Helaba

# Strength in diversity

## Annual Report 2023

Cover photo (from l. to r.):
Sara Mosig, Credit Risk Management, S-Group and SME Customers I
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Martina Zierke, Head of Department, Credit Risk Management, Real Estate Finance International

# Helaba in brief

**Owners**
12 % States of Hesse and Thuringia
88 % Sparkasse sector

**Customers**
Long-term relationships with companies, institutional customers, the public sector and retail customers

**Sparkassen**
Central bank and S-Group bank for the Sparkassen, partnership not competition

**Core markets**
Germany with a regional focus and a selected international presence

**Employees:** Approx. 6,500
**Ratings:** Moody's Aa2 / Fitch A+

One of the leading banks in the German financial capital of Frankfurt am Main, Helaba employs approximately 6,500 people and has total assets of € 202 bn. We offer a complete range of financial services from a single source for companies, banks and institutional investors. Sustainable business practices have long been established in Helaba's business model and go hand in hand with our mandate to operate in the public interest. We support our customers with a range of expert ESG advisory services and suitable financing on their own journey towards a sustainability transformation.

We provide innovative, high-quality financial products and services for the Sparkassen. We serve as the Sparkasse central bank for Hesse, Thuringia, North Rhine-Westphalia and Brandenburg, making us a strong partner for some 40 percent of Germany's Sparkassen. We are the regional market leader in retail banking through our subsidiary Frankfurter Sparkasse and also have a presence in direct banking through 1822direkt.

Landesbausparkasse Hessen-Thüringen, Helaba's independent home loans and savings division, uses the Sparkassen as sales partners and holds a leading market position in the home loans and savings business in Hesse and Thuringia. WIBank, which comes under Helaba's Public Development and Infrastructure Business unit, supports development programmes for the State of Hesse. We also engage in many areas of public life by sponsoring ground-breaking cultural, educational, environmental, sports and social projects.

# At a glance

**Helaba ratings** (As at: 15 March 2024)

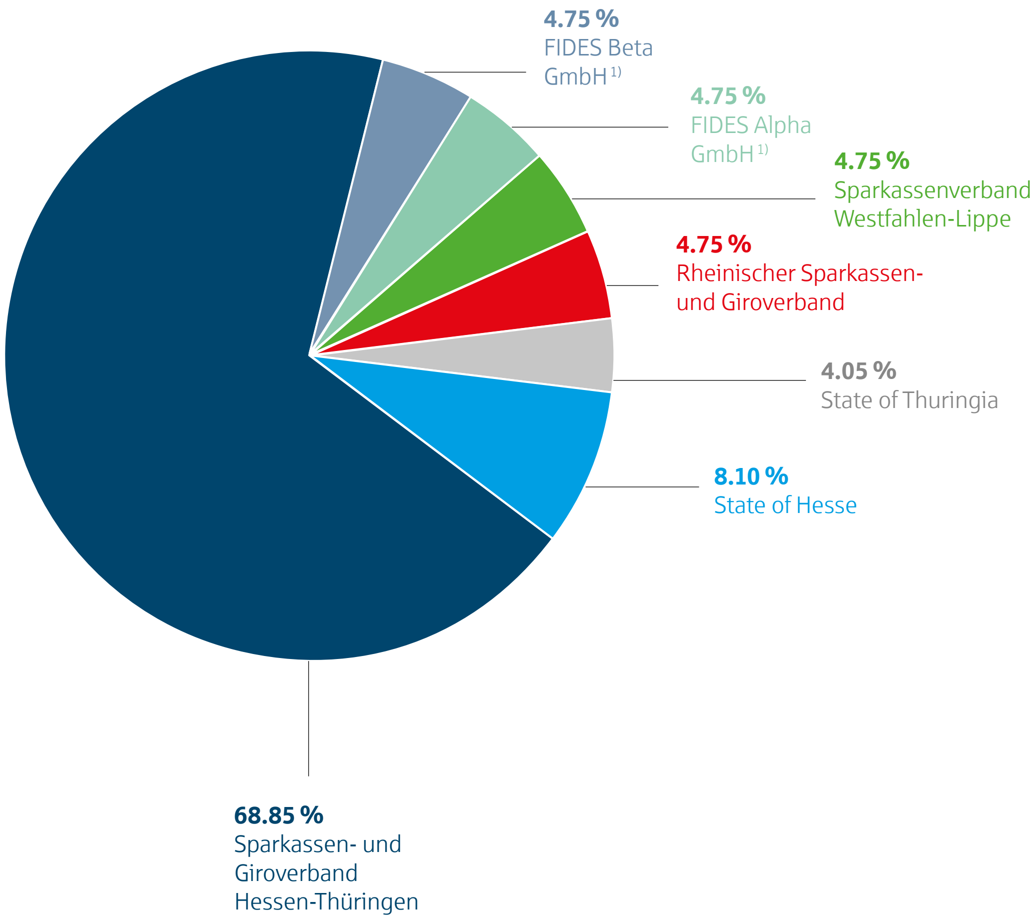
| Moody's | | Fitch Ratings | |
|---|---|---|---|
| Outlook | Stable | Outlook | Stable |
| Long-term Issuer Rating | Aa2 | Long-term Issuer Default Rating[1] | A+ |
| Counterparty Risk Assessment[3] | Aa2(cr) | Short-term Issuer Default Rating[1, 2] | F1+ |
| Long-term Deposit Rating[3] | Aa2 | Derivative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

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

| | Moody's | Fitch Ratings |
|---|---|---|
| Long-term Ratings | Aaa | AAA |

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

**Stakes in Helaba's share capital**




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

## The Helaba Group in figures

| Performance figures | | 2023 in € m | 2022 in € m | Change in € m | Change in % |
|---|---|---|---|---|---|
| Net interest income before loss allowances | | 1,840 | 1,417 | 423 | 29.8 |
| Net fee and commission income | | 536 | 533 | 2 | 0.5 |
| General and administrative expenses, including depreciation and amortisation | | −1,711 | −1,652 | −59 | −3.6 |
| Profit or loss before tax | | 722 | 633 | 89 | 14.0 |
| **Consolidated net profit** | | **466** | **431** | **36** | **8.3** |
| **Return on equity** | **in %** | **7.2** | **6.7** | | |
| **Cost-income ratio** | **in %** | **59.4** | **67.5** | | |

| Balance sheet figures | 31.12.2023 in € m | 31.12.2022 in € m | Change in € m | Change in % |
|---|---|---|---|---|
| **Measured at amortised cost** | | | | |
| Loans and advances to banks | 13,168 | 12,836 | 332 | 2.6 |
| Loans and advances to customers | 113,514 | 116,062 | −2,549 | −2.2 |
| **Trading assets** | **11,697** | **12,672** | **−975** | **−7.7** |
| **Financial assets measured at fair value (not held for trading)** | **21,369** | **21,694** | **−325** | **−1.5** |
| **Measured at amortised cost** | | | | |
| Deposits and loans from banks | 48,195 | 65,735 | −17,540 | −26.7 |
| Deposits and loans from customers | 62,421 | 63,643 | −1,222 | −1.9 |
| Securitised liabilities | 51,263 | 41,064 | 10,198 | 24.8 |
| **Trading liabilities** | **11,350** | **13,754** | **−2,404** | **−17.5** |
| **Financial liabilities measured at fair value (not held for trading)** | **16,037** | **15,042** | **995** | **6.6** |
| **Equity** | **10,333** | **9,877** | **455** | **4.6** |
| **Total assets** | **202,072** | **211,502** | **−9,429** | **−4.5** |

| Key indicators for regulatory purposes | 31.12.2023 in % | 31.12.2022 in % |
|---|---|---|
| CET1 capital ratio | 14.7 | 13.5 |
| Tier 1 capital ratio | 15.2 | 14.1 |
| Total capital ratio | 18.7 | 17.3 |

**722**

Profit or loss before tax (in € m)

**202,072**

Total assets (in %)

**14.7**

CET1 capital ratio (in %)

# Content

Dear customers, dear business partners.

