stress tests with holding periods of between ten days and twelve months back up the daily risk measurement routine for the banking book.

The quantification of interest rate risks in the banking book is also subject to regulatory requirements, which stipulate a risk computation based on standardised interest rate shocks. With the entry into force of the EBA's RTS 2022/10 on 30 June 2024, it is necessary to calculate the effects of six interest rate scenarios. There is no longer a requirement for parallel shifts in interest rates of +/– 200 basis points. As at the end of 2024, consideration of the interest rate scenarios now required would have resulted in a negative change of € 261 m (31 December 2023: € 264 m) in the value of the Helaba Group banking book in the unfavourable case. Of this figure, a loss of € 227 m (31 December 2023: loss of € 282 m) would have been attributable to local currency and a loss of € 34 m (31 December 2023: gain of € 18 m) to foreign currencies. The disclosures as at 31 December 2023 relate to the interest rate changes of + / – 200 basis points that were still relevant at that time. The change compared with the end of 2023 is mainly attributable to changes in position of a normal scope and the change in the scenarios examined. Helaba carries out an interest rate shock test at least once every quarter.

Performance measurement

Risk-return comparisons are conducted at regular intervals to assess the performance of individual organisational units. Other aspects, including qualitative factors, are also included in the assessment in acknowledgement of the fact that the short-term generation of profits is not the sole objective of the trading units.

Liquidity and funding risk

Ensuring liquidity so as to safeguard its short-term solvency and avoid cost risks in procuring medium-term and long-term funding is a top priority at Helaba, which accordingly employs a comprehensive set of constantly evolving tools to record, quantify, contain and monitor liquidity and funding risks in the internal liquidity adequacy assessment process (ILAAP). The existing processes, instruments and responsibilities for managing liquidity and funding risks stood the test in recent years against the backdrop of the global financial market crisis, the COVID-19 pandemic, the Ukraine war and the significant rise in market rates. Helaba's liquidity was fully assured at all times in 2024.

A liquidity transfer pricing system ensures that all liquidity costs associated with Helaba's various business activities (direct funding costs and liquidity reserve costs) are allocated transparently. The processes of containing and monitoring liquidity and funding risks are combined in the ILAAP and comprehensively validated on a regular basis.

Containment and monitoring

The Helaba Group operates a local containment and monitoring policy for liquidity and funding risks under which each Group company has responsibility for ensuring its own solvency, for potential cost risks associated with funding and for independently monitoring those risks. The corresponding conditions are agreed with Helaba Bank. The subsidiaries falling within the narrow Group companies report their liquidity risks regularly to Helaba as part of Group-wide risk management, allowing a Group-wide aggregated view. All Regulatory Group companies are additionally included in the LCR and NSFR calculation and monitored in accordance with the CRR.

Helaba draws a distinction in liquidity risk management between short-term and structural liquidity management. Overall responsibility for short-term solvency and for structural liquidity management with regard to the funding of new lending business (maintaining the balanced medium- and long-term liquidity structure) rests with the Treasury unit. The same unit is also tasked with the central management of the liquidity buffer for both regulatory purposes (to maintain the LCR) and for collateral management.

Group Risk Control reports daily on the short-term liquidity situation to the relevant managers and reports monthly in the Risk Committee on the overall liquidity risks assumed. Reporting also includes various stress scenarios such as increased drawings on credit and liquidity lines, no availability of interbank liquidity in the financial markets and the possible impact on Helaba of a significant rating downgrade. The stress scenarios encompass both factors specific to the bank and broader market influences. ESG risks are also included in a market-wide stress scenario which also assumes larger drawdowns of off-balance sheet credit facilities and the poorer credit quality of customers in carbon-intensive sectors, causing a negative effect on liquidity. Reverse stress tests are also conducted. Additional ad hoc reporting and decision-making processes for extreme market situations are in place and have demonstrated their value once again in the COVID-19 pandemic. Liquidity drawdowns in specific sectors were also investigated in the context of the war in Ukraine.

Short-term liquidity risk

Helaba maintains a highly liquid portfolio of securities (liquidity buffer) that can be used to generate liquidity as required in order to assure its short-term liquidity. The current liquidity situation is managed with reference to a short-term liquidity status indicator that is based on a proprietary economic liquidity risk model and is determined daily. The model compares expected liquidity requirements for the next calendar year against the available liquidity from the liquid securities portfolio and the balances with central banks. The calculation of the available liquidity includes markdowns to take into account unexpected market developments affecting individual securities. Securities that are used for collateral purposes (for example repos and pledges) and are thus earmarked for a specific purpose are deducted from the free liquid securities portfolio. The same applies in respect of the liquidity allocated for intra-day liquidity management. The main currency for short-term liquidity at Helaba is the euro, with the US dollar also significant.

The short-term liquidity status concept has been chosen to allow various stress scenarios to be incorporated. The process involves comparing the net liquidity balance (liquidity needed) with the available liquidity. The defined limits are one week up to one year depending on the specific scenario. Monitoring the limits is the responsibility of Group Risk Control. An economic liquidity coverage ratio that clearly shows the integration of regulatory and economic perspectives required in the ILAAP was determined in the same way as for the regulatory LCR. The coverage in the most relevant scenario (30 day solvency) was 148.4 % as at the reporting date as a result of the excellent level of liquidity adequacy (31 December 2023: 147.7 %). This increases to 151.0 % (31 December 2023: 152.3 %) if Frankfurter Sparkasse is included. The average coverage ratio in 2024 was 149.3 % (2023: 144.4 %), reflecting the excellent liquidity situation over the course of the year. In addition, further stress scenarios with different time horizons of up to one year were simulated with different crisis events which also include ESG risks.

The Helaba Regulatory Group manages short-term liquidity in accordance with the regulatory LCR requirements in parallel with the economic model. The two perspectives are integrated through the ILAAP. The ratio for the Helaba Regulatory Group stood at 166.1 % on 31 December 2024 (31 December 2023: 168.3 %). Compared with the previous year, there was no major change in the LCR which is significantly higher than the internally defined thresholds for risk appetite and risk tolerance. In addition, LCR forecasts are performed for normal and stress scenarios with a time horizon of up to one year.

The Treasury unit is responsible for ensuring short-term liquidity – including intraday liquidity planning – and manages operational cash planning by borrowing/investing in the money market (interbank and customer business, commercial paper and certificates of deposit), making use of ECB open market operations and facilities.

Off-balance sheet loan and liquidity commitments are regularly reviewed with regard to potential drawdowns and features of relevance to liquidity and are integrated into liquidity management. Guarantees and warranties are similarly reviewed. The liquidity potentially required is determined and planned using scenario calculations that specifically include a market disturbance and factor in the knowledge gained from line drawdowns during the COVID-19 pandemic.

A total of € 3.2 bn in liquidity commitments had been drawn down for the securitisation platform initiated by Helaba as at the reporting date (31 December 2023: € 2.9 bn).

Credit agreements, in particular those of consolidated property companies, may include credit clauses that can result in distribution restrictions or even in the agreements being terminated. The Group faces no significant liquidity risk even if such a termination should threaten in individual cases.

Structural liquidity risk and market liquidity risk

The Treasury unit manages the liquidity risks in Helaba's commercial banking activities, which consist essentially of lending transactions including floating-interest roll-over transactions, securities held for the purpose of safeguarding liquidity and medium- and long-term financing. Funding risk is managed economically on the basis of liquidity gap analyses where liquidity mismatches are limited. In this connection, regulatory management is performed via the NSFR with a regulatory minimum value of 100 %. Stress simulations for the NSFR were also calculated. Helaba prevents concentrations of risk from arising when obtaining liquidity by diversifying its sources of funding. Market liquidity risk is quantified in the MaR model for market risk. A scenario calculation using a variety of holding periods is carried out. The scaled MaR suggested no significant market liquidity risk as at 31 December 2024, as was also the case at 31 December 2023. Market liquidity is also monitored on the basis of the margin between bid and offer prices.

The Executive Board defines the risk tolerance for liquidity and funding risk at least annually. This covers the limit applicable for short-term and structural liquidity risk (funding risk), liquidity building for off-balance sheet liquidity risks and the definition of the corresponding models and assumptions. A comprehensive plan of action in the event of any liquidity shortage is maintained and tested for all locations.

Non-financial risk / operational risk

Principles of risk containment

The Helaba Regulatory Group identifies, assesses, monitors, controls and reports non-financial risk using an integrated management approach in accordance with the regulatory requirements. This approach encompasses Helaba and the major Regulatory Group companies according to the risk inventory.

The containment and monitoring of non-financial risk are segregated at disciplinary and organisational level at the Helaba Regulatory Group. Risk management is accordingly a local responsibility discharged by the individual units, which are supervised by specialist monitoring units with responsibility for sub-categories of non-financial risk.

The specialist central monitoring units are responsible for the structure of the methods and processes used to identify, assess, monitor, control and report the sub-categories of non-financial risk. The methods and processes used for the risk sub-categories follow minimum standards that have been specified centrally to ensure that the framework for non-financial risk is designed on a standardised basis.

The management of sub-categories of non-financial risk that form part of operational risk must comply in full with the established methods and procedures used for operational risk. This means that these risks are taken into account appropriately as part of the quantification of operational risk and, from a structural perspective, are thus identified, assessed and included in the calculation of the risk capital amount accordingly. In the case of sub-categories of non-financial risk that are not covered by operational risk, these risks are taken into account in a number of ways, such as risk exposure markups, safety margins and buffers. Overall, Helaba comprehensively ensures that the sub-categories of non-financial risk are taken into account in the risk-bearing capacity / ICAAP.

Group Risk Control is responsible for monitoring compliance with the minimum standards applicable to the non-financial risk framework.

Quantification

Risks are quantified for Helaba, Frankfurter Sparkasse and Helaba Invest using an internal model for operational risk based on a loss distribution approach, which takes into account risk scenarios and internal and external losses to calculate economic risk exposure. This also includes internal losses and risk scenarios that relate to sub-categories of non-financial risk and form part of operational risk. Such risks include legal risk, third-party risk, information risk and project risk. The summary below shows the risk profile as at the end of 2024 for Helaba, Frankfurter Sparkasse, Helaba Invest and the other companies of the Helaba Regulatory Group that are included in risk management at the level of individual risks.

Operational risks – risk profile

Economic risk exposure		in € m
		VaR 99,9%
	31.12.2024	31.12.2023
Helaba	235	218
Frankfurter Sparkasse, Helaba Invest and other companies included in risk management at the level of individual risks	109	103
Total	**343**	**320**

The analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity shows an economic risk exposure of € 343 m (31 December 2023: € 320 m) for the Helaba Regulatory Group from operational risk. The increase is primarily due to the regular update of the risk profile.

Ukraine war

No material effects of the war in Ukraine on non-financial risk were identified in 2024.

ESG risks

There are operational risk scenarios regarding buildings related to the own business operations to cover risks from external factors including in connection with extreme climate-related and environment-related events. Any such events that should occur would be recorded as loss events and identified as such using defined climate-related and environmental criteria.

Documentation system

The documentation system lays down details of the internal control procedures and the due and proper organisation of business. The defined framework for action is marked out in the documentation system in the form of regulations governing activities and processes.

Clear responsibilities have been defined within Helaba for the creation and continuous updating of the various components of the documentation system.

Legal risk

The Human Resources and Legal Services unit is responsible for monitoring legal risks. It is represented on Helaba's Risk Committee with an advisory vote and reports on the legal risks that have become quantifiable as court proceedings involving Helaba or its subsidiaries.

The legal aspects of major undertakings are coordinated with the Human Resources and Legal Services unit. Legal Services provides specimen texts and explanations for contracts and other declarations with particular legal relevance where expedient as a contribution to preventive risk management. The lawyers of the Human Resources and Legal Services unit have to be involved in the event of any deviations or new rulings. If the services of external legal experts are sought either in Germany or elsewhere, their involvement in principle proceeds under the management of Human Resources and Legal Services.

The Human Resources and Legal Services unit drafts agreements, general business conditions and other relevant legal declarations as part of its legal counselling support services in co-operation with the other units of Helaba. The Human Resources and Legal Services unit is involved in the examination and negotiation of any legal texts submitted by third parties.

If any mistakes or unexpected developments detrimental to Helaba are encountered, the lawyers help to identify and remedy the problems and avoid any recurrence in future. They assume responsibility for examining and evaluating events for factors of particular legal significance and conduct any proceedings launched. This applies in particular in respect of countering any claims asserted against Helaba.

The Human Resources and Legal Services unit monitors current developments in case law for Helaba and analyses potential impacts on Helaba.

Human Resources and Legal Services reports on legal risks by making submissions to the Executive Board, documenting court proceedings and coordinating on a formalised basis with other units.

Third-party risk – outsourcing and other external procurement

Helaba has set out the overarching objectives for outsourcing in the outsourcing strategy that is part of its business strategy.

On the basis of the outsourcing strategy, the central Sourcing Management unit that is part of the Organisation division (Procurement) serves as the specialist LoD 2 and defines the framework for implementing the management and monitoring of Helaba's outsourcing and other external procurement activities. Tasks include defining roles and responsibilities as well as developing and updating methods and instruments. Central Sourcing Management additionally provides executive management with a regular consolidated report on existing outsourcing arrangements and critical or important ICT service providers.

The direct monitoring and management of outsourcing and the associated risks are performed by and the responsibility of the local Sourcing Management units in the outsourcing divisions or by the respective requisitioner in the case of external procurement. Their tasks include especially regular risk analyses that also take account of ESG factors. Central Sourcing Management monitors the local implementation and application of the methods and procedures for local sourcing management.

Information risk

Helaba's defined information security requirements provide the foundation for an appropriate level of security and for the secure utilisation of information processing. The level of information security maintained and the extent to which it is appropriate given the applicable circumstances are monitored, reviewed and refined continuously through the information security management system (ISMS).

The identification and reporting of information risks can be triggered by various processes. These processes are intended to ensure that discrepancies in relation to the requirements are identified (allowing risks to be detected at an early stage) and that appropriate actions to reduce these risks are defined and implemented. Associated documents are updated and refined on a regular basis.

Helaba also actively manages information risk (IT, non-IT and cyber risk). Information risk and the associated security measures and checks are reviewed, periodically and on an ad hoc basis, monitored, and contained to this end. The Helaba Regulatory Group thus takes proper account of all three protection imperatives of information security – availability, integrity (which includes authenticity) and confidentiality – in order to avoid any detrimental impact on its ability to operate.

Business continuity management

Helaba adopts an end-to-end approach to processes for the purposes of business continuity management. Business continuity plans to be followed in an emergency have been drawn up for the processes classed as critical. These business continuity plans are subject to tests and exercises to verify their effectiveness and are updated and enhanced on a regular basis to ensure that emergency operation and the restoration of normal operation both proceed properly.

Where IT services are outsourced to or procured from external service providers, the related contractual documents contain provisions relating to preventive measures and measures to limit risks. Specialist units of Helaba work together with IT service providers to conduct regular tests of the documented procedures for safeguarding operation and the technical restoration of data processing.

Accounting process

The objective of Helaba's internal control and risk management system in relation to the accounting process is to ensure proper and reliable financial reporting. The Helaba Group's accounting process involves individual reporting units that maintain self-contained posting groups and prepare local (partial) financial statements in accordance with HGB and IFRS. Helaba's reporting units comprise the Bank (Germany), the branch offices outside Germany, LBS, WIBank, all consolidated companies and sub-groups and all companies and sub-groups accounted for using the equity method.

Helaba's Finance unit consolidates the partial financial statements from the reporting units to produce both the single entity financial statements under HGB and the consolidated accounts under IFRS. Accounting and Taxes also analyses and prepares the closing data and communicates it to the Executive Board.

The components of the internal control and risk management system for the purposes of the accounting process are as follows:

- Control environment
- Risk assessment
- Controls and reconciliations
- Monitoring of the controls and reconciliations
- Process documentation
- Communication of results

The components of Helaba's control environment for the accounting process include appropriate staffing of the units involved, in particular Finance, with properly qualified personnel. Regular communication ensures that the individual employees receive all of the information they need for their work promptly. Any failures that occur despite all of the checks in place are addressed and remedied in a defined process. The IT system landscape used in the accounting process is subject to IT security strategies and rules that ensure compliance with the German generally accepted accounting principles (GoB) / German principles for the proper maintenance and archiving of books, records and documents in electronic form and for data access (GoBD).

Helaba focuses primarily on the probability of occurrence and the extent of any potential error when assessing risks in the accounting process. The impact on the closing statements (completeness, accuracy, presentation, etc.) should the risk eventuate is also assessed.

The accounting process includes numerous controls and reconciliations in order to minimise its risk content. Extensive IT-based controls and reconciliations are used in addition to the control measures (including the double verification principle) applied to ensure the accuracy of manual operations such as data entry and calculations. These IT-based controls include mechanisms for subsidiary ledger / general ledger reconciliation checks and HGB / IFRS consistency checks. The controlling and reconciliation processes are themselves monitored by means of statistical evaluations for the reconciliations and reviews of individual validation measures. Internal Audit is involved in the controlling process and carries out regular audits of accounting.

The procedure to be followed in accounting is set out in a number of different complementary forms of documentation. Accounting policies for HGB and IFRS define stipulations for the accounting methods to be used and also contain provisions on group accounting. The latter relate in particular to the parent company of the Group and the sub-groups included. Rules concerning organisational factors and the preparation process are included in addition to the stipulations on approach, measurement, reporting and disclosure requirements that apply throughout the Group. The individual reporting units have direct responsibility for incorporating stipulations in varying degrees of detail concerning the procedure to be applied in the various processes and subprocesses followed in the preparation of the financial statements. Accounting policies and procedures are accessible to employees at all times via the Helaba Group's intranet.

Finance performs analytical audit steps on the results of financial reporting (the closing figures determined). This entails plausibility checking the development of the figures over the course of the year. The closing figures are also cross-checked against planning outputs, expectations and extrapolations based on business progress. Finally, the figures are checked for consistency with analyses prepared independently elsewhere within Helaba. Primary and deputy responsibilities are assigned for this purpose at Group level for each reporting unit and each entry in the Notes. The figures are discussed regularly with the Executive Board following this preliminary analysis and validation.

Helaba is required to convert the annual financial statements and the management report into a standard electronic reporting format, the European Single Electronic Format (ESEF), for disclosure purposes. The preparation of the ESEF documents forms part of the accounting process. The documents must comply with the stipulations of section 328 (1) of the HGB concerning the electronic reporting format. The consolidated accounts must also be marked up (“tagged”) and disclosed as specified in Articles 4 and 6 of the ESEF regulation using Inline XBRL technology.

Helaba is required by the ESEF regulation to mark up all notes corresponding to the markup elements in Tables 1 and 2 of Annex II to the regulation as well as marking up the principal elements of the consolidated accounts using iXBRL.

Marking up notes necessitates an assessment of whether a particular note represents part of the content of a mandatory markup element and must therefore be assigned to the element. This assessment can be a matter of judgement in certain cases.

Helaba has instituted the internal controls required for this purpose.

Operational risk in the narrow sense of taxes

Errors in operating procedures and processes that impact on legally required financial accounting and reporting can also have a bearing on tax matters in certain circumstances. The general requirements for the design of risk-related operational processes at Helaba and the special requirements from the internal control and risk management system for the accounting process apply in respect of activities involving procedures and processes with particular risk potential and to reduce the risk of errors. Banking business can also give rise to operational risk in the narrow sense of taxes if the applicable tax laws are not properly observed in proprietary and customer business. The responsibilities for identifying, containing and monitoring this operational risk follow the overarching 3-LoD principle for the “non-financial risk” risk type (see the section entitled Risk management structure).

Helaba additionally operates a tax compliance management system (TCMS) to ensure that it always complies properly with its tax obligations and that reputation risks are avoided as far as possible in this connection. The TCMS, which has been designed to take into account legal and business management principles, focuses on compliance with tax regulations and the avoidance of tax-related operational risk. The TCMS also extends to the foreign branches. The overarching objectives and principles are set out in Helaba’s tax strategy, which forms an integral part of the business strategy. A reporting system covering the regular submission of information has been established as part of the TCMS.

Other risk types

Business risk

Risk containment in respect of business risks encompasses all of the measures implemented in order to reduce, limit and avoid risks and to keep intentional risk exposure compliant with the risk strategy and the specified limits adopted by the Executive Board. Operational and strategic risk containment is the responsibility of Helaba’s front office units and the management of each equity investment. Group Risk Control quantifies business risks for the purposes of calculating risk-bearing capacity and analyses any changes.

The analysis as at the 31 December 2024 reporting date under the economic internal perspective for the calculation of risk-bearing capacity indicates that business risks increased significantly to € 233 m compared with year end 2023 (31 December 2023: € 195 m). The main reason for this is the regular update of the database to include, for example, the declining economic parameters forecast.

Real estate risk

Risk containment for the real estate projects and real estate portfolios is the responsibility of the Portfolio and Real Estate Management department, the Group Steering division and the Regulatory Group companies. Risk containment encompasses all of the measures implemented in order to reduce, limit and avoid risks and to keep intentional risk exposure compliant with the risk strategy and the specified limits adopted by the Executive Board.

Sustainability aspects are considered in the measurement of the real estate portfolio and are incorporated into the value assessment as a component of the fair values. In addition, the level of insurance cover in place to protect real estate held in the Bank's real estate portfolio in respect of external factors (physical risks) and the sustainability certification of this real estate were updated in 2024.

The activities of Group Risk Control in relation to real estate risks focus on risk quantification and risk monitoring. Risk quantification includes determining the capital necessary to ensure that risk-bearing capacity is maintained.

The analysis as at the reporting date under the economic internal perspective shows a risk of € 138 m (31 December 2023: € 107 m) from real estate projects and real estate portfolios. The very significant increase resulted mainly from the inclusion of new real estate projects.

Summary

The controlled acceptance of risks plays a central role at Helaba in the management of the company. We accept and manage risks on the basis of our comprehensive risk identification, quantification, containment and monitoring system. Although they are already very highly evolved and satisfy all statutory and supervisory requirements, we refine our methods and systems continuously. Our fundamental organisational principles put in place the structures necessary to ensure successful implementation of the risk strategy defined. Helaba, in conclusion, has at its disposal a stock of proven and effective methods and systems with which to master the risks it chooses to accept.

Non-financial statement

Under section 340a (1a) of the German Commercial Code (Handelsgesetzbuch, HGB), Helaba is under an obligation to prepare a non-financial statement in which it describes the main effects of its business activities in certain non-financial areas (environmental and social concerns, respect for human rights, the prevention and combating of bribery and corruption and employee concerns).

The statements in the non-financial statement have been subject to a voluntary external business management audit in accordance with ISAE 3000 (Revised) in which limited assurance is provided by an independent auditor. References to details outside the management report represent additional information and do not form an integral part of the non-financial statement or the management report.

Business model and sustainable business orientation

Helaba's overriding commitment to sustainability is founded on its status as a public-law credit institution and its mandate, as defined in its Charter, to operate in the public interest. The strategic business model envisages Helaba as a full-service bank with a pronounced regional focus in Germany and a presence in carefully selected international markets that prioritises long-lasting customer relationships and is tightly integrated into the Sparkassen-Finanzgruppe. Helaba's business model is described in detail in the section "Basic Information About Helaba".

Sustainability and social responsibility are permanently enshrined in the business strategy and fully integrated at all levels of management to minimise negative impacts on the environment and society and associated risks to Helaba's reputation. The sustainability guidelines adopted for the Group by the Executive Board define standards of conduct for business activity, operations, staff and corporate social responsibility. Helaba's corporate values under the tag line "Values with impact" underline its aspirations to make a positive contribution to society and to strengthen Germany as a business location over the long term.

Helaba has signed the "Commitment by German Savings Banks to climate-friendly and sustainable business practices" as part of an initiative driven by the German Savings Banks Association (DSGV). This voluntary commitment includes the objectives that, by 2035 at the latest, institutions make their business operations carbon-neutral, that their financing and own investments be geared to climate targets and that they support and facilitate their customers' transformation to climate-friendly economic models. To underscore its strategic focus on sustainability both externally and internally, Helaba signed up to the UN Principles for Responsible Banking. The first progress report was published in 2023 and the second report will be published in 2025. Helaba has also signed up to the Ten Principles of the UN Global Compact, thereby recognising international standards for environmental protection, human and labour rights and anti-corruption measures and undertaking to orient its business operations around those standards. At both national and international levels, Helaba applies the Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO) as overarching principles for all its business activities.

Diversification and sustainability are viewed as opportunities to break into new market areas, expand the sustainable product portfolio and minimise potential risks at the same time. Helaba's understanding of sustainability encompasses all dimensions of ESG (environment, social and governance). Helaba is continuously refining its business model and in doing so reviews the composition and focus of the individual lines of business, also giving consideration to changed environmental conditions and the transition to a sustainable circular economy. As part of the strategy process, all lines of business are examined for the possible effects (opportunities and risks) of climate-related and environmental changes on their respective exposures.

The Executive Board bears overall responsibility for all topics related to sustainability. It is supported in this by the Chief Sustainability Officer (CSO) who is assigned organisationally to Group Sustainability Management in the Group Steering unit. A governance structure has been established to coordinate sustainability activities across the Helaba Group. In this connection, the Sustainability Board acts as an Executive Board committee. The Sustainability Steering Group is Helaba's operating body. At the management level, the Group Sustainability Roundtable was established to coordinate and harmonise the Helaba Group's development in respect of sustainability issues. In addition, the Group Sustainability Committee was created and comprises the sustainability officers of Helaba and its subsidiaries. The entire sustainability governance organisation meets at least once every quarter.

Sustainability strategy and ESG objectives

At Group level, Helaba has set itself five strategic ESG objectives and developed a key performance indicator (KPI) management system on the basis of those objectives. The ESG objectives form an integral part of the business strategy, and the KPI management system has been implemented throughout the Group. This testifies to Helaba's ambition to orient its business activities around sustainability and enables it to measure its progress.

Helaba has defined two environmental objectives. First, it aims to reduce the emissions from its own operations as far as possible (KPI 1). Helaba is committed to shrinking the ecological footprint of its business operations in office buildings on a continuous basis. In order to achieve this, Helaba has defined a three-stage approach. One focus is on avoiding CO_2 emissions. The CO_2 emissions recorded for Helaba's own operations include mobility and the consumption of energy and resources at all of the Helaba Group's major locations worldwide that exceed 1,000 m² of office space. The emission values for Helaba's own operations were based on estimates and prior-year figures if more recent data are not available. The conversion factors provided by the German Association for Environmental Management and Sustainability in Financial Institutions are used for calculating CO_2 emissions.

First of all, the intention is to substitute unavoidable emissions with lower-emission energy sources and also review the business travel policy, placing a greater focus on train travel and gradually transitioning the company car fleet to alternative drive systems, such as electric motors. Since financial year 2021, the Helaba Group has been purchasing offset certificates for the unavoidable emissions that remain once all sources that can be eliminated or replaced have been addressed. Helaba regularly monitors environmental key performance indicators in relation to its operations and publishes the results transparently on its website.

Moreover, Helaba aims to operate in a way that contributes to achieving the Paris Agreement (KPI 2). Against this backdrop, it has set itself the target of increasing the share of sustainable business volume in the portfolio. This relates to the lending business that satisfies the criteria of the Sustainable Lending Framework, which, as described below, provides the basis for the sustainability assessment of the lending business.

Helaba's social objectives include fostering diversity by increasing the number of female managers (KPI 3) and investing in the professional development of its employees and in society (KPI 4a and KPI 4b). The proportion of female managers refers to all women with disciplinary responsibility. It does not include members of the Executive Board because this is defined as a corporate body. Training and professional development refers to measures intended to develop, modify or maintain employees' capabilities and foster their motivation. These measures must be conducted during working hours or be financed by the employer. They do not include network meetings.

Helaba also intends to increase the number of social volunteering days (KPI 4b). Social volunteering covers the working hours used by permanent employees for activities that benefit the public interest and/or a non-profit organisation.

Helaba considers only those activities that are performed during working hours and satisfy defined criteria. In particular, the activity must benefit the public interest and/or a non-profit organisation on an as-needed basis and must not be related to the employee's own contractual work-related activities for Helaba. Monetary donations, donations in kind and private volunteering activities are not included.

Helaba's governance objectives include seeking to establish a strong and stable position overall in the relevant ESG ratings (KPI 5).

	Target figure 2025[1]	31 Dec. 2024	31 Dec. 2023
Environment			
KPI 1: 30 % reduction of own CO_2 emissions (t CO_2e) compared with the reference value for 2016 to 2019	-30 %	-39 %	-34 %
KPI 2: 50 % share of sustainable business volume in the portfolio	50 %	52.0 %	51.5 %
Social			
KPI 3: 30 % share of female managers by 2025[2]	30 %	26.2 %	25.7 %
KPI 4a: 2.0 training/development days per employee per year	2.0 days	2.83 days	2.85 days
KPI 4b: 1,000 social volunteering days	> 1,000 days	788 days	609 days
Governance			
KPI 5: Upper third of the relevant ESG ratings in the banking sector	Upper third	ISS ESG: C Prime top 10 % in the peer group of 284 banks	ISS ESG: C Prime top 10 % in the peer group of 271 banks
		Sustainalytics: 18.4 (low risk) – top 20 % in the peer group of 286 banks	Sustainalytics: 19.1 (low risk) – top 16 % in the peer group of 362 banks
		MSCI: A – top 28 % in the peer group of 206 banks	MSCI: A – in the mid-field of the peer group of 197 banks

[1] The ESG targets encompass the key sub-groups: Helaba, Frankfurter Sparkasse, Helaba Invest, FBG, GWH and OFB.

[1] The proportion of female managers encompasses all female employees with managerial responsibility within the Helaba Group, and so differs from the definition of top management used in this Group Sustainability Report.

In order to reduce the CO_2 emissions of its own banking operations, Helaba has extended the sustainable mobility offering for its employees. This includes a sustainability allowance and the introduction of leased bicycles from JobRad. To facilitate management of the sustainable lending business volume, a quarterly report is provided to the Executive Board via the Executive Board Information System. In order to increase the proportion of women it employs, Helaba remains committed to a balanced mix of male and female participants in its junior staff and professional development programmes. Among the actions implemented to help it achieve its target for training and development days, Helaba has established a diverse offering of sustainability-related training measures for employees among other things. This includes a basic training programme of six modules and an advanced master class programme of three modules. Social volunteering was fostered primarily by extending the range of available team and group events. In 2024, a number of mainly communicative measures were implemented for the targeted improvement of ESG ratings.

Responsible business practices and social value proposition

Helaba's business activities as a bank have an impact on environmental, social and human rights issues.

Expansion of sustainable business

Helaba has set itself the strategic objective of increasing the proportion of its lending business volume that can be regarded as sustainable to 50 % by 2025. The Sustainable Lending Framework provides a standardised method for the definition, measurement and management of the sustainable lending business. The criteria of the EU Taxonomy Regulation are a key factor in determining which transactions Helaba classifies as sustainable. However, as the EU's current requirements exclude certain products, customer groups and key sustainability aspects such as social matters from consideration, Helaba also draws on other factors, in particular the UN SDG, in its assessment of sustainable transactions. The quality of the Sustainable Lending Framework was rated "robust" by rating agency ISS ESG in its second party opinion.

WIBank's diverse development programmes also contribute to expanding the sustainable business volume in alignment with the Sustainable Lending Framework. Helaba supports the local community by financing digital infrastructure projects in rural areas, for example, and by sponsoring cultural initiatives. With this approach, Helaba is not only improving the standard of living for local communities, but simultaneously enhancing the appeal of the regions where it is active.

The identification of sustainable financing transactions using the Sustainable Lending Framework represents the initial step in a holistic impact assessment and management process. In 2023, Helaba developed a Sustainable Investment Framework (SIF) with the aim of classifying the sustainable investment business. As well as general exclusion criteria for its own investments, the SIF defines minimum standards for sustainable investments in asset management in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation. These minimum requirements cover compliance with procedures for ethical corporate governance, the consideration of environmental and social characteristics and a positive sustainability contribution by some of the investments. Furthermore, in alignment with its sustainability strategy, Helaba aims to make its funding transactions even more sustainable by issuing green bonds under a framework that adheres to the sustainability criteria outlined in the International Capital Market Association's Green Bond Principles.

Helaba supports customers with the transformation process necessary to establish a more sustainable business model and offers a broad range of services in this area. The Sustainable Finance Advisory team advises corporate customers on structuring tailored ESG financing solutions and acts as a knowledge multiplicator, thus supporting transformation efforts. In particular, this approach targets customer groups that are in the early stages of their transformation journey and are seeking to leverage sustainable finance measures to support the development of their business models and strategic sustainability management. In 2024, the focus was on financing with a specific sustainability element in the agreed use of the funds or on linking the financing costs to previously agreed ESG indicators – for example green promissory note loans or ESG-linked loans.

Financed greenhouse gas emissions

The urgent nature of the climate crisis and the responsibility to contribute to climate change mitigation are of the utmost relevance to Helaba. That is why, as at 31 December 2021, Helaba began to calculate the greenhouse gas emissions from its lending business (financed emissions) and to develop a decarbonisation strategy on this basis in alignment with the Paris Agreement.

Helaba works with the support of an external data provider to ascertain the financed greenhouse gas emissions for corporate finance and for a large proportion of the real estate, equipment and project finance portfolios on the basis of the Partnership for Carbon Accounting Financials (PCAF) approach. As at 31 December 2024, Helaba's financed emissions were calculated as 46,278 kt CO_2e (2023: 55,292 kt CO_2e). Emissions decreased by 16 % year on year. The change is mainly attributable to a modification of the method that will be used in the future to calculate companies' financed emissions.Of the total emissions, 688 kt CO_2e (1.45 %) were accounted for by the WIBank and LBS portfolios. At Helaba, the emissions as at 31 December 2024 related to a lending volume of € 97.1 bn (2023: € 66.0 bn). Through the inclusion of additional transactions and sectors with lower emission intensity as well as securities, coverage has been significantly increased compared to previous years' calculations. The portion of the lending portfolio for which emissions have not yet been calculated primarily consists of municipal financing, for which PCAF has not yet provided a calculation method.

The transformation of the real economy is and remains a basic assumption for attaining the 1.5 °C target in the portfolio. Building on the carbon footprint calculated for the loan portfolio in 2023 and 2024, the Bank therefore derived sector-specific reduction pathways in line with the 1.5 °C target, defined specific reduction targets and developed corresponding actions. The method of the Science Based Targets initiative (SBTi) that is applied stipulates sector-specific decarbonization pathways (reference scenarios) in line with the 1.5 °C target. One exception is the automotive sector which applies the scenario of the Paris Agreement Capital Transition Assessment. When selecting the reference pathways, the SBTi considers various scientific climate scenarios and chooses one reference scenario per sector. The baseline value is calculated on the basis of the financed emissions for the respective sector. This value and the respective reference scenario are then applied to determine a sector-specific convergence pathway and define corresponding targets.

ESG risk management

The lending business is Helaba's core activity. There is a risk that businesses or projects financed by Helaba could have negative effects on the environment or society. Sustainability and exclusion criteria for lending that apply throughout the Group have accordingly been integrated into the existing risk process and risk containment activities since 2017.

The aim of the stipulations is to minimise any negative effects of financing arrangements on the environment and society, including the transition risks and physical risks caused by climate change. Under the criteria, financing for activities with a severe adverse effect is to be avoided. Accordingly, it is set out in the specific risk strategy for default risk that it is prohibited to consciously finance projects that could have a serious detrimental environmental or social impact. This includes, but is not limited to, violations of human rights, the destruction of cultural assets, infringements of employee rights, and environmental damage such as the destruction of the natural habitats of threatened species. Consideration of the OECD recommendations on environmental and social due diligence (the OECD Common Approaches) is mandatory for all export finance, for example.

The overarching principles are complemented by sector-specific requirements applicable to sectors exposed to heightened ESG risk. Specific criteria have been defined for the following sectors: energy, coal energy, dams and hydroelectric power plants, nuclear power, mining, oil and gas, agriculture and forestry, and armaments. This ensures that the funding of activities with heightened ESG risk, such as fracking or the extraction of oil from tar sands, is ruled out. The sustainability criteria for lending are published on Helaba's website and are therefore also visible to market players. Helaba reviews its risk strategy annually and will adjust or expand sustainability criteria as required.

The containment of default risk is integrated into the risk management system used throughout the Group. The basis is a comprehensive and universal risk strategy derived from the business strategy. This risk strategy was drawn up on a binding basis in accordance with the German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement – MaRisk). ESG objectives were incorporated into the general risk strategy in financial year 2020 to provide an overarching framework for the handling of ESG matters in risk management. The Executive Board is responsible for all of the risks to which Helaba is exposed as well as for ensuring compliance with the risk strategy and execution of risk management throughout the Group. The Executive Board has established a Risk Committee to carry out preparatory work ahead of resolutions of the entire Board and to perform tasks specifically assigned to it in the area of risk management.

In 2024, transition risks in default risk were identified as a significant risk driver for Helaba and are therefore subject to risk containment actions. On the date of the report, no material risks were identifiable that are very likely to have a serious negative impact on non-financial aspects. Detailed information on the integration of climate-related and environmental risks as well as the treatment of ESG factors in Helaba's risk management is provided in the Risk Report section.

Respect for human rights

Helaba expects its suppliers to accept its Supplier Code of Conduct which stipulates aspects such as respect for human rights. To implement the requirements of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG) that has been applicable at Helaba since 1 January 2023, the position of Human Rights Officer was created. This role is assigned organisationally to Group Sustainability Management. The tasks of the Human Rights Officer include conducting and monitoring LkSG risk management for the purpose of identifying, avoiding and/or minimising human rights and environmental risks. In 2024, Helaba's supply chain was analysed as planned with regard to LkSG risks. Helaba's risk profile remains at a stable low level, as documented in its policy statement. Helaba consistently implements appropriate preventive actions and regularly monitors their effectiveness.

