Values with impact. Helaba

Investor Relations

Group results as of March 31, 2019

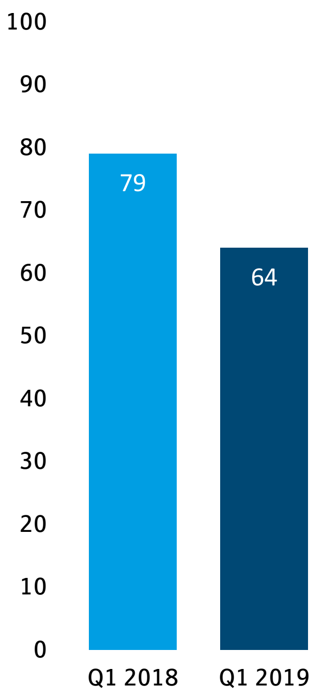
Performance Figures

Management Summary
Helaba on track in first quarter of new financial year

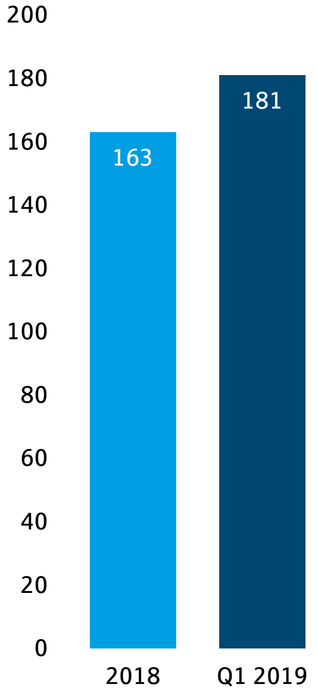
- → **Helaba's business gets off to good start to year, new business and net interest income above previous year's levels**
- → **Consolidated net profit before tax reaches € 64 m**
- → **Risk situation remains favourable**
- → **General and administrative expenses weigh on Q1 result due to rising IT and consultancy costs**
- → **CET1 ratio (phased-in and fully-loaded) of 14.6%, total capital ratio of 20.1% still significantly above regulatory requirements**

Development of key financial ratios reflects challenging market environment

Profit before tax
in € m

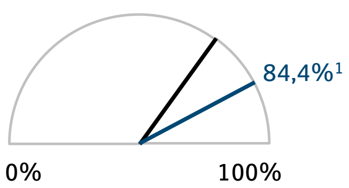


Total assets
in € bn



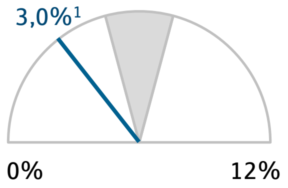
Cost-income ratio

Target ratio 2019
< 70%



Return on equity

Target range 2019
5.0–7.0%



1) Full consideration of bank levy and contributions paid into the guarantee schemes of the S-Finance Group

CET1 ratio (fully-loaded) and Liquidity Coverage Ratio

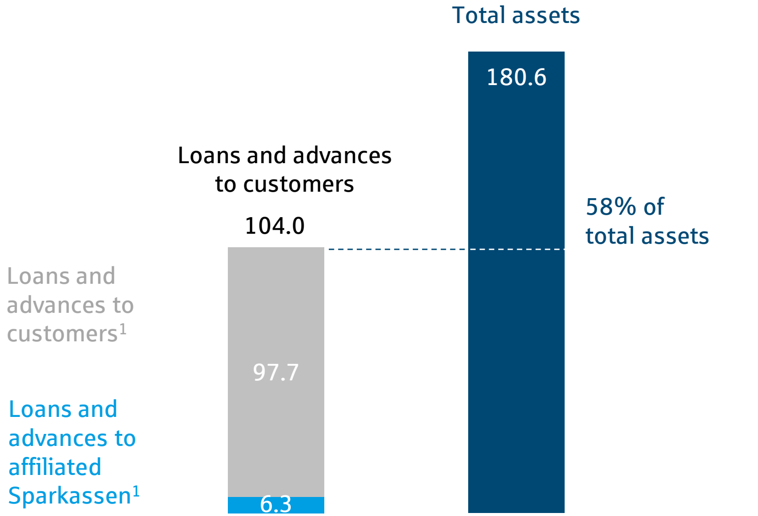
	Requirement 2019	Target ratio	Ratio Q1 2019
CET1 ratio (fully-loaded)	9.85%[2]	12.5%	14.6%
Liquidity Coverage Ratio	100%	>125%	180.5%

2) Derived from SREP requirement for 2018 taking capital buffers into account

Helaba

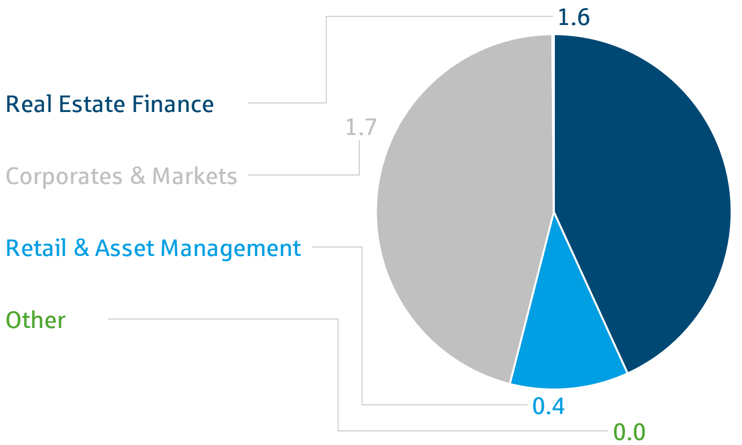
Customer business dominates balance sheet structure

Closely intertwined with the real economy
in € bn



1) Loans and advances in measurement category "at amortised cost"

New medium and long-term business: € 3.7 bn[3]
in € bn



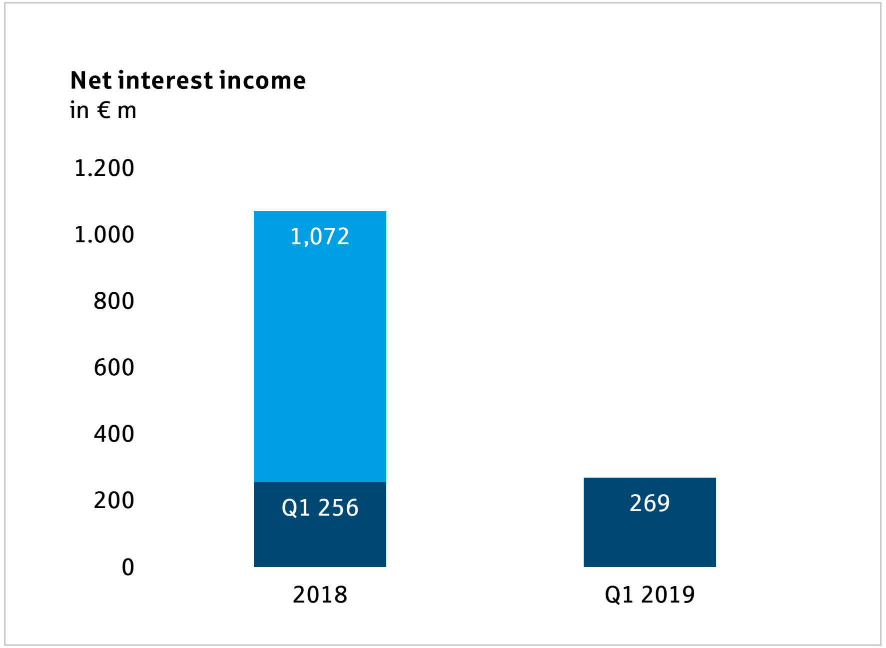
3) New medium and long-term business excl. WIBank

