

Quarterly Disclosure Report

for the 3rd quarter of 2019

Disclosure Report of the Helaba Group in Accordance with the CRR

30 September 2019

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Preamble

The Helaba Group

Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main and Erfurt (Helaba) is a credit institution organised under public law; 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.

Helaba provides services for its customers in three different roles. As a commercial bank, it provides support for customers in Germany and abroad. As a Sparkasse central bank, it provides products and services for 40 % of all Germany's Sparkassen. In its capacity as the central development institution for Hesse, Helaba administers public-sector development programmes through Wirtschafts- und Infrastrukturbank Hessen (WIBank).

Frankfurter Sparkasse (FSP), the regional market leader in retail banking, is a wholly owned subsidiary of Helaba. In addition to FSP and WIBank, other entities that form part of the Helaba Group include 1822direkt online bank and Landesbausparkasse Hessen-Thüringen (LBS). The Bank's registered offices are situated in Frankfurt am Main and Erfurt, and it also has branches in Düsseldorf, Kassel, Paris, London, New York and Stockholm. The branches allow Helaba to strengthen its local presence close to customers and Sparkassen. In addition, Helaba's international branches open access to funding markets. The organisation also includes representative and sales offices, subsidiaries and affiliates.

Helaba's business model

Helaba



Real Estate

Corporates & Markets

Retail & Asset Management

Development business

Commercial bank

Sparkasse Central Institute

Development bank

Frankfurter Sparkasse 1822

LBS

Frankfurter Bankgesellschaft
PRIVAT BANK | Zürich | Frankfurt

Helaba Invest

GWH
WIRTSCHAFTS- UND INFRASTRUKTURBANK HESSEN

OFB
Projektentwicklung

WIBank
Wirtschafts- und Infrastrukturbank Hessen

Disclosure Report

Helaba is the superordinated institution in the Group and, as such, is responsible for meeting the disclosure requirements at Group level in accordance with Part 8 of Regulation (EU) No 575/2013 (Capital Requirements Regulation, CRR) in conjunction with European Banking Authority (EBA) guidelines EBA/GL/2016/11. This Disclosure Report satisfies these requirements for the reporting date of 30 September 2019. The supplementary provisions set out in Sections 10 and 10a of the German Banking Act (Kreditwesengesetz – KWG), Article 13 CRR, the transitional provisions set out in Part 10 CRR and the regulatory and implementing standards, EBA Guidelines and EBA Q&As of relevance to disclosure are also taken into account.

In January 2019, revised securitisation rules were introduced under Regulation (EU) 2017/2401, which amends the CRR. These rules change the calculation of risk-weighted assets (RWAs) for securitisation transactions that have been carried out since 1 January 2019. Subject to certain conditions, all securitisation transactions that existed prior to this date are subject to grandfathering provisions up to and including 31 December 2019 and continue to be backed by own funds in accordance with the CRR rules in force up to 31 December 2018.

Regulation (EU) 2019/876 (CRR II) introduces a large number of amendments, including various changes to the RWA framework for credit risk and to disclosure requirements. Most of these changes will come into force in June 2021. The regulation provides for transitional arrangements to be applied prior to June 2021 for some disclosure requirements. All references in the disclosure report to articles that already relate to CRR II are identified accordingly.

The frequency and scope of the Disclosure Report are based on the requirements specified in the guidelines EBA/GL/2016/11 and EBA/GL/2014/14. The information to be disclosed in this report is subject to the materiality principle as specified in Article 432 CRR in conjunction with the EBA guidelines EBA/GL/2014/14. The use of the materiality principle at Helaba is described in the table below and in the sections referenced in the table.

Helaba's approach to disclosures is regularly reviewed on the basis of a framework of requirements established by the Group to ensure that the approach is appropriate and fit for purpose; operational responsibilities are set out in detailed operating procedures.

On the basis of the EBA/GL/2016/11 guidelines, which have had to be applied at Helaba since 31 December 2017, reports will be issued quarterly from 2018. The content of this reporting, which was previously required in accordance with the CRR, has now been expanded and made more specific.

The following table sets out an overview of the quantitative requirements, the relevance for Helaba and the use of the materiality principle, together with cross-references to the relevant section or external documents. The table also lists qualitative requirements that are not included in the disclosure report but are covered in other Helaba publications.