Combating bribery and corruption

It is a fundamental principle at Helaba that the Group will comply at all times with laws and regulations at local, national and international levels. The risk that legal provisions could be breached is considered legal risk and is managed as part of operational risk. As part of the preventive approach, an annual risk analysis report is prepared and submitted to the Board member responsible for these activities, the Executive Board as a whole and the Supervisory Board. In addition, Internal Audit conducts an independent assessment of risk management and the associated controls in the course of its auditing activities and reports on this to the Executive Board. In 2024, as in previous years, no corruption proceedings were initiated against Helaba.

Due to the nature of the banking business, the prevention of criminal economic activity through a compliance management system with a preventive focus is of key importance at Helaba. Measures included setting up the independent Money Laundering and Fraud Prevention functions of the Compliance Office as the central authority within the meaning of section 25h KWG; these functions are being constantly updated with the involvement of the branches and the relevant subsidiaries. The tasks of this office include the development and implementation of internal principles and adequate transaction- and customer-related safeguards, measures and checks to prevent money laundering, the funding of terrorism, and other criminal acts such as fraud and bribery.

Any kind of active or passive corruption is prohibited at Helaba. This principle is anchored in the Code of Conduct, which serves as an overarching set of guidelines and framework of principles for all employees. Procedures and the company regulations set out binding rules and regulations and offer support for a wide variety of activities, including the handling of inducements and action to be taken if criminal economic activity is suspected, to ensure that business decisions are taken objectively and transparently on the basis of a clear fact-based rationale. Helaba holds regular training sessions on this subject in line with the regulatory requirements and it is mandatory for employees to attend these events every one to two years.

A whistleblowing system, WhistProtect®, has been instituted so that any employee can report potentially unlawful activities. Any employee in the Group can contact an external ombudsperson via a range of communications channels (web portal, postal mail, telephone), either anonymously or safe in the knowledge that their identities will not be disclosed.

Appreciative corporate culture and sustainable HR activities

Employees help Helaba to build its successful long-term customer relationships through their achievements, their commitment and their ideas. Helaba aims to foster a corporate culture founded on mutual trust and confidence to enable this flexible, agile and innovative collaborative ethos to flourish and grow.

Attractive employer and corporate culture

Helaba endeavours to attract, develop and retain highly-qualified and motivated specialists, managers and high-potential junior staff so that it can continue to address the ongoing regulatory changes, the advances in digitalisation in the financial sector and the issues presented by demographic change.

In response to the market's higher recruiting expectations, Helaba organises recruitment centrally and emphasises its employee benefits. These include a monthly sustainability allowance, the offer of deferred compensation to lease a bike from JobRad and the option of mobile working from abroad – up to 20 working days per calendar year from EU member states and countries bordering Germany. Moreover, a referral programme enables the Bank's employees to recommend potential new employees. As part of the onboarding process, new employees can network using the "Willkommen@Helaba" format.

Helaba provides a range of in-house services aimed at training and professional development to ensure that employee skills and qualifications are maintained and expanded. In 2024, € 2.4 m (2023: € 2.0 m) was invested in professional development activities for employees. They all have access to a needs-based range of internal seminars covering professional, personal, social and methodological development. Employees can also make use of external training services; sponsored opportunities in the form of work and study programmes or courses leading to professional qualifications are also available.

Helaba focuses particularly on the recruitment and development of junior talents. The New Talent Agenda introduced in 2023 aims to increase the percentage of Helaba Bank employees aged under 30 to 10 %. This is to be achieved by direct recruitment as well as through vocational training and trainee programmes. Moreover, there is a focus on student outreach programmes, offering internships to raise students' awareness of Helaba before the end of their degree courses. More is also being done to retain young talents during their development phase. For example, there are various dialogue and networking formats for these employees. Helaba's combined work/study programmes remain crucial as well. Training is provided at the Frankfurt/Offenbach and Kassel sites.

A structured function assessment system, market-oriented remuneration bands and a modern job title structure for employees not covered by collectively agreed terms of employment form the basis for future-oriented human resources activities. The development options available to employees not covered by collectively agreed terms of employment include not only traditional management careers but also equivalent technical, sales and project management careers. In addition, internal careers are fostered by way of structured potential identification and development programmes. Further talent development formats were introduced in 2024. They include a cross-mentoring programme and an offering specifically for managers with the ambition to take on further leadership responsibility. A regular dialogue between managers and employees focuses on the performance, motivation and qualifications of each individual. This creates transparency regarding work requirements and individual targets and provides a forum for discussing development opportunities and agreeing appropriate actions.

The “Let’s go 2030” cultural change programme launched in 2023 was continued and achieved a reach of more than 120,000 contact points in 2024. Various actions were implemented as part of the programme. For example, a virtual live event format was introduced to build understanding across the divisions. Compass action days were held at various Helaba locations to encourage discussion of the Helaba Compass behaviours by departments and teams and foster an atmosphere of change. The new mood barometer survey conducted at the end of 2024 is currently being evaluated. Key findings are incorporated into the programme on a continuous basis, although the fosus remains on the three cultural targets of cooperation, appreciation and performance, coupled with future viability and regeneration capacity.

Diversity and equal opportunities

By signing both the Diversity Charter and the UN Global Compact and introducing its Code of Conduct, Helaba has underlined its commitment to a working environment without discrimination in which the diverse skills and capabilities of employees are properly valued. Helaba’s aim in increasing the diversity of its teams is to become more innovative and help improve its risk culture. It seeks to provide an inclusive environment and fair access to opportunities so that every employee at every stage of life can contribute to its long-term success irrespective of age, gender, ethnicity, educational and professional background, geographical origin, sexual identity, disability and the like. Its approach in this area is very much a holistic one: its efforts to establish a diverse and inclusive workplace are part of a continuous process.

Helaba’s internal life-stage model, which offers possibilities based on equality of opportunity and takes full account of different career stages, is intentionally designed to capitalise on the diversity of the company’s workforce. The model’s long-term focus supports a sustainable approach to HR activities.

Helaba supports a range of network formats aimed at making diversity visible and tangible. HelaWiN is a network for women in all of the Bank’s departments and at all hierarchy levels. HelaPride creates greater visibility for the LGBTIQ* community. NextGeneration brings together young employees from across the Helaba Group. Helaba’s Young Talents is a dedicated network for junior staff. HelaNations reaches out to employees from outside Germany or employees of other ethnicities. HelabaTransform is a forum for discussing the latest digital trends and developments. Established in 2024, the Hela:B:free network provides visible representation for the Bank’s employees with disabilities.

These formats are supported by a development programme for high-potential junior staff and various mentoring programmes, the aims of which include developing the potential of female employees for positions of responsibility. The aforementioned opportunities are augmented by seminars to support career development for female employees, established childcare options, comprehensive part-time working models and other similar provisions. Women are given special consideration in potential screening, succession planning and shortlists in recruitment processes. In accordance with KPI 3 for the ESG targets, there is a voluntary commitment that 30 % of all management positions will be occupied by women by 2025.

Diversity in the Helaba Bank workforce, key figures

	31.12.2024	31.12.2023	31.12.2022
Proportion of women	45.4%	46,0 %	45,5 %
Proportion of female managers	26.7%	25,9 %	22,6 %
Proportion of women on the Executive Board (Helaba Bank)	16.7%	16,7 %	0,0 %
Proportion of women on the Supervisory Board (Helaba Bank)	21.4%	32,1 %	28,3 %
Proportion aged > 50	51.6%	51,4 %	53,2 %
Proportion aged 30 – 50	42.8%	42,9 %	41,7 %
Proportion aged < 30	5.6%	5,7 %	5,1 %
Proportion of employees with disabilities	4.8%	4,4 %	4,4 %

Basic principles under employment law and remuneration policy

In 2024, 95.3 % (2023: 95.2 %) of Helaba's employees worked in Germany. Relevant employment law and health & safety provisions are a fixed integral component of the internal rules, regulations and processes. 98.8 % (2023: 98.6 %) of employees had a permanent employment contract. As provided for in the Hessian Act concerning Personnel Representation (HPVG), the Human Resources Council (HRC) represents the interests of the employees and monitors compliance with the regulations intended to protect these interests, such as those relating to occupational health and safety. The General Human Resources Council at Helaba is supported by personnel representative bodies at individual sites and by the body representing young trainees and the severely disabled. The Human Resources Council takes part in activities at Helaba on the basis of co-determination, involvement and consultation, primarily in relation to organisational, personnel and social matters.

Helaba's remuneration strategy and remuneration principles define the framework for the appropriate, market-oriented and performance-based remuneration of its employees. They are aligned with the business and risk strategies that are part of Helaba's corporate culture. When designing and applying the remuneration systems and the associated remuneration components, the main focus is to ensure a positive incentive and steering effect while avoiding any negative incentive that might encourage unreasonable risk-taking. This applies analogously to Helaba's sustainability strategy and to fostering compliance with ESG requirements and the achievement of the Group's climate-related and environmental targets. The remuneration systems are gender-neutral and, in respect of remuneration, Helaba tolerates no discrimination on the basis of gender, sexual orientation, age, ethnic origin, religion or disability.

The remuneration for 50.8 % of employees is set under the collective agreement for public-sector banks (2023: 51.0 %). Remuneration for the remaining 49.2 % (2023: 49.0 %) is not subject to a collective salary agreement. The remuneration systems for Helaba's employees and Executive Board members are compatible with the relevant respective regulatory provisions.

One of the effects of Helaba's remuneration policy and practices (which include retention and the definition of performance criteria) is to support a long-term approach to the management of environmental and climate risks, as described in the ECB Guide on climate-related and environmental risks, in line with Helaba's risk appetite and risk strategy. This approach is implemented in the targets systems for Helaba and its employees. These targets include the KPIs derived from the strategic ESG objectives. The aim is to make sure all employees are conscious of the sustainability transformation and the associated opportunities and risks and are able to play their part in full. A breakdown of the remuneration systems and the total values of all remuneration components is published annually in the form of a separate report (remuneration report pursuant to section 16 IVV in conjunction with Article 450 CRR) on Helaba's website (www.helaba.com).

Overall, a low employee turnover rate of 2.6 % (departure initiated by the employee; 2023: 3.5 %) is testimony to a high degree of satisfaction and significant employee commitment.

Healthy work environment

Occupational health management at Helaba has the primary task of fostering the physical and mental health of employees, thus helping them to maintain their well-being, motivation and performance. This holistic approach is reflected in the internal distribution of functions: workplace health promotion, employee assistance, occupational health and safety and workplace reintegration.

The Helaba Vital Programme (workplace health promotion) takes a preventive approach with courses and easily accessible offerings relating to healthy eating, physical activity and mental balance that strengthen employees' physical and mental health resources. The company's sporting activities are the bridge between work and sport. Through the Employee Assistance Programme, Helaba provides all employees with access to counselling on professional, family, health and other personal matters.

The goal of occupational health and safety is to ensure that the conditions at Helaba provide employees with an optimal environment in which they can work safely and healthily. This encompasses, for example, ergonomic workplace design, health screening and vaccinations by company physicians and fire prevention measures. Workplace reintegration serves to restore an employee's ability to work after an absence due to protracted illness. The goal is to help them recover from their incapacity to work and prevent any recurrence.

As a provider of specialised financial services, Helaba does not believe that its business activities represent any material risk to its employees.

Outlook and opportunities

Economic conditions

Geopolitical conflicts are curbing the mood, with additional uncertainty caused by the change in power in the White House. In 2025, the global economy is likely to grow at around the same pace as the previous year. China is not expected to deliver stronger momentum than in 2024. In the USA, negative effects like trade barriers will partly offset positive effects like imminent tax cuts. Economic growth there is likely to be above 2 % again in 2025.

The German economy will recover in 2025 but growth will remain at a low 0.7 % because structural problems are still having a negative impact. The main impulses are expected to come from higher private consumption. The eurozone has been growing faster than Germany since 2021. Having recorded a plus of 0.7 % in 2024, the common currency area is likely to see expansion of at least 1 % in 2025. Spain is one of the fastest-growing economies, whereas the pace of growth in Italy has declined despite EU transfers. In France, the situation is being impacted by political uncertainty coupled with high indebtedness.

The ECB and the Fed are continuing to relax monetary policy. By the middle of the year, the ECB should have reduced the deposit rate to 2.0 %. At the same time, the ECB will continue to reduce its bond portfolio so that there is little scope for a decline in capital market rates even if issuing activities are relatively high. No tailwinds are expected from the US bond market. US treasury bonds will be impacted negatively by high government debt and the risk of inflation. By the end of 2025, the returns on ten-year Bunds should be around 2.5 %, with ten-year US bonds likely to yield around 4.5 %.

Opportunities

Helaba defines as opportunities the business potential that it is able to leverage in its operating segments as a result of its business model, market position or special expertise.

By pursuing targeted strategic growth initiatives in its lines of business, Helaba has positioned itself to best exploit the potential opportunities arising from each market environment. The Helaba Group has long maintained a stable and viable strategic business model that it continues to develop. Helaba regularly reviews its options for collaborations and inorganic growth.

The key factors in the Helaba Group's success are the Group-wide strategic business model based on the concept of a full-service bank with its own retail business, a strong base in the region, a close relationship with the Sparkassen, and robust capital and liquidity adequacy backed up by effective risk management as an element of corporate governance.

The Helaba Group is valued by its customers as a reliable partner because of its sound business model. Thanks to its diversification, this strategic business model has also stood the test in a difficult market environment, as evidenced by the positive development of the operating business.

Helaba has adopted five strategic sustainability objectives and its endeavours in the area of sustainability target all three ESG dimensions: environment, social and governance. Its second ESG target frames Helaba's aim to help achieve the objectives of the Paris Agreement and increase the volume of sustainable business in its portfolio to 50 % by 2025. The Sustainable Lending Framework and Sustainable Investment Framework provide a standardised method for defining, measuring and managing the sustainable lending business. This represents the initial step in a holistic impact assessment and management process.

The Sustainable Finance Advisory service advises both corporate customers and customers of the Sparkassen in order to keep pace with the growing demand for specific advice and individual structuring of sustainable financing solutions. By offering low-entry-threshold products, Helaba primarily taps customer groups that are just embarking on the transformation journey and want to use sustainable finance measures to pivot their business model or strategic management to sustainability. A contribution also comes from strategic collaborations in the areas of data and energy efficiency management. Helaba is thus underscoring its efforts to encourage companies to join the sustainable transformation and intends to continue building up its market position here in 2025.

The Helaba Group intends to expand its ESG expertise across its entire range of products and services so that it can make the most of future growth opportunities and have the necessary capability to support its customers with sustainable finance products. Helaba also offers all employees comprehensive ESG training consisting of a number of different modules and covering a range of focus areas.

Helaba sees particular opportunities for growth in sustainable finance and in the financing of the technological transformation. It has been successfully structuring projects in the renewable energy, rail transport and digital infrastructure fields for many years and is well established in the structuring and syndication of green, social and ESG-linked finance and promissory notes.

Helaba continues to perform the role of ESG Coordinator for a number of mandates, thus cementing its expertise in the market. It supports customers with client-focused, cross-product information and advisory services regarding financing solutions that incorporate sustainability elements and is tapping into further potential for growth in the sustainability segment. Helaba's range in this area includes innovative, low-entry-threshold solutions intended to help companies with their sustainable transformation and designed to appeal to SMEs in particular.

The digital transformation is advancing and will continue to bring changes to the banking industry as well as to attract new competitors to the market. Having now become well established across the financial market, innovative technologies including blockchain, artificial intelligence and cloud services are advancing at an extraordinary pace. These changes bring with them new customer expectations in terms of exactly what constitutes a comprehensive digital customer offer. In particular, the omnipresent developments in the fields of artificial intelligence (AI) and automation are leading customers to expect faster and more efficient process handling and offer inherent opportunities to handle more business using the same resources. The value potential of these technologies gives Helaba crucial room for manoeuvre. Depending on their application, they can cushion demographic change, reduce complexity, insource projects and reduce material costs. A programme covering all aspects of artificial intelligence has been initiated in order to leverage these opportunities. Its goal is to introduce an AI strategy and adequate governance structures. Integrating AI solutions within the Group will make a key contribution to mastering the challenges currently facing the financial sector. AI will help to increase the efficiency of operational processes and facilitate the development of a new and expanded offering for customers along the Group's value chain.

Helaba already began investigating the opportunities presented by AI at the end of 2023, creating the organisational and technological framework for introducing AI-based solutions into its processes. By the end of 2024, the necessary foundation had been laid by implementing the first pilot use cases, gaining practical experience and defining the principles for governance and risk management. In 2025, further and increasingly complex use cases will be implemented in a systematic process that respects established AI guidelines. On this basis, a comprehensive AI architecture is to be developed by the end of 2025, incorporating governance structures and establishing a governance framework with AI-specific metrics. A key milestone is the creation of the new role of Chief AI Officer (CAIO). The next steps will focus on embedding the target structure within the organisation, establishing a new organisational unit that will have central responsibility for AI (first line of defence) and perform both governance and implementation tasks and, from the start of 2025, filling necessary roles in areas such as data and analytics, AI engineering and AI ethics.

To this end, Helaba is pressing ahead with internal enabling actions and the recruitment of new employees. As part of a defined change management concept, training and communication actions, leadership enablement and a multiplier network are planned to build skills across the organisation. The initial reach-out to Helaba's employees will be via voluntary enabling actions and access to the AI Pilot Platform. At the same time, employees will receive regular information about and be involved in the stepwise implementation of potential-oriented and specialist use cases. Formats such as the AI Driving Licence will make AI tangible for all Helaba Group employees. The Helaba AI Pilot Platform will allow them to try out specific AI applications and can be used to support them specifically in their work. Within Helaba and its subsidiaries, AI Champions fulfil a multiplier role and serve as the first point of contact on AI matters. Helaba has not only seen an increase in the pace and significance of AI; the technology is also providing many different opportunities to boost efficiency and improve the customer and employee experiences. To continue tapping into the potential of this dynamic market segment, Helaba is considering further partnerships within and outside the Sparkassen-Finanzgruppe.

Helaba continues to drive its digital transformation consistently, focusing on the key areas of innovation and new business models, ecosystems and partnerships, digital culture and collaboration, and new technologies. This is supported by the Digital Transformation Committee, which brings together senior management expertise from the front office and corporate centre units and ensures that Helaba maintains a comprehensive overview of the action areas and opportunities opened up by digital transformation. As part of the digital strategy, the action areas were prioritised systematically and transferred to a digital roadmap, with the initial focus on payment transactions, digital S-Group solutions, process automation, outplacement platforms and a modern collaboration model. Agile working methods and collaboration in cross-functional teams pave the way for greater flexibility and a faster response to customer needs. In order to foster this development and give employees the opportunity to integrate digitalisation measures into their daily work, Helaba is working on a series of formats aimed at providing information for employees and encouraging them to actively participate in innovation measures, thus increasing the innovative capability of all divisions. Helaba Transform was established for this purpose. This format enables employees to learn about existing digitalisation initiatives or to contribute their own ideas.

Digital ecosystems and partnerships are of great importance for Helaba, not least as a way to provide new options for efficient collaboration for the Sparkassen and other S-Group companies. Digital platforms harbour remarkable market potential by virtue of the numerous possibilities they open up to automate process chains and integrate supply and demand even more specifically.

Through its equity investment company Helaba Digital, Helaba pursues partnerships with fintechs, proptechs and start-ups with a sustainability focus or makes equity investments in such entities. It intends to continue expanding the portfolio of strategic equity investments and thereby proactively help to shape the development of the markets concerned. This aims to ensure the transfer of knowledge about new technologies, work concepts and business models.

One notable example here is Helaba's involvement in vc trade (a debt capital platform) that it entered into together with two other banks in 2022. In the future, more syndication arrangements are to by handled via this platform, thus creating new market opportunities. Encouraged by the success of vc trade, Helaba has identified opportunities to reproduce other elements of the debt capital business in digital form on platforms in the future to generate corresponding added value for customers and banks. There are also plans to extend the business to other European private debt markets.

In addition, Helaba is participating in venture capital funds such as the proptech vc fund PT1 to enable it to leverage the opportunities offered by sharing knowledge with start-ups in the real estate area that is so important to Helaba.

Following the successful implementation of the DLT-based trigger solution in the payments market, Helaba is now seeking to develop and implement other use cases such as digital securities. These new projects harbour the capacity to expand the range of blockchain-based financial products and further cement Helaba's position as an innovator in the area of digital financial assets.

Helaba is a Sparkasse central bank and S-Group bank. It is firmly embedded in the German Sparkassen-Finanzgruppe and has many divisions and subsidiaries that work in partnership with the Sparkassen. As the partner of the Sparkassen, Helaba provides support in the form of a modern, diverse and competitive portfolio of products and services.

The ongoing development of payment transactions in the direction of programmable payments and programmable money could also present new applications and opportunities for Helaba, which is a major player in the payment transactions business. Helaba regularly examines related business approaches by interacting directly with interested customers and other banks.

The latest available technology already enables providers to offer innovative and significantly more efficient payments solutions in B2B transactions by integrating these solutions into customer business processes (embedded finance). In addition to the use of distributed ledger technology for programmable payments, opportunities also stem from the wide range of potential applications for the tokenisation of assets. Connected with this, Helaba invested in Cashlink in mid-2023. This already offers an end-to-end tokenisation solution that enables the rights and obligations in respect of virtual and physical assets, for example, to be transferred faster and more easily, and simplifies the automated processing of associated contractual obligations. In this way, entities can enhance efficiency, tap into new investor and customer groups, and reduce potential settlement risk. Helaba interacts with interested customers and subsidiaries with the aim of developing business approaches and solutions to address specific issues. This could also open up new opportunities throughout the Group in future and provide a basis for the development of extended business approaches.

In particular, Helaba continues to monitor the development of the digital euro in light of the ongoing evolution of payment transactions. Helaba is playing an active role in the collaborative project run by the German Banking Industry Committee to design tokenised commercial bank money known as the "Giralgeldtoken" and draw up use cases for programmable payments. The challenge now is to develop specific solutions for ongoing use by customers. For a leading provider of payment transaction processing services like Helaba, this initiative could open up opportunities for additional innovative business models such as pay-per-use. Helaba is actively supporting "wero", the European payment system that was launched on 1 July 2024.

The transition to a much more sustainable economic pathway is another context in which the integration of digitalisation opens up the potential for more advanced business approaches. These range from the capture and analysis of relevant data to specifically structured products. The acquisition of ESG data in particular opens up a wealth of opportunities for new products and applications that facilitate the acquisition, processing and purchase of ESG data are going to become increasingly significant for Helaba as a result. Together with ESG Book and a number of Sparkassen, Helaba is piloting the targeted acquisition of ESG data.

Helaba is supporting the digital transformation by developing a federal-type centralised data governance organisation, which has also involved the establishment of the central Data Governance & Analytics unit that includes the function of Chief Data Officer and Data Office. The goal of data governance is to successively facilitate the reliable use of relevant data within Helaba, creating the basis for data-driven products, services and business models and contributing significantly to the achievement of the strategic business objectives. The foundation for this are Helaba's Group-wide data governance standards, especially those relating to data transparency, quality and integrity. In the first step, implementation of the data governance standards is focused on data that are relevant to risk containment. It will be extended successively to include other added value data.

Helaba intends to continue expanding and modernising its IT infrastructure so that it can continuously improve its processes and respond flexibly to future challenges. It aims to establish a modern, capable and efficient IT environment that supports the development of innovative products and the integration of platform solutions.

It is implementing a programme throughout the Bank with the aim of extensively enhancing the efficiency of Helaba IT systems over the next few years, during the course of which the application landscape and IT platforms will be upgraded and related innovations implemented. The associated reduction in complexity will simplify working processes, cut duplicated data capture and retention, and enhance the quality of value creation. This will increase the benefits for both customers and employees of Helaba significantly. In addition, the necessary foundations are being laid for access to innovative products, the use of modern platforms inside and outside Helaba, and for strategic partnerships that offer our customers added value and enable Helaba to stand out effectively from its competitors. The overall programme will run until mid-2027.

Real estate financing is one of Helaba's main business areas in which it continues to target a significant share – especially in light of the continued market stabilisation. Against the backdrop of the business area's cyclicality, which has always been a factor in the real estate strategy, Helaba is focused on selecting high-quality customers and transactions. Even if the risk situation remains elevated, the focus will still be on managing the existing portfolio and continuing the selective and cautious approach to new business – although this will increase compared with 2024, especially in respect of properties with a viable future use.

In the current market, Helaba's range of attractive products – including those with an ESG focus – and its existing expertise in sustainable financing will support its activities. These are flanked by the expansion of digital expertise, coupled with rapid decision-making in cases that demonstrate sufficient reliability.

Helaba is broadening its activities in the Corporate Banking business with targeted product initiatives that include the development and expansion of sustainable products and the strengthening of development loan structuring activities.

Helaba sees considerable growth opportunities for Corporate Banking in the years ahead. Many actions are intended to sustainably enlarge Helaba's earnings base and include specific initiatives to strengthen its market presence in structuring development loans, providing export finance and supporting the leasing business. Expanded collaboration with supply chain finance platforms is facilitating significant growth of the offering for working capital financing.

Lastly, internal processes have been streamlined and Helaba's market presence expanded.

It has identified opportunities associated with the digitalisation and optimisation of processes and systems throughout the value chain as well as with closer integration of corporate banking activities with the FBG Group.

The continuing integration of Helaba products into the Sparkasse sales and production processes in the Sparkasse lending business (as a core element of the S-Group business) is boosting efficiency and creating new business potential. Helaba's collaboration with vc trade, a web-based platform solution for promissory note and syndicated loan business, enables it to realise the benefits of joint lending business, such as risk diversification and balance sheet management. Through the establishment of this web-based platform solution, Helaba is also helping the Sparkassen to meet their requirements for digital solutions with the goal of achieving standardisation and automated processes.

Due to geopolitical uncertainty, the transformation of energy production is of crucial importance to safeguarding supply in Germany.

Helaba's WIDE initiative for achieving the energy supply transition aims to provide a holistic range of products and advisory services to municipal energy suppliers, with a key role played by those products and services required by the Sparkassen as the natural partners of the municipalities in which they are located and their municipal corporations.

They are able to access a wide range of products in which the loan basket is becoming increasingly important alongside conventional lending products (jointly extended loans, syndication arrangements, development funds, project finance) and established capital market products (promissory note loans, bonds).

To support capital adequacy, fund models are being developed and the details defined in workshops with major energy suppliers. In the securitisation segment, there are additional opportunities to build on existing Helaba securitisations. The product portfolio is completed by the new HelabaCrowd public participation platform which supports, for example, the collaboration with DAL Deutschen Anlagen-Leasing in respect of onshore wind projects. In addition to financing energy production, there is a need for transformation financing for sustainable mobility, for example increasingly for financing large fleets of electric buses.

In the course of repositioning the S-Finanzgruppe in international business, Helaba will serve as the main partner for the international documentary business and payment transactions. Helaba will continue to strengthen its international network and support for the Sparkassen with representatives at offices outside Germany and correspondent bankers.

In the precious metals and foreign notes business area, Helaba is a reliable and competent partner to the Sparkassen and their customers especially. It is developing a new and modern front-to-back system solution for the precious metals and foreign notes business with the Sparkassen and third-party customers, thereby safeguarding Helaba's long-term technology leadership role in this business area.

In the payments business, Helaba continues to be one of Germany's leading payment transaction clearing houses and a leading Landesbank. It also serves as an access service provider and clearing house for the card business as an extension to the product and service portfolio. The associated opportunities are being systematically exploited with the aim of boosting fee and commission income in the long term.

For Helaba as one of the largest users of the pan-European payment infrastructure platform for high-value euro transactions (EBA Clearing), innovation in this area plays an important role. The ongoing expansion of the virtual girocard in e-commerce is just one of the steps being taken in response to the digital structural change in the cash management business. The addition of the co-badged Debit MasterCard and Visa Debit card to the girocard product range combines the global payment options at the point of sale with the extended internet capability of the card. Moreover, Helaba is involved in the ECB's ongoing digital euro initiative and the German Banking Industry Committee's EPI 2.0 (European Payments Initiative). The latter was launched successfully in July 2024 with the introduction of a secure, demand-based and efficient wallet payment system ("wero") in Germany and some other European countries.

Following the adoption of the EU's Instant Payment Regulation in March 2024, Helaba will continue to expand its consolidating payment transactions function for the Sparkassen and its role as the service provider to the Sparkassen-Finanzgruppe. This applies analogously to the further consolidation of foreign payment transaction services which began in 2024 when Helaba took over foreign payment transactions for the Sparkassen in Baden-Württemberg, Rhineland-Palatinate and Saxony and continued with the expansion of these services in the context of consolidation by the Nord/LB Sparkassen in 2025. To further extend partnerships in the payment ecosystem, a competitive solution is being created for the Sparkassen-Finanzgruppe with the development of the embedded low-value payment (LVP) solution for foreign payment transactions which can be used for real-time payments of up to € 3,000. The new functionality aligns the Sparkassen app with the market standard, thus safeguarding the customer relationships of the Sparkassen.

In the development business, there are more opportunities and potential available from the expansion of the product portfolio, in particular the accelerated integration of sustainability objectives and support for the transformation of the economy in Hesse. Loans, venture capital and guarantee products are primarily used for this purpose. In order to provide equity, new equity investments are being created, thus developing a range of lifetime products as liability funding for everything from the early stage to large-volume later-stage investment.

Following the very gratifying development of business in residential construction and the provision of subsidies for owner-occupied homes in the reporting period, it is expected that stabilisation will continue at a high level in 2025. Moreover, despite the lower financial headroom of municipal authorities and companies, growing business potential is expected in infrastructure development due to the continuing high need for investment in municipal infrastructure in the medium and long term.

Another focus of investment is on actions aimed at boosting companies' transformation and resilience and fostering digitalisation, innovation, climate change mitigation and environmental protection. In addition, there is an unchanged internal focus on further process digitalisation and optimisation and the simultaneous improvement of online services for customers, especially through the further development of the digital customer portal. Integrating ESG requirements into processes is becoming increasingly important.

To actively support entrepreneurs in innovative business areas in the State of Hesse, WIBank is backing the TechQuartier and ryon innovation hubs. Both of these hubs regularly organise programmes and formats aimed at making Hesse and the Rhine-Main region attractive as economic locations for start-ups and entrepreneurs especially and at fostering interaction with companies, policymakers, the regulatory authorities, universities and investors. The resulting dialogue with the start-up scene also has a positive impact on the established business areas of WIBank and Helaba.

Helaba receives ratings from rating agencies Moody's Investors Service (Moody's) and Fitch Ratings (Fitch). In March 2024, Moody's upgraded Helaba's issuer rating to "Aa2" due to the strengthened institutional protection system implemented by the Sparkassen-Finanzgruppe. Helaba retained the highest rating of "P-1" for its short-term liabilities. Against the backdrop of the decision to successively liquidate the Reserve Fund of the Sparkassen- und Giroverband Hessen-Thüringen, the Sparkassen-Finanzgruppe Hessen-Thüringen has not received a group rating since December 2024. Instead, Fitch has issued a regular bank rating for Helaba, with a long-term issuer rating of "A+" – unchanged compared with the group rating – and a likewise unchanged rating of "F1+" for its short-term liabilities.

The strategically significant funding instruments "public Pfandbriefe" and "mortgage Pfandbriefe" both have AAA ratings. Thanks to its excellent standing among institutional and private investors and its diversified product range, Helaba has consistently enjoyed direct access to the funding markets over the last few years. Helaba's status as part of a strong association of financial institutions also underpins its ongoing ability to access funding in the money and capital markets.

Helaba is firmly and permanently established as part of the German Sparkassen-Finanzgruppe by virtue of its ownership structure and its Sparkasse central bank function for around 40 % of Sparkassen in Germany. Since the partial restructuring of Helaba's equity on 5 August 2024, 66 % of its shares are owned by the Sparkassen organisation (for further details, please refer to Note (29)).

Further enhancing its position as a leading S-Group bank for the German Sparkassen and permanently integrating with the Sparkassen are among Helaba's strategic objectives. Possible springboards include joint lending operations with Sparkassen for larger SME clients, international business and the intensification of the successfully established Group-wide cross-selling of products from the subsidiaries, for example in the area of high-end private banking through Frankfurter Bankgesellschaft.

The prevailing economic conditions remain challenging, and so the banking sector finds itself in a continuous process of adjustment, with increasing pressure to consolidate. Collaborations and inorganic growth are additional options for Helaba as a way of putting their business model on an even sounder footing, facilitating sustainable growth and exploiting new opportunities in the market.

Overall, the Helaba Group finds itself well placed to meet the challenges of the future over the long term with its established strategic business model. The fundamental business strategy is sound and designed for growth. The broad diversification of the business model has acted as a stabilising factor, particularly in the current market situation. Sustainable finance continues to offer strategic approaches that proactively assist customers by providing sustainable financial products to support the transformation to climate neutrality. In the area of digitalisation, the Helaba Group is extending its portfolio with the specific aim of providing customers with an optimised user experience. Moreover, artificial intelligence coupled with effective data management delivers the potential for developing new products, further personalising the way customers are addressed and automating even complex processes. The Helaba Group's objective in its profitability strategy is to additionally stabilise its sustainable earnings power to strengthen its capital base while observing risk strategy requirements and taking account of changes in the regulatory environment.

Expected development of Helaba

Landesbank Hessen-Thüringen Girozentrale (Helaba) is a credit institution organised under public law. Its business model is based on a strong regional focus, a presence in carefully selected international markets and a very close relationship with the Sparkasse organisation. It therefore continues to provide an excellent foundation for business growth in 2025.

Strategic actions such as the modernisation of Helaba's IT infrastructure and various growth initiatives were initiated to ensure further sustainable growth.

Following the past year's stagnation, forecasters currently expect the economy to recover slowly in 2025. In light of the lower interest rates, the leading central banks are projected to make only a few more interest rate cuts before the middle of the year. The stabilisation of interest rates and normalisation of the yield curve will have an impact on the profitability of the lending business and thus also on Helaba. On the real estate markets, the lower interest rates are not expected to have any further impact on funding costs.

The estimated level of geopolitical risk is currently higher than it was last year. Geopolitical uncertainties such as the continuation of the Ukraine war, further developments in the Middle East, the conflict relating to Taiwan and the political realignment of the USA are the main risks to the Helaba Group's performance in 2025. The aforementioned uncertainties are the factor most likely to cause actual developments to differ substantially from the economic parameters assumed by Helaba on the basis of its macroeconomic forecasts.

Overall, these expectations represent the primary constraints for Helaba's forecast earnings growth in 2025.

The assumptions of slight economic growth were considered positively in new business planning which envisages the very significant expansion of new business volume.

Due to the maturity structure of the portfolio, a decrease in business volume is forecast. As a result, net interest income is expected to decline slightly in 2025 but then increase again in the medium term. Helaba plans to report unchanged total assets for the coming year.

Despite the heightened geopolitical risks forecast, it was possible to significantly reduce the addition to loss allowances in the 2024 financial year in light of the stabilisation of the real estate sector. The loss allowances remain adequate. It is therefore assumed that the additions to loss allowances will be lower in 2025.

Net fee and commission income is expected to remain almost unchanged in 2025 while net trading income is expected to fall substantially year on year. The positive effects from the repurchase portfolio in 2024 are likely to decline.

Budgeted other net operating income mainly comprises operating income and expenses relating to buildings, the addition to provisions and the interest cost from unwinding the discount on pension provisions. Following the reversal of provisions in the previous year, this figure is predicted to be very much lower in 2025.

Project activities, especially the modernisation of the IT infrastructure, will push up costs and likely result in a marked rise in other general and administrative expenses. Despite pay-scale increases and the growth in headcount, personnel expenses were slightly lower due to the significant reduction in pension provisions. As a result, general and administrative expenses were more or less unchanged overall.

Overall, Helaba forecasts that the operating result before taxes for 2025 will be above the prior-year figure. The cost-income ratio is expected to remain within the target range.

Expected development of the business lines

In the Real Estate segment, business performance will be affected by the projected commercial real estate market situation and the transaction volume again rose slightly by the end of 2024. In 2025, the real estate markets are expected to ease with increasing transaction volumes. For this reason, it is predicted that new business will be markedly higher in 2025 compared with previous years. Nevertheless, it is anticipated that the portfolio volume will shrink in the 2025 budget year because of the large volume of financing due. In subsequent years, a renewed increase in new business will translate into portfolio growth. It is expected that new business margins will be slightly below the level in previous years. Additions to loss allowances are expected to continue stabilising at the prior-year level.

The Asset Finance division anticipates income above the prior-year figure in 2025, with the volume of business increasing slightly during the course of the year. This prediction is based on a sharp year-on-year increase in the volume of medium- and long-term new business, despite stagnating interest margins.

As a result of a slight decline in the interest margin and a constant volume of business in the Corporate Banking division, a slight decrease in income is expected in 2025. The volume of medium- and long-term new business envisaged for 2025 is up significantly on the previous year but the margin will be noticeably smaller.

The Capital Markets division anticipates higher income.

The Public Sector division focuses on serving municipal authority customers and municipal corporations. It is anticipated that income from the municipal lending business in Germany will see a moderate increase in 2025.

The average business volume of the Savings Banks and SME division in 2025 is expected to remain at the prior-year level, although the earnings performance will decline due to lower margins on the liabilities side in cash management. A slight reduction in medium- and long-term new business is anticipated.

LBS assumes that the new home loan savings business will increase in financial year 2025. This is based on the assumption that home loan savings will remain in demand because of their ability to provide long-term interest rate protection. Overall, LBS expects the operating contribution to incomes to stabilise in 2025.

Earnings generated by the WIBank public development business in 2025 will probably be lower than the prior-year level due to the increase in general and administrative expenses.

Overall assessment

Despite the still high additions to loss allowances, Helaba recorded a strong operating result before taxes of € 440 m for financial year 2024 (2023: € 277 m). In light of the still difficult economic environment in Germany and Europe and the elevated geopolitical uncertainties, this performance once more highlights the stability of the diversified business model.

Strategic actions, especially the modernisation of the IT infrastructure, were initiated for further sustainable growth.

Helaba remains a reliable partner that continues to support customers proactively, especially in the context of transitioning to more sustainable business models.

In the operating business, the stabilisation of interest rates, the positive development of fee and commission income and the recovery of contributions to income from real estate should result in higher operating income. Loss allowances declined, due especially to the stabilisation of the real estate segment. An addition was made to the post-model adjustment for potential geopolitical risks.

