Values with impact. Helaba

Investor Relations

Group results as of December 31, 2019

Performance Figures

Management Summary
Helaba satisfied with 2019 financial year

→ **2019 a satisfactory year: new business as well as net interest and net fee and commission income significantly above the previous year**

→ **Consolidated net profit before tax of € 533 m, considerably higher than prior period - partly due to one-off effects**

→ **Increase in risk provisioning, which also includes a management adjustment, reflects the general deterioration in the economy as a whole and represents a return to a normal level**

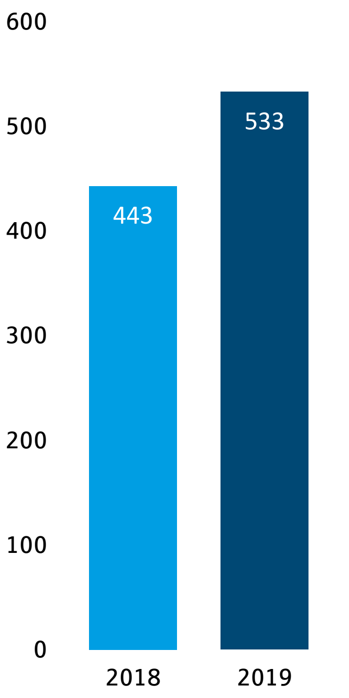
→ **Implementation of regulatory and strategic business requirements continues to weigh on general and administrative expenses**

→ **Integration of KOFIBA and DVB portfolio successfully completed, all milestones in Project Alpha achieved, Scope efficiency programme launched**

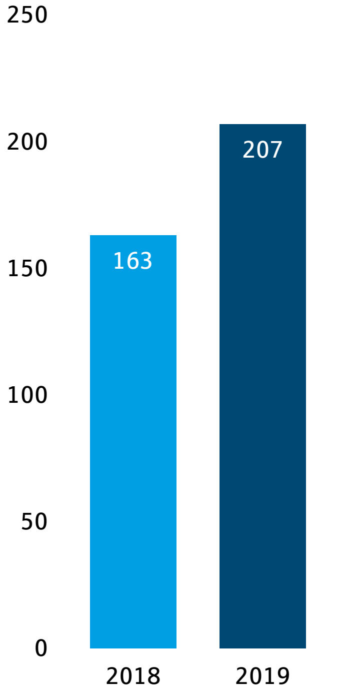
→ **CET1 ratio (fully-loaded) of 14.2% and total capital ratio of 19.0% still comfortably above regulatory requirements**

Satisfactory development in key financial ratios for 2019 financial year

Profit before tax
in € m

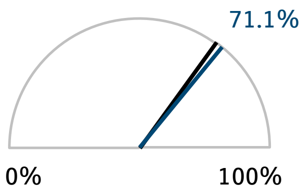


Total assets
in € bn



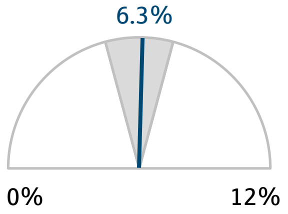
Cost-income ratio

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

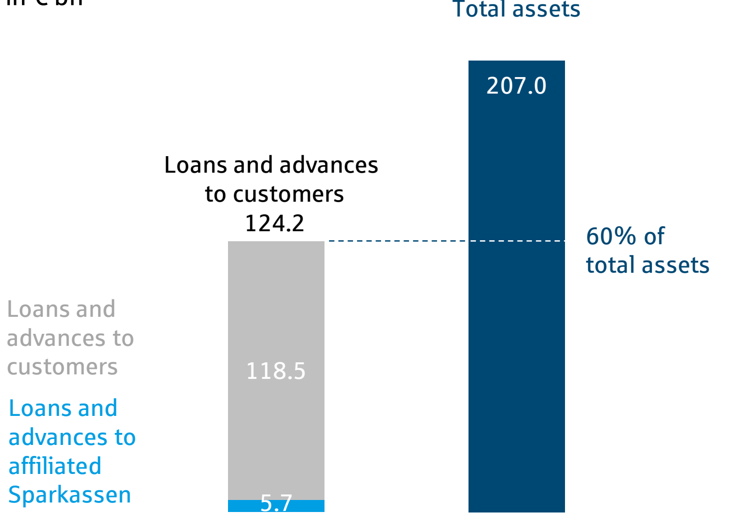
	Requirement 2019	Target ratio	Ratio 2019
CET1 ratio (fully-loaded)	9.85%[2]	12.5%	14.2%
Liquidity Coverage Ratio	100%	>125%	225%