We can look back on a positive financial year 2023. Last year, we continued our success story and achieved our best performance to date. Our income increased significantly, one reason for this being the rise in interest rates. However, the historically rapid growth of interest rates also created substantial pressures in our real estate business which we have adequately reflected in our financial statements for 2023. Our performance is renewed proof that we have the right strategic focus. Helaba's diversified and balanced business model is demonstrating its resilience, especially in this challenging environment. Helaba is and will remain on course.

This achievement came in a year that was again dominated by massive geopolitical upheaval. The Russian attack on Ukraine, the unspeakable horror of the Hamas terror attacks in Israel and the war in Gaza that has been raging ever since have all had a profound impact. The polarisation of our society seems to be growing. Yet there are signs of resistance among the mainstream, which has been pushing back in recent months and has taken to the streets. This gives grounds for optimism. Tolerance and diversity are the foundation of our liberal democratic order. They are fundamental to our social market economy and thus also to our prosperity.

In financial year 2023, the Helaba Regulatory Group increased its consolidated profit before taxes in accordance with IFRS by 14.0 % to € 722 m (2022: € 633 m). This outcome particularly reflects the significant growth in operating income, which more than offset the pressures seen in the real estate business. These were evidenced by the substantial increase in net additions to loss allowances of € 448 m (2022: € 162 m). Whereas the real estate business made a negative contribution to income as a result, the other segments developed positively. This led to a significant increase in the cost-income ratio in 2023 to 59.4 %. The CET1 ratio rose to 14.7 % and the return on equity improved to 7.2 %. It was very gratifying to see net fee and commission income continue growing to € 536 m (2022: € 533 m) while general and administrative expenses increased moderately to € 1,711 m. This increase was primarily attributable to the inflation-related rise in external costs and to expenses for modernising the IT infrastructure. By contrast, personnel expenses were virtually unchanged.

I am convinced that the economic situation in Germany and the rest of the world is actually better than the current mood might suggest. Alongside encouraging early indicators, declining inflation especially is brightening economic prospects in Germany and the rest of the world. Of course, strong geopolitical tensions, the consequences of the recent interest rate increases and the situation on the real estate markets continue to present challenges.

We will support our customers in overcoming these challenges and participating in the economy's positive overall development.

**We have the right strategic focus. Helaba's diversified and balanced business model is demonstrating its resilience, especially in this challenging environment.**

We see our role as partnering companies and individuals on their journey towards digitalisation and the sustainability transformation.

In 2024, we are confident of achieving pre-tax earnings on a par with the prior-year level. For the medium term, Helaba continues to anticipate sustaining pre-tax earnings above € 750 m.

I would like to take this opportunity to convey the thanks of the entire Executive Board to our customers and business partners for their confidence in us and to our corporate bodies for their staunch support. I also owe a heartfelt debt of thanks and appreciation to our employees who, with their great adaptability, extraordinary achievements and enduring loyalty, have contributed to what has been Helaba's best performance to date. Together, we create forward-looking solutions for our customers every day.

Yours sincerely,

Thomas Groß
CEO

**We see our role as partnering companies and individuals on their journey towards digitalisation and the sustainability transformation.**

# The Executive Board

**Christian Rhino**
**CIO / COO**
Information Technology, Operations, Organisation

**Christian Schmid**
Real Estate Finance, Asset Finance, Real Estate Management, Distribution and Portfolio Management, Branch Management London, Branch Management New York, GWH, OFB

**Hans-Dieter Kemler**
Corporate Banking, Capital Markets, Treasury, Helaba Invest

**Thomas Groß**
**CEO**
Group Steering, Human Reources and Legal Services, Finance, Group Audit, Frankfurter Sparkasse, Frankfurter Bankgesellschaft

**Tamara Weiss**
**CRO**
Risk Controlling, Credit Risk Management, Restructuring & Recovery, Compliance

**Frank Nickel**
Savings Banks and SME, Public Sector, LBS, WIBank

# Corporate strategy

Helaba's basic strategic focus remains unchanged and it intends to continue to serve its customers as a commercial bank, Sparkasse central bank and development bank. Helaba has defined the three strategic focus areas – "Further diversifying the business model and increasing sustainability", "Modernising IT and designing ecosystems" and "Strengthening employer profile and increasing attractiveness to employees" – to maintain its progress and bring its long-term objectives within reach.

Helaba is a credit institution organised under public law with the long-term strategic business model of a full-service bank and a commitment to operating sustainably; it has a strong regional focus, a presence in carefully selected international markets and is tightly integrated into the Sparkassen-Finanzgruppe.

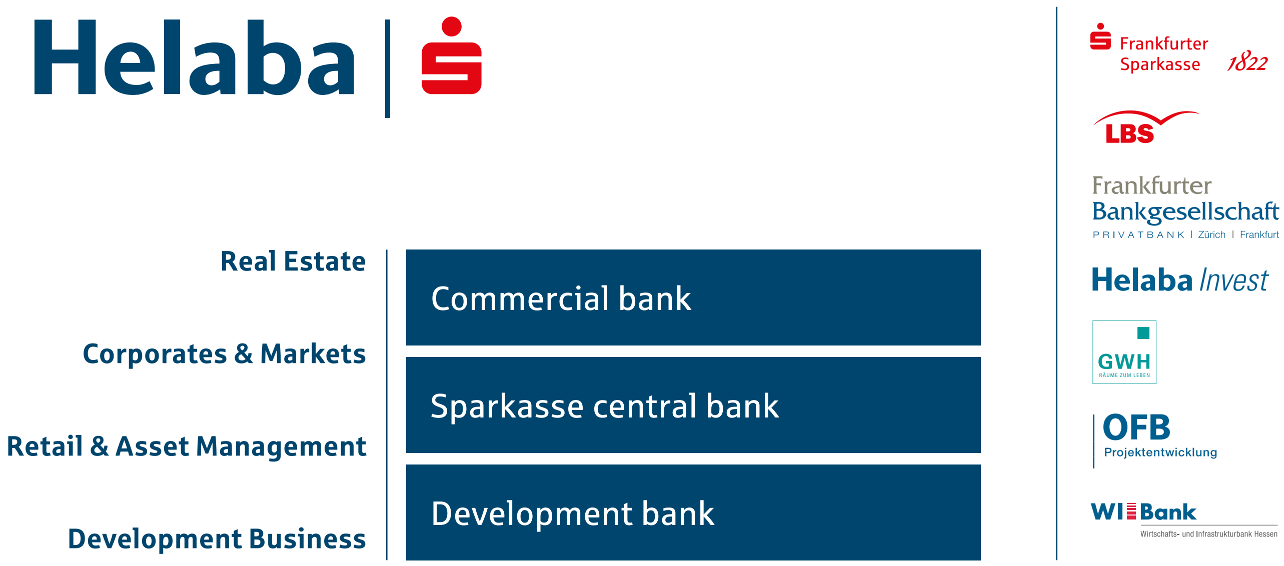
One key aspect of Helaba's business model is its legal form as a public-law institution. Other factors central to this business model are Helaba's status as part of the Sparkassen-Finanzgruppe with its institutional protection scheme, the distribution of tasks between Sparkassen, Landesbanken and other S-Group institutions, the large stake in Helaba owned by the Sparkassen organisation, and Helaba's retention and expansion of its activities in the S-Group and public development and infrastructure business

As a commercial bank, Helaba operates in Germany and abroad. Stable, long-term customer relationships are a hallmark of its approach. It works with companies, institutional clients, the public sector and municipal corporations. Helaba provides a comprehensive range of products for its customers.