Levels of economic uncertainty remain high worldwide. Further economic policy developments and the possible implications of geopolitical conflicts have combined to create a challenging environment.

Helaba's well-diversified business model with its focus on stable growth again demonstrated its resilience. There are opportunities available for further growth too in connection with the essential transformation process on the pathway to sustainable economic systems. Helaba is well placed to master the challenges of 2025 as well.

Helaba is confident for 2025 and expects its pre-tax earnings to be above the prior-year level.

The net profit generated in financial year 2024 allows Helaba to service all subordinated debt and silent participations, pay a dividend and make appropriations to reserves.

Frankfurt am Main / Erfurt, 4 March 2025

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

Groß   Kemler   Nickel

Schmid   Weiss

Annual financial statements of Landesbank Hessen-Thüringen Girozentrale

Balance sheet of Landesbank Hessen-Thüringen Girozentrale

as at 31 December 2024

Assets in € m

	Note no.				31.12.2024	31.12.2023
Cash reserve						
a) Cash in hand				10		12
b) Balances with central banks				318		381
thereof: With Deutsche Bundesbank		315				(371)
					329	**392**
Loans and advances to banks	(2)					
a) Mortgage loans				2		–
b) Municipal loans				9,797		10,287
c) Other loans and advances				34,800		33,267
					44,599	**43,555**
thereof:						
Payable on demand		36,013				(33,147)
Loans and advances to customers	(3)					
a) Mortgage loans				23,915		20,332
b) Municipal loans				33,338		32,448
c) Other loans and advances				42,904		50,529
d) Bausparkasse building loans						
da) From allocations (home savings loans)			337			220
db) For interim and bridge-over financing			917			932
dc) Other			21			14
				1,275		1,166
thereof: Secured by mortgage charges		841				(778)
					101,432	**104,474**
Carried forward:					**146,360**	**148,422**

Equity and liabilities in € m

	Note no.				31.12.2024	31.12.2023
Liabilities due to banks	(15), (18)					
a) Registered mortgage Pfandbriefe issued				20		46
b) Registered public Pfandbriefe issued				1,563		1,789
c) Other liabilities				39,774		44,974
thereof: Payable on demand		12,173				(10,192)
d) Home savings deposits				72		83
					41,428	**46,892**
Liabilities due to customers	(19)					
a) Registered mortgage Pfandbriefe issued				137		147
b) Registered public Pfandbriefe issued				7,452		7,856
c) Deposits from home savings business and savings deposits						
ca) Home savings deposits			4,939			5,136
thereof:						
On terminated contracts		55				(65)
On allocated contracts		84				(88)
				4,939		5,136
d) Other liabilities				37,127		31,217
					49,655	**44,357**
thereof: Payable on demand		18,669				(15,248)
Carried forward:					**91,083**	**91,249**

Assets in € m

	Note no.				31.12.2024	31.12.2023
Carried forward:					146,360	148,422
Bonds and other fixed-income securities	(4)					
a) Money market instruments						
ab) Other issuers			38			953
thereof:						
Eligible as collateral with Deutsche Bundesbank		–				(292)
				38		953
b) Bonds and notes						
ba) Public-sector issuers			3,309			2,609
thereof:						
Eligible as collateral with Deutsche Bundesbank		3,099				(2,402)
bb) Other issuers			11,154			10,431
thereof:						
Eligible as collateral with Deutsche Bundesbank		10,197				(9,781)
				14,463		13,040
					14,501	**13,992**
Equity shares and other variable-income securities	(5)				**226**	**202**
Trading portfolio	(6), (35), (36)				**10,359**	**11,927**
Equity investments	(7), (17)				**26**	**27**
thereof:						
In banks		14				(14)
In financial services institutions		0				(0)
Shares in affiliated companies	(8), (17)				**1,813**	**1,815**
thereof:						
In banks		771				(771)
In financial services institutions		18				(18)
Trust assets	(9)				**5,089**	**1,792**
thereof: Trustee loans		4,918				(1,620)
Carried forward:					178,374	178,177

Equity and liabilities in € m

	Note no.				31.12.2024	31.12.2023
Carried forward:					91,083	91,249
Securitised liabilities	(20)					
a) Bonds issued						
aa) Mortgage Pfandbriefe			8,191			8,984
ab) Public Pfandbriefe			9,652			11,112
ac) Other debt instruments			39,299			42,312
				57,142		62,408
b) Other securitised liabilities				4,017		2,613
					61,159	**65,022**
thereof: Money market instruments		4,017				(2,613)
Trading portfolio	(21), (35), (36)				**9,904**	**9,368**
Trust liabilities	(22)				**5,089**	**1,792**
thereof: Trustee loans		4,918				(1,620)
Other liabilities	(23)				**1,187**	**1,321**
Deferred income	(24)					
a) From issuing and lending operations				125		159
b) Other				448		528
					574	**687**
Provisions	(25)					
a) Provisions for pensions and similar obligations				896		899
b) Provisions for taxes				139		97
c) Other provisions				448		414
					1,483	**1,410**
Home savings protection fund					**11**	**11**
Subordinated liabilities	(26)				**2,765**	**2,853**
Additional Tier 1 capital instruments	(27)				**876**	**374**
Fund for general banking risks	(29)				**599**	**599**
thereof: Special reserve under section 340e (4) of the HGB		123				(123)
Carried forward:					174,729	174,685

Assets in € m

	Note no.				31.12.2024	31.12.2023
Carried forward:					178,374	178,177
Intangible assets	(10), (17)					
a) Internally generated industrial rights and similar rights and assets				11		8
b) Purchased concessions, industrial property rights and similar rights and assets, and licences in such rights and assets				229		195
					240	**203**
Property and equipment	(11), (17)				**827**	**775**
Other assets	(12)				**1,274**	**1,708**
Prepaid expenses	(13)					
a) From issuing and lending operations				444		491
b) Other				146		171
					590	**662**
Total assets					**181,305**	**181,526**

Equity and liabilities in € m

	Note no.				31.12.2024	31.12.2023
Carried forward:					174,729	174,685
Equity	(29)					
a) Subscribed capital						
aa) Share capital			774			589
ab) Capital contribution			–			1,920
ac) Silent partner contributions			18			18
				792		2,527
b) Capital reserves				2,861		1,546
c) Retained earnings						
cc) Reserves in accordance with the Charter			387			294
cd) Other reserves			2,426			2,383
				2,813		2,678
d) Net retained profits				110		90
					6,577	**6,841**
Total equity and liabilities					**181,305**	**181,526**
Contingent liabilities	(30)					
b) Liabilities from guarantees and indemnity agreements					**8,680**	**8,289**
Other obligations	(31)					
b) Placement and underwriting obligations				749		822
c) Irrevocable loan commitments				23,272		25,312
					24,020	**26,134**

Income statement of Landesbank Hessen-Thüringen Girozentrale

for the period 1 January to 31 December 2024

in € m

	Note no.				2024	2023
Interest income from	(38), (39)					
a) Lending and money market transactions			8,353			8,533
thereof: Bausparkasse interest income:						
aa) From home savings loans		7				(4)
ab) From interim and bridge-over loans		22				(20)
ac) From other loans		1				(0)
b) Fixed-income securities and registered government debt			342			233
				8,695		8,766
thereof: Interest income from financial liabilities		3				(4)
Interest expenses				7,354		7,592
thereof: On home savings deposits		35				(40)
thereof: Interest expenses from financial assets		1				(1)
					1,342	**1,175**
Current income from	(38)					
a) Equity shares and other variable-income securities				4		8
b) Equity investments				1		1
c) Shares in affiliated companies				42		7
					47	**15**
Income from profit pooling, profit transfer or partial profit transfer agreements					**100**	**85**
Fee and commission income	(38), (40)			343		322
thereof: Bausparkasse fee and commission income:						
a) On contracts signed and arranged		22				(28)
c) From the commitment and administration of interim and bridge-over loans		0				(0)
Fee and commission expenses				78		80
thereof: On Bausparkasse contracts signed and arranged		23				(29)
					265	**242**
Carried forward:					**1,753**	**1,517**

in € m

	Note no.				2024	2023
Carried forward:					**1,753**	**1,517**
Net income of the trading portfolio	(38)				**217**	**333**
Other operating income	(38), (41)				**141**	**101**
General and administrative expenses						
a) Personnel expenses						
aa) Wages and salaries			372			345
ab) Social security, post-employment and other benefit expenses			142			51
				514		396
thereof: Post-employment benefit expenses		83				((–3))
b) Other administrative expenses				664		662
					1,178	**1,058**
Amortisation and write-downs of intangible assets and depreciation and write-downs of property and equipment					**40**	**44**
Other operating expenses	(41)				**75**	**22**
Write-downs of and allowances on loans and advances and certain securities as well as transfers to loan loss provisions					**406**	**505**
Write-downs of and allowances on equity investments, shares in affiliated companies and securities classified as fixed assets					**2**	**2**
Cost of loss absorption					**0**	**58**
Result from ordinary activities					**411**	**262**
Taxes on income	(43)			164		63
Other taxes not included in item Other operating expenses				1		1
					165	**64**
Net income for the year					**246**	**198**
Allocations to revenue reserves	(29)				**136**	**108**
Net retained profits					**110**	**90**

Notes to the annual financial statements of Landesbank Hessen-Thüringen Girozentrale

as at 31 December 2024

The annual financial statements of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main, a legal entity under public law entered in the commercial register at the Frankfurt am Main local court under number HRA 29821 and at the Jena local court under number HRA 102181, are prepared in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) in conjunction with the German Regulation on the Accounting of Banks and Financial Services Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV) and the German Pfandbrief Act (Pfandbriefgesetz – PfandBG).

The structure of the balance sheet and income statement reflects the requirements of the RechKredV. The two statements have been extended to include the line items prescribed for Pfandbriefbanken and Bausparkassen. The disclosures on Bausparkasse operations required to be included in the notes are contained in the annual financial statements of Landesbausparkasse Hessen-Thüringen (LBS), which are published separately.

Helaba also prepares consolidated financial statements in accordance with the International Financial Reporting Standards as published by the International Accounting Standards Board and adopted by the European Union. These consolidated financial statements are published in the German Federal Gazette.

The reporting currency of the annual financial statements is the euro (€). Euro amounts are generally rounded to the nearest million. Minor discrepancies may arise in totals or in the calculation of percentages in this report due to rounding.

(1) Accounting policies

Assets and liabilities are measured in accordance with the provisions of Sections 252 et seqq. HGB, with due consideration given to the special provisions for credit institutions (Sections 340 et seqq. HGB).

As a rule, the same accounting policies have been applied in the annual financial statements for the period ended 31 December 2024 as were applied in the prior-year annual financial statements. Any deviations from such accounting policies are described in the following section.

Receivables and liabilities

Receivables are reported at their nominal amount and liabilities at their settlement amount. Outside the trading portfolio, differences presented as interest between the nominal amount and payment amount or cost are generally shown as prepaid expenses or deferred income and reversed to the relevant periods over the term of the asset or liability. Instruments issued at a discount or acquired on a discounted basis are shown at their present values.

Specific allowances or provisions have been recognised to take account of all identifiable credit risks. For the purpose of presenting latent credit risks in the financial accounting and reporting in accordance with the HGB, the Bank continues to pursue an accounting approach appropriate to the risk. In accordance with HGB, Helaba uses the expected credit loss approach – the approach specified in the International Financial Reporting Standards for determining loss allowances – to recognise global allowances. This means that 12-month expected credit losses are normally recognised, but lifetime expected credit losses are recognised if there is a significant increase in default risk. Global allowances include a further provisioning component to cover additional risks in individual lending sub-portfolios not yet fully identified by statistical analysis, similar to the approach specified in the International Financial Reporting Standards and used for the Helaba Group.

The recognition of specific allowances is based on the difference between (a) the recoverable amount from expected future redemptions, interest payments and income from collateral realisations, and (b) the carrying amount of the receivable. Interest payments on impaired loans and advances are recognised as interest income by writing-up the carrying amount to the respective present value.

In addition to the fund for general banking risks shown in the balance sheet in accordance with Section 340g HGB, contingency reserves in accordance with Section 340f HGB have been recognised for general banking risks.

Securities

The items included under bonds and other fixed-income securities, equity shares and other variable-income securities, are measured using the strict lower of cost or market principle, with the exception of “valuation units” in accordance with Section 254 HGB and fixed assets. Accordingly, they have to be reported at fair value if this is lower than their (amortised) cost. In active markets, fair value corresponds to the exchange or market price on the reporting date. The analysis of the securities portfolio at the balance sheet date established an active market for all securities. Any reversals of write-downs required by law were made.

The securities included in assets are recognised at cost or, in the event of an impairment that is likely to be permanent, at the lower fair value at the reporting date. In the event of an impairment that is unlikely to be permanent, the option provided in Section 253 (3) HGB in conjunction with Section 340e (1) HGB is exercised such that no write-downs are made at the lower fair value (moderate lower of cost or market principle). They also include shares in domestic closed-end investment limited partnerships and similar foreign structures in accordance with Section 17 RechKredV in conjunction with the definition of an investment fund as set out in Section 1 of the German Investment Code (Kapitalanlagegesetzbuch – KAGB).

Equity investments and shares in affiliated companies

Equity investments and shares in affiliated companies are shown at cost. If impairment is expected to be permanent, they are written down to their lower fair value. If the reasons for an impairment write-down recognised in previous years no longer apply, the write-down is reversed and the asset is recognised at fair value, but without exceeding amortised cost.

Trading portfolio

Trading portfolios are shown in the balance sheet as assets and liabilities under the trading portfolio item. The criteria established internally for including financial instruments in the trading portfolio did not change in the year under review. Trades are measured on the basis of individual transactions. In accordance with Section 340e (3) HGB, financial instruments held for trading are measured at fair value less a risk discount for trading assets and plus a risk premium for trading liabilities. The amount, timing and reliability of future cash flows, as the basis for determining fair value, are primarily influenced by the level of interest rates, developments on the equity and bond markets, and by changes in credit spreads. In line with the requirements of the banking supervisory authority, risk premiums and discounts are determined for all trading portfolios in accordance with the provisions of the German Banking Act (Kreditwesengesetz – KWG), following the regulatory provisions regarding the Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement, MaRisk) and the provisions of Article 365 of the Capital Requirements Regulation (CRR). In doing so, the risk premium or discount is calculated in the form of a money-at-risk (MaR) amount with a confidence level of 99 %, a holding period of ten days and an observation period of one year. The risk premiums and discounts are calculated for each risk category.

A counterparty-specific credit valuation adjustment (CVA) takes account of third-party credit risks arising from the settlement of OTC derivatives. A debit valuation adjustment (DVA) is recognised to take account of own credit risk. The CVA and DVA are calculated at each balance sheet date by measuring the potential default risk, taking account of collateral pledged or received and the effect of netting agreements.

Changes in value, effects of exchange rate changes on trading portfolios, realised gains and losses, commissions and current income from financial instruments held for trading as well as interest expense for funding trading activities are reported under net income of the trading portfolio or net expense of the trading portfolio. In accordance with Section 340e (4) HGB, an amount equivalent to at least 10 % of net trading income is allocated to the separate account in the special reserve for general banking risks as at the reporting date. Such additions are made until the account reaches 50 % of the average annual net trading income generated over the last five years, or until an amount is reversed, for example, in order to absorb net trading expense. The Bank did not make any additions to this reserve in the year under review.

The Bank has offset trading assets and liabilities in the form of derivatives that were entered into with each counterparty under a master agreement with a Credit Support Annex and for which collateral is calculated daily. The carrying amounts of the derivatives and the collateral per counterparty were taken into account in doing so. Derivatives and collateral entered into with a central counterparty are also included in offsetting. The Bank also offsets the carrying amounts of exchange-traded derivatives and the corresponding variation margins in line with IDW RS BFA 5.

During the year under review, Helaba did not reclassify any financial instruments held for trading within the meaning of Section 35 (1) no. 6b RechKredV.

Fixed assets and intangible assets

Fixed assets and intangible assets with finite useful lives are carried at depreciated or amortised cost less any impairment write-downs to fair values. Depreciation and amortisation are charged over the useful life of the asset. Low-value assets with an acquisition value of up to € 800 are fully depreciated or amortised in the year of acquisition. Alternatively, a compound item can be recognised for low-value assets with an individual acquisition value of more than € 250 but less than € 1,000 which is reversed through profit or loss at a rate of 20 % each in the year of acquisition and the four subsequent financial years. Goodwill acquired for a consideration is regarded as an asset with a finite useful life. If the finite useful life cannot be estimated reliably, the Bank applies an amortisation period of ten years for goodwill in accordance with Section 253 (3) sentence 4 HGB.

Helaba has made use of the option provided in Section 248 (2) sentence 1 HGB to capitalise internally generated software since the 2022 reporting period. The useful life of internally generated software is set at seven years. The capitalised development costs are amortised and – if necessary – written down over this period. A restriction of dividends in the amount of the capitalised development costs applies under Section 268 (8) HGB.

Provisions

Provisions for taxes and other provisions have to be recognised in accordance with the principles of prudent business judgement at the settlement amount of the uncertain liabilities or the expected losses from executory contracts, with due consideration given to expected price and cost increases. Medium- and long-term provisions (with a remaining maturity of > 1 year) are discounted using the rates published by the Bundesbank in accordance with Section 253 (2) HGB. In determining the change resulting from adding interest cost, it is assumed that any change in the discount rate will only occur at the end of the period. The effect of adding interest cost is reported under other operating expenses.

Pension obligations are determined annually by external actuarial experts. They are measured using the projected unit credit method, based on biometric assumptions (2018G mortality tables of Professor Dr. Heubeck), salary and pension increases and employee turnover rates expected in the future as well as the average market rate published by the Bundesbank for an assumed remaining maturity of 15 years. According to Section 253 (2) sentence 1 HGB, pension obligations are measured using the average market interest rate for the last ten years. The difference in values calculated in accordance with Section 253 (6) HGB is €–15 m. There is therefore no longer a restriction on distributions in accordance with Section 253 (6) sentence 2 HGB, as the average interest rate for the last seven years is higher than the average interest rate for the last ten years used to measure pension obligations.

The measurement parameters applied for the material pension commitments are shown in the table below:

in %

	31.12.2024	31.12.2023
Discount rate	1.90	1.82
Salary trend	2.00	2.00
Pension trend	1.00 – 2.00	1.00 – 2.00
Employee turnover rate	3.00	3.00

Some pension obligations are covered by assets (securities) that are exempt from attachment by any other creditors. These assets can only be used to settle liabilities from retirement benefit obligations (plan assets). They are measured at their fair value in accordance with Section 253 (1) sentence 4 HGB. The extent of the obligation is determined by fixing the limit of the guaranteed benefit commitment at the fair value of the corresponding securities at the reporting date. The assets and the corresponding pension obligations are offset against each other.

The pension expense to be recognised in the income statement includes mainly retirement benefit expense and interest expense. The provision expense represents the increase in pension obligations attributable to the service provided by employees in the financial year; it is disclosed under general and administrative expenses. The interest expense is defined as the increase in the present value of the pension obligations that results from the settlement date approaching and the discounting period thus becoming shorter. The interest expense is netted against the return on plan assets. Both the interest expense and the return on plan assets are included in the other operating result.

Fair value measurement

Fair value is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's-length transaction (except in the case of emergency settlement).

The market price is the best indicator of the fair value of financial instruments. If an active market exists, observable market prices are used to measure the financial instruments recognised at fair value. These are normally prices quoted on a stock exchange or market prices quoted on the interbank market. If an observable market price does not exist for a financial instrument, it is measured using recognised and commonly used valuation techniques, with all input data (e.g. yield curves, volatilities, spreads) being based on observable market data and taken from external sources. Such techniques mainly comprise discounted cash flow-based forward pricing and swap pricing models or option pricing models (e.g. Black-Scholes and variants thereof). These valuation techniques are normally used for OTC derivatives (including credit derivatives) and for financial instruments that are recognised at fair value and not traded on an active market. In those cases in which not all inputs are directly observable on the market, fair values are calculated using realistic assumptions based on market conditions. This valuation technique is used in particular for complex structured (derivative) spread products where correlations not directly observable in the market are significant to the measurement. If no market prices are available for non-derivative financial instruments, arranger prices are used. Unlisted equity investments are measured on the basis of unobservable inputs, particularly the surpluses derived from corporate planning.

Currency translation

Foreign currency assets and liabilities included in the annual financial statements and currency spot transactions not settled at the balance sheet date are translated at the middle spot exchange rate in accordance with the principles set out in Sections 256a and 340h HGB. In the case of foreign currency futures in the trading portfolio, swap spreads are accrued and the residual spreads recognised in net trading income. In the case of non-trading foreign currency swaps, residual spreads are recognised in interest income or expenses.

The Bank applies the principle of special cover in accordance with Section 340h HGB. For every currency, the Bank enters into foreign currency transactions in order to avoid uncovered FX exposures. All foreign currency results are recognised through profit or loss in net trading income.

Derivatives

Derivatives (interest rate, equity, currency, credit and commodity futures and options as well as swap agreements) are allocated to the trading portfolio or the non-trading portfolio at the trade date. Under commercial law accounting, derivative financial instruments are recognised on the basis of the relevant pronouncements and accounting guidance of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW) and in accordance with generally accepted accounting principles. In the case of structured financial instruments whose derivative arrangements have a different risk profile to the underlying, these derivatives are bifurcated, allocated to the trading portfolio and measured separately.

Derivatives not held for trading and derivatives held in valuation units (hedges) are used to manage general interest rate risk in the banking book. When measuring the banking book, an overall assessment of all interest-bearing on-balance sheet assets and liabilities, including interest rate derivatives, is performed for general interest rate risks in accordance with the principles of IDW RS BFA 3. To determine market risk, receivables, interest-bearing securities, liabilities and derivatives allocated to the banking book are not measured individually in accordance with the imparity principle, but treated as part of a refinancing group. In the year under review, it was not necessary to recognise a provision for expected losses from the refinancing group – using a periodic (income statement-based) analysis.

Current income and expenses from non-trading swap transactions is accrued on a pro-rata basis and reported under other assets or other liabilities.

Valuation units

In its banking book, Helaba has created valuation units in accordance with Section 340a in conjunction with Section 254 HGB, comprising securities held in the liquidity reserve and the corresponding interest rate swaps entered into for hedging purposes. The valuation units consist of asset-swap combinations in the form of micro valuation units (micro hedges). The hedges relate exclusively to interest rate risks. The net hedge presentation method is used to present changes in value that offset each other between the hedged item and the hedging instrument. The hedged items are always hedged at 100 % of the nominal volume for the entire remaining maturity. The fact that key factors affecting value match ensures the prospective effectiveness of the valuation units. Prospective effectiveness is determined using regression analysis. The offsetting changes in value and cash flows cancelled each other out to a large extent at the balance sheet date and are expected to continue to do so in future. The changes in value arising from the hedged risks will cancel each other out almost entirely by the envisaged end of the valuation units (the time at which the hedged item and the hedging instrument mature). For net losses on the ineffective portion of the hedging relationship, the Bank recognises a provision for expected losses. Disclosures relating to valuation units are reported in Note (37).

Taxes

As at 1 January 2024, the base erosion and profit sharing (BEPS) Pillar Two rules were adopted into Germany's Minimum Tax Act (Mindeststeuergesetz– MinStG) through the enactment of the Minimum Tax Directive Implementation Act (Mindestbesteuerungsrichtlinien-Umsetzungsgesetz – MinBestRL-UmsG). Helaba continues to closely monitor the progress of the legislative process in every country in which it is active. The BEPS Pillar Two rules have been adopted into national legislation in all tax jurisdictions relevant to Helaba – with the exception of Brazil and the USA.

Helaba's single entity financial statements under HGB are also affected by the introduction of thes rules. The matter is being analysed and dealt with at Group level. New legislation had no impact on the 2024 annual financial statements.

Deferred taxes are not recognised because the existing asset surplus is not recognised in the balance sheet, as a result of using the option provided for in Section 274 HGB. Deferred tax assets arise from differences between the carrying amounts of balance sheet items in the financial statements and their tax base. The differences primarily relate to loans and advances to customers, securities, equity investments, deferred income, provisions for pensions and similar obligations, and other provisions. The company-specific tax rates were used to measure the deferred taxes. In Germany, the Bank has a combined income tax rate of 31.6 % with an average municipality trade tax multiplier of 451 %. Deferred tax items in foreign permanent establishments are measured using the tax rates applicable in those jurisdictions.

The exemption introduced by Section 274 (3) HGB means that Helaba neither recognises nor reports deferred taxes in connection with income taxes resulting from applicable or announced tax regulations to implement the Pillar Two model rules.

Compensation

Expenses from write-downs of equity investments, shares in affiliated companies, securities treated as fixed assets and transactions with these assets are offset against income from such assets in accordance with Section 340c HGB. An income surplus is reported in the income statement under income from the reversal of write-downs of and allowances on equity investments, shares in affiliated companies and securities treated as fixed assets. If there is a surplus of expenses, it is reported under write-downs of and allowances on equity investments, shares in affiliated companies and securities treated as fixed assets.

Expenses from write-downs of and allowances on loans and advances and certain securities as well as transfers to loan loss provisions are offset against income from such assets in accordance with Section 340f HGB. A surplus of expenses is reported in the income statement under write-downs of and allowances on loans and advances and certain securities as well as transfers to loan loss provisions. An income surplus is reported in the income statement under income from the reversal of write-downs of and allowances on loans and advances and certain securities and from the reversal of loan loss provisions.

Prior-year adjustment

The prior-year balance sheet figure for “Cash reserve”, sub-item b) “Balances with central banks”, sub-item “thereof: With Deutsche Bundesbank” has been corrected from € –705 m to € 371 m in a non-material adjustment.

(2) Loans and advances to banks

in € m

	31.12.2024	31.12.2023
This item includes:		
Loans and advances to affiliated Sparkassen	7,523	7,617
Loans and advances to affiliated companies	807	1,218
Loans and advances to other long-term investees and investors	56	56
Subordinated loans and advances	3	5
thereof: To affiliated companies	–	–
thereof: To other long-term investees and investors	–	–
Payable on demand	36,013	33,147
Remaining maturities:		
Up to three months	963	2,187
More than three months and up to one year	871	1,200
More than one year and up to five years	1,513	1,647
More than five years	5,238	5,374

(3) Loans and advances to customers

in € m

	31.12.2024	31.12.2023
This item includes:		
Loans and advances to affiliated companies	874	611
Loans and advances to other long-term investees and investors	356	160
Subordinated loans and advances	7	7
thereof: To affiliated companies	–	–
thereof: To other long-term investees and investors	–	–
Remaining maturities:		
Up to three months	6,891	5,604
More than three months and up to one year	13,341	13,973
More than one year and up to five years	40,358	41,804
More than five years	37,228	40,410
With an indefinite term	3,614	2,684

(4) Bonds and other fixed-income securities

in € m

	31.12.2024	31.12.2023
Securitised receivables:		
From affiliated companies	–	–
From other long-term investees and investors	–	–
The marketable securities comprise:		
Listed securities	14,360	12,916
Unlisted securities	138	1,072
Not measured at the lower of cost and market	1,720	2,362
Remaining maturities:		
Amounts due in the following year	2,017	2,583
Subordinated assets	–	–
Deposited as collateral in open market transactions	–	3,561
Carrying amount of unimpaired investment securities	1,720	1,701
Fair value of unimpaired investment securities	1,680	1,629
Temporary impairment of investment securities	40	72

There are currently no reasons for an impairment write-down for investment securities.

(5) Equity shares and other variable-income securities

Write-downs were not recognised for shares in investment limited partnerships classified as fixed assets whose carrying amount exceeds the fair value of € 13 m (31 December 2023: € 30 m) by € 4 m (31 December 2023: € 3 m), as they were not permanently impaired.

In accordance with Section 17 RechKredV in conjunction with the definition of an investment fund as set out in Section 1 KAGB, this item also includes shares in domestic closed-end investment limited partnerships and similar foreign structures, in the amount of € 225 m (31 December 2023: € 202 m).

The Equity shares and other variable-income securities item does not include any marketable securities.

(6) Trading portfolio (assets)

in € m

	31.12.2024	31.12.2023
Derivative financial instruments	2,952	3,018
Loans and advances	585	714
Bonds and other fixed-income securities	6,821	8,195
Equity shares and other variable-income securities	1	–
Total	**10,359**	**11,927**
thereof: Subordinated assets	–	–

The decline in the trading portfolio (assets) is mainly a result of the decrease in bonds and other fixed-income securities. It also reflects the offsetting of trading derivatives (liabilities) and related collateral, which resulted in an amount of € 17,062 m (31 December 2023: € 20,714 m) being set off.

(7) Equity investments

in € m

	31.12.2024	31.12.2023
The marketable equity investments comprise:		
Listed securities	–	–
Unlisted securities	14	14

(8) Shares in affiliated companies

There are no marketable shares in affiliated companies.

(9) Trust assets

in € m

	31.12.2024	31.12.2023
This item includes:		
Loans and advances to banks	1,098	1,016
Loans and advances to customers	3,820	604
Equity investments	64	64
Shares in affiliated companies	5	5
Equity shares and other variable-income securities	86	88
Other assets	15	15

The amount reported on the balance sheet as at 31 December 2024 includes the Bank's continued management in its own name for the account of the Federal State of Hesse of the special funds transferred to the State of Hesse in the course of the partial restructuring of the Bank's equity.

(10) Intangible assets

in € m

	31.12.2024	31.12.2023
Purchased standardised software	229	195
Internally generated software under development	11	8

Internally generated intangible assets of € 4 m were capitalised in the financial year (2023: € 5 m). These consist of internally developed software. The software is currently in the development phase, which is expected to end in 2026. A restriction of dividends in the amount of the capitalised development costs has been recognised.

(11) Property and equipment

in € m

	31.12.2024	31.12.2023
This item includes:		
Land and buildings used for own operations	349	360
Operating and office equipment	25	27

(12) Other assets

in € m

	31.12.2024	31.12.2023
Significant items are:		
Interest receivables under swap agreements	711	850
Currency translation differences	–	228
Income tax assets	146	158

(13) Deferred income

in € m

	31.12.2024	31.12.2023
From issuing and lending operations, this item includes:		
Premiums on loans and advances	246	270
Discounts on liabilities and bonds issued	199	222
The other prepaid expenses include:		
Upfront payments	88	114
Other	58	57

(14) Repurchase agreements

No assets were sold under repurchase agreements.

(15) Assets pledged as collateral

in € m

	31.12.2024	31.12.2023
Assets of the following amounts were transferred for the following liabilities:		
Liabilities due to banks	3,582	3,780
Trading liabilities	3,087	3,535
Assets transferred for contingent liabilities	–	–

This includes borrowed securities in the amount of € 11 m (31 December 2023: € 0 m) that had been transferred on to credit institutions in connection with repurchase agreements.

(16) Assets denominated in foreign currency

in € m

	31.12.2024	31.12.2023
Assets denominated in foreign currency	23,732	24,149

(17) Statement of changes in fixed assets

in € m

	Intangible assets	Intangible assets	Long-term securities	Equity investments	Shares in affiliated companies	Fixed assets total
Cost						
As at 1.1.2024	**435**	**950**	**2,571**	**62**	**1,831**	**5,850**
Additions	62	67	454	2	4	588
Exchange rate changes	1	1	–31	–	0	–29
Reclassifications	–	–	–	–0	–	–0
Disposals	7	0	28	0	6	42
Other adjustments	–0	0	–	–	–	0
As at 31.12.2024	**491**	**1,017**	**2,967**	**64**	**1,829**	**6,367**
Depreciation, amortisation and writedowns and reversals of write-downs						
As at 1.1.2024	**232**	**175**	**7**	**36**	**15**	**465**
Reversals of write-downs	–	–	0	–	–	0
Depreciation and amortisation	25	15	–	–	–	40
Write-downs	–	–	0	2	0	2
Exchange rate changes	1	1	0	–	–	1
Reclassifications	–	–	–	–	–	–
Disposals	7	0	–	–	–	8
Other adjustments	–	0	–	–	–	0
As at 31.12.2024	**250**	**191**	**7**	**37**	**16**	**501**
Carrying amounts						
As at 1.1.2024	**203**	**775**	**2,564**	**27**	**1,815**	**5,384**
As at 31.12.2024	**240**	**827**	**2,960**	**26**	**1,813**	**5,866**

(18) Liabilities due to banks

in € m

	31.12.2024	31.12.2023
This item includes:		
Liabilities due to affiliated Sparkassen	16,629	15,365
Liabilities due to affiliated companies	5,316	4,933
Liabilities due to other long-term investees and investors	4	3
Payable on demand	12,173	10,192
Remaining maturities:		
Up to three months	1,211	148
More than three months and up to one year	1,845	2,351
More than one year and up to five years	10,225	12,087
More than five years	15,903	22,031

The borrowing of € 6.4 bn under the ECB’s targeted longer-term refinancing operations (TLTRO) that was included in liabilities due to banks as at 31 December 2023 was repaid in the reporting year.

(19) Liabilities due to customers

in € m

	31.12.2024	31.12.2023
This item includes:		
Liabilities due to affiliated companies	380	290
Liabilities due to other long-term investees and investors	34	65
Payable on demand	18,669	15,248
Remaining maturities:		
Up to three months	8,884	6,692
More than three months and up to one year	3,679	2,943
More than one year and up to five years	2,969	3,450
More than five years	10,515	10,887

(20) Securitised liabilities

in € m

	31.12.2024	31.12.2023
This item includes:		
Liabilities due to affiliated companies	–	–
Liabilities due to other long-term investees and investors	–	–
Remaining maturities of the sub-item – bonds issued:		
Amounts due in the following year	12,218	15,372
Remaining maturities of the sub-item – other securitised liabilities:		
Up to three months	2,196	1,598
More than three months and up to one year	1,821	1,015
More than one year and up to five years	–	–
More than five years	–	–

(21) Trading portfolio (liabilities)

in € m

	31.12.2024	31.12.2023
Derivative financial instruments	3,395	4,426
Liabilities	6,488	4,911
thereof: other securitised liabilities	149	79
Risk premium	21	31
Total	**9,904**	**9,368**

As at 31 December 2024, the offsetting of trading derivatives (assets) and related collateral resulted in an amount of € 14,328 m (31 December 2023: € 16,525 m) being set off. Lower negative fair values of derivatives were more than outweighed by the increase in liabilities.

(22) Trust liabilities

in € m

	31.12.2024	31.12.2023
Liabilities due to banks	466	540
Liabilities due to customers	4,452	1,080
Other liabilities	170	172

The amount reported on the balance sheet as at 31 December 2024 includes the continued management of the special funds transferred to the State of Hesse in the course of the partial restructuring of the Bank's equity.

(23) Other liabilities

in € m

	31.12.2024	31.12.2023
Significant items are:		
Interest obligations arising from swap agreements in the non-trading portfolio	793	1,032
Currency translation differences	192	–
Taxes to be paid	11	9

(24) Deferred income

in € m

	31.12.2024	31.12.2023
From issuing and lending operations, this item includes:		
Premiums on liabilities and bonds issued	83	113
Discounts on lending operations	40	43
Other	2	3
The other prepaid expenses include:		
Upfront payments	296	358
Other	152	170

(25) Provisions

The difference between the carrying amount of the pension provisions measured using the average market rate for the past ten financial years (1.90 %) and the carrying amount of the provisions measured using the appropriate average market rate for the past seven financial years (1.96 %) was € –15 m as at the balance sheet date. There is therefore no restriction on distributions in accordance with Section 253 (6) sentence 2 HGB.

The cost of the assets offset against provisions in accordance with Section 246 (2) sentence 2 HGB amounted to € 543 m (31 December 2023: € 547 m) and the fair value to € 571 m (31 December 2023: € 535 m). The settlement amount of the offset liabilities amounted to € 1,223 m (31 December 2023: € 1,210 m). In the income statement, income associated with these assets amounting to € 40 m (2023: € 43 m) was offset against expenses from the corresponding provisions amounting to € 27 m in 2024 (2023: € 14 m).

The other provisions were recognised mainly for personnel-related items and for credit and country risks in off-balance sheet lending business. Provisions are recognised for litigation risks if it is likely that they will be used. Further provisions are attributable to liabilities for which the actual amount or the reason is uncertain. There are also restructuring provisions of € 1 m (2023: € 2 m).

(26) Subordinated liabilities

As at 31 December 2024, there was one subordinated liability that accounted for more than 10 % of total subordinated liabilities:

Issue XS2489772991 in the nominal amount of € 550 m matures in 2032. It has an initial coupon rate of 4.5 %, which applies until the time of the first coupon rate adjustment, and the first opportunity for its ordinary repayment by Helaba falls in 2027. The agreed terms allow Helaba to terminate the arrangement at short notice after this time and provide for a variable coupon rate until maturity in 2032. The creditor has no ordinary right of termination. The conditions relating to the subordinate nature of this issue comply with the requirements of the Capital Requirements Regulation (CRR). There is no agreement to convert these items into capital or other forms of debt and there are no plans to do so.

The reported figure includes pro rata interest of € 47 m (2023: € 46 m). Interest expense on subordinated borrowings amounted to € 114 m in the year under review (2023: € 128 m).

As in the previous year, the Bank did not have any subordinated liabilities due to affiliated companies or other long-term investees and investors.

(27) Additional Tier 1 capital instruments

AT1 bonds represent unsecured and subordinated bonds of the Bank. The repayment as well as the nominal amount of the AT1 bonds may be reduced if a triggering event occurs. The decline of the Bank's Tier 1 capital ratio to under 5.125 % on a consolidated basis would be a triggering event. After the occurrence of a triggering event, any reduced bond amounts may be increased under specific conditions. Helaba may terminate the bonds at an early maturity date and has additional termination options every ten years; if specific conditions are met, and after approval of the competent supervisory authority, bonds may be terminated early. Bonds are subject to the terms and conditions as provided in the respective bond terms, which stipulate, among other things, that the Bank may terminate bonds only entirely, but not partially, provided that specific supervisory or tax conditions are met.