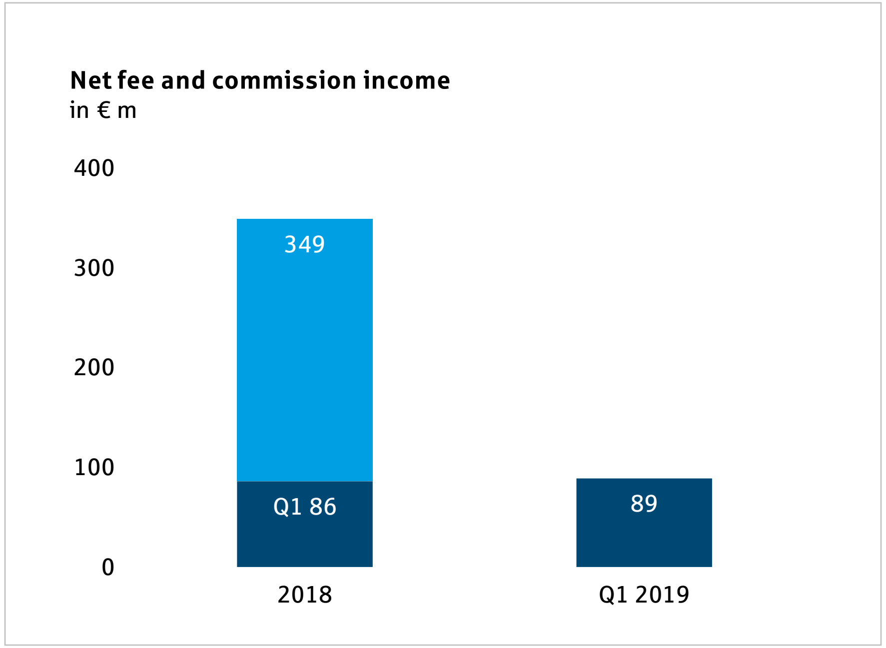
- Share of loans and advances to customers as proportion of total assets in Q1 2019 falls to 58% (2018: 63%[2]) while balance sheet total rises
- Significant increase in balance sheet total to € 180.6 bn (2018: € 163.0 bn) primarily a result of higher inflow of time deposits and buoyant level of new debt issuance in the first quarter of 2019

2) Previous year's figure adjusted

- At € 3.7 bn, volume of new medium and long-term business considerably above previous year's level of € 2.9 bn

Net interest and net fee and commission income above previous year

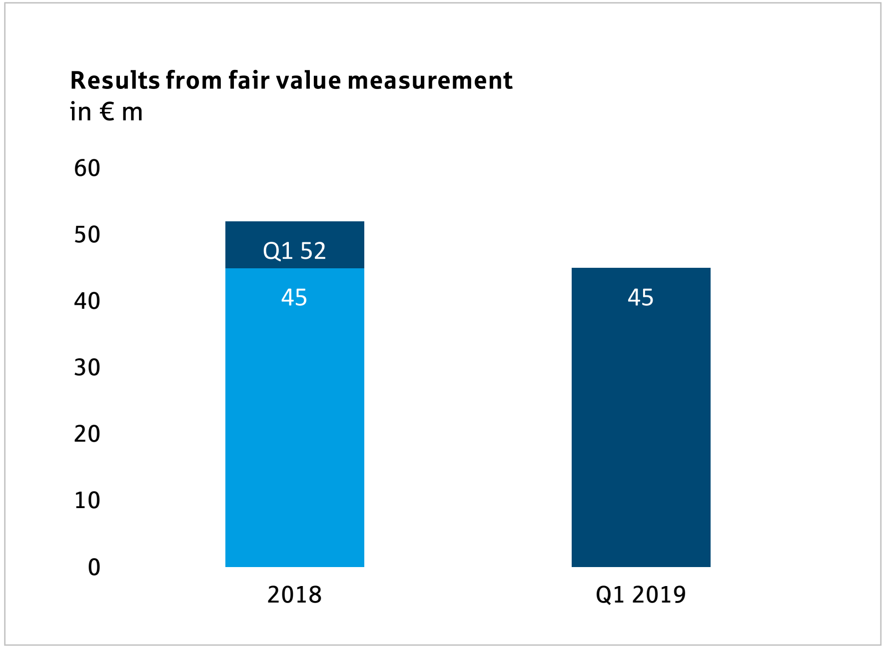


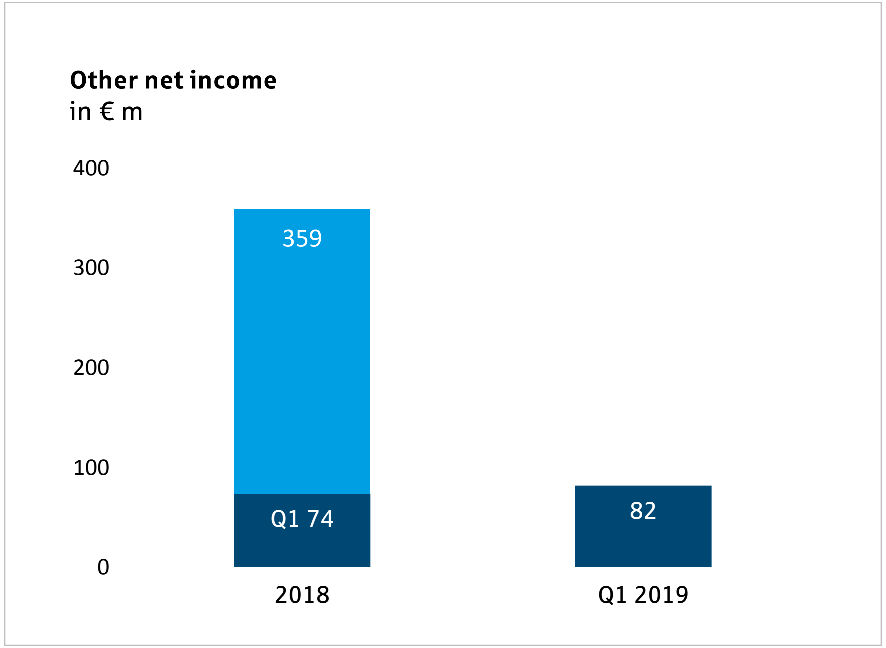


- Net interest income slightly above previous year's level, in part due to larger average portfolios

- Largest contributions to net fee and commission income from payment transactions and asset management (Helaba Invest)
- Positive development especially in asset management; however, slight decline in commission income from lending and guarantee business

