Half-Yearly Financial Report 2024

The Helaba Group

Helaba ratings (As at 29 July 2024)

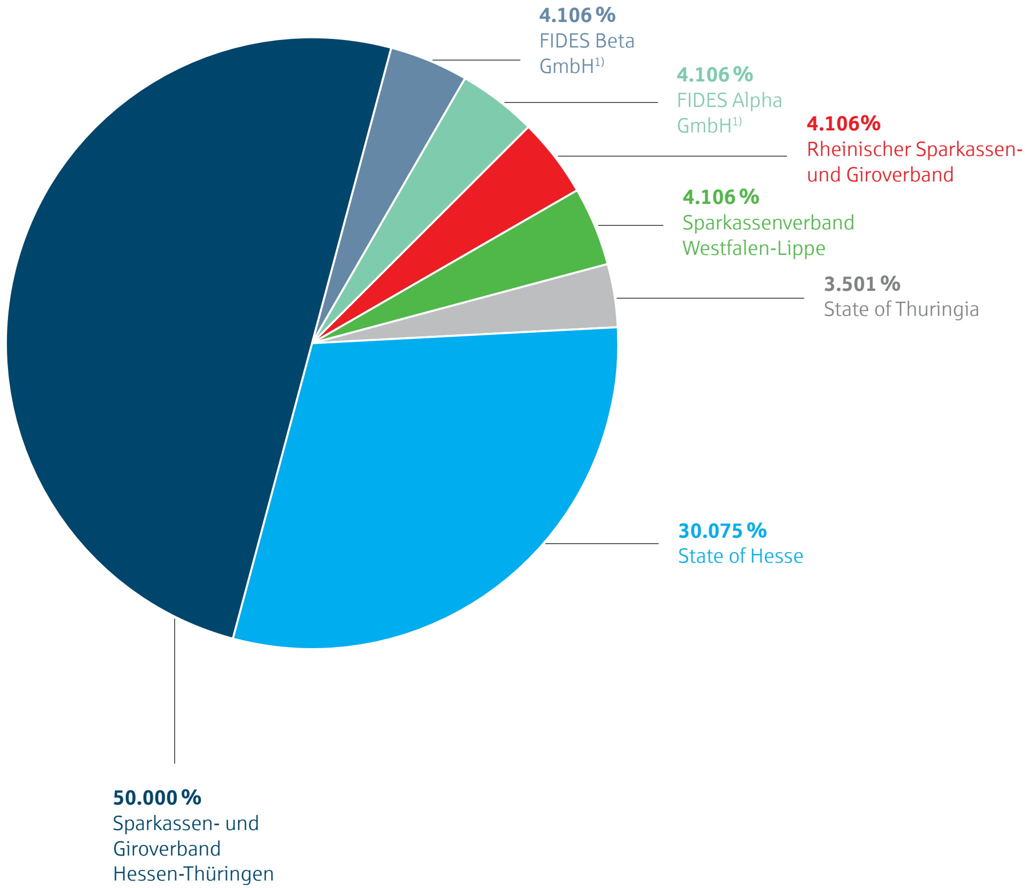
Moody's		Fitch Ratings	
Outlook	Stable	Outlook	Stable
Long-term Issuer Rating	Aa2	Long-term Issuer Default Rating[1]	A+
Counterparty Risk Assessment[3]	Aa2(cr)	Short-term Issuer Default Rating[1, 2]	F1+
Long-term Deposit Rating[3]	Aa2	Derivative Counterparty Rating[1]	AA–(dcr)
Public-Sector Covered Bonds (öffentliche Pfandbriefe)	Aaa	Long-term Deposit Rating[1]	AA–
Mortgage Covered Bonds (Hypothekenpfandbriefe)	Aaa	Senior Preferred[1, 3]	AA–
Short-term Deposit Rating[2]	P-1	Senior Unsecured[1, 4]	A+
Long-term Senior Unsecured[3]	Aa2	Subordinated debt[1, 5]	A–
Long-term Junior Senior Unsecured[4]	A1	Viability Rating[1]	a+
Subordinate Rating[5]	Baa1		
Baseline Credit Assessment	baa2		

Ratings for Helaba liabilities that are covered by statutory guarantee (grandfathering)[6]

	Moody's	Fitch Ratings
Long-term Ratings	Aaa	AAA

[1] Joint S-Group rating for the Sparkassen-Finanzgruppe Hessen-Thüringen.
[2] Corresponds to short-term liabilities.
[3] Corresponds in principle to long-term senior unsecured debt according to Section 46f (5 and 7) KWG ("with preferential right to payment").
[4] Corresponds in principle to long-term senior unsecured debt according to Section 46f (6) KWG ("without preferential right to payment").
[5] Corresponds to subordinated liabilities.
[6] The statutory guarantee applies to all liabilities in place prior to 18 July 2001 (no time limit).

Stakes in Helaba's share capital (following restructuring on August 5, 2024)



[1] Represented by DSGV e. V. as the trustee.

The Helaba Group in figures

Performance Figures		1.1.–30.6.2024 in € m	1.1.–30.6.2023 in € m	Change in € m	Change in %
Net interest income before loss allowances		907	817	90	11.0
Net fee and commission income		272	259	13	5.1
General and administrative expenses, including depreciation and amortisation		–884	–867	–17	–2.0
Profit or loss before tax		413	336	77	22.8
Consolidated net profit		**298**	**241**	**57**	**23.7**
Return on equity	**in %**	**8.5**	**8.1**		
Cost-income ratio	**in %**	**58.1**	**61.0**		

Balance Sheet Figures	30.6.2024 in € m	31.12.2023 in € m	Change in € m	Change in %
Measured at amortised cost				
Loans and advances to banks	12,877	13,168	–291	–2.2
Loans and advances to customers	111,538	113,514	–1,976	–1.7
Trading assets	**11,677**	**11,697**	**–19**	**–0.2**
Financial assets measured at fair value (not held for trading)	**20,611**	**21,369**	**–758**	**–3.5**
Measured at amortised cost				
Deposits and loans from banks	42,168	48,195	–6,027	–12.5
Deposits and loans from customers	67,313	62,421	4,892	7.8
Securitised liabilities	54,025	51,263	2,763	5.4
Trading liabilities	**13,636**	**11,350**	**2,286**	**20.1**
Financial liabilities measured at fair value (not held for trading)	**15,700**	**16,037**	**–337**	**–2.1**
Equity	**10,589**	**10,333**	**257**	**2.5**
Total assets	**206,075**	**202,072**	**4,002**	**2.0**

Key indicators for regulatory purposes	30.6.2024 in %	31.12.2023 in %
CET1 capital ratio	14.2	14.7
Tier 1 capital ratio	14.8	15.2
Total capital ratio	18.0	18.7

413

Profit or loss before tax (in € m)

206,075

Total assets (in € m)

14.2

CET1 capital ratio (in %)

Content

dear customers, dear business partners,

In the first six months of 2024, we significantly increased consolidated net profit before taxes to € 413 m, thus achieving a very gratifying half-year result in a challenging environment. Above all, this good result reflects the noticeable growth in the operating business. Also gratifying is the further expansion of the non-interest income business. Our well-diversified business model is the basis for continuous and positive growth and, to sustain this, we are making further targeted investments in our growth initiatives and our IT.

Net interest income rose strongly to € 907 m. The still favourable interest rate environment resulted in positive income from the deposit business. Net income from investments of own funds and Treasury's interest rate management activities also made a substantial contribution to the increase in net interest income. In addition, the margins for new lending business were expanded. Net fee and commission income benefited from positive trends in payment transactions, the securities and securities deposit business and asset management, rising to € 272 m. Income from investment property improved noticeably to € 131 m. As expected, gains or losses on measurement at fair value declined to € 78 m. The net trading income recognised in this item increased to € 65 m. The general and administrative expenses of € 884 m reflected the significantly higher investments in IT modernisation measures and in our growth initiatives.

I feel confident for 2024 as a whole. The persistent uncertainty surrounding economic development is a significant factor, not only in Germany. Moreover, the ongoing geopolitical turmoil coupled with a still restrictive monetary policy and correspondingly high funding costs is having a noticeable impact on the capital and real estate markets. However, we see more opportunities than risks in the medium term. We continue to assume that our full-year earnings for 2024 will match the prior-year level. In the mid term, we expect profit before taxes to exceed € 750 m on a sustainable basis.

On behalf of the whole of the Executive Board, I would like to extend our thanks to you – our customers and business partners – for your trust and to our corporate bodies for their constructive involvement. We owe special thanks to our employees who are always willing to overcome obstacles, depart from the familiar and make things better. It is thanks to their commitment that we are able to provide our customers with reliable support for their transformation journey.

Yours sincerely,

Thomas Groß
CEO

Interim group management report

Interim group management report

Basic information about the Group

Business model of the Group

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 and the S-Group Sparkassen in Hesse and Thuringia together constitute the Sparkassen-Finanzgruppe Hessen-Thüringen, which follows a business model based on economic unity and a joint S-Group rating. 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, which continues in its current form.

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 legally 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, serves private customers, small business and corporate customers and public authorities in the Rhine-Main region with the full range of products from the financial services portfolio. It is the leading retail bank in the Frankfurt am Main region and also has a presence in the German direct banking market through 1822direkt.

Frankfurter Bankgesellschaft Group (FBG) provides Helaba's products and services for the Sparkassen 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 ranks as one of the leading investment companies in Germany in the institutional asset management field, administering and managing both securities and real estate. Its range of products includes special funds for institutional investors and retail funds as part of a management and/or advisory portfolio, comprehensive fund management (including reporting and risk management), advice on strategy and support for indirect investments.

The GWH Group manages around 53,000 residential units and 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 particular 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

As part of managing the Bank as a whole, Helaba has integrated systems in place for business and profitability management which are firmly embedded in an overarching management framework. This is based on a multi-level margin accounting system. Controlling comprises both the management of absolute income and costs and the integrated management of contribution margins. The annual planning process, from which a budgeted statement of financial position and income statement are derived, also follows this system. Besides the annual planning process, there is also a multi-year planning process covering a five-year planning horizon. Additional forecasts are produced during the year.

Regular plan/actual comparisons are generated and variances analysed based on a management income statement produced in the margin accounting system at regular intervals in the course of the financial year. Profitability analyses and the results of cross-selling are also produced. In line with management reporting, the segment information is based on internal management (contribution margin accounting) and also on external financial reporting.

Profitability targets are managed on the basis of, for example, return on equity (RoE) as the economic return on equity (ratio of profit 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 economic return on equity before taxes.

The strategic target for the cost-income ratio (CIR) at Group level is below 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 30 June 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 provisionally 9.47 %.

In November 2023, the ECB notified the Helaba Regulatory Group of the findings of the Supervisory Review and Evaluation Process (SREP) for 2024. Therefore, for 2024, Landesbank Hessen-Thüringen Girozentrale has 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). Helaba was notified of the final MREL for the Helaba Regulatory Group on 24 January 2024 by way of an act adopted by BaFin.

From 1 January 2024, the MREL for Helaba is 22.47 % of RWAs, plus the current combined capital buffer requirements of 3.70 % (as at 31 March 2024). The portion of the MREL that needs to be covered by subordinated (i.e. non-preferred) instruments is 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 is also 8.02 % as a function of the LRE.

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.

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 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, including the transitional and physical risks caused by climate change, that may arise from its financing activities. 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 was published at the end of 2023 to define, measure and manage the sustainable investment 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) objectives. The remuneration system reflects this approach and aims to ensure that employees are properly rewarded for their efforts and achievements sustainably, without gender discrimination and without being 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-related 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. Various training and development options are available to bring this active learning culture to life. They reflect the increasingly dynamic working environment and employees' individual and job-related needs. Our training portfolio covers a diverse range of topics and consists of traditional training courses, online self-study programmes and peer learning formats. 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 junior staff and high-potential employees is therefore correspondingly important. Based on vocational training and general trainee programmes, plus internships and other options 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 internally on the development of existing employees with high potential, to provide the individuals concerned with the foundations for a career as a technical specialist or executive manager. A systematic process for identifying high-potential employees helps managers to discover such employees within Helaba and provide them in good time with the specific grounding they need to take on new positions with greater responsibility. This is achieved through customised development plans, as part of a programme for high-potential employees or by mentoring – across the 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. It also provides an employee assistance programme, an advisory service for employees and managers, which staff can use to obtain help in connection with professional, family, health or other personal issues. In addition, Helaba offers virtual training aimed at helping employees work in a healthy manner.

Transformation support

Helaba is continually developing its corporate culture and in doing so tests and establishes new ways of working, processes and forms of collaboration. In addition, 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 arrangements are considered to be of equal value to working solely in the office. In these transformation projects, 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. This is also reflected in the "Let's go 2030" initiative, a Bank-wide cultural development programme.

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 can contribute to its long-term success irrespective of age, gender, ethnicity, educational and professional background, geographical origin, sexual identity, disability and the like. 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 will be occupied by women in 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.

Changed interest rates / development of the real estate market

The decline in inflation rates is one of the main drivers in the turnaround in key interest rates in 2024. The European Central Bank (ECB) made its first downward interest rate adjustment in June. Further adjustments are expected in the course of the year. The other two major central banks – the Fed and the Bank of England – are expected to follow the ECB's lead. With sideways-moving interest rates in an environment of declining inflation and high volatility, the first half of 2024 was characterised as expected by a further cooling of the real estate market, with sinking prices for commercial real estate especially. There are signs of a stabilisation in residential real estate. However, geopolitical tensions and political uncertainty continue to have a negative impact on the economy and capital markets. The cyclical recovery in Germany is slow and structural obstacles to growth remain. Protectionist tendencies are clouding the outlook for the German export economy in particular.

Economic impact

Despite the elimination of the ECB's supporting measures, the general liquidity position on the money and capital markets remain stable in 2024.

The Helaba Regulatory Group's overall liquidity situation remains excellent and sound.

The difficult economic environment is currently reflected to varying degrees in Helaba's portfolios. At present, only parts of Helaba's company and banking portfolio are impacted by the monetary, economic and political effects reported. In the real estate portfolio as well, development has varied by asset class and regional market.

Whereas residential real estate prices (especially in Germany) are already stabilising thanks to the continued high demand for housing and low levels of new construction activity, further declines are likely in the case of commercial real estate, especially in the office segment as a result of the growing shift to working from home.

Reacting to trends in the real estate sector, Helaba has revised the strategic conditions for real estate financing and developed further measures and instruments to actively manage and contain real estate portfolio risks.

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

More information on the economic impact is presented in the “Financial position and financial performance” section of the management report and in Note (33) of the consolidated financial statements.

Customers

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 ratio of forbearance measures remained stable at a low level in the first half of the year. By contrast, the ratio of non-performing loans (NPL ratio) for the Helaba Regulatory Group in accordance with EBA Risk Indicator Code AQT_3.2.1.2 increased to 3.0 % as at 30 June 2024 (31 December 2023: 2.4 %, adjusted in accordance with EBA Risk Indicator Code AQT 3.2.1.2). In the previous year's report, the NPL ratio was calculated on the basis of EBA Risk Indicator Code AQT 3.2 and thus included balances at central banks; these are not included in the NPL ratio calculated in accordance with EBA Risk Indicator Code AQT 3.2.1.2.

The loss allowances as at 30 June 2024 were higher than the previous year and reflected the adverse economic effects.

Depending on further geopolitical developments, interest rate trends, the development of real estate prices and capital market volatility, Helaba cannot rule out the possibility of deteriorations in ratings or defaults in the further course of 2024.

For further details, please refer to the “Risk report” and Note (33) of the consolidated financial statements.

Economic report

Macroeconomic and sector-specific conditions in Germany

The German economy is recovering only slowly from its weak performance in recent years. As a result of various crises, net growth in the last nine quarters has been zero – with some fluctuations. The recovery is expected to pick up pace in the second half of 2024 but it will be very hesitant. Whereas industry performance remains weak, the service sector will be the primary contributor to growth.

The decline in inflation is well advanced and real wages have increased, enabling consumers to benefit from growing purchasing power. However, they remain cautious due to the high level of uncertainty so consumer spending is unlikely to increase much during the course of the year. Likewise, capital equipment spending is not predicted to deliver any growth impulses. Investment in construction is likely to shrink again, with high building costs and increased funding costs continuing to have a negative impact. World trade is growing again and stimulating Germany's foreign trade, which is expected to contribute to the recovery in 2024.

In the year to date, inflation rates have fallen. The average price increase in 2024 is forecast to be 2.3 %, down from 5.9 % the previous year. Inflation in the price of goods in particular has come down considerably but the price of services is rising faster due to high wage settlements. For this reason, the core rate, excluding energy and food, is likely to remain at around 3 %.

Digitalisation is spreading increasingly to more segments of society and business. In the past two years, this process has accelerated due to progress in the area of artificial intelligence (AI) in particular. Alongside further process optimisation and automation, AI opens opportunities for new data-driven products and services. Moreover, mainly as the result of mobile working, there is a significant increase in the use of digital media in collaboration within and between companies. Not least because of the growing shortage of qualified labour, companies are pressing ahead with the digitalisation of their processes.

Platforms are playing an increasingly important role in transactions with major and 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 while banks analyse their customer data in search of more effective ways of offering products. Here, for example, artificial intelligence has the potential to change many aspects of society and business. This is already being seen in areas such as the automotive industry, healthcare and the financial sector. In the latter, neural networks are already being used to prevent fraud, improve trading algorithms and manage risk. Investments in AI technologies and the training of AI specialists are increasing worldwide, indicative of the growing awareness for the transformative power of AI. At the same time, new challenges are arising in respect of data protection and security and also surrounding the ethical guidelines for the use of AI. At the present time, this is regulated in the EU by the AI Act, which was published in June 2024. The aim is to ensure that the AI systems used in the EU are safe, transparent, verifiable, non-discriminatory and environmentally friendly.

In light of this development, Helaba is increasing its use of AI by establishing a Bank-wide programme to establish this technology sustainably within the Helaba Regulatory Group. The goal is to create framework conditions for the targeted, safe and secure use of AI so that Helaba can benefit from the opportunities connected with the rapid development of AI, at the same time addressing the associated challenges.

As a result of AI, digitalisation has made further inroads in the private customer business as well. Moreover, the market is seeing the establishment of neo-brokers which offer their customers a more limited, low-threshold range of securities at low transaction fees. New payment models such as pay-per-use and request-to-pay are further examples of digital developments in the private and corporate customer businesses.

There is also a growing trend in the market to use blockchain technology to access rapid, efficient and cost-effective processes. Under these conditions, new products can be created and the efficiency of existing products increased. In this way, for example, it is possible to initiate and execute transactions automatically, as was recently demonstrated in the trial phase of the Bundesbank's Trigger Solution. As their regulatory measures – such as the German Electronic Securities Act (Gesetz über elektronische Wertpapiere – eWPG) and the EU Markets in Crypto-Assets Regulation (MiCAR) – are comparatively progressive by global standards, Germany and the EU are ideal locations for efficiently promoting and leveraging the benefits of the technology.

Moreover, further preparations were made to grow future business models with the publication of the European Commission's legislative proposal on the digital euro in June 2023 and the resulting decision by the ECB in October 2023 to execute the approximately two-year preparatory phase for the digital euro. Helaba is already making its own internal preparations in this connection and is working closely with the Sparkassen to be as well-prepared as possible.

ESG data are becoming ever more important en route to a climate-neutral economy, partly because of regulation (for example, in the context of the Taxonomy Regulation or the requirements in connection with CSRD reporting). This is creating new business opportunities to make these data available for broad use such as for platform solutions.

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 the ECB and BaFin requirements, the general meeting of members of the German Savings Banks Association (DSGV) decided to refine the Sparkassen-Finanzgruppe's protection scheme and adopted the corresponding charters in June 2023. These came into force in January 2024. The improvements realised included enhancements to the risk monitoring system and adjustments to make decision structures more effective. An additional fund to safeguard the solvency and liquidity of the institutions of the Sparkassen-Finanzgruppe is being created effective 1 January 2025 and is to be built up over a period of at least eight calendar years beginning in 2025. The target size of the fund is 0.5 % of the overall risk position of the member institutions.

At the EU level, consultation is ongoing on amendments to the guidelines for handling bank failures and the deposit guarantee scheme (CMDI review). The outcome of the consultation process is pending. Additional administrative effort for the institutions' guarantee systems and complex consultation processes between the relevant authorities cannot be ruled out.

In the first half of 2024, the ECB conducted a cyber resilience stress test for all the institutions in its supervisory scope. The findings will be included in the qualitative SREP score for 2024.

Key developments in the regulatory and industry frameworks were as follows:

Banking package

The consultation initiated in October 2021 in connection with the European Commission's legislative proposals for the amendment of the EU Capital Requirements Regulation (CRR III) and Capital Requirements Directive (CRD VI) has now been concluded. The EU banking package (CRR III and CRD VI) was published in the Official Journal of the European Union on 19 June 2024, marking the implementation of Basel IV (and the finalisation of Basel III) in the European Union. Generally speaking, the CRR III requirements are to be applied from 1 January 2025. There are individual exceptions regarding different dates of application, for example, the provisions of the Fundamental Review of the Trading Book (FRTB) will not be applicable until 1 January 2026. The CRD VI requirements are to be implemented in national law by 10 January 2026 and applied from 11 January 2026. Helaba regularly took part in impact studies and factored the results from these studies into its medium-term planning on an ongoing basis.

EU "Action Plan: Financing Sustainable Growth"

In addition to the delegated acts (DA) that have already been published on the economic activities forming the subject matter of the Taxonomy Regulation for the first two environmental objectives of climate change mitigation and climate change adaptation, further requirements were published in 2023 for the remaining four environmental objectives: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. In connection with these environmental objectives, the Taxonomy alignment of the financing of these economic activities must continue to be reported for 2024 until the Taxonomy Regulation becomes applicable in full from the 2025 report year. Helaba will take the resulting action on a project basis.

On 30 November 2023, the European Commission adopted the European Green Bond Regulation as the legal basis for the EU Green Bond Standard (EU GBS); it will enter into force in December 2024. Application of the standard is voluntary and is intended to supplement established market standards. Issuers that apply the EU GBS must satisfy stringent requirements 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 in relation to climate-related and environmental risks set out in the ECB Guide, an analysis of the European banking sector regarding compliance with the climate objectives was published in January 2024. The ECB is continuing to track the implementation of its expectations with its thematic review. The requirements of the ECB Guide were implemented by 31 December 2023. Helaba will take the required action arising from the thematic review on a project basis.

Since 2022, the requirements of the EBA concerning disclosures regarding ESG risks in accordance with Article 449a CRR have been satisfied in the Helaba Regulatory Group's Disclosure Report. The Disclosure Report for the second half of 2024 is being prepared. The additional requirements will be considered accordingly.

In January 2024, the European Banking Authority (EBA) published a consultation draft of new guidelines for 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). For this reason, the guidelines concern themselves in depth with ESG risks in risk management and are to be adopted on schedule by the end of the year.

The expectations described in the ECB Guide on climate-related and environmental risks have been factored into the SREP decision, from a qualitative standpoint, but have not led to any additional capital requirements.

Corporate Sustainability Reporting Directive (CSRD)
The CSRD, which significantly extends the scope of mandatory sustainability reporting as regards both the companies affected and the content required, entered into force on 5 January 2023. The companies concerned must publish short-, medium- and long-term, science-based sustainability targets and meet mandatory reporting standards that cover all three dimensions of sustainability (environment, social, governance), examine the upstream and downstream value chain and address strategy, implementation and performance measurement. On 31 July 2023, the European Commission adopted the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). The German government draft was published on 24 July 2024 but the legislative process is still ongoing. To implement the reporting that is to be published for the first time as at 31 December 2024, an extensive materiality analysis was started in 2023 and is being continued in 2024.

German Act on Corporate Due Diligence in Supply Chains (LkSG)
The German Act on Corporate Due Diligence in Supply Chains (LkSG) came into force on 1 January 2023 and obligates companies to respect human rights by complying with defined due diligence requirements. Helaba and the subsidiaries over which it exercises decisive influence fall within the scope of this law. In order to implement the requirements of the LkSG, Helaba has created the positions of Human Rights Officer and two human rights coordinators.

Helaba already published its policy statement in accordance with the LkSG in December 2023. In May 2024, the reporting required by the LkSG was submitted to the competent supervisory authority.

Review of the quality of own funds instruments
The scope of the audit procedures conducted by the regulatory authorities as part of the Europe-wide supervisory assessment of the quality of banks' own funds instruments includes the 1998 and 2005 capital contributions of the Federal State of Hesse that form part of Helaba's Common Equity Tier 1 capital. Resolutions on the resulting partial restructuring of Helaba's equity were passed by Helaba's executive bodies in July 2024. The new capital structure will come into force on 5 August 2024. The measure itself has already been approved by the banking regulator. The State Parliament of Hesse has already approved the necessary funding in a supplementary budget. For further details, please refer to the Report on Events After the Reporting Date and Note (41) of the consolidated financial statements.

Minimum Requirements for Risk Management (MaRisk)
On 29 May 2024, BaFin published the eighth revision to the German Minimum Requirements for Risk Management (BaFin Circular 06/2024 (BA)). This implemented the EBA guidelines on interest rate and credit spread risk in the banking book (IRRBB, CSRBB EBA/GL/2022/14) in German national law.

There will be a transition period until 31 December 2024 for implementing the new requirements on credit spread risk in the banking book (CSRBB). No transition period has been planned for the other amendments.

Digital Operational Resilience Act (DORA)
On 16 January 2023, DORA came into force across the financial sector in the European Union. The main goal of DORA is to strengthen the digital resilience of companies in the financial sector and ensure that they are better prepared for potential cyber attacks and incidents relating to information and communication technology (ICT). The 24-month implementation phase runs until 16 January 2025, by which time the financial institutions affected will have to have implemented the requirements. Helaba has launched an implementation project based on a gap analysis. The project aims to consolidate the identified implementation measures in risk-oriented action areas. Due to the establishment of DORA and the framework it provides, focusing holistically on the ICT risk, the project will implement DORA-induced business continuity management requirements and report to ICT Third-Party Risk on the implementation of the requirements. In addition, the contractual framework for DORA-compliant ICT third-party services will be created and made available in an information register that is to be established as part of the project.

Business performance

In the first half of 2024, the market environment was once again marked by considerable uncertainty, both geopolitical and macroeconomic.

The market environment for funding business for financial institutions proved to be constructive overall in the first half of 2024. Despite the ongoing high volatility of sideways-moving interest rates, the weakness of the economy and geopolitical tensions across the world, the markets for all asset classes remained very active. Having grown previously, covered bond spreads have stabilised at a high level since the end of the first quarter of 2024; by contrast, credit product spreads have shrunk since the start of the year.

Bank issuing activity in the capital market in the first half of 2024 was slightly below the prior-year level and was well absorbed by the financial markets. Interest rate movements resulted in strong demand overall for spread products across all maturities. Thanks to the interest rate level, the fixed-income market retained its appeal and Helaba successfully implemented its issuing plans in all asset classes.

In the first half of 2024, due to its lower funding requirements, Helaba raised funding of around € 6.4 bn (H1 2023: € 9.5 bn). In doing so, it focused on unsecured funding.

The successful issues included a € 1.0 bn senior non-preferred green bond benchmark with a two-year term to maturity and a ten-year public Pfandbrief benchmark issue in the amount of € 1.25 bn. Sales of retail issues placed through the Sparkasse network amounted to € 4.2 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 € 0.9 bn (H1 2023: € 1.7 bn).

Loans and advances to customers (financial assets measured at amortised cost) remained almost unchanged at € 111.5 bn (31 December 2023: € 113.5 bn). Added to these were loans and advances to Sparkassen (financial assets measured at amortised cost) in the amount of € 7.9 bn (31 December 2023: € 8.2 bn). The focus on lending in core business areas and to the Sparkassen as S-Group partners is in line with the customer-centric orientation of Helaba's business model.

The cost-income ratio for the Helaba Group was 58.1 % as at 30 June 2024 (31 December 2023: 59.4 %). Return on equity was 8.5 % (31 December 2023: 7.2 %).

As at 30 June 2024, the Helaba Regulatory Group's CET1 capital ratio was 14.2 % (31 December 2023: 14.7 %) and its total capital ratio 18.0 % (31 December 2023: 18.7 %). Once again the CET1 ratio therefore remains well above the regulatory requirements.

As at 30 June 2024, the Helaba Regulatory Group's leverage ratio was provisionally calculated as 4.9 % (31 December 2023: 4.9 %) and was therefore above the required minimum ratio.