Bond interest payments are based on the bonds' nominal amounts and have been fixed for the period between the issue date and the first possible early repayment date. Subsequently, the applicable interest rate for the following ten years will be established. According to the bond terms, Helaba may be obliged (but also has extensive rights) to take the sole decision to suspend interest payments at any time. Interest payments in subsequent years will not be increased to compensate suspended interest payments from previous years on a cumulative basis.

In the partial restructuring of Helaba's equity, the State of Hesse has taken on a newly issued € 500 m AT1 bond. This newly issued bond became interest-bearing in August 2024.

As at 31 December 2024, the carrying amount of issued bonds excluding pro-rata interest stood at € 874 m (31 December 2023: € 374 m). Accrued interest expenses from issued bonds amounted to € 2 m in 2024 (2023: € 0.5 m).

(28) Liabilities denominated in foreign currency

in € m

	31.12.2024	31.12.2023
Liabilities denominated in foreign currency	13,402	11,198

(29) Own funds

in € m

	31.12.2024	31.12.2023
Subscribed capital	**792**	**2,527**
a) Share capital	774	589
b) Capital contribution	–	1,920
c) Silent partner contributions	18	18
Capital reserves	**2,861**	**1,546**
Retained earnings	**2,813**	**2,678**
Including		
additional Tier 1 capital instruments,	876	374
fund for general banking risks,	599	599
home savings protection fund and	11	11
subordinated liabilities	2,765	2,853
the liable capital reported in the balance sheet amounted to	**10,717**	**10,588**

In August 2024, following the fulfilment of all implementation conditions, Helaba's owners undertook a partial restructuring of its equity. These partial restructuring measures included, on the one hand, the withdrawal and repayment of the capital contributions of € 1,920 m from the Federal State of Hesse through the transfer of the "Wohnungswesen und Zukunftsinvestition" and "Hessischer Investitionsfonds" special funds in lieu of performance. These special funds were contributions in kind made to Helaba in 1998 and 2005 as the capital contributions of the Federal State of Hesse. On the other hand, in the context of a capital increase, the Federal State of Hesse paid a total of € 1,500 m into the share capital and capital reserves and € 500 m to subscribe to an AT 1 issue.

The stakes in Helaba were redefined as follows:

	Share in %
Sparkassen- und Giroverband Hessen-Thüringen	50.000
State of Hesse	30.075
Rheinischer Sparkassen- und Giroverband	4.106
Sparkassenverband Westfalen-Lippe	4.106
Fides Beta GmbH	4.106
Fides Alpha GmbH	4.106
Free State of Thuringia	3.501
Total	**100.000**

Prior to the implementation of these measures, the ownership of the share capital was as follows:

	Share in %
Sparkassen- und Giroverband Hessen-Thüringen	68.85
State of Hesse	8.10
Rheinischer Sparkassen- und Giroverband	4.75
Sparkassenverband Westfalen-Lippe	4.75
FIDES Beta GmbH	4.75
FIDES Alpha GmbH	4.75
Free State of Thuringia	4.05
Total	**100.00**

A distribution of € 110 m and an appropriation to revenue reserves of € 136 m are proposed for the appropriation of net profit. Of the appropriation to revenue reserves, € 93 m represents the increase in reserves required by the Charter following the increase in share capital.

Non-distributable amounts

Non-distributable amounts in accordance with Section 268 (8) HGB as at 31 December 2024 totalled € 11 m (31 December 2023: € 28 m). They were entirely accounted for by internally generated intangible fixed assets (31 December 2023: € 8 m). The difference between the average ten-year and average seven-year market interest rate for the discounting of provisions for pension liabilities did not result in any non-distributable amounts (31 December 2023: € 20 m).

(30) Contingent liabilities

in € m

	31.12.2024	31.12.2023
This item includes:		
Credit guarantees	2,772	6,197
Other guarantees and sureties	5,909	2,092

In the previous year, liabilities from guarantees and warranty agreements (without financial guarantees) in the amount of € 3.4 bn were presented as financial guarantees.

Helaba judges to be low the risk that borrowers will fail to meet their obligations and facilities are likely to be utilised. Bank guarantees are subject to the Bank's process for determining loss allowances. Helaba has recognised appropriate provisions in individual cases where a loss from the likely use of a facility is probable.

(31) Other obligations

On the basis of financial standing analyses, Helaba assumes that borrowers will meet their loan obligations and placement and underwriting obligations and therefore facilities are unlikely to be utilised. Provisions have been recognised in individual cases where a loss from the likely use of a facility is probable.

(32) Statement of cover assets for the mortgage and municipal authorities business

in € m

	31 Dec. 2024	31 Dec. 2023
Issued mortgage Pfandbriefe	**8,313**	**9,156**
Cover pool	**16,438**	**16,481**
Loans and advances to customers	12,392	13,389
Bonds and other fixed-income securities	1,254	981
Eligible collateral received	2,792	2,111
Overcollateralisation	**8,125**	**7,325**
Issued public Pfandbriefe	**18,509**	**20,710**
Cover pool	**31,148**	**32,213**
Loans and advances to banks	132	133
Loans and advances to customers	29,398	30,557
Bonds and other fixed-income securities	417	522
Eligible collateral received	1,201	1,001
Overcollateralisation	**12,639**	**11,503**

(33) Pfandbriefe and statement of cover assets

Overview in accordance with Section 28 (1) nos. 1, 3 of the PfandBG

in € m

	Nominal amount		Net present value		Risk-adjusted net present value	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Mortgage Pfandbriefe:						
Cover pool	16,438	16,481	16,714	16,466	15,874	15,449
Pfandbriefe outstanding	8,313	9,156	8,288	8,964	8,198	8,790
Overcollateralisation	8,125	7,325	8,426	7,503	7,676	6,659
Statutory overcollateralisation	329	364	166	179		
Contractual overcollateralisation	–	–				
Voluntary overcollateralisation	7,796	6,960	8,260	7,324		
Overcollateralisation of Pfandbriefe outstanding (in %)	97.7	80.0	101.7	83.7	93.6	75.8
Public Pfandbriefe:						
Cover pool	31,148	32,213	32,638	32,990	30,672	30,552
Pfandbriefe outstanding	18,509	20,710	18,771	20,671	17,813	19,503
Overcollateralisation	12,639	11,503	13,867	12,319	12,860	11,048
Statutory overcollateralisation	717	805	375	413		
Contractual overcollateralisation	–	–	–	–		
Voluntary overcollateralisation	11,923	10,698	13,492	11,906		
Overcollateralisation of Pfandbriefe outstanding (in %)	68.3	55.5	73.9	59.6	72.2	56.6

As in the previous year, there were no derivatives held to cover issued Pfandbriefe at the end of the year.

The net present value at risk is calculated using the dynamic approach in accordance with Section 5 (1) no. 2 of the German Net Present Value Regulation (Pfandbrief-Barwertverordnung – PfandBarwertV).

The statutory overcollateralisation for the nominal value is calculated as the sum of the overcollateralisation in nominal value terms in accordance with Section 4 (2) PfandBG and the nominal value of the overcollateralisation in net present value terms in accordance with Section 4 (1) PfandBG. The statutory overcollateralisation for the net present value is the overcollateralisation in net present value terms in accordance with Section 4 (1) PfandBG.

The voluntary overcollateralisation is what remains after subtracting the statutory overcollateralisation and the contractual overcollateralisation. It includes the net present value of the overcollateralisation in nominal value terms in accordance with Section 4 (2) PfandBG.

Maturity structure of Pfandbriefe in circulation and the cover assets pool used for this purpose in accordance with Section 28 (1) nos. 4 and 5 of the PfandBG

in € m

	Cover pool		Pfandbrief		Effects of an extension of Pfandbrief maturity	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Mortgage Pfandbriefe:						
Up to six months	1,825	1,683	1,250	1,048	–	–
More than six months and up to one year	1,571	1,425	1,010	2,800	–	–
More than one year and up to eighteen months	1,453	1,686	42	1,250	1,250	1,048
More than eighteen months and up to two years	1,456	1,287	3,450	1,010	1,010	2,800
More than two years and up to three years	2,474	2,565	2,360	1,542	3,492	2,260
More than three years and up to four years	2,311	2,270	–	1,335	2,360	1,542
More than four years and up to five years	2,188	1,661	24	–	–	1,335
More than five years and up to ten years	2,365	3,200	154	153	178	103
More than ten years	797	704	23	18	23	68
Public Pfandbriefe:						
Up to six months	1,525	1,623	373	698	–	–
More than six months and up to one year	1,317	1,695	896	3,002	–	–
More than one year and up to eighteen months	1,913	1,406	1,303	373	373	698
More than eighteen months and up to two years	1,501	1,318	589	895	896	3,002
More than two years and up to three years	3,167	3,115	2,761	1,892	1,892	1,268
More than three years and up to four years	3,283	2,786	2,479	2,809	2,761	1,892
More than four years and up to five years	1,621	3,241	1,688	2,498	2,479	2,810
More than five years and up to ten years	7,267	7,735	4,087	4,101	4,085	6,019
More than ten years	9,555	9,294	4,332	4,441	6,022	5,021

The disclosures on maturity extension are based on the scenario of a twelve-month extension. This is an extremely improbable scenario that could only apply after the appointment of a cover pool administrator.

Prerequisites for the extension of Pfandbrief maturity: it is necessary to extend maturity to avoid the "Pfandbrief bank with limited business activity" (Pfandbriefbank mit beschränkter Geschäftstätigkeit) becoming insolvent, the "Pfandbriefbank mit beschränkter Geschäftstätigkeit" is not overindebted and there is reason to assume that the "Pfandbriefbank mit beschränkter Geschäftstätigkeit" will be able to meets its obligations falling due before or at the end of the longest possible extension period, factoring in any additional possibilities for extension (see also Section 30 (2b) PfandBG for additional information).

Authority of the cover pool administrator when extending the maturity of Pfandbriefe: the cover pool administrator may postpone repayments if the material prerequisites for this step according to Section 30 (2b) PfandBG are satisfied. The cover pool administrator determines the length of the extension based on the specific requirements. The extension period may not exceed twelve months.

The cover pool administrator may postpone repayments and interest payments that are due within one month of his or her appointment to the end of this month period. If the cover pool administrator decides to implement such a postponement, a non-rebuttable presumption applies that the prerequisites in accordance with Section 30 (2b) PfandBG are satisfied. Any such postponement will count towards the maximum extension period of twelve months.

The cover pool administrator must apply his or her authority consistently to all the Pfandbriefe of an issue. Maturities may be extended either in full or in part. When extending the maturity of a Pfandbrief issue, the cover pool administrator must proceed such that the original order in which Pfandbriefe are to be serviced, which could theoretically be changed by the extension, is not changed. It may be necessary for the maturities of issues that would originally have matured later to be extended as well to ensure that this remains the case (see also Section 30 (2a) and (2b) PfandBG for additional information).

Additional disclosures according to Section 28 (1) nos.

Mortgage Pfandbriefe

The disclosure for loans and advances in accordance with Section 19 (1) no. 3 a) to c) PfandBG applies to Sweden and the disclosure for loans and advances in accordance with Section 19 (1) no. 4 PfandBG to Germany.

in € m

	31.12.2024	31.12.2023
Pfandbriefe in circulation	**8,313**	**9,156**
thereof: Fixed-income Pfandbriefe (in %)	63.9	78.6
Cover pool	**16,438**	**16,481**
Thereof: Total amount of the claims according section 12 para. 1 which exceed the limits laid down in section 13 para.1 s. 2 2nd half sentence	–	–
Thereof: Total amount of the claims according section 19 para. 1 which exceed the limits laid down in section 19 para.1 s. 7	–	–
Thereof: Claims which exceed the limits laid down in section 19 para. 1 no. 2	–	–
Thereof: Claims which exceed the limits laid down in section 19 para. 1 no. 3	–	–
Thereof: Claims which exceed the limits laid down in section 19 para. 1 no. 4	–	–
Thereof: Further cover	1,254	981
Thereof: claims according to section 19 para. 1 no. 2a) and b)	–	–
Thereof: claims according to section 19 para. 1 no. 3a) to c)	194	194
Thereof: claims according to section 19 para. 1 no. 4	1,060	788
Thereof: Share of fixed-rate cover assets (in %)	75.6	72.7
Net present value per section 6 of Present Value Regulation for Pfandbriefe, by foreign currency:		
US dollar	2,943	3,351
Pound sterling	201	202
Norwegian krone	46	22
Swiss franc	1	1
Swedish krona	246	174
Japanese yen	389	479
Average elapsed term of loans and advances since granting (in years)	**5.0**	**4.9**
Weighted average loan-to-value ratio (in %)	**58.2**	**59.0**

		31.12.2024	31.12.2023
Key figures on liquitity according to section 28 para. 1 no. 6 Pfandbrief Act			
Largest negative amount within the next 180 days within the meaning of section 4 para. 1a s.3	in € m	1,127	905
Day on which the largest negative sum results	Days (1 – 180)	22	39
Total amount of cover assets meeting the requirements of section 4 para. 1a s.3	in € m	1,309	1,000
Key figures according to section 28 para. 1 no. 15 Pfandbrief Act			
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Art. 178 para. 1 of Regulation (EU) no. 575/2013 is deemed to have occurred	in %	–	–

Public Pfandbriefe

in € m

	31.12.2024	31.12.2023
Pfandbriefe in circulation	**18,509**	**20,710**
thereof: Fixed-income Pfandbriefe (in %)	93.9	81.9
Cover pool	**31,148**	**32,213**
Thereof: total amount of the claims according to section 20 para. 1 and 2 which exceed the limits laid down in section 20 para.3	–	–
Thereof: claims which exceed the limits laid down in section 20 para. 2 no. 2	–	–
Thereof: claims which exceed the limits laid down in section 20 para. 2 no. 3	–	–
Thereof: Further cover	–	–
Therof: claims according to section 20 para. 2 no. 2	–	–
Therof: claims according to section 20 para. 2 no. 3a) to c)	–	–
Therof: claims according to section 20 para. 2 no. 4	–	–
Thereof: Share of fixed-rate cover assets (in %)	93.7	93.7
Net present value per section 6 of Present Value Regulation for Pfandbriefe, by foreign currency:		
US dollar	320	407
Swiss franc	18	74

		31.12.2024	31.12.2023
Key figures on liquitity according to section 28 para. 1 no. 6 Pfandbrief Act			
Total amount of cover assets meeting the requirements of section 4 para. 1a s.3	in € m	449	543
Key figures according to section 28 para. 1 no. 15 Pfandbrief Act			
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Art. 178 para. 1 of Regulation (EU) no. 575/2013 is deemed to have occurred	in %	–	–

Breakdown of the cover pool for mortgage Pfandbriefe by type of use in accordance with Section 28 (2) nos. 1 b, 1 c, 2 and 5 PfandBG

Residential breakdown:

in € m

	Homes for owner occupation		Single-family and two-family homes		Multiplefamily homes		Incomplete and not-yet-profitable new buildings		Building sites		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Germany	475	339	1,392	1,018	1,569	1,682	–	–	0	0	3,436	3,040
Finland	–	–	–	–	–	12	–	–	–	–	–	12
France	–	–	–	–	33	27	–	–	–	–	33	27
Sweden	–	–	–	–	27	28	–	–	–	–	27	28
USA	–	–	–	–	1,587	1,569	–	–	–	–	1,587	1,569
Total	**475**	**339**	**1,392**	**1,018**	**3,215**	**3,318**	**–**	**–**	**0**	**0**	**5,082**	**4,676**

Commercial breakdown:

in € m

	Office buildings		Retail buildings		Industrial buildings		Other commercially used buildings		Incomplete and not-yet-profitable new buildings		Building sites		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Belgium	187	187	–	–	–	–	–	–	–	–	–	–	187	187
Germany	2,533	2,662	1,450	1,379	191	182	142	184	–	0	–	–	4,316	4,407
Finland	243	234	160	127	–	–	–	–	–	–	–	–	403	361
France	990	1,070	253	301	–	–	–	–	–	–	79	–	1,322	1,371
Luxembourg	–	106	–	–	–	–	–	–	–	–	–	–	–	106
The Netherlands	199	277	133	164	–	–	1	8	–	–	–	–	332	449
Norway	–	–	48	21	–	–	–	–	–	–	–	–	48	21
Austria	127	127	32	32	–	–	–	–	–	–	–	–	159	159
Poland	470	669	648	679	–	–	–	–	–	–	–	–	1,118	1,348
Sweden	25	26	211	114	–	–	–	–	–	–	–	–	236	140
Czech Republic	140	233	107	52	–	–	–	–	–	–	–	–	247	285
USA	1,459	1,719	45	51	–	–	–	–	–	–	–	–	1,504	1,770
United Kingdom	231	220	–	–	–	–	–	–	–	–	–	–	231	220
Total	**6,604**	**7,530**	**3,086**	**2,920**	**191**	**182**	**142**	**192**	**–**	**0**	**79**	**–**	**10,102**	**10,824**

There were payments of € 0 m at least 90 days past due at the reporting date (31 December 2023: € 0 million). There is no specified total amount for these loans and advances if the respective due payment accounts for at least 5 % of the loans and advances. There were no instances of receivership or forced sales in the year under review, nor was it necessary to take charge of any land in order to avoid losses.

Interest arrears in mortgage business:

in € m

	31.12.2024	31.12.2023
Commercial	0	–
Residential	0	0
Total	**0**	**0**

Breakdown of the cover pool for public Pfandbriefe (public-sector covered bonds) by issuer under Section 28 (3) nos. 2 and 3 PfandBG

in € m

	Central government		Regional authorities		Municipal authorities		Public-law credit institutions / Other		Total		Thereof: Guarantees for promoting exports	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Belgium	–	–	–	–	603	663	–	–	603	663	–	–
Denmark	–	44	–	–	–	–	–	–	–	44	–	44
Germany	1,208	1,256	10,549	10,341	17,632	13,714	212	4,932	29,600	30,242	1,184	1,170
Finland	28	16	–	–	20	20	–	–	48	36	28	16
France	51	50	96	117	147	87	–	–	294	254	24	20
Austria	1	60	448	546	–	–	–	–	449	606	1	2
Sweden	22	25	–	–	–	–	–	–	22	25	22	25
Switzerland	–	125	–	54	–	–	–	–	–	179	–	125
Spain	–	–	–	16	–	29	–	–	–	45	–	–
United Kingdom	134	118	–	–	–	–	–	–	134	118	134	118
Total	**1,442**	**1,695**	**11,092**	**11,074**	**18,402**	**14,512**	**212**	**4,932**	**31,148**	**32,213**	**1,391**	**1,521**

As in the previous year, there were no payments at least 90 days past due at the reporting date. Correspondingly, there is no specified total amount for these loans and advances if the respective due payment accounts for at least 5 % of the loans and advances.

Breakdown of the cover pool by size in accordance with Section 28 (2) no. 1a, (3) no. 1 and (4) no. 1a PfandBG

in € m

	31.12.2024	31.12.2023
Mortgage Pfandbriefe		
Up to € 0.3 m	1,520	1,180
More than € 0.3 m and up to € 1 m	662	432
More than € 1 m and up to € 10 m	856	842
More than € 10 m	12,146	13,046
Further cover	1,254	981
Public Pfandbriefe		
Up to € 10 m	3,485	3,595
More than € 10 m and up to € 100 m	7,859	8,467
More than € 100 m	19,805	20,151
Further cover	–	–

Disclosures relating to international securities identification codes in accordance with Section 28 (1) no. 2 PfandBG

Mortgage Pfandbriefe

The following securities were held in the portfolio as at 31 December 2024 and 31 December 2023:

DE000HLB4116 DE000HLB42M2 DE000HLB43H0
DE000HLB43J6 DE000HLB4YL4 XS1883355601
XS2001346480 XS2106576494 XS2433126807
XS2536375368 XS2589441943

The following securities were held in the portfolio as at 31 December 2024 but not at 31 December 2023:

DE000HLB4330 DE000HLB4348 DE000HLB44F2
XS2751647046 XS2765025817

The following securities were held in the portfolio as at 31 December 2023 but not at 31 December 2024:

DE000HLB42Y7 DE000HLB4LY4 DE000HLB7515
XS1767931477 XS2022037795 XS2446114600

Public Pfandbriefe

The following securities were held in the portfolio as at 31 December 2024 and 31 December 2023:

DE0002677572 DE000A0A3HE5 DE000DXA0MG8
DE000DXA0PY4 DE000DXA0RA0 DE000DXA0TU4
DE000HLB0AP3 DE000HLB0P56 DE000HLB1BZ8
DE000HLB1C27 DE000HLB1C43 DE000HLB2LC4
DE000HLB2NE6 DE000HLB2YN4 DE000HLB40Y1
DE000HLB41Z6 DE000HLB4249 DE000HLB42R1
DE000HLB43N8 DE000HLB4J84 DE000HLB4U48
DE000HLB4U71 DE000HLB4VB1 DE000HLB4YE9
DE000HLB4Z68 DE000WLB8ET1 XS1548773982
XS1587900843 XS1793273092 XS1936186425
XS2056484889 XS2106579670 XS2433240764
XS2445172187 XS2461137189 XS2590759044
XS2673929944 XS2711420054

The following securities were held in the portfolio as at 31 December 2024 but not at 31 December 2023:

DE000HLB43Y5 XS2760109053

The following securities were held in the portfolio as at 31 December 2023 but not at 31 December 2024:

DE000A0A3HW7 DE000A0A3HZ0 DE000A0ASMW9
DE000DXA0K24 DE000HLB0AN8 DE000HLB1JX6
DE000HLB41D3 DE000HLB41M4 DE000HLB42X9
DE000HLB4J76 DE000HLB4JM3 DE000HLB4V96

(34) Non-trading derivative financial instruments

The disclosures relating to derivative financial instruments are broken down into trading and non-trading portfolios.

Transactions in non-trading derivative products are presented in accordance with the disclosure requirements under Section 285 no. 19 HGB in conjunction with Section 36 RechKredV. Non-trading derivative financial instruments are entered into to hedge or manage risks attributable to banking book transactions (asset/liability management).

Disclosure of volumes

in € m

	Notional amounts		Positive fair values		Negative fair values	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Interest rate risk	**225,630**	**247,383**	**6,276**	**7,764**	**8,278**	**10,463**
Interest rate swaps	209,251	228,920	6,262	7,732	7,784	9,923
Interest rate options	9,996	11,265	1	4	462	480
Calls	205	255	1	4	–	–
Puts	9,790	11,009	–	–	462	480
Caps, floors	4,193	4,752	12	24	32	59
Market contracts	2,191	2,447	1	3	0	0
Currency risk	**26,454**	**27,421**	**189**	**364**	**613**	**363**
Currency futures	9,607	8,534	121	10	3	125
Currency swaps / cross-currency swaps	16,845	18,885	68	354	610	238
Currency options	1	2	0	0	–	–
Calls	1	2	0	0	–	–
Total	**252,084**	**274,804**	**6,465**	**8,128**	**8,891**	**10,826**

In addition to the notional volumes, the positive and negative fair values are shown separately. These disclosures do not reflect netting or collateral agreements.

Since these transactions form part of hedging transactions, the fair values always have to be analysed in connection with the hedged items.

The fair values are in some cases offset by unrealised premium and special cash flows and interest accrued on derivatives, which are shown in the balance sheet under other assets or liabilities and under prepaid expenses or deferred income. The total amount of assets related to derivatives is € 801 m (31 December 2023: € 1,195 m), while liabilities related to derivatives amount to € 1,282 m (31 December 2023: € 1,395 m).

Breakdown of notional amounts by maturity

in € m

	Interest rate risk		Currency risk		Equity and other price risks		Credit derivatives		Commodity derivatives		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Up to three months	16,363	26,862	9,952	8,833	–	–	–	–	–	–	26,315	35,696
More than three months and up to one year	24,057	27,152	2,779	3,034	–	–	–	–	–	–	26,837	30,186
More than one year and up to five years	94,875	101,902	11,843	12,561	–	–	–	–	–	–	106,718	114,462
More than five years	90,334	91,467	1,880	2,993	–	–	–	–	–	–	92,214	94,460
Total	**225,630**	**247,383**	**26,454**	**27,421**	**–**	**–**	**–**	**–**	**–**	**–**	**252,084**	**274,804**

The volume of short-term interest rate transactions decreased. Short-term interest rate transactions (with a remaining maturity of up to one year) now account for 17.9 % of total business in this risk category (31 December 2023: 21.8 %).

The majority of transactions in “valuation units” in accordance with Section 254 HGB was entered into for mid-term maturities, i.e. between one and five years. The notional volume of all mid-term transactions amounted to € 8,812 m at the reporting date (31 December 2023: € 7,232 m).

Breakdown by counterparty

in € m

	Notional amounts		Positive fair values		Negative fair values	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Banks in OECD countries	207,506	213,539	4,785	5,710	7,766	8,942
Other counterparties	44,578	61,265	1,680	2,417	1,125	1,885
Total	**252,084**	**274,804**	**6,465**	**8,128**	**8,891**	**10,826**

The purpose of the counterparty breakdown is to present the default risks associated with derivative transactions. Helaba enters into derivative transactions mainly with banks in OECD countries and central counterparties.

A significant proportion of transactions with other counterparties relate to market contracts and OTC transactions with central counterparties; they account for 98.3 % of the notional volume (31 December 2023: 98.8 %).

As in previous years, banks in OECD countries and central counterparties account for most of the positive fair values and thus the replacement risks.

(35) Derivative financial instruments held for trading

Transactions in derivative products are presented in accordance with the disclosure requirements under Section 285 no. 20 HGB in conjunction with Section 36 RechKredV.

The notional volume of derivative trades was almost unchanged year on year.

Disclosure of volumes

In addition to the notional volumes, the positive and negative fair values are shown separately.

in € m

	Notional amounts		Notional amounts		Notional amounts	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Interest rate risk	**641,161**	**635,748**	**2,642**	**2,599**	**3,113**	**4,105**
Interest rate swaps	598,905	589,342	2,535	2,479	3,025	3,917
Interest rate options	20,590	22,280	102	108	23	43
Calls	9,645	10,605	75	96	0	3
Puts	10,944	11,674	27	12	23	40
Caps, floors	15,013	16,406	6	11	64	145
Market contracts	6,422	7,437	–	–	–	0
Other interest rate futures	231	283	0	0	–	–
Currency risk	**36,118**	**44,432**	**295**	**388**	**266**	**299**
Currency futures	31,519	39,947	195	198	177	234
Currency swaps/cross-currency swaps	4,431	4,267	99	190	88	64
Currency options	168	218	0	1	1	1
Calls	84	109	0	1	–	–
Puts	84	109	–	–	1	1
Equity and other price risks	**271**	**684**	**13**	**30**	**4**	**10**
Equity options	242	653	13	30	4	10
Calls	121	327	13	30	0	–
Puts	121	327	0	–	4	10
Market contracts	29	30	–	–	–	–
Credit derivatives	**1,676**	**2,014**	**2**	**1**	**12**	**12**
Calls	842	1,121	0	0	12	12
Puts	834	893	1	1	–	–
Commodity risk	**471**	**336**	**0**	**0**	**0**	**0**
Commodity futures	345	273	0	0	0	0
Commodity options	125	63	0	0	0	0
Total	**679,696**	**683,213**	**2,952**	**3,018**	**3,395**	**4,426**

Breakdown of notional amounts by maturity

in € m

	Interest rate risk		Currency risk		Equity and other price risks		Credit derivatives		Commodity derivatives		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Up to three months	88,058	21,006	17,242	20,583	114	61	–	–	225	336	105,638	41,986
More than three months and up to one year	112,058	126,976	10,967	15,710	139	370	272	376	246	–	123,682	143,433
More than one year and up to five years	176,767	217,577	5,778	6,603	17	252	1,244	1,520	–	–	183,806	225,952
More than five years	264,278	270,188	2,132	1,536	–	–	160	118	–	–	266,570	271,842
Total	**641,161**	**635,748**	**36,118**	**44,432**	**271**	**684**	**1,676**	**2,014**	**471**	**336**	**679,696**	**683,213**

Short-term interest rate transactions (with a remaining maturity of up to one year) account for 31.2 % of total business in this risk category (31 December 2023: 23.3 %).

Breakdown by counterparty

in € m

	Notional amounts		Notional amounts		Notional amounts	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Banks in OECD countries	177,054	190,412	1,503	1,427	2,292	3,027
Banks outside OECD countries	0	1	0	0	–	0
Public institutions in OECD countries	9,863	10,117	771	725	50	55
Other counterparties	492,780	482,683	679	866	1,053	1,344
Total	**679,696**	**683,213**	**2,952**	**3,018**	**3,395**	**4,426**

The purpose of the counterparty breakdown is to present the default risks associated with derivative transactions.

A significant proportion of transactions with other counterparties relate to market contracts and OTC transactions with central counterparties; they account for 89.9 % of the notional volume (31 December 2023: 89.5 %).

The percentage of the total volume of derivatives accounted for by trading derivatives increased slightly year on year to 72.9 % (31 December 2023: 71.3 %).

As in previous years, interest rate contracts accounted for most of the trading activities. In this case, 74.0 % (31 December 2023: 72.0 %) of the total portfolio is attributable to trading derivatives. 57.7 % (31 December 2023: 61.8 %) of the currency risk contracts and 100 % (31 December 2023: 100 %) of the credit derivatives relate to the trading portfolio.

(36) Trading products

in € m

	Assets		Liabilities		Net income of the trading portfolio	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	2024	2023
Derivative financial instruments	**2,952**	**3,018**	**3,395**	**4,426**	**142**	**83**
Interest rate trading	2,642	2,599	3,113	4,105	94	36
Equity trading	13	30	4	10	2	5
Currency trading	295	388	266	299	15	22
Credit derivatives	2	1	12	12	–2	–3
Commodities	0	0	0	0	33	23
Receivables/liabilities	**585**	**714**	**6,385**	**4,742**	**–220**	**–154**
Promissory note loans	243	355	–	–	8	36
Receivables/liabilities payable on demand, overnight and time deposits	214	153	6,215	4,632	–228	–181
Repos/reverse repos/securities lending	128	206	–	–	6	5
Issued money market instruments/securitised liabilities	–	–	64	–	–0	–0
Issued equity/index certificates	–	–	85	79	–6	–13
Other	–	–	21	31	–	–
Bonds and other fixed-income securities	**6,821**	**8,195**	**125**	**199**	**310**	**412**
Equity shares and other variable-income securities	**1**	**–**	**–**	**0**	**5**	**9**
Other					**–19**	**–17**
Commissions					–19	–17
Fund for general banking risks in accordance with section 340e of the HGB					**–**	**–**
Total	**10,359**	**11,927**	**9,904**	**9,368**	**217**	**333**

Offsetting was reflected in both the year under review and the prior-year amounts when presenting derivative financial instrument assets and liabilities. A total of € 17,062 m (31 December 2023: € 20,714 m) was set off in the case of trading assets and € 14,328 m (31 December 2023: € 16,525 m) in the case of trading liabilities.

(37) Valuation units in accordance with Section 254 HGB

The carrying amount of the securities included in valuation units was € 10,347 m (31 December 2023: € 9,287 m).

A provision for expected losses is reported for net losses arising from interest rate-related measurement effects (hedged risk). The provision for expected losses was partially reversed in the reporting year. In the year under review, write-downs were recognised to take account of the changes in value for the unhedged credit risk.

in € m

	2024	2023
Changes in value for the unhedged risk	–20	–10
Change in the provision for expected losses arising from negative interest-rate-related measurement effects	3	3

(38) Breakdown by geographical market

Total interest income, current income from equity shares and other variable-income securities, equity investments and shares in affiliated companies, fee and commission income, net trading income and other operating income is attributable to the following markets:

in € m

	31.12.2024	31.12.2023
Germany	8,544	8,693
European Union, excl. Germany	0	1
Other	899	844

(39) Net interest income

In the year under review, interest income from lending and money market transactions included income arising from financial liabilities (negative interest) in the amount of € 3 m (2023: € 4 m), while interest expenses included expenses arising from financial assets of € 1 m (2023: € 1 m).

The item includes prior-period income of € 30 m (2023: € 154 m) and prior-period expenses of € 4 m (2023: € 21 m). In the previous year, prior-period income was largely offset by amounts arising from the termination of hedging transactions.

(40) Fee and commission income

This item mainly comprises fee and commission income from financial guarantees, payment services and the management of public-sector subsidy and development programmes. Further components are fee and commission income from services provided to third parties for the administration and arrangement of securities transactions and other banking services.

(41) Other operating income and expenses

Under other operating income for the year under review, the Bank reports, among other things, income from the reversal of provisions in the amount of € 46 m (2023: € 24 m), rental and leasing income of € 22 m (2023: € 19 m), and non-banking services provided to third parties of € 21 m (2023: € 17 m).

The interest income from provisions of € 33 m (2023: € 30 m) resulted mainly from the remeasurement gains on plan assets due to market interest rate changes.

The item includes prior-period income of € 4 m (2023: € 3 m) and prior-period expenses of € 1 m (2023: € 4 m).

(42) Extraordinary result

The Bank did not disclose any extraordinary result in the reporting period.

(43) Taxes on income

Of the income tax expense of € 164 m, a tax expense of € 57 m was in respect of countries other than Germany. Tax expense in Germany amounted to € 107 m. There were also other taxes of € 1 m.

(44) Other financial obligations

At the balance sheet date, the Bank had obligations to make contributions to the subscribed capital of 40 companies totalling € 189 m, of which € 0 m was attributable to one affiliated company.

Helaba is a partner with unlimited liability in GLB GmbH & Co. OHG, Frankfurt am Main.

Helaba is also jointly liable for ensuring that other members belonging to the Deutscher Sparkassen- und Giroverband e.V. (DSGV) meet their obligations to make additional contributions. If a claim were made against a former guarantor of DekaBank under the grandfathering provisions applicable to the guarantor liability in accordance with the Brussels Accord I, Helaba would be obliged to pay pro-rata internal liability compensation. The owners of DekaBank on 18 July 2005 are liable for the fulfilment of all liabilities of DekaBank existing at that date. The liability applies without any time limitation for liabilities that had been agreed up to 18 July 2001.

The Bank is a member of the protection scheme of the Sparkassen-Finanzgruppe through its membership of the sub-funds of the Landesbanken and Girozentralen in Germany. The purpose of this protection scheme is to guarantee the institution, i. e. to protect the continued existence of the affiliated institutions as going concerns. If a situation should arise in which a scheme has to provide financial support or pay compensation, Helaba could be required to pay additional or special contributions to the protection scheme. In June 2023, the general meeting of members of the German Savings Banks Association (DSGV) adopted a resolution on the necessary amendments to the articles of association in connection with refining the Sparkassen-Finanzgruppe's protection scheme. This includes the establishment of an additional fund to be built up over a period of eight years from 2025 and to which Helaba will also contribute. Sparkassen- und Giroverband Hessen-Thüringen will be liable to make up any shortfall should a claim be made against the fund before the full amount has been contributed in cash.

In addition, Helaba is a member of the reserve fund of the Sparkassen- und Giroverband Hessen-Thüringen (SGVHT). This provides additional protection on top of Germany's existing national protection scheme, protecting both institutions and creditors. The total volume of the fund has been set at € 600 m. In the context of the partial restructuring of Helaba's equity and the increase in the share capital and AT1 capital in 2024, the General Assembly (Verbandsversammlung) of the Sparkassen- und Giroverband Hessen-Thüringen has resolved to gradually dissolve the regional reserve fund over an expected eight-year period, starting in 2025. A review is planned after four years to decide whether to retain a portion of the fund.

The sundry obligations include obligations of € 101 m (31 December 2023: € 101 m) to the European Single Resolution Fund. Helaba has elected to fully utilise the option to make some of the annual contribution in the form of an irrevocable payment undertaking backed in full by cash collateral. The European Single

Resolution Fund is authorised to require the (partial) payment of (partial) payment undertakings as soon as the irrevocable payment undertakings amount to or exceed 30 % of the fund's volume. If an institution does not pay the amount required by the due date, the European Single Resolution Fund shall be entitled to utilise the collateral in respect of the amount required. In a European court ruling from October 2023 that was not final as at the reporting date, it was stated that collateral will only not be returned if an institution gives up its banking licence; other grounds for the return of collateral are not ruled out. A claim based on the irrevocable payment undertaking is considered unlikely given the financial adequacy of the European Single Resolution Fund.

The Reserve Fund of the Landesbanken and Girozentralen and the deposit security reserve fund of the Landesbausparkassen also give their member banks an option to pay part of their contributions in the form of irrevocable payment undertakings backed in full by collateral. The Bank and the Landesbausparkasse have utilised this option for contributions of € 130 m (31 December 2023: € 99 m). Under similar conditions to the European Single Resolution Fund, the Reserve Fund is authorised to require the payment of payment undertakings and to utilise the collateral if necessary. A claim based on the irrevocable payment undertaking is considered unlikely given the financial adequacy of the Reserve Fund of the Landesbanken and Girozentralen.

With regard to Helaba Asset Services GmbH and Frankfurter Bankgesellschaft (Schweiz) AG, Zurich, Helaba ensures that each company is able to meet its contractual obligations, except in the case of political risk.

Securities with a value of € 2,108 m have been pledged for settling clearing transactions. In connection with the Bank's short-term liquidity management, a volume of € 9,011 m was allocated for off-balance sheet draw-down risks and payment transactions. Securities with a market value of € 11 m were provided as collateral for secured money trading. These included securities with a market value of € 11 m from securities lending transactions. In accordance with international requirements, securities with an equivalent market value of € 1,870 m had been pledged as collateral.

If Sparkassen-Immobilien-Vermittlungs-GmbH or OFB Projektentwicklung GmbH (both affiliated companies) becomes insolvent, Helaba has agreed to make the equalisation payments to the relevant supplementary pension fund.

According to a control agreement with Sparkassen-Immobilien-Vermittlungs-GmbH, Helaba is required during the term of the agreement to make good any net loss for a year that would otherwise be incurred insofar as this net loss is not made good by the taking from other revenue reserves of amounts that have been allocated to other revenue reserves during the term of the agreement.

Further obligations in accordance with Section 285 no. 3 HGB are attributable in particular to long-term property rental and lease agreements for properties used for banking operations. Rental and lease payment obligations of € 13 m are expected for 2025 for the properties used by Helaba with contract terms and notice periods of one month up to nine years and four months. Other financial obligations arise from various rental, usage and service agreements as well as consultancy agreements to the extent customary in business.