Valuation effects impact fair value measurement; increase in other net income



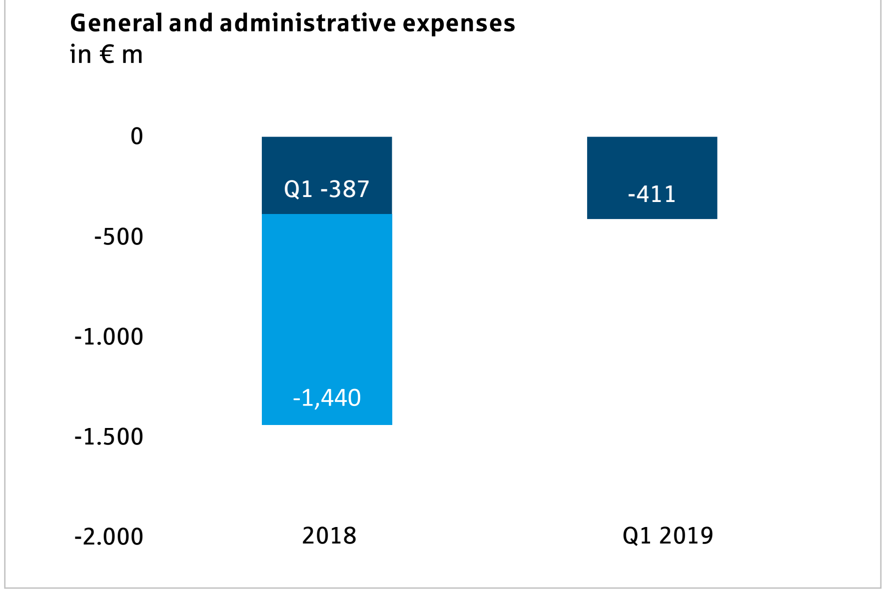


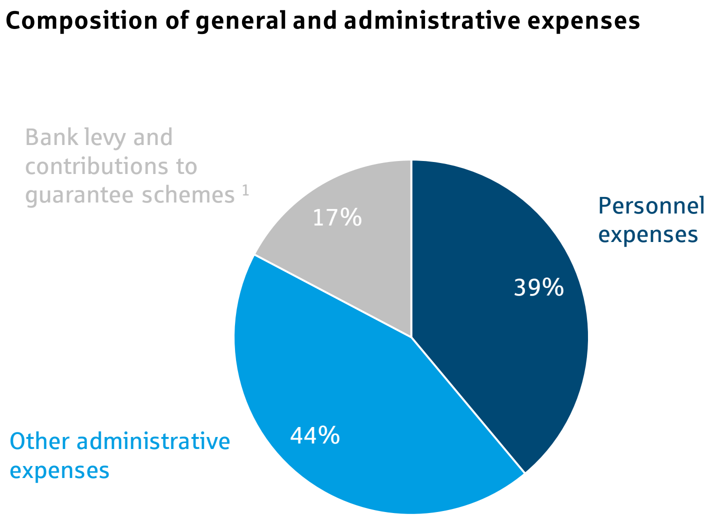
- Result from fair value measurement impacted by negative valuation effects due to ongoing expansionary monetary policy

- Growth mainly due to higher net income from GWH's real estate portfolios

Helaba

General and administrative expenses dominated by project and IT costs





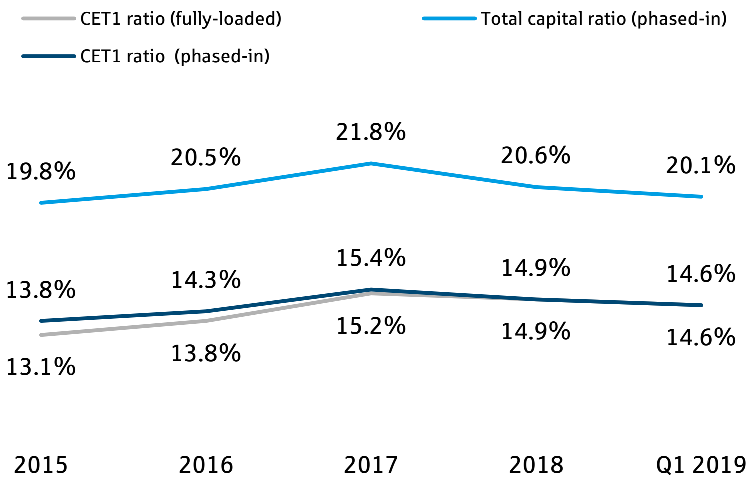
1) Full consideration in first quarter 2019

- Higher costs due in particular to rise in other administrative expenses

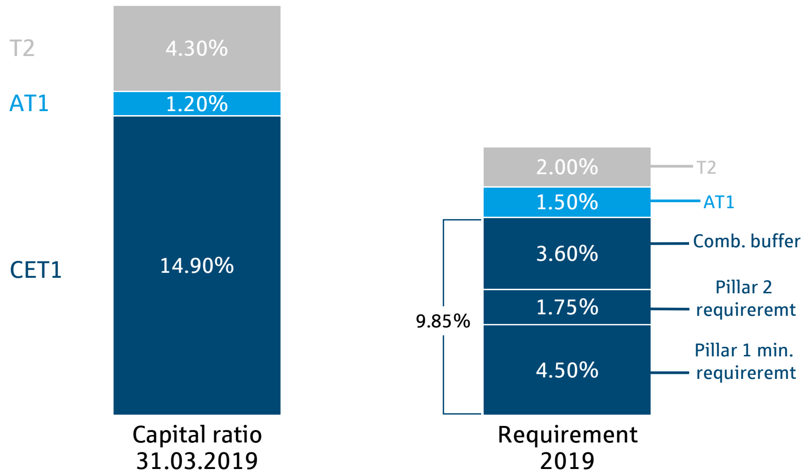
- Higher project costs for investments in IT as well as audit and consulting expenses in connection with implementation of regulatory requirements and business-driven demands in other administrative expenses
- Full consideration of annual bank levy and contributions to guarantee schemes of S-Finanzgruppe totaling around € 71 m (Q1 2018: € 72 m)

Capital ratios significantly exceed regulatory capital requirements

Development of capital ratios



Capital requirements and components



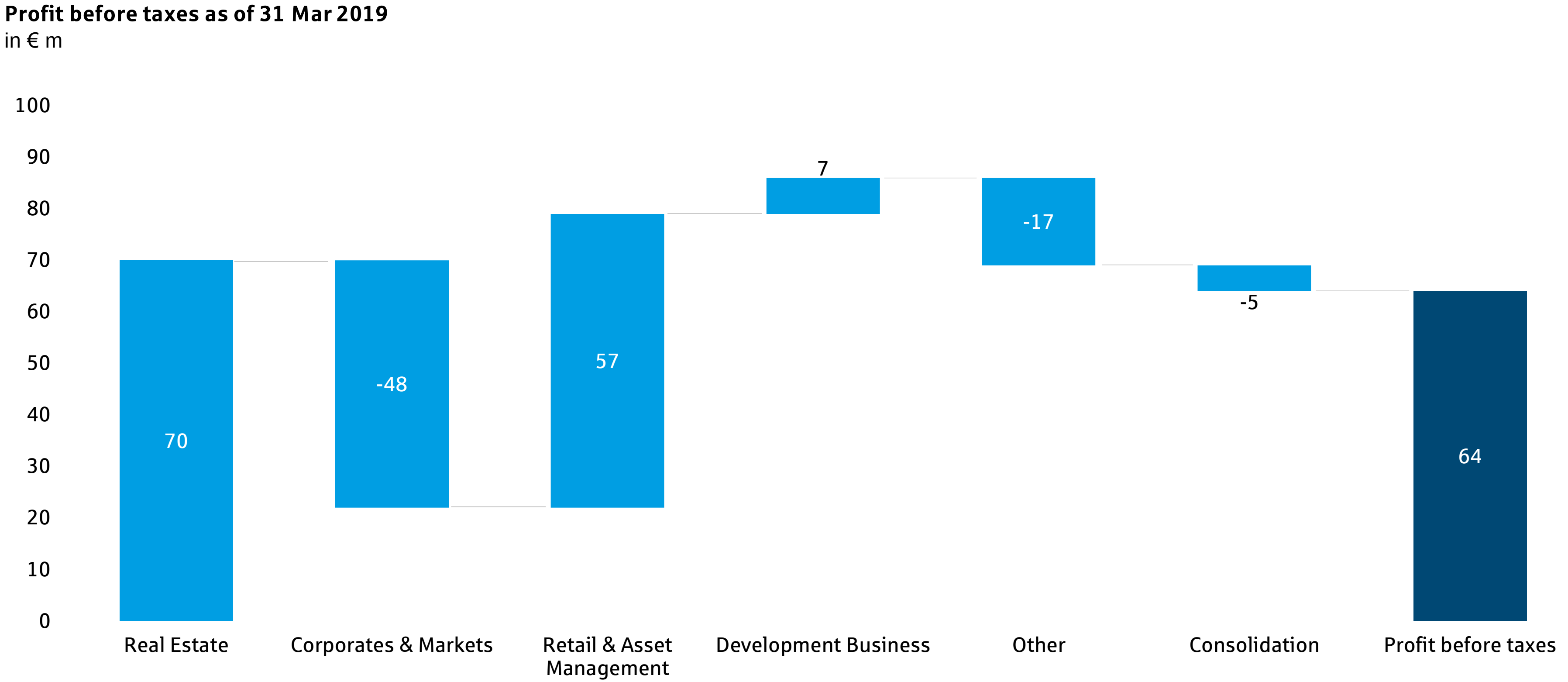
- CET1 ratios at very good level
- CRD IV / CRR transitional arrangements have no impact on CET1 ratio since 2018
- Leverage ratio at 4.6% (phased-in) and 4.4% (fully-loaded)
- Risk-weighted assets amount to € 55.4 bn