Overview of quantitative and qualitative requirements

	Disclosure interval			
	Quarterly	Half-yearly	Annually	
Preamble				
Overview of quantitative and qualitative requirements	x	–	–	
Risk Strategy and Risk Management				
Article 435 CRR – Mandates held by the members of the Board of Managing Directors (in accordance with Section 24 KWG)	–	(x)	x	
Article 435 CRR – Mandates held by the members of the Supervisory Board	–	(x)	x	
Scope of Application				
Group of consolidated companies for regulatory purposes (overview)	x	–	–	
EU LI3 – Outline of the differences in the scopes of consolidation	–	–	x	
EU LI1 – Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories	–	–	x	
EU LI2 – Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements	–	–	x	
Own Funds and Own Funds Structure				
KM1 – The Helaba Group in figures	x	–	–	
Article 437 CRR – Key features of the capital instruments	–	x	–	
Article 437 CRR – Disclosure of own funds	–	x	–	
Article 437 CRR – Reconciliation from the IFRS Consolidated Statement of Financial Position to the Consolidated Statement of Financial Position for Regulatory Purposes	–	x	–	
EU OV1 – Overview of RWAs	x	–	–	
Article 438 CRR – Overview of RWAs by exposure class	x	–	–	
EU INS1 – Equity investments in insurance companies that are not deducted from own funds	–	x	–	
EU CR10 – IRB: Equities (simple risk weight approach)	–	x	–	
Capital ratios	–	x	–	
Countercyclical Capital Buffer				
Article 440 CRR – Geographical distribution of credit risk exposures relevant to the calculation of the countercyclical capital buffer	–	–	x	
Article 440 CRR – Amount of the institution-specific countercyclical capital buffer	–	–	x	

Depending on the disclosure interval			
	Helaba relevance	Use of materiality principle	Reference
	x	–	Preamble section, Disclosure Report subsection
	Included in disclosures as at 30.6.2019 due to changes	–	Risk Strategy and Risk Management section, Risk Management Structure / Members of the management bodies subsections
	Included in disclosures as at 30.6.2019 due to changes	–	Risk Strategy and Risk Management section, Risk Management Structure / Members of the management bodies subsections
	x	–	Scope of Application section
	x	–	Scope of Application section
	x	–	Scope of Application section
	x	–	Scope of Application section
	x	–	Own Funds and Own Funds Structure section, Own funds structure subsection
	x	–	Annex section
	x	–	Own Funds and Own Funds Structure section, Own funds structure subsection
	x	–	Own Funds and Own Funds Structure section, Own funds structure subsection
	x	–	Own Funds and Own Funds Structure section, Capital adequacy subsection
	x	–	Own Funds and Own Funds Structure section, Capital adequacy subsection
	Generally relevant, no qualifying items as at 30.6.2019	–	Own Funds and Own Funds Structure section, Capital adequacy subsection
	Generally relevant; no such specialised lending exposures as at 30.6.2019, only equity investments under the simple risk weight approach	Table presentation limited to equities provided no such specialised lending exposures held	Own Funds and Own Funds Structure section, Capital adequacy subsection
	Presentation not required for regulatory purposes. Ratios shown for the Group, the Bank, and the significant subsidiaries in accordance with Article 13 CRR	–	Own Funds and Own Funds Structure section, Capital adequacy subsection
	x	To keep the presentation clear and ensure only relevant information is shown, the data in the table is limited to countries that have specified a countercyclical capital buffer of greater than 0 % or whose weighted proportion of own funds requirements is 1 % or higher.	Countercyclical Capital Buffer section
	x	–	Countercyclical Capital Buffer section

Overview of quantitative and qualitative requirements

	Disclosure interval			
	Quarterly	Half-yearly	Annually	
Leverage Ratio				
Article 451 CRR – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	–	x	–	
Article 451 CRR – LRCom: Leverage ratio common disclosure	–	x	–	
Article 451 CRR – LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	–	x	–	
Article 451 CRR – LRQua: Qualitative disclosures	–	x	–	
Liquidity Coverage Ratio (LCR)				
EU LIQ1 – LCR	(x)	–	x	
Credit Risk – General Disclosures				
EU CRB-B – Types of credit exposure with average values based on the quarterly reporting dates	–	–	x	
EU CRB-C – Geographical breakdown of exposures	–	–	x	
EU CRB-D – Concentration of exposures by industry	–	–	x	
EU CRB-E – Maturity of exposures (on-balance sheet exposures)	–	–	x	
Article 442 CRR – Maturity of exposures (off-balance sheet exposures)	–	–	x	
EU CR1-A – Credit quality of exposures by exposure class	–	x	–	
EU CR1-B – Credit quality of exposures by industry	–	x	–	
EU CR1-C – Credit quality of exposures by geography	–	x	–	
EU CR1-D – Ageing of past-due exposures	–	x	–	
EU CR1-E – Non-performing and forborne exposures	–	x	–	
EU CR2-A – Changes in the stock of general and specific credit risk adjustments (on-balance sheet risk exposures)	–	x	–	
Article 442 CRR – Changes in the stock of general and specific credit risk adjustments (off-balance sheet risk exposures)	–	–	x	
EU CR2-B – Changes in the stock of defaulted and impaired loans and debt securities	–	x	–	

[illegible]