The liquidity coverage ratio (LCR) for the Helaba Regulatory Group was 166.5 % as at 30 June 2024 (31 December 2023: 168.3 %). As at 30 June 2024, the provisional net stable funding ratio (NSFR) for the Helaba Regulatory Group was noticeably higher than the target figure at 123.5 % (31 December 2023: 120.4 %).

The NPL ratio for the Helaba Regulatory Group (in accordance with EBA Risk Indicator Code AQT 3.2.1.2) was 3.0 % as at 30 June 2024 (31 December 2023: 2.4 %, adjusted in accordance with EBA Risk Indicator Code AQ 3.2.1.2). In the previous year's report, the NPL ratio was calculated on the basis of EBA Risk Indicator Code AQT 3.2 and thus included balances at central banks; these are not included in the NPL ratio calculated in accordance with EBA Risk Indicator Code AQT 3.2.1.2. Due to the persistently difficult environment in the commercial real estate market, the significant change is primarily attributable to further defaults in the commercial real estate portfolio and to adverse effects from a large corporate loan.

The volume of new medium- and long-term business in the Group (excluding the WIBank development business, which does not form part of the competitive market) was very much lower than originally expected at € 5.1 bn (H1 2023: € 7.2 bn). The continuing slump on real estate markets resulted in low transaction figures overall and a selective approach to new business. The restrained demand for credit from businesses and the public sector and seasonal effects reduced new business for corporate loans and project finance. Margins showed a noticeably positive trend overall that was better than anticipated. New business is expected to increase in the second half of the year although it is not likely that the original forecast for new business in 2024 will be achieved.

As at 31 March 2024, the MREL ratio for the Helaba Regulatory Group stood at 56.2 % based on risk-weighted assets (RWAs) and 18.8 % based on leverage ratio exposure (LRE). In the Helaba Regulatory Group's MREL portfolio, regulatory own funds accounted for 17.8 %, subordinated (i. e. non-preferred) debt 27.7 % and non-subordinated (i. e. preferred) debt 10.8 %, based on RWAs. Based on LRE, the composition of the portfolio as at 31 March 2024 was as follows: 5.9 % regulatory own funds, 9.2 % subordinated debt and 3.6 % non-subordinated debt. Consequently, the ratio of subordinated instruments as at 31 March 2024 was 45.4 % based on RWAs and 15.2 % based on LRE.

The MREL portfolio as at 31 March 2024 was thus well in excess of the MREL requirements specified for the Helaba Regulatory Group by the competent resolution authority on 24 January 2024 that Helaba has been required to meet 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 Sustainable Finance Advisory team advises corporate customers on the necessary transformation process and the perfectly tailored ESG financing solutions available to help them through it. It focuses on financing with a specific sustainability element agreed for its use or whose funding costs are linked to ESG indicators agreed in advance. In addition, the Sustainable Finance Advisory Team serves as a knowledge multiplier for Helaba's customers, providing support for their transformation efforts. Helaba's portfolio of products and advisory services is complemented by collaborations with, for example, the providers of data and energy efficiency management solutions. The primary target segment consists of Helaba's corporate customers and customers of the Sparkassen which are an effective lever in the transformation of the regional economy.

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 issued green bond are being used to fund sustainability-related projects aimed at expanding the use of solar and wind energy on a portfolio basis as well as the land transport portfolio. A second party opinion has been obtained for the Green Bond Framework.

In the sustainable promissory note segment of the market, Helaba is one of the leading arrangers and regularly supports or arranges ESG-linked transactions, such as the issue of ESG-linked promissory notes in which the interest cost attaching to the promissory note is linked to the entity's sustainability performance.

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.

Within the Helaba Regulatory Group, digitalisation is an interdisciplinary task that has been further refined by reworking the digital strategy in the first half of 2024. The digital strategy provides a framework for the Helaba Regulatory Group spanning a wide range of topics – Helaba aims to remain an innovator in everything from efficiency to new products and continues to move ahead with digitalisation. Key dimensions here are the optimal use of new technologies and the implementation of modern collaborative models. Another major focus is on artificial intelligence (AI) and the resulting opportunities. In the course of this activity, Helaba has established an AI programme as well as a number of initiatives and pilot projects in order to establish this technology sustainably within Helaba and implement the first applications.

On the digitalisation front, Helaba processes promissory notes over their whole life cycle entirely by using the vc trade platform. The transfer of the paying agent function to vc trade was completed in February 2024. This offering is now a clear success, with a large number of Sparkassen processing promissory notes in digitised format via vc trade. Syndicated loans can also be handled entirely digitally on vc trade. The asset classes concerned include corporate and real estate finance. Syndicated loans including ESG criteria can also be processed via vc trade.

Through Helaba Crowd, Helaba provides the Sparkassen throughout Germany with a public participation platform that is growing in significance, especially in light of the energy transition.

Together with komuno, Helaba is pushing ahead systematically with the digitalisation of municipal loans. In 2023, after acquiring the German business operations of Loanboox and Capveriant, komuno became the clear market leader and is well placed to defend this position over the long term. In addition, komuno offers the Sparkassen a risk marketplace enabling them to share larger foreign trade finance transactions efficiently with different institutions within the Group. So that it can offer a solution to address the increased requirements around ESG data, develop new products and meet regulatory requirements, Helaba is currently piloting a platform to capture and manage ESG data in collaboration with strategic equity investment ESG Book. The goal of the platform is to provide support for data collection processes at the customer interface for the Sparkassen-Finanzgruppe.

In the digital financial assets realm, Helaba entered into a strategic equity investment with Cashlink in 2023. The intention is to use this equity investment to develop blockchain-based products together with Helaba customers and the Sparkassen. Due to the enormous technical possibilities available, the current options range from digital precious metals to digital bonds, therefore providing Helaba with a number of viable new business models. In the context of the equity investment, Helaba is participating in the Bundesbank Trigger Solution. In May, the ECB started a seven-month trial phase for financial transactions based on distributed ledger technology (DLT). The goal is to test technical solutions and acquire practical experience of their use. For the test phase of its DLT-based Trigger Solution, the Bundesbank offers to link DLT transactions with the conventional payments system. This integration means that financial transactions can be processed in central bank money, thus minimising credit and liquidity risks. Helaba is participating with a total of four use cases.

With the bank-wide ATLAS programme, Helaba continued modernising its information technology in order to achieve its strategic IT target. The overall programme will run until mid-2027 and includes several individual projects. Two projects (concerning the international core banking system and data governance) were completed in 2023. Moreover, further first wave projects (in the areas of sales, treasury, trading, architecture and data) were completed in the first half of 2024. As a result, most of the first wave milestones were achieved by 30 June 2024.

The date for the introduction of the newly developed core banking systems for customers, accounts and lending – originally planned for May 2024 – has been pushed back to provide more time for setting up the test environment and performing the tests. The go-live of the accounts module (postings hub) is still planned for this year, the customers module is expected to go live in spring 2025 and the go-live of the new lending system is scheduled for summer 2025.

A large number of modernisation measures were already implemented in the course of the first wave. For example, the JETS payment transactions platform for large-volume and individual payments has been modernised and Helaba became the first institution in the promissory note loan market to implement fully digital processing via its collaboration with vc trade. In addition, the new Fusion Midas international core banking system was rolled out at the New York site and a new API management platform was implemented to connect with third parties.

Helaba is continuously refining its business model and in doing so reviews the composition and focus of all lines of business. A business environment analysis will assess the effects of the macroeconomy, market and competition, technology / society / demographics and policy / legislation, including the potential impact (opportunities and risks) associated with emerging climate-related and environmental changes. The analysis is part of the strategy review process. Most lines of business are currently considered to have only very limited susceptibility to climate-related and environmental risks because physical risks can usually be reduced through the geographical focus and mitigating actions and transition risks are regarded as manageable over the short and medium term in most lines of business.

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.

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. Helaba is constantly upgrading its range of sustainability management tools with the aim of achieving continuous improvement in these third-party ratings.

The Helaba Group has a stable rating in the upper average range for the global industry and the upper third among the comparison group of German banks and Landesbanken from all relevant sustainability rating agencies. Rating agency Sustainalytics gave Helaba a rating of 18.8 (low risk) as at 30 June 2024. Moreover, Helaba offers its employees a comprehensive ESG training module with a view to nurturing knowledge and expertise in this field. ESG training is one element required to meet one of the sustainability targets.

Targeted measures are taken to enhance Helaba's appeal as an employer in competing for junior staff and talent with the aim of bolstering its innovative and creative capabilities.

In the past, Helaba's growth-focused and well-diversified business model has demonstrated its resilience. Based on the good operating results achieved, Helaba has therefore always been able to service all subordinated liabilities and silent participations in full.

Financial position and financial performance

Financial performance of the Group

In the management report, 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.

	1.1.–30.6.2024	1.1.–30.6.2023	Change	
	in € m	in € m	in € m	in %
Net interest income	907	817	90	11.0
Loss allowances	–173	–108	–64	–59.4
Net interest income after loss allowances	**734**	**709**	**26**	**3.6**
Net fee and commission income	272	259	13	5.1
Income/expenses from investment property	131	86	46	53.5
Gains or losses on measurement at fair value	78	99	–21	–21.2
Net trading income	65	51	14	26.5
Net income from hedge accounting and other financial instruments measured at fair value (not held for trading)	14	48	–35	–72.0
Share of profit or loss of equity-accounted entities	6	4	2	48.8
Other net income/expense	75	46	28	61.1
General and administrative expenses, including depreciation and amortisation	–884	–867	–17	–2.0
Profit or loss before tax	**413**	**336**	**77**	**22.8**
Taxes on income	–116	–96	–20	–20.7
Consolidated net profit	**298**	**241**	**57**	**23.7**

In the first half of 2024, the Helaba Group generated very strong profit before taxes of € 413 m, exceeding the prior-year figure of € 336 m by 22.8 %. The financial performance was characterised by a further significant increase in net interest income which made it possible to easily absorb the increase in loss allowances due to adverse economic effects. As expected, net income / expenses from investment property and other net income / expense were very substantially above the prior-year figures, which were impacted by impairments on real estate. General and administrative expenses, including depreciation and amortisation, were almost unchanged as a result of opposing effects. The end of the European bank levy has reduced pressures while the modernisation of Helaba's IT infrastructure and subsidiaries' growth initiatives have resulted in rising expenses. The changes in the individual items in the income statement were as described below.

Net interest income amounted to € 907 m, a rise of 11.0 % compared with the prior-year period (H1 2023: € 817 m). Still favourable market interest rates on the money and capital markets resulted in positive income from the deposit business. The investment of own funds and Treasury's interest rate management also made a substantial contribution to the positive trend in net interest income. In the operating lending business, margins for new business were increased.

Loss allowances amounted to a net addition of € 173 m (H1 2023: net addition of € 108 m). The breakdown of this net addition to loss allowances by stage in accordance with IFRS 9 (including the provisions for loan commitments and financial guarantees) was as follows: stage 1, net reversal of € 9 m (H1 2023: net reversal of € 24 m); stage 2, net reversal of € 29 m (H1 2023: net reversal of € 45 m); stage 3, net addition of € 208 m (H1 2023: net addition of € 177 m). Direct write-offs, loss allowances on financial assets measured at fair value through other comprehensive income and recoveries on loans and receivables previously written off amounted to a net addition of € 3 m (H1 2023: net addition of € 1 m). For further details, please refer to Notes (1) and (33) of the consolidated interim financial statements.

After taking into account the loss allowances, net interest income was up from € 709 m in the first half of the previous year to € 734 m in the current reporting period.

Net fee and commission income increased by € 13 m to € 272 m, mainly due to the very positive development of fees and commissions from the asset management business of the FBG Group. Fees and commissions from Helaba's account management and payment transactions business and from the securities and securities deposit business at Frankfurter Sparkasse also increased. By contrast, fees and commissions from the lending and guarantee business declined.

Most of the net income from investment property is generated by the GWH Group and amounted to € 131 m (H1 2023: € 86 m). This figure comprises the balance of rental and lease income, operating and maintenance costs, impairment losses and the net gains or losses on disposals. The prior-year figure was adversely affected by impairment losses. In the reporting period, income from disposals was increased from € 10 m to € 18 m.

Net trading income developed positively in the first half of 2024, in line with expectations. This positive net trading income was supported by continuing high turnover in primary and secondary trading in securities and renewed satisfactory customer demand for hedging instruments, especially at Sparkassen and from corporate customers. At the same time, market volatility decreased compared with the prior year. Operating customer business continued to improve slightly year on year. Moreover, valuation adjustments on derivatives (xVAs) trended positively compared with the prior-year period.

Net income from hedge accounting and other financial instruments measured at fair value (not held for trading) decreased by € 35 m compared with the prior-year period to € 14 m due to measurement effects caused by interest rate movements in the first half of the year. Net income from hedge accounting in which the ineffective portions of micro hedges are reported also decreased to € 4 m (H1 2023: € 24 m).

Other net income/expense rose from net income of € 46 m to net income of € 75 m. The very significant increase resulted from the fact that the prior-year period was impacted by impairment losses on property held for sale of € 19 m, compared with losses of € 5 m in the current reporting period. Other net income/expense also included dividend income of € 6 m (H1 2023: € 7 m) and the gains or losses on derecognition of financial instruments measured at fair value through profit or loss of € 0 m (H1 2023: loss of € 2 m).

General and administrative expenses (including depreciation and amortisation) rose by € 17 m to € 884 m. These expenses comprised personnel expenses of € 381 m (H1 2023: € 351 m), other administrative expenses of € 430 m (H1 2023: € 443 m) and depreciation and amortisation charges of € 73 m (H1 2023: € 74 m). A pay-scale increase in July 2023 and the payment of a bonus to compensate for inflation resulted in a rise in personnel expenses. The virtually unchanged other administrative expenses were characterised by opposing effects. First, the conclusion of the set-up phase of the Single Resolution Fund resulted in the end of the European bank levy, which led to expenses of € 68 m in the prior-year period. Second, expenses increased due to the modernisation of Helaba's IT infrastructure and subsidiaries' growth initiatives. Other administrative expenses included expenses for the association overhead allocation and the reserve funds of € 79 m (H1 2023: expenses of € 83 m).

Profit before taxes amounted to € 413 m (H1 2023: € 336 m).

After taking into account an income tax expense of € 116 m (H1 2023: € 96 m), consolidated net profit came to € 298 m (H1 2023: € 241 m). Of this amount, the profit attributable to non-controlling interests in consolidated subsidiaries was unchanged at € 0 m.

Comprehensive income increased from € 289 m to € 348 m. This figure includes other comprehensive income in addition to the consolidated net profit/loss for the period as reported in the income statement. Other comprehensive income amounted to € 50 m (H1 2023: € 48 m). One of the components was the remeasurement of the net liability under defined benefit plans, which amounted to a gain of € 72 m before taxes (H1 2023: € 21 m). A discount rate of 3.5 % (31 December 2023: 3.25 %) was used to determine pension provisions for the main pension obligations in Germany. Credit-risk-related changes in the fair value of financial liabilities designated voluntarily at fair value accounted for a net gain of € 5 m before taxes (H1 2023: € 23 m). Debt instruments measured at fair value through other comprehensive income had a negative impact, contributing a net loss of € 19 m before taxes (H1 2023: net gain of € 34 m). The cross-currency basis spread in the measurement of derivatives accounted for a net loss of € 8 m before taxes within comprehensive income (H1 2023: net loss of € 9 m).

Statement of financial position

Assets

	30.6.2024	31.12.2023	Change	
	in € m	in € m	in € m	in %
Cash on hand and demand deposit balances with central banks and banks	39,077	32,864	6,212	18.9
Financial assets measured at amortised cost	127,782	129,477	–1,695	–1.3
Bonds	3,366	2,795	571	20.4
Loans and advances to banks	12,877	13,168	–291	–2.2
Loans and advances to customers	111,538	113,514	–1,976	–1.7
Trading assets	11,677	11,697	–19	–0.2
Financial assets measured at fair value (not held for trading)	20,611	21,369	–758	–3.5
Investment property	3,594	3,485	109	3.1
Income tax assets	488	536	–48	–9.0
Other assets	2,846	2,644	202	7.6
Total assets	**206,075**	**202,072**	**4,002**	**2.0**

Equity and liabilities

	30.6.2024	31.12.2023	Change	
	in € m	in € m	in € m	in %
Financial liabilities measured at amortised cost	164,251	162,306	1,945	1.2
Deposits and loans from banks	42,168	48,195	–6,027	–12.5
Deposits and loans from customers	67,313	62,421	4,892	7.8
Securitised liabilities	54,025	51,263	2,763	5.4
Other financial liabilities	744	428	317	74.1
Trading liabilities	13,636	11,350	2,286	20.1
Financial liabilities measured at fair value (not held for trading)	15,700	16,037	–337	–2.1
Provisions	1,097	1,175	–78	–6.7
Income tax liabilities	137	127	10	7.7
Other liabilities	664	745	–81	–10.8
Equity	10,589	10,333	257	2.5
Total equity and liabilities	**206,075**	**202,072**	**4,002**	**2.0**

Helaba’s consolidated total assets were on a par with the prior-year figure at € 206.1 bn (31 December 2023: € 202.1 bn).

On the assets side of the statement of financial position, loans and advances to customers continued to dominate, accounting for a large proportion of total assets (54.1 %; 31 December 2023: 56.2 %). These assets fell by € 2.0 bn to € 111.5 bn. Of the loans and advances to customers reported at their net carrying amounts, commercial real estate loans accounted for € 33.8 bn (31 December 2023: € 34.8 bn) and infrastructure loans for € 28.1 bn (31 December 2023: € 28.4 bn).

The cumulative loss allowances recognised in respect of financial assets measured at amortised cost amounted to € 1,360 m (31 December 2023: € 1,223 m).

The most significant change on the assets side resulted from the rise of € 6.2 bn in cash on hand and demand deposit balances with central banks and banks to € 39.1 bn. This rise is due to an increase in securitised liabilities and to growth in customer deposits. Cash on hand and demand deposit balances with central banks and banks included an amount of € 6.6 bn attributable to Helaba’s participation in the ECB’s targeted longer-term refinancing operations (TLTRO), which provide funding at favourable rates. This amount was repaid in full on the scheduled maturity dates.

Trading assets recognised at fair value amounted to € 11.7 bn at the reporting date (31 December 2023: € 11.7 bn). While the positive fair values of derivatives declined by € 0.8 bn to € 7.5 bn, the portfolio of bonds and other fixed-income securities expanded by € 0.9 bn to € 3.6 bn.

Of the financial assets measured at fair value (not held for trading) amounting to € 20.6 bn (31 December 2023: € 21.4 bn), assets of € 14.7 bn (31 December 2023: € 14.7 bn) comprised bonds and other fixed-income securities measured through other comprehensive income. Non-trading derivatives decreased by € 0.4 bn to € 1.2 bn, meaning that the positive fair values of all derivatives fell by € 1.2 bn overall to € 8.7 bn.

The structure of the equity and liabilities side of the statement of financial position is characterised by a high proportion of financial liabilities measured at amortised cost (79.3 % of total equity and liabilities; 31 December 2023: 80.3 %). These liabilities increased by € 1.1 bn to € 163.4 bn, mainly due to the increase of € 4.9 bn in deposits and loans from banks to € 67.3 bn. Securitised liabilities also increased by € 2.8 bn to € 54.0 bn. Here, higher interest rates pushed up investor demand for interest-bearing financial instruments, with the result that the volume of new business exceeded the value of maturing contracts and repurchases. Deposits and loans from banks showed a downward trend, falling by € 6.9 bn to € 41.3 bn. The reason for this was the end of the targeted longer-term refinancing operations (TLTRO) with the ECB.

Trading liabilities recognised at fair value amounted to € 13.6 bn at the reporting date (31 December 2023: € 11.4 bn). This increase was due to the growth in deposits and loans payable on demand (overnight deposits) by € 2.2 bn to € 6.8 bn. The negative fair values of derivatives amounted to € 6.6 bn (31 December 2023: € 6.5 bn).

Financial liabilities measured at fair value (not held for trading) included non-trading derivatives of € 3.3 bn (31 December 2023: € 3.6 bn), meaning that the total negative fair values of all derivatives fell by € 0.3 bn to € 9.8 bn.

Equity

The Helaba Group's equity amounted to € 10.6 bn as at 30 June 2024 (31 December 2023: € 10.3 bn). It was pushed higher by the comprehensive income of € 348 m for the first half of 2024. Accumulated OCI for the Group amounted to a loss of € 56 m (31 December 2023: cumulative net loss of € 106 m). Within this figure, cumulative income of € 211 m (31 December 2023: cumulative income of € 156 m) relates to items that will not be reclassified to profit or loss in future periods (i. e. OCI that will not be recycled) and a cumulative loss of € 267 m (31 December 2023: cumulative loss of € 261 m) to items that will be reclassified to profit or loss in future periods (i. e. OCI that will be recycled). OCI (that will not be recycled) included a cumulative loss of € 77 m (31 December 2023: cumulative loss of € 128 m) attributable to remeasurements of pension obligations. The change was mainly attributable to an increase in the discount rate to 3.5 % (31 December 2023: 3.25 %). Remeasurement gains arising on financial liabilities to which the fair value option (FVO) is applied as a result of changes in own credit risk contributed € 295 m (31 December 2023: € 292 m) to the rise in OCI (that will not be recycled). OCI (that will be recycled) included the cumulative gains and losses on debt instruments measured at fair value through other comprehensive income amounting to a loss of € 239 m (31 December 2023: loss of € 226 m). Equity was negatively impacted by a loss of € 47 m (31 December 2023: loss of € 52 m) arising from the cross-currency basis spread in the measurement of derivatives, which must be recognised in accumulated OCI in accordance with IFRS 9. Exchange rate factors resulted in an increase of € 2 m in the currency translation reserve for foreign operations to € 37 m.

Please refer to the risk report and Note (32) in the Notes for information on the regulatory capital ratios.

Financial performance by segment

In line with management reporting, the segment information is based on internal management (contribution margin accounting) and also on external financial reporting.

The contributions of the individual segments to the profit before taxes of € 413 m for the first half of 2024 (H1 2023: € 336 m) were as follows:

in € m

	1.1.–30.6.2024	1.1.–30.6.2023[1]
Real estate	93	–25
Corporates & Markets	41	183
Retail & Asset Management	223	163
WIBank	26	29
Other	20	–15
Consolidation / reconciliation	11	1
Group	**413**	**336**

[1] Prior-year figures adjusted: Due to an organisational change, the result of money trading for treasury activities was transferred from the Corporates & Markets segment to the Other segment.

Real Estate segment

The Real Estate Lending business line is reported in the Real Estate segment. Its core business consists of financing major commercial real estate projects and existing properties.

In Real Estate Lending, the volume of new medium- and long-term business in the first half of 2024 remained stable at € 1.9 bn (H1 2023: € 1.9 bn).

The segment's net interest income decreased by a slight € 2 m and was close to the prior-year level at € 210 m (H1 2023: € 212 m).

As at the reporting date, loss allowances had decreased very sharply compared with the prior-year period which was impacted by the effects of the turnaround in interest rates on the real estate market. In the period to 30 June 2024, they amounted to a net addition of € 49 m. Adjusted for the reversal effect of € 33 m due to the transfer of the respective PMA to the Real Estate segment, the addition was € 82 m compared with € 173 m in the prior-year period. For further details, please refer to Note (18).

Net fee and commission income came to € 8 m, a decrease of € 1 m on the prior-year figure.

General and administrative expenses in the segment rose slightly by € 4 m year on year to € 76 m.

The year-on-year decrease in loss allowances caused the segment to post a profit before taxes of € 93 m, a very significant increase on the previous year's loss before taxes of € 25 m.

Corporates & Markets segment

The Corporates & Markets segment offers products aimed at companies, institutional clients, public sector and municipal clients.

At € 2.6 bn, new medium- and long-term business in the segment showed a very sharp decrease of 42 % on the prior-year figure (€ 4.5 bn).

Net interest income in the segment came to € 270 m, a year-on-year decrease of € 18 m, and was generated mainly by the Corporate Banking, Savings Banks and SME, and Asset Finance units. While Capital Markets recorded a significant increase, the net interest income of the Savings Banks and SME, Corporate Banking and Asset Finance units decreased moderately. The contributions of the public sector and municipal lending businesses were almost unchanged.

Due to individual defaulted exposures, the additions to loss allowances increased sharply from the comparatively low prior-year level to € 107 m (H1 2023: € 10 m).

Net fee and commission income of € 83 m matched the prior-year level of € 82 m. The increase was primarily due to the securities business.

The segment's net trading income for the reporting period was € 60 m (H1 2023: € 51 m). The development of net margin contributions from customer business remained stable. Gains or losses on measurement at fair value were impacted negatively by hedges entered into and measurement effects.

General and administrative expenses in the segment rose by € 15 m year on year to € 264 m. This rise is due in particular to higher internal cost allocations between the segments.

Profit before taxes for the segment came to € 41 m compared with € 183 m in the prior-year period, the main contributing factor being the increased loss allowances.

Retail & Asset Management segment

The Retail & Asset Management segment offers retail banking, private banking and asset management products through the subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft and Helaba Invest as well as through Landesbausparkasse Hessen-Thüringen. The Real Estate Management business and the real estate subsidiaries of the GWH Group also form part of this segment.

The segment's net interest income of € 206 m (H1 2023: € 197 m) was mostly attributable to Frankfurter Sparkasse, as was the growth here. Loss allowances in the segment amounted to a net addition of € 10 m in the reporting period (H1 2023: a net reversal of € 9 m).

Net fee and commission income in the segment was generated mainly by Frankfurter Sparkasse, Helaba Invest and Frankfurter Bankgesellschaft and was noticeably higher than the prior-year figure (€ 142 m) at € 154 m in total.

Net income from investment property is generated almost entirely by GWH, mainly in the form of rental income from residential real estate. At € 131 m, this was again very sharply higher than the prior-year figure (€ 86 m) which was impacted negatively by impairment losses.

Net income from hedge accounting and other financial instruments measured at fair value (not held for trading) increased significantly to € 21 m (H1 2023: 8 m) due predominantly to the positive valuation of investments by the Frankfurter Sparkasse.

General and administrative expenses amounted to € 322 m, a moderate increase on the prior-year figure (H1 2023: € 303 m).

Profit before taxes for the segment amounted to € 223 m compared with € 163 m in the prior-year period.

WIBank segment

The WIBank business accounts for most of the Public Development and Infrastructure Business segment. In the first half of 2024, WIBank generated new business (lending and subsidy business) of around € 1.5 bn (H1 2023: € 1.1 bn). The growth of € 0.4 bn in new business stemmed primarily from development loans refinanced on the capital market and loans provided for residential construction (purchase and rental).

At around € 250 m, new business in direct infrastructure and municipal finance was higher than the previous year. This is largely attributable to the high level of investment required by municipal authorities and their corporations for maintaining and modernising public service infrastructure. At around € 110 m, loans for residential construction (purchase and rental) were higher than the previous year. This is especially due to recovery effects resulting from improved subsidy conditions.

At € 50 m, net interest income was higher than the prior-year figure (€ 44 m), which was still due to the changing interest rate environment. Net fee and commission income of € 34 m was shaped by the service business and, as expected, was slightly below the prior-year figure of € 36 m that was impacted by the double subsidy period.

General and administrative expenses came to € 62 m. The anticipated marked increase compared with the previous year (€ 55 m) was primarily the result of higher IT, personnel and non-personnel costs (third-party services).

As at 30 June 2024, the segment's profit before taxes amounted to € 26 m (H1 2023: € 29 m).

Other segment

The Other segment contains the contributions to income and expenses that cannot be attributed to the operating segments. These items include the net income from centrally consolidated equity investments, such as those from the OFB Group, as well as the costs of the central units that cannot be allocated to the individual segments in line with the user-pays principle. The net income or expense from Treasury activities, from central own funds investing activities and from the centrally held securities in the liquidity portfolio are also recognised under this segment.

The segment's net interest income of € 183 m was very significantly higher than the prior-year figure (H1 2023: € 98 m) and was characterised by increased positive contributions from Group Asset/Liability Management and Treasury activities. The balance in the segment also included the higher centrally recognised liability markups for subordinated debt and the pension provision additions for Corporate Centre employees included in the interest.

The addition to the segment's loss allowances normalised to € 8 m, € 7 m of which was for PMAs (H1 2023: reversal of € 66 m, of which € 45 m for PMAs). The change was mainly attributable to the PMA that was recognised in this segment.