1) Derived from SREP requirement for 2019 taking capital buffers into account

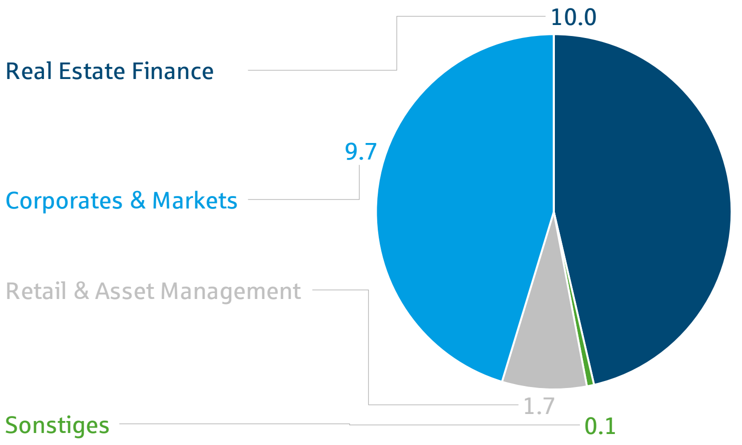
Helaba

Customer business dominates balance sheet structure

Closely intertwined with the real economy
in € bn



New medium and long-term business: € 21.5 bn[1]
in € bn

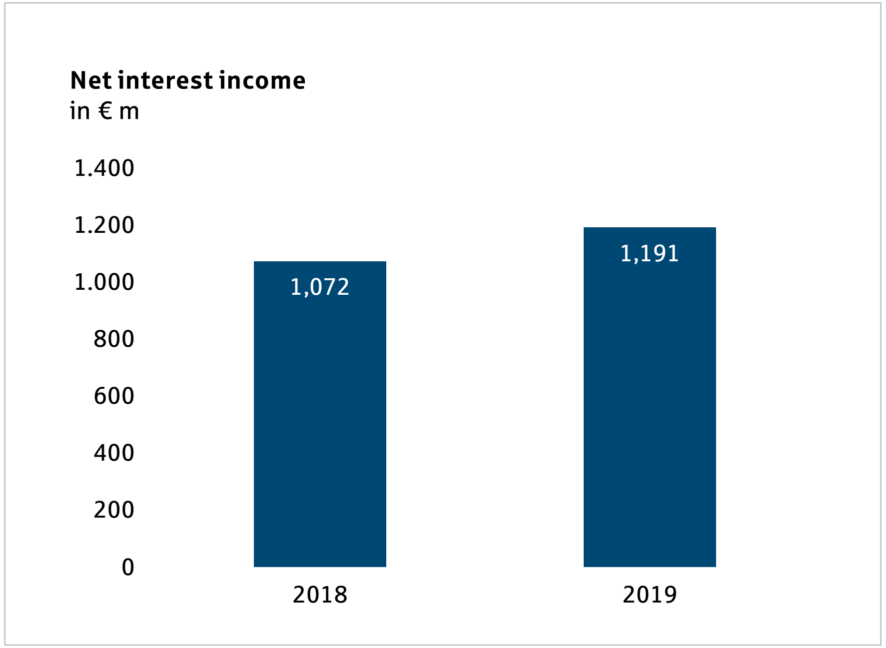


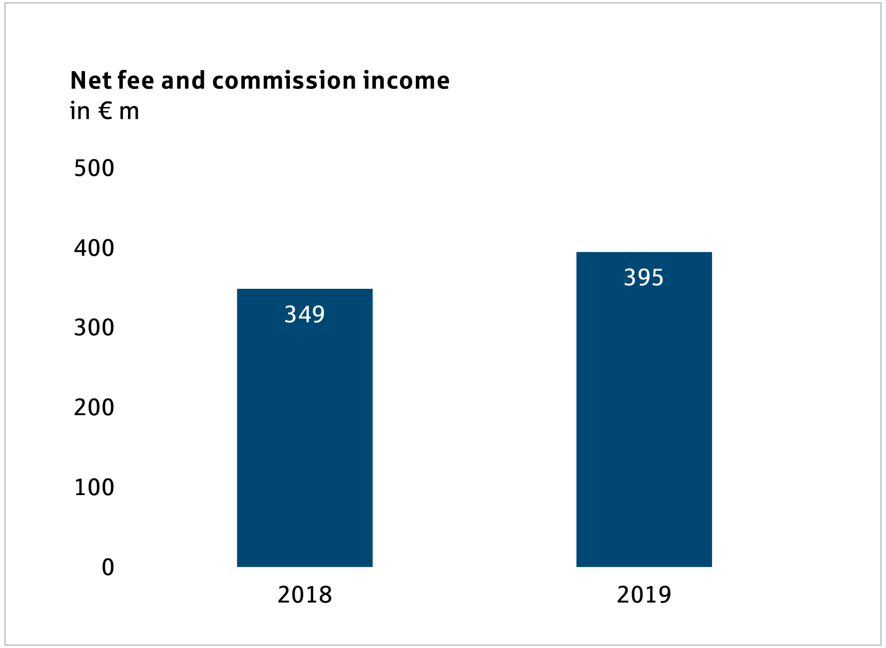
1) New medium and long-term business excl. WIBank

- Increase in balance sheet total to € 207.0 bn (2018: € 163.0 bn) primarily a result of the addition of KOFIBA
- Share of loans and advances to customers at 60% of total assets following significant increase in balance sheet total (2018: 63%)

- At € 21.5 bn, volume of new medium and long-term business considerably above previous year‘s level of € 19.0 bn
- Includes acquisition of DVB's land transport finance portfolio (approx. € 1.0 bn in new medium/long-term business)

Net interest and net fee and commission income considerably above previous year

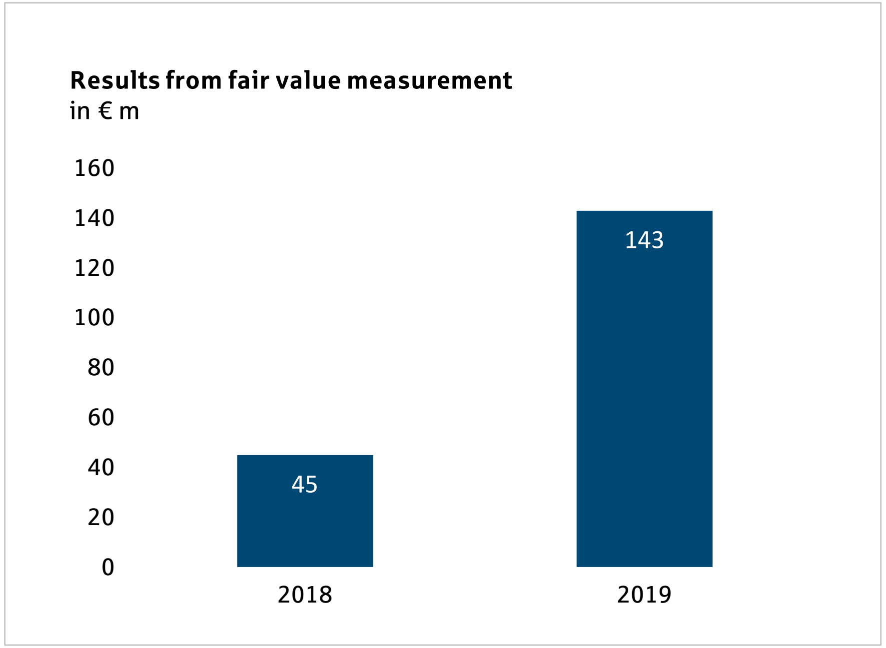


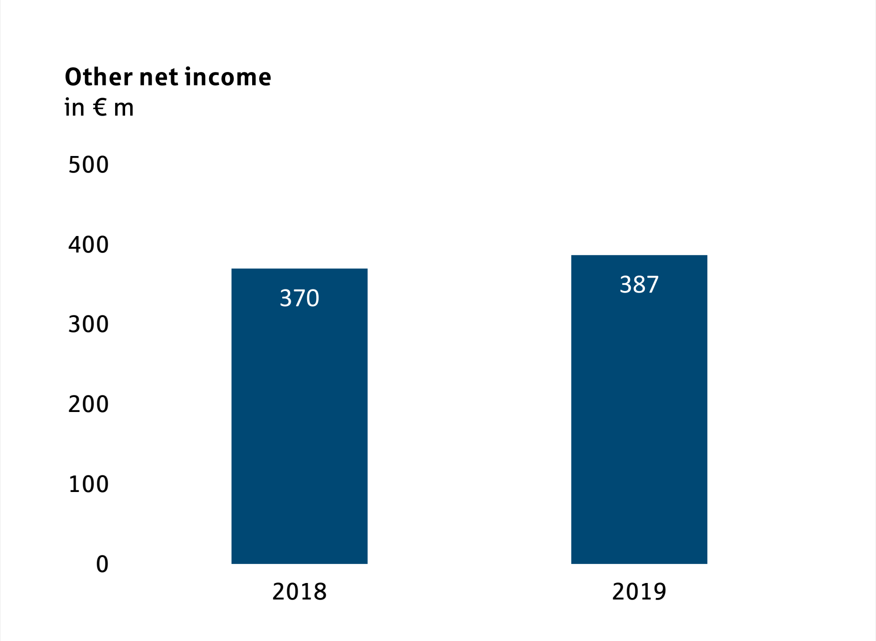


- Net interest income above previous year's level, mainly due to larger portfolios

- Net fee and commission income mainly generated by Helaba, Frankfurter Sparkasse and Helaba Invest
- Positive development, particularly in terms of fees and commission for lending and guarantee business and from asset management

Growth in income from operating trading activities, other net income with one-off effects