The OPUSALPHA asset-backed commercial paper programme initiated by Helaba is used to securitise assets arising from customer-related business activities. The issuing company, OPUSALPHA Funding Limited, is consolidated in Helaba's consolidated financial statements.

The line of liquidity provided for the OPUSALPHA programme as a whole amounted to € 3,991 m (31 December 2023: € 3,609 m), of which € 3,197 m had been drawn down as at 31 December 2024 (31 December 2023: € 2,946 m).

Helaba acts as service provider for the OPUSALPHA companies and has entered into commitments to provide liquidity up to no more than the amount of any existing purchase commitments and is exposed to subordinated liabilities should the risks borne by third parties, for example in the form of discounts on purchases or guarantees, be insufficient.

On the basis of indemnity agreements, the Bank has undertaken vis-à-vis one subsidiary to exempt it from risks arising from certain transactions.

Under local measurement procedures, a foreign pension fund for a foreign subsidiary's pension commitments has a deficit for which appropriate provisions have been recognised. This deficit must be eliminated by making payments into the corresponding plan assets starting in 2015. In the process, regular comparisons will be made between the value of the plan assets after payments and the effects arising from changes in local measurement parameters. Under international accounting requirements, the indirect pension obligation (before the existing plan assets are taken into account) amounts to € 41 m (31 December 2023: € 44 m).

Helaba acquires receivables eligible for inclusion in the cover assets pool from S-Group as part of its Pfandbrief business; these items may be used to cover public Pfandbriefe or mortgage Pfandbriefe, including any collateral (“cover pooling”). According to the transfer agreements, the beneficial ownership of these items remains with the transferring bank, which continues to carry them on its balance sheet, although they have been entered into Helaba’s cover register. Helaba does not recognise the obligations arising from the transfer agreements (amounting to the total nominal value of the receivables transferred to Helaba). At 31 December 2024, the total nominal value of all transferred receivables included in Helaba’s cover register amounted to € 3,993 m (municipal authority loans of € 1,201 m and mortgage loans of € 2,792 m).

As at the balance sheet date, there were conditional and unconditional forward contracts

- for currency transactions (currency futures and options, currency swaps and cross-currency swaps),
- for interest rate transactions (futures and options with fixed-income securities and promissory note loans, forward rate agreements, finance swaps and related options, interest rate futures including options on these transactions as well as interest rate caps),
- for other price risks (equity and equity index futures contracts/options),
- for credit risk (credit derivatives), and
- for commodity risk (commodity swaps and options).

From a risk perspective, the trading portfolio mainly contains closed positions comprising various types of transaction. If derivative instruments are held in the non-trading book, the transactions are mainly used to hedge interest rate-related or currency-related market risks.

(45) Auditors’ fees

Please refer to the IFRS Annual Report for further information on auditors’ fees according to Section 285 no. 17 HGB.

The fees for financial statements auditing services include, in addition to the fees for audits of financial statements required under EU law, the fees for the review of interim financial statements by an auditor and those for audits of annual financial statements not prescribed under EU law.

Fees for other attestation services related to statutory, contractually agreed or voluntary review or attestation services, particularly attestations for protection schemes and statutory notifications, project reviews, reviews of the service-related internal control system and reviews of the custody business and securities service business.

(46) Related party disclosures

Helaba is required to report its transactions with related parties in accordance with Section 285 no. 21 HGB. These transactions are conducted on an arm's-length basis. Over and above the minimum disclosures required by Section 285 no. 21 HGB, we provide a comprehensive report on related party transactions in accordance with international accounting requirements (IAS 24). With regard to the Sparkassen- und Giroverband Hessen-Thüringen, the Federal State of Hesse and the Free State of Thuringia in their capacity as shareholders and owners, the criteria for exemption from reporting on related parties that are public-sector entities are satisfied; this option is always utilised if the business volumes involved are insignificant. The following information relates to the transactions with affiliated companies, associates and equity investments in joint ventures of the Helaba Group, the SGVHT and the Federal State of Hesse and the Free State of Thuringia in their capacity as shareholders, as well as subsidiaries of the SGVHT.

The disclosures relating to the persons in key positions at Helaba as defined in Section 285 no. 21 HGB, including their close family relations and companies controlled by those persons, are also included in the following table.

The Helaba Group had the following receivables from, liabilities due to and off-balance sheet commitments to related parties as at the reporting date:

in € m

	Affiliated companies		Investments in joint ventures and associates		Shareholders of Helaba		Other related parties		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Assets	**3,537**	**3,648**	**165**	**121**	**7,230**	**7,654**	**0**	**0**	**10,932**	**11,422**
Loans and advances to banks	807	1,218	–	–	–	–	–	–	807	1,218
Loans and advances to customers	874	575	160	116	6,839	7,351	0	–	7,873	8,042
Bonds and other fixed-income securities	–	–	–	–	374	278	–	–	374	278
Equity shares and other variable-income securities	–	0	1	–	–	–	–	–	1	0
Trading assets	1	3	–	–	16	25	–	–	17	27
Equity investments	–	–	4	4	–	–	0	0	4	4
Shares in affiliated companies	1,813	1,815	–	–	–	–	–	–	1,813	1,815
Other assets	43	37	–	–	1	1	–	–	43	38
Liabilities	**5,762**	**5,270**	**17**	**13**	**4,025**	**3,227**	**0**	**0**	**9,804**	**8,511**
Liabilities due to banks	5,316	4,933	–	–	88	67	–	–	5,404	5,000
Liabilities due to customers	380	288	13	10	3,111	2,778	0	0	3,504	3,077
Trading liabilities	29	0	4	4	826	379	–	–	859	383
Other liabilities	37	49	0	0	0	3	–	–	37	51
Off-balance sheet liabilities	**992**	**567**	**151**	**131**	**388**	**764**	**–**	**–**	**1,531**	**1,462**

Allowances of € 160 m (31 December 2023: € 156 m) were recognised on receivables from subsidiaries.

As in the previous year, receivables from other related parties comprised no loans to members of the Executive Board or Supervisory Board.

The total remuneration paid by the Bank to the Executive Board amounted to € 5.0 m (2023: € 6.6 m). A total of € 1.3 m (2023: € 1.0 m) was paid to the Supervisory Board and € 0.1 m (2023: € 0.1 m) was paid to the members of the Advisory Board. An amount of € 4.9 m was paid to former members of the Executive Board and their surviving dependants (2023: € 4.0 m). Provisions of € 67 m were recognised for pension obligations for this group of persons (31 December 2023: € 63 m).

(47) Average number of employees during the year

	Female		Male		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Bank	1,148	1,120	1,640	1,550	2,788	2,670
WIBank – Wirtschafts- und Infrastrukturbank Hessen	337	322	243	226	580	548
Landesbausparkasse	119	117	72	71	191	188
Bank as a whole	**1,604**	**1,559**	**1,955**	**1,848**	**3,559**	**3,407**

(48) Members of the Supervisory Board

Stefan G. Reuß
Executive President
Sparkassen- und Giroverband
Hessen-Thüringen
Frankfurt am Main/Erfurt
– Chairman –

Dr. Werner Henning
Chief Administrative Officer
County District of Eichsfeld
Heiligenstadt
– First Vice-Chairman until
31 October 2024 –

Prof. Dr. R. Alexander Lorz
Minister of State
Ministry of Finance of the
State of Hesse
Wiesbaden
– from 1 November 2024 –
– First Vice-Chairman
from 11 November 2024 –

Michael Boddenberg
Member of the State Parliament of
Hesse
Wiesbaden
– Second Vice-Chairman
until 31 October 2024 –

Ingo Ritter
Chairman of the Board
of Managing Directors
Sparkasse Hochsauerland
Brilon
– from 1 July 2024 –
– Second Vice-Chairman
from 11 November 2024 –

Karin-Brigitte Göbel
Düsseldorf
– Third Vice-Chairman
until 31 October 2024 –

Norbert Laufs
Chairman of the Board
of Managing Directors
Sparkasse Aachen
Aachen
– from 1 November 2024 –
– Third Vice-Chairman
from 11 November 2024 –

Dr. Hartmut Schubert
Erfurt
– Fourth Vice-Chairman
from 11 November 2024 –

Karolin Schriever
Executive Member of the Board
Deutscher Sparkassen- und
Giroverband e.V.
Berlin
– Fifth Vice-Chairman
until 31 October 2024 –

Dr. Sascha Ahnert
Chairman of the Board
of Managing Directors
Stadt- und Kreis-Sparkasse
Darmstadt
Darmstadt
– until 31 October 2024 –

Dr. Annette Beller
Former Member
of the Management Board
B. Braun SE
Melsungen

Christian Blechschmidt
Chairman of the
Board of Managing Directors
Sparkasse Unstrut-Hainich
Mühlhausen
– from 1 November 2024 –

Ingo Buchholz
Chairman of the
Board of Managing Directors
Kasseler Sparkasse
Kassel
– from 1 November 2024 –

Hans-Georg Dorst
Chairman of the
Board of Managing Directors
Sparkasse Mittelthüringen
Erfurt

Oliver Klink
Chairman of the
Board of Managing Directors
Taunussparkasse
Bad Homburg v.d.H.

Dr. Josefine Koebe
Member of the
State Parliament of Hesse
Wiesbaden
– from 1 November 2024 –

Frank Lortz
Vice President of the
State Parliament of Hesse
Wiesbaden

Klaus Moßmeier
Chairman of the Board
of Managing Directors
Sparkasse UnnaKamen
Unna
– until 30 June 2024 –

Marcus Nähser
Chairman of the Board
of Managing Directors
Nassauische Sparkasse
Wiesbaden
– until 31 October 2024 –

Dr. Hagen Pfeiffer
Managing Director
HP Management Advisory GmbH
Eschborn

Anita Schneider
Chief Administrative Officer
Landkreis Gießen
Gießen
– until 31 October 2024 –

Wolfgang Schuster
Chief Administrative Officer
Lahn-Dill-Kreis
Wetzlar
– until 31 October 2024 –

Prof. Volker Wieland
Director of the Institute for Monetary
and Financial Stability
Goethe Universität
Frankfurt am Main
– from 1 November 2024 –

Dr. Heiko Wingenfeld
Mayor
Stadt Fulda
Fulda
– until 31 October 2024 –

Employee representatives

Thorsten Derlitzki
Associate Director
Frankfurt am Main
– Fifth Vice-Chairman
from 11 November 2024 –

Sven Ansorg
Bank employee
Erfurt

Frank Beck
Associate Director
Frankfurt am Main
– until 31 October 2024 –

Thorsten Kiwitz
Director
Frankfurt am Main

Christiane Kutil-Bleibaum
Director
Düsseldorf

Annette Langner
Senior Associate
Frankfurt am Main

Susanne Noll
Bank employee
Frankfurt am Main

Birgit Sahliger-Rasper
Bank employee
Frankfurt am Main

Thomas Sittner
Bank employee
Frankfurt am Main
– until 31 October 2024

(49) Members of the Executive Board

Thomas Groß – CEO –	Helaba Chief Executive Officer and Chief Financial Officer (CEO and CFO) and Dezernent (Board member) with responsibility for Group Steering, Human Resources and Legal Services, Finance, Group Audit, Frankfurter Sparkasse and Frankfurter Bankgesellschaft From 9 December 2024: also Dezernent (Board member) with responsibility for Information Technology
Hans-Dieter Kemler	Dezernent (Board member) with responsibility for Corporate Banking, Capital Markets, Treasury and Helaba Invest
Frank Nickel	Dezernent (Board member) with responsibility for Savings Banks and SME, Public Sector, WIBank and LBS
Christian Rhino – until 9 December 2024 –	Helaba Chief Information Officer and Chief Operating Officer (CIO and COO) and Dezernent (Board member) with responsibility for Information Technology, Organisation and Operations
Christian Schmid	Dezernent (Board member) with responsibility for Real Estate Finance, Asset Finance, Real Estate Management, Distribution and Portfolio Management, GWH Immobilien Holding GmbH, OFB Projektentwicklung GmbH, Branch Management New York and Branch Management London
Tamara Weiss	Helaba Chief Risk Officer (CRO) and Dezernent (Board member) with responsibility for Risk Control, Credit Risk Management, Restructuring & Recovery and Compliance From 9 December 2024: also Dezernent (Board member) with responsibility for Organisation and Operations

(50) List of shareholdings

List of shareholdings in accordance with Section 285 no. 11 and Section 340a (4) no. 2 HGB

		Holding in % as per Section 16 (4) AktG						
No.	Name and location of the entity	Total	Thereof directly	Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency	
1	1822direkt Gesellschaft der Frankfurter Sparkasse mbH, Frankfurt am Main	100.00	0.00		7.1	0	€	1)
2	"Dia" Productions GmbH & Co. KG, Pullach	0.27	0.00		1.4	3,467	€	1)
3	ABE CLEARING S.A.S à capital variable, Paris, France	2.08	2.08		52.3	5,661	€	
4	ABG FRANKFURT HOLDING Wohnungsbau- und Beteiligungsgesellschaft mbH, Frankfurt am Main	0.00	0.00		1,180.2	64,619	€	
5	Advent International GPE IX-A SCSp, Luxembourg, Luxembourg	0.43	0.43		2,509.7	5,568	€	
6	Advent International GPE V-B Limited Partnership, George Town, Cayman Islands	2.01	2.01	0.30	10.9	–1,227	€	
7	Advent International GPE VI Limited Partnership, George Town, Cayman Islands	0.24	0.24		362.8	–119,805	€	
8	Advent International GPE X-A SCSp, Luxembourg, Luxembourg	0.30	0.30		1,761.4	–16,871	€	
9	AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main	1.14	1.14		291.8	8,025	€	
10	Antenne Thüringen GmbH & Co. KG, Weimar	3.50	3.50		3.0	508	€	
11	ASTARTE Verwaltungsgesellschaft mbH & Co. Vermietungs KG, Frankfurt am Main	100.00	100.00		–4.8	–123	€	
12	ASTARTE Verwaltungsgesellschaft mbH, Frankfurt am Main	100.00	100.00		3.1	3	€	
13	Atruvia AG, Karlsruhe	0.02	0.00		467.3	27,764	€	
14	AVW Assekuranzvermittlung der Wohnungswirtschaft GmbH & Co. KG, Bosau	13.32	0.00	13.33	37.6	37,359	€	
15	Bauverein für Höchst a. M. und Umgebung eG, Frankfurt am Main	0.03	0.00		37.1	799	€	
16	BC European Capital VIII-8, St. Peter Port, Guernsey	1.83	1.83	0.17	4.4	597	€	
17	BC Partners XI LE - 2 SCSp, Luxembourg, Luxembourg	3.87	3.87		204.4	18,605	€	
18	BCEC X Luxembourg 1 SCSp, Luxembourg, Luxembourg	7.37	7.37		401.8	41,351	€	
19	BGT GmbH, Frankfurt am Main	100.00	100.00		0.0	0	€	1)
20	BM H Beteiligungs-Managementgesellschaft Hessen mbH, Wiesbaden	100.00	100.00		1.9	630	€	
21	BOF III CV Investors LP, Wilmington, USA	4.16	4.16		9.5	–25	€	
22	Bürgschaftsbank Hessen GmbH, Wiesbaden	21.03	21.03		25.3	535	€	
23	Bürgschaftsbank Thüringen GmbH, Erfurt	31.50	31.50		28.7	1,014	€	

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG: Total	Thereof directly	Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency	
24	BWT Beteiligungsgesellschaft für den Wirtschaftsaufbau Thüringens mbH, Frankfurt am Main	100.00	100.00		0.2	−0	€	
25	Campus Kronberg GmbH & Co. KG, Hamburg	6.00	0.00		52.2	2,152	€	
26	Capnamic Ventures Fund II GmbH & Co. KG, Cologne	4.27	4.27	4.35	70.6	−8,289	€	
27	Capnamic Ventures Fund III GmbH & Co. KG, Cologne	2.60	2.60		59.9	−9,499	€	
28	CapVest Equity Partners II, L.P., Hamilton, Bermuda	3.48	3.48		0.6	91	€	
29	CapVest Equity Partners IV (Feeder) SCSp, Findel, Luxembourg	2.35	2.35		453.8	78,812	€	
30	CapVest Equity Partners V (Feeder 2) SCSp, Senningerberg, Luxembourg	5.85	5.85		1.5	−2,917	€	
31	Carlyle Europe Partners V - EU SCSp, Luxembourg, Luxembourg	0.31	0.31		−56,121.0	−56,121	€	
32	Carlyle Europe Partners VI - EU SCSp, Luxembourg, Luxembourg	3.56	3.56		n.a.	n.a.		
33	CARMA FUND I Capital GmbH & Co. KG, Munich	5.34	5.34		2.3	−1,573	€	
34	CASHLINK Technologies GmbH, Frankfurt am Main	9.35	0.00		4.5	−2,849	€	
35	Clareant Mezzanine Fund II (No. 1) Limited Partnership, St. Helier, Jersey	4.07	4.07		10.1	−2,299	€	
36	Clareant Mezzanine No. 1 Fund Limited Partnership, St. Helier, Jersey	3.40	3.40		7.4	−1,760	€	
37	CP Campus Projekte GmbH, Frankfurt am Main	50.00	0.00		0.9	−392	€	
38	CVC Capital Partners Strategic Opportunities III (B) SCSp, Luxembourg, Luxembourg	0.22	0.22		n.a.	n.a.		
39	DBAG Fund V GmbH & Co. KG, Frankfurt am Main	7.59	7.59	15.11	0.1	−697	€	
40	DBAG Fund VIII A (Guernsey) L.P., St. Peter Port, Guernsey	1.76	1.76		462.0	93,150	€	
41	DBAG Fund VIII B (Guernsey) L.P., St. Peter Port, Guernsey	1.76	1.76		72.4	13,173	€	
42	Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. H.	1.71	0.00		710.1	52,999	€	
43	Deutsche WertpapierService Bank AG, Frankfurt am Main	3.74	3.74		335.2	50,338	€	
44	Deutscher Sparkassen Verlag Gesellschaft mit beschränkter Haftung, Stuttgart	5.41	5.41		256.7	22,346	€	2)
45	Digital Growth Fund II GmbH & Co. KG, Munich	1.24	1.24		139.5	−6,273	€	
46	DKB Wohnimmobilien Beteiligungs GmbH & Co. KG, Potsdam	94.89	0.00		36.7	2,380	€	
47	Dritte OFB Friedrichstraße GmbH & Co. KG, Frankfurt am Main	100.00	0.00		−1.4	−1,310	€	
48	Dritte OFB PE GmbH & Co. KG, Frankfurt am Main	100.00	0.00		−0.6	−173	€	
49	Eighth Cinven Fund (No. 2) Limited Partnership, London, United Kingdom	0.17	0.17		−157.7	−157,715	€	
50	Einkaufszentrum Wittenberg GmbH, Leipzig	50.00	0.00		−1.2	−390	€	

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG: Total	Holding in % as per Section 16 (4) AktG: Thereof directly	Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency
51	EQT Expansion Capital II (No. 1) Limited Partnership, St. Peter Port, Guernsey	4.57	4.57		−660.0	−660	€
52	EQT IX (No.1) EUR SCSp, Luxembourg, Luxembourg	0.22	0.22		10,293.0	−485,952	€
53	EQT X (No.1) EUR SCSp, Luxembourg, Luxembourg	0.15	0.15		1,382.3	−88,739	€
54	Erste OFB Friedrichstraße GmbH & Co. KG, Frankfurt am Main	100.00	0.00		−1.0	−983	€
55	Erste ST Berlin Projekt GmbH & Co. KG, Berlin	0.50	0.00		−2.7	−2,113	€
56	Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Neuhardenberg	1.76	0.00		2,650.3	128,683	€
57	Eschborn Gate GmbH, Frankfurt am Main	50.00	0.00		−35.9	−36,384	€
58	ESG Book GmbH, Frankfurt am Main	1.83	0.00		−14,858.9	−14,859	€
59	Family Office der Frankfurter Bankgesellschaft AG, Frankfurt am Main	100.00	0.00		1.7	103	€
60	FHP Friedenauer Höhe Dritte GmbH & Co. KG, Berlin	50.00	0.00		−0.1	401	€
61	FHP Friedenauer Höhe Erste GmbH & Co. KG, Berlin	50.00	0.00		−1.8	−365	€
62	FHP Friedenauer Höhe Fünfte GmbH & Co. KG, Berlin	100.00	0.00		−0.6	−33	€
63	FHP Friedenauer Höhe Projekt GmbH, Berlin	100.00	0.00		0.0	−40	€
64	FHP Friedenauer Höhe Sechste GmbH & Co. KG, Berlin	50.00	0.00		−1.0	668	€
65	FHP Friedenauer Höhe Verwaltungs GmbH, Berlin	50.00	0.00		0.0	−14	€
66	FHP Friedenauer Höhe Vierte GmbH & Co. KG, Berlin	50.00	0.00		−3.1	−55	€
67	FHP Friedenauer Höhe Zweite GmbH & Co. KG, Berlin	100.00	0.00		−0.5	−40	€
68	FHP Projektentwicklung GmbH & Co. KG, Berlin	100.00	0.00		−0.1	−31	€
69	FIDUCIA Mailing Services eG, Karlsruhe	0.13	0.06		0.1	0	€
70	FinTech Community Frankfurt GmbH, Frankfurt am Main	25.00	25.00		0.3	80	€
71	Forum Direktfinanz GmbH & Co. KG, Münster	14.29	14.29	20.00	3.4	545	€
72	Fourth Cinven Fund (No. 1) Limited Partnership, St. Peter Port, Guernsey	1.42	1.42		69.7	1,145,743	€
73	Frankfurter Bankgesellschaft (Deutschland) AG, Frankfurt am Main	100.00	0.00		35.6	8,385	€
74	Frankfurter Bankgesellschaft (Schweiz) AG, Zurich, Switzerland	100.00	0.00		219.5	75,618	CHF
75	Frankfurter Bankgesellschaft Holding AG, Frankfurt am Main	100.00	100.00		190.8	34,957	€
76	Frankfurter Sparkasse, Frankfurt am Main	100.00	100.00		997.7	60,000	€
77	G & O Alpha Hotelentwicklung GmbH, Frankfurt am Main	50.00	0.00		−0.5	−6	€

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG: Total	Thereof directly	Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency	
78	G & O Alpha Projektentwicklungs-GmbH & Co. KG, Frankfurt am Main	50.00	0.00		0.2	–19	€	
79	G & O Alpha Verwaltungsgesellschaft mbH, Frankfurt am Main	50.00	0.00		0.1	2	€	
80	G & O Gateway Gardens Dritte GmbH & Co. KG, Frankfurt am Main	50.00	0.00		0.6	519	€	
81	G & O Gateway Gardens Erste GmbH & Co. KG, Frankfurt am Main	50.00	0.00		0.5	142	€	
82	G & O MK 12 GmbH & Co. KG, Frankfurt am Main	50.00	0.00		–1.8	–853	€	
83	G & O MK 17.7 Nord GmbH & Co. KG, Frankfurt am Main	50.00	0.00		–0.3	463	€	
84	G & O MK 17.7 Süd GmbH & Co. KG, Frankfurt am Main	50.00	0.00		–0.1	–77	€	
85	G & O Verwaltungsgesellschaft mbH, Frankfurt am Main	50.00	0.00		0.1	8	€	
86	G+S Wohnen in Frankfurt am Main GmbH, Frankfurt am Main	100.00	0.00		23.4	0	€	1)
87	Galerie Lippe GmbH & Co. KG, Frankfurt am Main	94.90	0.00		–38.5	–2,829	€	
88	gatelands Immobilien GmbH & Co. KG, Schönefeld	75.00	0.00		0.5	–17	€	
89	gatelands Verwaltungs GmbH, Schönefeld	75.00	0.00		0.1	4	€	
90	GBOF VI Feeder 2 SCSP, Luxembourg, Luxembourg	2.20	2.20		690.1	79,241	€	
91	GeckoGroup AG in Insolvenz, Wetzlar	5.02	0.00		n.a.	n.a.		
92	GGM Gesellschaft für Gebäude-Management mbH, Frankfurt am Main	100.00	0.00		0.3	0	€	1)
93	GHT Gesellschaft für Projektmanagement Hessen-Thüringen mbH, Frankfurt am Main	100.00	0.00		0.3	0	€	1)
94	GIZS GmbH & Co. KG, Stuttgart	33.33	33.33		1.1	–6,703	€	
95	GIZS Verwaltungs-GmbH, Stuttgart	33.33	33.33		0.1	1	€	
96	GLB GmbH & Co. OHG, Frankfurt am Main	11.20	11.20		2.8	–42	€	
97	GLB-Verwaltungs-GmbH, Frankfurt am Main	11.20	11.20		0.1	2	€	
98	GLD Verwaltungsgesellschaft mbH, Frankfurt am Main	100.00	0.00		0.0	1	€	
99	GOB Dritte E & A Grundbesitz GmbH, Frankfurt am Main	50.00	0.00		–0.3	–145	€	
100	GOB Projektentwicklung Fünfte GmbH & Co. KG, Frankfurt am Main	8.84	0.00		–0.8	–485	€	
101	GOB Projektentwicklungsgesellschaft E & A mbH, Frankfurt am Main	50.00	0.00		0.0	3	€	
102	GreenTech Accelerator Gernsheim GmbH, Gernsheim	20.00	20.00		0.2	–5	€	
103	Gründerfonds Ruhr GmbH & Co. KG, Essen	8.70	8.70		16.4	11,130	€	
104	Gründerfonds Ruhr II GmbH & Co. KG, Essen	9.68	9.68		n.a.	n.a.		

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG: Total	Holding in % as per Section 16 (4) AktG: Thereof directly	Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency	
105	Grundstücksgesellschaft Gateway Gardens GmbH, Frankfurt am Main	33.33	0.00		–0.5	183	€	
106	Grundstücksverwaltungsgesellschaft KAISERLEI GmbH & Co. Projektentwicklung Epinayplatz KG, Frankfurt am Main	100.00	0.00		0.7	–31	€	
107	Grundstücksverwaltungsgesellschaft Kaiserlei GmbH, Frankfurt am Main	100.00	0.00		1.0	28	€	
108	GSG Siedlungsgesellschaft für Wohnungs- und Städtebau mbH, Frankfurt am Main	100.00	5.10		86.2	8,353	€	
109	GWH Bauprojekte GmbH, Frankfurt am Main	100.00	0.00		13.6	0	€	1)
110	GWH Digital GmbH, Frankfurt am Main	100.00	0.00		0.2	20	€	
111	GWH Immobilien Holding GmbH, Frankfurt am Main	100.00	100.00		949.9	0	€	1)
112	GWH Komplementär I. GmbH, Frankfurt am Main	100.00	0.00		0.1	23	€	
113	GWH Projekt Braunschweig I GmbH & Co. KG, Frankfurt am Main	100.00	0.00		7.7	–1,484	€	
114	GWH Projekt Dresden I GmbH & Co. KG, Frankfurt am Main	100.00	0.00		12.0	–144	€	
115	GWH Projekt Dresden II GmbH & Co. KG, Frankfurt am Main	100.00	0.00		13.9	–309	€	
116	GWH Projekt Dresden III GmbH & Co. KG, Frankfurt am Main	100.00	0.00		13.5	–694	€	
117	GWH Projekt Eppstein GmbH & Co. KG, Frankfurt am Main	100.00	0.00		6.9	–245	€	
118	GWH Projekt Friedrichsdorf I GmbH & Co. KG, Frankfurt am Main	100.00	0.00		12.7	–123	€	
119	GWH Projekt Gunderslache GmbH & Co. KG, Frankfurt am Main	100.00	0.00		19.8	–1,942	€	
120	GWH Projekt Lyoner Gärten GmbH & Co. KG, Frankfurt am Main	100.00	0.00		0.1	–19	€	
121	GWH Projekt Wolfsburg I GmbH & Co. KG, Frankfurt am Main	100.00	0.00		2.0	–42	€	
122	GWH WertInvest GmbH, Frankfurt am Main	100.00	0.00		3.3	994	€	
123	GWH Wohnungsgesellschaft mbH Hessen, Frankfurt am Main	100.00	0.00		489.3	97,366	€	
124	GWH WohnWerk GmbH, Frankfurt am Main	100.00	0.00		n.a.	n.a.		
125	HaemoSys GmbH, Jena	38.33	0.00		–4.8	–524	€	
126	Hafenbogen GmbH & Co. KG, Frankfurt am Main	5.10	5.10		19.0	476	€	
127	HANNOVER LEASING GmbH & Co. KG, Pullach	5.10	5.10		35.9	–7,656	€	
128	HANNOVER LEASING Life Invest Deutschland I GmbH & Co. KG, Pullach	48.27	0.00		5.1	148	€	
129	HANNOVER LEASING Life Invest Deutschland II GmbH & Co. KG, Pullach	63.10	0.00		6.0	733	€	
130	HANNOVER LEASING Wachstumswerte Asien 1 GmbH & Co. KG i.L., Pullach	54.51	0.00		0.1	66	€	
131	Haus am Brüsseler Platz GmbH & Co. KG, Frankfurt am Main	100.00	0.00		0.7	–53	€	

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG		Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency	
		Total	Thereof directly					
132	Helaba Asset Services GmbH, Frankfurt am Main	100.00	100.00		39.5	464	€	
133	Helaba Digital GmbH & Co. KG, Frankfurt am Main	100.00	100.00		10.9	47	€	
134	Helaba Digital Verwaltungsgesellschaft mbH, Frankfurt am Main	100.00	0.00		0.0	1	€	
135	Helaba Gesellschaft für Immobilienbewertung mbH, Frankfurt am Main	100.00	100.00		0.2	0	€	1)
136	Helaba Invest Kapitalanlagegesellschaft mbH, Frankfurt am Main	100.00	100.00		18.0	0	€	1)
137	Helaba Representação Ltda., São Paulo, Brazil	100.00	99.00		0.1	0	BRL	
138	Helaba-Assekuranz-Vermittlungsgesellschaft mbH, Frankfurt am Main	50.00	50.00		0.6	240	€	
139	Hello Darmstadt Projektentwicklung GmbH & Co. KG, Darmstadt	5.10	0.00		25.2	599	€	
140	Hessen Kapital I GmbH, Wiesbaden	100.00	100.00		39.1	–2,465	€	
141	Hessen Kapital II GmbH, Wiesbaden	100.00	100.00		12.7	547	€	
142	Hessische Landgesellschaft mbH Staatliche Treuhandstelle für ländliche Bodenordnung, Kassel	37.11	37.11		110.3	1,677	€	
143	Hessisch-Thüringische Sparkassen-Beteiligungsgesellschaft mbH, Frankfurt am Main	15.49	0.00		3.6	117	€	
144	HeWiPPP II GmbH & Co. KG, Frankfurt am Main	100.00	0.00		–3.8	–1,832	€	
145	Honua'ula Partners LLC, Wilmington, USA	100.00	0.00		–261.8	–14,620	USD	
146	HP Holdco LLC, Wilmington, USA	100.00	100.00		–0.6	–156	USD	
147	HTB Grundstücksverwaltungsgesellschaft mit beschränkter Haftung, Frankfurt am Main	100.00	100.00		0.1	–1	€	
148	ICG Europe Fund VII Feeder SCSp, Luxembourg, Luxembourg	0.64	0.64		3,300.6	296,289	€	
149	ICG Europe Fund VIII Feeder SCSp, Senningerberg, Luxembourg	0.34	0.34		294,668.0	294,668	€	
150	IMAP M&A Consultants AG, Mannheim	78.97	0.00		5.5	4,731	€	
151	Immomio GmbH, Hamburg	13.32	0.00		5.1	–3,861	€	
152	Interessengemeinschaft Frankfurter Kreditinstitute GmbH, Frankfurt am Main	16.90	4.21		24.1	8,433	€	
153	Investcorp Private Equity 2007 Fund, L.P., George Town, Cayman Islands	2.01	2.01		0.0	–1,842	USD	
154	KKR European Fund V (EUR) SCSp, Luxembourg, Luxembourg	0.70	0.70		2,446.5	240,675	USD	
155	KKR European Fund VI (EUR) SCSp, Luxembourg, Luxembourg	0.64	0.64		505.2	–154,421	USD	
156	Komuno GmbH, Frankfurt am Main	100.00	0.00		1.6	–1,590	€	
157	Kornmarkt Arkaden Dritte GmbH & Co. KG, Frankfurt am Main	5.10	0.00		4.8	–175	€	
158	Kornmarkt Arkaden Erste GmbH & Co. KG, Frankfurt am Main	5.10	0.00		24.1	1,649	€	

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG: Total	Holding in % as per Section 16 (4) AktG: Thereof directly	Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency
159	Kornmarkt Arkaden Verwaltung GmbH, Frankfurt am Main	100.00	0.00		0.0	–1	€
160	Kornmarkt Arkaden Vierte GmbH & Co. KG, Frankfurt am Main	5.10	0.00		7.4	–5	€
161	Kornmarkt Arkaden Zweite GmbH & Co. KG, Frankfurt am Main	5.10	0.00		20.0	234	€
162	LBS IT Informations-Technologie GmbH & Co KG, Berlin	7.30	7.30	20.00	0.0	27	€
163	LEA Mittelstandspartner II GmbH & Co. KG geschlossene Investmentkommanditgesellschaft, Karlsruhe	2.09	2.09		175.6	–618	€
164	LEA Venturepartner GmbH & Co. geschlossene Investmentkommanditgesellschaft, Karlsruhe	4.17	4.17		41.3	3,170	€
165	Magical Productions GmbH & Co. KG i.L., Pullach	2.11	0.00		2.7	–81	€
166	Magnum Capital III SCA SICAV-RAIF, Luxembourg, Luxembourg	2.22	2.22		316.3	35,637	€
167	MAVEST Wohnungsbaugesellschaft mbH, Frankfurt am Main	100.00	0.00		17.7	1,635	€
168	MBG H Mittelständische Beteiligungsgesellschaft Hessen mbH, Wiesbaden	32.52	32.52		11.8	139	€
169	Merian GmbH Wohnungsunternehmen, Frankfurt am Main	94.90	0.00		34.2	2,462	€
170	Mittelständische Beteiligungsgesellschaft Thüringen mbH, Erfurt	38.56	38.56		30.0	883	€
171	MKB PARTNERS, LLC, Wilmington, USA	100.00	0.00		7.5	–30	USD
172	MML Partnership Capital VII SCSp, Senningerberg, Luxembourg	1.51	1.51		850.2	93,030	€
173	MML Partnership Capital VIII SCSp, Senningberg, Luxembourg	1.11	1.11		n.a.	n.a.	
174	Montindu S.A./N.V., Brussels, Belgium	100.00	99.97		15.6	198	€
175	Multi Park Verwaltungs GmbH i.L., Neu-Isenburg	50.00	0.00		0.1	2	€
176	NAsP III/V GmbH, Marburg	14.92	0.00		0.1	–440	€
177	Nassauische Heimstätte Wohnungs- und Entwicklungsgesellschaft mbH, Frankfurt am Main	0.84	0.00		1,104.5	9,240	€
178	neue leben Pensionskasse Aktiengesellschaft, Hamburg	3.20	0.00		31.2	800	€
179	Nordic Capital XI Alpha SCSp, Senningerberg, Luxembourg	0.73	0.73		169.0	–56,051	€
180	Objekt Limes Haus GmbH & Co. KG, Hamburg	5.10	0.00		14.2	–2,225	€
181	OFB & Procom Objekt Neu-Ulm GmbH & Co. KG, Frankfurt am Main	50.00	0.00		0.0	–1	€
182	OFB Achte PE GmbH & Co. KG, Frankfurt am Main	100.00	0.00		0.1	–3	€
183	OFB Beteiligungen GmbH, Frankfurt am Main	100.00	0.00		1.1	97	€
184	OFB Biotech Campus GmbH & Co. KG, Frankfurt am Main	100.00	0.00		–3.1	–3,074	€
185	OFB Bleidenstraße GmbH & Co. KG, Frankfurt am Main	100.00	0.00		0.6	349	€

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG		Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency	
		Total	Thereof directly					
186	OFB FEELDS Projektentwicklung GmbH & Co. KG, Berlin	100.00	0.00		−0.9	−581	€	
187	OFB FEELDS Verwaltung GmbH, Berlin	100.00	0.00		0.0	5	€	
188	OFB Limes Haus II GmbH & Co. KG, Frankfurt am Main	100.00	0.00		2.8	31	€	
189	OFB Löwenhöhe GmbH & Co. KG, Frankfurt am Main	100.00	0.00		5.0	2,369	€	
190	OFB MK 14.3 GmbH & Co. KG, Frankfurt am Main	100.00	0.00		−2.8	−1,345	€	
191	OFB Neunte PE GmbH & Co. KG, Frankfurt am Main	100.00	0.00		−0.0	−14	€	
192	OFB Projektentwicklung GmbH, Frankfurt am Main	100.00	100.00		1.1	0	€	1)
193	OFB Sechste PE GmbH & Co. KG, Frankfurt am Main	100.00	0.00		1.4	−5,248	€	
194	OFB Seven Gardens 2. BA GmbH & Co. KG, Frankfurt am Main	100.00	0.00		−0.2	−57	€	
195	OFB Siebte PE GmbH & Co. KG, Frankfurt am Main	100.00	0.00		0.1	−2	€	
196	OFB Zehnte PE GmbH & Co. KG, Frankfurt am Main	100.00	0.00		0.0	−0	€	
197	PALMYRA Verwaltungsgesellschaft mbH & Co. Vermietungs KG S.e.n.c., Luxembourg, Luxembourg	5.20	0.00		1.5	−40	€	
198	Pan-European Infrastructure Fund LP, St. Helier, Jersey	0.73	0.73		0.5	−133	€	
199	PineBridge PEP IV Co-Investment L.P., Wilmington, USA	9.51	0.00		0.0	182	USD	
200	PineBridge PEP IV Non-U.S. L.P., Wilmington, USA	17.00	0.00		1.0	−144	USD	
201	PineBridge PEP IV Secondary L.P., Wilmington, USA	16.10	0.00		1.1	−152	USD	
202	PineBridge PEP IV U.S. Buyout L.P., Wilmington, USA	17.21	0.00		0.0	−231	USD	
203	PineBridge PEP IV U.S. Venture L.P., Wilmington, USA	17.51	0.00		0.0	−17	USD	
204	Private Equity Thüringen GmbH & Co. KG i.L., Erfurt	14.11	14.11		1.7	17	€	
205	Projekt Am Sonnenberg Wiesbaden GmbH, Essen	49.00	0.00		−2.2	−1,410	€	
206	Projekt Erfurt B38 GmbH & Co. KG, Frankfurt am Main	100.00	0.00		−0.0	−16	€	
207	Projekt Feuerbachstraße Verwaltung GmbH i.L., Frankfurt am Main	70.00	0.00		0.0	0	€	
208	Projekt Hirschgarten MK8 GmbH & Co. KG, Stuttgart	5.10	0.00		165.2	7,853	€	
209	Projekt Wilhelmstraße Wiesbaden GmbH & Co. KG, Frankfurt am Main	30.00	0.00		0.0	−19	€	
210	Projekt Wilhelmstraße Wiesbaden Verwaltung GmbH, Frankfurt am Main	30.00	0.00		−0.0	−0	€	
211	Projektentwicklung Neuwerkstraße 17 GmbH & Co. KG, Frankfurt am Main	100.00	0.00		−3.6	−3,482	€	
212	Projektentwicklungs-GmbH & Co. Landratsamt KG, Wolfhagen	6.00	0.00		8.4	825	€	