Overview of quantitative and qualitative requirements

	Disclosure interval			
	Quarterly	Half-yearly	Annually	
Credit Risk – General Disclosures on Credit Risk Mitigation				
EU CR3 – Credit risk mitigation techniques	–	x	–	
Article 453 CRR – Credit risk mitigation techniques by exposure class	–	–	x	
Credit Risk – Credit Risk and Credit Risk Mitigation in the Standardised Approach				
EU CR4 – Standardised approach: Credit risk exposure and CRM effects by exposure class	–	x	–	
EU CR5 – Standardised approach: Credit risk exposure value by exposure class and risk weight (after credit risk mitigation)	–	x	–	
Article 444 CRR – Standardised approach: Credit risk exposure value by exposure class and risk weight (before credit risk mitigation)	–	–	x	
Credit Risk – Credit Risk and Credit Risk Mitigation in the IRB Approach				
Article 452 CRR – Overview of approved IRB approach rating models in use at Helaba Bank (excluding LBS and WIBank)	–	–	x	
Article 452 CRR – Overview of approved IRB approach rating models in use at FSP	–	–	x	
Article 452 CRR – Overview of approved IRB approach rating models in use at LBS	–	–	x	
EU CR6 – IRB: Credit risk exposures by exposure class and PD range	–	x	–	
Article 452 CRR – Average PD by country, FIRB	–	–	x	
Article 452 CRR – Retail portfolio average PD/LGD by country, AIRB	–	–	x	
EU CR7 – IRB approach – Effect on the RWAs of credit derivatives used as CRM techniques	–	x	–	
EU CR8 – RWA flow statements of credit risk exposures under the IRB approach	x	–	–	
RWA coverage by exposure class	–	–	x	
EU CR9 – FIRB: Back-testing of PD per exposure class	–	–	x	
EU CR9 – AIRB: Back-testing of PD per exposure class	–	–	x	
EU CR9 – AIRB: Back-testing of LGD per exposure class	–	–	x	
EU CR9 – AIRB: Back-testing of CCF per exposure class	–	–	x	
Article 452 CRR – Actual losses versus expected loss in lending business	–	–	x	

Overview of quantitative and qualitative requirements

	Disclosure interval			
	Quarterly	Half-yearly	Annually	
Equity Investments in the Banking Book				
Article 447 CRR – Type of equity investment instrument	–	–	x	
Counterparty Credit Risk (CCR)				
EU CCR1 – Analysis of CCR exposure by approach (excluding exposures to CCPs)	–	x	–	
EU CCR3 – Standardised approach: CCR exposures by regulatory portfolio and risk (after credit risk mitigation)	–	x	–	
Article 444 CRR – Standardised approach: CCR exposures by regulatory portfolio risk (before credit risk mitigation)	–	–	x	
EU CCR4 – FIRB approach: CCR exposures by portfolio and PD scale	–	x	–	
EU CCR4 – AIRB approach: CCR exposures by portfolio and PD scale	–	x	–	
EU CCR6 in conjunction with Article 439 h) CRR – Overview of credit derivatives exposures	–	x	–	
EU CCR8 – Exposures to CCPs	–	x	–	
EU CCR7 – RWA flow statements of CCR exposures under the IMM	x	–	–	
EU CCR5-A – Impact of netting and collateral held on exposure values	–	x	–	
EU CCR5-B – Composition of collateral for exposures to CCR	–	x	–	
EU CCR2 – CVA capital charge	–	x	–	
Securitisations				
Article 449 CRR – Approaches used for securitisation transactions	–	–	x	
Article 449 CRR – Total volume of securitisation exposures by asset type	–	–	x	
Article 449 CRR – Total volume of retained or purchased securitisation exposures by risk weight band	–	–	x	
Article 449 CRR – Total volume of securitisation exposures in respect of own special purpose vehicles	–	–	x	
Article 449 CRR – Requirements for originators	–	–	x	
Market Risk				
EU MR1 – Market risk in accordance with the standardised method	–	x	–	
EU MR2-A – Market risk in internal models approach	–	x	–	
EU MR2-B – Market risk under the IMA	x	–	–	
EU MR3 – IMA values for trading portfolios	–	x	–	
EU MR4 – Clean back-testing of the internal model	–	x	–	
EU MR4 – Dirty back-testing of the internal model	–	x	–	

Depending on the disclosure interval			
	Helaba relevance	Use of materiality principle	Reference
	x	–	Equity Investments in the Banking Book section
	x	–	Counterparty credit risk (CCR) section
	x	–	Counterparty credit risk (CCR) section
	x	–	Counterparty credit risk (CCR) section
	x	–	Counterparty credit risk (CCR) section
	Generally relevant, no qualifying items as at 30.6.2019	–	Counterparty credit risk (CCR) section
	Generally relevant; as at 30.6.2019, there were no credit derivatives transactions in connection with intermediation activities, only for Helaba's own credit portfolio	Table presentation limited to credit derivatives transactions for Helaba's own credit portfolio, provided there were no such transactions in connection with intermediation activities	Counterparty credit risk (CCR) section
	x	–	Counterparty credit risk (CCR) section
	Generally relevant, no qualifying items as at 30.6.2019	–	Counterparty credit risk (CCR) section
	x	–	Counterparty credit risk (CCR) section
	x	–	Counterparty credit risk (CCR) section
	x	–	Counterparty credit risk (CCR) section
	x	–	Securitisations section
	x	–	Securitisations section
	x	–	Securitisations section
	x	–	Securitisations section
	Helaba operates as a sponsor and investor only and so the requirements for originators stipulated in Article 449 CRR do not apply.	–	--
	x	–	Market Risk section, Standardised method subsection
	x	–	Market Risk section, Internal model subsection
	x	–	Market Risk section, Internal model subsection
	x	–	Market Risk section, Internal model subsection
	x	–	Market Risk section, Internal model subsection
	x	–	Market Risk section, Internal model subsection