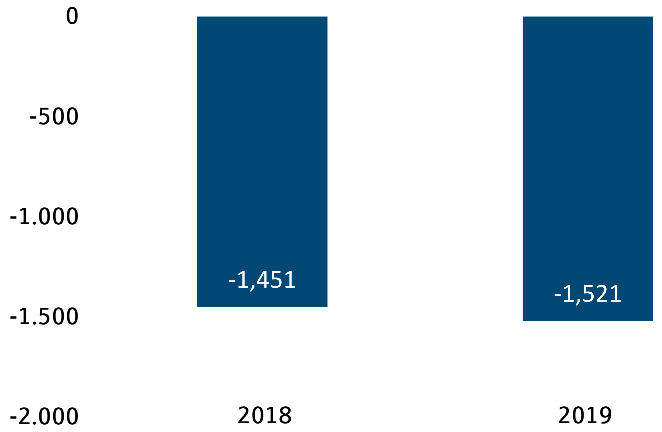


- Net operating income from customer-driven capital market business significantly higher than in previous year
- Valuation effects as a result of a sharp fall in interest rates have negative impact

- Net income marked by opposite one-off effects
- Earnings from the first-time consolidation of KOFIBA (€ 125 m) offset by additions to provisions for Scope efficiency programme (€ -71 m)

General and administrative expenses dominated by project and IT costs

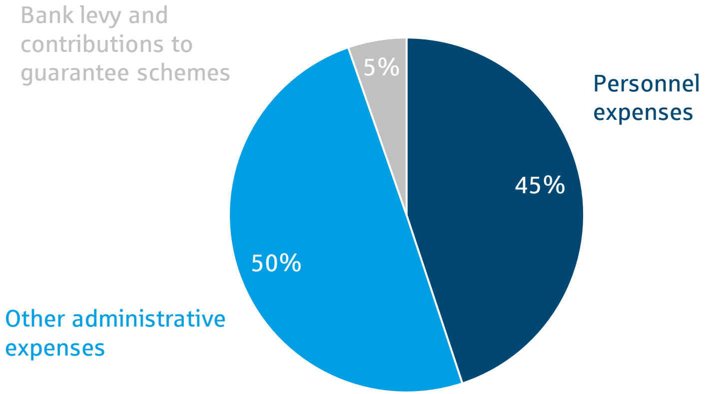
General and administrative expenses[1]
in € m



1) incl. scheduled depreciation and amortisation

- Increase primarily driven by higher personnel and administrative expenses in connection with the implementation of regulatory and business-driven requirements

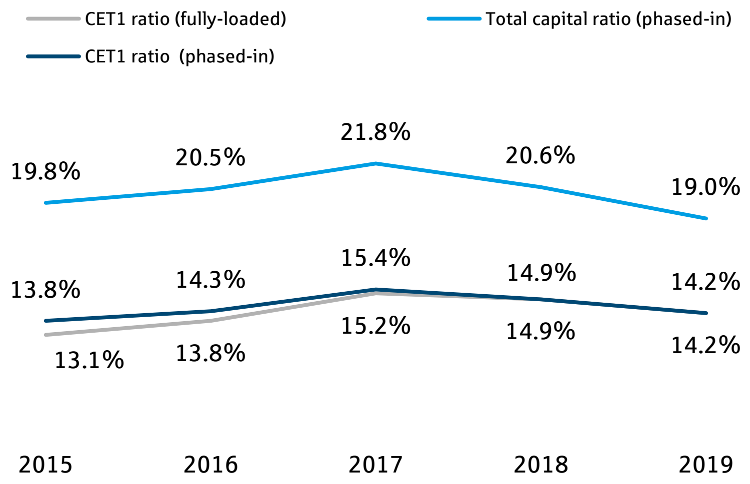
Composition of general and administrative expenses



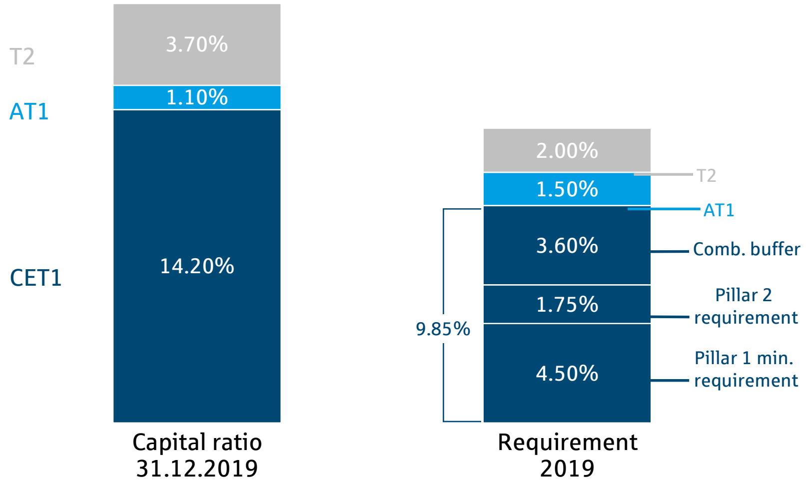
- Full consideration of annual bank levy and contributions to guarantee schemes of S-Finanzgruppe totalling around € 81 m (Q3 2018: € 69 m)
- Increase mainly due to measure to support NORD/LB

Capital ratios significantly exceed regulatory capital requirements

Development of capital ratios



Capital requirements and components

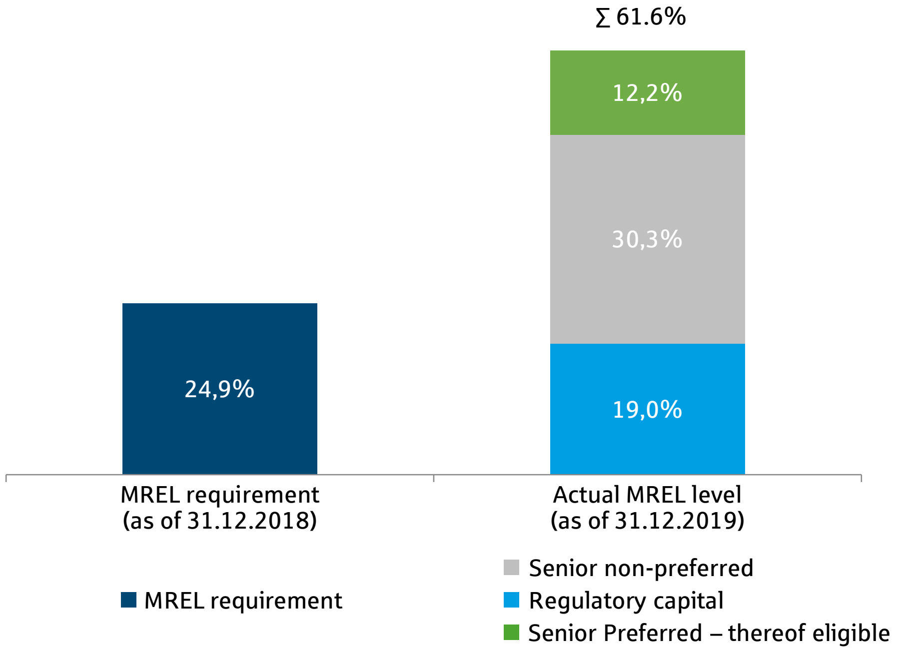


- CET1 ratios at very good level, decline due to increase in risk-weighted assets
- CRD IV / CRR transitional arrangements have no impact on CET1 ratio since 2018
- Leverage ratio at 4.5% (phased-in) and 4.3% (fully-loaded)
- Risk-weighted assets amount to € 59.8 bn