Net income/expense from hedge accounting and other financial instruments measured at fair value (not held for trading) was down year on year to net expense of € 7 m (H1 2022: net income of € 22 m), mainly as a result of interest-rate-related remeasurements.

The segment's other net income/expense came to net income of € 34 m (H1 2023: net income of € 17 m) and was impacted by, among other things, year-on-year declines in the impairment losses on OFB real estate projects and changes in provisions.

General and administrative expenses amounted to € 182 m in the first half of 2024 (H1 2023: € 213 m). The addition to the reserve funds was already fully included at the end of the first six months. In this financial year, there were no expenses for the bank levy (H1 2023: € 66 m).

Profit before taxes for the segment amounted to € 20 m compared with a loss of € 15 m in the prior-year period.

Consolidation/reconciliation

Effects arising from consolidation and intragroup adjustments between the segments are reported under consolidation/reconciliation. Effects that arise from the reconciliation between the segment figures and the consolidated income statement, in particular in relation to net interest income, are also presented under consolidation/reconciliation.

Profit before taxes under consolidation/reconciliation amounted to € 11 m (H1 2023: € 1 m).

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 Helaba's 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.

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:

- default risk (including equity risk),
- market risk,
- liquidity and funding risk,
- non-financial risk (NFR),
- business risk and
- real estate risk.

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. They 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 type concerned.

A materiality analysis from a risk perspective for climate-related and environmental risks in all risk types was completed in 2023 as well. The analysis assessed the materiality of transition and physical risks for the risk types classified in the risk inventory process as being of primary importance for the Helaba Regulatory Group. Materiality was estimated using a scorecard method that also incorporated qualitative estimates. The analysis determined that Helaba's portfolio remains moderately exposed to transition risks in the context of default risk. In addition, the real estate risk (real estate portfolio risk) is moderately exposed to transition risks. Exposure to climate-related and environmental risks as risk drivers is assessed as low in the other primary risk types. It was concluded that there is no need for separate, additional capital backing for climate-related and environmental risks under the ICAAP.

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 the second quarter of 2024 once again exceeded the quantified risk exposures by a substantial margin, underlining the conservative risk profile. Helaba had a capital buffer of € 4.8 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 (usually observed market dislocation occurring in a global financial crisis).

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.

For the first time in 2023, an internal climate-related risk scenario was additionally included in both risk-bearing capacity perspectives. It was a short-term transition risk scenario based on the disorderly scenario defined by the Network for Greening the Financial System. The effects of this scenario were unremarkable. A renewed analysis of an internal climate-related risk scenario is planned for 2024 and, in the future, at a yearly interval.

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 directly integrated into this protection scheme.

In June 2023, in order to implement ECB and BaFin requirements, the general meeting of members of the German Savings Banks Association (DSGV) adopted amendments to the charter of the Sparkassen-Finanzgruppe’s protection scheme. The amended charter entered into force in January 2024. Among other things, the risk monitoring system was improved and decision-making structures organised more effectively. Effective 1 January 2025, an additional fund was created to protect the solvency and liquidity of the Sparkassen-Finanzgruppe institutions. This is to be built up over a period of at least eight calendar years beginning in 2025 and has a target volume amounting to 0.5 % of the member institutions’ total risk position.

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.

The Sparkassen- und Giroverband Hessen-Thüringen has undertaken to make up the shortfall between the amount actually paid in and the full amount should the fund be required before such time as the full amount has been contributed.

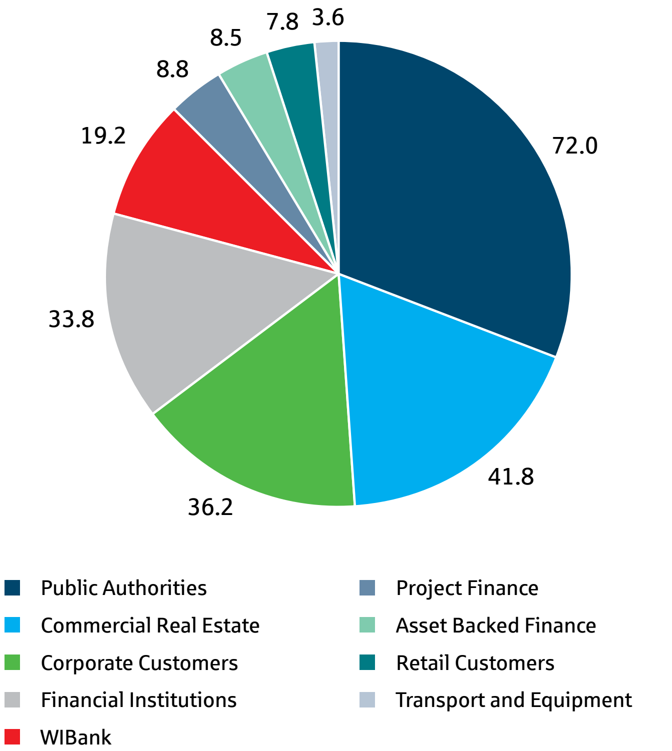
Rheinischer Sparkassen- und Giroverband (RSGV) and Sparkassenverband Westfalen-Lippe (SVWL) have each also unilaterally set up an additional regional reserve fund for Helaba.

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

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 € 231.6 bn as at 30 June 2024 (31 December 2023: € 229.5 bn excluding Frankfurter Bankgesellschaft (Deutschland) AG), 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
(narrow Group companies)
Chart 1 in € bn



The lending activities in the narrow Group companies as at 30 June 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
	30.6.2024	31.12.2023
Germany	163.9	161.3
Rest of Europe	47.0	48.2
North America	19.9	19.3
Oceania	0.1	0.1
Other	0.7	0.6

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

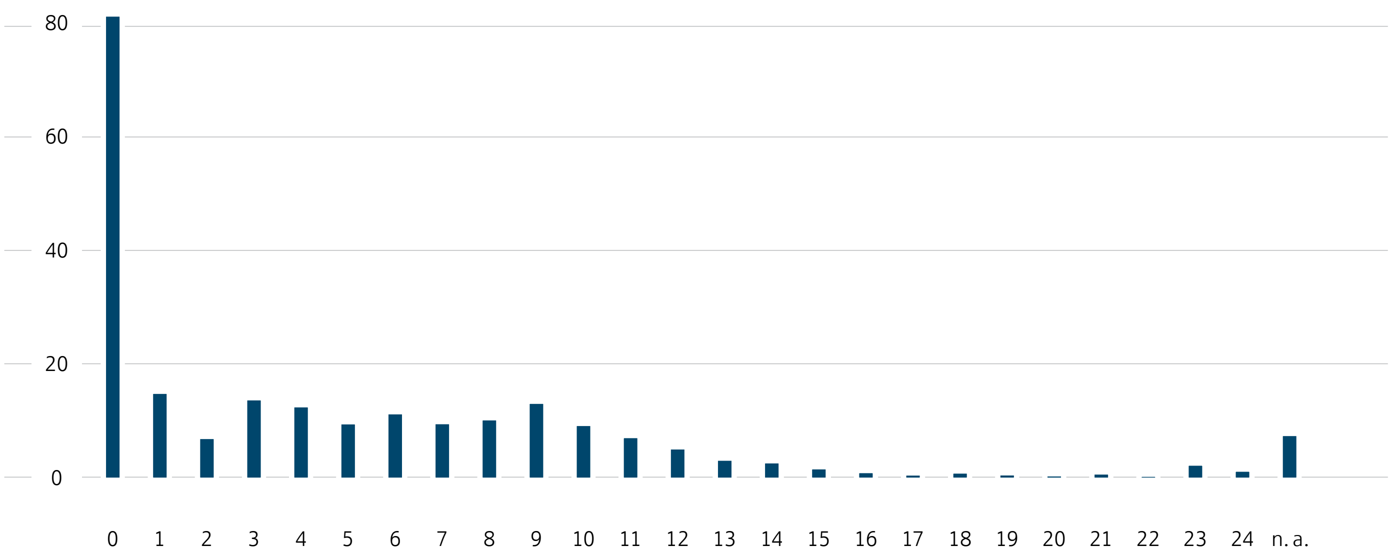
Creditworthiness / risk appraisal

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 € 231.6 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.

Total volume of lending by default rating category (narrow Group companies)

Chart 2 in € bn



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 € 1,418 m (31 December 2023: € 1,399 m). In the first half of 2024, the development of risk potential was driven largely by an increase in risk in real estate finance, which was triggered by defaults and downgrades across the entire sub-portfolio. This increase in risk was largely offset by a reduction in the exposures of some larger customers in the Corporate Banking division and by a general reduction in exposures in the Capital Markets division.

Exceptional default risk management issues in the first half of 2024

With sideways-moving interest rates in an environment of declining inflation and increased volatility, the first half of 2024 was also characterised by a further cooling of the real estate market, with sinking prices for commercial real estate especially.

The further cooling of the real estate market resulted in effects such as the selective downgrading of ratings and defaults focused on the commercial real estate portfolio. An increase in corporate insolvencies was also observed, resulting in individual defaults in the bank's loan book.

Active management of the critical sub-portfolios identified and close, cross-unit monitoring of exposures from sub-portfolios classified as under intensive management, recovering or non-performing was continued in the first half of 2024. Against the backdrop of the significant increase in real estate risk in 2023, Helaba revised the strategic conditions for real estate financing and established a task force to develop further measures and instruments to actively manage and contain real estate portfolio risks.

With the inclusion of the corporate customer sub-portfolios for the chemical industry and health and social care, the total volume of lending of the critical sub-portfolios – mainly the real estate sub-portfolio – increased once more in the first half of the year to € 33.9 bn (31 December 2023: € 32.4 bn). The reasons for including these sub-portfolios were the decline in demand in the cyclical chemical industry and the ongoing structural challenges faced by Germany's health care sector. Whereas the chemical industry is showing the first signs of recovery and most companies have enough substance, it is assumed that the health and social care sub-portfolio – especially hospitals outside large private clinic groups – will face an ongoing structural funding deficit. The further increase in the proportion of the critical sub-portfolios on the watchlist in the first half of 2024 was mainly due to additional loans in the office real estate sub-portfolio coming under intensive management (+ € 1.1 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	**30.6.2024**	**31.12.2023**	**30.6.2024**	**31.12.2023**
Real Estate	27.1	28.1	5.7	4.3
Corporate Customers	6.9	4.3	0.8	0.7

Despite further pressures in the commercial real estate portfolio in particular, the inherent risks in the lending portfolio of the narrow Group companies remained mainly stable in the first half of 2024. Loss allowances of € 173 m were driven mainly by the still challenging environment on the real estate markets.

Whereas residential real estate prices in Germany and the USA are already stabilising thanks to the continued high demand for housing and low levels of new construction activity, it is likely that the prices of commercial real estate will decline further in the second half of 2024, especially in the office segment as a result of the growing shift to new work concepts since the COVID-19 pandemic.

With a volume of € 18.3 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 bn of this amount (31 December 2023: around € 3 bn).

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

Credit risk in the narrow Group companies remains subject to close monitoring and regular assessment. Depending on factors that include the future development of interest rates, real estate values and – to a limited extent – the Middle East conflict, further rating deteriorations or loan defaults cannot be ruled out in the further course of the year.

Moreover, since the end of 2022, the Bank has regularly monitored the impact of climate-related and environmental risks on its customers' default risk. The risks arising from the transition to a decarbonised economy could increase the impact of risk on a financial institution's lending portfolio. Taking account of the requirements contained in the ECB Guide on climate-related and environmental risks and additional regulatory expectations relating to ESG, the Bank is continuously refining its risk management in respect of climate risks. Analyses of the portfolio have revealed the Group's comparatively low vulnerability.

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.

Further refinements were made to the loss allowance process effective 30 June 2024. Circumstances and risks that are not fully reflected as rating deteriorations or defaults in the model-based calculation of loss allowances are primarily recognised as in-model adjustments (IMAs). These adjust the loss allowances at the individual transaction level. The IMA for the CRE portfolio was € 241 m as at 30 June 2024. Upon application of the collective allocation, an IMA totalling € 11 m was recognised for five other critical sub-portfolios as at 30 June 2024.

As at 31 December 2023, Helaba had recognised a post-model adjustment (PMA) for additional risks that are not fully reflected as rating deteriorations or defaults in the individual calculation of loss allowances. This additional loss allowance requirement was calculated on the basis of critical sub-portfolios for which rating deteriorations and / or collateral value markdowns and a corresponding increase in the ECL were assumed in the course of a simulation. To calculate 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 allowance was recognised as a PMA in stage 2. As at 31 December 2023, this did not result in an actual stage transfer of the individual transaction. The PMA of € 353 m as at 31 December 2023 consisted of € 10 m for the critical sub-portfolio of mechanical engineering and € 343 m for the critical sub-portfolios of retail and office properties.

As at 30 June 2024, Helaba calculated a PMA for identified critical sub-portfolios. Due to the currently large watchlist content and an anticipated deterioration in economic development, an additional loss allowance was recognised as a PMA totalling € 17 m for the critical sub-portfolios of mechanical engineering, metal production and processing, and health and social care. The resulting effect on the loss allowances is recognised as a PMA in stage 2 but did not result in an actual stage transfer of the individual transactions.

Further details on credit risk are presented in Notes (1) and (33) of the consolidated financial statements.

Country risks

Country risks (transfer, conversion and sovereign default risks) from Helaba loans issued by the narrow Group companies to borrowers based outside Germany amounted to € 63.0 bn (31 December 2023: € 63.0 bn), most of which was accounted for by borrowers in Europe (67.9 %) and North America (31.1 %). As at 30 June 2024, 53.7 % (31 December 2023: 54.4 %) of these risks were assigned to country rating classes 0 and 1 and a further 45.9 % (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.

Exposures in the Russian Federation (rating category 22) and Ukraine (rating category 21) totalled approximately € 17.9 m as at the reporting date (31 December 2023: approximately € 18.0 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 30 June 2024, only 2 % (31 December 2023: 6 %) of the total lending portfolio of € 195.8 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 4 % (31 December 2023: 5 %). The increase in the relevant total lending portfolio compared with the end of the previous year resulted from the first-time inclusion of the public sector portfolio in this risk assessment.

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. These monitoring values were complied with at all times in the first half of 2024.

Equity risk

The equity risk category brings together those risks attributable to equity investments whose individual risk types are not considered separately in risk controlling activities by risk type.

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 analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity shows a slightly higher economic risk exposure of € 193 m (31 December 2023: € 187 m) for the Helaba Group from equity risk. The increase resulted mainly from new equity investments.

Market risk

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 30 June 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 95 % (31 December 2023: 92 %) of the linear interest rate risk for the overall portfolio of the narrow Group companies, sterling positions for 2 % (31 December 2023: 2 %) and US dollar positions for 2 % (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, sterling and Norwegian krone positions. Residual risk amounted to € 11 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 € 100 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 € 1,694 m excluding xVA risk (31 December 2023: € 1,572 m excluding xVA risk) for the Group from market risk. The increase in economic risk exposure resulted mainly from higher linear interest rate risks based on the assumptions used in the risk-bearing capacity calculation. Interest rate risks from pension obligations are also taken into account.

Group MaR by risk type in € m

	Total risk		Interest rate risk		Currency risk		Equities risk	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Trading book	28	31	28	30	–	–	–	1
Banking book	109	108	96	95	–	–	13	13
Total	**135**	**136**	**122**	**123**	**–**	**–**	**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 amounted to € 28 m as at 30 June 2024 (31 December 2023: € 30 m).

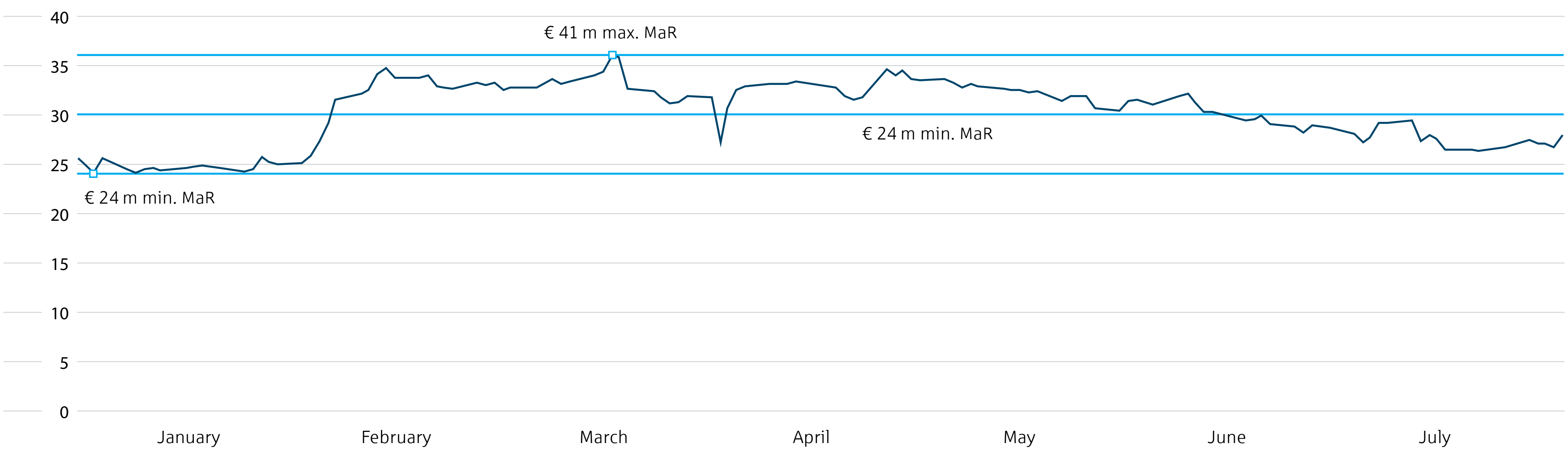
Market risk in the trading book

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 first half of 2024. In the first six months of 2024, the average MaR was € 30 m (2023 as a whole: € 33 m), the maximum MaR was € 35 m (2023 as a whole: € 41 m) and the minimum MaR was € 24 m (2023 as a whole: € 24 m). The changes in risk in the first half of 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 the first half of financial year 2024

Chart 3

in € m



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 EBA/RTS/2022/10 as at 30 June 2024, the impact of six interest rate scenarios must be determined. The former requirements for parallel shifts of +/–200 basis points in interest rates no longer apply. As at 30 June 2024, consideration of the interest rate scenarios as now required would, in the unfavourable scenario, have resulted in a negative change of € 194 m in the value of the Helaba Group banking book (31 December 2023: € 264 m). Of this figure, € 170 m (31 December 2023: € 282 m) would have been attributable to local currency and € 24 m (31 December 2023: gain of € 18 m) to foreign currencies. The disclosures as at 31 December 2023 refer to the relevant interest rate changes of +/–200 basis points that were relevant at that time. The difference compared with year-end 2023 was mainly due to item changes of a normal amount and to the change in the scenarios considered. 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, tools 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 last year's significant rise in market rates. Helaba's liquidity was fully assured at all times in the first half of 2024 as well.

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.

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 (also including ESG risks) 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 the Risk Controlling unit. 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 150.9 % as at 30 June 2024 (31 December 2023: 147.7 %) as a result of the excellent level of liquidity adequacy. This increases to 155.2 % (31 December 2023: 152.3 %) if Frankfurter Sparkasse is included. The average coverage ratio in the first half of 2024 was 145.3 % (2023: 144.4 %), reflecting the excellent liquidity situation.

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 166.5 % on 30 June 2024 (31 December 2023: 168.3 %). Stress simulations for the LCR were also calculated.

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) and 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.

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 30 June 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, it is ensured in full that the sub-categories of non-financial risk are considered in the risk-bearing capacity / ICAAP.Monitoring compliance with the minimum standards for the non-financial risk framework is performed centrally by the Risk Controlling unit.

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 30 June 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 %	
	30.6.2024	31.12.2023
Helaba	220	218
Frankfurter Sparkasse, Helaba Invest and other companies included in risk management at the level of individual risks	100	103
Total	**321**	**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 € 321 m for the Helaba Regulatory Group from operational risk, which is virtually unchanged since 31 December 2023 (€ 320 m).

Ukraine war

No material effects of the war in Ukraine on non-financial risk were identified in the first half of 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 characterised on the basis of defined climate-related and environmental criteria.

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. The Risk Controlling unit quantifies business risks for the purposes of calculating risk-bearing capacity and analyses any changes.

The analysis as at the 30 June 2024 reporting date under the economic internal perspective for the calculation of risk-bearing capacity indicates a large increase in business risk of € 39 m to € 233 m compared with 31 December 2023 (€ 195 m). This was mainly attributable to the regular updating of the database to reflect factors including the forecast drop in economic parameters.

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 was increased in 2024.

The Risk Controlling unit's activities 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 € 125 m (31 December 2023: € 107 m) from real estate projects and real estate portfolios. This increase in risk results primarily from the changed market situation.

Outlook and opportunities

Economic conditions

Geopolitical tensions continue to have a negative impact. Inflation is falling but core rates are proving stubborn. China is still struggling with economic difficulties and problems on the real estate market. By contrast, the USA delivered a positive surprise. Despite tighter monetary policy, the US economy is on course to achieve growth of 2.5 % in 2024. The US elections in November of this year are causing uncertainty among our US trading partners in particular. Depending on the outcome of the election, the protectionist trend begun during Donald Trump's first term in office could be continued and impact Germany increasingly.

For some time, the euro zone has been outperforming Germany. In 2024 as well, growth in the single currency zone is likely to be 0.8 %, higher than the zero growth expected in Germany which is experiencing locational disadvantages due to factors such as its high energy costs by international standards. In contrast to France, few reforms have been initiated. Moreover, countries such as Italy and Spain are seeing a greater benefit from large-scale European transfers.

In the euro zone, interest rates have turned around but monetary policy remains restrictive. Further interest rate measures are needed to reach a neutral level. It is therefore likely that the ECB will cut interest rates by 25 basis points each quarter. The target deposit rate for the coming year is 2.75 %. In the USA as well, inflation trends should give the Fed the scope to reduce interest rates by a total of 50 basis points by the end of 2024. Although the stabilisation of inflation and the shift in monetary policy to allow lower interest rates have delivered positive impetus for the capital markets, the central banks' scaling back of their securities portfolios coupled with relatively high government issuing activities are restricting the price potential of government bonds.

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 is continuously refining its traditionally stable and viable strategic business model to ensure it remains fit for the future. Helaba regularly examines options for alliances and inorganic growth.

The key factor behind the Helaba Group's success is the strategic business model for the Group as a whole based on the concept of a full-service bank with its own retail business, a strong base in the region, a very 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 objective frames Helaba's aim to help bring the Paris Agreement targets within reach and increase the volume of sustainable business in its portfolio to 50 % by 2025. The Sustainable Lending Framework provides a standardised method for the definition, measurement and management of sustainable lending business. This represents the initial step in a holistic impact assessment and management process. At the end of 2023, Helaba published the Sustainable Lending Framework to define, measure and manage the sustainable lending business.

The Sustainable Finance Advisory service advises both corporate customers and customers of the Sparkassen on sustainability matters 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. Its strategic partnerships in the areas of data and energy efficiency management are contributing to this. 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 2024.

The Helaba Regulatory 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 ensure it has the necessary capability in place to support its customers with sustainable finance products. Helaba also offers all employees a comprehensive ESG training course comprising a number of different modules.

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

Helaba was able to take on the role of ESG Coordinator for a number of mandates, for example, 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 marching on and will continue to bring huge changes to the banking industry as well as to attract other competitors to the market. Having now become well established across the financial market, innovative technologies including blockchain, artificial intelligence (AI) 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. The rapid pace of development in artificial intelligence and automation in particular is driving customer expectations regarding faster and more efficient processing and opening up opportunities to conduct more business without needing to deploy more resources. The value potential of these technologies provides Helaba with significant leeway. Depending on the use case, it is able to cushion the effects of demographic change, reduce complexity and internalise projects, thus cutting non-personnel 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. In this context, it is intended to create the role of Chief AI Officer and to establish an AI team. Moreover, use cases are to be implemented across the Group with the goal of achieving efficiencies and improving the customer and employee experiences. Various formats are used to enable Helaba Group employees to experience artificial intelligence. The Helaba AI Driving Licence demonstrates how AI can be used sensibly in day-to-day working; the Helaba AI Pilot Platform enables users to try out specific AI applications and deploy them to support their work activities. AI Champions in all units and subsidiaries serve as multipliers and are the first points of contact concerning all aspects of AI. This topic as a whole has become very important to Helaba and the pace of development has accelerated greatly. In order to tap more into this rapidly developing 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. The focus is on the following topics: payment transactions, integrated digital solutions, process automation, outplacement platforms and a modern collaborative 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. This is why Helaba Transform was established. This format enables employees to learn about existing digitalisation initiatives and to contribute ideas that will help the Group to move forward.

Plans are in place to introduce a performance measurement system and a digital roadmap to facilitate tracking and management of progress in the action areas. Digital ecosystems and partnerships are of great importance for Helaba, not least as a way to provide new options for more 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 effectively.

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. In this way, it aims to ensure the sharing of knowledge about new technologies and novel working 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 back in 2022. In the future, more syndication arrangements are to be 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 debt capital markets business in digital form on platforms in the future to generate corresponding added value for customers and banks.

In addition, Helaba is participating in venture capital funds such as the proptech vc-FundsPT1 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.

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.

In 2023, Helaba, the DSGV and start-up komuno established the "Spring" marketplace for the rapid and easy outplacement of risks associated with foreign trade transactions. Spring makes it possible to offer foreign risks to other banks within the Sparkassen-Finanzgruppe. In this way, the Sparkassen and their customers can handle many different transactions more efficiently, resulting in an improved service offering for all the parties involved. The platform will further strengthen the position of the Sparkassen as an alternative to other international banks.

Helaba has established a public participation financing solution for the Sparkassen. A crowdfunding platform can be used to implement public participation projects such as wind farms. It is currently being piloted with several Sparkassen. Developed in collaboration with the Deutsche Leasing Group, it will offer the Sparkassen a complete solution for debt financing and public participation.

The ongoing development of payment transactions in the direction of programmable payments and programmable money could also present a wide variety of new applications and opportunities for Helaba, which is a major player in payment transaction 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.

Other major opportunities for Helaba relate to innovations in connection with the digital euro, a development that continues to be monitored 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. 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 actively supports the European payment system (“wero”) 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 some Sparkassen, Helaba is piloting the targeted acquisition of ESG data.

The digital transformation is being supported by the development of a central Data Governance & Analytics unit that enables data to be used reliably by Helaba and creates the basis for data-driven products, services and business models. Group-wide data governance is the foundation for high data quality and integrity and thus has a fundamental role to play in the achievement of the strategic business objectives.

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.

The interest rate turnaround that began in June and lower inflation have resulted in a moderate improvement in the conditions for real estate finance. The first signs of stabilisation – also in the real estate market – are evident. However, German and international markets are still characterised by great restraint on the part of investors and transaction volumes are increasing only slowly. This reticence is impacting both values and financing parameters. Against the backdrop of the business area’s cyclicality, which has always been a factor in the real estate business area, Helaba is focused on selecting high-quality customers and transactions. Real estate financing is a significant business area for Helaba which is seeking a substantial share, especially as the markets continue to stabilise. Proactive management of the portfolio will optimise this in the long term, although the risk situation will remain elevated in the second half of the year.

The focus still rests mainly on managing the existing portfolio and taking a more selective and cautious approach to new business. 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.

Current interest rates support the LBS business model. Thanks to attractive interest rates for home loan savings, opportunities exist especially in connection with the demand from private customers for energy-efficient new construction and energy-related modernisation measures. Some aspects of the LBS portfolio are complemented by inexpensive products from WIBank.

The Corporates & Markets segment encompasses the customer-driven wholesale business. 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.

Another key component of Helaba's activities is the provision of finance for infrastructure and infrastructure-related services in the form of project and transport finance. Long-term business potential should be strong in this segment thanks to the focus of project and transport finance activities on the priority energy sector, principally renewable energy, and the modal shift towards rail transport. For this reason, the Bank supports projects aimed at driving the energy and transport transitions, the development of infrastructure and digitalisation and helping customers in their transformation processes. The creation of new, future-oriented asset classes and active flexibilisation of the balance sheet are expected to deliver further opportunities for sustainable growth. In this way, Helaba is continuing to position itself as a reliable and relevant partner to its customers and the S-Group.

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.