Overview of quantitative and qualitative requirements

	Disclosure interval			
	Quarterly	Half-yearly	Annually	
Interest Rate Risk in the Banking Book	–	–	x	
Operational Risk	–	–	x	
Asset Encumbrance				
Article 443 CRR – Assets	–	–	x	
Article 443 CRR – Collateral received	–	–	x	
Article 443 CRR – Sources of encumbrance	–	–	x	
Qualitative / Other Disclosure Requirements				
Article 13 CRR – Disclosure by significant subsidiaries	–	–	x	
Article 435 CRR – Risk strategy and risk management; Article 435 1a CRR – Strategies and processes	–	–	x	
Article 435 1b CRR – Structure and organisation	–	–	x	
Article 435 1c CRR – Scope and nature of risk reporting and measurement systems	–	–	x	
Article 435 1d CRR – Hedging and mitigating risk	–	–	x	

Depending on the disclosure interval		
Helaba relevance	Use of materiality principle	Reference
x	With a view to improving clarity in the presentation of figures, the listing of individual currencies is limited to those that individually account for at least 5 % and those that are necessary to cover at least 95 % of the total foreign currency share	Interest Rate Risk in the Banking Book section
x	–	Operational Risk section
x	–	Asset Encumbrance section
x	–	Asset Encumbrance section
x	–	Asset Encumbrance section
x		The disclosure report for Frankfurter Sparkasse as an individual bank is published in a “Disclosure report” section within its Annual Report, which is available on FSP’s website.
x		The disclosures are included in the Annual Report (Group management report (Risk report)). This disclosure report includes additional information.
x		The disclosures are included in the Annual Report (“Entities involved”, “Principal risk monitoring areas”, “Compliance” sections under “Risk management structure” within the “Risk report” in the group management report). In the disclosure report, additional information on the number of meetings held by the Risk Committee can be found under “Principal risk monitoring areas” in the “Risk strategy and risk management” section.
x		“Principal risk monitoring areas” in the “Risk strategy and risk management” section.
x		“Strategies and processes to counter and mitigate risks” in the “Risk strategy and risk management” section.

Overview of quantitative and qualitative requirements

	Disclosure interval			
	Quarterly	Half-yearly	Annually	
Article 435 1e CRR – Adequacy of risk management arrangements	–	–	x	
Article 435 1f CRR – Concise risk statement	–	–	x	
Article 435 2a-c CRR – Members of the management body	–	–	x	
Article 435 2d-e CRR – Disclosures on the risk committee and on the information flow to the management body	–	–	x	
Article 436 CRR – Differences in the basis of consolidation	–	–	x	
Article 447 CRR – Exposures in equities	–	–	x	
Article 450 CRR – Remuneration policy disclosures	–	–	x	
Article 441 CRR – Indicators of global systemic importance				

Depending on the disclosure interval			
	Helaba relevance	Use of materiality principle	Reference
	x		<p>Please refer to the “Responsibility of executive management” section under “Principles” within the “Risk report” in the group management report in conjunction with the “Responsibility statement” within the consolidated financial statements in the Helaba Group’s Annual Report for information on declarations by the Board of Managing Directors regarding the appropriateness of the risk management system at Helaba.</p> <p>Additional information is available in the disclosure report under “Risk management process” in the “Risk strategy and risk management” section.</p>
	x		<p>In relation to Article 435 (1f) CRR, please refer to the group management report within the Annual Report, specifically the “Risk report” (initial passage) in conjunction with the “Protection of assets” and “Risk appetite framework” sections under “Principles” and the “Risk types” section under “Risk classification”.</p>
	x		<p>Risk Strategy and Risk Management section, Risk Management Structure, Members of the management bodies subsections</p>
	x		<p>The disclosures are included in the Annual Report (“Entities involved”, “Principal risk monitoring areas”, “Compliance” sections under “Risk management structure” within the “Risk report” in the group management report).</p> <p>This disclosure report includes additional information.</p>
	x		<p>Information on the group of consolidated companies under IFRS may be found in the Annual Report (Note (4) in conjunction with Note (89) in the Notes to the Consolidated Financial Statements)</p>
	x		<p>More detailed information on equity investment exposures is included in Notes (4) – (8), (17), (28), (31) et seq. of the Notes to the Consolidated Financial Statements in the Annual Report.</p>
	x		<p>The disclosures are presented in a separate remuneration report and published on Helaba’s website.</p>
	Helaba is identified as an Other Systemically Important Institution and so the requirements stipulated in Article 441 CRR do not apply		–

Overview of quantitative and qualitative requirements

	Disclosure interval			
	Quarterly	Half-yearly	Annually	
Article 473 CRR in conjunction with EBA/GL/2018/01 – Disclosure of IFRS 9 transitional arrangements				
Qualitative disclosures on non-performing exposures and forbearance in accordance with the ECB's "Guidance to banks on non-performing loans".	–	–	x	
Section 26a KWG – Country by Country Reporting	–	–	x	
Section 35 SAG – Financial Assistance Provided Within the Group	–	–	x	

The regulatory own funds requirements and Helaba's own funds are based on financial reporting in accordance with IFRS. Since 1 January 2018, the figures have taken into account the new financial reporting requirements under IFRS 9.