- Helaba enjoys comfortable capital backing, significantly exceeding all regulatory requirements:
  - CET1 ratio of 14.2% after 2019 well above derived regulatory CET1 requirement of 9.85% for 2019
  - Total capital ratio of 19.0% also considerably higher than 13.35% required for 2019

MREL requirement still comfortably exceeded

MREL requirement and actual level
in % of RWA



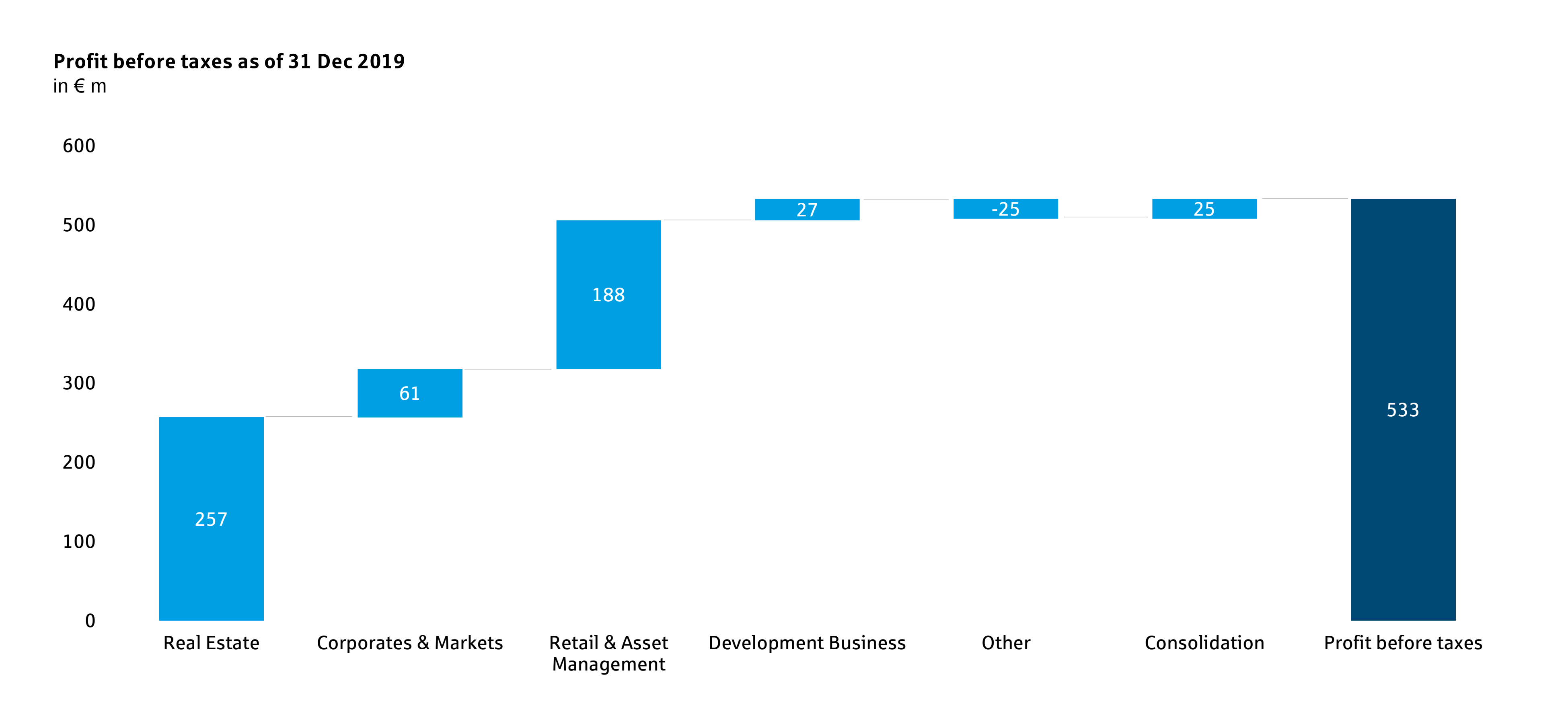
- Expected requirement based on data as of 31 December 2018 of 8.94 % based on TLOF1[1], which corresponds to 24.9 % based on RWA
- Actual MREL level as of 31 December 2019 of 20.1% in respect of TLOF (equivalent to 61.6% in respect of RWA) significantly above regulatory requirements
- Helaba able to meet the required ratio almost completely with its own funds
- High level of subordinated eligible liabilities (senior non-preferred) not only effectively protects higher-ranking senior preferred class against losses, but also provides extensive protection within senior non-preferred class itself

1) MREL requirement first announced by authorities in July 2019 as mandatory ratio of 8.46% based on Total Liabilities and Own Funds (TLOF)
Draft of mandatory MREL requirement for 2020 is available; update of mandatory MREL requirement for 2020 therefore expected in the near future to rise to 8.94 % TLOF

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	Group disposition and liquidity portfolio
	Insurance Finance	Frankfurter Bankgesellschaft		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		KOFIBA-Kommunal-finanzierungsbank GmbH
	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 above previous year

Real Estate	2019	2018	Change
	€ m	€ m	%
Total income before loan loss provisions	398	402	-1.0
Provisions for losses on loans and advances	13	-14	n.a.
General and administration expenses	-154	-146	-5.5
Segment result	**257**	**242**	6.2

	31 Dec 2019	31 Dec 2018
	€ bn	€ bn
Assets	30.8	30.2
Risk-weighted assets	16.9	16.4

- Represents commercial portfolio and project financing for real estate
- Increase in volume of new business by 2% to € 10.0 bn (2018: € 9.8 bn)
- Net interest income - a key earnings component - slightly higher than in the previous year due to higher average business volume, total income nevertheless below previous year due to a write-down on a portfolio property recognised in other net income
- Reversal of loan loss provisions in amount of € 13 m (2018: € -14 m)
- Higher general and administrative expenses due to increase in overhead costs

Corporates & Markets
Significant rise in new business & normalisation of risk provisioning

Corporates & Markets	2019	2018	Change
	€ m	€ m	%
Total income before loan loss provisions	624	581	7.4
Provisions for losses on loans and advances	-68	0	n.a.
General and administration expenses	-495	-462	-7.1
Segment result	**61**	**119**	-48.7

	31 Dec 2019	31 Dec 2018
	€ bn	€ bn
Assets	72.1	71.1
Risk-weighted assets	24.1	20.8

- New business volume grows by 24% to € 9.7 bn (2018: € 7.8 bn), including the acquisition of DVB's land transport finance portfolio (approx. € 1.0 bn)
- Increase in net interest income from lending activities, declines in capital market business and cash management
- Rise in net fee and commission income as well as net operating income from client-driven capital market business offset by charges due to higher valuation haircuts on derivatives
- Additions to provisions for losses on loans and advances of € 68 m significantly higher than in the previous year (2018: € 0 m), mainly attributable to level 2 additions (according to IFRS fair value hierarchy)
- Higher general and administrative expenses due to rise in overhead costs
- At approx. € 126 m, Corporate Finance division makes largest contribution to earnings; new business significantly increased to € 8.2 bn (+€ 2.1 bn compared to 2018)