Export-oriented corporate customers expect their partner bank to offer a range of products that will help them with their international activities. Its institutional roots in the Sparkassen-Finanzgruppe and its extended customer base are enabling Helaba to position itself more strongly within the Sparkassen-Finanzgruppe as a service and solution provider for international business, if necessary using uniform collaboration models in the documentary business and foreign payment transactions. Helaba is continuously investigating additional opportunities to expand this business area.

In the precious metals and foreign notes business area, Helaba is a reliable and competent partner to the Sparkassen and their customers especially. Pooling this expertise within the Sparkassen-Finanzgruppe provides further opportunities for tapping into new customer groups.

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 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. Helaba is also working to ensure that it is well-positioned in the current ECB digital euro initiative and the German Banking Industry Committee's EPI 2.0 (EPI = European Payments Initiative). The latter was launched successfully in July 2024 with the provision of a secure demand-based and efficient wallet payment system ("wero") in Germany and other parts of Europe.

Following the adoption of the Instant Payments Regulation in March 2024, Helaba will continue to expand its consolidating function in central payment transactions for the Sparkassen and as a service provider to the Sparkassen-Finanzgruppe. This also applies to the further consolidation of services for foreign payment transactions which was initiated when Helaba took over the foreign payment transactions of the Sparkassen in Baden-Württemberg, Rhineland-Palatinate and Saxony.

A sustainability-led regional universal bank and market leader in private customer business, Frankfurter Sparkasse enjoys particular opportunities in the Retail & Asset Management segment thanks to its strong local roots. Its network of local branches represents the cornerstone of its sales organisation and is augmented by digital advisory units for private and business customers. Customers also have the option of other user-friendly access channels (online banking, a mobile app, media channels, telephone) if they prefer. Frankfurter Sparkasse is consistently stepping up its development of these channels to help it compete effectively as a genuine omnichannel provider with the aim of making marketing more efficient and leveraging potential in the customer business. The chance to support customers through their sustainability transformation process also opens up opportunities for end-to-end advisory services and in the investment and lending business.

Frankfurter Sparkasse's digital sales platform, 1822direkt, has repeatedly received awards for the quality of its products, advice and service, highlighting the appeal of its offering. The current interest rate environment has led to a revival of the deposit business. Marketing and customer acquisition have focused especially on overnight money. Frankfurter Sparkasse intends to make even greater use of existing market opportunities by stepping up its expansion of securities business and home finance for private customers.

Helaba Invest's strategic focus on its three main pillars – Asset Management, Alternative Investments and Asset Servicing (Administration / master investment company) – presents opportunities for it to build on its position as the leading provider of special funds both within and outside the Sparkassen-Finanzgruppe. Additional market potential is to be found in the highly diversified customer structure, stable long-term customer base and extensive service portfolio. For many years, Helaba Invest has regularly received top ratings for product quality and for individual and overall customer support.

Its position is further strengthened by the growing integration of sustainability criteria, not only in its own asset management activities but also at the company level. This is supported by the Sustainable Investment Framework (SIF) introduced in partnership with Helaba in 2023.

Helaba believes that there is further growth potential for the Group from the business with high-net-worth customers via the FBG subsidiary. As the independent private bank of the Sparkassen-Finanzgruppe, the FBG has a unique business model that positions it as the competence centre for wealth management based in Zurich and Frankfurt am Main. In its core business, FBG works with the Sparkassen in Germany. In this way and via its acquisition and referral business in Switzerland, it is facilitating further customer growth and a lasting increase in investment volume and profitability. FBG will consistently expand its existing collaborations with many S-Group banks. Moreover, all of its wealth management services comply with minimum ESG standards. The bank is also a signatory to the United Nations Principles for Responsible Investments. Therefore, FBG will continue to actively pursue its sustainability ambitions in the future as well. Its strategic holding in IMAP M&A Consultants AG (Deutschland), a market leader in the mid-size corporates segment, extends FBG's range of services to include SME corporate transactions as well, enabling it to consolidate and further enhance its position as a capable end-to-end provider for German SMEs and owners of family businesses. Closer integration of corporate banking activities will create additional opportunities to increase IMAP's scope of action.

In support of its growth course, the FBG Group established a holding company headquartered in Frankfurt am Main at the end of 2023. This is responsible for managing the entire FBG Group while the operating business remains in the hands of the subsidiaries, as in the past. Helaba is the sole shareholder of the holding company.

The GWH Group has established a comprehensive, long-term decarbonisation program intended to make its residential real estate portfolio more attractive and sustainable. Its ultimate objective here is to improve energy consumption and carbon footprint continuously until its residential buildings are carbon neutral. The main opportunities for future development by the GWH Group are to be found in the rental housing market due to inadequate new construction activity and high levels of demand at the company's economically prosperous core locations. In addition to the construction of new rental housing, further opportunities exist in marketing used housing, purchasing real estate packages and optimising the existing portfolio.

OFB can consolidate its position by increasing its development activities through further diversification across sectors and regions of the market, thus leveraging growth opportunities. Through its service development mandates for a growing number of buildings in need of revitalisation, OFB has opportunities as a project developer. It consistently takes account of sustainability factors and the latest standards required in the market.

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

Particular opportunities are also seen in residential construction and subsidies for owner-occupied homes. The State of Hesse has improved the conditions of its subsidy programmes, resulting in consistently high demand. Likewise, the new photovoltaic subsidy programme has generated additional impulses in new business. 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 measures which help to boost the transformation, increase resilience and foster digitalisation, innovation and climate neutrality. 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 has participated in the establishment of the TechQuartier in Frankfurt. This is a place offering programs and formats that make the State of Hesse and the Rhine-Main region especially an attractive location for start-ups and company founders, supporting dialogue between companies, policymakers, regulators, universities and investors. This dialogue with company founders also has a positive impact on established lines of business at 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" to reflect the Sparkassen-Finanzgruppe's strengthened institutional protection scheme. Helaba retained the best-possible rating of "P-1" for its short-term liabilities. In the case of Fitch, Helaba is rated jointly with the Sparkassen in Hesse and Thuringia in the form of an S-Group rating. Fitch, too, has recognised the strengthening of the Sparkassen-Finanzgruppe's institutional protection scheme. In April 2024, Fitch confirmed its ratings for the Sparkassen-Finanzgruppe Hessen-Thüringen at "A+/F1+", the same rating already given to the Sparkassen in Germany.

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 (since 5 August 2024, 66 % of its shares are held by members of the Sparkassen organisation) and its Sparkasse central bank function for around 40 % of Sparkassen in Germany. 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. Alliances and inorganic growth are options for Helaba too as a way of putting its 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 focused on growth while the broad diversification of the business model acts as a stabilising factor, even in the current market situation. Sustainable finance remains very much front and centre as Helaba strives to proactively assist customers by providing sustainable financial products to support the carbon-neutral transition. The Helaba Group is continuing to expand its digitalisation offering in order to ensure an optimised user experience for customers. In addition, artificial intelligence – coupled with effective data management – offers the potential to develop new products, increase the personalisation of customer contacts and automate 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 the Group

The forecasts for 2024 presented in the Annual Report 2023 are considered to be still valid.

The slightly more moderate decrease in interest rates is the main factor likely to push operating income above the forecast level. At the same time, loss allowances are expected to remain high but lower than in the prior year.

In view of the performance in the first half of the year, Helaba expects the volume of medium- and long-term new business for the full year to be down on the previous year.

Net interest income is expected to be noticeably lower than the prior-year figure but slightly ahead of previous forecasts. In line with expectations for loss allowances, net interest income after loss allowances will be around the same as the prior-year figure.

Net fee and commission income for the year as a whole is projected to be slightly higher than the prior-year level.

After the adverse effects of impairment losses on real estate in the previous year, net income from investment property is expected to recover to a significantly higher level than last year.

Other net income is also predicted to improve markedly due to the absence of depreciation and amortisation compared with the prior year.

Gains or losses on measurement at fair value will be characterised by interest rate developments. Although trading customer business is expected to remain stable, this figure will be very substantially lower than the prior year.

The very significant year-on-year reduction in costs for the European bank levy and the reserve funds will ease the pressure on general and administrative expenses. However, due to investments in the future and implementation of the strategic agenda, general and administrative expenses are expected to increase slightly overall compared with the previous year. They will be impacted by higher personnel and non-personnel operating expenses, especially due to extensive project activities such as those connected with modernising the IT infrastructure.

Consolidated net profit is expected to be at the prior-year level.

Overall assessment

With profit before taxes of € 413 m in the first half of 2024, Helaba has achieved a significant increase in profit, confirming the positive trend following the previous year's best half-year earnings figure since 2015.

Boosted by favourable market interest rates, net interest income was up by a substantial 11.0 % to € 907 m. Net fee and commission income was up slightly on the previous year at € 272 m. General and administrative expenses were stable at € 884 m. Falls in mandatory expenses were offset by a rise in personnel and other general and administrative expenses that is driven by growth and investment.

The loss allowances of € 173 m in the first six months reflect adverse economic effects. The balance of loss allowances, which was previously based on the flat-rate post-model adjustment in addition to loss allowances for individual transactions and has now been transitioned for the most part to an in-model adjustment based on individual transactions, is still at a comfortable level of € 269 m.

Although economic uncertainties remain, lower inflation and decreasing interest rates have brought a certain degree of relief to the capital and real estate markets.

Helaba's growth-focused and well-diversified business model has proved itself once more. There are opportunities available for further growth too in connection with the essential transformation process on the pathway to sustainable economic systems. Helaba is holding its course and expects pre-tax earnings in 2024 to match the prior-year level.

Frankfurt am Main / Erfurt, 6 August 2024

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

Groß	Kemler	Nickel
Rhino	Schmid	Weiss

Consolidated interim financial statements

Consolidated income statement

for the period 1 January to 30 June 2024

	Notes	1.1.–30.6.2024 in € m	1.1.–30.6.2023 in € m	Change in %
Net interest income	(3)	907	817	11.0
Interest income		4,697	3,783	24.2
thereof: Calculated using the effective interest method		3,280	2,834	15.7
Interest expenses		–3,790	–2,966	–27.8
Loss allowances	(4)	–173	–108	–59.4
Gains or losses from non-substantial modification of contractual cash flows	(5)	0	0	>100.0
Net interest income after loss allowances and modifications		**734**	**709**	**3.6**
Dividend income	(6)	6	7	–11.8
Net fee and commission income	(7)	272	259	5.1
Fee and commission income		333	319	4.3
Fee and commission expenses		–61	–61	–0.6
Income/expenses from investment property	(8)	131	86	53.5
Net trading income	(9)	65	51	26.5
Gains or losses on other financial instruments mandatorily measured at fair value through profit or loss	(10)	–124	177	>–100.0
Gains or losses on financial instruments designated voluntarily at fair value	(11)	133	–152	>100.0
Net income from hedge accounting	(12)	4	24	–82.4
Gains or losses on derecognition of financial instruments not measured at fair value through profit or loss	(13)	0	–2	>100.0
thereof: From financial assets measured at amortised cost		0	0	–62.7
Share of profit or loss of equity-accounted entities	(14)	6	4	48.8
Other net operating income	(15)	68	41	66.1
General and administrative expenses	(16)	–812	–793	–2.3
Depreciation	(17)	–73	–74	1.2
Profit or loss before tax		**413**	**336**	**22.8**
Taxes on income	(18)	–116	–96	–20.7
Consolidated net profit		**298**	**241**	**23.7**
thereof: Attributable to non-controlling interests		–0	–0	83.5
thereof: Attributable to shareholders of the parent		298	241	23.6

Consolidated statement of comprehensive income

for the period 1 January to 30 June 2024

	1.1.–30.6.2024	1.1.–30.6.2023	Change
	in € m	in € m	in %
Consolidated net profit according to the consolidated income statement	**298**	**241**	**23.7**
Items that will not be reclassified to the consolidated income statement:	**56**	**31**	**80.6**
Remeasurement of net defined benefit liability	72	21	>100.0
Change in fair value of equity instruments measured at fair value through other comprehensive income	2	1	5.8
Credit risk-related change in fair value of financial liabilities designated voluntarily at fair value	5	23	–76.3
Taxes on income on items that will not be reclassified to the consolidated income statement	–23	–14	–68.6

	1.1.–30.6.2024	1.1.–30.6.2023	Change
	in € m	in € m	in %
Items that will be subsequently reclassified to the consolidated income statement:	**–6**	**17**	**>–100.0**
Change in fair value of debt instruments measured at fair value through other comprehensive income	–19	34	>–100.0
Unrealised gains (+)/losses (–) recognised in the reporting period	–18	32	>–100.0
Gains (–)/losses (+) reclassified to the consolidated income statement in the reporting period	–0	1	>–100.0
Gains or losses from currency translation of foreign operations	2	–0	>100.0
Unrealised gains (+)/losses (–) recognised in the reporting period	2	–0	>100.0
Gains or losses from fair value hedges of currency risk	8	–9	>100.0
Unrealised gains (+)/losses (–) recognised in the reporting period	8	–9	>100.0
Taxes on income on items that will be subsequently reclassified to the consolidated income statement	3	–8	>100.0
Other comprehensive income after taxes	**50**	**48**	**4.2**
Comprehensive income for the reporting period	**348**	**289**	**20.5**
thereof: Attributable to non-controlling interests	–0	–0	83.5
thereof: Attributable to shareholders of the parent	348	289	20.3

Consolidated statement of financial position

as at 30 June 2024

Assets

	Notes	30.6.2024 in € m	31.12.2023 in € m	Change in %
Cash on hand, demand deposits and overnight money balances with central banks and banks	(19), (33)	39,077	32,864	18.9
Financial assets measured at amortised cost	(20), (33)	127,782	129,477	–1.3
Trading assets	(21)	11,677	11,697	–0.2
Other financial assets mandatorily measured at fair value through profit or loss	(22)	2,292	2,614	–12.3
Financial assets designated voluntarily at fair value	(23)	2,732	2,828	–3.4
Positive fair values of hedging derivatives under hedge accounting	(24)	112	393	–71.4
Financial assets measured at fair value through other comprehensive income	(25), (33)	15,475	15,535	–0.4
Shares in equity-accounted entities	(26)	44	36	21.4
Investment property	(27)	3,594	3,485	3.1
Property and equipment	(28)	699	710	–1.4
Intangible assets	(29)	251	234	7.4
Income tax assets		488	536	–9.0
Current income tax assets		140	161	–13.1
Deferred income tax assets		349	375	–7.2
Other assets	(30)	1,851	1,664	11.2
Total assets		**206,075**	**202,072**	**2.0**

Equity and liabilities

	Notes	30.6.2024 in € m	31.12.2023 in € m	Change in %
Financial liabilities measured at amortised cost	(20)	164,251	162,306	1.2
Trading liabilities	(21)	13,636	11,350	20.1
Negative fair values of non-trading derivatives	(22)	2,629	2,924	–10.1
Financial liabilities designated voluntarily at fair value	(23)	12,443	12,445	–
Negative fair values of hedging derivatives under hedge accounting	(24)	628	667	–5.8
Provisions	(31)	1,097	1,175	–6.7
Income tax liabilities		137	127	7.7
Current income tax liabilities		134	124	8.2
Deferred income tax liabilities		3	3	–14.1
Other liabilities	(30)	664	745	–10.8
Equity	(32)	10,589	10,333	2.5
Subscribed capital		2,509	2,509	–
Capital reserves		1,546	1,546	–
Additional Tier 1 capital instruments		354	354	–
Retained earnings		6,235	6,028	3.4
Accumulated other comprehensive income (OCI)		–56	–106	47.1
Non-controlling interests		1	1	–48.2
Total equity and liabilities		**206,075**	**202,072**	**2.0**

Consolidated statement of changes in equity

for the period 1 January to 30 June 2024

in € m

	Subscribed capital	Capital reserves	Additional Tier 1 capital instruments	Retained earnings	Accumulated other comprehensive income	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
As at 1.1.2023	**2,509**	**1,546**	**354**	**5,665**	**–199**	**9,875**	**2**	**9,877**
Dividend payment				–		–	–1	–1
Comprehensive income for the reporting period				241	48	289	–0	289
thereof: Consolidated net profit				241		241	–0	241
thereof: Other comprehensive income after taxes					48	48	–	48
As at 30.6.2023	**2,509**	**1,546**	**354**	**5,906**	**–151**	**10,164**	**1**	**10,165**
Changes in the basis of consolidation	–	–	–	–	–	–	–1	–1
Dividend payment				–104		–104	0	–103
Comprehensive income for the reporting period				225	46	271	1	272
thereof: Consolidated net profit				225		225	1	226
thereof: Other comprehensive income after taxes					46	46	–	46
Reclassifications within equity				0	–0	–		–
As at 31.12.2023	**2,509**	**1,546**	**354**	**6,028**	**–106**	**10,331**	**1**	**10,333**
Changes in the basis of consolidation	–	–	–	–	–	–	–0	–0
Dividend payment				–90		–90	–1	–91
Comprehensive income for the reporting period				298	50	348	–0	348
thereof: Consolidated net profit				298		298	–0	298
thereof: Other comprehensive income after taxes					50	50	–	50
Reclassifications within equity				0	–0	–		–
As at 30.6.2024	**2,509**	**1,546**	**354**	**6,235**	**–56**	**10,589**	**1**	**10,589**

Consolidated cash flow statement

for the period 1 January to 30 June 2024 – condensed

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Cash and cash equivalents as at 1.1.	**32,864**	**40,266**
Cash flow from operating activities	6,899	1,449
Cash flow from investing activities	–527	–427
Cash flow from financing activities[1)]	–127	297
Effect of exchange rate changes, measurement changes and changes in basis of consolidation	–33	21
Cash and cash equivalents as at 30.6.	**39,077**	**41,606**
thereof: Cash on hand	65	73
thereof: Demand deposits and overnight money balances at central banks and banks	39,011	41,532

1) Non-cash changes in subordinated liabilities amounted to an increase of € 22 m (31 December 2023: decrease of € 46 m) and were attributable to accrued interest and measurement effects.

Notes

Notes

Accounting policies

(1) Basis of presentation

Basis of accounting

The consolidated interim financial statements of the Helaba Group for the period ended 30 June 2024 have been prepared pursuant to Section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB) and Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (IAS Regulation) in accordance with the International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU). They also take into consideration the requirements of IAS 34 Interim Financial Reporting. The consolidated cash flow statement is presented in a condensed version; only selected information is disclosed in the notes. The consolidated interim financial statements should be read in conjunction with the Helaba Group's IFRS consolidated financial statements for the year ended 31 December 2023.

The reporting currency of the consolidated interim 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. If a figure is reported as "0", this means that the amount has been rounded to zero. If a figure is reported as "–", this means that the figure is zero.

The IFRSs and International Financial Reporting Standards Interpretations (IFRICs) that were in force as at 30 June 2024 have been applied in full. The relevant requirements of German commercial law as specified in Section 315e HGB have also been observed.

The accounting policies applied in the preparation of the condensed consolidated interim financial statements and the assumptions, estimates and assessments made are generally the same as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2023. Exceptions are the standards and interpretations described in the following section that have been applied in the Helaba Group since 1 January 2024.

Helaba applies the post-model adjustment (PMA) to calculate loss allowances for additional 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. As at 31 December 2023, stage 1 and 2 volumes were taken into account for the PMA and rating deteriorations of at least three and up to nine stages were simulated; the resulting effects on the loss allowances were determined for each individual transaction. This did not result in an actual stage transfer of the individual transaction. PMAs were recognised for the commercial real estate sector (office and retail properties) especially. Following the revision of the loss allowance model, these PMAs were recognised as in-model adjustments (IMAs) and basic loss allowances as at 30 June 2024. Also as at 30 June 2024, Helaba recognised a PMA for identified critical sub-portfolios. Due to the currently large watchlist content and an anticipated deterioration, an additional loss allowance was recognised as a PMA for the critical sub-portfolios of mechanical engineering, metal production and processing, and health and social care. For further details, please refer to Note (33).

For further information on the organisation of risk management, the individual risk types and risk concentrations, including in connection with still high interest rates, as well as on further risks arising in connection with financial instruments, please refer to the "Risk report", which forms an integral part of the management report.

Regarding the initial position for application of a global minimum taxation regime, there were no changes compared with the annual financial statement. Helaba assumes that no top-up tax will be owed for any tax jurisdiction in 2024 due to the application of safe – harbour transitional arrangements.

IFRSs applied for the first time

The 2024 financial year was the first year in which mandatory application was required for the following IFRSs and IFRICs adopted by the EU:

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the following:

- The right to defer settlement of a liability is explained.
- The right to defer settlement of a liability must exist at the end of the reporting period.
- Classification is unaffected by the company's expectations about whether it will exercise this right.
- If the liability is a derivative embedded in a convertible debt instrument and must be accounted for as a separate equity instrument, the conditions of the debt instrument must not be taken into account for its classification. The amendments apply for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants
In October 2022, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current if a company is subject to compliance with covenants. The amendments in 2022 responded to a lack of clarity caused by amendments in 2020 that concerned especially those covenants that must be complied with during the course of the year and not at the reporting date.

Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback
In September 2022, the IASB issued amendments to IFRS 16. The amendments clarified the requirements to be applied by a seller/lessee in the subsequent measurement of the lease liability from a sale and leaseback transaction to ensure that the seller/lessee does not report a gain or loss relating to the retained right of use. The amendments must be applied for the first time for annual reporting periods beginning on or after 1 January 2024. A seller/lessee must apply the amendments retrospectively to sale and leaseback transactions concluded since the first-time application of IFRS 16.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Supplier Finance Arrangements
In May 2023, the IASB issued amendments to IAS 7 and IFRS 7 which introduce additional disclosure requirements in connection with supplier finance arrangements and aim to increase the transparency of such arrangements and their effect on liabilities, cash flows and liquidity risk in a company's financial statement. The amendments also include clarifications relating to the features of supplier finance arrangements. The new disclosure requirements supplement the existing requirements contained in the standards. They require a company to provide information about the effect of supplier finance arrangements on liabilities and cash flows. Such information includes a description of the conditions of these arrangements, quantitative information about liabilities in connection with these arrangements at the start and end of the reporting period and a description of the type and effect of non-cash changes to the carrying amounts of these arrangements. The information about these arrangements should be aggregated unless the individual arrangements have different or unique terms and conditions. In connection with the quantitative information about the liquidity risk required by IFRS 7, supplier finance arrangements are named as an example of other factors that could be relevant to this disclosure. The application of the amendments is mandatory for annual reporting periods beginning on or after 1 January 2024. The amendments provide some simplifications for the transition in respect of comparative and quantitative information at the start of the annual reporting period and for the interim financial statements.

The adoption of the new or amended standards and interpretations had little or no impact on the consolidated interim financial statements.

New financial reporting standards for future financial years

The standards and interpretations listed below have been issued by the IASB and IFRS IC (IFRS Interpretations Committee), but have only been partially adopted by the EU and will only become mandatory in later financial years, and have thus not been applied early by Helaba, With the exception of the amendments to IFRS 9 and IFRS 7 as well as IFRS 18, they are expected to have little or no impact on the consolidated financial statements.

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

  In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address issues that were identified in the course of application and the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. The amendments include:

  - Clarification that a financial liability is derecognised on the settlement date, i.e. when the associated obligation has been fulfilled or terminated or has expired or the liability otherwise meets the criteria for derecognition. In addition, the option is introduced to derecognise financial liabilities that are discharged via an electronic payment system prior to the settlement date if certain criteria are met.

- Clarification of how to measure the contractual cash flows of financial assets if these contain environmental, social and governance (ESG) features and other similar contingent features.
- Clarification as to the treatment of financial assets with non-recourse features and of contractually linked instruments.
- Additional disclosures in IFRS 7 for financial assets and liabilities with contractual conditions linked to a contingent event (including ESG-linked events) and for equity instruments classified at fair value in other comprehensive income.

The amendments will come into force for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. The amendments have not yet been adopted by the EU. Helaba is currently assessing the likely impact.

- IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and subtotals in the income statement. It also requires the disclosure of the performance indicators defined by management and contains new requirements for the reporting, aggregation and disaggregation of financial information. The new standard will come into force for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. IFRS 18 has not yet been adopted by the EU. Helaba is currently assessing the likely impact of IFRS 18.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Annual Improvements to IFRS Accounting Standards (AIP) – Volume 11

Amendments to recognised amounts, changes to estimates, restatement or adjustment of prior-year figures

In the previous year, other liabilities from guarantees and warranty agreements were reported as financial guarantees. These transactions and the associated provisions have been restated. The adjustments are presented in Notes (4) Loss allowances, (31) Provisions, (33) Credit risks attributable to financial instruments, (37) Contingent liabilities and other off-balance sheet obligations and (39) Related party disclosures. They had no impact on the figures for consolidated net profit or equity.

In the prior year, transactions that were not transactions with unconsolidated subsidiaries were inaccurately reported under related party disclosures. The adjustments to the prior-year figures are recognised in Note (39). They had no impact on the figures for consolidated net profit or equity.

Due to an organisational change, the income from money trading for treasury activities is now included in the Other segment in the segment reporting (Note (18)). In the first half of 2023, it was included in the Corporates & Markets segment. The prior-year figures have been restated. A reconciliation is shown in the corresponding Note. The adjustments had no impact on the figures for consolidated net profit or equity.

Helaba revised and refined its calculation of loss allowances for financial instruments effective 30 June 2024. The main changes to estimates are:

- The inclusion of macroeconomic analyses and amendments in the basic loss allowances: Previously, the ECL calculation took account of forward-looking information in the PD (probability of default) and LGD (loss-given default) parameters on the basis of exceptional circumstances at the portfolio level. In the event of unusual macroeconomic circumstances, these parameters are adjusted for a specific portfolio. From 30 June 2024, macroeconomic forecasts will be included directly in the input parameters (PD and LGD) for all portfolios and no longer reported separately as exceptional circumstances. In the reporting period, bank-specific data were used in place of pool data in the rating module for domestic commercial real estate finance.
- The introduction of in-model adjustments (IMAs) to take account of current or exceptional effects in loss allowances: The IMAs reflect a change in the assessment of loss allowances due to new or amended information. These amendments are applied at the individual transaction level and affect the calculation of the expected credit loss (ECL). In the prior-year period, these risks were recognised as post-model adjustments (PMAs) and basic loss allowances. This did not result in an actual stage transfer of the individual transaction.
- From 30 June 2024, following the introduction of IMAs, PMAs will only be recognised if amendments must be made to loss allowances and the individual risk parameters due to unusual circumstances recognised at portfolio level.

These amendments to the calculation of loss allowances are changes to estimates pursuant to IAS 8.32 et seq. For further details, please refer to Note (33).

(2) Basis of consolidation

In addition to the parent company Helaba, a total of 114 entities are consolidated in the Helaba Group (31 December 2023: 113). Of this total, 90 (31 December 2023: 89) entities are fully consolidated and 24 (31 December 2023: 24) entities are included using the equity method. The fully consolidated companies are subsidiaries and special purpose entities in accordance with IFRS 10, including collective investment undertakings.

The consolidated financial statements do not include 22 (31 December 2023: 23) subsidiaries, 16 (31 December 2023: 16) joint ventures and 14 (31 December 2023: 12) associates that are of minor significance for the presentation of the financial position and financial performance of the Helaba Group. The shares in these entities are reported under financial assets measured at fair value through other comprehensive income if they constitute material strategic equity investments; otherwise, they are reported under financial assets mandatorily measured at fair value through profit or loss.

The changes in the basis of consolidation during the reporting period were related to the subsidiaries shown below.