Please refer to the "Responsibility of executive management" section under „Principles“ within the „Risk report“ in the group management report in conjunction with the "Responsibility statement" within the consolidated financial statements in the Helaba Group's **Annual Report** for information on declarations by the Board of Managing Directors regarding the appropriateness of the risk management system at Helaba pursuant to Article 435 (1e) CRR. Given the differences between the basis of consolidation for regulatory purposes and that under German commercial law, more detailed information relating to the financial statements can also be found in the **Annual Report**.

Depending on the disclosure interval		
Helaba relevance	Use of materiality principle	Reference
Helaba will not make use of the transitional regulatory rules in accordance with Article 473 a) CRR covering the inclusion of the initial application effects when determining capital ratios and so the requirements stipulated in Article 473 CRR in conjunction with EBA GL 2018/01 do not apply		–
x		“Non-performing exposures and forbearance” section in conjunction with the Notes to the Consolidated Financial Statements in the Annual Report (Note (7) “Loss allowances” section, Note (9), “Modifications” section and Note (72), “Non-performing exposures and forbearance” section).
x		Disclosures can be found in the section Country-by-country reporting in accordance with Section 26a KWG in the Annual Report
x		The disclosures are included in the Annual Report (Note (74) in conjunction with Note (75) in the Notes to the Consolidated Financial Statements). The equivalent disclosures at Helaba Bank level are in the Annual Financial Report (Note (46) in the Notes to the Annual Financial Statements of Landesbank Hessen-Thüringen Girozentrale).

Scope of Application

These disclosures are provided for the Helaba Group on the basis of the group of consolidated companies for regulatory purposes pursuant to the KWG/CRR. The document is prepared and coordinated by the parent company – Helaba.

A total of 17 companies are fully consolidated in the consolidation process for regulatory purposes in accordance with Sections 10 and 10a KWG and Article 18 CRR in addition to Helaba as the superordinated institution. A further 20 companies are excluded

from the scope of consolidation for regulatory purposes in accordance with Section 31 KWG in conjunction with Article 19 CRR.

Since 30 June 2019, KOFIBA-Kommunalfinanzierungsbank GmbH has been removed from the group of consolidated companies for regulatory purposes as a result of its merger into Helaba.

Group of consolidated companies for regulatory purposes (overview)

Regulatory treatment	Number and type of companies
Full consolidation	17 companies 11 financial institutions 1 asset management company 3 banks 1 investment firm 1 provider of ancillary services
Proportional consolidation	–
Excluded from the scope of consolidation for regulatory purposes	20 companies 19 financial institutions 1 provider of ancillary services

Own Funds and Own Funds Structure

This section presents information about the Helaba Group's own funds and key figures together with a breakdown of the own funds requirements for each risk type in accordance with the COREP report under Pillar I as at 30 September 2019.

KM1 – The Helaba Group in figures

in € m

	30.9.2019	30.6.2019	31.3.2019	31.12.2018	30.9.2018
Composition of own funds for regulatory purposes					
1 Common Equity Tier 1 capital	8,367	8,468	8,075	8,108	8,004
thereof: Regulatory adjustments	–745	–646	–581	–509	–390
Additional Tier 1 capital	670	670	670	775	421
thereof: Regulatory adjustments	–20	–20	–20	–20	–
2 Tier 1 capital	9,037	9,138	8,744	8,883	8,425
Tier 2 capital	2,275	2,318	2,357	2,288	2,712
thereof: Regulatory adjustments	–14	–14	–14	–14	–14
3 Own funds, total	11,312	11,456	11,101	11,171	11,137
Total risk exposure amount					
4 Total RWAs	60,424	58,194	55,363	54,281	52,360
Capital ratios					
5 Common Equity Tier 1 (CET1) capital ratio in %	13.8	14.6	14.6	14.9	15.3
6 Tier 1 capital ratio in %	15.0	15.7	15.8	16.4	16.1
7 Total capital ratio in %	18.7	19.7	20.1	20.6	21.3
Capital buffers					
8 Capital conservation buffer in %	2.50	2.50	2.50	1.88	1.88
9 Institution-specific countercyclical capital buffer in %	0.12	0.09	0.10	0.09	0.06
10 Buffer for global/other systemically important institutions in %	1.00	1.00	1.00	0.66	0.66
11 Institution-specific buffer requirement in % (rows 8 + 9 + 10)	3.62	3.59	3.60	2.63	2.60
12 CET1 capital available for the buffers in % (expressed as a percentage of the total risk exposure amount))	8.96	9.70	9.79	10.36	10.09
Leverage ratio					
13 Leverage ratio total exposure measure	216,101	214,156	190,352	174,608	184,153
14 Leverage ratio in %	4.2	4.3	4.6	5.1	4.6

Common Equity Tier 1 capital fell by € 101 m compared with the figure as at 30 June 2019, to € 8,367 m. The decrease was largely caused by the higher level of prudential filters and greater regulatory capital deductions principally attributable to a higher IRB provisions shortfall.