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

In its capacity as the central development institution for Hesse, Helaba administers public-sector development programmes through Wirtschafts- und Infrastrukturbank Hessen (WIBank). WIBank's business activities are guided by the development objectives of the State of Hesse.

Helaba's registered offices are situated in Frankfurt am Main and Erfurt and it has branches in Düsseldorf, Kassel, London, New York, Paris and Stockholm plus a number of representative and sales offices, subsidiaries and affiliates.



# Staff

Helaba's business strategy and the associated societal, economic and regulatory developments define the parameters for what is required of the HR function. The resulting core tasks are as follows: strategy-oriented and needs-based recruitment and retention of suitable employees; the provision of professional services; the rapid filling of vacancies; the creation of attractive gender-neutral compensation packages (including ancillary benefits such as occupational pensions); ensuring the deployment of modern forms of collaboration; and the delivery of coordinated long-term continuing professional development (including the management of junior talent and employees with high potential to ensure future staffing needs can be met).

The Helaba Group had 6,483 people in its employment at the end of 2023, 147 more than in the previous year. Most of this increase in headcount was accounted for by Wirtschafts- und Infrastrukturbank Hessen (WIBank), Helaba Invest Kapitalanlagegesellschaft mbH, GWH Group and Frankfurter Bankgesellschaft Group.

**6,336**

**people work at Helaba.**

A bank's corporate culture is as essential to its long-term future as the efficiency of its processes and structures. Strengthening our employer profile and increasing our attractiveness to employees is one of our strategic focus areas. The mood barometer survey conducted in 2022 offered a sound basis for refining our corporate culture in all departments in 2023. In the course of 2023, we combined this comprehensive view of Helaba with other approaches to cultural transformation in the "Let's go 2030" programme. Under the motto of "Make more possible together", we are developing ideas and measures for the continuous optimisation of cross-company collaboration and the performance and innovation culture. One highlight of the programme was the "Let's go 2030 live" event in January 2024. At this Helaba fair, many elements of which were interactive, some 2,000 employees discovered the future topics that the Bank and its specialist departments are working on. There was a strong focus on networking.

It is a central tenet of our corporate culture that all employees are included, irrespective of age, gender and gender identity, sexual orientation, ethnic origin and nationality, personal circumstances, social background, religion, and ideology, and all contribute to the organisation's long-term success. We view our efforts to create and maintain a diverse and inclusive working environment as a continuous process and apply a holistic approach that is enshrined in our Diversity Policy.

**A bank's corporate culture is as essential to its long-term future as the efficiency of its processes and structures.**

Other key factors in our human resources strategy are demographic change and the related societal changes. Demographic development means that some 50 % of Helaba's workforce will stop working in the next ten to 15 years and, as a result, we will face enormous challenges. At the same time, this development is a key driver of talent acquisition and development and employee retention, which are among the elements of our extensive New Talent Agenda. Initiated in 2023, this programme aims to address the demographic challenge of making Helaba's workforce younger. Our goal is to increase the proportion of employees aged under 30 to at least 10 % by 2030. To this end, we are investing in our activities for new talents. In 2023, we began increasing the number of places we offer on our internship, student trainee and trainee programmes. We are focusing vocational training on IT-related professions as a foundation for developing key basic skills for the digital age.

**Initiated in 2023, the New Talent Agenda aims to address the demographic challenge of making Helaba's workforce younger.**

To create the basis for internal career and succession pathways, we are prioritising the development of high potentials within the organisation. In this connection, we launched a potential identification process in 2023 that we are continuing in 2024. This enables us to provide our employees with a structured perspective for their personal development. The first step involves a standardised function assessment system that is the same for all employees. This Helaba function map assigns all positions for employees not covered by collectively agreed terms of employment to a career path and a career stage, creating clarity as to possible pathways within Helaba and the associated requirements and showing employees how they might progress through their career. The development options available to employees not covered by collectively agreed terms of employment include not only traditional management careers but also equivalent specialist, sales and project management careers. The career paths are intended to be flexible so that employees can switch between them if they wish. Newly created remuneration bands for the career stages and paths clearly show how these positions fit into the broader market context. In parallel, we are expanding the use of performance-related remuneration components. Providing a variety of options for building careers in line with personal possibilities and interests helps Helaba to maintain its status as an appealing employer, attract highly qualified technical and management personnel and retain high-potential and high-performing employees long term.

**As a way of strengthening sustainability and mobility, Helaba introduced a number of new employee benefits in the 2023 2023 financial year.**

As a way of strengthening sustainability and mobility, Helaba introduced a number of new employee benefits in the 2023 financial year. Since May 2023, when the German government launched a new nationwide monthly rail ticket, Helaba employees in Germany have received a monthly sustainability allowance of € 100, initially for a limited period. Employees decide themselves how to use this allowance – whether to buy a monthly rail ticket, subsidise a leased bicycle or finance better equipment for their workplace at home. In addition, before the end of 2024, employees will receive a bonus of up to € 3000 – exempt of tax and social security contributions – to compensate for inflation.

# Sustainability

Helaba has always embraced its responsibilities to society and the natural environment and its strategic business model clearly reflects its steadfast commitment in this area. As a Landesbank and the S-Group bank for the Sparkassen, we act in the public interest and protect vital natural resources. Sustainability and social responsibility are permanently enshrined in our business strategy and fully integrated at all levels of management to minimise negative impacts on the environment and society. We are focused on helping our customers with the necessary transformation to a climate-neutral circular economy with perfectly tailored financing solutions and expert consulting on a partnership basis. Helaba has pledged its commitment to the objectives of the Paris Agreement and the climate objectives of the German federal government and the European Union. We intend to remain true to our conscience and our obligations to our stakeholders by continuously increasing our positive impact in the ecological and social spheres. Sustainability as we see it encompasses all three ESG dimensions (environment, social and governance) not just in the context of our core activity but throughout the value chain.

**Helaba is a signatory to the Diversity Charter and has committed to uphold the principles of the Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization (ILO).**

**Helaba and its Group subsidiaries were among the original signatories of the DSGV's "Commitment by German Savings Banks to climate-friendly and sustainable business practices" along with more than 170 Sparkassen and three other Landesbanken.**

## Helaba's understanding of sustainability

Putting values at the heart of our decision-making is the key to sustainable success. Our Code of Conduct anchors our sustainability agenda within the organisation, providing everyone who works here with a binding framework to guide their actions. The Code of Conduct defines in transparent terms for employees, customers and the public at large how we want and intend to work together and realise our objectives, both within Helaba and in dealings with our stakeholders. Helaba is a signatory of the Principles for Responsible Banking (PRB), meaning we have committed to playing a proactive role in promoting climate change mitigation and to aligning our business operations consistently with the sustainability objectives of the United Nations. In 2023, we published our first progress report in which we defined our three main areas of impact. We aim to contribute to climate stability, a circular economy and biodiversity in healthy ecosystems. We are also actively helping the German Sparkassen-Finanzgruppe, which we serve as one of the central S-Group companies, to master the challenges currently facing society as a whole.