Changes in the group of fully consolidated entities

Entities added	
GWH WohnWerk GmbH, Frankfurt am Main	Entity established in May 2024

Consolidated income statement disclosures

(3) Net interest income

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Interest income from	**4,697**	**3,783**
Financial assets measured at amortised cost	**3,137**	**2,737**
thereof: Calculated using the effective interest method	3,129	2,719
Demand deposits and overnight money balances at central banks and banks	821	774
Bonds and other fixed-income securities	48	19
Loans and receivables	2,269	1,943
Non-trading financial assets mandatorily measured at fair value through profit or loss	**1,043**	**713**
Bonds and other fixed-income securities	6	7
Loans and receivables	1	2
Derivatives not held for trading	1,036	704
Financial assets designated voluntarily at fair value	**14**	**16**
Bonds and other fixed-income securities	1	1
Loans and receivables	12	14
Financial assets measured at fair value through other comprehensive income	**152**	**115**
thereof: Calculated using the effective interest method	152	115
Bonds and other fixed-income securities	143	106
Loans and receivables	9	8
Hedging derivatives under hedge accounting	**307**	**161**
Financial liabilities (negative interest)	**2**	**2**
Financial liabilities measured at amortised cost	2	2
Other	**43**	**40**
Commitment fees	43	40
From plan assets in connection with pension obligations	–	0

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Interest expense on	**–3,790**	**–2,966**
Financial liabilities measured at amortised cost	**–2,073**	**–1,807**
Securitised liabilities	–638	–390
Deposits and loans	–1,434	–1,416
Other financial liabilities	–1	–1
Derivatives not held for trading	**–1,208**	**–705**
Financial liabilities designated voluntarily at fair value	**–113**	**–100**
Securitised liabilities	–70	–54
Deposits and loans	–42	–46
Other financial liabilities	–0	–
Hedging derivatives under hedge accounting	**–379**	**–335**
Financial assets (negative interest)	**–1**	**–1**
Financial assets measured at amortised cost	–1	–1
Financial assets measured mandatorily at fair value through profit or loss	–0	–0
Financial assets designated voluntarily at fair value	–0	–
Financial assets measured at fair value through other comprehensive income	–0	–0
Provisions and other liabilities	**–17**	**–18**
Unwinding of discount on provisions for pension obligations	–14	–15
Unwinding of discount on other provisions	–1	–1
Sundry liabilities	–1	–1
Net interest income	**907**	**817**

The interest income on financial assets measured at amortised cost that is not determined using the effective interest method consists mainly of early termination fees and other interest.

Interest income and expenses relating to trading activities are reported under net trading income.

Effects of the ECB's targeted longer-term refinancing operations (TLTRO III)

The Helaba Group had no borrowing under the ECB's TLTRO III programme as at 30 June 2024 (31 December 2023: € 6.5 bn). The last tranche matured in March 2024. For the period from 23 November 2022 until the maturity date or early repayment date (last interest rate period), the interest rate was indexed to the average applicable key ECB interest rates over that period. These pro rata amounts of interest are presented under interest expense from financial liabilities.

(4) Loss allowances

in € m

	1.1.–30.6.2024	1.1.–30.6.2023[1]
Financial assets measured at amortised cost	**–150**	**–111**
Demand deposits and overnight money balances at central banks and banks	–0	–0
Additions to cumulative loss allowances	–0	–0
Reversals of cumulative loss allowances	0	0
Bonds and other fixed-income securities	–0	–0
Additions to cumulative loss allowances	–0	–0
Reversals of cumulative loss allowances	0	0
Loans and receivables	–150	–111
Additions to cumulative loss allowances	–775	–358
Reversals of cumulative loss allowances	628	248
Direct write-offs	–4	–2
Recoveries on loans and receivables previously written off	1	1
Financial assets measured at fair value through other comprehensive income	**–1**	**–0**
Bonds and other fixed-income securities	–0	–0
Additions to cumulative loss allowances	–0	–1
Reversals of cumulative loss allowances	0	0
Loans and receivables	–1	–0
Additions to cumulative loss allowances	–1	–0
Reversals of cumulative loss allowances	0	0
Loan commitments	**–21**	**–6**
Additions to provisions	–49	–34
Reversals of provisions	29	27
Financial guarantees	**–1**	**10**
Additions to provisions	–12	–15
Reversals of provisions	11	25
Total	**–173**	**–108**

[1] Prior-year figures restated; see separate table.

In the previous year, liabilities from guarantees and warranty agreements were reported as financial guarantees. These transactions and the associated provisions have been restated. The resulting adjustments to loss allowances are as follows:

in € m

	1.1.–30.6.2023		
	reported	adjustment	adjusted
Financial guarantees	**10**	**0**	**10**
Additions to provisions	–27	12	–15
Reversals of provisions	36	–11	25

The higher additions to and reversals of the loss allowances for loans and receivables measured at amortised cost are primarily attributable to the reversal of the post-model adjustment recognised as at 31 December 2023 and the recognition of the in-model adjustment as at 30 June 2024. See Notes (1) and (33) for further disclosures relating to loss allowances.

(5) Gains or losses from non-substantial modification of contractual cash flows

In the reporting period, as in the comparative period, there was a gain of less than € 1 m from non-substantial modifications of contractual cash flows from loans and receivables measured at amortised cost.

(6) Dividend income

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Related to financial assets mandatorily measured at fair value through profit or loss	**6**	**6**
Equity shares and other variable-income securities	2	2
Shares in unconsolidated affiliates	1	1
Shares in non-equity-accounted associates	–	0
Other equity investments	3	4
Related to financial assets measured at fair value through other comprehensive income	**0**	**1**
Other equity investments	0	1
Total	**6**	**7**

Dividend income from shares in unconsolidated affiliates encompasses dividends as well as income from profit and loss transfer agreements.

Dividend income relating to trading activities is recognised under net trading income.

(7) Net fee and commission income

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Lending and guarantee business	33	36
Account management and payment transactions	80	75
Asset management	83	76
Securities and securities deposit business	23	19
Management of public-sector subsidy and development programmes	33	34
Other fees and commissions	20	17
Total	**272**	**259**

Fees and commissions relating to trading activities are reported within net trading income.

Disclosures regarding revenue from contracts with customers

The following table shows income items in the reporting period that included revenue as defined in IFRS 15, broken down by type of service and segment:

in € m

	Real Estate		Corporates & Markets		Retail & Asset Management		WIBank		Other		Consolidation / reconciliation		Group	
	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023
Fee and commission income	**8**	**9**	**99**	**95**	**198**	**187**	**34**	**36**	**–**	**–**	**–7**	**–7**	**333**	**319**
Lending and guarantee business	8	9	35	37	1	1	–	–	–	–	–2	–2	41	44
Account management and payment transactions	–	–	41	38	42	40	–	–	–	–	–1	–1	82	77
Asset management	–	–	–	–	90	82	–	–	–	–	–1	–1	89	81
Securities and securities deposit business	–	–	20	18	30	26	–	–	–	–	–1	–1	49	43
Management of public-sector subsidy and development programmes	–	–	–	–	–	–	33	34	–	–	–	–	33	34
Other	–	0	4	1	36	38	2	2	–	–	–2	–1	40	40
Revenue in accordance with IFRS 15 under other operating income	**–**	**–**	**1**	**1**	**36**	**20**	**0**	**0**	**23**	**25**	**–7**	**–3**	**52**	**43**
Total	**8**	**9**	**100**	**95**	**234**	**207**	**34**	**36**	**23**	**25**	**–14**	**–10**	**385**	**362**

(8) Net income from investment property

Most of the net income from investment property is generated by the GWH Group. The following table shows a breakdown of the income and expenses:

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Income from investment property	**254**	**244**
Rental and lease income	156	147
Income from allocatable operating and maintenance expenses	75	82
Gains on derecognition	18	7
Other income	5	6
Expenses from investment property	**–123**	**–158**
Operating and maintenance expenses	–120	–126
thereof: From property leased out	–120	–126
Impairment losses	–	–29
Miscellaneous expenses	–2	–3
Total	**131**	**86**

(9) Net trading income

Net trading income was at around the same level as in the first half of the prior year. The significantly higher net gain from interest rate derivatives was offset by the lower gain from hedged items.

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Equity-/index-related transactions	**0**	**1**
Equity shares and other variable-income securities	0	0
Equities	0	0
Investment units	0	0
Equity/index derivatives	3	5
Issued equity/index certificates	–2	–4
Interest-rate-related transactions	**48**	**34**
Bonds and other fixed-income securities	13	30
Loans and receivables	3	27
Repayable on demand and at short notice	2	1
Securities repurchase transactions (reverse repos)	4	1
Other fixed-term loans	–2	26
Other receivables not classified as loans	–0	–2
Short sales	1	2
Issued money market instruments	–0	–2
Deposits and loans	–113	–64
Payable on demand	–52	–16
Securities repurchase transactions (repos)	–61	–48
Other financial liabilities	–	0
Interest-rate derivatives	143	40
Currency-related transactions	**9**	**16**
Foreign exchange	9	16
FX derivatives	0	0
Credit derivatives	**–0**	**–1**
Commodity-related transactions	**16**	**10**
Net fee and commission income or expense	**–8**	**–8**
Total	**65**	**51**

(10) Gains or losses on other financial instruments mandatorily measured at fair value through profit or loss

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Derivatives not held for trading	**–149**	**150**
Equity/index derivatives	0	2
Interest-rate derivatives	–146	156
Cross-currency derivatives (FX derivatives)	–3	–8
Credit derivatives	–0	–0
Bonds and other fixed-income securities	**–5**	**10**
Loans and receivables	**2**	**–0**
Equity shares and other variable-income securities	**3**	**12**
Shareholdings	**25**	**6**
Shares in unconsolidated affiliates	–0	1
Shares in non-equity-accounted joint ventures	0	0
Shares in non-equity-accounted associates	–0	2
Other equity investments	25	3
Total	**–124**	**177**

The gains or losses on interest rate derivatives mandatorily measured at fair value through profit or loss largely resulted from hedges in connection with financial instruments designated voluntarily at fair value. The gains or losses on remeasurement of the hedged items are reported under gains or losses on financial instruments designated voluntarily at fair value (Note (11)).

(11) Gains or losses on financial instruments designated voluntarily at fair value

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Bonds and other fixed-income securities	–2	1
Loans and receivables	–38	–3
Securitised liabilities	71	–91
Deposits and loans	102	–58
Total	**133**	**–152**

Gains or losses on financial instruments designated voluntarily at fair value are largely driven by changes in interest rates and are slightly overcompensated by the offsetting measurement effects from associated economic hedges (Note (10)).

The measurement of the liabilities-side business to which the fair value option was applied was also affected by the change in Helaba’s own credit risk. The resulting measurement effects are recognised in comprehensive income.

(12) Net income from hedge accounting

The net income from hedge accounting comprises the remeasurement gains or losses on the hedged items and hedging instruments under hedge accounting.

in € m

	Consolidated income statement: Recognised ineffective portion of hedges		Comprehensive income: Recognised hedge costs	
	1.1.–30.6.2024	1.1.–30.6.2023	1.1.–30.6.2024	1.1.–30.6.2023
Fair value hedges – micro hedges	**4**	**27**	**2**	**–14**
Interest rate hedges	3	22	–	–
Change in fair value of hedging derivatives in the reporting period	–22	19	–	–
Interest-rate-related change in fair value of hedged items in the reporting period	24	3	–	–
Combined hedge of interest rate and currency risk	1	5	2	–14
Change in fair value of hedging derivatives in the reporting period	13	–21	2	–14
Interest-rate-related change in fair value of hedged items in the reporting period	–12	27	–	–
Fair value hedges – group hedges	**0**	**–4**	**6**	**6**
Foreign currency hedges	0	–4	6	6
Change in fair value of hedging derivatives in the reporting period	–460	125	6	6
Spot-rate-related change in fair value of hedged items in the reporting period	460	–128	–	–
Total	**4**	**24**	**8**	**–9**

Micro hedges are used to hedge both interest rate risk and combined interest rate and currency risk. Group hedges are used to hedge currency risk.

(13) Gains or losses on derecognition of financial instruments not measured at fair value through profit or loss

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Related to financial assets measured at amortised cost	**0**	**0**
Bonds and other fixed-income securities	–	–0
Loans and receivables	0	0
Related to financial assets measured at fair value through other comprehensive income	**0**	**–1**
Bonds and other fixed-income securities	0	–1
Related to financial liabilities measured at amortised cost	**–**	**–0**
Deposits and loans	–	–0
Total	**0**	**–2**

(14) Share of profit or loss of equity-accounted entities

The share of profit or loss of equity-accounted entities comprises the earnings contributions of equity-accounted joint ventures and associates.

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Share of profit or loss of equity-accounted joint ventures	**6**	**2**
Share of profit or loss	7	2
Impairment losses or impairment loss reversals	–0	0
Gain/loss on disposals	–	–0
Share of profit or loss of equity-accounted associates	**0**	**2**
Share of profit or loss	1	2
Impairment losses or impairment loss reversals	–1	–0
Total	**6**	**4**

(15) Other net operating income

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Gains (+) or losses (–) from the disposal of non-financial assets	**14**	**13**
Property and equipment	0	0
Inventories	14	13
Impairment losses (–) or reversals of impairment losses (+) on non-financial assets	**–5**	**–19**
Property and equipment	–	–0
Inventories	–5	–19
Additions (–) to or reversals (+) of provisions	**10**	**10**
Provisions for off-balance sheet liabilities (excluding loan commitments and financial guarantees)	–1	0
Restructuring provisions	0	4
Provisions for litigation risks and tax proceedings	–0	0
Sundry provisions	11	6
Other net operating income	**18**	**20**
Property and equipment	8	8
Inventories	10	12
Rental income under non-cancellable subtenancy arrangements	**1**	**1**
Income from non-banking services	**13**	**12**
Profit transfer expenses	**–**	**–0**
Sundry other operating income and expenses	**17**	**5**
Total	**68**	**41**

Gains or losses from the disposal of non-financial assets, other net operating income/expense and income from non-banking services include revenue in accordance with IFRS 15. Please refer to Note (7) for further disclosures.

(16) General and administrative expenses

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Personnel expenses	**–381**	**–351**
Wages and salaries	–312	–286
Social security	–48	–45
Expenses for pensions and other benefits	–21	–19
Other administrative expenses	**–430**	**–443**
Business operating costs	–59	–59
Audit and consultancy services	–79	–53
IT expenses	–162	–132
Expenses for business premises	–22	–22
Cost of advertising, public relations and representation	–21	–16
Mandatory contributions	–88	–161
thereof: Contributions to SGVHT and DSGV protection schemes	–59	–65
thereof: Mandatory contributions to the European Single Resolution Fund	–	–68
Total	**–812**	**–793**

(17) Depreciation and amortisation

in € m

	1.1.–30.6.2024	1.1.–30.6.2023
Investment property	**–27**	**–26**
Buildings leased out	–27	–26
Property and equipment	**–30**	**–29**
Owner-occupied land and buildings	–22	–21
Operating and office equipment	–7	–8
Machinery and technical equipment	–1	–1
Intangible assets	**–16**	**–18**
Concessions, industrial and similar rights	–0	–0
Purchased software	–16	–18
Internally generated software	–0	–0
Other intangible assets	–0	–0
Total	**–73**	**–74**

(18) Segment reporting

The following table shows the segment reporting for the reporting period:

in € m

	Real Estate		Corporates & Markets		Retail & Asset Management		WIBank		Other		Consolidation / reconciliation		Group	
	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023[1]	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023[1]	1.1.– 30.6.2024	1.1.– 30.6.2023	1.1.– 30.6.2024	1.1.– 30.6.2023
Net interest income	210	212	270	288	206	197	50	44	183	98	–12	–22	907	817
Loss allowances	–49	–173	–107	–10	–10	9	–	–	–8	66	1	0	–173	–108
Net interest income after loss allowances	**161**	**38**	**163**	**278**	**197**	**206**	**50**	**44**	**175**	**164**	**–11**	**–22**	**734**	**709**
Net fee and commission income	8	9	83	82	154	142	34	36	–8	–8	1	–2	272	259
Income / expenses from investment property	–	–	–	–	131	86	–	–	–	–	–	–	131	86
Gains or losses on measurement at fair value	–0	–	59	69	23	7	1	0	–4	22	–	–	78	99
Net trading income	–	–	60	51	2	–1	–	–	3	–	–0	0	65	51
Net income from hedge accounting and other financial instruments measured at fair value (not held for trading)	–0	–	–2	18	21	8	1	0	–7	22	0	–0	14	48
Share of profit or loss of equity-accounted entities	–	–	–	–	1	2	–	–	5	2	–	–	6	4
Other net income / expense	0	0	1	2	38	23	3	4	34	17	–1	1	75	46
Total income	**169**	**48**	**305**	**432**	**545**	**466**	**88**	**84**	**202**	**197**	**–11**	**–23**	**1,298**	**1,203**
General and administrative expenses, including depreciation and amortisation	–76	–72	–264	–248	–322	–303	–62	–55	–182	–213	22	24	–884	–867
Profit or loss before tax	**93**	**–25**	**41**	**183**	**223**	**163**	**26**	**29**	**20**	**–15**	**11**	**1**	**413**	**336**
Assets (€ bn)	32.9	34.6	61.9	65.7	35.7	35.8	26.6	26.6	67.9	75.4	–18.9	–25.7	206.1	212.4
Risk-weighted assets (€ bn)	16.1	16.6	29.8	29.4	7.2	7.0	1.5	1.5	8.7	8.6	–	–	63.4	63.1
Allocated capital (€ m)	2,304	2,297	4,104	3,907	2,523	2,348	204	201	1,255	1,196	0	0	10,390	9,950
Return on equity (%)	8.0	–	2.0	9.4	17.9	14.3	25.5	29.2	–	–	–	–	8.5	8.1
Cost-income ratio (%)	35.0	32.7	64.1	56.2	57.6	65.2	70.5	65.0	–	–	–	–	58.1	61.0

[1] Prior-year figures adjusted: Due to an organisational change, the result of money trading for treasury activities was transferred from the Corporates & Markets segment to the Other segment. The effects are presented in a table at the end of this note.

The segment report is broken down into the four operating segments explained below.

- Products related to financing major commercial projects and existing properties are Helaba's particular speciality in the Real Estate segment. The product range includes traditional real estate loans in Germany and abroad, financing for open-ended real estate funds as well as development/portfolio financing. Office buildings, retail outlets and residential portfolios make up the bulk of the business in this area, although the segment also provides finance for retail parks and logistics centres.

- In the Corporates & Markets segment, Helaba offers products for all customer groups. The Asset Finance and Corporate Banking divisions provide specially tailored finance for companies, structured and arranged to specific customer requirements, through the constituent product groups Corporate Loans, Project Finance, Transport Finance, Foreign Trade Finance, Acquisition Finance, Asset Backed Finance, Investment and Leasing Finance and Tax Engineering. Helaba's activities in the Savings Banks and SME division concentrate on supporting the Sparkassen and their customers with financing arrangements (primarily jointly extended loans), trade finance business and cash management services. The Public Sector division provides advice and products for municipal authorities and their corporations. In addition to the lending products, this segment also includes the trading and sales activities from the Capital Markets division.

- The Retail & Asset Management segment encompasses retail banking, private banking, Landesbausparkasse Hessen-Thüringen and asset management activities. Frankfurter Sparkasse offers the conventional products of a retail bank. The Frankfurter Bankgesellschaft Group rounds off the range of private banking products available from Helaba. The asset management products at Helaba Invest Kapitalanlagegesellschaft mbH also include traditional asset management and administration, the management of special and retail funds for institutional investors and support for master investment trust clients. The Real Estate Management business, including real estate subsidiaries such as the GWH Group, also forms part of this segment. The range of products is broad, covering support for third-party and own real estate, project development and facility management.

- The WIBank segment mainly comprises the Wirtschafts- und Infrastrukturbank Hessen (WIBank) business line. In its capacity as the central development institution for Hesse, WIBank administers development programmes on behalf of the State of Hesse. This segment therefore brings together the earnings from the public-sector development and infrastructure business in the fields of housing, municipal and urban development, public infrastructure, business/enterprise and employment promotion, agriculture and environmental protection.

In line with management reporting, the segment information is based on internal management (contribution margin accounting) and also on external financial reporting. The presentation of income and expenses follows the reporting to management.

For internal management purposes, net interest income in the lending business is calculated using the market interest rate method from the difference between the customer interest rate and the market interest rate for an alternative transaction with a matching structure. Gains or losses on maturity transformation are reported as net interest income in Treasury.

Loss allowances are allocated to the units and segments in line with the user-pays principle. This approach is applied to all three loss allowance stages. As well as the basic loss allowances, the in-model adjustments (IMAs) determined for each individual transaction were recognised in stages 1 and 2 for the first time as at 30 June 2024, in line with the revised loss allowance model. The post-model adjustment (PMA) for the identified critical sub-portfolios will continue to be allocated centrally to the Other segment in stage 2. The transfer of the PMA relating to the real estate business to the Real Estate segment resulted in a reversal of € 33 m.

Net income from investment property includes both income and expenses from the management of investment property and investment property project development. This net income is reported separately as part of other net operating income.

The net trading income, gains or losses on non-trading derivatives and financial instruments to which the fair value option is applied, net income from hedge accounting, gains and losses on bonds measured at fair value through other comprehensive income, gains and losses on debt instruments and equity instruments mandatorily measured at fair value through profit or loss and share of profit or loss of equity-accounted entities are determined in the same way as the figures for external financial reporting under IFRSs.

Other net income/expense consists of dividend income, other net operating income not attributable to net income from investment property, and gains or losses on derecognition of financial instruments not measured at fair value through profit or loss.

General and administrative expenses comprise the costs directly assignable to the segments plus the costs of internal services provided by other units. The costs of these services are allocated on the basis of arm's-length pricing agreements or volume drivers according to the user-pays principle. The final component is the allocation of corporate centre costs, generally also based on the user-pays principle.

The assets line shows the assets in the statement of financial position allocated to the relevant units. Contribution margin accounting is used for allocating these items to the operating segments. The risk exposure item comprises the risk exposure of the banking and trading book, including the market risk exposure in accordance with the Capital Requirements Regulation (CRR). The average equity stated in the statement of financial position for the divisions is distributed based on risk exposures and allocated for the subsidiaries and equity investments in relation to the equity stated in the statement of financial position (allocated capital).

The operating segments' return on equity is the ratio of profit/loss before taxes, in which expenses for the bank levy and protection schemes are included on a pro rata basis, to average allocated capital. The cost-income ratio is the ratio of general and administrative expenses including depreciation and amortisation (expenses for the bank levy and protection schemes are included on a pro rata basis) to total profit/loss before taxes net of general and administrative expenses including depreciation and amortisation and of loss allowances for loans and advances.

The Other segment contains the contributions to income and expenses that cannot be attributed to the operating segments. In particular, this column includes the net income from centrally consolidated equity investments such as the OFB Group as well as the costs of the central units that cannot be allocated to the individual segments in line with the user-pays principle. The net income or expense from treasury activities, from central own funds investing activities, from strategic planning decisions and from the centrally held liquidity securities is also recognised under this segment. This segment also includes the additional requirement for loss allowances for the post-model adjustment (PMA) because these allowances are unrelated to individual transactions.

Effects arising from consolidation and intragroup adjustments between the segments are reported under consolidation/reconciliation. Effects that arise from the reconciliation between the segment figures and the consolidated income statement, in particular in relation to net interest income, are also reported under consolidation/reconciliation. Since the contribution margin statement shows net interest income on the basis of the market interest rate method, differences also result in the case of non-recurring income and net interest income attributable to other periods.

Due to an organisational change, the income from money trading for treasury activities is now included in the Other segment. In 2023, it was included in the Corporates & Markets segment. The adjusted prior-year figures are presented in the following table:

in € m

	Corporates & Markets			Other		
	reported	**adjustment**	**adjusted**	**reported**	**adjustment**	**adjusted**
Net interest income	319	−31	288	67	31	98
Net interest income after loss allowances	**309**	**−31**	**278**	**133**	**31**	**164**
Total income	**463**	**−31**	**432**	**166**	**31**	**197**
General and administrative expenses, including depreciation and amortisation	−256	7	−248	−205	−7	−213
Profit or loss before tax	**207**	**−24**	**183**	**−39**	**24**	**−15**
Assets (€ bn)	67.2	−1.5	65.7	73.9	1.5	75.4
Risk-weighted assets (€ bn)	29.6	−0.2	29.4	8.4	0.2	8.6
Allocated capital (€ m)	3,934	−26	3,907	1,170	26	1,196
Return on equity (%)	10.5	−1.1	9.4	–	–	–
Cost-income ratio (%)	54.1	2.1	56.2	–	–	–

Consolidated statement of financial position disclosures

(19) Cash on hand, demand deposits and overnight money balances with central banks and banks

in € m

	30.6.2024	31.12.2023
Cash on hand	**65**	**80**
Financial assets measured at amortised cost	**38,853**	**32,649**
Demand deposits at central banks	38,537	32,381
With Deutsche Bundesbank	36,150	31,056
With other central banks	2,388	1,325
Demand deposits and overnight money balances at banks	316	268
Financial assets mandatorily measured at fair value	**158**	**135**
Demand deposits and overnight money balances at banks	158	135
Total	**39,077**	**32,864**

Due to the increase in customer deposits and securitised liabilities, demand deposit balances at central banks increased by € 6,156 m to € 38,537 m (31 December 2023: € 32,381 m).

(20) Financial instruments measured at amortised cost

The following table shows the financial assets measured at amortised cost:

in € m

	30.6.2024	31.12.2023
Bonds and other fixed-income securities	**3,366**	**2,795**
Medium- and long-term bonds	3,366	2,795
Loans and receivables	**124,415**	**126,682**
Repayable on demand and at short notice	7,907	6,429
Credit card receivables	1	1
Trade accounts receivable, including factoring	2,928	3,035
Receivables from securities repurchase transactions (reverse repos)	–	41
Other fixed-term loans	113,184	117,127
Promissory note loans	2,282	2,541
Registered bonds	1,419	1,410
Forwarding loans	8,894	9,191
Time deposits	2,651	4,156
Bausparkasse building loans	1,234	1,181
Sundry other fixed-term loans	96,704	98,647
Other receivables not classified as loans	395	49
Total	**127,782**	**129,477**

The table below shows a breakdown of the other fixed-term loans by financing purpose:

in € m

	30.6.2024	31.12.2023
Commercial real estate loans	33,738	34,816
Residential building loans	7,310	7,262
Consumer loans to private households	153	178
Infrastructure loans	28,118	28,363
Asset finance	4,436	4,817
Leasing funding	5,347	5,129
Import/export finance	4	2
Other financing purposes	34,079	36,559
Total	**113,184**	**117,127**

The following table shows a breakdown of the financial liabilities measured at amortised cost:

in € m

	30.6.2024	31.12.2023
Securitised liabilities	**54,025**	**51,263**
Issued money market instruments	6,158	3,007
Commercial paper (CP)	1,593	51
Certificates of deposit (CD)	2,017	1,303
Asset-backed commercial paper (ABCP)	593	396
Other money market instruments	1,955	1,257
Medium- and long-term bonds issued	47,868	48,255
Mortgage Pfandbriefe	5,942	6,834
Public Pfandbriefe	8,813	7,847
Structured (hybrid) bonds	331	348
Other medium- and long-term bonds	32,781	33,226
Deposits and loans	**109,482**	**110,616**
Payable on demand	47,329	45,318
With an agreed term	55,873	58,975
With an agreed period of notice	6,101	6,323
Securities repurchase transactions (repos)	179	–
Other financial liabilities	**744**	**428**
Total	**164,251**	**162,306**

The following tables show the financial assets measured at amortised cost, together with the deposits and loans and other financial liabilities measured at amortised cost, broken down by region and counterparty:

in € m

	Germany		European Union (excluding Germany)		World (excluding European Union)		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Bonds and other fixed-income securities	**487**	**283**	**2,184**	**2,062**	**696**	**451**	**3,366**	**2,795**
Central giro institutions	103	74	–	–	–	–	103	74
Sparkassen	30	–	–	–	–	–	30	–
Other banks	300	204	2,130	2,046	632	417	3,062	2,667
Non-financial corporations	4	4	–	–	–	–	4	4
Government	50	–	54	16	64	33	168	49
Loans and receivables	**83,637**	**83,799**	**23,456**	**24,612**	**17,321**	**18,271**	**124,415**	**126,682**
Central banks	50	50	–	–	–	–	50	50
Central giro institutions	487	460	–	–	–	–	487	460
Sparkassen	7,892	8,197	–	–	–	–	7,892	8,197
Other banks	2,606	2,130	1,103	1,402	739	931	4,449	4,462
Other financial corporations	6,821	6,539	4,039	3,832	1,311	1,506	12,171	11,877
Non-financial corporations	32,970	33,553	16,437	18,160	14,777	15,365	64,184	67,077
Government	24,535	24,612	1,853	1,194	341	302	26,728	26,108
Households	8,278	8,259	24	24	153	168	8,455	8,451
Total	**84,124**	**84,082**	**25,640**	**26,674**	**18,017**	**18,721**	**127,782**	**129,477**

in € m

	Germany		European Union (excluding Germany)		World (excluding European Union)		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Deposits and loans	**96,316**	**101,418**	**4,474**	**3,524**	**8,692**	**5,675**	**109,482**	**110,616**
Central banks	0	6,635	–	–	–	–	0	6,635
Central giro institutions	907	1,270	–	–	–	–	907	1,270
Sparkassen	14,587	14,000	–	–	–	–	14,587	14,000
Other banks	22,576	22,795	2,922	2,630	1,177	866	26,674	26,290
Other financial corporations	16,390	16,343	869	523	5,527	3,991	22,786	20,857
Non-financial corporations	10,053	9,039	568	256	426	167	11,047	9,461
Government	9,505	8,826	1	0	1,187	222	10,692	9,048
Households	22,299	22,511	113	115	376	429	22,788	23,055
Other financial liabilities	**728**	**411**	**6**	**6**	**10**	**11**	**744**	**428**
Central giro institutions	1	2	–	–	–	–	1	2
Sparkassen	6	6	–	–	–	–	6	6
Other banks	350	2	–	–	–	–	350	2
Other financial corporations	66	72	–	–	9	10	75	82
Non-financial corporations	137	165	6	6	0	0	143	170
Government	48	35	–	–	–	–	48	35
Households	121	131	–	–	0	0	121	131
Total	**97,045**	**101,829**	**4,480**	**3,529**	**8,701**	**5,685**	**110,226**	**111,044**

As at 31 December 2023, the deposits with and loans from central banks included an amount of € 6.6 bn attributable to Helaba's participation in the ECB's targeted longer-term refinancing operations (TLTRO III), which provide funding at favourable rates. This amount was repaid in full on the scheduled maturity dates.