Total own funds contracted by approximately € 144 m as at 30 September 2019 as a result of negative effects due to the residual maturity amortisation on Tier 2 capital instruments.

Common Equity Tier 1 capital rose by € 259 m compared with the figure as at 31 December 2018. Capital rose in particular as a result of the inclusion of net profit for the first six months year after the deduction of expected dividends, and the positive change in accumulated other comprehensive income.

The smaller rise in own funds of approximately € 141 m is due to the reduction in eligibility of grandfathered Additional Tier 1 instruments and the impact from residual maturity amortisation on Tier 2 capital instruments.

Capital Adequacy

The table below shows the RWAs and own funds requirements broken down by risk type.

EU OV1 – Overview of RWAs

in € m

			RWAs		Own funds requirement
			30.9.2019	30.6.2019	30.9.2019
	1	Credit risk (excluding CCR)	49,314	47,508	3,945
Article 438(c)(d)	2	Of which standardised approach (CRSA)	6,056	5,857	484
Article 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	41,015	39,297	3,281
Article 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	1,098	1,242	88
Article 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the IMA	1,145	1,111	92
Article 107, Article 438(c)(d)	6	Counterparty credit risk (CCR)	2,739	2,227	219
Article 438(c)(d)	7	Of which mark to market	1,817	1,368	145
Article 438(c)(d)	8	Of which original exposure	–	–	–
	9	Of which standardised approach	–	–	–
	10	Of which internal model method (IMM)	–	–	–
Article 438(c)(d)	11	Of which contributions to the default fund of a CCP	78	88	6
Article 438(c)(d)	12	Of which CVA	844	772	68
Article 438(e)	13	Settlement risk	0	4	0
Article 449(o)(i)	14	Securitisation exposures in the banking book (after the cap)	1,762	1,816	141
	15	Of which IRB approach	655	748	52
	16	Of which supervisory formula approach (SFA)	389	434	31
	17	Of which internal assessment approach (IAA)	316	299	25
	18	Of which standardised approach	1,025	1,066	82
		Of which risk-weighted credit risk exposures: securitisation exposures (revised securitisation rules)	82	2	7
Article 438(e)	19	Market risk	3,145	3,160	252
	20	Of which standardised approach	1,866	1,392	149
	21	Of which internal model method (IMM)	1,279	1,767	102
Article 438(e)	22	Large exposures	–	–	–
Article 438(f)	23	Operational risk	3,397	3,397	272
	24	Of which basic indicator approach	–	–	–
	25	Of which standardised approach	3,397	3,397	272
	26	Of which advanced measurement approaches	–	–	–
Article 437(2), Article 48 and Article 60	27	Amounts below the thresholds for deduction (subject to 250 % risk weight)	68	82	5
Article 500	28	Adjustment for Basel I floor	–	–	–
	29	Total	60,424	58,194	4,834

The securitisation exposures in accordance with the revised securitisation rules (EU regulation amending the CRR (Regulation (EU) 2017/2401)) are reported as a separate „thereof“ item under „Securitisation exposures in the banking book (after the cap)“.

The following table (as at 30 September 2019) is provided in addition to the differentiated presentation of RWAs in accordance with the requirements in EBA/GL/2016/11 in order to ensure that the requirements of Article 438 CRR are satisfied in full.

Article 438 CRR – Overview of RWAs by exposure class

in € m

	RWAs	Own funds requirement
FIRB – Central governments or central banks	1,488	119
FIRB – Institutions	3,647	292
FIRB – Corporates	36,241	2,899
thereof: Specialised lending exposures	18,881	1,510
thereof: SME	1,976	158
thereof: Other	15,384	1,231
AIRB – Central governments or central banks	–	–
AIRB – Institutions	–	–
AIRB – Corporates	–	–
thereof: Specialised lending exposures	–	–
thereof: SME	–	–
thereof: Other	–	–
AIRB – Retail	1,098	88
Secured by real estate	624	50
thereof: SME	159	13
thereof: Non-SME	465	37
Qualifying revolving	39	3
Other	435	35
thereof: SME	93	7
thereof: Non-SME	341	27
IRBA equity exposures	1,733	139
thereof: Simple risk-weight approach	1,145	92
Private equity exposures in sufficiently diversified portfolios (190 %)	1,120	90
Exchange traded equity exposures (290 %)	–	–
Other equity exposures (370 %)	25	2
thereof: PD/LGD approach	526	42
thereof: Risk-weighted equities	61	5
Other non-credit-obligation assets	528	42
Total IRB approach	44,736	3,579
Central governments or central banks	28	2
Regional governments or local authorities	41	3
Public-sector entities	372	30
Multilateral development banks	–	–
International organisations	–	–
Institutions	589	47
Corporates	2,411	193
Retail	119	10
Exposures secured by real estate	649	52
Exposures in default	93	7
Higher risk categories	700	56
Covered bonds	2	0
Exposures to institutions and corporates with a short-term credit rating	–	–
Collective investment undertakings (CIU)	25	2
Equity exposures	1,196	96
Other exposures	238	19
Total standardised approach (CRSA)	6,464	517
Total	51,199	4,096