**Helaba is a signatory to the Principles for Responsible Banking (PRB). Helaba Invest and Frankfurter Bankgesellschaft are signatories to the Principles for Responsible Investment (PRI).**

**As a member of the UN Global Compact, Helaba strives to ensure that the ten corporate sustainability principles are upheld throughout its sphere of influence.**

# Helaba Regulatory Group ESG objectives and strategic sustainability management

Sustainability has long been an integral part of our binding Group-wide business strategy and is a key consideration in all our activities. Helaba has defined five sustainability objectives covering all ESG dimensions to operationalise this fundamental principle, both in a strategic context and in everyday practice.

We want these five objectives to help drive our continued progress in sustainability matters – and we want our actions to be judged against them. We have developed an effective management system for this purpose using key performance indicators (KPIs) derived from our five sustainability objectives. The KPIs apply in respect of all Helaba Regulatory Group companies, which have implemented them step-by-step in concrete management processes. All Helaba Regulatory Group companies are aligning their business operations with these sustainability objectives, enhancing the capabilities of the Regulatory Group as a whole in the process.

The Executive Board bears overall responsibility for all topics related to sustainability. It is supported in this by the Chief Sustainability Officer (CSO) The CSO heads Group Sustainability Management and manages sustainability issues at the strategic level for the Helaba Regulatory Group. In addition, a governance structure has been created to coordinate the Helaba Regulatory Group's sustainability activities. In this connection, the Sustainability Board acts as an Executive Board committee. The Sustainability Steering Committee serves as an operational body within the Bank. At the management level, the Group Sustainability Roundtable was established to coordinate and harmonise company-specific further development on sustainability-related topics. This is complemented at the operational level by the Group Sustainability Committee (GSC), which is composed of the sustainability officers of Helaba and its independent and dependent subsidiaries.

**ESG objectives of the Helaba Regulatory Group**

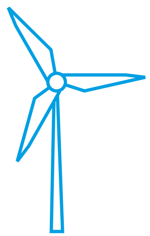
| | ESG objectives of the Helaba Regulatory Group |
|---|---|
| **Environmental** | |
| 1 | We are reducing emissions in our own operations as far as possible. |
| 2 | With our actions, we are contributing to the climate targets of the Paris Agreement. |
| **Social** | |
| 3 | We are promoting diversity. |
| 4 | We are investing in our workforce and in society. |
| **ESG (including Governance)** | |
| 5 | We are striving to achieve a good, stable position in the ESG rating. |

**KPI system of the Helaba Group**

| | KPI | |
|---|---|---|
| **Environmental** | | |
| 1 | –30 % | $CO_2$ gross emissions of own bank operations by 2025 |
| 2 | 50 % | Share of sustainable business volume in the portfolio by 2025 |
| **Social** | | |
| 3 | 30 % | Proportion of female managers |
| 4a | 2.0 days | Training/professional development days per employee per year by 2025 |
| 4b | >1,000 days | Social volunteering days per year by 2025 |
| **ESG (including Governance)** | | |
| 5 | top third | In the respective peer group in the relevant ESG ratings in the banking sector |

# Key developments and action areas

In 2023, we made significant progress with our sustainable transformation and put in place important foundations for the future. The sustainability reporting format we established in 2022 on the basis of the Global Reporting Initiative (GRI) reporting standard enables us to go above and beyond the legal mandatory requirements in transparently documenting our achievements. The five strategic ESG objectives set out the structure within which we present our key successes and milestones.



**We rely on electricity generated from renewable sources for over 90 % of our electricity needs in office buildings.**

## We are reducing emissions in our own operations as far as possible

### Sustainability allowance – mobility options

As a signatory of the Sparkassen voluntary commitment, Helaba has confirmed its intention to make its own operations carbon-neutral by 2035 at the latest. We want to reduce our $CO_2$ emissions by 30 % (relative to the average for 2015 to 2019) by 2025 as a stepping stone on this pathway. There are two particularly significant contributors to our overall emissions: the energy we use to operate our buildings and our IT, and the energy used by our employees for mobility. We are accordingly focusing for now on further improvements to building systems and services and on low-carbon means of transport.

In 2023, we introduced a sustainability allowance for all active employees in Germany. The employees decide for themselves how to use this allowance of € 100 (gross) – whether to buy a monthly rail ticket, subsidise a leased bicycle or finance better equipment for their workplace at home. In addition, employees have the option of mobile working from another EU country for up to 20 working days.

**With the purchase of high-quality $CO_2$ certificates, Helaba is making an additional voluntary contribution to climate change mitigation.**

For the unavoidable emissions that remain once all sources that can be eliminated or replaced have been addressed, we purchase offset certificates that meet the highest quality standards for around 11,500 tonnes $CO_2$ from atmosfair, a respected provider that uses the proceeds to support effective climate protection projects.

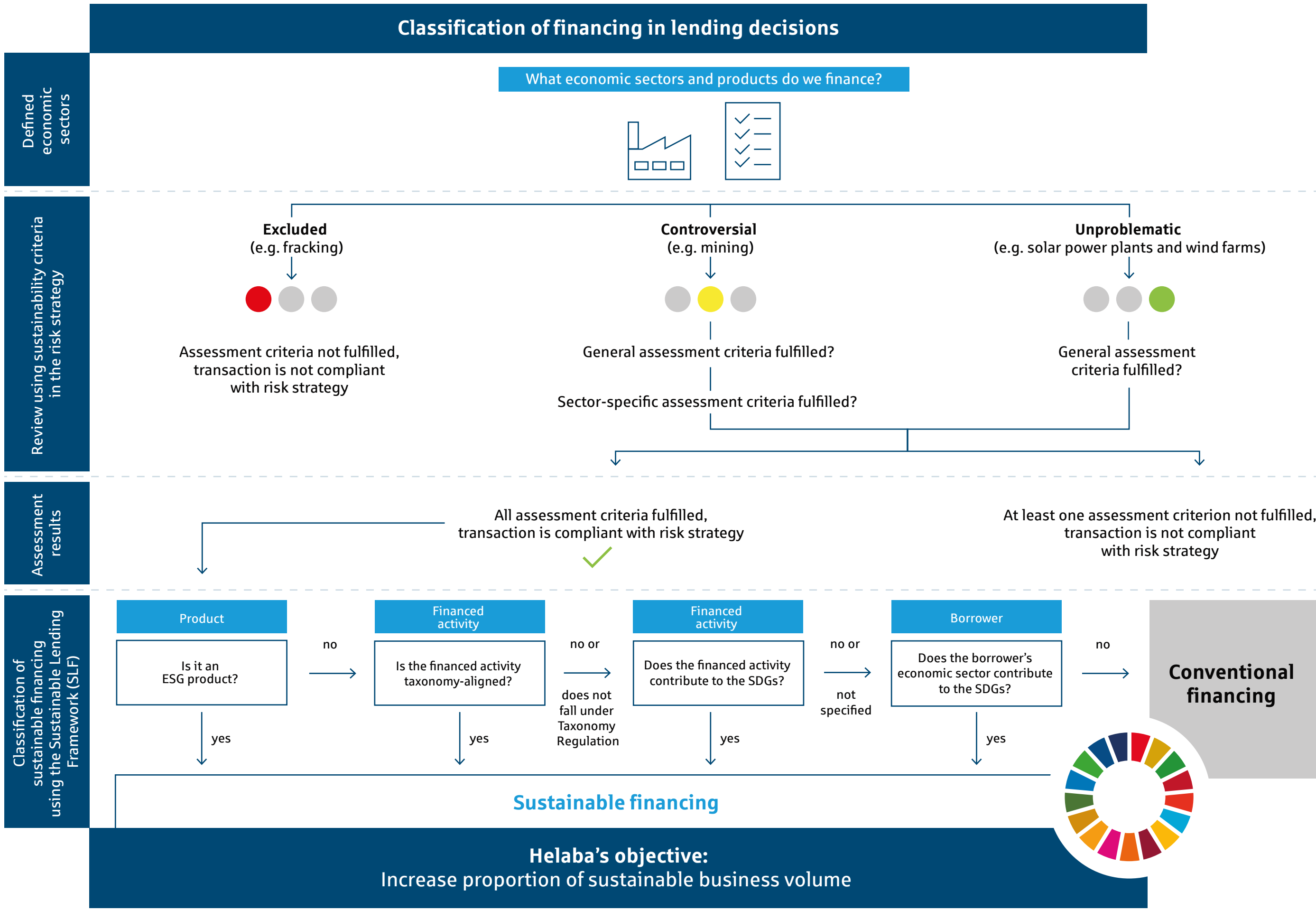
**Helaba has pledged its commitment to the United Nations Paris Agreement and the climate objectives of the German federal government and the European Union.**