(21) Trading assets and trading liabilities

This item consists solely of financial instruments held for trading purposes and mandatorily measured at fair value through profit or loss (FVTPL HfT).

Loans and receivables held for trading mainly comprise promissory note loans and, to a lesser extent, repos and money trading transactions. Further disclosures on derivatives can be found in Note (35) and on issuing activities in Note (36).

The following tables show a breakdown of trading assets and trading liabilities by product. The increase in the positive fair values of bonds was the result of purchases whereas the increase in the negative fair values of deposits was due to additional business.

in € m

	30.6.2024	31.12.2023
Positive fair values of derivatives held for trading	**7,510**	**8,325**
thereof: Traded OTC	7,510	8,325
Equity-/index-related transactions	31	39
Interest-rate-related transactions	6,929	7,475
Currency-related transactions	537	798
Credit derivatives	9	10
Commodity-related transactions	5	3
Bonds and other fixed-income securities	**3,625**	**2,696**
Money market instruments	–	25
Medium- and long-term bonds	3,625	2,671
Loans and receivables	**542**	**676**
Repayable on demand and at short notice	4	8
Receivables from securities repurchase transactions (reverse repos)	200	206
Other fixed-term loans	338	462
Equity shares and other variable-income securities	**1**	**–**
Equities	1	–
Trading assets	**11,677**	**11,697**

in € m

	30.6.2024	31.12.2023
Negative fair values of derivatives held for trading	**6,557**	**6,488**
thereof: Traded OTC	6,557	6,488
thereof: Exchange-traded	–	0
Equity-/index-related transactions	31	39
Interest-rate-related transactions	6,031	5,746
Currency-related transactions	477	685
Credit derivatives	12	14
Commodity-related transactions	7	4
Securitised liabilities	**36**	**30**
Issued money market instruments	5	–
Commercial paper (CP)	5	–
Issued equity/index certificates	31	30
Deposits and loans	**6,846**	**4,632**
Payable on demand	3,190	937
With an agreed term	3,656	3,695
Liabilities arising from short-selling	**197**	**199**
Trading liabilities	**13,636**	**11,350**

The following table presents the non-derivative trading assets by region and counterparty:

in € m

	Germany		European Union (excluding Germany)		World (excluding European Union)		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Bonds and other fixed-income securities	**2,047**	**1,819**	**1,059**	**604**	**518**	**273**	**3,625**	**2,696**
Central giro institutions	370	143	–	–	–	–	370	143
Sparkassen	43	78	–	–	–	–	43	78
Other banks	738	1,177	873	534	508	265	2,118	1,976
Other financial corporations	14	25	55	5	–	0	69	31
Non-financial corporations	27	18	10	22	4	2	41	42
Government	855	379	121	42	7	6	983	427
Loans and receivables	**471**	**610**	**68**	**63**	**3**	**3**	**542**	**676**
Central banks	56	169	–	–	–	–	56	169
Central giro institutions	5	0	–	–	–	–	5	0
Sparkassen	57	144	–	–	–	–	57	144
Other banks	119	58	25	–	–	1	144	59
Other financial corporations	–	–	–	–	3	3	3	3
Non-financial corporations	89	45	42	63	–	–	131	108
Government	146	194	–	–	–	–	146	194
Equity shares and other variable-income securities	**1**	**–**	**–**	**–**	**–**	**–**	**1**	**–**
Non-financial corporations	1	–	–	–	–	–	1	–
Total	**2,519**	**2,429**	**1,127**	**667**	**522**	**277**	**4,167**	**3,372**

The following table presents the non-derivative securitised trading liabilities by region and counterparty:

in € m

	Germany		European Union (excluding Germany)		World (excluding European Union)		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Deposits and loans	**5,445**	**1,989**	**864**	**1,023**	**537**	**1,621**	**6,846**	**4,632**
Sparkassen	843	520	–	–	–	–	843	520
Other banks	515	87	126	3	335	73	975	163
Other financial corporations	547	276	615	575	–	1,548	1,162	2,398
Non-financial corporations	1,722	732	123	445	156	–	2,001	1,177
Government	1,818	374	–	–	46	–	1,864	374
Liabilities arising from short-selling	**178**	**180**	**19**	**–**	**0**	**19**	**197**	**199**
Other banks	32	10	5	–	–	–	37	10
Government	146	171	15	–	–	19	161	190
Total	**5,623**	**2,169**	**884**	**1,023**	**537**	**1,640**	**7,043**	**4,832**

(22) Other financial instruments mandatorily measured at fair value through profit or loss

in € m

	30.6.2024	31.12.2023
Positive fair values of non-trading derivatives	**1,048**	**1,211**
thereof: Traded OTC	1,048	1,211
thereof: Exchange-traded	–	0
Equity-/index-related transactions	5	5
Interest-rate-related transactions	926	1,133
Currency-related transactions	118	73
Credit derivatives	0	–
Bonds and other fixed-income securities	**539**	**734**
Medium- and long-term bonds	539	734
Loans and receivables	**151**	**163**
Repayable on demand and at short notice	6	6
Other fixed-term loans	145	157
Equity shares and other variable-income securities	**456**	**424**
Equities	0	0
Investment units	455	424
Shareholdings	**99**	**82**
Shares in unconsolidated affiliates	9	15
Shares in non-equity-accounted joint ventures	2	2
Shares in non-equity-accounted associates	9	9
Other equity investments	80	56
Total	**2,292**	**2,614**

in € m

	30.6.2024	31.12.2023
Negative fair values of non-trading derivatives	**2,629**	**2,924**
thereof: Traded OTC	2,629	2,924
Interest-rate-related transactions	2,609	2,791
Currency-related transactions	19	131
Credit derivatives	1	2
Total	**2,629**	**2,924**

The non-trading derivatives recognised in this item are derivative financial instruments used for economic hedging as part of hedge management (economic hedges); the documentation requirements for hedge accounting in accordance with IFRS 9 are not satisfied.

The following table shows the other non-derivative financial assets mandatorily measured at fair value through profit or loss by region and counterparty:

in € m

	Germany		European Union (excluding Germany)		World (excluding European Union)		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Bonds and other fixed-income securities	**55**	**72**	**290**	**375**	**194**	**287**	**539**	**734**
Central giro institutions	0	1	–	–	–	–	0	1
Other banks	–	–	43	59	5	12	48	72
Other financial corporations	13	14	68	89	66	101	147	204
Non-financial corporations	41	56	178	227	123	174	342	456
Government	1	1	–	–	–	–	1	1
Loans and receivables	**145**	**157**	**–**	**–**	**6**	**6**	**151**	**163**
Other financial corporations	1	1	–	–	6	6	7	7
Non-financial corporations	34	37	–	–	–	–	34	37
Government	110	119	–	–	–	–	110	119
Equity shares and other variable-income securities	**130**	**121**	**293**	**277**	**33**	**26**	**456**	**424**
Other financial corporations	130	121	293	277	33	26	455	424
Non-financial corporations	0	0	0	0	0	0	0	0
Shareholdings	**98**	**81**	**0**	**1**	**0**	**0**	**99**	**82**
Other banks	1	2	–	–	–	–	1	2
Other financial corporations	63	46	–	–	0	0	63	46
Non-financial corporations	34	33	0	1	–	–	34	33
Total	**429**	**430**	**583**	**653**	**233**	**319**	**1,244**	**1,403**

(23) Financial instruments designated voluntarily at fair value

The following table shows the fair values of financial assets designated voluntarily at fair value and the changes in fair value attributable to a change in credit risk:

in € m

	Carrying amount (fair value)		Changes attributable to credit risk			
			Reporting period		Cumulative	
	30.6.2024	31.12.2023	1.1.–30.6.2024	1.1.–30.6.2023	30.6.2024	31.12.2023
Bonds and other fixed-income securities	101	103	0	0	9	10
Loans and receivables	2,630	2,725	–	–	–	–
Total	**2,732**	**2,828**	**0**	**0**	**9**	**10**

The following table shows the fair values of financial liabilities designated voluntarily at fair value and the cumulative changes in fair value attributable to changes in the Helaba Group's own credit risk:

in € m

	Carrying amount (fair value)		Cumulative changes attributable to credit risk	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Securitised liabilities	8,190	8,016	–136	–138
Deposits and loans	4,253	4,430	–296	–289
Total	**12,443**	**12,445**	**–432**	**–427**

The following table shows the assets and deposits and loans designated voluntarily at fair value by region and counterparty:

in € m

	Germany		European Union (excluding Germany)		World (excluding European Union)		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Bonds and other fixed-income securities	**101**	**103**	**–**	**–**	**–**	**–**	**101**	**103**
Government	101	103	–	–	–	–	101	103
Loans and receivables	**2,630**	**2,725**	**–**	**–**	**–**	**–**	**2,630**	**2,725**
Other financial corporations	1	1	–	–	–	–	1	1
Non-financial corporations	29	38	–	–	–	–	29	38
Government	2,600	2,687	–	–	–	–	2,600	2,687
Financial assets	**2,732**	**2,828**	**–**	**–**	**–**	**–**	**2,732**	**2,828**
Deposits and loans	**4,114**	**4,288**	**130**	**133**	**8**	**9**	**4,253**	**4,430**
Sparkassen	468	500	–	–	–	–	468	500
Other banks	81	82	–	–	8	9	89	91
Other financial corporations	3,315	3,435	130	133	–	–	3,445	3,568
Non-financial corporations	112	161	–	–	–	–	112	161
Government	138	110	–	–	–	–	138	110
Financial liabilities	**4,114**	**4,288**	**130**	**133**	**8**	**9**	**4,253**	**4,430**

(24) Hedge accounting

The following table shows the notional amounts and the positive and negative fair values of the hedging derivatives used in hedge accounting:

in € m

	Notional amount		Positive fair values		Negative fair values	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Fair value hedges – micro hedges	**46,897**	**51,986**	**110**	**124**	**423**	**608**
thereof: Traded OTC	46,897	51,986	110	124	423	608
Interest rate hedges	46,288	51,377	110	124	318	432
Interest rate swaps	46,131	51,220	75	100	318	432
Cross-currency swaps	157	157	35	24	0	–
Combined hedge of interest rate and currency risk	609	609	–	–	105	176
Cross-currency swaps	609	609	–	–	105	176
Fair value hedges – group hedges	**13,947**	**15,303**	**2**	**269**	**206**	**59**
thereof: Traded OTC	13,947	15,303	2	269	206	59
Foreign currency hedges	13,947	15,303	2	269	206	59
Cross-currency swaps	13,947	15,303	2	269	206	59
Total	**60,844**	**67,289**	**112**	**393**	**628**	**667**

(25) Financial assets measured at fair value through other comprehensive income

in € m

	30.6.2024	31.12.2023
Bonds and other fixed-income securities	**14,694**	**14,747**
Money market instruments	230	953
Medium- and long-term bonds	14,464	13,794
Loans and receivables	**751**	**760**
Other fixed-term loans	751	760
Shareholdings	**29**	**27**
Shares in unconsolidated affiliates	0	0
Other equity investments	29	27
Total	**15,475**	**15,535**

The financial assets reported in the shareholdings line item are equity instruments allocated to the measurement category “at fair value through other comprehensive income without recycling” (FVTOCI non-recycling).

The following table shows the financial assets measured at fair value through other comprehensive income by region and counterparty:

in € m

	Germany		European Union (excluding Germany)		World (excluding European Union)		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Bonds and other fixed-income securities	**6,366**	**5,080**	**5,063**	**5,867**	**3,266**	**3,799**	**14,694**	**14,747**
Central giro institutions	1,101	827	–	–	–	–	1,101	827
Other banks	2,609	1,990	4,115	4,897	2,801	3,345	9,525	10,232
Other financial corporations	13	13	19	33	32	93	64	139
Non-financial corporations	30	31	13	13	0	0	43	44
Government	2,613	2,219	915	923	433	362	3,961	3,505
Loans and receivables	**545**	**553**	**184**	**185**	**22**	**22**	**751**	**760**
Other financial corporations	55	50	28	28	–	–	83	78
Non-financial corporations	491	503	155	157	22	22	669	682
Shareholdings	**29**	**27**	**–**	**–**	**–**	**–**	**29**	**27**
Other banks	18	16	–	–	–	–	18	16
Other financial corporations	11	11	–	–	–	–	11	11
Total	**6,940**	**5,661**	**5,246**	**6,052**	**3,288**	**3,822**	**15,475**	**15,535**

As in the prior-year period, no equity instruments measured at fair value through other comprehensive income were derecognised in the reporting period.

(26) Shares in equity-accounted entities

In the reporting period, a total of 21 (31 December 2023: 22) joint ventures and three (31 December 2023: three) associates were accounted for using the equity method.

The breakdown of equity-accounted investments is shown below:

in € m

	30.6.2024	31.12.2023
Investments in joint ventures	**40**	**34**
Non-financial corporations	40	34
Investments in associates	**4**	**3**
Other financial corporations	0	0
Non-financial corporations	4	3
Total	**44**	**36**

(27) Investment property

in € m

	30.6.2024	31.12.2023
Land and buildings leased to third parties	3,182	3,086
thereof: Right-of-use assets under leases	36	36
Undeveloped land	13	11
Investment property under construction	399	387
Total	**3,594**	**3,485**

(28) Property and equipment

in € m

	30.6.2024	31.12.2023
Owner-occupied land and buildings	610	620
thereof: Right-of-use assets under leases	121	127
Operating and office equipment	58	59
thereof: Right-of-use assets under leases	3	3
Machinery and technical equipment	32	31
thereof: Right-of-use assets under leases	0	0
Total	**699**	**710**

(29) Intangible assets

in € m

	30.6.2024	31.12.2023
Goodwill	13	13
Concessions, industrial and similar rights	0	0
Software	225	211
thereof: Purchased	225	210
thereof: Internally generated	1	1
Software under development	11	8
Other intangible assets	1	2
Total	**251**	**234**

(30) Other assets and liabilities

in € m

	30.6.2024	31.12.2023
Inventories	881	866
Property held for sale	872	857
Other inventories/work in progress	9	9
Advance payments and payments on account	189	207
Other taxes receivable	6	3
Defined benefit assets	33	27
Sundry assets	742	560
Other assets	**1,851**	**1,664**

Defined benefit assets resulted from a surplus of plan assets at the Frankfurter Sparkasse pension fund.

in € m

	30.6.2024	31.12.2023
Advance payments/payments on account	216	224
Tax liabilities, other taxes	39	53
Employee benefits due in short term	81	105
Sundry liabilities	329	363
Other liabilities	**664**	**745**

(31) Provisions

in € m	30.6.2024	31.12.2023[1]
Provisions for employee benefits	**908**	**984**
Pensions and similar defined benefit obligations	839	911
Other employee benefits due in the long term	69	73
Other provisions	**189**	**191**
Provisions for off-balance sheet liabilities	92	70
Provisions for loan commitments and financial guarantees	84	62
Provisions for other off-balance sheet obligations	9	8
Restructuring provisions	9	10
Provisions for litigation risks	6	7
Sundry provisions	82	104
Total	**1,097**	**1,175**

[1] Prior-year figures restated: In 2023, provisions of € 7 m for other off-balance sheet liabilities were reported as provisions for loan agreements and financial guarantees; see Note (1).

In the calculation of pension provisions, the main pension obligations in Germany were measured using a discount rate of 3.50 % (31 December 2023: 3.25 %).

(32) Equity

The subscribed capital of € 2,509 m comprises the share capital of € 589 m paid in by the owners in accordance with the Charter and the capital contributions of € 1,920 m paid by the Federal State of Hesse.

As at 30 June 2024, the share capital was attributable to the owners as follows:

	in € m	Share in %
Sparkassen- und Giroverband Hessen-Thüringen	405	68.85
State of Hesse	48	8.10
Rheinischer Sparkassen- und Giroverband	28	4.75
Sparkassenverband Westfalen-Lippe	28	4.75
Fides Beta GmbH	28	4.75
Fides Alpha GmbH	28	4.75
Free State of Thuringia	24	4.05
Total	**589**	**100.00**

The capital reserves comprise the premiums from issuing share capital to the owners.

The AT1 bonds are unsecured subordinate Tier 1 registered bonds issued by Helaba. The servicing of these bonds is based on an interest rate applied to the respective nominal amount. These bonds provide fixed interest rates for the period between the issue date and the first possible early repayment date. Afterwards, interest rates will be established for another period of ten years. 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 are not cumulative, which means that suspended interest payments will not be paid out in subsequent periods. These bonds have no maturity date, and may be terminated by Helaba at specific dates. If Helaba does not terminate a bond, it has additional termination options every ten years. Early terminations may be permissible provided that all tax-related and regulatory conditions are met. Every termination is subject to approval from the competent supervisory authority. The repayment as well as the nominal amount of the bonds may be reduced if a triggering event occurs. The decline of Helaba Group's Common Equity Tier 1 (CET1) 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 again under specific conditions. According to the applicable resolution stipulations, the competent supervisory authority may exercise a series of rights; for instance, the supervisory authority may decide to wholly or partially mark down entitlements to repayment of capital and / or to convert such entitlements into CET1 instruments. As at 30 June 2024, the bond amounts recognised in the consolidated statement of financial position stood at € 354 m (31 December 2023: € 354 m).

The retained earnings amounting to € 6,235 m (31 December 2023: € 6,028 m) comprise the profits retained by the parent company and the consolidated subsidiaries as well as amounts from the amortised results of acquisition accounting and from other consolidation adjustments. Retained earnings include reserves provided for by the Charter of € 297 m (31 December 2023: € 297 m). If these reserves are used to cover losses, the net profit generated in subsequent years is used in full to restore the reserves required by the Charter to the required level.

The following table shows the changes in the individual components of accumulated other comprehensive income (OCI) in the reporting period:

in € m

	Items that will be subsequently reclassified to the consolidated income statement, net of tax			Items that will not be reclassified to the consolidated income statement, net of tax					Accumulated other comprehensive income
	Remeasurements of the net liability under defined benefit plans	Changes in fair value of equity instruments measured at fair value through other comprehensive income	Credit risk-related change in fair value of financial liabilities designated voluntarily at fair value	Share of other comprehensive income of equity-accounted entities	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Gains or losses from hedges of a net investment in a foreign operation	Gains or losses from currency translation of foreign operations	Gains or losses from fair value hedges of currency risk	
As at 1.1.2023	**–82**	**–9**	**225**	**–1**	**–338**	**–17**	**38**	**–16**	**–199**
Other comprehensive income for the reporting period	14	1	15	–	23	–	–0	–6	48
As at 30.6.2023	**–68**	**–8**	**241**	**–1**	**–315**	**–17**	**38**	**–22**	**–151**
Other comprehensive income for the reporting period	–60	–0	52	–	88	–	–3	–30	46
Reclassifications within equity	–	–	–0	–	–	–	–	–	–0
As at 31.12.2023	**–128**	**–8**	**292**	**–1**	**–226**	**–17**	**35**	**–52**	**–106**
Other comprehensive income for the reporting period	51	2	4	–	–13	–	2	5	50
Reclassifications within equity	–	–	–0						–0
As at 30.6.2024	**–77**	**–7**	**295**	**–1**	**–239**	**–17**	**37**	**–47**	**–56**

Capital management

Helaba defines capital management as all processes directly or indirectly involved in ensuring that it upholds its risk-bearing capacity (both from a regulatory perspective in Pillar I and from an economic perspective in Pillar II) and that it is in a position to monitor its capital adequacy in a timely manner. The main components of capital management in the Helaba Group are planning regulatory own funds and own funds ratios as part of the planning process, allocating own funds, monitoring changes in risk exposures, complying with regulatory and economic capital limits, monitoring the remaining capital buffer as well as recognising a projected cost of capital as part of contribution margin accounting. The aim of capital management is to allocate capital over the various divisions of the Group, with due consideration being given to risk and return aspects, and also in line with the need to comply with regulatory requirements concerning capital adequacy.

Capital management focuses on both regulatory own funds and internal capital from a complementary economic management perspective.

The minimum regulatory requirements that need to be taken into account include Regulation (EU) No. 575/2013 (Capital Requirements Regulation, CRR), the additional provisions in the German Banking Act (Kreditwesengesetz, KWG) and also the requirements specified under the European Single Supervisory Mechanism (SSM). Article 92 of the CRR specifies that institutions must at all times have adequate own funds in relation to their risk-weighted assets (RWAs). It makes a distinction between the following minimum ratios:

- Common Equity Tier 1 (CET1) capital ratio: 4.5 %
- Tier 1 capital ratio (where Tier 1 capital is the total of CET1 and Additional Tier 1 capital): 6.0 %
- Total capital ratio (based on the total of Tier 1 and Tier 2 capital): 8.0 %.

In addition, KWG requirements specify general and bank-specific capital buffers including the capital conservation buffer, the countercyclical capital buffer and the buffers for global and other systemically important banks, which in each case relate to CET1 capital and increase the minimum CET1 capital ratio for each bank by at least 2.5 %.

To add to these generally applicable requirements, the ECB lays down further institution-specific requirements for institutions subject to the SSM. The minimum CET1 capital ratio required to be maintained by the Helaba Regulatory Group as at 30 June 2024 under the Supervisory Review and Evaluation Process (SREP) decision taken by the ECB was 5.77 % (31 December 2023: 5.63 %) plus the applicable capital buffer requirements. The CET1 capital ratio requirement as at 30 June 2024 therefore came to 9.47 % (31 December 2023: 9.27 %).

Within the risk appetite framework, the Executive Board of Helaba sets internal targets for the minimum ratios that include a sufficient buffer in respect of the regulatory minimum requirements so that Helaba is able to operate at all times without any restrictions on its business activities.

The regulatory own funds of the Helaba banking group are determined in accordance with Regulation (EU) No. 575/2013 (CRR) and the complementary provisions in Sections 10 and 10a KWG. In accordance with the classification specified in the CRR, own funds comprise Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital.

The regulatory own funds requirements and the capital ratios are also determined in accordance with the provisions of the CRR.

The following tables show the own funds (amounts after regulatory adjustments in each case), own funds requirements and capital ratios for the Helaba banking group:

in € m

	30.6.2024	31.12.2023
Tier 1 capital	**9,376**	**9,291**
Common Equity Tier 1 capital (CET1)	9,022	8,937
Additional Tier 1 capital	354	354
Tier 2 capital	**2,056**	**2,102**
Own funds, total	**11,433**	**11,393**

in € m

	30.6.2024	31.12.2023
Default risk (including equity investments and securitisations)	4,159	4,076
Market risk (including CVA risk)	525	469
Operational risk	385	334
Total own funds requirement	**5,069**	**4,879**
CET1 capital ratio	14.2%	14.7%
Tier 1 capital ratio	14.8%	15.2%
Total capital ratio	18.0%	18.7%

The Tier 1 and total capital ratios comply with the target ratios specified by Helaba in its capital management. The Helaba Group is complying with the regulatory requirements, including the requirements of the European SSM, regarding capital adequacy.

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 have to comply with a leverage ratio of 3.0 %.

More detailed information on the structure and adequacy of Helaba's regulatory own funds, together with a reconciliation to the own funds in the IFRS consolidated statement of financial position, has been published in the Helaba Regulatory Group's disclosure report in accordance with Section 26a KWG (offenlegung.helaba.de).

Disclosures on financial instruments and off-balance sheet transactions

(33) Credit risks attributable to financial instruments

The following section comprises the quantitative disclosures in line with IFRS 7 required for financial instruments within the scope of application of IFRS 9.

The following table shows the loss allowances recognised for financial instruments:

in € m

	30.6.2024	31.12.2023[1]
Cumulative loss allowances	**1,364**	**1,226**
In respect of financial assets measured at amortised cost	1,360	1,223
Demand deposits and overnight money balances at central banks and banks	0	0
Bonds and other fixed-income securities	1	0
Loans and receivables	1,359	1,223
In respect of financial assets measured at fair value through other comprehensive income	4	3
Bonds and other fixed-income securities	2	2
Loans and receivables	2	1
Loan loss provisions	**84**	**62**
For loan commitments	56	36
For financial guarantees	27	26
Total	**1,447**	**1,288**

[1] Prior-year figures restated; see separate table.

In the previous year, liabilities from guarantees and warranty agreements were reported as financial guarantees. These transactions and the associated provisions have been restated. The resulting adjustments to the provisions for financial guarantees are as follows:

in € m

	reported	adjust-ment	adjusted
Loan loss provisions	**69**	**–7**	**62**
For loan commitments	36	–	36
For financial guarantees	34	–7	26
Total	**1,295**	**–7**	**1,288**

In accordance with the expected credit loss model of IFRS 9, a loss allowance is recognised in the amount of the expected credit loss for all financial instruments falling within this scope, depending on the model stage to which the financial instrument concerned is allocated. The loss allowances for stage 1 and 2 financial instruments are recognised on a model basis at the individual transaction level and for stage 3 financial instruments on the basis of individual cash flow estimates, taking account of various scenarios and the probability of their occurrence.

All parameters used to determine the expected credit loss (ECL) are subject to estimation uncertainty, meaning that the actual losses incurred at Helaba may be different from the expected losses reflected in loss allowances. The wider the time frame used for ECL projection purposes, the higher the estimation uncertainty. The list of factors that influence loss allowances and that are subject to uncertainty includes, for instance, the expected change in the credit quality of the borrower, economic conditions and changes in the fair value of the collateral held by the Helaba Group. All factors used to determine the ECL are subject to regular validation processes.

As at 31 December 2023, Helaba had recognised a post-model adjustment (PMA) for additional risks that were not fully reflected as rating deteriorations or defaults in the individual calculation of loss allowances. This additional loss allowance requirement was calculated on the basis of critical sub-portfolios for which rating deteriorations and/or collateral value markdowns and a corresponding increase in the ECL were assumed in the course of a simulation. To calculate 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 allowance was recognised as a PMA in stage 2. As at 31 December 2023, this did not result in an actual stage transfer of the individual transaction. The PMA of € 353 m as at 31 December 2023 consisted of € 10 m for the critical mechanical engineering sub-portfolio and € 343 m for the critical retail and office properties sub-portfolios. Moreover, the consideration of macroeconomic expectations in the form of an exceptional circumstance resulted in an additional loss allowance of € 35 m.

The forward-looking information based on macroeconomic trends, which was included as an exceptional circumstance until 31 December 2023, became a component of the basic loss allowances as at 30 June 2024. It is included in the input parameters for calculating lifetime ECLs for all sub-portfolios and for each individual transaction.

The consideration of forward-looking macroeconomic information is based on three current economic scenarios created by Helaba (baseline scenario, negative alternative scenario and positive alternative scenario) which make various assumptions for global economic trends and aggregate these in a weighted scenario. The weighting is as follows: 70 % baseline scenario, 20 % negative alternative scenario and 10 % positive alternative scenario.