There were no own funds requirements on the reporting date for trading book activities of the Helaba Group in relation to large exposures above the limits set out in Articles 395 to 401 CRR.

The total RWAs rose by around € 2.2 bn compared with the previous quarter. The increase, which arose largely because of default risk, is primarily attributable to changes related to credit ratings and exchange rate fluctuations (€ 1.2 bn), new business (€ 0.4 bn), and the merger of KOFIBA into Helaba (€ 0.3 bn). The impact was mainly evident in the exposure classes Corporates – Specialised lending exposures (€ 0.7 bn), Corporates – Other (€ 0.8 bn) and Institutions (€ 0.4 bn) in the IRB Approach, and in the Institutions exposure class (€ 0.2 bn) in the CRSA.

The decrease under the internal model (€ 0.5 bn) is mainly attributable to changes in exposures in normal trading activities and to other effects. The changes under the internal model were offset by the development of the specific interest rate risk as a result of changes in securities business.

Liquidity Coverage Ratio (LCR)

The LCR is a regulatory measure of liquidity available at short notice and banks are required to comply with a specified minimum ratio. For Helaba, this requirement replaced the provisions of the German Liquidity Regulation (LiqV) with effect from 1 January 2018. In order to satisfy the minimum ratio of 100 %, a bank's available, liquid assets must, for a period of 30 days, be greater than the forecast cumulative net cash outflows in a serious stress scenario (which may assume, for example, the withdrawal of a certain level of customer deposits with a simultaneous loss of unsecured funding). The disclosures relating to the LCR are published in accordance with Article 435 CRR and EBA Guidelines EBA/GL/2017/01.

As part of the risk appetite framework (RAF), the Bank sets internal thresholds for the LCR (risk appetite and risk tolerance) that are well above the minimum regulatory requirements of 100 %. Both the minimum regulatory requirements and the

internal thresholds were complied with at all times during the reporting period. The average liquidity coverage ratio underwent only minor fluctuations, underlining Helaba's conservative risk profile and good liquidity position.

Helaba uses an internal liquidity adequacy assessment process (ILAAP) to ensure that it has adequate liquidity available at all times and that its short- and medium-term funding is sound. This process identifies, measures and monitors all material liquidity and funding risks and facilitates corrective action in good time to avoid a liquidity squeeze, where necessary. The process also includes liquidity stress tests, contingency planning and an independent validation of risk quantification methods.

EU LIQ1 – LCR

LCR Disclosure Template

Scope of consolidation Consolidated
Currency and units € m

		TOTAL ADJUSTED VALUE			
Quarter ending on		31.12.2018	31.3.2019	30.6.2019	30.9.2019
Number of data points used in the calculation of averages		12	12	12	12
		050	060	070	080
21	Liquidity buffer	33,775	33,619	35,204	36,273
22	TOTAL NET CASH OUTFLOWS	22,449	22,141	21,825	22,029
23	Liquidity coverage ratio (%)	150.84 %	152.51 %	161.82 %	165.00 %

Credit Risk

Credit Risk and Credit Risk Mitigation in the IRB Approach

In December 2006, Helaba received approval from the German Federal Financial Supervisory Authority (BaFin) to use the Foundation Internal Ratings-Based (FIRB) Approach as specified in the German Solvency Regulation (Solvabilitätsverordnung – SolvV); this approval covered both the Helaba Group and Helaba Bank. The parameters laid down in the Foundation Approach for internal ratings have been applied for both regulatory capital backing and internal management purposes since 1 January 2007. The approval of the rating model for aircraft finance in December 2010 marked the completion of the regulatory audits

in relation to the use of the internal rating models for the FIRBA and thus the full delivery of the IRBA implementation plan. The AIRB Approach has been applied for the retail portfolio of the subsidiary FSP since the second quarter of 2008. In 2013, LBS became the first Bausparkasse to gain permission to use the „LBS-Kunden-Scoring“ rating model and the LGD model devised by Sparkassen Rating- und Risikosysteme GmbH (S-Rating) in the AIRB Approach for retail exposures.

The changes in RWAs for credit risk exposures under the IRB Approach between 30 June 2019 and 30 September 2019 are presented below.