- Helaba enjoys comfortable capital backing, significantly exceeding all currently known regulatory requirements:
  - CET1 ratio of 14.6% after Q1 2019 well above derived regulatory CET1 requirement of 9.85% for 2019
  - Total capital ratio of 20.1% after Q1 2019 also considerably higher than 13.35% required for 2019

Segments aligned to customer and risk structure

Real Estate	Corporates & Markets	Retail & Asset Management	Development Business	Other
Real Estate Finance	Corporate Finance	Frankfurter Sparkasse 1822	WIBank Wirtschafts- und Infrastrukturbank Hessen	Group disposition and liquidity portfolio
	Insurance Finance	Frankfurter Bankgesellschaft PRIVATBANK | Zürich | Frankfurt		Corporate Centre Units
	Banks and International Business	LBS		OFB Projektentwicklung
	Sparkasse lending business and S-Group services	Helaba Invest		Asset/Liability Management
	Domestic Municipal Lending Business	Settlement/Custody Services		
	Sales Public Authorities	Portfolio and Real Estate Management		
	Public Finance	GWH		
	Capital Markets			**Consolidation**
	Cash Management			Consolidation effects

Group profit before taxes by business segment



Helaba

Real Estate
New business volume considerably above previous year

Real Estate	Q1 2019	Q1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	96	96	0.0
Provisions for losses on loans and advances	11	3	>100.0
General and administration expenses	-37	-34	-8.8
Segment result	**70**	**65**	7.7

	31 Mar 2019	31 Mar 2018
	€ bn	€ bn
Assets	30.4	28.6
Risk-weighted assets	16.5	14.4

- Represents commercial portfolio and project financing for real estate
- Significant increase in new business volume to € 1.6 bn compared with prior-year quarter (Q1 2018: € 1.1 bn)
- Key earnings components of net interest income and net fee and commission income at previous year's level
- Favourable risk situation once again leads to reversal of loan loss provisions in amount of € 11 m (Q1 2018: € 3 m)
- Higher general and administrative expenses due to increase in overhead costs

Helaba

Corporates & Markets
Result strongly impacted by measurement effects

Corporates & Markets	Q1 2019	Q1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	91	157	-42.0
Provisions for losses on loans and advances	-22	-5	>-100.0
General and administration expenses	-117	-108	-8.3
Segment result	**-48**	**44**	n.a.

	31 Mar 2019	31 Mar 2018
	€ bn	€ bn
Assets	66.6	79.4
Risk-weighted assets	21.5	20.0

- In addition to credit products, segment also includes trading and sales activities as well as payment transactions business
- Strong year-on-year performance of new business volume, rising to € 1.7 bn (Q1 2018: € 1.4 bn)
- Decline in income mainly due to negative result from fair value measurement, net interest income below previous year's level, but rise in net fee and commission income
- Additions to loan loss provisions of € 22 m noticeably above very low previous year's figure of € 5 m
- Higher general and administrative expenses due to rise in overhead costs
- Largest earnings contribution of around € 14 m from Corporate Finance business unit

Helaba

Retail & Asset Management
Higher earnings lift result above previous year's level

Retail & Asset Management	Q1 2019	Q1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	199	191	4.2
Provisions for losses on loans and advances	-3	-2	-50.0
General and administration expenses	-139	-135	-3.0
Segment result	**57**	**54**	5.6

	31 Mar 2019	31 Mar 2018
	€ bn	€ bn
Assets	31.1	29.5
Risk-weighted assets	7.1	6.4

- Segment comprises retail banking, private banking, LBS as well as asset management activities (especially GWH, Helaba Invest)
- Higher income from Frankfurter Sparkasse's proprietary investments and GWH's real estate portfolios more than compensate for decline in net interest income
- Risk provisioning of minus € 3 m at previous year's level
- Slight rise of 3% in administrative expenses
- Largest contributions to segment result from GWH (approx. € 35 m) and Frankfurter Sparkasse (approx. € 17 m)

Development Business
Income rises due to expansion of promotional lending

Development Business	Q1 2019	Q1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	24	21	14.3
Provisions for losses on loans and advances	0	1	-100.0
General and administration expenses	-17	-17	0.0
Segment result	**7**	**4**	75.0

	31 Mar 2019	31 Mar 2018
	€ bn	€ bn
Assets	24.0	17.8
Risk-weighted assets	1.2	1.2

- Presentation of WIBank's public development business
- Increase in segment income due to expansion of promotional lending activities, segment result of € 7 m thereby above previous year's level
- Significant increase in portfolio mainly from Hessenkasse development programme

Other
Significant boost to income from proprietary investments

Other	Q1 2019	Q1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	91	32	>100.0
Provisions for losses on loans and advances	1	0	n.a.
General and administration expenses	-109	-102	-6.9
Segment result	**-17**	**-71**	76.1

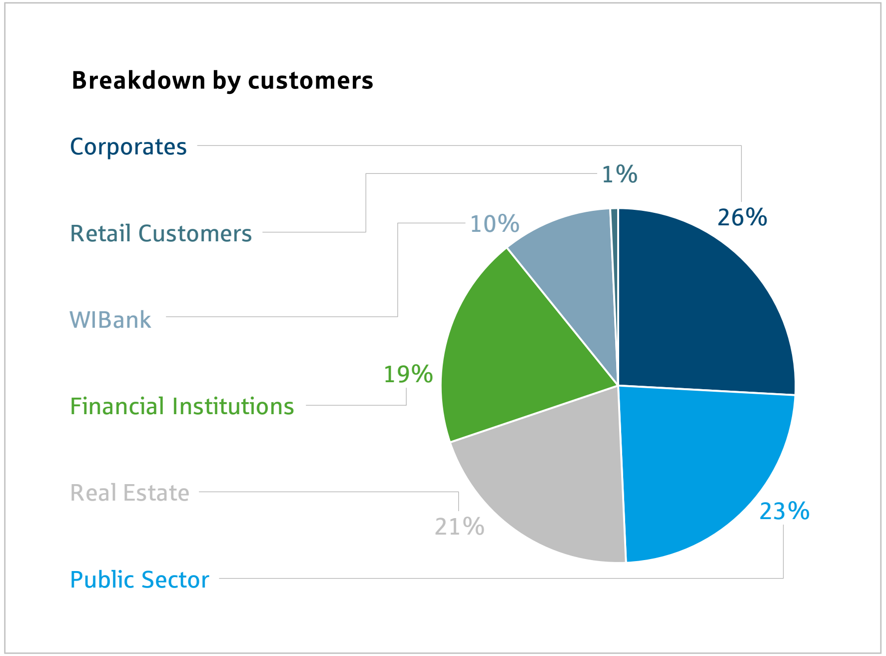
	31 Mar 2019	31 Mar 2018
	€ bn	€ bn
Assets	40.9	22.8
Risk-weighted assets	9.1	9.0