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG: Total	Holding in % as per Section 16 (4) AktG: Thereof directly	Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency	
213	PT1 Early Stage Fund II GmbH & Co. KG, Berlin	9.96	9.96		5.7	–1,513	€	
214	PVG GmbH, Frankfurt am Main	100.00	100.00		1.0	0	€	1)
215	Rotunde - Besitz- und Betriebsgesellschaft der S-Finanzgruppe mbH & Co. KG, Erfurt	34.00	34.00	25.00	4.5	40	€	
216	Rotunde Verwaltungsgesellschaft mbH, Erfurt	34.00	34.00	25.00	0.0	1	€	
217	RSU GmbH & Co. KG, Munich	9.60	9.60		10.9	–59	€	
218	S CountryDesk GmbH, Cologne	5.88	2.94		1.0	69	€	
219	S.W.I.F.T. Society for Worldwide Interbank Financial Telecommunication SCRL, La Hulpe, Belgium	0.00	0.00	0.16	719.3	55,313	€	
220	S-Beteiligungsgesellschaft Hessen-Thüringen mbH, Frankfurt am Main	100.00	100.00		7.0	36	€	
221	SCHUFA Holding AG, Wiesbaden	0.31	0.00		156.1	42,189	€	
222	Seventh Cinven Fund (No. 1) Limited Partnership, St Peter Port, Guernsey	0.16	0.16		10,493.4	383,647	€	
223	S-International Saar Pfalz GmbH & Co. KG, Saarbrücken	8.19	8.19		1.0	–229	€	
224	SIX Group AG, Zurich, Switzerland	0.00	0.00		4,038.6	–1,086,609	CHF	
225	SIZ GmbH, Bonn	5.32	5.32		6.9	733	€	
226	Sparkassen-Immobilien-Vermittlungs-GmbH, Frankfurt am Main	100.00	100.00		3.9	927	€	
227	Sparkassen-Marktservice Beteiligungs GmbH & Co. KG, Frankfurt am Main	50.00	40.00		4.3	266	€	
228	Sparkassen-Marktservice Verwaltungs GmbH, Frankfurt am Main	50.00	40.00		0.0	–1	€	
229	SQO Stadt Quartier Offenburg GmbH & Co. KG, Frankfurt am Main	100.00	0.00		29.9	–1,391	€	
230	Systeno GmbH, Frankfurt am Main	100.00	0.00		19.7	5,918	€	
231	TE Gamma GmbH i.L., Frankfurt am Main	100.00	100.00		0.1	–2	€	
232	TE Kronos GmbH, Frankfurt am Main	100.00	100.00		0.0	2	€	
233	TF H III Technologiefonds Hessen Gesellschaft mit beschränkter Haftung, Wiesbaden	25.00	25.00		5.2	–941	€	
234	TF H IV Goodwill GmbH, Wiesbaden	100.00	0.00		0.0	–3	€	
235	TF H IV Technologiefonds Hessen GmbH & Co. KG, Wiesbaden	34.78	34.78		0.2	–308	€	
236	TF H IV Vermögensverwaltung GmbH & Co. KG, Wiesbaden	50.00	0.00		–0.0	–6	€	
237	TF H IV Verwaltungs GmbH, Wiesbaden	100.00	0.00		0.0	–5	€	
238	TF H Technologie-Finanzierungsfonds Hessen Gesellschaft mit beschränkter Haftung (TF H GmbH) i.L., Frankfurt am Main	66.67	66.67		0.2	–330	€	
239	THE TRITON FUND II L.P. i.L., St. Helier, Jersey	0.77	0.77		7.3	–5,379	€	

No.	Name and location of the entity	Holding in % as per Section 16 (4) AktG Total	Thereof directly	Voting rights if different from holding total in %	Equity in € m	Net profit in € thousands	Original currency	
240	Treuhandgesellschaft für die Südwestdeutsche Wohnungswirtschaft mbH, Frankfurt am Main	3.25	0.00		1.7	–435	€	
241	Triton Fund 6 SCSp, Louxemburg, Louxemburg	2.52	2.52		n.a.	n.a.		
242	Triton Fund III L.P., St. Helier, Jersey	0.71	0.71		472.9	413,755	€	
243	Triton Fund V SCSp, Luxembourg, Luxembourg	2.44	2.44		981.7	117,373	€	
244	True Sale International GmbH, Frankfurt am Main	8.33	8.33		4.5	–136	€	
245	vc trade GmbH, Frankfurt am Main	9.52	0.00		5.8	–1,600	€	
246	Versicherungsservice der Frankfurter Sparkasse GmbH, Frankfurt am Main	100.00	0.00		0.3	0	€	1)
247	Verso Projektentwicklung GmbH & Co. KG, Frankfurt am Main	100.00	0.00		0.1	681	€	
248	Vierte OFB Friedrichstraße GmbH & Co. KG, Frankfurt am Main	100.00	0.00		–0.9	–873	€	
249	Vierte OFB PE GmbH & Co. KG, Frankfurt am Main	100.00	0.00		–1.9	–1,026	€	
250	Volks- Bau- und Sparverein Frankfurt am Main eG, Frankfurt am Main	0.01	0.00		71.5	3,124	€	
251	Westhafen Haus GmbH & Co. Projektentwicklungs-KG i.L., Frankfurt am Main	50.00	0.00		0.0	–2	€	
252	WoWi Media GmbH & Co. KG, Hamburg	26.50	0.00	22.91	2.8	18,000	€	
253	yabeo Impact AG, Pullach	8.54	8.54		6.6	–523	€	
254	Zweite OFB Friedrichstraße GmbH & Co. KG, Frankfurt am Main	100.00	0.00		–0.9	–1,317	€	
255	Zweite OFB PE GmbH & Co. KG, Frankfurt am Main	100.00	0.00		0.1	680	€	
256	Zweite ST Berlin Projekt GmbH & Co. KG, Berlin	0.50	0.00		5.9	–85	€	

1) A control and / or profit and loss transfer agreement has been signed with the entity.
n.a. There are no adopted financial statements.

(51) List of positions on supervisory bodies in accordance with Section 340a (4) No. 1 of the HGB

Positions held by the members of the Executive Board

Office holderr	Corporation	Function
Thomas Groß	Frankfurter Sparkasse, Frankfurt am Main	Chairman
	GWH Immobilien Holding GmbH, Frankfurt am Main	Vice Chairman
Hans-Dieter Kemler	Frankfurter Sparkasse, Frankfurt am Main	First Vice Chairman
	Helaba Invest Kapitalanlagegesellschaft mbH, Frankfurt am Main	Chairman
Frank Nickel	Frankfurter Sparkasse, Frankfurt am Main	Member
	Helaba Invest Kapitalanlagegesellschaft mbH, Frankfurt am Main	Vice Chairman
	Thüringer Aufbaubank, Erfurt	Member
Christian Rhino – until 9 December 2024 –	Deutscher Sparkassen Verlag Gesellschaft mit beschränkter Haftung, Stuttgart	Member
	DSGF Deutsche Servicegesellschaft für Finanzdienstleister mbH, Köln	Member
	paydirekt GmbH, Frankfurt am Main	Member
Christian Schmid	GWH Immobilien Holding GmbH, Frankfurt am Main	Chairman
Tamara Weiss	Frankfurter Sparkasse, Frankfurt am Main	Member
	GWH Immobilien Holding GmbH, Frankfurt am Main	Member

Positions held by other employees

Office holder	Corporation	Function
Uwe Höppner	Bürgschaftsbank Thüringen GmbH, Erfurt	Member
Sven Köhler	Vermögensanlage AltBayern AG, Regensburg	Chairman
Lioudmila Mathea	GWH Immobilien Holding GmbH, Frankfurt am Main	Member
Björn Mollner	AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main	Member
Dr. Michael Reckhard	Bürgschaftsbank Hessen GmbH, Wiesbaden	Member
Peter Schnell	Städtische Sparkasse Offenbach a. M., Offenbach	Member
Peter Marc Stober	Frankfurter Bankgesellschaft (Deutschland) AG, Frankfurt am Main	Member

(52) Report on events after the reporting date

There were no significant events after 31 December 2024.

Frankfurt am Main / Erfurt, 4 March 2025

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

Groß Kemler Nickel

Schmid Weiss

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of Landesbank Hessen-Thüringen Girozentrale, and the management report includes a fair review of the development and performance of the business and the position of the Bank, together with a description of the material opportunities and risks associated with the expected development of Landesbank Hessen-Thüringen Girozentrale.

Frankfurt am Main / Erfurt, 4 March 2025

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

Groß Kemler Nickel

Schmid Weiss

Independent auditor’s report

To Landesbank Hessen-Thüringen Girozentrale,
Frankfurt am Main/Erfurt

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main/Erfurt (which, together with its dependent branches, forms the Group as defined in ISA [DE] 600 (Revised)), which comprise the balance sheet as at 31 December 2024 and the income statement for the financial year from 1 January 2024 to 31 December 2024 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Landesbank Hessen-Thüringen Girozentrale for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the non-financial statement included in the “Non-financial statement” section of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to institutions and give a true and fair view of the assets, liabilities and financial position of the Institution as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Institution’s position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the non-financial statement referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB [“Handelsgesetzbuch”: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s responsibilities for the audit of the annual financial statements and of the management report” section of our auditor’s report. We are independent of the Institution in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January 2024 to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. Calculation of global allowances

Reasons why the matter was determined to be a key audit matter

The Bank calculates global allowances in the annual financial statements prepared in accordance with German commercial law in compliance with IDW AcP BFA 7 based on the requirements of IFRS 9.

The estimate of the credit risk parameters underlying the calculation of the global allowances in the Bank’s loss allowance model is based on historical information, obligor characteristics, current economic developments and forward-looking macroeconomic assumptions. Some of these parameters can only be observed with a time lag and are subject to estimation uncertainty.

In the reporting year, the Bank revised and refined the model, processes and governance for calculating global allowances using the IFRS 9 methodology. The refinements relate to the transfer logic for financial instruments, the consideration of forward-looking macroeconomic information in the global allowances and the implementation of in-model adjustments to address risks not yet reflected in the credit risk parameters at transaction level (particularly for the CRE portfolio).

As of the reporting date, the Bank recognised a post-model adjustment for an elevated risk due to current geopolitical developments. In the reporting year, the Bank introduced a geopolitical scenario on the basis of which affected sub-portfolios are identified and global allowance effects are quantified using estimates of probability of default and rating shifts. The post-model adjustment leads to a significant increase in global allowances for performing exposures.

In light of the refinements made, the increased estimation uncertainty and the associated judgement, the calculation of global allowances was a key audit matter.

Auditor's response

We assessed the design and operating effectiveness of the internal control system with regard to the calculation of global allowances, considering governance, IT applications and the relevant valuation models as well as the results of the Bank's internal backtesting. We particularly assessed whether the procedures and controls implemented to update the parameters as well as the existing approval processes were appropriate and effective.

We performed substantive analytical procedures based on a full data excerpt. We recalculated the global allowances on a sample basis. We analysed the extent to which assumptions on macroeconomic forecasts lie within a range of reasonable values from external information sources and how they are reflected in the credit parameters.

We satisfied ourselves of the need for the in-model and post-model adjustments recognised. Furthermore, we obtained an understanding of the calculation of the in-model adjustments for the CRE portfolio by assessing the underlying assumptions regarding changes in the probabilities of default. We also scrutinised and assessed the assumptions used to calculate the post-model adjustments. In addition, we checked the arithmetical accuracy of the Bank's in-model and post-model adjustments.

As part of the audit, we consulted internal specialists who have particular expertise in the area of credit risk modelling.

Our procedures did not lead to any reservations relating to the calculation of global allowances.

Reference to related disclosures

The Institution's disclosures on the recognition and measurement principles applied to global allowances are contained in Note (1) of the notes to the financial statements and in the "Risk-Bearing Capacity/ICAAP" section of the management report.

2. Identification and calculation of loss allowances for defaulted exposures in the commercial real estate portfolio

Reasons why the matter was determined to be a key audit matter

Identification of defaulted exposures constitutes a significant area of management judgement. Due to the persistently poor situation on the commercial real estate markets, this relates in particular to exposures in the office and retail property sub-portfolios of the Bank's commercial real estate portfolio. The calculation of loss allowances for defaulted exposures is based on assumptions and estimations, particularly with regard to the financial situation of the borrower and expectations of future cash flows from the realisation of collateral. Even minimal changes in the assumptions and estimation inputs can lead to an incomplete identification of defaulted exposures, significantly different measurements and thus to a change in loss allowances.

In light of the significance for the assets, liabilities and financial performance, we considered the identification and calculation of loss allowances for defaulted exposures in the commercial real estate portfolio to be a key audit matter.

Auditor's response

We considered the processes for identifying default risks and monitoring borrowers in the commercial real estate portfolio. To this end, we assessed in particular the processes for the early detection of risks and assignment to default status and tested the operating effectiveness of selected controls.

We also examined the process for calculating loss allowances, which included testing the operating effectiveness of selected controls for the calculation of loss allowances.

As part of our credit file review, we took a risk-based sample and analysed in particular exposures in the office and retail property sub-portfolios with regard to loss allowances required for defaulted exposures.

We performed substantive audit procedures on a sample basis, assessing whether the significant assumptions concerning the estimated future cash flows from the exposures including the carrying amount of the collateral held were consistent with the financial situation of the borrower and the publicly available market and industry forecasts. In addition, we assessed the identified loss allowance scenarios for consistency with the Bank's assessment of the borrower and the arithmetical accuracy of the calculated loss allowance.

In the case of property collateral for which the Institution provided us with appraisals from a real estate expert it had appointed, we used these appraisals as audit evidence. In this context, we obtained an understanding of the underlying source data, the valuation inputs used and the assumptions made, critically evaluated them and assessed whether they are within a reasonable range. We also consulted internal specialists who have particular expertise in the area of real estate valuation for this purpose.

Our procedures did not lead to any reservations relating to the identification and calculation of loss allowances for defaulted exposures in the commercial real estate portfolio.

Reference to related disclosures

The Institution's disclosures on the recognition and measurement principles applied in the valuation of the loan portfolios are contained in Note (1) of the notes to the financial statements and in the "Risk-Bearing Capacity/ICAAP" section of the management report.

Other information

The executive directors are responsible for the other information. The other information comprises the non-financial statement pursuant to Sec. 289b (1) HGB included in the management report. The other information also comprises additional parts of the annual financial report of which we obtained a copy prior to issuing this auditor's report, in particular the responsibility statement and the "Helaba addresses" section, but not the annual financial statements, not the management report disclosures whose content is audited and not our auditor's report thereon.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to institutions, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Institution in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Institution's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Institution's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Institution's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Institution's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control and of such arrangements and measures.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Institution in compliance with German legally required accounting principles.

- Plan and perform the audit as we would a group audit as defined in ISA [DE] 600 (Revised) to obtain sufficient appropriate audit evidence regarding the financial information of the dependent branches within the Group as defined in ISA [DE] 600 (Revised) as a basis for forming opinions on the annual financial statements and on the management report. We are responsible for the direction, supervision and review of the work performed for the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Institution's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the annual financial statements and the management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the file HELABA_JA+LB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January 2024 to 31 December 2024 contained in the "Report on the audit of the annual financial statements and of the management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1 (09.2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Institution are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the executive directors of the Institution are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Board of Public Owners on 22 March 2024. We were engaged by the Executive Board on 25 April 2024. We have been the auditor of Landesbank Hessen-Thüringen Girozentrale without interruption since financial year 2018.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Marcus Binder.

Eschborn / Frankfurt am Main, 6 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Binder	Alt
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Assurance report of the independent German public auditor on a limited assurance engagement in relation to the non-financial statement included in the management report

To Landesbank Hessen-Thüringen Girozentrale
Frankfurt am Main/Erfurt

Assurance conclusion

We have conducted a limited assurance engagement on the non-financial statement, included in the "Non-financial statement" section of the management report, of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main/Erfurt (the "Institution"), to fulfil Secs. 289b to 289e HGB for the financial year from 1 January 2024 to 31 December 2024.

The external sources of documentation or expert opinions mentioned in the non-financial reporting which are marked as unassured (see appendix to this assurance report) are not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying non-financial reporting for the financial year from 1 January 2024 to 31 December 2024 is not prepared, in all material respects, in accordance with Secs. 289b to 289e HGB and the supplementary criteria presented by the executive directors of the Institution.

We do not express an assurance conclusion on the external sources of documentation or expert opinions mentioned in the non-financial reporting which are marked as unassured (see appendix to this assurance report).

Basis for the assurance conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German public auditor's responsibilities for the assurance engagement on the non-financial reporting".

We are independent of the Institution in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the executive directors and the supervisory board for the non-financial reporting

The executive directors are responsible for the preparation of the non-financial reporting in accordance with the applicable German legal and European requirements as well as with the supplementary criteria presented by the executive directors of the Institution and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of non-financial reporting in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent non-financial reporting) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the non-financial reporting, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the non-financial reporting.

Inherent limitations in preparing the non-financial reporting

The applicable German legal and European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the non-financial reporting.

German public auditor's responsibilities for the assurance engagement on the non-financial reporting

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the non-financial reporting has not been prepared, in all material respects, in accordance with the applicable German legal and European requirements and the supplementary criteria presented by the Institution's executive directors, and to issue an assurance report that includes our assurance conclusion on the non-financial reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism. We also:

- Obtain an understanding of the process used to prepare the non-financial reporting.
- Identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the procedures performed by the German public auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In performing our limited assurance engagement, we:

- Evaluated the suitability of the criteria as a whole presented by the executive directors in the non-financial reporting.
- Inquired of the executive directors and relevant employees involved in the preparation of the non-financial reporting about the preparation process and about the internal controls relating to this process.
- Evaluated the reporting policies used by the executive directors to prepare the non-financial reporting.
- Performed analytical procedures and made inquiries in relation to selected information in the non-financial reporting.
- Considered the presentation of the information in the non-financial reporting.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Institution's purposes and that the assurance report is intended solely to inform the Institution about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Institution alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2024, which are attached to this report, are applicable to this engagement and also govern our relations with third parties in the context of this engagement (ey-idw-aab-de-2024.pdf).

In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Eschborn / Frankfurt am Main, 6 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Binder	Alt
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Appendix to the assurance report: Unassured elements of the non-financial reporting

The following external sources of documentation or expert opinions mentioned in the non-financial reporting were not subject to our assurance engagement:

- Second-party opinion of the rating agency ISS ESG on the quality of the sustainable lending framework

- Helaba’s policy statement

- Remuneration report pursuant to Sec. 16 InstitutsVergV [“Institutsvergütungsverordnung”: German Ordinance Regarding the Supervisory Requirements for Remuneration Systems of Institutions] in conjunction with Art. 450 CRR.

Management report and annual financial statements of Landesbausparkasse Hessen-Thüringen 2024

Management report of Landesbausparkasse Hessen-Thüringen

Management report of Landesbausparkasse Hessen-Thüringen

I. Basic information

Legal and organisational structure

Landesbausparkasse Hessen-Thüringen (LBS) is integrated into the Sparkassen-Finanzgruppe as a legally dependent unit of Landesbank Hessen-Thüringen (Helaba) that prepares financial statements on an independent basis. Its assets are managed separately from Helaba's assets. It forms part of the Retail & Asset Management segment in Helaba's strategic business model.

LBS has a Bausparkasse Advisory Board created in accordance with the Principles for the Landesbausparkasse Hessen-Thüringen. This board, which consists of representatives of the Sparkassen in Hesse and Thuringia among others, is intended to promote co-operation between the Bausparkasse and the Sparkassen- und Giroverband Hessen-Thüringen and the Sparkassen in the operating territory.

Strategic business model and strategic goals of LBS

The LBS business model envisages the organisation as a capable and profitable regional provider of financial services in the real estate sphere. Its mission under the model, which acknowledges the status of LBS as an integral part of Helaba and the Sparkassen-Finanzgruppe, includes the delivery of demand-oriented support for customers in the areas of home loans and savings, finance, real estate and provision for old age.

LBS makes use of the regional sales network of the Sparkassen, complemented by its own field sales force. Joint business with the Sparkassen, a business area of great strategic significance for LBS, is crucial in enabling it to tap into the customer potential of the Sparkassen. LBS also works with other third-party brokers through the FINMAS platform via its stake in FORUM Direktfinanz GmbH & Co. KG (referred to below as "FORUM").

LBS has adopted a strategy consistently focused – across all activities – on safeguarding the success of the business over the long term by maintaining profitability and relevance in the market with a risk-conscious approach and value-oriented growth.

It also aims for a conservative risk profile that will enable it to continue strengthening its financial stability. Risks are assumed with the objective of generating a reasonable and sustainable return – as has been achieved in the year under review – taking account of the risk-bearing capacity and the risk strategy.

Management system

The internal management system reflects LBS's focus on safeguarding the success of the business over the long term. The management variables applied in respect of operating business development are net interest income and general and administrative expenses, which together largely determine the operating result before taxes, and gross new business. LBS also makes use, in its planning, monitoring and oversight of business operations, of a comprehensive system of value-oriented indicators.

Sustainability

LBS believes it has a corporate duty to work to protect the environment and be a force for good for society and for current and future generations. Sustainable operation is a central aspect of its strategic goals. Attention is focused on ensuring that business activities are oriented around sustainability and, in particular, that customers are supported with effective, forward-looking services in the necessary transformation to a climate-neutral circular economy. As an integral part of the Helaba organisation, LBS is covered by Helaba's overarching sustainability strategy and its sustainability management and governance systems. LBS is a member of the Group Sustainability Committee (GSC). The consideration of sustainability factors is one of the cornerstones of the risk strategy.

In mid-2024, Helaba held strategy workshops with all front office units and subsidiaries in order to analyse the exposure of the respective unit's customers to climate-related and environmental risks. These analyses were not only conducted on the level of the business areas but also examined the sectors they support. LBS was involved in this Group-wide strategy process. The findings revealed "low" short- to mid-term impacts of climate-related and environmental risks on the residential real estate portfolio.

However, the high expenses facing private households as a result of rising energy/CO_2 costs, refurbishment/efficiency pressures, requirements in new construction and changes in the working world that are impacting incomes represent a growing transition risk that could become medium-severe in the long term. In 2024, LBS implemented a CO_2 accounting process to evaluate the residential real estate portfolio.

II. Economic report

Macroeconomic development

Calculations from the German Federal Statistical Office (Destatis) indicate that real gross domestic product (GDP) was 0.2 % higher in 2024 than in the previous year. On a seasonally adjusted basis, economic growth was also 0.2 %. In 2024, adverse economic and structural effects hindered improved economic development. The decline in gross value creation in the construction industry in 2024 was slightly higher than the previous year at 3.8 % With construction prices and interest rates still high, fewer residential buildings were constructed. Average consumer prices in 2024 rose by 2.2 % compared with 2023. The inflation rate was thus significantly lower in 2024 than in the three preceding years. In 2024, energy product prices decreased by 3.2 % year on year following a rise of 5.3 % in 2023 and an enormous increase of 29.7 % in 2022.

Development of the real estate market

The German real estate market is currently at the bottom of its cycle after many years of growth and a subsequent correction. Development in the individual segments is characterised by their particular structural features. Nevertheless, transactions are expected to increase in all segments in 2025 as the price expectations of sellers and buyers converge. In Germany, the overall decrease in residential building prices was in the range of around 9 % (vdp index) to 13 % (German Federal Statistical Office). However, the trend in both data sets began to change direction during 2024. There was a stronger correction in the case of buildings constructed to low energy standards.

The affordability of homes improved in 2024. House prices bottomed out and real wages increased again thanks to substantial wage increases and lower inflation. Having hit a high level, construction costs rose only moderately and mortgage rates fell slightly thanks to the cycle of interest rate cuts initiated by the ECB.

A total of 158,000 new residential properties were approved between January and November 2024, a decrease of 21.8 % on the prior-year period. The number of building permits issued for single-family homes fell by 22.1 %. while the number of residential properties approved in two-family homes decreased by 12.7 %. Likewise, the number of residential properties approved in multiple-family homes – the most popular type of building in terms of number – declined by 12.7 %.

Sales in the first eleven months of 2024 fell by 1.1 % in real terms compared with the prior-year period. The number of people employed in the structural and civil engineering sector was 0.3 % lower in November 2024 than in the same month in the previous year.

According to Deutsche Bundesbank forecasts, residential construction investment will recover hesitantly from mid-2025. There are indications that the housing market is stabilising and that residential construction investment is coming to the bottom of its cycle. For example, residential real estate prices recently ended their downward trend and actually increased for the time since 2022.

Economic implications for home savings business

The significant increase in home savings interest rates has placed the focus on what the home savings business is all about, namely saving up capital with confidence and then accessing a low-interest loan. The inclusion of this type of asset in the German government's scheme to promote private retirement pension provision, which provides for the use of home savings contracts to purchase owner-occupied residential property, also had a positive impact in the financial year. Rising customer demand for LBS home savings loans delivered the clearest sign of this. Single-source financing business with the Sparkassen sales partners is picking up noticeably in this segment.

Contract portfolio

LBS serviced a home loan and savings volume of € 21,469 m (2023: € 21,564 m) in the year under review representing 597,710 (2023: 632,979) home savings contracts. The year-on-year change in volume terms amounts to a 0.4 % decrease.

Contract development

In 2024, LBS concluded a total of 32,795 (2023: 38,672) new home savings contracts with a total net value of € 1,834 m (2023: € 2,235 m), a year-on-year decrease of 17.9 % in volume terms. Gross new business was therefore lower than forecast for 2024. The average value of the home savings contracts concluded declined by 3.2 %.

LBS arranged 24,467 (2023: 29,069) home savings contracts with a total net value of € 1,496 m (2023: € 1,792 m) in Hesse and 8,328 (2023: 9,603) home savings contracts with a total net value of € 338 m (2023: € 444 m) in Thuringia.

The Sparkassen in Hesse and Thuringia have traditionally been the main sales partners for new contracts and the proportion of business arranged by the Sparkassen (including joint business) remained high in the year under review at 86.1 % (2023: 87.3 %), corresponding to home savings contracts with a value of € 1.6 bn, 1.2 percentage points lower than the previous year.

New business adjusted for the amounts actually paid in was down year on year, both in terms of the number of home savings contracts (2024: 32,724; 2023: 37,477) and in terms of total net value (2024: € 1,742 m; 2023: € 2,159 m). LBS arranged 24,100 (2023: 28,033) new contracts in an amount of € 1,371 m (2023: € 1,723 m) in Hesse and 8,624 (2023: 9,444) new contracts in an amount of € 371 m (2023: € 436 m) in Thuringia. Compared with the previous year, this represents a reduction in total net value of 20.4 % in Hesse and 14.9 % in Thuringia.

Home savings customers under the age of 25 accounted for 36.2 % of the first-time contracts concluded in the year under review.

Lending business

At € 187.4 m, the value of home savings loans disbursed increased compared with the prior year (2023: € 153.7 m). Disbursements of loans outside the home savings collective rose by € 12.0 m (12.7 %) year on year to € 106.8 m.

Development of allocations

The target valuation index that has to be reached in order for allocation by LBS has been constant at 224, which is the minimum valuation index specified in the general terms and conditions, for more than 25 years. Some 56,911 contracts (2023: 54,694) representing a home loan and savings volume of € 1,278.7 m (2023: € 1,269.4 m) were allocated in the year under review.

Of the inflows to the allocation fund, € 673.6 m (–4.87 %) was attributable to savings deposits, including employer contributions to employee capital formation schemes, the “Wohnungsbauprämie” (a government subsidy paid on savings to be used for the construction, purchase or improvement of residential real estate) and interest credits, while € 69.9 m (+41.5 %) was attributable to redemption payments. In total, an amount of € 743.5 m (–1.85 %) was added to the allocation fund. These inflows were offset by withdrawals in the amount of € 1,069.5 m (+11.7 %), meaning that the allocation fund had increased by € 326.0 m at the end of the year.

Results of operations

LBS posted a better than forecast profit before taxes in a market shaped by rising interest rates.

Interest income

Interest income was increased by growth in the annual average portfolio of home savings loans, which expanded by € 115.1 m (+68.85 %). The average interest rate for home savings loans declined in 2024 by eight basis points (BP) to 2.59 % (2023: 2.67 %). Overall, the interest income from home savings deposits increased by € 2.8 m to € 7.3 m.

The average portfolio subject to interest (interim and bridge-over loans including other home finance loans) decreased by € 8.8 m (–0.9 %) year on year. This volume effect was more than offset by the higher average interest earned on loans outside the home savings collective. The average interest earned rose to 2.34 % in 2024 (2023: 2.08 %). Interest income in the lending business outside the home savings collective increased by € 2.3 m overall to € 22.5 m.

The average portfolio of financial investments stood at € 4,783 m (€ 331 m in overnight money deposits and € 4,450 m in time deposits) which was € 244 m (–4.85 %) lower than in the previous year. The average interest rate increased by 4 BP to 1.89 % as a result of rising yields for money market transactions. The adjustment of interest for unutilised RWA made available within the Group by LBS increased by € 0.6 m to € 10.2 m. Overall interest income from financial investments dropped by € 2.7 m (–2.86 %) due to volume changes.

Total interest income increased by € 2.5 m to € 120.4 m.

Interest expense

The introduction of new home loan and savings tariffs over recent years has reduced interest expenses. The outflow of home savings deposits in 2024 pushed annual average holdings of home savings deposits down by € 181.0 m year on year to € 5.1 bn. The average interest earned in 2024 decreased by 8 BP year on year to 0.68 %. The synchronous volume and interest rate effects reduced the interest expense for home savings deposits by € 5.2 m to € 34.8 m.

Net interest income increased by € 4.4 m to € 75.3 m overall and was therefore higher than forecast.

The home savings collective interest margin, which is calculated as the difference between the average interest rates for home savings loans and home savings deposits, amounted to 1.91 % in 2024.

Net fee and commission income / expense

Fee and commission income decreased by € 5.6 m (–18.1 %) to € 25.4 m due to the fall in gross new business. The fees and commissions paid likewise fell by € 4.6 m (–13.8 %).

The net fee and commission income / expense variable declined by € 1.0 m to net expense of € 3.3 m and was thus lower than the forecast figure.

General and administrative expenses

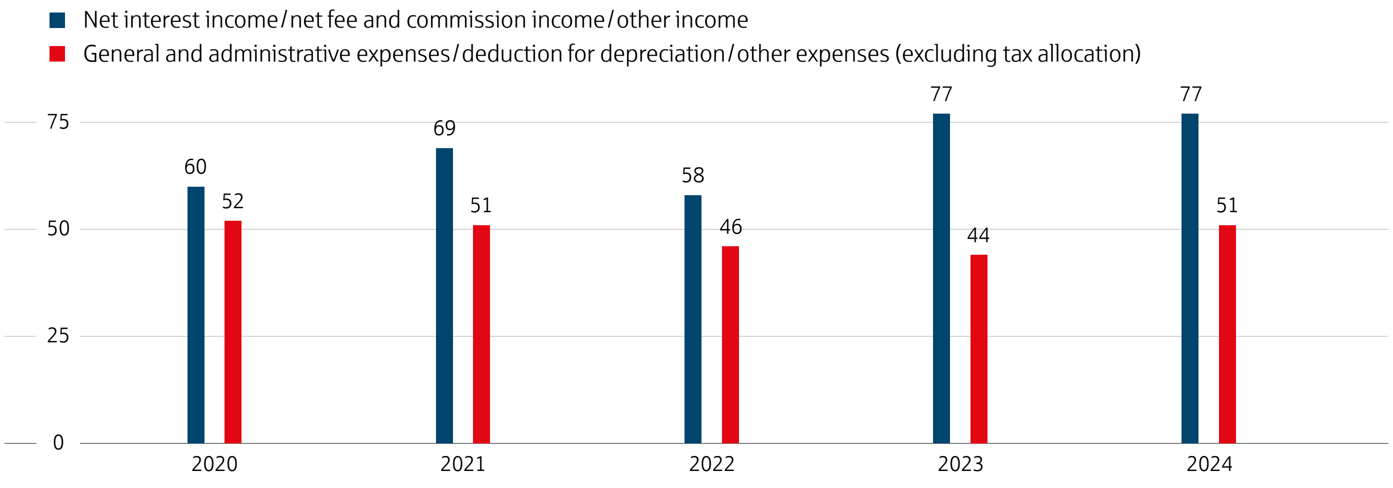
Net interest income, net fee and commission income / expense and other operating income together totalled € 76.8 m (+ 0.4 %), which was offset by € 50.6 m (+ 14.5 %) for general and administrative expenses including depreciation, amortisation and write-downs of property and equipment and other operating expenses.

Other operating income decreased by € 3.1 m overall (– 39.2 %). Personnel expenses rose by € 9.4 m to € 27.2 m, mainly because of the additions of € 8.0 m to pension provisions. Non-personnel operating expenses decreased by € 2.2 m to € 21.6 m. Other operating expenses declined by € 0.8 m to € 1.8 m. Depreciation and write-downs of fixed assets remained constant at € 1.1 m.

Pre-tax earnings were down € 23.4 m year on year at € 6.0 m but exceeded the figure of approximately € 20.0 m anticipated in the previous year's forecast report.

The cost-income ratio increased by 8.8 percentage points to 65.1 % (31 December 2023: 56.3 %) in line with the forecast figure for the year (< 70 %).

Significant income statement components in € m



Financial position

As a non-trading book institute, LBS allocates all of its business positions to the investment book. The German specialist bank principle requires LBS, as a Bausparkasse, to comply with the specific provisions of the German Building and Loan Associations Act (Bausparkassengesetz – BauSparkG) as well as the general stipulations of the German Banking Act (Kreditwesengesetz – KWG). Of particular relevance is Section 4 (3) BauSparkG, which regulates the investment of available funds. The Bausparkasse is obliged to maintain sufficient levels of cash and cash equivalents to ensure its liquidity. Any investment of available funds is accordingly made exclusively in order to form a liquidity reserve as part of a "buy-and-hold" strategy in accordance with the BauSparkG requirements. No investments are sold prior to maturity unless for the purpose of optimising the portfolio structure, actively managing interest rate risk, complying with specified limits imposed by management to limit market risk or for liquidity purposes.

Revenue reserves constitute the main item in the equity structure. The equity of LBS includes no silent participations or subordinated liable capital. Equity backing is adequate for further growth in lending business.

LBS calculates capital requirements using the standardised approach for credit risk (SACR). Due to the switch to the SACR, the total capital ratio in accordance with Article 92 of the CRR fell in 2024 to 35.38 % (31 December 2023: 47.33 %). The Tier 1 ratio likewise fell, dropping by 12.5 percentage points to 34.4 %.

As at 31 December 2024, the liquidity coverage ratio (LCR) significantly exceeded the minimum limit of 100 % required by the regulatory authorities. It was not possible to calculate a precise figure for the LCR for technical reasons following the removal of the cap because there were no eligible cash flows. LBS was in a position to meet its payment obligations at all times.

LBS prepares quarterly collective forecasts and an annual ongoing collective monitoring report in order to ensure that the home savings contracts concluded can always be fulfilled. The ongoing collective monitoring report and the corresponding collective management report, which contain a description of the initial position and scenarios with presentations of results and related analysis as well as an overall assessment, are transmitted to the German Federal Financial Supervisory Authority (BaFin). According to the collective management report for 2023, funds sufficient for the allocation of home savings contracts were available at all times.

The financial position of LBS is sound. The Bausparkasse is capable of meeting its obligation with respect to the scheduled allocation of the home loan and savings amounts at any time.

Net assets

At € 5,929.9 m, total assets were € 261.7 m lower than the previous year. Home savings deposits decreased to € 5,010.3 m. Home finance loans rose by € 109.1 m to € 1,275.0 m, while financial investments declined by € 369.6 m to € 4,629.2 m. The proportion of total assets accounted for by home finance loans increased to 21.5 %. Interim and bridge-over loans decreased by 1.6 % to € 917 m in the financial year. Of these, almost all the loans with original terms of maturity of 12 years and above are entirely refunded by debt. Loans with shorter maturities are offset almost entirely by collective funds.

The net assets position of LBS is sound. The volume of business is virtually unchanged and overall there have been no notable changes in the asset structure.