Economic scenarios

In the baseline scenario, Germany's average seasonally adjusted GDP for 2024 increases by 0.5 %. Growth in the euro zone is likely to be slightly higher. Inflation in Germany falls from the high level in 2024 to an annual average rate of 2.3 %. The effects of climate change still play a subordinate role in the forecast horizon at global economic level and only build over the long term. Impetus comes mainly from efforts to reduce greenhouse gases. These are likely to increase the pressure on prices and could dampen private consumption even if this effect differs widely between regions. This counteracts positive growth effects stemming from increasing investment in decarbonisation. In the euro zone, interest rates have turned around but monetary policy is still restrictive. Further interest rate measures are needed to reach a neutral level. The ECB will cut interest rates by 25 basis points each quarter. For the full year, the target deposit rate is 2.75 % and the target main refinancing rate is 2.9 %. While the stabilisation of inflation and the turnaround in benchmark rates provide positive impetus overall for the bond markets, the central banks' scaling back of their securities portfolios coupled with relatively high government issuing activities restricts price potential. The robust financial performance of many companies results in the largely stable development of the risk premiums on corporate and bank bonds.

In the negative alternative scenario, the global economy enters a recession. The central banks tighten their monetary policy beyond a reasonable level. Those aspects of demand that are sensitive to interest rates undergo particularly strong corrections. Concern about financial stability grows. Market interventions in response to geopolitical and climate policy developments cause uncertainty and weaken corporate and household confidence. Competition for the scarce raw materials needed for the energy transition and other geopolitical conflicts reduce the international willingness to cooperate that is essential to rapidly reducing greenhouse gas emissions. Due to the economic downturn and significantly lower inflation expectations, the ECB cuts the deposit rate over 12 months to 1.5 % and the main refinancing rate to 1.65 %. The Fed reacts with noticeable interest rate cuts. Banks experience an increase in loan defaults, resulting in higher risk premiums. The oil price drops significantly and pushes down inflation.

In the positive alternative scenario, the economy overcomes the consequences of the previous surge in inflation and the wide-reaching responses of the central banks. Higher investment activity drives the economy and increases productivity. The improved economic position allows governments to consolidate their budgets. Additional impetus may come from investments in decarbonisation, especially if government initiatives create incentives for private activities. Successful global cooperation on climate issues reduces uncertainty in planning. Efficiency gains in the economy and a reduction in protectionism also ease price pressures despite strong demand. In the positive scenario, there is little need to further tighten monetary policy in the short term. The ECB increases the deposit rate to 4.5 % and the main refinancing rate to 4.65 %.

The macroeconomic adjustment of the risk parameters in the course of calculating the ECL considers forecasts for subsequent years as well as the current market environment. For the main market of Germany, the following parameters were among those considered and which, starting from the reporting date, were disclosed as averages for the next 12 months. The values as at 31 December 2023 were included in the analysis of exceptional circumstances whereas the values as at 30 June 2024 are the subject of the macroeconomic analysis.

in %

	Positive		Base		Negative	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Gross domestic product (rate of change)	2.0	2.0	1.3	1.3	-2,4	–2.3
Unemployment rate	5.1	5.0	5.8	5.6	7.0	7.2
Consumer price index (rate of change)	3.0	3.8	2.2	3.0	0.9	2.4
Short term interest, 3 months	4.6	4.7	3.0	3.7	1.9	2.2

In-model adjustments as at 30 June 2024

Effective 30 June 2024, the loss allowance process was refined so that circumstances and risks that are not fully reflected as rating deteriorations or defaults in the model-based calculation of loss allowances are primarily recognised as in-model adjustments (IMAs). These adjust the loss allowances at the individual transaction level. IMAs use the IFRS 9 stage allocation method. This means that if IMAs result in an adjustment of default probabilities, actual transfers between stages 1 and 2 may take place. The resulting changes to the loss allowances are recognised for the individual transaction and are included in all presentations in this financial report. Defined criteria and a specific set of rules are the basis for identifying the need for and quantifying IMAs. Collective allocation is one instrument used for in-model adjustments.

In the context of benchmark rate development and ongoing uncertainty over tenable rates of return required of investment properties in the commercial real estate market, further decreases in market value are being observed in these asset classes. The default rates for commercial real estate loans reflected in the models and the Bank's basic loss allowances are now approaching the observed default rates. For this reason, the rating deteriorations that were also simulated when calculating the IMA were one to four rating levels lower than the PMA as at 31 December 2023. The IMA for the CRE portfolio was € 241 m as at 30 June 2024. Upon application of the collective allocation, an IMA totalling € 11 m was recognised for five other critical sub-portfolios as at 30 June 2024.

Post-model adjustments as at 30 June 2024

As at 30 June 2024, Helaba calculated a PMA for identified critical sub-portfolios. Due to the currently large watchlist content and an anticipated deterioration in economic development, an additional loss allowance was recognised as a PMA totalling € 17 m for the critical sub-portfolios of mechanical engineering, metal production and processing, and health and social care. The resulting effect on the loss allowance was recognised as a PMA in stage 2.

The aforementioned amendments to the calculation of loss allowances are changes to estimates pursuant to IAS 8.34 et seq.

These changes are also associated with higher additions to and reversals of the loss allowances due to the reversal of the previous PMA and the recognition of the IMA as at 30 June 2024.

Disclosures for financial assets measured at amortised cost

The following table shows a breakdown of the financial assets measured at amortised cost and the cumulative loss allowances recognised in respect of these assets by IFRS 9 impairment model stage as at 30 June 2024:

in € m

	Gross carrying amount					Cumulative loss allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Demand deposits and overnight money balances at central banks and banks	38,853	–	–	–	38,853	0	–	–	–	0
Bonds and other fixed-income securities	3,367	0	–	–	3,367	1	–	–	–	1
Loans and receivables	87,618	34,477	3,661	18	125,775	26	419	910	4	1,359
Total	**129,839**	**34,477**	**3,661**	**18**	**167,995**	**27**	**419**	**910**	**4**	**1,360**

The significant increase in gross carrying amounts in stage 2 is primarily attributable to the calculation of the loss allowances for financial instruments that is being revised and refined in the 2024 financial year. It concerns transactions that have seen a change to their stage allocation due to macroeconomic adjustments or the in-model adjustment.

The following table shows the figures as at 31 December 2023:

in € m

	Gross carrying amount					Cumulative loss allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Demand deposits and overnight money balances at central banks and banks	32,647	2	–	–	32,649	0	0	–	–	0
Bonds and other fixed-income securities	2,796	0	–	–	2,796	0	–	–	–	0
Loans and receivables	115,121	9,726	3,041	16	127,905	32	478	710	4	1,223
Total	**150,564**	**9,728**	**3,041**	**16**	**163,350**	**32**	**478**	**710**	**4**	**1,223**

The following table shows the changes (broken down by stage) in the period under review in the loss allowances recognised in respect of financial assets measured at amortised cost:

in € m

	2024					2023				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and receivables										
Balance as at 1.1.	**32**	**478**	**710**	**4**	**1,223**	**38**	**564**	**243**	**1**	**846**
Total change in loss allowances due to transfers between stages	9	–14	4	–	–	17	–20	3	–	–
Transfer to stage 1	18	–18	–0	–	–	19	–19	–0	–	–
Transfer to stage 2	–9	9	–0	–	–	–2	2	–0	–	–
Transfer to stage 3	–0	–5	5	–	–	–0	–3	3	–	–
Additions	20	452	302	0	775	38	91	224	5	358
Newly originated/acquired financial assets	4	7	6	–	18	13	9	0	2	24
Other additions	16	445	296	0	757	25	82	224	2	334
Interest effects in stage 3 from updates of gross carrying amount	–	–	25	0	25	–	–	4	0	4
Reversals	–28	–503	–96	–0	–628	–58	–137	–49	–3	–248
Reversals from redemptions (derecognition)	–2	–2	–15	–	–19	–4	–4	–4	–	–11
Other reversals	–26	–501	–81	–0	–608	–54	–133	–46	–3	–236
Utilisations	–	–	–12	–	–12	–	–	–33	–	–33
Changes due to currency translation and other adjustments	–8	6	–22	–	–24	3	–6	2	–	–1
Balance as at 30.6.	**26**	**419**	**910**	**4**	**1,359**	**38**	**492**	**394**	**2**	**928**

The higher additions to and reversals of the loss allowances in stage 2 are primarily attributable to the reversal of the previous post-model adjustment and the recognition of the in-model adjustment as at 30 June 2024.

Disclosures for financial assets measured at fair value through other comprehensive income

The following table shows the carrying amounts of financial assets measured at fair value through other comprehensive income and the cumulative loss allowances recognised in respect of these assets as at 30 June 2024:

in € m

	Carrying amount (fair value)					Cumulative loss allowances (recognised in OCI)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Bonds and other fixed-income securities	14,424	270	–	–	14,694	2	0	–	–	2
Loans and receivables	747	4	–	–	751	2	0	–	–	2
Total	**15,171**	**274**	**–**	**–**	**15,446**	**3**	**0**	**–**	**–**	**4**

The following table shows the figures as at 31 December 2023:

in € m

	Carrying amount (fair value)					Cumulative loss allowances (recognised in OCI)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Bonds and other fixed-income securities	14,628	119	–	–	14,747	2	0	–	–	2
Loans and receivables	760	–	–	–	760	1	–	–	–	1
Total	**15,388**	**119**	**–**	**–**	**15,507**	**3**	**0**	**–**	**–**	**3**

Cumulative loss allowances on financial assets measured at fair value through other comprehensive income did not change significantly in the reporting period or in the prior-year period.

Disclosures for off-balance sheet commitments

The following table shows the nominal amounts of loan commitments and the maximum guarantee amounts of financial guarantees (subsequently referred to as nominal amount) as well as the related provisions as at 30 June 2024:

in € m

	Nominal amount					Provisions				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments	23,830	5,453	183	5	29,471	6	24	22	4	56
Financial guarantees	2,250	860	34	6	3,150	3	10	13	2	27
Total	**26,080**	**6,314**	**217**	**11**	**32,622**	**9**	**34**	**35**	**6**	**84**

The increase in nominal amounts in stage 2 is primarily attributable to the calculation of the loss allowances for financial instruments that is being revised and refined in the 2024 financial year. It concerns transactions that have seen a change to their stage allocation due to macroeconomic adjustments or the in-model adjustment.

The following table shows the figures as at 31 December 2023:

in € m

	Nominal amount					Provisions				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments	30,282	989	193	3	31,466	6	8	17	4	36
Financial guarantees[1)]	2,717	312	44	6	3,080	2	7	16	2	26
Total[1)]	**32,999**	**1,301**	**237**	**9**	**34,546**	**8**	**15**	**33**	**6**	**62**

[1)] Prior-year figures restated; see separate table.

In the previous year, liabilities from guarantees and warranty agreements were reported as financial guarantees. These transactions and the associated provisions have been restated. The adjusted prior-year figures are presented in the following table:

in € m

	Nominal amount					Provisions				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Financial guarantees										
reported	5,120	690	82	6	5,898	2	8	22	2	34
adjustment	−2,403	−378	−38	–	−2,818	−0	−1	−6	–	−7
adjusted	2,717	312	44	6	3,080	2	7	16	2	26
Total										
reported	35,402	1,679	275	9	37,364	8	16	39	6	69
adjustment	−2,403	−378	−38	–	−2,818	−0	−1	−6	–	−7
adjusted	32,999	1,301	237	9	34,546	8	15	33	6	62

The following table shows the change in provisions for loan commitments and financial guarantees during the reporting period:

in € m

	2024					2023[1]				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments										
Balance as at 1.1.	**6**	**8**	**17**	**4**	**36**	**8**	**9**	**9**	**0**	**26**
Total change in provision due to transfers between stages	1	–1	–0	–	–	3	–3	–0	–	–
Transfer to stage 1	2	–2	–0	–	–	3	–3	–0	–	–
Transfer to stage 2	–1	1	–0	–	–	–0	0	–0	–	–
Transfer to stage 3	–0	–0	0	–	–	–0	–0	0	–	–
Additions	6	27	17	0	49	4	11	14	4	34
New loan commitments originated	3	1	–	–	4	2	0	–	–	2
Other additions	3	25	17	0	45	3	11	14	4	31
Reversals	–7	–9	–12	–0	–29	–8	–10	–7	–1	–27
Utilisations (drawdown under loan commitment)	–4	–7	–1	–0	–12	–4	–9	–0	–0	–12
Other reversals	–3	–3	–10	–0	–16	–5	–2	–7	–1	–15
Changes due to currency translation and other adjustments	–0	0	0	–	0	–0	–0	0	–	–0
Balance as at 30.6.	**6**	**24**	**22**	**4**	**56**	**7**	**7**	**16**	**3**	**33**
Financial guarantees										
Balance as at 1.1.	**2**	**7**	**16**	**2**	**26**	**2**	**8**	**35**	**2**	**46**
Total change in provision due to transfers between stages	2	–2	0	–	–	1	–2	0	–	–
Transfer to stage 1	3	–3	–	–	–	2	–2	–	–	–
Transfer to stage 2	–0	0	–	–	–	–0	0	–	–	–
Transfer to stage 3	–	–0	0	–	–	–	–0	0	–	–
Additions	2	8	2	0	12	2	3	10	–	15
New financial guarantees originated	0	–	–	–	0	0	0	–	–	0
Other additions	2	8	2	0	12	2	2	10	–	15
Reversals	–3	–3	–5	–0	–11	–3	–3	–19	–0	–25
Changes due to currency translation and other adjustments	–0	–0	–	–	–0	0	–0	0	–	–0
Balance as at 30.6.	**3**	**10**	**13**	**2**	**27**	**3**	**6**	**26**	**2**	**36**

[1] Prior-year figures restated; see separate table.

In the previous year, liabilities from guarantees and warranty agreements were reported as financial guarantees. These transactions and the associated provisions have been restated. The restatement of the prior-year figures in connection with the development of provisions for financial guarantees are presented in the following table:

in € m

	Reported					Adjustment					Adjusted				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Financial guarantees															
Balance as at 1.1.	**3**	**8**	**41**	**2**	**54**	**−1**	**−0**	**−6**	**–**	**−7**	**2**	**8**	**35**	**2**	**46**
Total change in provision due to transfers between stages	1	−2	0	–	–	−0	0	–	–	–	1	−2	0	–	–
Transfer to stage 1	2	−2	–	–	–	−0	0	–	–	–	2	−2	–	–	–
Transfer to stage 2	−0	0	–	–	–	0	−0	–	–	–	−0	0	–	–	–
Transfer to stage 3	–	−0	0	–	–	–	–	–	–	–	–	−0	0	–	–
Additions	2	4	20	–	27	−1	−1	−10	–	−12	2	3	10	–	15
New financial guarantees originated	0	0	8	–	9	−0	−0	−8	–	−9	0	0	–	–	0
Other additions	2	3	12	–	18	−0	−1	−2	–	−3	2	2	10	–	15
Reversals	−4	−3	−29	−0	−36	1	1	10	–	11	−3	−3	−19	−0	−25
Changes due to currency translation and other adjustments	0	−0	0	–	−0	–	–	–	–	–	0	−0	0	–	−0
Balance as at 30.6.	**3**	**7**	**32**	**2**	**44**	**−0**	**−1**	**−6**	**–**	**−8**	**3**	**6**	**26**	**2**	**36**

(34) Fair values of financial instruments

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).

Measurement process and fair value hierarchy

Measurement methods
When selecting the measurement method for financial instruments, the Helaba Group distinguishes between those financial instruments that can be measured directly using prices quoted in an active market and those measured using standard valuation techniques. In this process, of all the markets to which the Helaba Group has access, the market with the highest level of activity is generally assumed to be the relevant market (primary market). If no primary market can be determined for individual financial instruments, the most favourable market is selected.

The fair value of financial instruments listed in active markets is determined on the basis of quoted prices. A market is deemed to be active if, for relevant or similar financial instruments, there are market prices that satisfy minimum requirements, particularly in relation to price spread and trading volume. The minimum requirements are specified by the Helaba Group and subject to a regular review.

In the case of financial instruments for which no quoted prices are available in active markets on the reporting date, the fair value is determined using generally accepted valuation techniques. The financial instruments are measured on the basis of the cash flow structure, taking into account estimated future cash flows, discount rates and volatility. These approaches use modelling techniques such as the discounted cash flow method or established option pricing models. Models with greater differentiation that use more detailed inputs such as correlations are used for more complex financial instruments.

The inputs for the models are usually observable in the market. If no market information is available for the required model inputs, these are derived from other relevant information sources, such as prices for similar transactions or historical data.

The following table provides an overview of the measurement models used for the financial instruments:

Financial instruments	Measurement models	Key parameters
Interest-rate swaps and interest-rate options	Discounted cash flow method, Black/Normal Black model, Markov functional model, SABR model, replication model, bivariate copula model	Yield curves, interest-rate volatility, correlations
Interest-rate futures	Discounted cash flow method	Yield curves
Currency futures	Discounted cash flow method	Exchange rates, yield curves
Equity/index options	Black model, local volatility model	Equity prices, yield curves, equity volatilities, dividends, correlations
Currency options[1]	Black model, skew barrier model	Exchange rates, yield curves, FX volatilities
Credit derivatives	Black model, discounted cash flow method, default intensity model	Yield curves, credit spreads, credit volatilities
Loans	Discounted cash flow method	Yield curves, credit spreads
Money market instruments	Discounted cash flow method	Yield curves
Securities repurchase transactions	Discounted cash flow method	Yield curves
Promissory note loans	Discounted cash flow method	Yield curves, credit spreads
Securities, forward security transactions	Discounted cash flow method	Yield curves, credit spreads, securities prices
Fund units/shares	Fund valuation	Net asset values of the funds
Shareholdings	Dividend discount method, net asset value method	Discount rate, expected cash flows

[1] Precious metal options are measured in the same way as currency options. They are reported under commodity options.

Fund units/shares in the equity shares and other variable-income securities measurement category are measured on the basis of net asset values, which are mainly determined by the fund management companies and made available to the unitholders/shareholders. These values can be considered as representative of the fair value. If the latest fair value was determined as at a date other than the reporting date, such value is extrapolated to the reporting date, factoring in current information from the fund management company that has an impact on fair value.

Adjustments
Adjustments may be required in some cases, and these adjustments form an additional part of the measurement process. Depending on the complexity of the financial instrument involved, the use of a

model to measure a financial instrument could involve some uncertainty in the selection of a suitable model, for example regarding the numeric implementation or the parametrisation / calibration of the model. When measuring a financial instrument using fair value principles, this uncertainty is taken into account by applying model adjustments, which can be subdivided into deficiency adjustments and complexity adjustments.

The purpose of a deficiency adjustment is to reflect model-related measurement uncertainty. Such model uncertainty arises if a financial instrument is measured using a model that is uncommon (or no longer common) or if there is a lack of clarity caused by an inadequate calibration process or by the technical implementation. Complexity adjustments are taken into account if there is no market consensus regarding the model to be used or the parametrisation for the model cannot be clearly derived from the market data. The problems in such cases are referred to as model risk. The measurement markdowns resulting from the various adjustments are taken into account in the form of a model reserve.

Generally speaking, derivatives are currently measured in front-office systems on a risk-free basis. In other words, it is specifically assumed that the counterparties involved will remain in place until the contractual maturity of the outstanding transactions. Credit risk is taken into account in the form of a measurement adjustment. The measurement adjustment is calculated on the basis of the net exposure and the exposure over time is estimated using a Monte Carlo simulation. The credit value adjustment (CVA) reflects the imputed loss risk to which the Helaba Group believes it is exposed in respect of its counterparty, based on a positive fair value from the Helaba Group's perspective. If the counterparty were to default, it would only be possible to recover a fraction of the fair value of the outstanding transactions in any insolvency or liquidation process (recovery rate). A debit value adjustment (DVA) mirrors the CVA and is defined as that imputed part of a negative fair value (from the perspective of the Group) that would be lost if the counterparty were to default. The CVA and DVA amounts are taken into account in the form of a measurement adjustment.

A funding valuation adjustment (FVA) is necessary to ensure that the measurement of derivative financial instruments takes into account the funding costs implied by the market. Funding costs are incurred in connection with the replicated hedging of unsecured customer derivatives with secured hedging derivatives in the interbank market. Whereas the volume to be funded is derived from an exposure simulation, the funding rates are set on a rolling basis in line with the Euro Interbank Offered Rate (EURIBOR). Similar to a CVA / DVA, there are two types of FVA. A funding benefit adjustment (FBA) is applied in the case of a negative exposure and a funding cost adjustment (FCA) for a positive exposure.

Validation and control

The measurement process is subject to continuous validation and control. In the trading business, part of the process of measuring exposures independently of the trading activity is to ensure that the methods, techniques and models used for the measurement are appropriate.

New measurement models are generally subject to comprehensive initial validation before they are used for the first time. The models are then regularly reviewed depending on materiality, the extent to which they are established in the market and on the complexity of the model in question. Ad hoc reviews are also carried out if, for example, significant changes are made to the model.

A process of independent price verification is also carried out to ensure that the inputs used for measuring the financial instruments are in line with the market.

Level 1

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. These fair values are reported as Level 1.

Level 2

If an observable market price does not exist for a financial instrument, recognised and customary valuation techniques are used for measurement purposes, with all input data being based on observable market data and taken from external sources. 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 such cases, the fair values are reported as Level 2.

Level 3

In those cases in which not all input parameters are directly observable on the market, the fair values are calculated using realistic assumptions based on market conditions. This approach is required in particular for complex structured (derivative) basket 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, sector rating credit curves are used to determine the credit spreads. Inputs that cannot be observed, particularly the surpluses derived from corporate planning, are also used to measure unlisted shareholdings recognised at fair value and to test goodwill for impairment. In the case of investment property, fair values are determined on the basis of expected income and expenses, with the result that these fair values are also classified as Level 3.

At Helaba, transactions are generally allocated to Level 3 if no inputs observable in the market are used in the measurement. If the sole non-observable input is the internal credit rating for the customer and this has only an immaterial effect on fair value, the transaction is allocated to Level 2.

If an input material to the measurement of a financial instrument can no longer be classified under the same level used in the previous measurement, the instrument is reallocated to the relevant level.

Financial instruments measured at fair value

The breakdown of financial instruments on the assets side measured at fair value according to the hierarchy of the inputs used was as follows:

in € m

	30.6.2024				31.12.2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash on hand, demand deposits and overnight money balances with central banks and banks	**–**	**158**	**–**	**158**	**–**	**135**	**–**	**135**
Demand deposits and overnight money balances at banks	–	158	–	158	–	135	–	135
Trading assets	**3,178**	**8,438**	**62**	**11,677**	**2,512**	**9,021**	**164**	**11,697**
Positive fair values of derivatives	–	7,505	6	7,510	–	8,316	9	8,325
Bonds and other fixed-income securities	3,177	448	–	3,625	2,512	170	14	2,696
Loans and receivables	–	486	56	542	–	535	141	676
Equity shares and other variable-income securities	1	–	–	1	–	–	–	–
Other financial assets mandatorily measured at fair value through profit or loss	**533**	**1,145**	**615**	**2,292**	**729**	**1,299**	**586**	**2,614**
Positive fair values of derivatives	–	1,030	18	1,048	0	1,189	22	1,211
Bonds and other fixed-income securities	528	4	7	539	717	10	7	734
Loans and receivables	–	7	144	151	–	7	157	163
Equity shares and other variable-income securities	4	105	347	456	12	93	319	424
Shareholdings	–	–	99	99	–	–	82	82
Financial assets designated voluntarily at fair value	**–**	**2,544**	**187**	**2,732**	**–**	**2,598**	**230**	**2,828**
Bonds and other fixed-income securities	–	101	–	101	–	103	–	103
Loans and receivables	–	2,443	187	2,630	–	2,495	230	2,725
Positive fair values of hedging derivatives under hedge accounting	**–**	**112**	**–**	**112**	**–**	**393**	**–**	**393**
Financial assets measured at fair value through other comprehensive income	**13,640**	**1,267**	**568**	**15,475**	**12,840**	**2,108**	**586**	**15,535**
Bonds and other fixed-income securities	13,640	1,050	4	14,694	12,840	1,887	20	14,747
Loans and receivables	–	217	535	751	–	221	539	760
Shareholdings	–	–	29	29	–	–	27	27
Financial assets	**17,351**	**13,664**	**1,432**	**32,446**	**16,082**	**15,553**	**1,567**	**33,201**

On the liabilities side, the breakdown of financial liabilities measured at fair value was as follows:

in € m

	30.6.2024				31.12.2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading liabilities	**197**	**13,425**	**13**	**13,636**	**199**	**11,134**	**16**	**11,350**
Negative fair values of derivatives	–	6,544	13	6,557	0	6,472	16	6,488
Securitised liabilities	–	36	–	36	–	30	–	30
Deposits and loans	–	6,846	–	6,846	–	4,632	–	4,632
Liabilities arising from short-selling	197	0	–	197	199	–	–	199
Negative fair values of non-trading derivatives	**–**	**2,442**	**187**	**2,629**	**–**	**2,775**	**149**	**2,924**
Financial liabilities designated voluntarily at fair value	**–**	**11,366**	**1,077**	**12,443**	**–**	**11,276**	**1,169**	**12,445**
Securitised liabilities	–	7,342	847	8,190	–	7,140	875	8,016
Deposits and loans	–	4,024	229	4,253	–	4,136	294	4,430
Negative fair values of hedging derivatives under hedge accounting	**–**	**628**	**–**	**628**	**–**	**667**	**–**	**667**
Financial liabilities	**197**	**27,861**	**1,277**	**29,336**	**199**	**25,853**	**1,334**	**27,386**

For the financial assets and liabilities in the Helaba Group portfolio as at the reporting date, the following tables show transfers from Level 1 and Level 2 to other levels as a result of a change in fair value quality. Other portfolio changes in Level 1 and Level 2 are attributable to additions, derecognition or measurement changes.

in € m

	30.6.2024				31.12.2023			
	From Level 1 to		From Level 2 to		From Level 1 to		From Level 2 to	
	Level 2	Level 3	Level 1	Level 3	Level 2	Level 3	Level 1	Level 3
Trading assets	**300**	**–**	**88**	**0**	**10**	**–**	**2**	**10**
Positive fair values of derivatives	–	–	–	0	–	–	–	1
Bonds and other fixed-income securities	300	–	88	–	10	–	2	9
Other financial assets mandatorily measured at fair value through profit or loss	**2**	**–**	**–**	**–**	**–**	**–**	**9**	**0**
Positive fair values of derivatives	–	–	–	–	–	–	–	0
Bonds and other fixed-income securities	2	–	–	–	–	–	9	–
Financial assets designated voluntarily at fair value	**–**	**–**	**–**	**–**	**103**	**–**	**–**	**–**
Bonds and other fixed-income securities	–	–	–	–	103	–	–	–
Financial assets measured at fair value through other comprehensive income	**27**	**–**	**–**	**–**	**5**	**–**	**35**	**13**
Bonds and other fixed-income securities	27	–	–	–	5	–	35	–
Loans and receivables	–	–	–	–	–	–	–	13
Financial assets	**328**	**–**	**88**	**0**	**117**	**–**	**46**	**23**

in € m

	30.6.2024				31.12.2023			
	From Level 1 to		From Level 2 to		From Level 1 to		From Level 2 to	
	Level 2	Level 3	Level 1	Level 3	Level 2	Level 3	Level 1	Level 3
Trading liabilities	**0**	**–**	**6**	**0**	**–**	**–**	**–**	**9**
Negative fair values of derivatives	–	–	–	0	–	–	–	9
Liabilities arising from short-selling	0	–	6	–	–	–	–	–
Negative fair values of non-trading derivatives	**–**	**–**	**–**	**7**	**–**	**–**	**–**	**–**
Financial liabilities	**0**	**–**	**6**	**7**	**–**	**–**	**–**	**9**

The following tables show the changes in the portfolio of financial instruments measured at fair value and allocated to Level 3, on the basis of class of financial instrument regardless of measurement category. Transfers to or from Level 3 from/to other levels in the measurement hierarchy were made at the carrying amount on the date on which the transfer was carried out. The allocations to the various levels are reviewed quarterly. The tables show the gains and losses as well as the cash flows that have occurred since the beginning of the year or since the allocation to Level 3. The tables also show the net gains or losses on remeasurement of the financial instruments still held in the portfolio as at the reporting date.