### With our actions, we are making a contribution to achieving the climate targets of the Paris Agreement

Not only are we firmly committed to the objectives of the Paris Agreement, but we also have the ability, thanks to the nature of our core business, to help work towards their achievement in a meaningful way. We have set ambitious targets with our front office units and are eager to increase the volume of sustainable business in the portfolio to 50 % by 2025. Our Sustainable Lending Framework provides a standardised method for the definition, measurement and management of the sustainable lending business, thus contributing significantly to promoting sustainable development in our core business.

In 2023, we achieved a further key milestone on our path towards a holistic impact assessment and management process. With our Sustainable Investment Framework (SIF), we extended the classification of sustainable business activities to the investment business as well. In addition to general exclusion criteria for our

ESG integration in the lending process*



own-account investing activities and asset management, the SIF defines minimum standards for sustainable investment in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation. It covers compliance with procedures for ethical corporate governance, the consideration of environmental or social characteristics and a positive sustainability contribution by some of the investments.

**Our Sustainable Lending Framework classifies all credit finance activities according to ESG factors.**

One of Helaba's core strategic areas of activity is to work in partnership with customers to help them complete their sustainability transformation process and adopt a climate-neutral, circular business model. Our sustainable finance advisory service assists with perfectly tailored sustainable finance propositions covering all types of financial instrument (loans, promissory notes, bonds, leases, guarantees, etc.) for a wide range of sectors and products. The attractiveness of our offer, which includes low-entry-threshold solutions, helps us to motivate companies to embark on the transformation journey.

**One of Helaba's core strategic areas of activity is to work in partnership with customers to help them complete their sustainability transformation process and adopt a climate-neutral, circular business model.**

In 2023, our individual sustainable finance concepts again prompted many small and medium-sized enterprises in particular to explore sustainable finance options. The rendezvous clause, for example, gives companies an incentive to define ESG objectives and management tools for themselves within a fixed time frame and then report transparently on their progress. We believe that products with interest rates linked to ESG factors help companies move their commercial activities onto a more sustainable footing and adopt ambitious indicator-based ESG objectives. The market confirms that we are right. Since 2020, we have supported more than 170 financing transactions involving contractually agreed sustainability elements (ESG-linked loans or green loans).

In addition to financing many renewable energy projects, the focus in 2023 also included transition financing for sustainable mobility. For example, Helaba contributed to financing electric traction units for several regional and municipal transportation companies including the Hessische Landesbahn and the Erfurter Bahn.

Helaba recognises the particular urgency of the climate crisis and its stated aim is to help limit climate change. Since 2022, we have determined financed greenhouse gas emissions, on the basis of which we are developing a reduction strategy in accordance with the Paris Agreement. The initial focus is on particularly carbon-intensive sectors and on customers that make up a large proportion of the lending portfolio. So far, we have already examined around 50 % of the relevant lending volume and have found that financed Scope 1 and 2 emissions amount to around 16.4 million tonnes $CO_2$. In 2023, building on the first carbon footprint ascertained for the lending portfolio, we inferred sector-specific reduction pathways in accordance with the 1.5 °C target, set specific reduction targets and developed appropriate measures, beginning in the energy and real estate sector. We will develop targets for other sectors and continue to raise the coverage of our lending portfolio in 2024.

## We are promoting diversity

We are promoting diversity and intend to build on the diverse workforce of the Helaba Regulatory Group to improve our innovation and risk culture. We have set ourselves the target of increasing the proportion of management positions filled by women to 30 % by 2025. The proportion of women in Helaba's programmes for junior staff and professional development is to be expanded to 50 %.

**Women hold around 26 % of management positions. Helaba intends to increase this proportion to 30 % by 2025.**

Tamara Weiss became the Executive Board's first female Chief Risk Officer on 1 December 2023. Three women were also appointed to positions at the first management level of the divisions in 2023. Overall, the proportion of women in management positions in the Helaba Regulatory Group increased to around 26 %.

We aim to provide an inclusive environment and fair access to opportunities so that every employee at every stage of life can contribute to Helaba's long-term success. This is also enshrined in our Diversity Policy. The Diversity working group, which comprises members of the employee representative bodies and the council for employees with disabilities plus employees from the Human Resources and Legal Services division, checks the progress of the actions agreed upon regularly and reports its findings to the CEO. We are developing our catalogue of actions continuously on the basis of these progress evaluations.

### We are investing in our workforce and in society

Nothing is more important for the long-term progress and success of Helaba than our employees. Continuing professional development is crucial to maintaining their capabilities and motivation in a changing working world. For this reason, we offer all employees two continuing professional development days each year. We have also created a range of continuing professional development options specific to ESG matters to build up the knowledge necessary for the sustainability transformation within the Bank. Since 2022, we offer a voluntary online basic training programme of six modules and an advanced master class programme of three modules. These courses look at specific ESG aspects such as sustainable finance products, impact measurement, ESG risk assessment and management, regulatory and reporting requirements, and fundamental sustainability concepts.

In line with our Corporate Citizenship Policy, we support our employees' involvement in environmental and social projects by allowing them to spend up to two working days a year assisting with such projects. We aim to work with our employees to expand the Helaba Regulatory Group's social volunteering activities to at least 1,000 days per year by 2025. The programme provides a platform enabling employees to choose from a wide range of social and environmental projects in which to become involved on a voluntary basis, either individually or as part of a team. Our Social Weeks took place from 19 to 21 July, 2023. The projects supported ranged from manual and creative activities through support for children and young people to garden work. Employees of the Helaba Regulatory Group contributed more than 600 hours to social and non-profit projects in 2023.

We work proactively to help preserve vital natural resources, promote social cohesion and support education, culture and economic development in our core regions. The parameters we use to choose beneficiaries for our donations and sponsoring activities are set out in a framework that applies to all such commitments at Helaba.