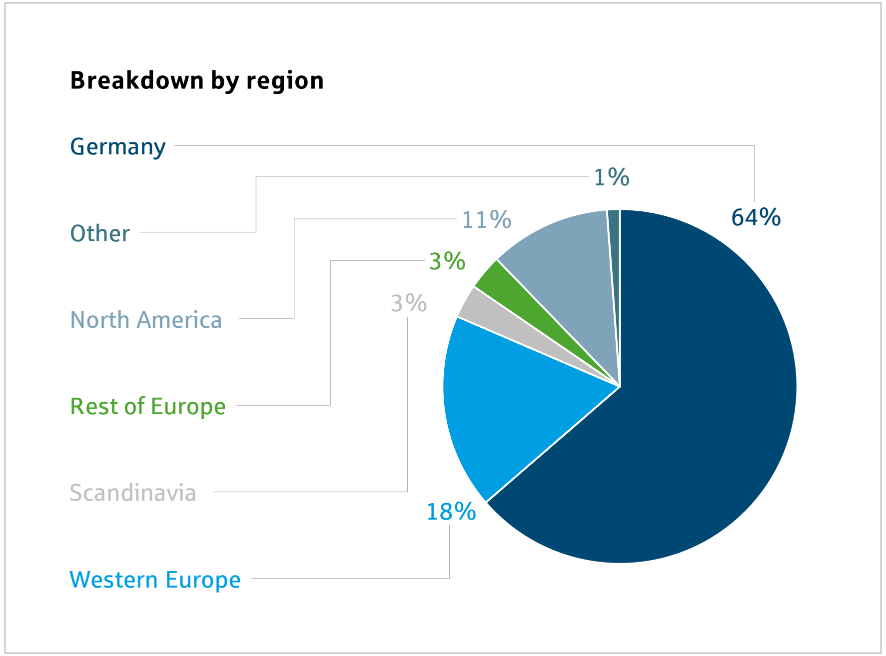
- Segment contains profit contributions and expenses that cannot be allocated to other business segments, especially earnings from treasury activities, OFB as well as costs of central corporate units
- Significant improvement in total income, in particular due to result from proprietary investments and higher treasury contributions
- Administrative expenses include, in particular, central projects as well as contributions already made to bank levy and guarantee schemes at their full annual amount
- Increase in balance sheet assets as result of reporting ECB and Bundesbank accounts in Other segment since beginning of 2019 (previously reported in Corporates & Markets segment)

Helaba

Portfolio Quality

Diversified credit portfolio with focus on Germany

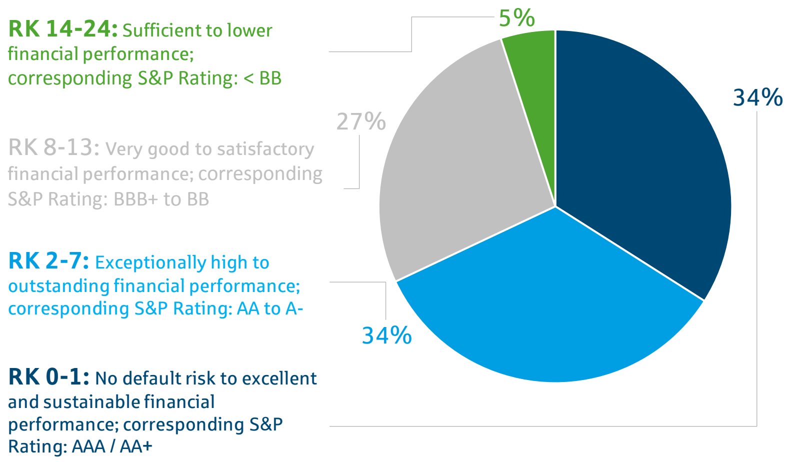




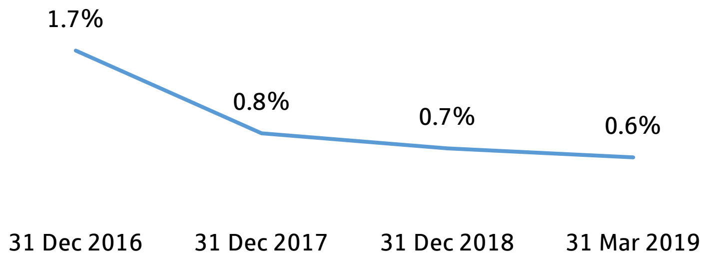
▶ **Total volume of lending € 197.0 bn**

Further decline in NPL ratio while rating structure remains stable

Total volume of lending
by default rating category (RC)



Development of NPL[1] ratio



1) The NPL ratio is the share of non-performing exposures according the EBA definition in relation to loans and advances to customers/banks. Based on Finrep data

- Total lending volume of € 197.0 bn
- 95% of total lending volume with excellent to satisfactory creditworthiness

- As of March 31, 2019, NPL ratio had fallen further to 0.58 %
- Of “total loans and advances” of € 132.7 bn, € 0.8 bn were classified as non-performing exposures

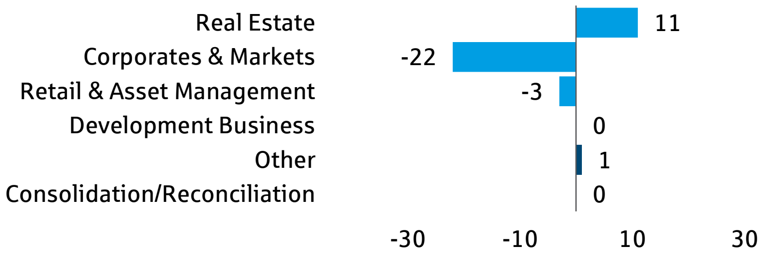
Helaba

High portfolio quality reflected in low net additions to loan loss provisions

Composition of loan loss provisions	Q1 2019	Q1 2018
	€ m	€ m
Risk provisioning on financial assets	-12	-4
Provisions for off-balance lending business	-	1
Net risk provisioning	**-12**	**-3**

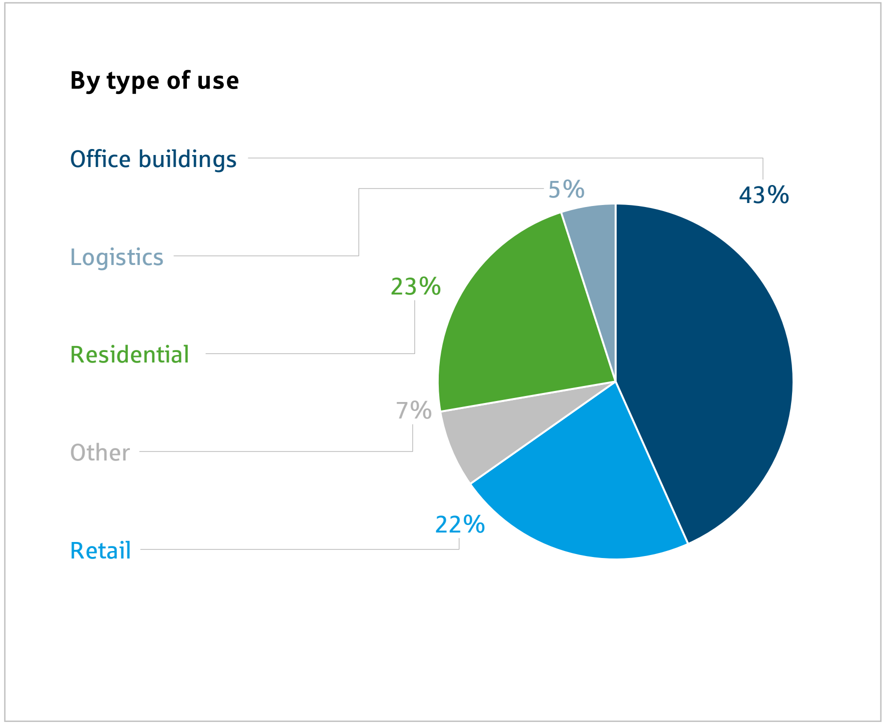
- Risk situation remains favourable, but expectation that loan loss provisions have bottomed out
- Continued high quality of business portfolio, additions to loan loss provisions higher than in previous year but still at low level