EU CR8 – RWA flow statements of credit risk exposures under the IRB Approach

in € m

	a	b
	RWAs	Own funds requirement
1 RWAs at previous quarter-end	41,721	3,338
2 Asset size	849	68
3 Asset quality	489	39
4 Model updates/changes	–5	0
5 Methodology and policy changes	–	–
6 Acquisitions and disposals	–136	–11
7 Foreign exchange movements	402	32
8 Other	0	0
9 RWAs at the end of the current quarter	43,320	3,466

In the table above, the changes in RWAs are broken down for each of the key RWA drivers:

- Asset size: changes in the carrying amount due, among other factors, to new or discontinued business or changes in the portfolio
- Asset quality: changes related to credit ratings and credit risk mitigation
- Model updates: model adjustments to internal rating methods
- Methodology and policy changes: new regulatory requirements, discontinuation of transitional provisions and the like
- Acquisitions and disposals: changes based on the group of consolidated companies for regulatory purposes
- Foreign exchange movements: changes in exchange rates for foreign currency transactions
- Other: includes all other changes that cannot be attributed to the categories above

The foreign exchange movement arose principally from transactions in US dollars. The consolidation effect is attributable to KOFIBA's merger into Helaba. The Standardised Approach will be used to determine the regulatory own funds requirements for credit risk until all its assets and liabilities have been fully migrated into Helaba's IT system landscape. The own funds requirements that would be applicable on the basis of KOFIBA's AIRB models will be used as a minimum.

Market Risk

Internal Model

All market risks are quantified every day using a money-at-risk (MaR) method backed up by stress tests and sensitivity analyses. The MaR specifies 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.

Helaba calculates the regulatory own funds required for the general interest rate risk using an internal model in accordance with the CRR for Helaba Bank. 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 supervisor.

The changes in RWAs under the internal model between 30 June 2019 and 30 September 2019 are presented below.

EU MR2-B – Market risk under the IMA

in € m

	a	b	c	d	e	f	g
	VaR	sVaR	IRC	Internal model for correlation trading activities	Other	RWAs	Own funds requirement
1 RWAs at previous quarter-end	749	1,018	–	–	–	1,767	141
1a Regulatory adjustments ¹⁾	560	761	–	–	–	1,321	106
1b RWAs at previous quarter-end (end of the day)	189	257	–	–	–	447	36
2 Movement in risk levels	47	37	–	–	–	84	7
3 Model updates / changes	–	–	–	–	–	–	–
4 Methodology and policy changes	–	–	–	–	–	–	–
5 Acquisitions and disposals	–	–	–	–	–	–	–
6 Foreign exchange movements	–0	–1	–	–	–	–1	–0
7 Other	17	–28	–	–	–	–10	–1
8a RWAs at current quarter-end (end of the day)	254	266	–	–	–	519	42
8b Regulatory adjustments ¹⁾	319	440	–	–	–	760	61
8 RWAs at the end of the current quarter	573	706	–	–	–	1,279	102

¹⁾ Shows the difference between previous quarter RWAs and previous quarter RWAs (end of day), and current RWAs and current RWAs (end of day).

The changes in RWAs compared with the previous quarter are mainly attributable to changes in exposures in normal trading activities and to other effects. The other effects include changes attributable to movements in market interest rates, which

decreased during the third quarter of 2019, regular monthly updates of the statistical parameters for the MaR as well as a switch in the periods used for the crisis scenario in the stressed MaR.

Annex

List of Abbreviations

Abbreviation	Definition
AIRB	Advanced IRB
BaFin	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CET1	Common Equity Tier 1 capital
CIU	Collective investment undertakings (CRSA exposure class)
COREP	Common solvency ratio reporting
CRD	Capital Requirements Directive (CRD IV)
CRM	Credit Risk Management
CRR	Capital Requirements Regulation
CRSA	Credit Risk Standardised Approach
CVA	Credit valuation adjustment
EBA	European Banking Authority
ECB	European Central Bank
FIRB	Foundation IRB
FSP	Frankfurter Sparkasse
HGB	German Commercial Code (Handelsgesetzbuch)
IAA	Internal Assessment Approach for Securitisations
ICAAP	Internal Capital Adequacy Assessment Process
ILAAP	Internal Liquidity Adequacy Assessment Process
IFRS	International Financial Reporting Standards
IMA	Internal models for market risk
IRB	Internal Ratings-Based (Approach) (FIRB/AIRB)
KOFIBA	Kommunalfinanzierungsbank GmbH
KPI	Key performance indicator
KWG	German Banking Act (Kreditwesengesetz)
LBS	Landesbausparkasse
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MaR/VaR	Money-at-risk/value-at-risk
MaRC ²	Risk measurement system (linear interest rate risk)
O-SIIs	Other systemically important institutions
PD	Probability of default

Abbreviation	Definition
RAF	Risk appetite framework
RWAs	Risk-weighted assets
SAG	German Recovery and Resolution Act
SFA	Supervisory Formula Approach
SFTs	Securities financing transactions
SolvV	German Solvency Regulation
SME	Small and medium-sized enterprises
sMaR/sVaR	Stess money-at-risk/stress value-at-risk

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