### Table of rating results

| Rating agency | Rating | Trend |
|---|---|---|
| **ISS ESG** | **"C" (Prime)**<br>[scale: D– to A+]<br>Among the **Top 10 %** in the comparison group of 271 banks<br>C+ grade for "Social & Governance" sub-rating | 2021: C<br>2022: C<br>2023: C |
| **Sustainalytics** | **19.1 (Low Risk)**<br>[scale: 0 (best) to 100]<br>Among the **Top 16 %** in the comparison group of 362 banks<br>Top score for "Corporate Governance" sub-rating | 2021: 19.1<br>2022: 21.7<br>2023: 19.1 |
| **MSCI** | **"A" (Average)**<br>[scale: CCC to AAA]<br>In the midrange of the comparison group of 197 banks<br>Top score for "Human Capital Development" sub-rating | 2021: A<br>2022: A<br>2023: A |

### We are striving to achieve a good, stable position in the ESG rating

Helaba is regularly assessed by sustainability rating agencies. ISS ESG, MSCI and Sustainalytics, the sustainability rating agencies considered to be of relevance to us, have given us a stable rating in the upper average range for the global industry and the upper midrange for the relevant peer group. In 2023, we identified a number of mainly communicative measures for the targeted improvement of ESG ratings and are continuing to implement these in 2024. In this way, we improved our Sustainalytics rating from 21.7 to 19.1 and achieved a low risk rating in the ESG risk category. We publish the results from the sustainability rating agencies on our website.

# Group management report

# Group management report

## Basic information about the Group

### Business model of the Group

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

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

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

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

Helaba and the S-Group Sparkassen in Hesse and Thuringia together constitute the Sparkassen-Finanzgruppe Hessen-Thüringen, which follows a business model based on economic unity and a joint S-Group rating. Comprehensive co-operation and business agreements have been entered into with the Sparkassen and their associations in North Rhine-Westphalia. In addition, there are sales co-operation agreements with the Sparkassen in Brandenburg. The agreements with the Sparkassen in North Rhine-Westphalia and Brandenburg complement the S-Group Concept of the Sparkassen-Finanzgruppe Hessen-Thüringen, which continues in its current form.

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

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

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

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

Frankfurter Sparkasse, a wholly owned subsidiary of Helaba organised under German public law, is the leading retail bank in the Frankfurt am Main region. It also has a presence in the nationwide direct banking market through 1822direkt.

Frankfurter Bankgesellschaft Group (FBG) provides Helaba's products and services for Savings Banks in private Group banking and in the wealth and asset management businesses. FBG, which operates as the private bank of the Sparkassen-Finanzgruppe, acquires high-net-worth customers in Germany through Sparkassen in the S-Group with which it has a collaboration agreement. In its role as a central partner for the Sparkassen, FBG offers the Family

Office service, enhancing its range of professional advisory services in connection with all asset-related matters, while its majority interest in consulting company Imap allows it to provide end-to-end advisory services for family-owned businesses.

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

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

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

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

## Management instruments and non-financial performance indicators

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

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

Profitability targets are managed on the basis of, for example, return on equity (RoE) as the economic return on equity (ratio of profit before taxes to average capital employed in the financial year determined in accordance with IFRS). The Helaba Group has set a target range of 6 % to 8 % for the economic return on equity before taxes.

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

Capital adequacy is managed through the allocation of regulatory and economic limits and through the own funds ratios. When the target capital ratios are set, the targets take into account the additional own funds requirements specified by the European Central Bank (ECB). Taking into account the capital buffer requirements applicable at 31 December 2023, the minimum Common Equity Tier 1 (CET1) capital ratio (including capital buffer requirements) required to be maintained by the Helaba Regulatory Group under the Supervisory Review and Evaluation Process (SREP) decision taken by the ECB was 9.23 %.

In 2023, Landesbank Hessen-Thüringen Girozentrale had to satisfy, on a consolidated basis, an SREP total capital requirement of 10.00 % (including an additional capital requirement (Pillar 2) of 2.00 %, which must consist of at least 56.25 % CET1 capital and 75 % Tier 1 capital). For 2024, the SREP total capital requirement on a consolidated basis will be 10.25 %, including an additional capital requirement (Pillar 2) of 2.25 %.

With effect from 1 February 2022, the German Federal Financial Supervisory Authority (BaFin) decided to increase the domestic countercyclical capital buffer for Germany to 0.75 % (Section 10d KWG). In addition, a new capital buffer of 2 % for systemic risk in respect of loans secured by residential real estate was mandated to take effect from 1 April 2022. The buffer was required to be in place by 1 February 2023 and was considered accordingly in the capital planning for 2023.

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

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

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

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

From 1 January 2024, the MREL for Helaba is 22.47 % of RWAs, plus the current combined capital buffer requirements of 3.65 % (as at 31 December 2023). The portion of the MREL that needs to be covered by subordinated (i.e. non-preferred) instruments is 22.40 % of RWAs, also plus the current combined capital buffer requirements.

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

In 2023, the competent resolution authority defined the following MREL for the Helaba Regulatory Group that was to be complied with by 31 December 2023. The MREL was 21.73 % of RWAs, plus the current combined capital buffer requirements of 3.65 % (as at 31 December 2023) and 7.64 % based on the LRE. The subordinated instrument requirements were 21.06 % of RWAs, also plus the current combined capital buffer requirements, and 7.64 % based on the LRE.

To fund itself, Helaba draws on different sources and products, focusing in particular on the sources of funding available through the Sparkassen (proprietary and customer transactions) as a result of belonging to a strong association of financial institutions. These are supplemented by Pfandbrief issues, which are a cost-efficient component of its stable funding base, and funds raised through development institutions such as WIBank.

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

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

In lending operations, Helaba has established mandatory Group-wide sustainability criteria that have been incorporated into the risk strategies and are reviewed each year. Its aim is to use the risk management system to minimise sustainability risks, including the transitional and physical risks caused by climate change, that may arise from its financing activities. For critical sectors of the economy, it has developed specific lending criteria that rule out controversial business practices in particular, and take into account sector-specific risk issues. Helaba's Sustainable Lending Framework provides a standardised method for the definition, measurement and management of sustainable lending business. At the end of 2023, Helaba published the Sustainable Lending Framework to define, measure and manage the sustainable lending business.

## Employees

### HR strategy

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

### Remuneration principles

The business strategy and risk strategy specify the degree of flexibility available to employees. Helaba's remuneration strategy and remuneration principles set out the relationship between business strategy, risk strategy and remuneration strategy, taking account of the corporate culture and sustainability objectives. The remuneration system reflects this approach and aims to ensure that employees are properly rewarded for their efforts and achievements without gender discrimination and without being encouraged to take inappropriate risks in any way. The remuneration strategy takes into account the attainment of targets specified in operational planning when determining an overall budget for the Bank and allocating the budget for variable remuneration at unit level, thereby ensuring that there is a link between the remuneration strategy and divisional strategic objectives. For the corporate centre units, budgets are allocated based on the results generated by Helaba and the attainment of qualitative targets. The remuneration policy and practices (including the use of retentions and performance criteria) help to support a long-term approach to the management of climate-related and environmental risks. Helaba also ensures that the control functions involved in the management of climate-related and environmental risks are appropriately staffed and funded.