III. Report on opportunities, risks and expected developments

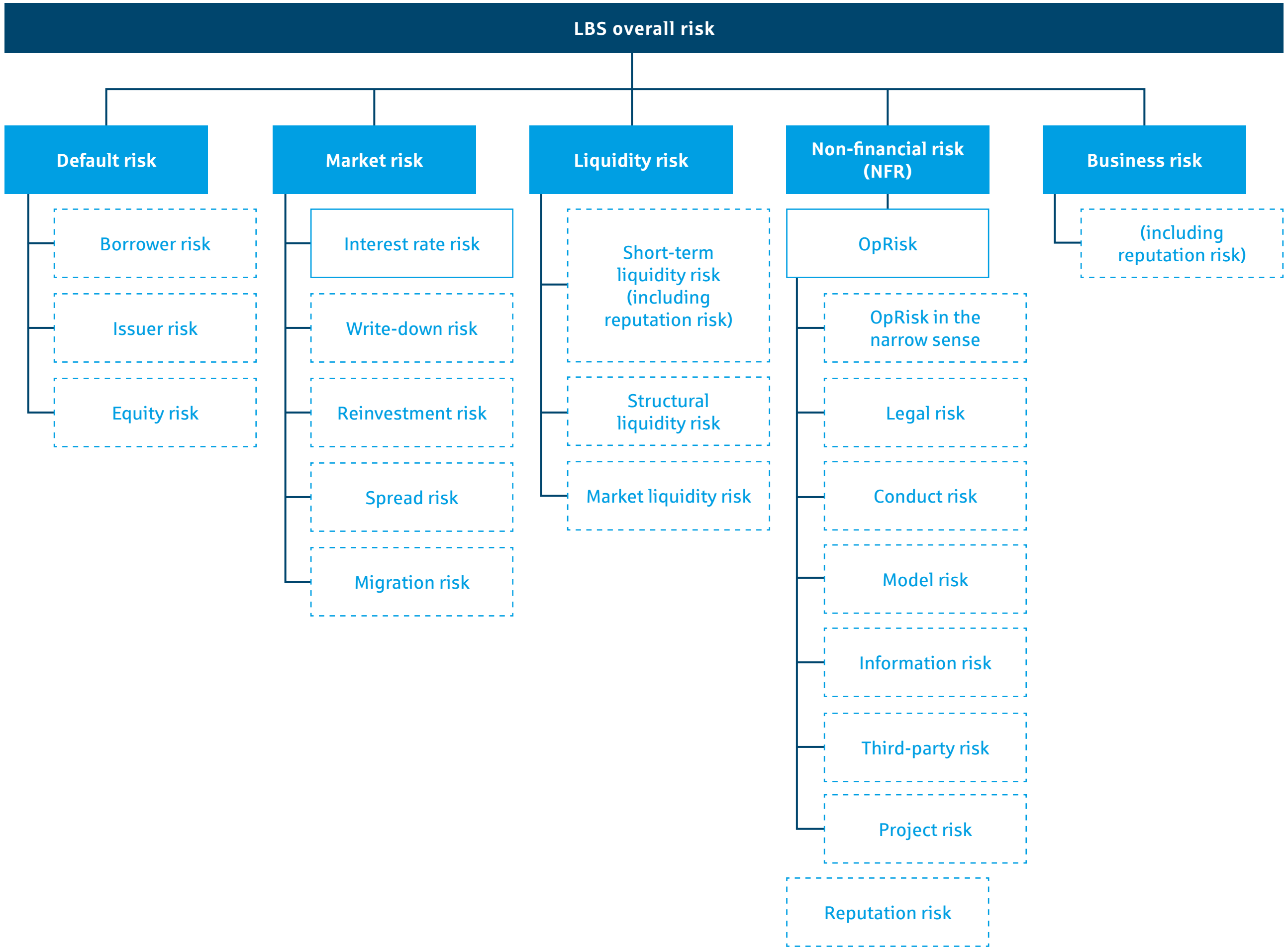
Risk management

Strategic risk management at LBS aims (in accordance with its business strategy) to safeguard and, within defined limits, enhance the organisation’s conservative risk profile. LBS has implemented numerous actions and general requirements in its default risk management activities to this end. These include the scoring cut-off limit, making mortgage collateral the main form of collateral and applying various limits for individual transactions, size and risk classes as well as using quotas and restrictions (such as the € 50,000 maximum for unsecured loans) as described in the German Bausparkassen Act (Bausparkassengesetz – BausparkG) and the German Bausparkassen Regulation (Bausparkassen-Verordnung – BausparkV).

The risk management process at LBS encompasses four successive phases: risk identification, risk assessment, risk containment and risk monitoring. Risks affecting LBS are identified continuously as an integral part of daily operations. Once identified, each risk is assigned to the relevant risk type. Risk assessment comprises the quantitative and qualitative measurement and evaluation of risks using suitable models and methods. Risk containment encompasses all of the measures implemented in order to assume, reduce, limit, avoid and transfer risks and keep risk exposure within the thresholds defined by management in the risk appetite framework (RAF) and within the limits or other relevant KPIs for default risk. Plans to adjust limits are assessed against the associated positive effects (opportunities), for example in relation to processes, business development and income and cost trends. Risk controlling includes comprehensive reporting to keep the people with the relevant authority within the organisation apprised of the existing risks / opportunities. The Risk Committee established for this purpose receives a comprehensive risk report every quarter depicting the overall risk position, primarily covering the status of the RAF indicators, the presentation of the economic and regulatory risk-bearing capacity, the actions taken in respect of the material risks (including stress scenarios), developments compared with the previous quarter and (where applicable) the previous year and limit utilisations. Another key component is the regular reporting in respect of climate risks and other topics assigned to Risk Management / Risk Controlling. Ad hoc reporting processes have been established for defined significant events and loss events to ensure that senior management, the Executive Board and Internal Audit are notified immediately. The responsibilities for the risk management process follow a “three lines of defence” (3-LoD) policy.

LBS determines the applicable containment requirements in each case based on its primary risk types, namely default risk, market risk, liquidity risk and non-financial risk. Business risk is not defined as being of primary importance. The impacts of climate

The broad risk types comprise the following specific risks:



risks on the primary risk types are also considered (no relevance to the non-financial risk). Physical risks (for example, resulting from extreme weather events) and transition climate risks (for example, resulting from statutory energy efficiency requirements) are defined as material risk drivers.

Risk strategy

Drafted in accordance with the requirements imposed by the law, the Charter and the banking regulatory authorities, the risk strategy lays down the principal elements of the approach adopted to dealing with risk, the objectives of risk containment and the measures employed to achieve these objectives at LBS. It is consistent with the Helaba risk strategy.

The risk strategy is modular in nature and consists of a general risk strategy and sub-risk strategies specific to the primary risk types.

The risk strategy is aligned with the business strategy.

A risk manual complements the strategy documents and sets out LBS's risk management structure and comprehensive risk management processes. The risk manual documents definitions, organisation, tools for risk recording, evaluation, containment and reporting, and the underlying written rules for the individual risk types.

Risks may be assumed only as permitted under the current risk strategy and only in pursuit of the corporate objectives – in particular in order to maintain the long-term earning power of LBS while protecting its assets as effectively as possible.

LBS has provided process guidelines and descriptions, manuals and specifications of requirements for employees to ensure the propriety of business operations and provide a robust foundation for the implementation of the risk strategy.

Default risk

The assumption of default risk, which is one of the main business areas at LBS, is based on the sub-risk strategy for default risks.

Credit risks are assumed with the objective of generating a reasonable return bearing in mind the risk-bearing capacity. The sub-risk strategy for default risks is reviewed annually as well as on an ad hoc basis in the event of serious changes in the underlying conditions and brought into line with current circumstances.

Borrower risk

The main focus of business at LBS is private home finance, which is pursued as standardised customer business. The total lending portfolio, including trading business and irrevocable loan commitments, amounts to € 5,986.2 m. Home savings loans make up € 342.6 m of this figure and loans concluded outside of the home savings collective make up € 956.9 m, meaning that the customer lending business accounts for € 1,299.5 m, or 21.9 %, of total assets (€ 5,929.9 m). A total of 88.6 % of home finance loans were extended to private persons who were not self-employed; the proportion of home finance loans secured by mortgage charges amounted to 64.8 %.

LBS Credit Analysis Complex (back office) decides on the granting of loans in the risk-relevant lending business. In such cases, LBS applies the process-dependent simplification regulation pursuant to BTO 1.1 item 4 of the German Minimum Requirements for Risk Management (MaRisk) in the case of lending transactions initiated by third parties and refrains from obtaining an assessment from the front office. The risk arising from loans in retail business is classified using the LBS-KundenScoring model at customer level. Analyses of the default risk are prepared on the basis of fixed and dynamic evaluations of the LBS database as part of risk containment. LBS loans made under the “single-source financing” model are approved and managed by the Sparkassen in Hesse and Thuringia and by Rheinhessen Sparkasse through a trust-type arrangement on the basis of the contracts concluded and associated supplementary guidelines bearing in mind the applicable regulatory requirements.

The LBS-KundenScoring pool model is used to estimate the probability of default figures. LBS applies an individual calibration. The LGD is determined using a loss estimation pool model. LBS applies its own calibration and segmentation rules. Under the economic perspective, risk exposures for the internal calculation of risk-bearing capacity are determined using the Gordy model supplemented with a granularity adjustment. The IFRS 9 impairment model is used in the regulatory perspective and includes an integrated forecasting function.

The forecast probability of default figures for performing retail exposures as at 31 December 2024 (PD volume-weighted / based on number of customers) was 1.47 % / 0.88 % (31 December 2023: 1.68 % / 1.05 %). As at 31 December 2024, this corresponds to risk category 8 in volume-weighted terms and risk category 7 based on the number of customers (31 December 2023: risk category 9 / 7). A loss given default figure of 24.3 % was determined as at 31 December 2024 (downturn LGD 31 December 2023: 22.3 %). The RWA figure in the overall perspective stands at € 557 m (CRSA) as at 31 December 2024 (31 December 2023: € 356 m, IRBA and CSRA).

LBS applies the IFRS accounting treatment and calculation method for portfolio loan loss allowances. Forward-looking information is taken into account in the calculation of the lifetime ECL by generally including such information in the PD and LGD input parameters and by reviewing specific scenarios. Exceptional circumstances are situations in which an adjustment of the risk parameters is required because of unusual macroeconomic circumstances. The review at 31 December 2024 identified no additional loss allowance requirement. Contingency reserves in accordance with Section 340f HGB were recognised for special risks relating to credit institutions. All allowances and contingency reserves are reported separately under assets.

Specific loan loss allowances for home finance loans increased by € 0.1 m to € 1.1 m in the year under review. The default ratio, which equals the sum of direct write-offs and utilisation of loss allowances expressed in relation to the lending volume, amounted to 0.01 %. The largest new specific allowance recognised for a single exposure in 2024 was € 48,400. There were no defaults within the framework of trading transactions.

Impact of ESG risk

The evaluation is based on the findings of the ongoing climate stress test scenario in conjunction with the annual risk inventory. To date, no credit risks have been identified that can be assigned causally to an ESG parameter.

Physical risk

In respect of the physical risk, it is assumed that acute physical risks (mainly extreme weather events) could have a negative impact on the probability of default by customers. This is because customers impacted by extreme weather events face higher expenses in the short term to repair damage, for example. In the medium to long term, this may result in new borrowing, especially in light of the lack of or inadequate insurance cover.

Transition risk

In connection with transition risk, the impact and design of the energy transition policy are of relevance to the default risk. It is assumed that customers will face higher expenses, for example in the form of price increases (such as the direct or indirect effect of the carbon tax) and / or as a result of energy-related refurbishment measures. These causal relationships may have a negative impact on creditworthiness and / or the probability of default.

Issuer risk

Trading transactions within the meaning of MaRisk amounted to € 4.6 bn (nominal amount) and thus accounted for 77.5 % of total assets as at 31 December 2024. This entire amount was invested as overnight money and in time deposits at Helaba with original terms to maturity of up to 15 years.

LBS's highly conservative investment policy is reflected in the fact that, in order to minimise the risk associated with issuers defaulting, all of its financial investments are with Helaba. It has no intention at the moment to acquire promissory note loans or registered securities from other issuers.

Helaba positions are not considered when determining risk because LBS is a unit of Helaba.

Equity risk

LBS holds a 14.3 % equity investment in FORUM. This collaboration enables it to make use of the FINMAS online brokerage platform for the arrangement of financing products and home savings contracts. Arrangement is handled by legally independent sub-brokers acting as brokers for FORUM. LBS has no other equity investments in companies.

The equity risk for the purposes of the calculation of risk-bearing capacity is assessed under the risk type of default risk. The risk exposures for the economic perspective are provided by Helaba's Risk Controlling unit. The regulatory perspective is based on the contractual annual additional contribution equivalent to the investment contribution of € 0.4 m.

Market risk

Market risk at LBS is limited specifically to risks attributable to the change in the position and structure of the yield curve (interest rate risk). Other relevant components of this item include write-down, reinvestment, spread and migration insofar as corresponding positions exist. LBS does not expose itself to share price risks and is prohibited by the BauSparkG from allowing any exposure to currency risks.

The interest rate risk refers to the commercial law (income statement-related) and economic (present value) risk.

Commercial law interest rate risk

Changes in market interest rates have an impact on the home savings collective in the form of changes in customer behaviour. This would impact the forecast net interest income. LBS prepares a collective forecast regularly following each measurement date (end of quarter). The forecast period covers up to five years. The previous quarter forecasts are compared with the actual data and analysed in each case so that any changes in the behaviour patterns of home savings customers can be identified and analysed at an early stage.

Economic interest rate risk

The business administration element of the interest rate risk describes the risk of a downward change in values occurring as a consequence of changes in capital market rates due to a lack of matching maturities between lending and funding. The risk is determined using modern historical simulation.

Regulatory interest rate shock

All interest rate portfolio cash flows are calculated and discounted to record, evaluate and contain this risk. The present value calculation in the case of ad hoc parallel shifts in the interest rate level is performed using the parameters specified by BaFin. Rate-sensitive customer behaviour is recognised in the interest rate portfolio by way of a corresponding cash flow presentation of the cash outflows from the home savings collective (credit balances paid out after termination, credit balances paid out after allocation, home savings loans paid out to customers) and cash inflows to the home savings collective (savings deposits, loan repayments).

As at 31 December 2024, the interest rate risk in the SOT is uncritical in all scenarios. The countermeasures applied by LBS in relation to the option risk in the home savings collective in the "parallel up" and "steepener" scenarios can overcompensate for the risk such that the interest rate risk coefficient (ad hoc interest rate risk in relation to Tier 1 capital) is 0.0 (target: max. 15.0). The worst scenario is "short rate up" with an interest rate coefficient of 0.7.

The interest rate risk revealed by the NII-SOT as at 31 December 2024 is compliant in the scenarios. In the poorer "parallel down" scenario, the interest rate risk coefficient (ad hoc interest rate risk in relation to Tier 1 capital) is 3.9 (target: max. 5.0).

Write-down risk

As at 31 December 2024, LBS holds no fixed-interest securities.

Reinvestment risk

The reinvestment risk results from the maturity of financial investments. When investments mature, it may only be possible to invest the liquidity released at a lower rate, depending on capital market interest rate and spread trends. The results are determined using the net interest income scenarios.

Commercial law spread risk

As at 31 December 2024, LBS holds no fixed-interest securities that would be subject to measurement under commercial law.

Economic spread risk

LBS determines the economic spread risk for its financial investments using the modern historic simulation method.

Commercial law migration risk

As at 31 December 2024, LBS holds no fixed-interest securities that would be subject to measurement under commercial law.

Economic migration risk

LBS determines migration risk on the basis of the economic default risk model for issuers, with the maturity adjustment factor being taken into account. The portfolio as at 31 December 2024 comprises Helaba time deposits only, which are not relevant for the purposes of risk due to the status of LBS as a unit of Helaba.

Impact of ESG risk

The evaluation is based on the findings of the ongoing Helaba climate stress test scenario in conjunction with the annual risk inventory. To date, no market risks have been identified that can be assigned causally to an ESG parameter.

Physical risk

The possibility that physical risks could impact the market risk may be indicated by higher credit spreads and interest rate increases caused by economic disruption. Such disruption may result from, for example, the loss of land (large-scale infrastructure damage, relocations, etc.) due to rising sea levels or a downturn in production caused by a drought and heatwave at a key industry location.

Transition risk

At the present time, no impact on the market risk is anticipated.

Non-financial risk / operational risk

Non-financial risk (NFR) at LBS includes reputation risk as well as operational risk.

LBS defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk.

It includes the NFR sub-risk types of operational risk in the narrower sense, legal risk, conduct risk, model risk, information risk, third-party risk and project risk.

The systematic classification of operational risk is based on the Helaba risk model, which recognises four different classes of risk: “internal processes”, “people”, “systems” and “external events”.

Non-financial risks stem in particular from daily banking operations and are thus an inherent component of business activities. LBS monitors and assesses the prevailing sector-specific case law intensively and factors in the effects of current developments, including on the balance sheet.

The integrated holistic approach to the management of operational risk applied at LBS, which is based on the requirements of the German banking regulator, aims to measure and contain operational risks on the basis of risk scenarios and loss events. In the regulatory perspective, the risk exposures have the normative effect of reducing capital resources.

Impact of ESG risk

The evaluation is based on the findings of the ongoing Helaba climate stress test scenario in conjunction with the annual risk inventory. To date, no impact of ESG risks on the risk potential has been identified.

Physical risk

If operational risks arise, their assessment involves consideration of the climate-related and environmental context; this information is included in the incident database. No event was identified with relevance to physical and/or transition risks.

A possible scenario in the assessment of potential physical risks in the operational risk is that, as the result of an extreme weather event, LBS finance centres and offices could be damaged by looting, theft, vandalism, etc.

Transition risk

At the present time, no transition risk to operational risk/NFR has been identified.

Liquidity and funding risk

Short-term and long-term liquidity planning constitutes the basis for ensuring solvency at all times and for avoiding unexpected losses attributable to the absence of and necessary procurement of funds to fulfil payment obligations.

Short-term liquidity risk

The short-term liquidity risk designates the risk that LBS will not be able, or will not be fully able, to meet its payment obligations (obligation to disburse loans, make interest payments, repay funding) as a result of a shortage of liquid funds, or that it will fall into non-compliance with the regulatory liquidity coverage ratio.

A model-supported approach is used to record, evaluate and contain risk within the framework of a short-term liquidity forecast, which focuses on the probable liquidity trend at least over the next nine to twelve months. The forecast takes into account all definitively known liquidity inflows and outflows (including maturities, interest payments and financial investments / borrowings) as well as experience-based liquidity parameters (including savings deposits / withdrawals and loan disbursements).

Regulatory requirement: the LCR stipulates that a liquidity buffer be held that covers at least the net cash outflows due within 30 days under market-wide and institution-specific stress conditions. LBS is exempt from the cap.

Funding risk

The long-term liquidity outlook (funding risk) additionally takes in all cash inflows and outflows over a period of up to ten years. It considers liquidity inflows and outflows attributable to the home savings collective and to overnight and time deposits, funding obtained and repaid (including the associated interest income and expense) and payments related to operations. The funding risk is calculated using scenarios for which minimum survival periods are defined from a liquidity perspective.

The funding risk refers to a deterioration in the funding conditions available to LBS and the resulting difficulty of maintaining an adequate and cost-effective funding base.

LBS, as a legally dependent Bausparkasse, funds itself principally via deposits to the home savings collective and through Helaba.

The liquidity risk thus ultimately boils down to a credit rating risk. Any materialisation of risk (default, market price, operational or other risk) negatively impacts the rating and thus also access to the capital market, so the management of the other risks simultaneously impacts on the liquidity risk.

Market liquidity risk

The market liquidity risk involves the risk of inadequate market liquidity, meaning that it might not be possible for positions to be closed at prices that are fair or close to fair as a result of inadequate market depth or market disruptions. When investing in fixed-income securities, promissory note loans and registered bonds, LBS also considers the fungibility of the asset when selecting the issuer and the product, it being the case that funds are generally invested with the intention of not liquidating them ahead of schedule. The market liquidity risk is taken into account in liquidity forecasts as well as in the measurement of the structural liquidity risk.

Economic examination of liquidity risk

The liquidity risk is monitored by exploring scenario-based trends in the net liquidity balances (starting from the current overnight money position). All payments are considered over a time frame of ten years. The parameters of the calculation of risk-bearing capacity (ICAAP) and separate parameters reflecting drains on liquidity (ILAAP) are applied. The focus is on the survival horizon and on determining a cash effect and an effect on profit and loss in the calculation of risk-bearing capacity from any countermeasures required.

Regulatory examination of liquidity risk

The LCR and NSFR simulations cover a period of six months and four income statement periods respectively.

Impact of ESG risk

The evaluation is based on the findings of the ongoing Helaba climate stress test scenario in conjunction with the annual risk inventory. To date, no impact of ESG risks on the risk potential has been identified.

Physical risk

A potential liquidity risk exists if an extreme weather event occurs, depending on the local situation. If such an event occurs, there may be an increase in balance withdrawals and / or greater demand for loans. Additional refinancing costs may be incurred as a result of the increased demand for liquidity.

Transition risk

It can be assumed that a transition risk would impact the liquidity risk in the event of changes to energy transition policy or to public order. This relates especially to (political) changes to energy efficiency standards for real estate requiring customers to undertake costly energy-related refurbishment measures.

Business risk

LBS breaks business risk down into the individual risk types collective risk, market sales risk and changes in the law.

The collective risk is the risk that the home savings collective will behave other than in the predicted manner in response to changes in the market interest rate risk parameter. The market sales risk relates to the attractiveness of the home savings product, which can fade, with a corresponding negative impact on new business, in response to changes in the market interest rate risk parameter.

The business risk has been classified as material and, due to its dependency on the market interest rate risk parameter, is taken into account in market risk which is defined as a material risk type. The quantification, containment and monitoring of the collective risk and market sales risk categories are performed in the context of the market price risk (interest risk).

Reputation risk

Reputation risk involves the possibility of a deterioration in the public image of LBS (its reputation for competence, integrity and trustworthiness) in the form of the perceptions of the individuals having a business or other relationship with LBS. The material impact of reputation risk (the termination of existing contracts and, in particular, a slump in new business) is largely reflected as business risk that directly affects the collective risk and market sales risk elements of market risk, a risk type that is defined as being of primary importance, and the liquidity risk. Reputation risk, which is a non-financial risk, is therefore assigned to these risk types in the risk type breakdown based on its impact. Reputation risks include original reputation losses as well as those that arise as a result of an operational loss event.

Risk-bearing capacity

Risk-bearing capacity is calculated in order to ensure that the primary risks always remain within the risk-taking potential of LBS and that going-concern status is thus continuously and permanently assured. This process involves quantifying and comparing possible risk exposures and the available risk-taking potential.

LBS employs both the regulatory perspective and the economic perspective to assess its risk-bearing capacity.

The regulatory perspective investigates the question of whether LBS will always have sufficient regulatory capital available over a period of at least three years (four income statement periods). This perspective accordingly includes medium-term capital planning. The assessment of regulatory risk-bearing capacity considers which risks could impact on LBS's equity directly (Pillar I risks) and which could impact indirectly (Pillar II risks resulting in income shortfalls or losses). The risk-taking potential is largely determined by regulatory own funds including buffer requirements. Other factors having a significant influence (changes to pension provisions, net profit for the year from planning) and additional limiting elements (management buffer) are also considered on a continuous basis. The scenarios provide a separate calculation of risk for each risk type. LBS applies one base scenario, one adverse scenario and three stress scenarios (including a climate stress scenario). A climate risk scenario with its impact on the primary risk types (excluding non-financial risk) is also considered. The risk exposures for the individual risk types are added together to arrive at the aggregate total risk exposure. This entails an implicit assumption that all risk types correlate 1:1. A limit is imposed at the level of the CET1 ratio and the leverage ratio, it being necessary to ensure they remain compliant with the minimum standards over the four income statement periods.

The risk-bearing capacity assessment in the economic perspective focuses on the long-term implications of risks. The risk-taking potential in this perspective is determined using a net present value model. The present value statement differs from the calculation of risk-bearing capacity in the regulatory perspective in that it applies a comprehensive approach considering all future cash flows from all transactions concluded up to the current reporting date in place of the regulatory perspective's strict time horizon of four income statement periods. Risks are quantified using the value-at-risk method, or methods related to it, based on the present value of assets and limited in a limit system. The risk exposure is determined in a base scenario and three stress scenarios (including a climate stress scenario).

The implications for the risk-bearing capacity in the regulatory and economic perspectives are presented and analysed. The results of the stress tests are indicated in risk reporting along with their potential impacts on the risk situation and the risk-taking potential.

The economic risk cover pool as at 31 December 2024 amounted to € 447.7 m. The total risk exposure in the economic perspective as at the 31 December 2024 reporting date amounted to € 76.5 m.

The regulatory perspective focuses in particular on the development of the CET1 ratio over the period between 31 December 2024 and 31 December 2028. The CET1 ratio for this period amounts to 34.4 % to 25.3 %. The leverage ratio for the same period amounts to 21.3 % to 27.1 %. The regulatory risk-bearing capacity remains assured at all times.

LBS considers that it is managing risk in an appropriate manner. Its risk indicators are compliant.

Outlook for 2025

After two years of stagnation, the German economy is growing again but still at a slower rate than the eurozone average. In 2025, it is likely that inflation will no longer be the dominant factor. Instead, it will be more of a secondary condition in deciding the scope to relax monetary policy. In an environment of continued high demand and short supply, the German real estate market will see moderate increases in house prices in 2025. At the same time, new construction activity will continue to decline.

Home savings contracts offer people in pursuit of home finance or follow-up financing a readily calculable way to fund real estate investments and lock in favourable interest rates long-term. Home loan and savings products remain an attractive option for much of the population, which regards a debt-free residential property to be the best form of provision for retirement.

The need to convert more properties to make them suitable for the increasing population of older people provides additional potential for growth. The comparatively low home ownership rate in Germany, government initiatives to promote saving (the employee savings bonus and a subsidy paid on savings to be used for the construction, purchase or improvement of residential real estate) and the inclusion of owner-occupied residential property in the state subsidy programme for private old-age provision ("Wohn-Riester") additionally promise very significant untapped potential in home savings business with current levels of interest.

Meanwhile the subject of sustainability is adding new momentum in the modernisation market. High levels of investment in the existing housing stock – implying substantial new lending activity – to bring older residential buildings up to an acceptable standard of energy efficiency will be necessary to achieve climate-neutral status by 2045. LBS has a good regional network within the Sparkassen-Finanzgruppe through which to assist customers with their financing needs.

Current market interest rates provide LBS with a strong basis for good business with its products. Targeted investment in further digitalisation, new communication channels and process optimisation activities will help it make the most of these possibilities. Attracting customers via digital channels and boosting process efficiency will be key priorities in these efforts.

LBS is targeting a further tangible year-on-year increase in gross new business in financial year 2025 on the basis that their ability to provide long-term interest rate protection will ensure home savings products remain in demand and that the optimisation of digital sales processes will provide additional impetus. The combination of a further reduction in average interest rates for home savings loans and the market-driven increase in funding costs leads LBS to anticipate net interest income of around € 72 m. The forecast figures reflect the home savings collective simulation, which usually covers a period of 20 years. The home savings collective simulation is based on the full contract portfolio, with changes in the behaviour patterns of home savings customers being considered over time. The forecast for future interest rate developments is prepared using Helaba's scenario requirements and the forward interest rates derived from the applicable interest rate structure as at the key date for forecasting. Taking account of the planned new investments, LBS expects the interest rate risk before countermeasures to be slightly negative in financial year 2025.

LBS expects the new home loan and savings business to improve once again, although pending legal decisions concerning account management fees could have an additional negative impact on net fee and commission income.

The non-personnel operating expenses element of general and administrative expenses is likely to rise moderately again in 2025, mainly due to inflation-driven cost increases and ongoing process optimisation and digitalisation activities. In addition, personnel expenses will also be pushed up by the collective bargaining agreement concluded for the banking sector in October 2024 and allocations to pension provisions (including interest expense).

The cost-income ratio for 2025 is expected to remain below 70 %.

In summary, LBS expects 2025 to be a year of further strengthening and stabilisation of the operating business after its strong performance in 2024 – despite adverse effects due to pension obligations – with pre-tax earnings of € 20.0 m.

Frankfurt am Main / Erfurt, 4 March 2025

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

Groß Kemler Nickel

Schmid Weiss

Statistical annex to the management report

Allocation fund changes in 2024

A. Allocations	€ thousands
I. Amount carried forward from the previous year (surplus): amounts not yet disbursed	5,005,454
II. Allocations in the financial year	
1. Savings amounts (including offset homeowner allowances)	636,757
2. Repayment amounts[1] (including offset homeowner allowances)	69,893
3. Interest on home savings deposits	36,844
4. Home savings protection fund	–
5. Other	
a) Borrowings and own funds	–
Total	**5,748,948**

[1] Repayment amounts only represent the portion of the repayment sum attributable to the principal.

B. Withdrawals	€ thousands
I. Withdrawals in the financial year	
1. Sums allocated, to the extent disbursed	
a) Home savings deposits	567,552
b) Home loans	187,425
2. Repayment of home savings deposits made on home savings contracts not yet allocated	314,546
3. Home savings protection fund	0
4. Other	
a) Borrowings and own funds	0
II. Allocation surplus (amounts not yet disbursed) at the end of the financial year[2]	4,679,425
Total	**5,748,948**

[1] The allocation surplus includes, among other things:
a) the home savings deposits relating to allocated contracts that have not yet been disbursed in € thousands: 83,843
b) the home loans attributable to allocations that have not yet been disbursed in € thousands: 11,111

Movements in the portfolio in 2024

Tariff group I (tariffs A, B, C, D)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	911	26,432	21	654	932	27,086
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	–	–	–	–	–	–
2. Transfer	2	78	–	–	2	78
3. Waiver of allocation and revocation of allocation	12	574	–	–	12	574
4. Partition	1	–	–	–	1	–
5. Allocation	–	–	26	883	26	883
6. Other	–	1	–	1	–	2
Total	15	653	26	884	41	1,537
C. Disposals in the financial year due to						
1. Allocation	26	883	–	–	26	883
2. Reduction	–	–	–	–	–	–
3. Cancellation	31	692	14	336	45	1,028
4. Transfer	2	78	–	–	2	78
5. Combination	–	–	–	–	–	–
6. Expiry of contract	–	–	3	112	3	112
7. Waiver of allocation and revocation of allocation	–	–	12	574	12	574
8. Other	–	1	–	–	–	1
Total	59	1,654	29	1,022	88	2,676
D. Net addition/disposal	–44	–1,001	–3	–138	–47	–1,139
E. Portfolio at the end of the financial year	867	25,431	18	516	885	25,947
thereof: Attributable to home savings customers outside of Germany	20	573	2	41	22	614

Tariff group I (tariffs A, B, C, D)

		Not allocated		Allocated		Total
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					–	–
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					182	1,019
more than 10,000 up to € 25,000					308	4,344
more than 25,000 up to € 50,000					193	6,247
more than 50,000 up to € 150,000					175	11,891
more than 150,000 up to € 250,000					7	1,218
more than 250,000 up to € 500,000					2	712
more than 500,000					–	–
Total					867	25,431

IV. The average total net value at the end of the financial year was € 29,319.

Movements in the portfolio in 2024

Tariff group II (Classic, Classic V, Vario 1, 2, 3 tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	5,884	154,501	203	10,897	6,087	165,398
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	1	40	-	-	1	40
2. Transfer	4	123	0	0	4	123
3. Waiver of allocation and revocation of allocation	94	2,485	-	-	94	2,485
4. Partition	0	-	0	-	–	–
5. Allocation	-	-	212	5,708	212	5,708
6. Other	4	183	1	8	5	191
Total	103	2,831	213	5,716	316	8,547
C. Disposals in the financial year due to						
1. Allocation	212	5,708	-	–	212	5,708
2. Reduction	-	344	-	–	–	344
3. Cancellation	216	5,233	108	3,001	324	8,234
4. Transfer	4	123	-	–	4	123
5. Combination	0	-	0	–	–	–
6. Expiry of contract	-	-	20	552	20	552
7. Waiver of allocation and revocation of allocation	-	-	94	2,485	94	2,485
8. Other	4	182	1	9	5	191
Total	436	11,590	223	6,047	659	17,637
D. Net addition/disposal	–333	–8,759	–10	–331	–343	–9,090
E. Portfolio at the end of the financial year	5,551	145,742	193	10,566	5,744	156,308
thereof: Attributable to home savings customers outside of Germany	57	1,595	–	–	57	1,595

Tariff group II (Classic, Classic V, Vario 1, 2, 3 tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					–	–
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					825	5,284
more than 10,000 up to € 25,000					2,511	37,727
more than 25,000 up to € 50,000					1,424	46,359
more than 50,000 up to € 150,000					771	51,888
more than 150,000 up to € 250,000					16	2,811
more than 250,000 up to € 500,000					3	1,160
more than 500,000					1	511
Total					5,551	145,742
IV. The average total net value at the end of the financial year was € 27,212.						

Movements in the portfolio in 2024

Tariff group III (Classic S, L, Vario E, U, R tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	14,068	281,680	370	11,034	14,438	292,714
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	3	58	–	–	3	58
2. Transfer	24	629	1	35	25	664
3. Waiver of allocation and revocation of allocation	251	4,997	–	–	251	4,997
4. Partition	2	–	–	–	2	–
5. Allocation	–	–	687	13,163	687	13,163
6. Other	16	361	4	69	20	430
Total	296	6,045	692	13,267	988	19,312
C. Disposals in the financial year due to						
1. Allocation	687	13,163	–	–	687	13,163
2. Reduction	–	86	–	–	–	86
3. Cancellation	614	11,999	441	10,076	1,055	22,075
4. Transfer	24	629	1	35	25	664
5. Combination	–	–	–	–	–	–
6. Expiry of contract	–	–	44	1,126	44	1,126
7. Waiver of allocation and revocation of allocation	–	–	251	4,997	251	4,997
8. Other	16	358	2	22	18	380
Total	1,341	26,235	739	16,256	2,080	42,491
D. Net addition/disposal	–1,045	–20,190	–47	–2,989	–1,092	–23,179
E. Portfolio at the end of the financial year	13,023	261,490	323	8,045	13,346	269,535
thereof: Attributable to home savings customers outside of Germany	87	1,868	1	31	88	1,899

Tariff group III (Classic S, L, Vario E, U, R tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					–	–
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					3,730	30,274
more than 10,000 up to € 25,000					6,715	108,179
more than 25,000 up to € 50,000					1,743	60,598
more than 50,000 up to € 150,000					816	57,997
more than 150,000 up to € 250,000					14	2,644
more than 250,000 up to € 500,000					5	1,798
more than 500,000					–	–
Total					13,023	261,490
IV. The average total net value at the end of the financial year was € 20,196.						

Movements in the portfolio in 2024

Tariff group IV (Classic S1, L1, N1, F1, Vario E1, U1, R1 tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	43,583	867,567	1,749	42,282	45,332	909,849
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	90	2,777	–	–	90	2,777
2. Transfer	64	1,463	3	91	67	1,554
3. Waiver of allocation and revocation of allocation	803	16,116	–	–	803	16,116
4. Partition	11	–	1	–	12	–
5. Allocation	–	–	3,215	61,090	3,215	61,090
6. Other	68	2,319	11	157	79	2,476
Total	1,036	22,675	3,230	61,338	4,266	84,013
C. Disposals in the financial year due to						
1. Allocation	3,215	61,090	–	–	3,215	61,090
2. Reduction	–	5,877	–	–	–	5,877
3. Cancellation	2,588	54,669	2,234	39,485	4,822	94,154
4. Transfer	64	1,463	3	91	67	1,554
5. Combination	–	–	–	–	–	–
6. Expiry of contract	–	–	411	9,608	411	9,608
7. Waiver of allocation and revocation of allocation	–	–	803	16,116	803	16,116
8. Other	71	2,448	5	61	76	2,509
Total	5,938	125,547	3,456	65,361	9,394	190,908
D. Net addition/disposal	–4,902	–102,872	–226	–4,023	–5,128	–106,895
E. Portfolio at the end of the financial year	38,681	764,695	1,523	38,259	40,204	802,954
thereof: Attributable to home savings customers outside of Germany	193	4,788	3	127	196	4,915

Tariff group IV (Classic S1, L1, N1, F1, Vario E1, U1, R1 tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					3	257
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					16,104	139,350
more than 10,000 up to € 25,000					16,457	292,152
more than 25,000 up to € 50,000					4,505	184,170
more than 50,000 up to € 150,000					1,502	124,703
more than 150,000 up to € 250,000					93	17,633
more than 250,000 up to € 500,000					20	6,687
more than 500,000					–	–
Total					38,681	764,695

IV. The average total net value at the end of the financial year was € 19,972.

Movements in the portfolio in 2024

Tariff group V (Classic2007 S, B, F, N, Classic Young tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	135,463	2,491,030	7,223	172,916	142,686	2,663,946
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	40	1,215	–	–	40	1,215
2. Transfer	205	6,180	33	1,318	238	7,498
3. Waiver of allocation and revocation of allocation	3,238	54,887	–	–	3,238	54,887
4. Partition	20	–	1	–	21	–
5. Allocation	–	–	15,661	270,462	15,661	270,462
6. Other	143	5,616	28	661	171	6,277
Total	3,646	67,898	15,723	272,441	19,369	340,339
C. Disposals in the financial year due to						
1. Allocation	15,661	270,462	–	–	15,661	270,462
2. Reduction	–	8,222	–	46	–	8,268
3. Cancellation	8,757	180,740	11,814	193,298	20,571	374,038
4. Transfer	205	6,180	33	1,318	238	7,498
5. Combination	–	–	–	–	–	–
6. Expiry of contract	–	–	1,240	27,705	1,240	27,705
7. Waiver of allocation and revocation of allocation	–	–	3,238	54,887	3,238	54,887
8. Other	163	6,622	10	151	173	6,773
Total	24,786	472,226	16,335	277,405	41,121	749,631
D. Net addition/disposal	–21,140	–404,328	–612	–4,964	–21,752	–409,292
E. Portfolio at the end of the financial year	114,323	2,086,702	6,611	167,952	120,934	2,254,654
thereof: Attributable to home savings customers outside of Germany	383	7,661	12	229	395	7,890

Tariff group V (Classic2007 S, B, F, N, Classic Young tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					16	615
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					67,688	676,351
more than 10,000 up to € 25,000					31,384	583,307
more than 25,000 up to € 50,000					11,503	466,017
more than 50,000 up to € 150,000					3,482	290,568
more than 150,000 up to € 250,000					214	40,646
more than 250,000 up to € 500,000					41	13,477
more than 500,000					11	16,335
Total					114,323	2,086,702

IV. The average total net value at the end of the financial year was € 18,644.

Movements in the portfolio in 2024

Tariff group VI (Classic2012 S, B, F, FL, N, Classic Young tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	42,343	883,594	4,356	184,420	46,699	1,068,014
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	10	267	–	–	10	267
2. Transfer	63	2,283	17	834	80	3,117
3. Waiver of allocation and revocation of allocation	2,119	35,318	–	–	2,119	35,318
4. Partition	6	–	2	–	8	–
5. Allocation	–	–	5,793	110,928	5,793	110,928
6. Other	58	2,076	21	1,186	79	3,262
Total	2,256	39,944	5,833	112,948	8,089	152,892
C. Disposals in the financial year due to						
1. Allocation	5,793	110,928	–	–	5,793	110,928
2. Reduction	–	3,922	–	–	–	3,922
3. Cancellation	2,686	61,670	3,672	68,867	6,358	130,537
4. Transfer	63	2,283	17	834	80	3,117
5. Combination	–	–	–	–	–	–
6. Expiry of contract	–	–	538	15,106	538	15,106
7. Waiver of allocation and revocation of allocation	–	–	2,119	35,318	2,119	35,318
8. Other	75	3,232	3	405	78	3,637
Total	8,617	182,035	6,349	120,530	14,966	302,565
D. Net addition/disposal	–6,361	–142,091	–516	–7,582	–6,877	–149,673
E. Portfolio at the end of the financial year	35,982	741,503	3,840	176,838	39,822	918,341
thereof: Attributable to home savings customers outside of Germany	126	3,100	1	10	127	3,110

Tariff group VI (Classic2012 S, B, F, FL, N, Classic Young tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					12	823
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					21,347	213,350
more than 10,000 up to € 25,000					8,461	158,832
more than 25,000 up to € 50,000					4,051	161,567
more than 50,000 up to € 150,000					1,954	163,007
more than 150,000 up to € 250,000					123	23,178
more than 250,000 up to € 500,000					40	14,340
more than 500,000					6	7,229
Total					35,982	741,503
IV. The average total net value at the end of the financial year was € 23,061.						