Helaba

Retail & Asset Management
Negative impact due to lower net interest income and higher general and administrative expenses

Retail & Asset Management	2019	2018	Change
	€ m	€ m	%
Total income before loan loss provisions	745	743	0.3
Provisions for losses on loans and advances	-3	-4	25.0
General and administration expenses	-554	-534	-3.7
Segment result	**188**	**205**	-8.3

	31 Dec 2019	31 Dec 2018
	€ bn	€ bn
Assets	32.7	30.7
Risk-weighted assets	7.5	6.6

- Segment includes the Group’s retail banking, private banking and asset management activities (via the subsidiaries of Frankfurter Sparkasse, Frankfurter Bankgesellschaft and Helaba Invest) as well as Landesbausparkasse Hessen-Thüringen and GWH
- Total income at previous year's level, decline in net interest income and absence of a positive special effect in the previous year's other net income have negative impact; positive development of real estate earnings at GWH and FSP's special fund, noticeable increase in net fee and commission income
- Low level of additions to risk provisioning of € 3 m
- Slight increase in administrative expenses mainly due to business initiatives at GWH, Helaba Invest, FBG and Frankfurter Sparkasse
- Largest contributions to segment result from Frankfurter Sparkasse and GWH

Helaba

Development Business
Income rises due to expansion of promotional lending

Development Business	2019	2018	Change
	€ m	€ m	%
Total income before loan loss provisions	101	91	11.0
Provisions for losses on loans and advances	0	0	n.a.
General and administration expenses	-74	-72	-2.8
Segment result	**27**	**19**	42.1

	31 Dec 2019	31 Dec 2018
	€ bn	€ bn
Assets	24.6	23.5
Risk-weighted assets	1.2	1.2

- Presentation of WIBank's public development business
- Increase in income due to expansion of promotional lending activities

Helaba

Other
Positive impact from first-time consolidation of KOFIBA

Other	2019	2018	Change
	€ m	€ m	%
Total income before loan loss provisions	293	110	>100.0
Provisions for losses on loans and advances	-28	64	n.a.
General and administration expenses	-290	-291	0.3
Segment result	**-25**	**-117**	78.6

	31 Dec 2019	31 Dec 2018
	€ bn	€ bn
Assets[1]	49.4	21.8
Risk-weighted assets	10.1	9.3

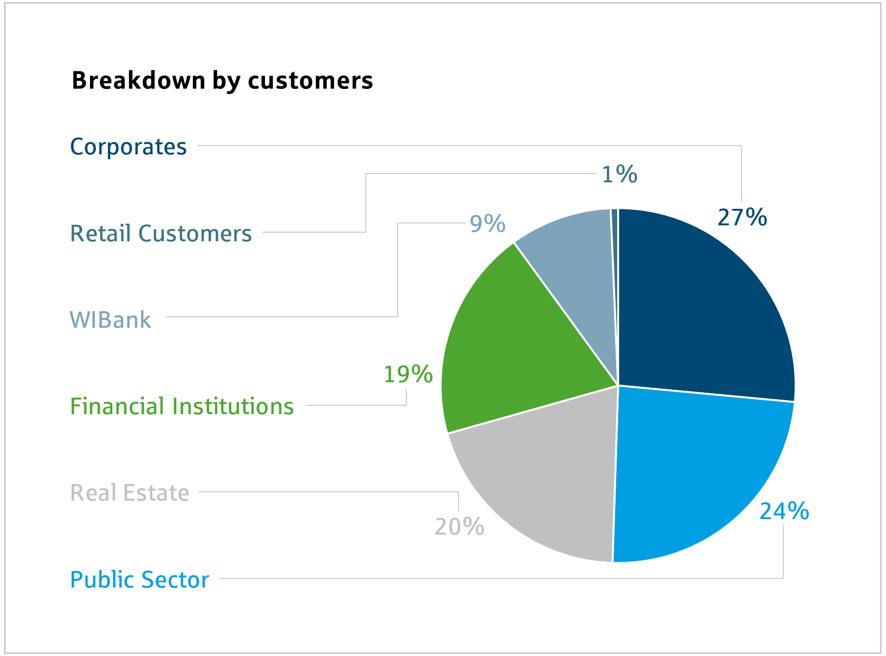
1) Increase in balance sheet assets i.a. as result of reporting ECB and Bundesbank accounts in Other segment since beginning of 2019 (previously reported in Corporates & Markets segment)

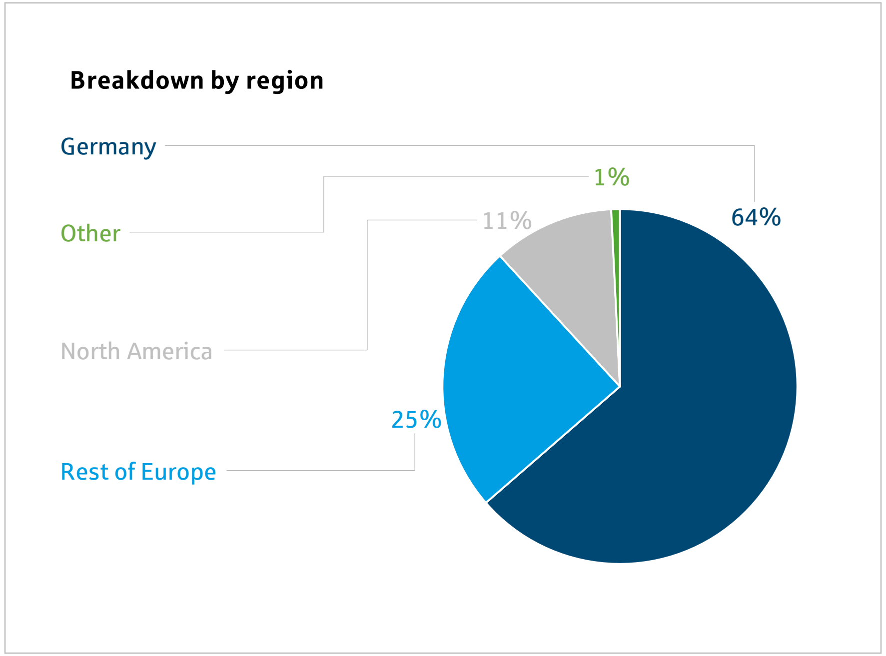
- Segment contains profit contributions and expenses that cannot be allocated to other business segments, especially earnings from treasury activities, OFB as well as costs of central corporate units; KOFIBA-Kommunalfinanzierungsbank consolidated since May 2019, accrual in September 2019, integration finally completed in December 2019
- Significant rise in total income, primarily due to positive treasury effects and to the addition of KOFIBA; this increase was offset by the recognition of a provision arising from Project Scope
- Risk provisioning includes the recognition of a management adjustment in an amount of € 31 m
- General and administrative expenses include, in particular, key projects, contributions to the bank levy and institutional protection schemes as well as KOFIBA's administrative expenses