The following table shows the changes in the financial assets measured at fair value at Level 3:

in € m

	Positive fair values of derivatives		Bonds and other fixed-income securities		Loans and receivables		Equity shares and other variable-income securities		Shareholdings	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Balance as at 1.1.	**31**	**46**	**41**	**99**	**1,067**	**1,607**	**319**	**246**	**109**	**102**
Gains or losses recognised in the consolidated income statement	–4	–10	–0	–0	–8	4	10	13	25	2
Loss allowances	–	–	0	–0	–	–	–	–	–	–
Net trading income	–2	–13	–0	–0	–2	6	–	–	–	–
Gains or losses on other financial assets mandatorily measured at fair value through profit or loss	–2	3	–0	–0	–5	–2	10	13	25	2
Gains or losses on derecognition of financial instruments not measured at fair value through profit or loss	–	–	0	0	–	–	–	–	–	–
Gains or losses recognised in other comprehensive income	–	–	–0	0	–2	3	–	–	2	1
Additions	–	0	6	210	51	166	40	30	0	10
Disposals/liquidations	–2	–3	–35	–196	–150	–476	–22	–2	–7	–4
Changes due to currency translation	0	–0	–	–	–	0	0	–0	–0	0
Changes in accrued interest	1	1	–0	0	0	1	–	–	–	–
Amortisation of premiums/discounts	–1	–3	0	1	–3	–2	–	–	–	–
Transfers from Level 2	1	1	–	–	–	13	–	–	–	–
Transfers to Level 2	–1	–1	–	–	–33	–2	–	–	–	–
Other changes in the portfolio	–	–	–	–0	0	0	–	–	–	–0
Balance as at 30.6.	**24**	**31**	**11**	**114**	**922**	**1,313**	**347**	**286**	**128**	**111**
Gains or losses on financial assets in the portfolio recognised in the consolidated income statement	5	1	–0	–1	–1	–0	5	15	2	2

The following table shows the changes in the financial liabilities measured at fair value at Level 3:

in € m

	Negative fair values of derivatives		Securitised liabilities		Deposits and loans	
	2024	2023	2024	2023	2024	2023
Balance as at 1.1.	**165**	**266**	**875**	**779**	**294**	**284**
Gains or losses recognised in the consolidated income statement	37	−38	−24	26	−7	1
Net trading income	3	−13	–	–	–	–
Gains or losses on other financial assets mandatorily measured at fair value through profit or loss	34	−25	−24	26	−7	1
Gains or losses recognised in other comprehensive income	–	–	−0	3	−1	0
Additions	1	1	5	5	–	–
Disposals/liquidations	−5	−3	−8	−3	−53	–
Changes due to currency translation	0	0	–	–	–	–
Changes in accrued interest	1	10	0	1	−1	−3
Amortisation of premiums/discounts	2	2	−1	−1	−4	−5
Transfers from Level 2	0	11	–	–	–	–
Transfers to Level 2	−1	−8	–	–	–	–
Balance as at 30.6.	**201**	**240**	**847**	**809**	**229**	**278**
Gains or losses on financial assets in the portfolio recognised in the consolidated income statement	−39	27	25	−25	5	−1

As in the previous year, there were no major transfers in the reporting year to or from Level 3. The transfers that were carried out are attributable to changes in the quality of the individual inputs used.

Helaba's model for measuring the Level 3 instruments used inputs producing a price that knowledgeable market participants would apply. In its model considerations, Helaba uses inputs that are preferably observable in a market. In the case of inputs that are not observable in a market, Helaba uses the same assumptions that would be used by market participants for pricing purposes.

The following table provides an overview of the main inputs not observable in a market that were used in the relevant valuation techniques as at 30 June 2024:

in € m

	Assets at Level 3	Liabilities at Level 3	Valuation technique	Key inputs not observable in a market	Range
Derivatives	**24**	**201**			
Equity-/index-related derivatives	2	2	Option pricing model	Dividend estimate with remaining term > 3 years	0 €–148 €
	6	1	Option pricing model	Equity shares correlation	9.2 %–78.2 %
Interest-rate derivatives	12	188	Option pricing model	Interest correlation	–3.0 %–99.9 %
	3	9	Option pricing model	Term-SOFR	–0.2 %–0.1 %
Equity shares and other variable-income securities	**347**				
Private equity funds	347		Fund valuation	Net asset values	n. a.
Bonds and other fixed-income securities	**11**		**DCF approach**	**Credit spread**	**0.0 %–2.3 %**
Securitised liabilities		**847**			
Interest certificates		847	Option pricing model	Interest correlation	–5.3 %–99.7 %
Loans and receivables	**922**				
Promissory note loans	639		DCF approach	Credit spread	0.0 %–2.3 %
	224		Option pricing model	Credit spread	0.0 %–1.2 %
	59		Option pricing model	Interest correlation	–3.0 %–99.9 %
				Credit spread	0.0 %–1.2 %
Mezzanine receivables	0		Fund valuation	Fair value	n. a.
Deposits and loans		**229**	**Option pricing model**	**Interest correlation**	**–3.0 %–99.9 %**
Shareholdings	**128**				
Private equity funds	1		Fund valuation	Net asset values	n. a.
Other	74		Income capitalisation approach	Discount rate	8.5 %–10.2 %
				Expected cash flows	n. a.
	52		Various	Fair value and other	n. a.
Total	**1,432**	**1,277**			

The following table shows the figures as at 31 December 2023:

in € m

	Assets at Level 3	Liabilities at Level 3	Valuation technique	Key inputs not observable in a market	Range
Derivatives	**31**	**165**			
Equity-/index-related derivatives	2	2	Option pricing model	Dividend estimate with remaining term > 3 years	0 €–117 €
	9	3	Option pricing model	Equity shares correlation	–66.5 %–85.0 %
Interest-rate derivatives	16	150	Option pricing model	Interest correlation	–5.3 %–99.7 %
	4	11	Option pricing model	Term-SOFR	–0.2 %–0.1 %
Equity shares and other variable-income securities	**319**				
Private equity funds	319		Fund valuation	Net asset values	n. a.
Bonds and other fixed-income securities	**41**		**DCF approach**	**Credit spread**	**0.0 %–4.0 %**
Securitised liabilities		**875**			
Interest certificates		875	Option pricing model	Interest correlation	–5.3 %–99.7 %
Loans and receivables	**1,067**				
Promissory note loans	730		DCF approach	Credit spread	0.0 %–3.0 %
	272		Option pricing model	Credit spread	0.0 %–0.4 %
	64		Option pricing model	Interest correlation	–5.3 %–99.7 %
				Credit spread	0.0 %–0.8 %
Mezzanine receivables	0		Fund valuation	Fair value	n. a.
Deposits and loans		**294**	**Option pricing model**	**Interest correlation**	**–5.3 %–99.7 %**
Shareholdings	**109**				
Private equity funds	1		Fund valuation	Net asset values	n. a.
Other	49		Income capitalisation approach	Discount rate	8.9 %–10.8 %
				Expected cash flows	n. a.
	58		Various	Fair value and other	n. a.
Total	**1,567**	**1,334**			

In the case of those market inputs used that are not directly observable in a market, it is possible to use alternative inputs that knowledgeable market participants could apply to identify more advantageous or more disadvantageous prices. The following section describes how fluctuations in unobservable inputs may impact fair values of financial instruments. The fluctuations are calculated either on the basis of sensitivity analyses or recalculations of fair values using alternative parameters.

The Helaba Group uses correlations to measure derivatives, issued certificates, deposits and loans. Correlations are unobservable market parameters used in model calculations of fair value for financial instruments with more than one reference value. Correlations describe the relationship between these reference values. A high degree of correlation means that there is a strong relationship between the performance of the respective reference values. Structured interest rate derivatives are typically entered into exclusively to hedge structured interest rate issues in the banking book or to hedge structured customer transactions. Furthermore, structured equity derivatives – where correlations must be taken into account as market parameters – are usually entered into exclusively in connection with the corresponding retail issues; such items are closed with back-to-back hedges. The changes in the fair values of the hedging instrument and the hedged item that are attributable to the relevant parameter (interest or equity share correlation) offset each other.

In the case of equity derivatives with underlyings involving dividend distributions, future dividends are taken into account in the valuation. However, no dividend estimates are directly observable on the market for securities with a remaining term of more than three years. To determine the impact on fair values of dividend projections for items with a remaining term of more than three years, a premium or discount of 50 % was applied to the dividend estimates used. This only resulted in immaterial differences, as was also the case at 31 December 2023.

The credit spread is a key input in a model-based measurement of the fair value of bonds and other fixed-income securities and of the promissory note loans reported under loans and receivables. Interest-bearing securities are allocated to Level 3 if it is not (or not with reasonable assurance) possible to derive the credit spread as an input parameter from market data. For this reason, the sensitivity analysis applied to interest-bearing securities includes an examination of the potential impact from credit spread changes. Helaba determines credit spread standard deviations for all required sector-rating-combinations based on one-year history files of sector curves from the CDS or bond market. The determined standard deviations are allocated to Level 3 securities – based on sector and rating – and then multiplied by the credit spread sensitivity of the respective security. The result is the fair value adjustment for the relevant security exposure if the valuation spread increases or declines by the 1-year standard deviation. This results in fair values that could be as much as € 4 m (31 December 2023: € 6 m) above or below the disclosed amounts.

In the context of the reform of the Interbank Offered Rates (IBOR reform), the benchmark interest rates were replaced with overnight risk-free rates (RFR). The Secured Overnight Financing Rate (SOFR) is applied for US dollar transactions. It is based on an active market with liquid and observed market quotations. These SOFR interest rates are used to calculate forward rates (TERM-SOFR) for which there are no liquid market quotations. As a result, transactions for which the TERM-SOFR is relevant are allocated to Level 3. The standard deviation of the historical curve differences is used to calculate the effects on transactions that are not hedged back-to-back. As it did on 31 December 2023, this results in alternative fair values that could be as much as € 1 m above or below the disclosed amounts.

In the case of fund units / shares and mezzanine loans, fair values are predominantly determined by the fund management companies on the basis of the fund assets (net asset value) and made available to the unitholders / shareholders. The latest available fair values are adjusted up to the reporting date. If the input factors used are increased or decreased by 10 %, the fair values determined using these input factors change by € 35 m (31 December 2023: € 30 m).

In the case of investments in unlisted companies for which fair values are determined using the discounted earnings model, a premium, or discount, of 10 % is applied to all discountable cash flows. This results in an increase or decrease in fair values of € 7 m (31 December 2023: € 5 m). If the discount rate were to be increased by one percentage point, the calculated fair values would fall by € 9 m (31 December 2023: € 5 m); if it were lowered by one percentage point, the fair values would rise by € 11 m (31 December 2023: € 6 m). Furthermore, the fair value for some investments in unlisted companies is determined using the net asset value method. If the input factors used are increased or decreased by 10 %, this results in alternative values that could be up to € 5 m (31 December 2023: € 4 m) higher or lower.

There were no significant sensitivities evident in the other Level 3 instruments.

Fair values of financial assets measured at amortised cost

The following overview compares the fair values and carrying amounts of financial assets and liabilities measured at amortised cost.

in € m

	Fair value											
	Level 1		Level 2		Level 3		Total		Carrying amount		Difference	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Demand deposits and overnight money balances at central banks and banks	–	–	38,853	32,649	–	–	38,853	32,649	38,853	32,649	0	0
Bonds and other fixed-income securities	792	437	2,526	2,339	–	–	3,318	2,776	3,366	2,795	–49	–19
Loans and receivables	–	–	71,903	71,620	49,068	52,663	120,971	124,283	124,415	126,682	–3,444	–2,399
Financial assets measured at amortised cost	**792**	**437**	**113,282**	**106,609**	**49,068**	**52,663**	**163,142**	**159,708**	**166,635**	**162,126**	**–3,493**	**–2,418**
Securitised liabilities	3,869	4,059	48,609	45,708	–	–	52,478	49,767	54,025	51,263	–1,547	–1,495
Deposits and loans	–	–	80,176	74,553	25,881	33,699	106,057	108,252	109,482	110,616	–3,425	–2,364
Other financial liabilities	–	–	569	255	176	173	745	428	744	428	0	0
Financial liabilities measured at amortised cost	**3,869**	**4,059**	**129,354**	**120,516**	**26,057**	**33,872**	**159,279**	**158,446**	**164,251**	**162,306**	**–4,972**	**–3,860**

The portfolios reported under Level 3 mainly consist of development and retail business as well as loans to and receivables from customers who do not have an impeccable credit standing. The deposits and loans as at 31 December 2023 included the Helaba Group's balances under the ECB's TLTRO III programme, which were repaid during the reporting period. The fair values determined for these transactions are allocated to Level 3.

(35) Derivatives

The Helaba Group uses derivative financial instruments for both trading and hedging purposes.

Derivatives can be entered into in the form of standard contracts on an exchange or individually negotiated as OTC derivatives.

The notional amounts reflect the gross volume of all purchases and sales. These figures are used as a reference for determining mutually agreed compensation payments; however, they are not receivables or liabilities that can be shown in the statement of financial position.

The notional amounts and fair values of derivatives were as follows:

in € m

	Notional amounts		Positive fair values		Negative fair values	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Equity-/index-related transactions	**620**	**692**	**36**	**44**	**31**	**39**
OTC products	580	658	36	44	31	39
Equity options	580	658	36	44	31	39
Purchases	293	332	36	44	–	–
Sales	288	327	–	–	31	39
Exchange-traded products	40	33	–	0	–	–
Equity/index futures	40	31	–	–	–	–
Equity/index options	–	2	–	0	–	–
Interest-rate-related transactions	**906,968**	**871,321**	**7,929**	**8,709**	**8,958**	**8,969**
OTC products	896,917	861,214	7,929	8,709	8,958	8,969
Interest rate swaps	844,293	806,310	7,267	7,988	7,992	7,909
Interest rate options	52,113	54,621	662	720	966	1,060
Purchases	19,758	20,421	492	547	56	62
Sales	32,355	34,200	170	174	910	998
Other interest rate contracts	511	283	0	0	0	–
Exchange-traded products	10,051	10,107	–	–	–	0
Interest rate futures	10,051	10,047	–	–	–	0
Interest rate options	–	60	–	–	–	–

in € m

	Notional amounts		Positive fair values		Negative fair values	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Currency-related transactions	**70,996**	**71,850**	**692**	**1,163**	**806**	**1,051**
OTC products	70,996	71,850	692	1,163	806	1,051
Currency spot and futures contracts	49,066	48,479	439	556	383	682
Cross-currency swaps	21,649	23,152	252	606	422	368
Currency options	281	220	1	1	1	1
Purchases	141	111	1	1	–	–
Sales	140	109	–	–	1	1
Credit derivatives	**1,944**	**2,165**	**9**	**10**	**13**	**16**
OTC products	1,944	2,165	9	10	13	16
Commodity-related transactions	**477**	**336**	**5**	**3**	**7**	**4**
OTC products	477	336	5	3	7	4
Commodity forwards	411	273	4	3	5	3
Commodity options	65	63	1	0	1	1
Total	**981,005**	**946,364**	**8,671**	**9,928**	**9,814**	**10,079**

Derivatives have been entered into with the following counterparties:

in € m

	Notional amounts		Positive fair values		Negative fair values	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Central banks and banks in Germany	289,855	302,627	3,186	4,056	5,247	5,121
Central banks and banks in the EU (excluding Germany)	67,643	68,219	3,015	3,017	1,986	2,223
Central banks and banks in the rest of the world (excluding EU)	19,074	21,230	591	632	770	1,045
Governments, Germany	9,889	10,117	995	1,156	273	191
Governments, EU (excluding Germany)	2	–	–	–	–	–
Governments, World (excluding EU)	46	–	0	–	–	–
Other counterparties in Germany	25,497	25,517	523	593	755	745
Other counterparties in the EU (excluding Germany)	13,734	13,509	179	220	314	311
Other counterparties (rest of world, excluding EU)	545,175	495,005	182	254	469	443
Exchange-traded derivatives	10,091	10,140	–	0	–	0
Total	**981,005**	**946,364**	**8,671**	**9,928**	**9,814**	**10,079**

Nominal amounts broken down by term to maturity:

in € m

	Up to three months		Three months to one year		One year to five years		More than five years		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Equity-/index-related transactions	214	64	379	370	27	257	–	–	620	692
Interest-rate-related transactions	66,137	47,695	216,860	153,086	269,340	315,269	354,630	355,271	906,968	871,321
Currency-related transactions	28,889	29,386	19,585	18,786	17,486	19,150	5,036	4,529	70,996	71,850
Credit derivatives	10	–	423	376	1,352	1,613	159	176	1,944	2,165
Commodity-related transactions	311	336	166	–	–	–	–	–	477	336
Total	**95,561**	**77,481**	**237,413**	**172,618**	**288,205**	**336,288**	**359,826**	**359,976**	**981,005**	**946,364**

(36) Issuing activities

The following table provides an overview of changes in the Helaba Group's securitised funding during the reporting period:

in € m

	Measured at amortised cost		Mandatorily measured at fair value through profit or loss		Voluntarily designated at fair value		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance as at 1.1.	**51,263**	**41,064**	**30**	**374**	**8,016**	**6,671**	**59,308**	**48,109**
Additions from issues	151,116	62,785	5	98	334	585	151,455	63,468
Additions from reissue of previously repurchased instruments	6,076	2,575	–	–	7	25	6,084	2,601
Redemptions	–149,744	–59,631	–	–302	–69	–92	–149,813	–60,025
Repurchases	–4,677	–1,166	–2	–1	–59	–28	–4,737	–1,195
Changes in accrued interest	60	104	–	–	10	12	70	116
Changes in value recognised through profit or loss	–121	95	4	7	–54	96	–170	197
Credit-risk-related changes in fair value recognised in OCI	–	–	–	–	2	7	2	7
Changes due to currency translation and other adjustments	51	–17	–2	1	2	5	51	–11
Balance as at 30.6.	**54,025**	**45,809**	**36**	**176**	**8,190**	**7,282**	**62,250**	**53,266**

As part of its issuing activities, the Helaba Group places short-term commercial paper, medium- and long-term bonds and subordinated sources of funding on the money and capital markets.

Additions from issues and redemptions also include the placement volume of short-term commercial paper that could be repaid by as early as the end of the reporting period. The changes in value recognised through profit or loss result from remeasurement effects on financial liabilities that were either accounted for as hedged items or to which the FVO was applied and from the amortisation of premiums and discounts.

(37) Contingent liabilities and other off-balance sheet obligations

in € m

	30.6.2024	31.12.2023[1]
Loan commitments	**29,471**	**31,466**
Financial guarantees	**3,150**	**3,080**
Other obligations	**7,542**	**7,210**
Liabilities from guarantees and warranty agreements (excluding financial guarantees)	5,320	5,053
Placement and underwriting obligations	843	822
Obligations to make further retrospective payments	0	0
Contribution obligations	217	229
Contractual obligations for the acquisition of property and equipment, intangible assets and other assets	213	141
Contractual obligations in connection with investment property	707	716
Litigation risk obligations	2	0
Sundry obligations	240	248
Total	**40,164**	**41,756**

[1] Prior-year figures restated; see separate table.

In the prior year, liabilities from guarantees and warranty agreements (without financial guarantees) were presented as financial guarantees. This was corrected. The adjusted prior-year figures are presented in the following table:

in € m

	31.12.2023		
	reported	adjustment	adjusted
Financial guarantees	**5,898**	**–2,818**	**3,080**
Other obligations	**4,392**	**2,818**	**7,210**
Liabilities from guarantees and warranty agreements (excluding financial guarantees)	2,235	2,818	5,053

(38) Fiduciary transactions

in € m

	30.6.2024	31.12.2023
Loans and advances to banks	1,003	1,050
Loans and advances to customers	581	629
Equity shares and other variable-income securities	88	88
Shareholdings	69	69
Sundry assets	15	15
Trust assets	**1,756**	**1,851**
Deposits and loans from banks	485	535
Deposits and loans from customers	1,041	1,087
Other financial liabilities	230	228
Trust liabilities	**1,756**	**1,851**

The fiduciary transactions mainly involve development funding from the Federal Government, the Federal State of Hesse and from the KfW provided in the form of trustee loans, trust funds invested with other credit institutions as well as shareholdings managed for private investors.

Other disclosures

(39) Related party disclosures

In the course of the ordinary activities of Helaba, transactions with parties deemed to be related in accordance with IAS 24 are conducted on an arm's-length basis. The following disclosures relate to transactions with unconsolidated affiliated companies, with associates and with joint ventures of the Helaba Group as well as their subordinated subsidiaries.

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 business relations with our shareholders and their subordinated subsidiaries in accordance with IAS 24 comprise normal banking services. The extent of business relations with the shareholders and main subordinated companies in the period under review is detailed in the balances at the end of the year shown in the following table. The disclosures relating to persons in key positions of the Helaba Group as defined in IAS 24, including their close family relations and companies controlled by those persons, are also included in the following table.

The following table shows the assets in respect of related parties.

in € m

	Unconsolidated subsidiaries		Investments in joint ventures and associates		Helaba shareholders		Other related parties		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
Cash on hand, demand deposits and overnight money balances with central banks and banks	–	0	–	–	–	–	–	–	–	0
Financial assets measured at amortised cost	1	2	200	151	6,251	6,640	14	13	6,467	6,806
Bonds and other fixed-income securities	–	–	–	–	15	–	–	–	15	–
Loans and receivables	1	2	200	151	6,236	6,640	14	13	6,451	6,806
Trading assets	–	–	–	–	134	216	–	–	134	216
Positive fair values of derivatives held for trading	–	–	–	–	134	191	–	–	134	191
Bonds and other fixed-income securities	–	–	–	–	–	24	–	–	–	24
Other financial assets mandatorily measured at fair value through profit or loss	9	15	10	10	1	1	–	–	20	26
Equity shares and other variable-income securities	–	0	0	–	–	–	–	–	0	0
Shareholdings	9	15	10	10	1	1	–	–	20	26
Financial assets designated voluntarily at fair value	–	–	–	–	515	530	–	–	515	530
Loans and receivables	–	–	–	–	515	530	–	–	515	530
Financial assets measured at fair value through other comprehensive income	0	0	–	–	529	399	–	–	529	399
Bonds and other fixed-income securities	–	–	–	–	498	368	–	–	498	368
Loans and receivables	–	–	–	–	31	31	–	–	31	31
Shareholdings	0	0	–	–	–	–	–	–	0	0
Shares in equity-accounted entities	–	–	4	3	–	–	–	–	4	3
Sundry assets	–	–	0	–	115	115	–	–	115	115
Total assets	10	17	215	164	7,545	7,900	14	13	7,784	8,095

The liabilities and off-balance sheet commitments to related parties as at 30 June 2024 were as follows:

in € m

	Unconsolidated subsidiaries		Investments in joint ventures and associates		Helaba shareholders		Other related parties		Total	
	30.6.2024	31.12.2023[1)]	30.6.2024	31.12.2023[1)]	30.6.2024	31.12.2023[1)]	30.6.2024	31.12.2023[1)]	30.6.2024	31.12.2023[1)]
Financial liabilities measured at amortised cost	**117**	**121**	**12**	**11**	**2,360**	**2,910**	**5**	**3**	**2,493**	**3,046**
Deposits and loans	117	121	12	11	2,359	2,910	5	3	2,493	3,046
Other financial liabilities	0	0	–	–	0	0	–	–	0	0
Trading liabilities	**–**	**–**	**5**	**4**	**1,229**	**474**	**–**	**–**	**1,234**	**477**
Negative fair values of derivatives held for trading	–	–	–	–	133	95	–	–	133	95
Deposits and loans	–	–	5	4	1,096	379	–	–	1,101	382
Financial liabilities designated voluntarily at fair value	**–**	**–**	**–**	**–**	**16**	**16**	**–**	**–**	**16**	**16**
Deposits and loans	–	–	–	–	16	16	–	–	16	16
Provisions	**0**	**0**	**0**	**0**	**16**	**16**	**0**	**12**	**16**	**28**
Total liabilities	**117**	**121**	**17**	**15**	**3,620**	**3,416**	**5**	**15**	**3,759**	**3,567**
Loan commitments	2	2	117	141	490	762	0	0	609	906
Financial guarantees	–	–	–	–	0	0	0	0	0	0
Other obligations	–	–	0	0	16	16	–	–	16	16
Total off-balance sheet commitments	**2**	**2**	**117**	**141**	**506**	**778**	**1**	**1**	**625**	**922**

[1)] Prior-year figures restated; see separate table.

In the prior year, transactions that were not transactions with unconsolidated subsidiaries were inaccurately reported under related party disclosures. Also in the prior year, liabilities from guarantees and warranty agreements (without financial guarantees) were reported as financial guarantees. The reporting of these transactions was corrected.

The following table presents the adjustments to the prior-year data:

in € m

	31.12.2023				
	Unconsolidated subsidiaries	Investments in joint ventures and associates	Helaba share-holders	Other related parties	Total
Financial liabilities measured at amortised cost					
reported	151	–	2,914	–	3,080
adjustment	−30	–	−4	–	−34
adjusted	121	–	2,910	–	3,046
reported	151	–	2,914	–	3,080
adjustment	−30	–	−4	–	−34
adjusted	121	–	2,910	–	3,046
Total liabilities					
reported	151	–	3,420	–	3,602
adjustment	−30	–	−4	–	−34
adjusted	121	–	3,416	–	3,567
Financial guarantees					
reported	–	0	16	0	16
adjustment	–	−0	−16	–	−16
adjusted	–	–	0	0	0
Other obligations					
reported	–	–	–	–	–
adjustment	–	0	16	–	16
adjusted	–	0	16	–	16

Standard banking transactions with related parties gave rise to income and expenses in the lending, deposits, investment and derivatives businesses. As at 30 June 2024, net interest income of € 17 m was generated from related parties (H1 2023: € 41 m). Standard banking services produced net fee and commission income of € 33 m (H1 2023: € 76 m). In addition, derivative transactions are entered into with related parties, mainly to hedge interest rate risk. Interest expense of € 3 m (H1 2023: interest income of € 5 m) was generated from interest-rate derivatives. This item was reported under net trading income. In accordance with IFRS, derivatives are measured at fair value through profit or loss; unrealised effects from changes in fair value reported in net trading income are matched by corresponding countervailing transactions with other customers as part of overall bank management.

(40) Members of the Executive Board

Thomas Groß – Chairman –	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
Hans-Dieter Kemler	Dezernent (Board member) with responsibility for Corporate Banking, Capital Markets, Treasury and Helaba Invest Kapitalanlagegesellschaft mbH
Frank Nickel	Dezernent (Board member) with responsibility for Savings Banks and SME, Public Sector, WIBank and LBS
Christian Rhino	Helaba Chief Operating Officer and Chief Information Officer (COO and CIO) and Dezernent (Board member) with responsibility for Information Technology, Organisation and Operations and COO/CIO Office
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 Dezernentin (Board member) with responsibility for Risk Control, Credit Risk Management, Restructuring & Recovery and Compliance

(41) Report on events after the reporting date

On 5 August 2024, following the fulfilment of all implementation conditions, Helaba's owners undertook a partial restructuring of its equity. The partial restructuring measures include, on the one hand, the withdrawal and repayment of the capital contributions of € 1,920 m paid by the Federal State of Hesse by transfer of the "Wohnungswesen und Zukunftsinvestition" and "Hessischer Investitionsfonds" special funds in lieu of performance. These special funds are 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 AT1 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**

As a result of the measures, the regulatory Tier 1 capital – including Helaba's AT1 capital – was increased by a total of € 80 m upon implementation of the measures on 5 August 2024. The CET1 capital was decreased by € 420 m.

The withdrawal of the capital contributions and transfer of the special funds as well as the payments into the share capital and the subscription to a new AT1 issue had no impact on profit or loss. Following their transfer to the Federal State of Hesse, the special funds will be managed in the future by WIBank.

In the course of implementing the measures to restructure the capital contributions of the Federal State of Hesse, it is planned to successively dissolve the reserve funds of the Sparkassen- und Giroverband Hessen-Thüringen, the Rheinischer Sparkassen- und Giroverband and the Sparkassenverband Westfalen-Lippe. These regional reserve funds exist alongside the national protection scheme of the Sparkassen-Finanzgruppe in Germany, the volume of which will be significantly increased from 2025 through the establishment of an additional fund.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial statements, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Helaba Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Helaba Group, together with a description of the principal opportunities and risks associated with the expected development of the Helaba Group.

Frankfurt am Main/Erfurt, 6 August 2024

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

Groß	Kemler	Nickel
Rhino	Schmid	Weiss

Review report

To Landesbank Hessen-Thüringen Girozentrale

We have reviewed the interim condensed consolidated financial statements of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main/Erfurt, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, condensed consolidated cash flow statement and selected explanatory notes, and the interim group management report for the period from 1 January 2024 to 30 June 2024, which are part of the half-year financial report pursuant to Sec. 115 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The executive directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company's employees and analytical assessments, and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Eschborn / Frankfurt am Main, 6. August 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Marcus Binder	Martin Alt
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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Helaba addresses

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