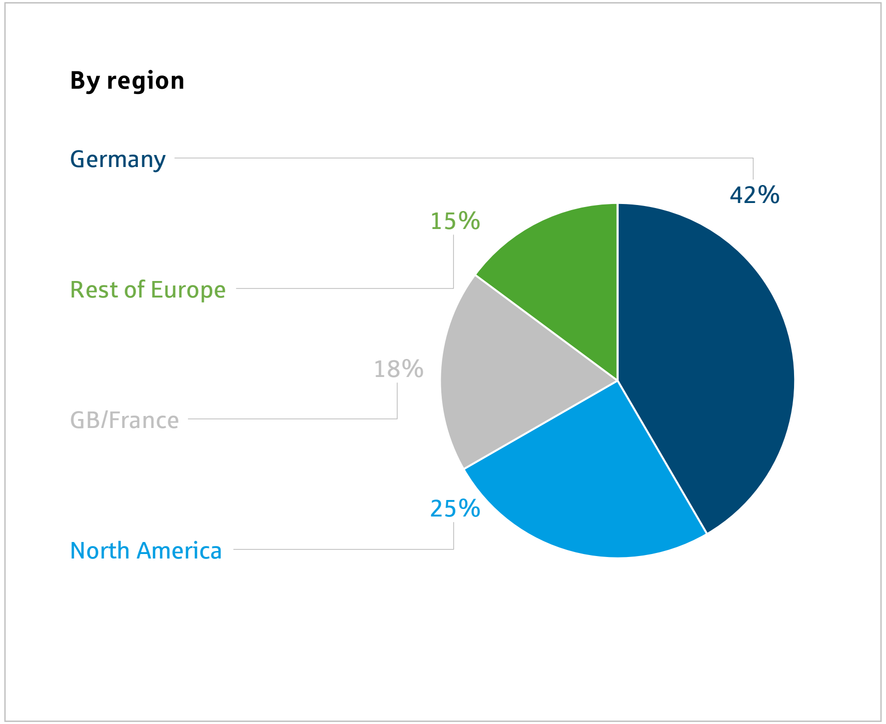
Breakdown by segments
in € m



- Net additions to impairments in segment Corporates & Markets and Retail & Asset Management

Real Estate Finance Portfolio
Business volume of € 34.7 bn



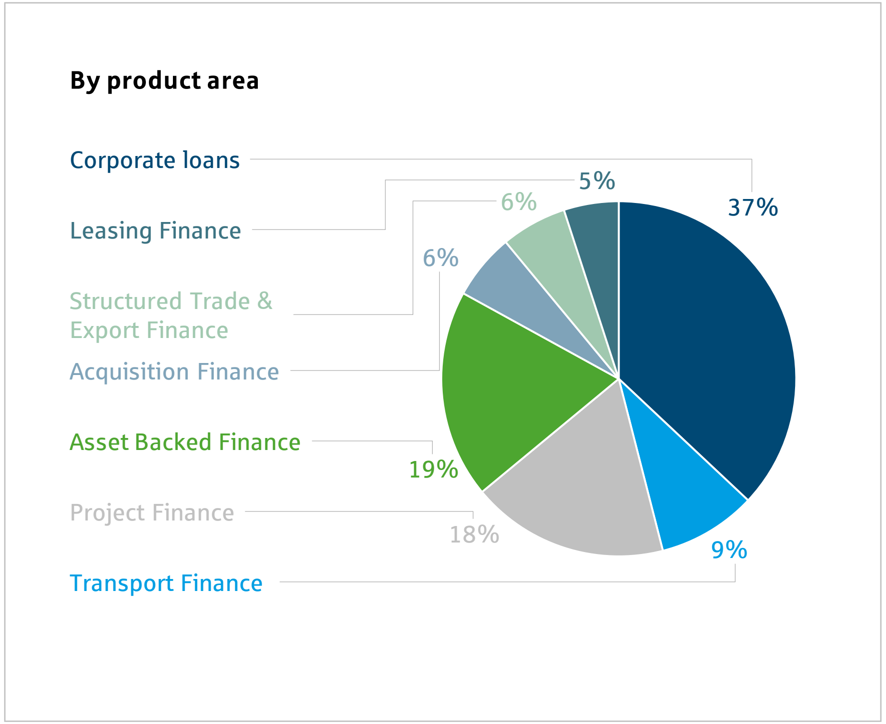


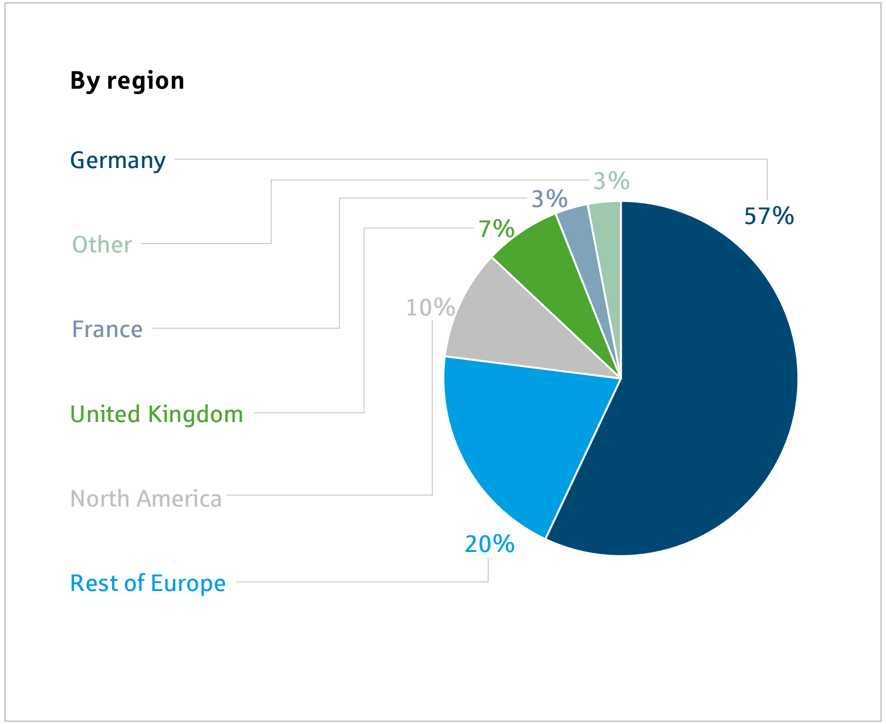
▶ **Balanced portfolio by regions and type of use**

As of March 31st, 2019

Helaba

Corporate Finance Portfolio
Business volume of € 44.0 bn





▶ **Broadly diversified portfolio with focus on Europe**

As of March 31st, 2019

Helaba

Funding

Helaba Ratings on a high level

Moody's	Rating
Outlook	Stable
Issuer Rating	Aa3
Baseline Credit Assessment	baa2
Short-term Deposit Rating[2]	P-1
Public-Sector Covered Bonds	Aaa
Counterparty Risk Assessment[3]	Aa3(cr)
Long-term Deposit Rating[3]	Aa3
Long-Term Senior Unsecured[3]	Aa3
Long-Term Junior Senior Unsecured[4]	A2
Subordinate Rating[5]	Baa2