Helaba

Portfolio Quality

Diversified credit portfolio with focus on Germany





▶ **Total volume of lending € 208.3 bn**

Further decline in NPL ratio while rating structure remains stable

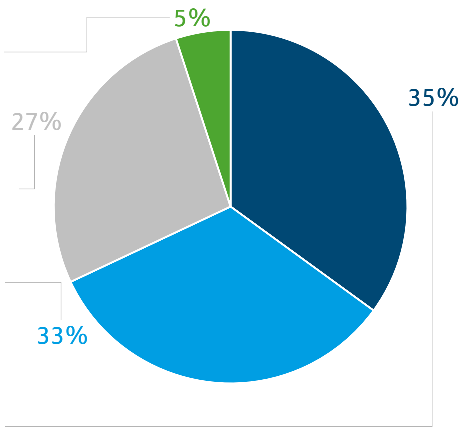
Total volume of lending
by default rating category (RC)

RK 14-24: Sufficient to lower financial performance; corresponding S&P Rating: < BB

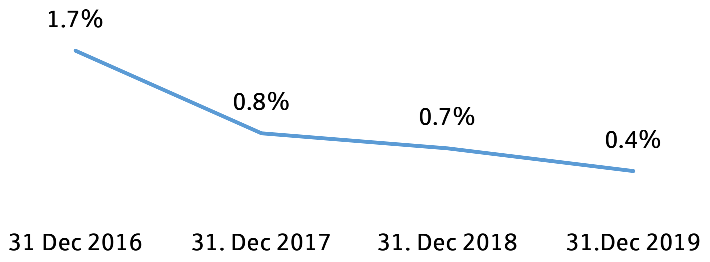
RK 8-13: Very good to satisfactory financial performance; corresponding S&P Rating: BBB+ to BB

RK 2-7: Exceptionally high to outstanding financial performance; corresponding S&P Rating: AA to A-

RK 0-1: No default risk to excellent and sustainable financial performance; corresponding S&P Rating: AAA / AA+



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

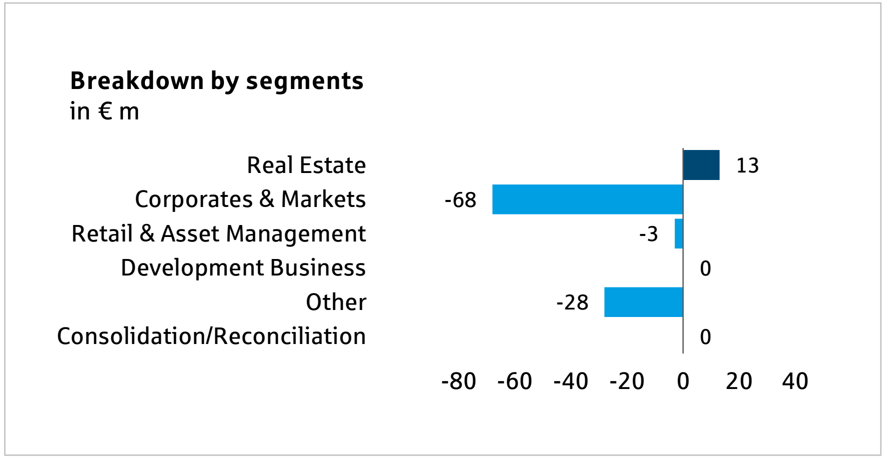
- Total lending volume of € 208.3bn
- 95% of total lending volume with excellent to satisfactory creditworthiness

- As of December 31, 2019, NPL ratio had fallen further to 0.44%
- Of "total loans and advances" of € 150.4 bn, € 0.7 bn were classified as non-performing exposures

Net additions increased compared to previous year, but still below long-term average

Composition of loan loss provisions	2019	2018
	€ m	€ m
Risk provisioning on financial assets	-78	43
Provisions for off-balance lending business	-8	2
Net risk provisioning	**-86**	**45**

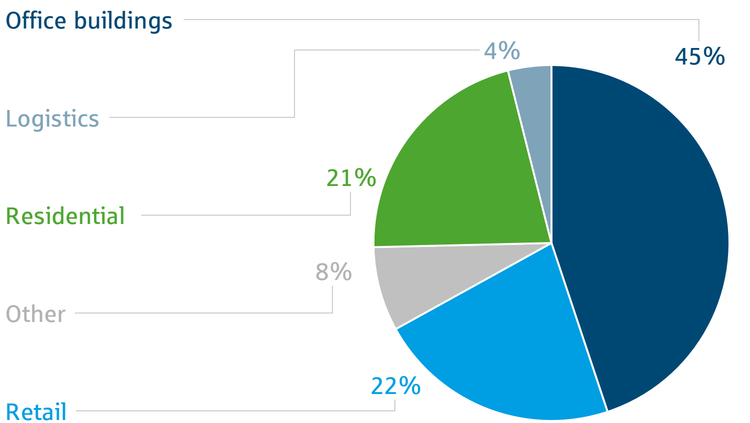
- Risk provisioning above previous year, mainly due to additions to level 2 (according to IFRS 9), and also includes the recognition of a management adjustment in an amount of € 31 m
- The increase reflects the general deterioration in the economic environment and returns risk provisioning to a normal level, but net additions remain low overall



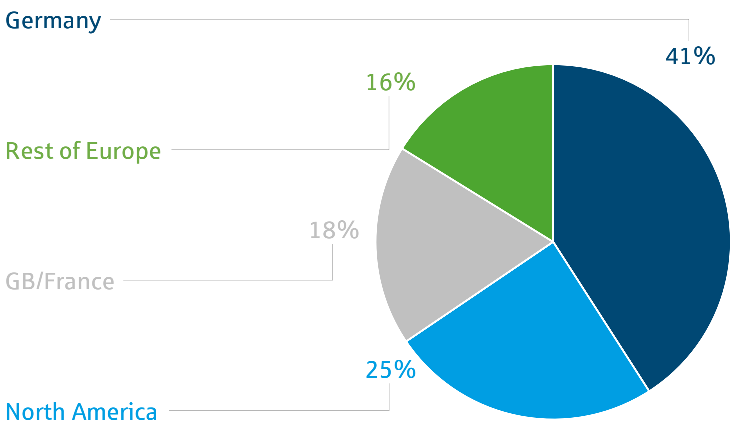
- Net additions to impairments mainly in segment Corporates & Markets
- Management adjustment reflected in the Other segment

Real Estate Finance Portfolio
Business volume of € 35.8 bn

By type of use



By region



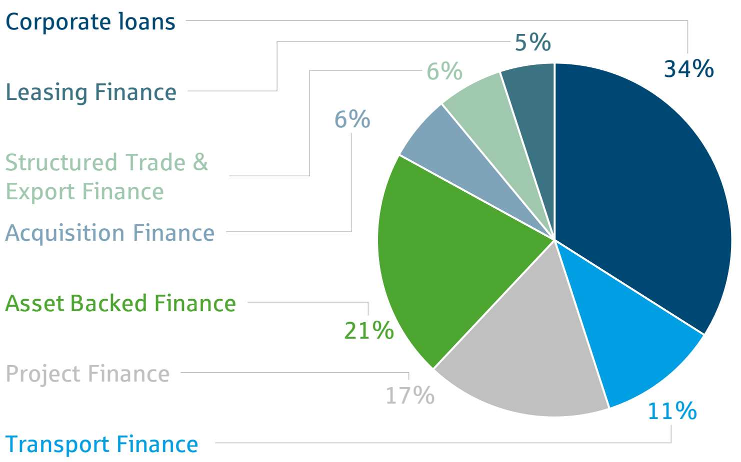
▶ **Balanced portfolio by regions and type of use**