**Sustainable human resources development**

Helaba invests in the professional development of its employees both to satisfy its current skills needs and to meet future business requirements. Processes are therefore set up on a sustainable basis. A regular structured dialogue between managers and employees creates transparency in working relationships, ensures that targets are clear and allows development opportunities to be discussed. To support the implementation of suitable action plans, all employees can access a needs-based range of internal seminars covering professional, personal, social and methodological development. This is supplemented by third-party training and, if suitable, opportunities in the form of work and study programmes or courses leading to professional qualifications. Based on the Bank's internal life-stage model, employees at different stages in their professional careers are offered suitable development activities so that they can remain productive in the business over the long term and develop their capabilities according to their potential.

**Management of junior staff and high-potential employees**

Demographic change and ongoing digitalisation will have an impact on Helaba's competitiveness in the long term. The recruitment, development and retention of junior staff and high-potential employees is therefore correspondingly important. Based on vocational training and general trainee programmes, plus internships for students, Helaba offers those at the start of their careers the opportunity to become familiar with banking practice and acquire basic skills. To reach the young target group, recruitment is making greater use of digital media channels. In addition, Helaba is focusing internally on the development of existing employees with high potential, to provide the individuals concerned with the foundations for a career as a technical specialist or executive manager. A systematic process for identifying high-potential employees helps managers to identify such employees within Helaba and provide them in good time with the specific grounding they need to take on new positions with greater responsibility and prepare them as the successors to key roles. This is achieved through customised development plans or as part of a programme for high-potential employees.

**Health management**

Helaba operates an occupational health management system and a company sports programme, helping employees to maintain their physical and mental well-being and nurturing an awareness of the need for a healthy lifestyle. It also provides an advisory service for all employees ("employee assistance programme"), which staff can use to obtain help in connection with professional, family, health or other personal issues or questions. In addition, Helaba offers virtual training aimed at helping employees work in a healthy manner.

**Transformation support**

The "Scope – Growth through Efficiency" transformation project, which was implemented throughout the Group, reached its successful conclusion on 31 December 2022. The objectives to safeguard Helaba's long-term future and create scope for innovation were achieved. Independently of this, Helaba started to describe the requirements for a future, modern way of collaborating back before the COVID-19 pandemic occurred. The new ways of working have now become well established: mobile technology is used to provide key infrastructure for remote working, thereby facilitating concentrated job activities and smooth operation of virtual teamwork. In all transformation projects, the Human Resources and Legal Services unit plays a key role as adviser and partner for employees and managers in the implementation of the various activities and ensures that the transformation is supported by appropriate change management. In addition, a mood barometer survey conducted in 2022 captured employees' current perceptions of the corporate culture and provides the basis for Helaba's ongoing cultural development.

**Promoting diversity**

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

# Changed interest rates / development of the real estate market

The 2023 financial year was dominated by continued benchmark rate rises in most countries, led by the Fed and the European Central Bank. Inflation gradually declined from record levels. However, higher interest rates weakened the global economy and created turmoil on the real estate markets. Benchmark rates have now peaked and anticipated interest rate decreases in the last quarter of 2023 halted the rise of capital market rates. The end of the low interest rate phase is enabling banks to profit from the return of interest rates.

Geopolitical tension in the Middle East and as a result of the conflict in Ukraine and the realignment of trade flows have created challenges for companies and banks alike. In Germany, companies are facing additional challenges from structural factors such as the shortage of qualified labour, locally inadequate infrastructure and high energy prices. Banks could also face negative effects from the now declining real estate prices.

**Economic impact**

Despite the ECB's termination of its supporting measures, the general liquidity position of the money and capital markets remained normal in 2023. Higher market rates generated a significant increase in demand from private investors for longer-term interest-bearing products.

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

The difficult economic environment is currently reflected to a varying extent in Helaba's portfolios. All asset classes are feeling the effects of inflation and interest rate increases. The medium-term impact on real estate and its financing will depend largely on the future development of these factors. Higher interest rates have had a particular impact on financing in the commercial real estate portfolio (office and retail properties) as a result of changes in the value of the collateral and a rise in interest rates for follow-up financing. At present, only parts of Helaba's company and banking portfolio are being impacted by the other monetary, economic and political effects reported.

Helaba has responded to the trends in the real estate sector by, for example, taking action to reduce risk in both new and existing business.

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

More information on the economic impact is presented in the "Financial position and financial performance" section of the management report and in Note (37) of the consolidated financial statements.

**Customers**

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

Although the ratio of forbearance measures rose very substantially in 2023, it remained at a low level. Likewise, the ratio of non-performing loans (NPL ratio) for the Helaba Regulatory Group increased to 2.0 % as at 31 December 2023. Loss allowances as at 31 December 2023 were significantly higher than in the previous year, mainly due to a substantial increase in default rates in the commercial real estate portfolio.

Depending on further geopolitical developments, real estate market trends and capital market volatility, Helaba cannot rule out the possibility of deteriorations in ratings or defaults in 2024 as well.

For further details, please refer to the risk report and Note (37) of the consolidated financial statements.

# Economic report

## Macroeconomic and sector-specific conditions in Germany

A slow-growing world economy coupled with higher capital market rates and energy costs held back economic activity in 2023. On a seasonally adjusted basis, Germany's gross domestic product declined by 0.1 %. A recovery and growth of 0.8 % are expected in 2024. Consumers are benefiting from high collectively agreed pay increases and transfers as well as falling inflation rates. Real incomes are likely to continue growing in 2024 and, as a result, private consumer spending should now increase following the significant decline in the previous year. The same is true of public sector consumption which has been impacted by the effects of rolling back COVID-19 assistance programmes. The slow acceleration of the industrial economy means that companies are likely to be cautious in their capital equipment spending so only slight growth is expected here. As a result of the recent decline in mortgage rates and the slower increase in construction prices, construction activity should at least stabilise during the course of the year. Foreign trade should recover and deliver a slightly positive contribution to growth.

The rise in consumer prices in Germany is slowing significantly. Inflation may well reach around 3 % on average in 2024 after last year's 5.9 %. Energy and raw materials are less expensive but high wage settlements are having a negative effect. The departure of the baby boomer generation from the labour market is exacerbating the shortage of qualified labour and increasing wage pressures. Taken together with climate protection measures, these effects are adding to price pressures.

Digitalisation is affecting more and more aspects of society and the economy in a process that accelerated further during the COVID-19 pandemic of the past few years. It affects marketing channels, products and transactions in particular but also the exchange and use of data. Moreover, largely due to mobile working practices, there has been significant growth in the use of digital media in the collaboration within and between companies. The worsening labour shortage is also prompting companies to drive ahead with the digitalisation of their processes.

Platforms are extremely important, especially for banking business with large and globally active corporate customers. For some time, derivative platforms have enabled currency hedges to be effected using standardised processes, lending portals arrange funding for small and medium-sized corporate customers through banks or directly through institutional investors, and banks analyse their customer data in search of more effective ways of offering products. For example, artificial intelligence (AI) has the potential to change many aspects of society and the economy, as can already be seen in areas such as the automotive industry, healthcare and the financial sector. Neural networks, for example, are being used in the financial sector to prevent fraud, enhance the trading algorithm and manage risk. Investment in AI technologies and the training of AI specialists is increasing worldwide, indicating growing awareness of the transformational power of AI. At the same time, new challenges are arising in respect of data protection and security as well as with regard to the ethical guidelines for the use of AI. In the European Union, this is currently regulated by the EU AI Act to ensure that the AI systems used there are safe, transparent, traceable, non-discriminatory and environmentally friendly.