FitchRatings	Rating
Outlook	Stable
Long-term Issuer Default Rating[1]	A+
Viability-Rating[1]	a+
Short-term Issuer Default Rating[1, 2]	F1+
Public Sector Pfandbriefe	AAA
Mortgage Pfandbriefe	AAA
Derivative Counterparty Rating[1, 3]	AA- (dcr)
Long-term Deposit Rating[1, 3]	AA-
Senior Preferred [1, 3]	AA-
Senior Unsecured[1, 4]	A+
Subordinated debt[1, 5]	A

S&P Global	Rating[1]
Outlook	Positive
Long-term Issuer Credit Rating	A
Standalone Credit Profile	A
Short-term Issuer Credit Rating[2]	A-1
Long-term Senior Unsecured[3]	A
Long-term Senior Subordinated[4]	A-

Ratings for Helaba's liabilities covered by statutory guarantee[6]	Moodys	Fitch Ratings	S&P Global
Long-term Rating	Aaa	AAA	AA-

Sources: Standard & Poor's, Moody's Investors Service, Fitch Ratings

1) Joint group rating for the S-Group Hesse-Thuringia
2) Corresponds to short-term liabilities
3) Corresponds in principle to long-term senior unsecured debt according to Sec. 46f (5 & 7) KWG ("with preferential right to payment")
4) Corresponds in principle to long-term senior unsecured debt according to Sec. 46f (6) KWG ("without preferential right to payment")
5) Corresponds to subordinated liabilities
6) Applies to all liabilities in place on 18 July 2001 (indefinitely)

As of April 2nd 2019

Strong regional business as factor for success

Funding Strategy

- Continued matched funding of new business
- Further expansion in strong position among German investors and targeted growth in international investor base
- Focus on marketing Helaba's sound "credit story" in and outside Germany
- Further development of product and structuring capacity using issuance programmes

Funding Programmes

Medium Term Note-Programme	€ 35 bn
Domestic issues (base prospectus)	
Euro-CP/CD-Programme	€ 10 bn
NEU CP- (former French CD) Programme	€ 6 bn
USCP-Programme	$ 5 bn

Broad Access to Liquidity

Helaba Group

- € 37 bn cover pool for covered bonds
- € 29 bn securities eligible for ECB/ central bank funding
- € 20 bn retail deposits within Helaba Group

– Finance Group Hesse Thuringia

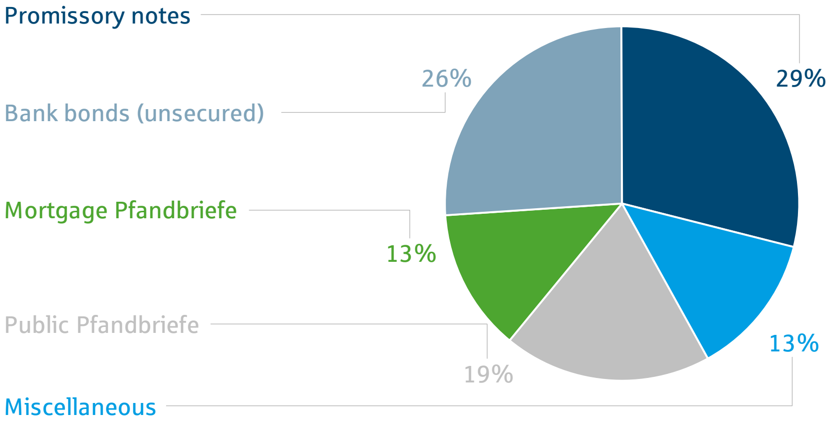
- € 94 bn deposits within -Finance Group Hesse-Thuringia (consolidated accounts as of 31.12.2017)

Long-term liquidity management and high degree of market acceptance

Outstanding medium and long-term funding (≥ 1 year): € 89.4 bn

Year-on-year comparison	Q1 2019	2018	2017
	€ m	€ m	€ m
Covered bonds ("Pfandbriefe")	28,161	26,851	26,334
thereof public sector	16,754	15,263	16,482
thereof mortgage backed	11,407	11,588	9,852
Senior unsecured bonds	23,365	22,891	20,906
Promissory notes	26,020	24,421	23,197
Miscellaneous*	11,881	10,874	12,283
Total	**89,427**	**85,037**	**82,720**

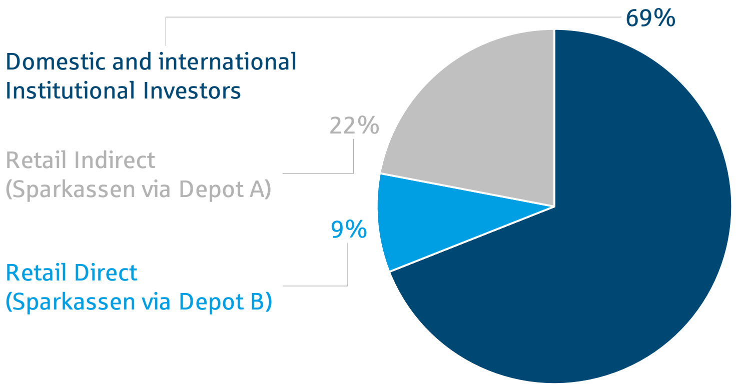
* Subordinated bonds/ participation certificates/ silent partnership contributions/earmarked funds



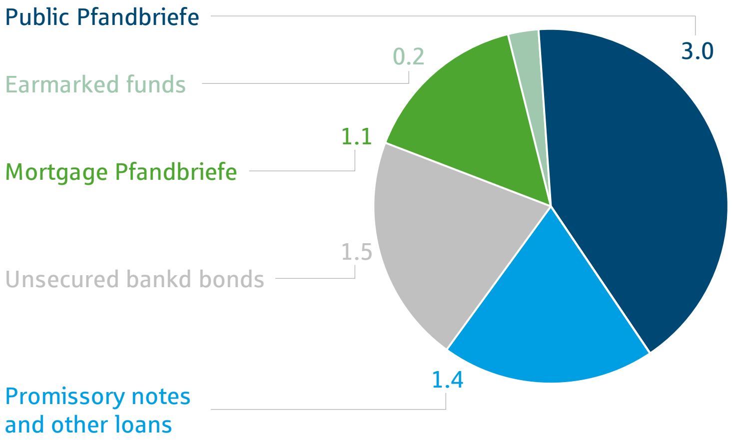
As of March 31st, 2019

Medium and long-term funding (≥ 1 year) 2019

By investors



By products
in € bn



Medium/long-term funding volume Q1 2019: **7.2 bn €**

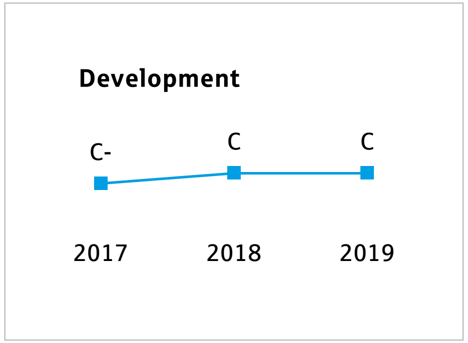
- Around 45% of planned funding volume for 2019 thus already achieved in first quarter