As of December 31st , 2019

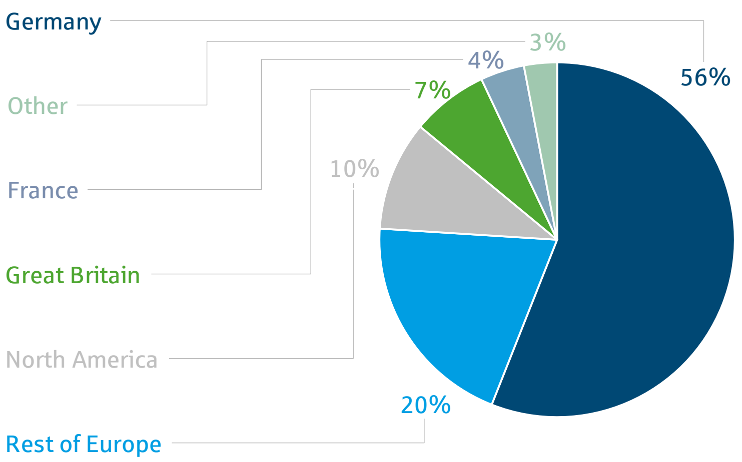
Helaba

Corporate Finance Portfolio
Business volume of € 49.4 bn

By product area



By region



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

As of December 31st , 2019

Funding

Helaba Ratings on a high level

Insolvency hierarchy in Germany

Insolvency / liability cascade

	Moody's	FitchRatings	S&P Global[1]
	Issuer Rating Aa3	L/t Issuer Default Rating[1] A+	L/t Issuer Credit Rating A
Covered bonds	Aaa Public sector CB	AAA Covered bonds	
Deposits in protection scheme (< € 100,000) (covered deposits pursuant to deposit guarantee scheme)			
Deposits from private customers and SMEs (> € 100,000) (eligible deposits pursuant to deposit guarantee scheme)			
Senior Preferred: Derivates; Structured Notes; Other Deposits; Senior Preferred Notes	Aa3	AA-	A
Senior Non-Preferred: Senior Non-Preferred Notes (statutory); Senior Non-Preferred Notes (contractual)	A2	A+	A-
Tier 2	Baa2	A	
AT1			
CET1			

1) Joint group rating for the S-Group Hesse-Thuringia

As of March 10th, 2020

Helaba

Strong national refinancing base

Funding Strategy

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

Funding Programmes

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

Broad Access to Liquidity

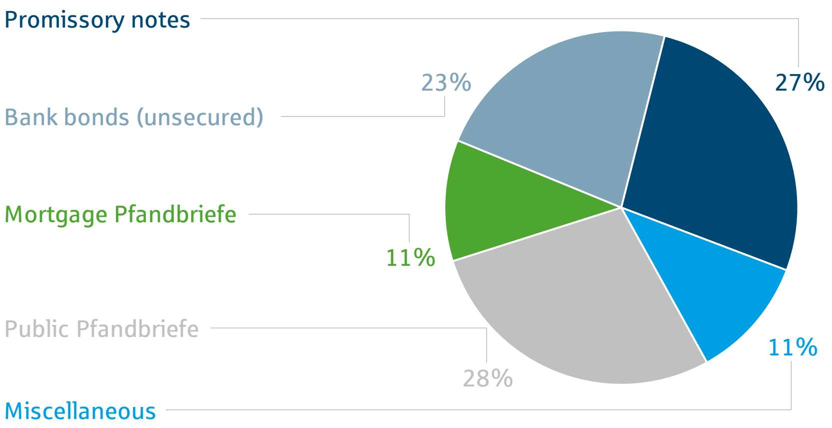
- € 50 bn cover pool for covered bonds
- € 31 bn securities eligible for ECB/ central bank funding
- € 20 bn retail deposits within Helaba Group

Long-term liquidity management and high degree of market acceptance

Outstanding medium and long-term funding (≥ 1 year): € 99.7 bn

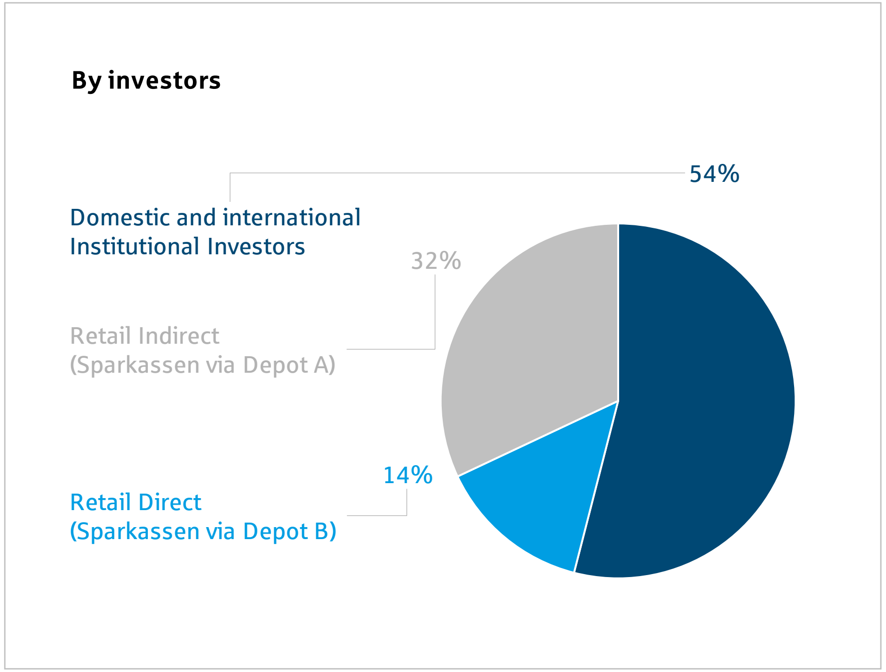
Year-on-year comparison	2019	2018	2017
	€ m	€ m	€ m
Covered bonds (“Pfandbriefe”)	38,450	26,851	26,334
thereof public sector	27,492	15,263	16,482
thereof mortgage backed	10,958	11,588	9,852
Senior unsecured bonds	23,181	22,891	20,906
Promissory notes	26,816	24,421	23,197
Miscellaneous*	11,217	10,874	12,283
Total	**99,664**	**85,037**	**82,720**