Movements in the portfolio in 2024

Tariff group VII (Classic2014 S, B, F, FL, N, Classic Young tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	73,936	2,042,819	6,289	198,152	80,225	2,240,971
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	361	24,946	–	–	361	24,946
2. Transfer	151	7,601	45	2,004	196	9,605
3. Waiver of allocation and revocation of allocation	8,737	131,114	–	–	8,737	131,114
4. Partition	12	–	–	–	12	–
5. Allocation	–	–	17,158	403,432	17,158	403,432
6. Other	73	3,339	64	2,640	137	5,979
Total	9,334	167,000	17,267	408,076	26,601	575,076
C. Disposals in the financial year due to						
1. Allocation	17,158	403,432	–	–	17,158	403,432
2. Reduction	–	39,384	–	433	–	39,817
3. Cancellation	4,272	131,191	6,063	125,109	10,335	256,300
4. Transfer	151	7,601	45	2,004	196	9,605
5. Combination	1	–	–	–	1	–
6. Expiry of contract	–	–	1,052	26,294	1,052	26,294
7. Waiver of allocation and revocation of allocation	–	–	8,737	131,114	8,737	131,114
8. Other	118	5,702	24	571	142	6,273
Total	21,700	587,310	15,921	285,525	37,621	872,835
D. Net addition/disposal	–12,366	–420,310	1,346	122,551	–11,020	–297,759
E. Portfolio at the end of the financial year	61,570	1,622,509	7,635	320,703	69,205	1,943,212
thereof: Attributable to home savings customers outside of Germany	148	3,750	23	1,403	171	5,153

Tariff group VII (Classic2014 S, B, F, FL, N, Classic Young tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					32	1,376
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					34,729	347,151
more than 10,000 up to € 25,000					12,685	239,806
more than 25,000 up to € 50,000					8,083	330,569
more than 50,000 up to € 150,000					5,302	488,033
more than 150,000 up to € 250,000					543	104,211
more than 250,000 up to € 500,000					184	62,459
more than 500,000					44	70,280
Total					61,570	1,642,509

IV. The average total net value at the end of the financial year was € 28,079.

Movements in the portfolio in 2024

Tariff group VIII (Classic2015 F, L, N, S, Classic Young tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	96,002	4,157,837	4,282	151,075	100,284	4,308,912
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	97	6,732	–	–	97	6,732
2. Transfer	200	13,991	82	6,781	282	20,772
3. Waiver of allocation and revocation of allocation	2,978	60,175	–	–	2,978	60,175
4. Partition	24	–	57	–	81	–
5. Allocation	–	–	7,703	189,922	7,703	189,922
6. Other	70	3,719	25	2,835	95	6,554
Total	3,369	84,617	7,867	199,538	11,236	284,155
C. Disposals in the financial year due to						
1. Allocation	7,703	189,922	–	–	7,703	189,922
2. Reduction	–	37,604	–	173	–	37,777
3. Cancellation	5,532	166,773	2,551	52,089	8,083	218,862
4. Transfer	200	13,991	82	6,781	282	20,772
5. Combination	1	–	–	–	1	–
6. Expiry of contract	–	–	479	13,402	479	13,402
7. Waiver of allocation and revocation of allocation	–	–	2,978	60,175	2,978	60,175
8. Other	154	9,192	11	314	165	9,506
Total	13,590	417,482	6,101	132,934	19,691	550,416
D. Net addition/disposal	–10,221	–332,865	1,766	66,604	–8,455	–266,261
E. Portfolio at the end of the financial year	85,781	3,824,972	6,048	217,679	91,829	4,042,651
thereof: Attributable to home savings customers outside of Germany	164	10,611	15	1,311	179	11,922

Tariff group VIII (Classic2015 F, L, N, S, Classic Young tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					140	11,406
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					28,496	284,775
more than 10,000 up to € 25,000					19,222	379,789
more than 25,000 up to € 50,000					19,458	815,947
more than 50,000 up to € 150,000					15,506	1,390,561
more than 150,000 up to € 250,000					2,051	398,419
more than 250,000 up to € 500,000					854	288,035
more than 500,000					194	267,446
Total					85,781	3,824,972
IV. The average total net value at the end of the financial year was € 44,024.						

Movements in the portfolio in 2024

Tariff group IX (Xtra Young, Home m, L, XL, Comfort S, N and Flex tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	49,893	2,429,470	1,252	54,660	51,145	2,484,130
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	59	5,007	–	–	59	5,007
2. Transfer	92	7,079	114	12,311	206	19,390
3. Waiver of allocation and revocation of allocation	689	16,788	–	–	689	16,788
4. Partition	11	–	107	–	118	–
5. Allocation	–	–	2,414	69,261	2,414	69,261
6. Other	68	4,167	13	733	81	4,900
Total	919	33,041	2,648	82,305	3,567	115,346
C. Disposals in the financial year due to						
1. Allocation	2,414	69,261	–	–	2,414	69,261
2. Reduction	–	19,364	–	45	–	19,409
3. Cancellation	2,841	110,002	555	13,082	3,396	123,084
4. Transfer	92	7,079	114	12,311	206	19,390
5. Combination	–	–	–	–	–	–
6. Expiry of contract	–	–	155	4,280	155	4,280
7. Waiver of allocation and revocation of allocation	–	–	689	16,788	689	16,788
8. Other	106	5,753	7	363	113	6,116
Total	5,453	211,459	1,520	46,869	6,973	258,328
D. Net addition/disposal	–4,534	–178,418	1,128	35,436	–3,406	–142,982
E. Portfolio at the end of the financial year	45,359	2,251,052	2,380	90,096	47,739	2,341,148
thereof: Attributable to home savings customers outside of Germany	60	5,537	5	115	65	5,652

Tariff group IX (Xtra Young, Home m, L, XL, Comfort S, N and Flex tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					108	10,438
b) Contracts concluded in financial year 2024					–	–
III. Size classification of unallocated contracts						
up to € 10,000					17,554	175,464
more than 10,000 up to € 25,000					9,080	175,210
more than 25,000 up to € 50,000					9,390	404,502
more than 50,000 up to € 150,000					6,426	619,484
more than 150,000 up to € 250,000					1,763	348,638
more than 250,000 up to € 500,000					951	325,860
more than 500,000					195	201,894
Total					45,359	2,251,052

IV. The average total net value at the end of the financial year was € 49,041.

Movements in the portfolio in 2024

Tariff group X (Xtra Home 2020 M, L, XL, Comfort S, N, Flex, Future tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	101,436	5,549,677	209	7,514	101,645	5,557,191
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	31,166	1,640,244	–	–	31,166	1,640,244
2. Transfer	190	14,001	1	50	191	14,051
3. Waiver of allocation and revocation of allocation	334	11,819	–	–	334	11,819
4. Partition	26	–	–	–	26	–
5. Allocation	–	–	1,245	45,944	1,245	45,944
6. Other	368	26,435	4	110	372	26,545
Total	32,084	1,692,499	1,250	46,104	33,334	1,738,603
C. Disposals in the financial year due to						
1. Allocation	1,245	45,944	–	–	1,245	45,944
2. Reduction	–	56,513	–	–	–	56,513
3. Cancellation	5,829	216,382	284	7,902	6,113	224,284
4. Transfer	190	14,001	1	50	191	14,051
5. Combination	422	–	–	–	422	–
6. Expiry of contract	–	–	42	1,476	42	1,476
7. Waiver of allocation and revocation of allocation	–	–	334	11,819	334	11,819
8. Other	160	14,391	3	70	163	14,461
Total	7,846	347,231	664	21,317	8,510	368,548
D. Net addition/disposal	24,238	1,345,268	586	24,787	24,824	1,370,055
E. Portfolio at the end of the financial year	125,674	6,894,945	795	32,301	126,469	6,927,246
thereof: Attributable to home savings customers outside of Germany	103	9,677	2	220	105	9,897

Tariff group X (Xtra Home 2020 M, L, XL, Comfort S, N, Flex, Future tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					4,282	437,111
b) Contracts concluded in financial year 2024					9,668	735,649
III. Size classification of unallocated contracts						
up to € 10,000					26,030	260,019
more than 10,000 up to € 25,000					35,954	697,308
more than 25,000 up to € 50,000					36,534	1,556,136
more than 50,000 up to € 150,000					19,256	1,862,955
more than 150,000 up to € 250,000					4,673	940,639
more than 250,000 up to € 500,000					2,660	932,239
more than 500,000					567	645,649
Total					125,674	6,894,945

IV. The average total net value at the end of the financial year was € 54,774.

Movements in the portfolio in 2024

Tariff group "Riester" (FR, SR, R, Home MR, Home LR, Home XLR tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	41,761	1,777,302	1,745	68,185	43,506	1,845,487
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	897	60,953	–	–	897	60,953
2. Transfer	–	–	–	–	–	–
3. Waiver of allocation and revocation of allocation	1,483	52,656	–	–	1,483	52,656
4. Partition	3	–	–	–	3	–
5. Allocation	–	–	2,797	107,915	2,797	107,915
6. Other	68	3,974	46	1,601	114	5,575
Total	2,451	117,583	2,843	109,516	5,294	227,099
C. Disposals in the financial year due to						
1. Allocation	2,797	107,915	–	–	2,797	107,915
2. Reduction	–	1,957	–	–	–	1,957
3. Cancellation	2,225	94,518	580	20,774	2,805	115,292
4. Transfer	–	–	–	–	–	–
5. Combination	8	–	–	–	8	–
6. Expiry of contract	–	–	101	3,740	101	3,740
7. Waiver of allocation and revocation of allocation	–	–	1,483	52,656	1,483	52,656
8. Other	68	4,047	5	213	73	4,260
Total	5,098	208,437	2,169	77,383	7,267	285,820
D. Net addition/disposal	–2,647	–90,854	674	32,133	–1,973	–58,721
E. Portfolio at the end of the financial year	39,114	1,686,448	2,419	100,318	41,533	1,786,766
thereof: Attributable to home savings customers outside of Germany	50	1,663	–	–	50	1,663

Tariff group “Riester” (FR, SR, R, Home MR, Home LR, Home XLR tariffs)

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					2,849	150,446
b) Contracts concluded in financial year 2024					560	40,366
III. Size classification of unallocated contracts						
up to € 10,000					3,146	31,282
more than 10,000 up to € 25,000					8,548	171,132
more than 25,000 up to € 50,000					16,820	690,618
more than 50,000 up to € 150,000					10,455	764,749
more than 150,000 up to € 250,000					128	23,747
more than 250,000 up to € 500,000					17	4,920
more than 500,000					–	–
Total					39,114	1,686,448

IV. The average total net value at the end of the financial year was € 43,020.

Movements in the portfolio in 2024

All Tariffs

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
I. Overview of movements in the portfolio of unallocated and allocated home savings contracts and contractual total net values						
A. Portfolio at the end of the previous year	605,280	20,661,908	27,699	901,789	632,979	21,563,697
B. Additions in the financial year due to						
1. New contracts taken out (cashed-in contracts)	32,724	1,742,239	–	–	32,724	1,742,239
2. Transfer	995	53,428	296	23,424	1,291	76,852
3. Waiver of allocation and revocation of allocation	20,738	386,929	–	–	20,738	386,929
4. Partition	116	–	168	–	284	–
5. Allocation	–	–	56,911	1,278,708	56,911	1,278,708
6. Other	936	52,190	217	10,001	1,153	62,191
Total	55,509	2,234,786	57,592	1,312,133	113,101	3,546,919
C. Disposals in the financial year due to						
1. Allocation	56,911	1,278,708	–	–	56,911	1,278,708
2. Reduction	–	173,273	–	697	–	173,970
3. Cancellation	35,591	1,033,869	28,316	534,019	63,907	1,567,888
4. Transfer	995	53,428	296	23,424	1,291	76,852
5. Combination	432	–	–	–	432	–
6. Expiry of contract	–	–	4,085	103,401	4,085	103,401
7. Waiver of allocation and revocation of allocation	–	–	20,738	386,929	20,738	386,929
8. Other	935	51,928	71	2,179	1,006	54,107
Total	94,864	2,591,206	53,506	1,050,649	148,370	3,641,855
D. Net addition/disposal	–39,355	–356,420	4,086	261,484	–35,269	–94,936
E. Portfolio at the end of the financial year	565,925	20,305,488	31,785	1,163,273	597,710	21,468,761
thereof: Attributable to home savings customers outside of Germany	1,391	50,823	64	3,487	1,455	54,310

All Tariffs

	Not allocated		Allocated		Total	
	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands	Number of contracts	Total net value in € thousands
II. Portfolio of contracts not yet cashed in						
a) Contracts concluded prior to 1.1.2024 (financial year)					7,442	612,472
b) Contracts concluded in financial year 2024					10,228	776,015
III. Size classification of unallocated contracts						
up to € 10,000					219,831	2,164,319
more than 10,000 up to € 25,000					151,325	2,847,787
more than 25,000 up to € 50,000					113,704	4,722,729
more than 50,000 up to € 150,000					65,645	5,825,837
more than 150,000 up to € 250,000					9,625	1,903,784
more than 250,000 up to € 500,000					4,777	1,651,687
more than 500,000					1,018	1,209,344
Total					565,925	20,325,488

IV. The average total net value at the end of the financial year was € 35,918.

Annual financial statements of Landesbausparkasse Hessen-Thüringen

Balance sheet of Landesbausparkasse Hessen-Thüringen

as at 31 December 2024
– included in the bank's consolidated balance sheet –

Assets					in € thousands
				31.12.2024	31.12.2023
Cash reserve					
b) Balances with central banks			3		3
thereof: With Deutsche Bundesbank	3				(3)
				3	3
Loans and advances to banks					
b) Other loans and advances			4,629,219		4,998,753
thereof: Payable on demand	332,497				(312,600)
				4,629,219	4,998,753
Loans and advances to customers					
a) Home finance loans					
aa) From allocations (home savings loans)		337,358			219,936
ab) For interim and bridge-over financing		916,980			932,124
ac) Other		20,702			13,867
thereof: Secured by mortgage charges	841,202				(778,196)
			1,275,040		1,165,927
b) Other loans and advances			15,819		16,601
				1,290,859	1,182,528
Equity investments				0	0
Intangible assets					
b) Purchased concessions, industrial property rights and similar rights and licences in such rights and assets			1,923		2,954
				1,923	2,954
Property and equipment				223	153
Other assets				7,689	7,215
Prepaid expenses				12	14
Total assets				5,929,928	6,191,620

Equity and liabilities					in € thousands
				31.12.2024	31.12.2023
Liabilities due to banks					
a) Home savings deposits			71,559		82,504
thereof: On allocated contracts	–				(5,415)
b) Other liabilities			481,884		550,403
thereof: Payable on demand	11,629				(12,595)
				553,443	632,907
Liabilities due to customers					
a) Deposits from home savings business					
aa) Home savings deposits		4,938,711			5,136,262
thereof:					
On terminated contracts	55,427				(65,334)
On allocated contracts	83,843				(88,470)
			4,938,711		5,136,262
b) Other liabilities					
ba) Payable on demand		8,412			9,476
			8,412		9,476
				4,947,123	5,145,738
Other liabilities				10,541	11,133
Prepaid expenses				3,572	2,404
Provisions					
a) Provisions for pensions and similar obligations			121,864		115,086
c) Other provisions			13,266		15,569
				135,130	130,655
Home savings protection fund				11,200	11,200
Fund for general banking risks				25,000	25,000
Equity					
c) Revenue reserves			236,100		226,100
d) Net retained profits			7,819		6,483
				243,919	232,583
Total equity and liabilities				5,929,928	6,191,620
Contingent liabilities					
b) Liabilities from guarantees and indemnity agreements				1,363	1,049
Other obligations					
c) Irrevocable loan commitments				33,897	32,794

Income statement of Landesbausparkasse Hessen-Thüringen

for the period 1 January to 31 December 2024
– contained in the bank's consolidated income statement –

in € thousands

					2024	2023
Interest income from						
a) Lending and money market transactions						
aa) From home savings loans		7,321				4,459
ab) From interim and bridge-over loans		22,018				19,907
ac) From other home finance loans		503				302
ad) From other lending and money market transactions		90,554				93,220
			120,396			117,888
thereof: Interest income from financial liabilities	–					(–)
				120,396		117,888
Interest expense						
a) On home savings deposits			34,772			40,021
b) Other interest expenses			10,298			6,920
thereof: Interest expenses from financial assets	–					(–)
				45,070		46,941
					75,326	**70,947**
Fee and commission income						
a) On contracts signed and arranged			22,320			28,058
b) From loans granted after allocation			–			–
c) From the commitment and administration of interim and bridge-over loans			4			0
d) Other fee and commission income			3,107			2,955
				25,431		31,013
Fee and commission expenses						
a) On contracts signed and arranged			23,455			28,835
b) Other fee and commission expense			5,289			4,490
				28,744		33,325
					–3,313	**–2,312**
Other operating income					**4,831**	**7,860**
Carried forward:					**76,844**	**76,495**

in € thousands

				2024	2023
Carried forward:				**76,844**	**76,495**
General and administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		16,192			15,140
ab) Social security, post-employment and other benefit expenses		10,997			2,679
			27,189		17,819
thereof: Post-employment benefit expenses	8,310				(125)
b) Other administrative expenses			20,489		22,694
				47,678	**40,513**
Amortisation and write-downs of property and equipment and intangible assets				**1,122**	**1,138**
Other operating expenses				**7,411**	**11,385**
Write-downs of and allowances on loans and advances and certain securities as well as transfers to loan loss provisions				**2,814**	**2,514**
Write-downs of and allowances on equity investments, shares in affiliated companies and securities classified as fixed assets				**–**	**362**
Result from ordinary activities				**17,819**	**20,583**
Net income for the year				**17,819**	**20,583**
Allocations to revenue reserves				**–10,000**	**–14,100**
Net retained profits				**7,819**	**6,483**

Notes to the annual financial statements of Landesbausparkasse Hessen-Thüringen

as at 31 December 2024

Basis of preparation and accounting policies

Landesbausparkasse Hessen-Thüringen (LBS) is a legally dependent unit of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main/Erfurt (Helaba), registered in the commercial registers of Frankfurt am Main, HRA 29821, and Jena, HRA 102181, and is obliged in accordance with Section 18 (3) of the German Building and Loan Associations Act (Bausparkassengesetz – BauSparkG) to prepare separate annual financial statements, which are included in the annual financial statements of Helaba. These annual financial statements have been prepared in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) and the supplementary regulations of the German Accounting Regulation for Credit Institutions and Financial Services Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV), with due consideration being given to all permitted accounting policies. The balance sheet and income statement have been supplemented to include those items that are mandatory for Bausparkassen.

Items that are included in the statutory form but for which no entries are applicable have not been listed.

Receivables are reported at their nominal amount and liabilities at their settlement amount.

Equity investments are shown at cost. If impairment is expected to be permanent, they are written down to their lower fair value.

The loans and advances to customers that are exposed to default risk and the receivables from the field service included under other assets have been adequately recognised by way of specific allowances. The approach specified in the International Financial Reporting Standards is used for calculating global allowances. Contingency reserves in accordance with Section 340f HGB were recognised for special risks relating to credit institutions. All allowances and contingency reserves are reported separately under assets.

Intangible assets and property and equipment are stated at cost, less straight-line amortisation and depreciation. Depreciation and amortisation are charged over the useful life of the asset.

LBS makes use of the option provided in Section 6 (2) of the German Income Tax Act (Einkommensteuergesetz – EStG) and fully depreciates assets worth more than € 250 and less than € 800 in the year of acquisition. Other assets are recognised at their nominal value.

LBS reported prepaid expenses and deferred income for income and expenses recognised before the balance sheet date that represent income or expenses for a specific time after this date.

One security with a nominal value of € 1 m provided by Helaba as a loan and serving as a highly liquid asset (security loaned in unsecured form) is not reported on the balance sheet.

Provisions are recorded at the settlement amount as dictated by prudent business judgement. In accordance with Section 253 (2) HGB, provisions with a remaining term of more than one year have been discounted at the rates published by the Bundesbank in accordance with their remaining term.

Pension obligations are determined on the reporting date by external actuarial experts. They are measured using the projected unit credit method, based on biometric assumptions (2018G mortality tables of Professor Dr. Heubeck), salary and pension increases and employee turnover rates expected in the future as well as the average market rate published by the Bundesbank for an assumed remaining maturity of 15 years.

The measurement parameters applied are shown in the table below:

	31.12.2024
Interest rate	1.90 %
Salary trend	2.00 %
Pension trend	2.00 %
Employee turnover rate	3.00 %

Some pension obligations are covered by assets (securities) that are exempt from attachment by any other creditors. These assets can only be used to settle liabilities from retirement benefit obligations (plan assets). They are measured at fair value (repurchase price) pursuant to Section 253 (1) sentence 4 HGB and offset against the corresponding pension obligations. To the extent that the fair value of the assets exceeds the carrying amount of the provisions, the respective surplus amount is disclosed on the assets side as an excess of plan assets over post-employment benefit liability.

The application of Section 253 (6) HGB yielded a difference in the recognised pension obligations resulting from discounting using the average market rate for ten financial years instead of seven of € –1.1 m as at 31 December 2024.

The pension expense to be recognised in the income statement includes mainly provision expense and interest expense. The provision expense represents the increase in pension obligations attributable to the service provided by employees in the financial year; it is disclosed under general and administrative expenses. The interest expense is defined as the increase in the present value of the pension obligations that results from the settlement date approaching and the discounting period thus becoming shorter. The interest expense is netted against the return on plan assets. Both the interest expense and the return on plan assets are included in the other operating result.

Interest income was reduced by the early repayment penalties of € 0.7 m (2023: € 0.0 m) paid by LBS for items relating to these transactions.

The receivables not yet due from arrangement fees arising from "LBS-Wohn-Riester" agreements (tariff Classic Riester, type FR and SR) were discounted in line with matching maturities. The cash value of the fees is recognised in full in the year of contract conclusion. As at 31 December 2024, receivables not yet due from Riester arrangement fees were capitalised in the amount of € 2.2 m (31 December 2023: € 2.6 m).

In accordance with the principles of IDW RS BFA 3, interest-based banking book transactions are measured either periodically using the profit and loss method or statistically using the present value method, taking risk and administrative expenses into account. LBS uses the present value method to calculate the obligation surplus. Accordingly, provisions must be established for expected losses if the net discounted cash flow of the valuation object is negative. There is no need to recognise a provision for expected losses.

The figure for net remeasurement gains / losses includes a sum of € 1.1 m (2023: € 1.0 m) representing expenses for insurance cover against loan defaults.

Disclosures and comments concerning the balance sheet and income statement

Receivables from Helaba amounted to € 4,629.2 m (31 December 2023: € 4,998.8 m) and liabilities due to Helaba were € 470.3 m (31 December 2023: € 537.8 m).

The remaining maturities of the loans and advances are classified as follows:

in € m

	31.12.2024	31.12.2023
Other loans and advances to banks		
Payable on demand	332.5	322.3
Up to three months	146.2	130.7
More than three months and up to one year	210.0	260.0
More than one year and up to five years	1,452.0	1,531.0
More than five years	2,488.5	2,764.5
Loans and advances to customers		
Up to three months	51.5	46.0
More than three months and up to one year	108.9	98.7
More than one year and up to five years	431.1	402.8
More than five years	699.4	635.0

Loans and advances to customers do not include any indefinite term loans and advances. Remaining maturities from interim and bridge-over loans have been determined to the point of allocation.

Interest and principal payments that were past due by more than three monthly instalments, including payments to alternative repayment vehicles, amounted to € 1.0 m (31 December 2023: € 1.1 m) with respect to home finance loans, including terminated exposures.

The HI-HPA fund shares from salary conversion under the occupational retirement pension scheme are offset as plan assets against the corresponding provisions pursuant to Section 246 (2) sentence 2 HGB.

The development of the acquisition or production cost (AK/HK) for intangible assets and property and equipment in financial year 2024 (FY) is shown below:

in € thousand	Intangible assets	Property and equipment
AK/HK at start of FY (total)	10,269	3,035
Additions, total AK/HK (FY)	18	144
Disposals, total AK/HK (FY)	–	33
Reclassifications, total AK/HK (FY)	–	–
AK/HK at end of FY (total)	**10,287**	**3,146**
Amortisation and depreciation at start of FY (total)	7,315	2,882
Amortisation and depreciation (FY)	1,049	73
Changes in total amortisation and depreciation in connection with disposals (total)	–	32
Amortisation and depreciation at end of FY (total)	**8,364**	**2,923**
As at 31.12.2024 (carrying amount)	**1,923**	**223**
As at 31.12.2023 (carrying amount)	2,954	153

Other assets mainly shows commission advances paid to and returns of commissions due from the field service and credit pledged to the protection scheme to protect deposits.

The other liabilities due to banks, excluding home savings deposits, are classified by remaining maturity as follows:

in € m	31.12.2024	31.12.2023
Payable on demand	11.6	12.6
Up to three months	56.0	4.6
More than three months and up to one year	21.4	68.1
More than one year and up to five years	289.7	342.4
More than five years	103.2	122.7

Borrowings in the amount of € 470.3 m (31 December 2023: € 537.8 m) serve exclusively to fund business outside the home loan and savings collective.

Commission liabilities due to the field service in the amount of € 10.5 m (31 December 2023: € 10.7 m) account for most of the other liabilities figure of € 10.5 m.

Deferred income includes discounts from receivables of € 3.6 m (31 December 2023: € 2.4 m).

The purchase cost of assets offset against provisions pursuant to Section 246 (2) sentence 2 HGB amounted to € 1.8 m (31 December 2023: € 1.9 m), and their fair value was € 2.1 m (31 December 2023: € 2.0 m). The settlement amount of the offset liabilities amounted to € 2.3 m (31 December 2023: € 2.3 m). Income of € 136,900 (2023: € 153,900) was offset in the income statement against expenses of € 56,600 (2023: € 41,200) from these assets and liabilities from salary conversion.

The largest single item under other provisions (€ 13.2 m) is the € 2.1 m provision for payments made upon early retirement. Other significant items under this heading include provisions for sales bonuses (€ 1.8 m). On the basis of sector-specific case law, an additional provision for customer compensation claims in the amount of € 1.3 m was recognised under this heading.

The taxed home savings protection fund is designed to provide a long-term safeguard for the home savings collective. The value of the fund is unchanged at € 11.2 m.

Legally binding payment obligations are broken down as follows:

in € m	31.12.2024	31.12.2023
From allocations	11.1	8.2
For interim and bridge-over financing	18.8	22.5
From other home finance loans	4.0	2.1
Total	**33.9**	**32.8**

LBS will in all probability be responsible for payment of nearly all these obligations.

LBS has an obligation to pay a lifelong monthly pension to 80 home loan and savings customers under a retirement pension home savings contract. The claim amounts to € 1.4 m and LBS has concluded 80 pension insurance agreements for a corresponding insured sum with Provinzial NordWest Lebensversicherung AG to cover it.

Other operating income mainly comprises income from the correction of fees and commissions for previous years in the amount of € 3.0 m (2023: € 2.4 m), income from the reversal of provisions in the amount of € 1.1 m (2023: € 5.0 m) and income of € 0.3 m (2023: € 0.1 m) from the derecognition of home savings deposits of customers whose whereabouts are unknown.

Other operating expenses mainly comprise the expense of € 0.7 m (2023: € 1.6 m) from the compounding of pension provisions, expenses of € 0.2 m (2023: € 0.2 m) for compensation and ex-gratia services, expenses of € 0.6 m (2023: € 0.5 m) from the correction of fees and commissions for previous years and settlement payments of € 0.3 m (2023: € 0.3 m) to the field service. The € 5.6 m tax expense (2023: € 8.8 m) settled by way of allocation with Helaba that is also included in this item is charged in full against the result from ordinary activities.

Acting in accordance with Section 18 (2) and (3) of the German Deposit Guarantee Act (Einlagensicherungsgesetz – EinSiG) and on the basis of the resolution of the Landesbausparkassen protection scheme, LBS made use of the option to provide 30 % of the funds to be paid in the form of payment obligations once again in 2024. This reduced non-personnel operating expenses by € 0.4 m (2023: € 1.2 m).

Other disclosures

LBS holds 14.3 % of the shares in FORUM Direktfinanz GmbH & Co. KG, Münster (equity € 7,000, profit from financial year 2023: € 0.5 m).

Net income for the year at LBS amounts to € 17.8 m. Subject to the resolution on the appropriation of profit, which is still outstanding, it is proposed to transfer € 10.0 m of this total to revenue reserves and to pay the remaining € 7.8 m to Helaba as a dividend. The Supervisory Board will decide on the appropriation of profit at its meeting.

Please refer to the consolidated financial statements of Landesbank Hessen-Thüringen Girozentrale Frankfurt am Main / Erfurt for further information on auditors' fees according to Section 285 no. 17 of the HGB. The fees include remuneration for statutory audits of financial statements as well as fees for other attestation services not prescribed by law.

Please refer to the consolidated financial statements of Landesbank Hessen-Thüringen Girozentrale Frankfurt am Main / Erfurt for further information on the Minimum Tax Directive Implementation Act according to Section 285 no. 30a of the HGB.

The remuneration for the members of the executive bodies of Helaba who are also responsible for LBS was paid by the Bank. The members of the executive bodies and the remuneration paid to them are listed in the notes to Helaba's financial statements. Home finance loans to members of the Supervisory Board (persons within the meaning of Section 34 (2) sentence 1 alternative 2 RechKredV) amount to € 156,000 (31 December 2023: € 173,000).

Remuneration paid to LBS Advisory Board members totalled € 23,000 (2023: € 25,000).

LBS employed 191 people on average in 2024, 119 of them female and 72 male.

Currently there are no other significant events to report after the reporting date.

Frankfurt am Main / Erfurt, 4 March 2025

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

Groß Kemler Nickel

Schmid Weiss

Independent auditor's report

To Landesbausparkasse Hessen-Thüringen, legally dependent division of Landesbank Hessen-Thüringen – Girozentrale – Frankfurt am Main / Erfurt

Opinions

We have audited the annual financial statements of Landesbausparkasse Hessen-Thüringen, legally dependent division of Landesbank Hessen-Thüringen – Girozentrale – Frankfurt am Main/ Erfurt, which comprise the balance sheet as at 31 December 2024 and the income statement for the financial year from 1 January 2024 to 31 December 2024 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Landesbausparkasse Hessen-Thüringen, legally dependent division of Landesbank Hessen-Thüringen – Girozentrale – Frankfurt am Main/ Erfurt, for the financial year from 1 January 2024 to 31 December 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to institutions and give a true and fair view of the assets, liabilities and financial position of the Institution as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Institution's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Sec. 322 (3) Sentence 1 HGB ["Handelsgesetzbuch": German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Institution in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Other information

The executive directors are responsible for the other information. The other information comprises the disclosures of which we received a draft version before issuing this auditor's report and which are contained in the "Advisory Board of Landesbausparkasse Hessen-Thüringen" and "Helaba addresses" chapters of the annual report.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to institutions, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Institution in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Institution's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Institution's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Institution's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Institution's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control and of such arrangements and measures.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Institution in compliance with German legally required accounting principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Institution's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main / Eschborn, 4 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Martin Alt	Peter Hallas
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Advisory board of Landesbausparkasse Hessen-Thüringen

for financial year 2024

Chairman

Stefan G. Reuß
Executive President
Sparkassen- und Giroverbands
Hessen-Thüringen

Vice Chairman

Bernd Woide
Chief Administrative Officer
County District of Fulda

Members

Michael Baumann
Member of the Board of Managing Directors
Nassauischen Sparkasse, Wiesbaden

René Daniel
Member of the Board of Managing Directors
Kreissparkasse Schlüchtern

Thomas Fügmann
until 8 February 2024
Chief Administrative Officer
Country District of Saale-Orla

Peggy Greiser
as of 19 November 2024
Chief Administrative Officer
Country District of Schmalkalden-Meiningen

Sven Hauschild
Member of the Board of Managing Directors
Sparkasse Arnstadt-Ilmenau, Ilmenau

Andreas Hohlfeld
Member of the Board of Managing Directors
Sparkasse Altenburger Land

Dietmar Janz
as of 1 December 2024
Member of the Board of Managing Directors
Sparkasse Werra-Meißner, Eschwege

Jochen Johannink
Member of the Board of Managing Directors
Kasseler Sparkasse

Josef Kraus
until 18 June 2024
Chairman of the Board of Managing Directors
Sparkasse Laubach-Hungen

Heiko Laidig
as of 19 June 2024
Chairman of the Board of Managing Directors
Sparkasse Laubach-Hungen

Frank Matiaske
Chief Administrative Officer
County District of Odenwald

Dr. Sven Matthiesen
Member of the Board of Managing Directors
Frankfurter Sparkasse

Johannes Erich Schulz
Chairman of the Board of Managing Directors
Sparkasse Bensheim

Thomas Schütze
Member of the Board of Managing Directors
Sparkasse Jena-Saale-Holzland, Jena

Marc Semmel
until 30 November 2024
Chairman of the Board of Managing Directors
Sparkasse Werra-Meißner, Eschwege

Helaba addresses

Helaba addresses

Head offices	**Frankfurt am Main**	Neue Mainzer Strasse 52–58 60311 Frankfurt am Main Germany	T +49 69/91 32-01
	Erfurt	Bonifaciusstrasse 16 99084 Erfurt Germany	T +49 3 61/2 17-71 00
Bausparkasse	**Landesbausparkasse Hessen-Thüringen**		
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	Erfurt	Bonifaciusstrasse 19 99084 Erfurt Germany	T +49 3 61/2 17-70 07
Development Bank	**Wirtschafts- und Infrastrukturbank Hessen**		
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	New York	420, Fifth Avenue New York, N. Y. 10018 USA	T +1 2 12/7 03-52 00
	Paris	4–8 rue Daru 75008 Paris France	T +33 1/40 67-77 22
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	Shanghai	Unit 012, 18th Floor Hang Seng Bank Tower 1000 Lujiazui Ring Road Shanghai, 200120 China	T +86 21/68 77 77 08
	Singapore	One Temasek Avenue #05–04 Millenia Tower Singapore 039192	T +65/62 38 04 00

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	Düsseldorf	Uerdinger Strasse 88 40474 Düsseldorf Germany	T +49 2 11/3 01 74-0
	Hamburg	Neuer Wall 30 20354 Hamburg Germany	T +49 1 51/29 26 83 81
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	Münster	Regina-Protmann-Strasse 16 48159 Münster Germany	T +49 2 51/92 77 63-01
	Stuttgart	Kronprinzstrasse 11 70173 Stuttgart Germany	T +49 7 11/28 04 04-0
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	Munich	Lenbachplatz 2a 80333 München Germany	T +49 89/5 99 88 49-0

Selected subsidiaries	**Frankfurter Sparkasse**	Neue Mainzer Strasse 47 – 53 60311 Frankfurt am Main Germany	T +49 69/26 41-18 22
	1822direkt Gesellschaft der Frankfurter Sparkasse mbH	Borsigallee 19 60388 Frankfurt am Main Germany	info@1822direkt.de T +49 69/9 41 70-0
	Frankfurter Bankgesellschaft Holding AG	MainTor Panorama Neue Mainzer Strasse 2 – 4 60311 Frankfurt am Main Germany	T + 49 69 / 2 71 39 65-0
	Helaba Invest Kapitalanlage-gesellschaft mbH	Junghofstrasse 24 60311 Frankfurt am Main Germany	T +49 69/2 99 70-0
	GGM Gesellschaft für Gebäude-Management mbH	Westerbachstrasse 33 60489 Frankfurt am Main Germany	T +49 69/6 05 12 12-5 00
	GWH Wohnungsgesellschaft mbH Hessen	Westerbachstrasse 33 60489 Frankfurt am Main Germany	T +49 69/9 75 51-0
	OFB Projektentwicklung GmbH	Hanauer Landstrasse 211b 60314 Frankfurt am Main Germany	T +49 69/9 17 32-01

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