As of March 31st, 2019

Helaba's sustainable business orientation reflected in sustainability ratings

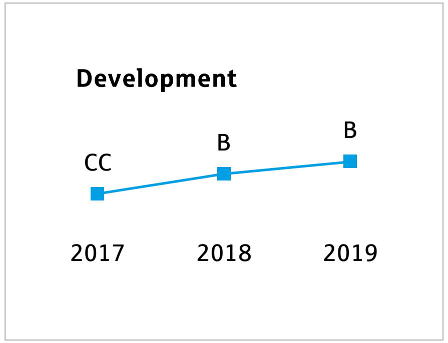
ISS-oekom

- Rating score: C (Prime)
- Rating scale: from D- to A+
- Among the top 20 % in the peer group of 138 banks
- Rating score B- for partial rating "Social & Governance"



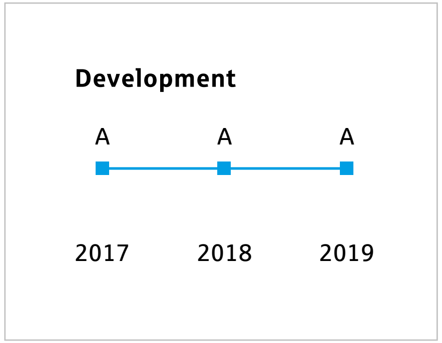
imug

- Rating score: B (Positive)
- Rating scale: from D to AAA
- Among the top 5 in the peer group of 25 banks
- Rating score BBB (Positive) for partial rating "Mortgage bonds"



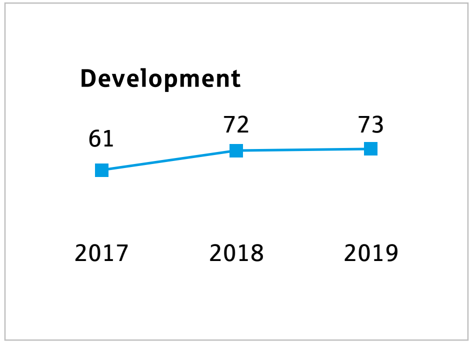
MSCI ESG Research

- Rating score: A
- Rating scale: from CCC to AAA
- Ranked in the upper midfield in the peer group
- Top-Score for partial rating "Financial Product Safety"



Sustainalytics

- Rating score: 73 points
- Rating scale: 1 to 100 points
- Among the top 15% in the peer group of 345 banks
- 81 points for partial rating "Environment"



As of May 2019

Outlook

Strategic Agenda

Helaba's Strategic Agenda

focused growth, long-term performance, a responsible approach to business and increased efficiency

Refining the business model

Modern infrastructure and digitalisation

Responsibility and values

Growth through efficency

Current issues (1/2)

Land Transport Finance Portfolio DVB Bank

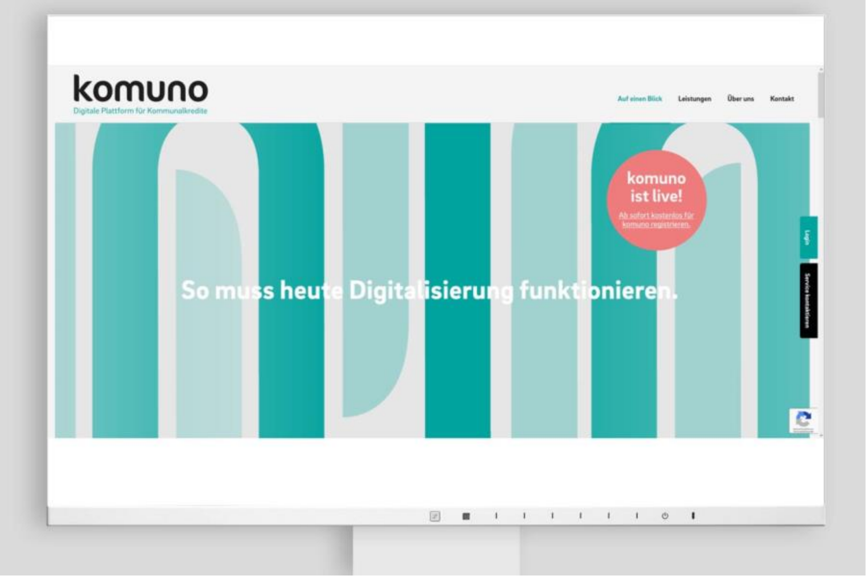
- Acquisition of land transport finance customer loan portfolio and associated employees from DVB Bank SE (DVB) successfully closed
- Transaction leads to growth of total volume in Rolling Stock Finance segment to just under € 2 bn

KOFIBA-Kommunalfinanzierungsbank (former Dexia Kommunalbank)

- Following regulatory approval, successful completion of acquisition of Dexia Kommunalbank Deutschland (DKD) for € 352 m
- After closing, DKD to operate under name of KOFIBA-Kommunalfinanzierungsbank GmbH until integration into Helaba
- Full integration expected by end of first quarter of 2020 if possible

Helaba

Current issues (2/2)



Trade finance network Marco Polo

- Helaba and other partners from S-Finanzgruppe have joined trade finance network Marco Polo
- Based on blockchain technology, platform offers digital solutions for international trade and supply chain as well as for receivables-based financing

komuno

- Municipal loan platform komuno now has automatic interface to savings banks' core banking system OSPlus
- Integration enables customers to efficiently manage their processes

Helaba

Outlook

- *Outlook confirmed: we expect to achieve a net profit on a par with the previous year*
- *By increasing efficiency, we aim to stem rising costs and exploit the resulting scope to implement our growth initiatives in a targeted manner.*

Your contacts

Your contacts

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Values with impact.

Appendix

Statement of Financial Position of Helaba Group

Statement of Financial Position of Helaba Group (IFRS)	31 Mar 2019	31 Dec 2018	Change	
	€ bn	€ bn	€ bn	%
Cash, cash balances at central banks and other demand deposits	21.0	7.3	13.7	>100.0
Financial assets at amortised cost	109.9	106.8	3.1	2.9
Loans and advances to credit institutions	12.2	11.2	1.0	8.9
Loans and advances to customers	97.7	95.6	2.1	2.2
Financial assets held for trading	17.3	17.0	0.3	1.8
Financial assets at fair value (non-trading)	27.7	27.4	0.3	1.1
Investment property, deferred tax assets, other assets	4.7	4.5	0.2	4.4
Total assets	**180.6**	**163.0**	17.6	10.8
Financial liabilities measured at amortised cost	139.0	125.2	13.8	11.0
Deposits and loans from credit institutions	35.9	32.1	3.8	11.8
Deposits and loans from customers	51.2	47.4	3.8	8.0
Securitised liabilities	51.6	45.5	6.1	13.4
Other financial liabilities	0.3	0.2	0.1	50.0
Financial liabilities held for trading	16.2	12.8	3.4	26.6
Financial liabilities at fair value (non-trading)	14.2	13.8	0.4	2.9
Provisions, deferred tax liabilities, other liabilities	2.7	2.7	0.0	0.0
Total equity	8.5	8.5	0.0	0.0
Total equity and total liabilities	**180.6**	**163.0**	17.6	10.8

* Figures according to opening balance sheet prepared in compliance with IFRS 9

Helaba

Income Statement of Helaba Group

Income Statement of Helaba Group (IFRS)	Q1 2019	Q1 2018	Change	
	€ m	€ m	€ m	%
Net interest income	269	256	13	5.1
Provisions for losses on loans and advances	-12	-3	-9	>-100.0
Net interest income after provisions for losses on loans and advances	257	253	4	1.6
Net fee and commission income	89	86	3	3.5
Gains or losses on fair value measurement	45	52	-7	-13.5
Share of the profit or loss of equity-accounted entities	2	1	1	100.0
Other net income	82	74	8	10.8
General and administrative expenses	-411	-387	-24	-6.2
Consolidated net profit before tax	**64**	**79**	-15	-19.0
Tax on income	-22	-27	5	18.5
Consolidated net profit	**42**	**52**	-10	-19.2

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