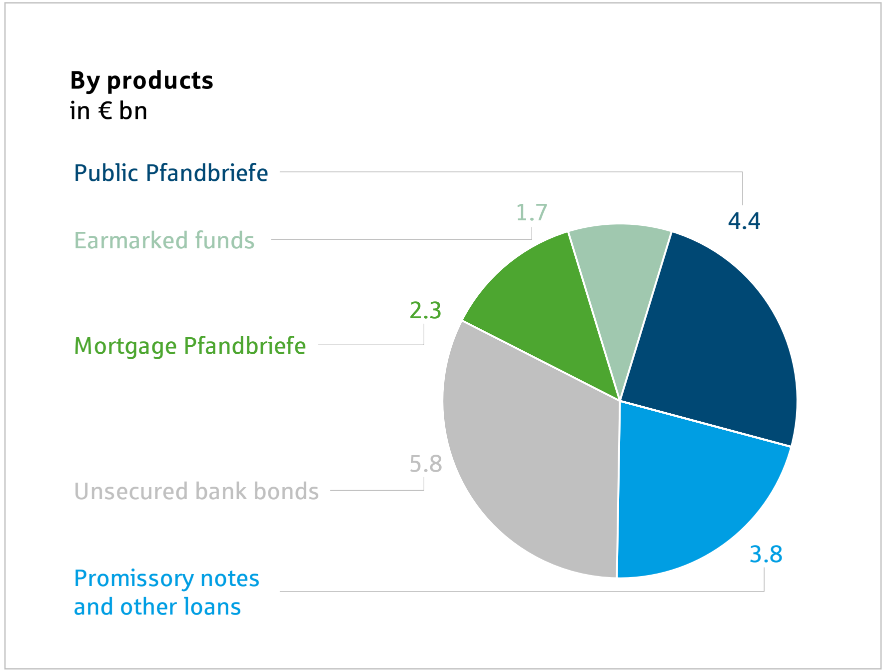
* Subordinated bonds/ participation certificates/ silent partnership contributions/earmarked funds



As of December 31st , 2019

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





Medium/long-term funding volume until 2019: **€ 18.0 bn**

As of December 31st, 2019

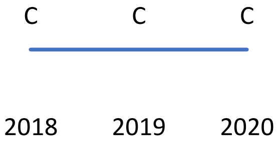
Helaba's alignment to corporate sustainability reflected in sustainability ratings

ISS-oekom

Corporate Responsibility Prime
rated by ISS-oekom

- Rating score: **C (Prime)**
- Rating scale: from D- to A+
- Among the **top 10 %** in the peer group of 243banks
- Rating score **B-** for partial rating “Social & Governance"

Development

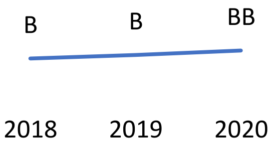


imug

imug SUSTAINABILITY RATING
RATING 2019 POSITIVE BB

- Rating score: **BB (Positive)**
- Rating scale: from D to AAA
- Among the **top 5** in the peer group of 24 banks
- Rating score **BBB (Positive)** for partial rating “Mortgage bonds“

Development



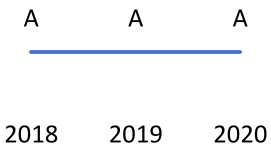
MSCI

MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

- Rating score: **A**
- Rating scale: from CCC to AAA
- Ranked in the upper midfield in the peer group of 210 banks
- **Top-Score** for partial rating “Financial Product Safety”

Development



SUSTAINALYTICS

20.7 Medium Risk

Negl 0-10 | Low 10-20 | Med 20-30 | High 30-40 | Severe 40+

	Rank (1st = lowest risk)	Percentile (1st = lowest risk)
Global Universe	2589 out of 12237	22nd
Banks (Industry Group)	85 out of 943	10th
Diversified Banks (Subindustry)	14 out of 375	4th

- Rating score **20.7**
- Scale: 0 (best) to 100
- Among the top 5% in the peer group of 375 banks
- **Top-Score** for partial rating “Corporate Governance”

Development

As of March 2020

Outlook

2019 an eventful year for Helaba

Dexia Kommunalbank Deutschland

- Integration of previously 41st largest bank in Germany completed in record time
- Resulted in significantly higher business volume
- Recognition of badwill had positive effect on net profit

DVB loan portfolio

- Acquisition in an amount of € 1.3 billion including 18 employees
- Expansion of Land Transport division and long-term improvement in market share

Scope – Growth through Efficiency

- Largest organisational change in 25 years
- Elimination of 380-400 currently staffed positions

Support for NORD/LB

- Institutional protection schemes operated by the Sparkassen-Finanzgruppe demonstrated their capacity to act

Strategic Agenda

Helaba's Strategic Agenda

focused growth, future-oriented processes, a responsible approach to business and increased efficiency

Refining the business model	Modern infrastructure and digitalisation	Responsibility and values	Growth through efficiency

Outlook

- Due to the current monetary policy, the high volatility on the financial and capital markets as well as stringent regulatory requirements, conditions will remain challenging.
- By increasing efficiency, we intend to curb rising costs and exploit the resulting scope to implement our growth initiatives in a targeted manner. Our new organisational structure successfully "went live" on 16 March 2020; initial measures from Project Scope to be implemented throughout 2020.
- At the present time, it is not yet possible to make any meaningful forecast for the bank's 2020 earnings since the economic consequences of the coronavirus pandemic are still unfolding. For this reason, we have decided to refrain from providing an outlook for the current financial year.

Helaba

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Values with impact.

Appendix

Statement of Financial Position of Helaba Group

Statement of Financial Position of Helaba Group (IFRS)	31 Dec 2019	31 Dec 2018	Change	
	€ bn	€ bn	€ bn	%
Cash, cash balances at central banks and other demand deposits	14.6	7.3	7.3	100.0
Financial assets at amortised cost	130.3	106.8	23.5	22.0
Loans and advances to credit institutions	16.6	11.2	5.4	48.2
Loans and advances to customers	113.7	95.6	18.1	18.9
Financial assets held for trading	19.3	17.0	2.3	13.5
Financial assets at fair value (non-trading)	37.3	27.4	9.9	36.1
Investment property, deferred tax assets, other assets	5.5	4.5	1.0	22.2
Total assets	**207.0**	**163.0**	**44.0**	**27.0**
Financial liabilities measured at amortised cost	155.4	125.2	30.2	24.1
Deposits and loans from credit institutions	35.6	32.1	3.5	10.9
Deposits and loans from customers	59.8	47.4	12.4	26.2
Securitised liabilities	59.7	45.5	14.2	31.2
Other financial liabilities	0.3	0.2	0.1	50.0
Financial liabilities held for trading	18.5	12.8	5.7	44.5
Financial liabilities at fair value (non-trading)	21.5	13.8	7.7	55.8
Provisions, deferred tax liabilities, other liabilities	2.9	2.7	0.2	7.4
Total equity	8.7	8.5	0.2	2.4
Total equity and total liabilities	**207.0**	**163.0**	**44.0**	**27.0**

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

Income Statement of Helaba Group

Income Statement of Helaba Group (IFRS)	2019	2018	Change	
	€ m	€ m	€ m	%
Net interest income	1,191	1,072	119	11.1
Provisions for losses on loans and advances	-86	45	-131	n.a.
Net interest income after provisions for losses on loans and advances	1,105	1,117	-12	-1.1
Net fee and commission income	395	349	46	13.2
Gains or losses on fair value measurement	143	45	98	>100.0
Share of the profit or loss of equity-accounted entities	24	13	11	84.6
Other net income	387	370	17	4.6
General and administrative expenses	-1,521	-1,451	-70	-4.8
Consolidated net profit before tax	**533**	**443**	90	20.3
Tax on income	-53	-165	112	67.9
Consolidated net profit	**480**	**278**	202	72.7

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