In light of these developments, Helaba has established a Bank-wide programme that will enable it to benefit from the opportunities of AI while simultaneously addressing the challenges presented by the technology's rapid evolution.

The use of online services is continuing to increase in the private customer business and most banks with a branch network now offer their customers a similar service portfolio to direct banks. Payment models such as pay-per-use or request-to-pay are just two examples of the digital developments for corporate customers.

Moreover, the market is seeing an increase in blockchain activities aimed at identifying faster and less costly new ways of sharing data. This may result in the development of new products and the improved efficiency of existing products. For example, it will facilitate the automated initiation and execution of transactions in line with previously defined terms. This will yield efficiency gains and deliver new options for both corporate customers and the Sparkassen. Compared with the rest of the world, advanced regulation such as the German Electronic Securities Act (eWPG) and the EU's Markets in Crypto-Assets Regulation (MiCAR) make Germany and the EU ideal locations for efficiently leveraging the advantages of this technology.

Moreover, the European Commission's draft legislation on the digital euro published in June 2023 and the resulting decision by the ECB in October to start the around two-year preparatory phase for the digital euro are further measures aimed at developing future business models.

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

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

The ECB sent the Helaba Regulatory Group a letter dated 14 December 2022 notifying it of the findings of the Supervisory Review and Evaluation Process (SREP). In 2023, Landesbank Hessen-Thüringen Girozentrale accordingly had to satisfy, on a consolidated basis, an SREP total capital requirement of 10.0 % (including an additional capital requirement (Pillar 2) of 2.0 %, which must consist of at least 56.25 % CET1 capital and 75 % Tier 1 capital).

The general meeting of members of the German Savings Banks Association (DSGV) adopted a resolution concerning the refinement of the Sparkassen-Finanzgruppe's protection scheme back in August 2021. The correspondingly amended Statutes were adopted by the general meeting of members on 26 June 2023, implementing ECB and BaFin requirements in particular. Among other things, the risk monitoring system was improved and decision-making structures organised more effectively. Moreover, an additional fund is being created to protect the solvency and liquidity of the Sparkassen-Finanzgruppe institutions. It must be contributed over a period of at least eight calendar years starting in 2025.

The results of the EU stress test performed by the EBA and the ECB in 2023 were published on 28 July 2023. Although the crisis scenarios were far more stringent compared with the 2021 stress test, the theoretical discounts applied to Helaba's Tier 1 capital remained roughly the same, evidence of the Bank's resilience. The results of the stress test were taken into account when calculating the individual regulatory own funds in the SREP.

In 2024, a cyber resilience stress test will be conducted for all the banks under supervision. Its results will be used to calculate the SREP score for 2024.

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

**EU implementation of Basel IV**

In October 2021, the European Commission published its legislative proposals for the amendment of the EU Capital Requirements Regulation (CRR III) and Capital Requirements Directive (CRD VI), whereby the requirements of Basel IV (also known as the finalisation of Basel III) are to be implemented in the EU. In December 2023, the Permanent Representatives Committee of the Council and the European Parliament Committee on Economic and Monetary Affairs agreed the final legal texts of the EU banking package (CRR III / CRD VI). Following formal adoption by the EU Council and the European Parliament, they are expected to be published in the Official Journal of the European Union at the end of the second quarter of 2024. The requirements must be applied from 1 January 2025. Helaba has regularly taken part in impact studies and factored the results from these studies into its medium-term planning on an ongoing basis.

**EU Action Plan: Financing Sustainable Growth**

In 2021 and 2022, delegated acts (DAs) were published in respect of the economic activities for the first two environmental objectives (substantial contribution to climate change mitigation and climate change adaptation) of the Taxonomy Regulation and assessment criteria were defined for determining when these economic activities are sustainable within the meaning of the EU Taxonomy. Detailed disclosures of taxonomy alignment in respect of these economic activities were required to be published from 31 December 2023.

In 2023, the EU Commission published further requirements for the other four environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. It also added further economic activities for the first two environmental objectives. The taxonomy eligibility of these activities had to be reported in 2023 and 2024. Helaba has established projects to implement the action resulting from this requirement.

The EU Commission published the EU Green Bond Standard (EUGBS) on 30 November 2023. In order to be classified as sustainable in accordance with this standard, bonds must satisfy defined criteria – including activities that conform to the EU Taxonomy. The application of the standard is voluntary and is intended to complement established market standards.

**ECB Guide on climate-related and environmental risks**

The 13 expectations in relation to climate-related and environmental risks set out in the ECB Guide were specified in greater detail in 2022 with the publication of the consolidated findings of the cross-sector thematic review, which include examples of best practice. Helaba has established a project in order to take the action required by the ECB Guide and the thematic review.

The requirements of the EBA concerning disclosures regarding ESG risks in accordance with Article 449a CRR were satisfied in the Helaba Regulatory Group's 2022 Disclosure Report. The additional requirements for the 2023 and 2024 disclosure reports are currently being prepared.

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

**Corporate Sustainability Reporting Directive (CSRD)**
The CSRD, which significantly extends the scope of mandatory sustainability reporting as regards both the companies affected and the content required, entered into force on 5 January 2023. The companies concerned must publish short-, medium- and long-term, science-based sustainability targets and meet mandatory reporting standards that cover all three dimensions of sustainability (environment, social, governance), consider the entire upstream and downstream value chain and address strategy, implementation and performance measurement. On 31 July 2023, the EU Commission adopted the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). The CSRD is first required to be applied by Helaba as at 31 December 2024. Implementation began in 2023 with a comprehensive materiality analysis and will continue in 2024.

**German Act on Corporate Due Diligence in Supply Chains**
The German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG), which came into force on 1 January 2023 obligates the companies falling within its scope of application to respect human rights by complying with defined due diligence requirements. Helaba and the subsidiaries under its control fall within this law's scope of application.

To ensure implementation of the requirements arising from the LkSG, Helaba has created the roles of Human Rights Officer and two Human Rights Coordinators. They monitor compliance with the due diligence obligations mandated by the LkSG via instruments such as the Supplier Code of Conduct.

In December 2023, Helaba published its policy statement in compliance with the LkSG.

**Review of the quality of own funds instruments**
The scope of the audit procedures conducted by the regulatory authorities as part of the Europe-wide supervisory investigation of the quality of banks' own funds instruments includes the 1998 and 2005 capital contributions of the Federal State of Hesse that form part of Helaba's Common Equity Tier 1 (CET 1) capital. A working group of Helaba and its owners is working on a concept in which the aspects addressed by the supervisory authorities are no longer relevant. Helaba's CET 1 capital remains more than adequate. At meetings held in December 2023, Helaba's corporate bodies approved the key aspects of the concept. The supervisory authorities have been informed about the ongoing process.

**Minimum Requirements for Risk Management (MaRisk)**
On 29 June 2023, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) published the 7th MaRisk amendment (BaFin Circular 05/2023 (BA)), implementing in particular the European Banking Authority (EBA) Guidelines on Loan Origination and Monitoring dated 29 May 2020.

The clarifications were applied upon publication. A transitional period for effecting the changes applied until 1 January 2024. The changes were implemented.

**Digital Operational Resilience Act (DORA)**
The Digital Operational Resilience Act (DORA) came into force in the European Union on 16 January 2023. Its main goal is to strengthen the digital resilience of companies in the finance sector and make them better prepared for potential cyberattacks and information and communications technology (ICT) incidents. The 24-month implementation phase will run until 16 January 2025, by which time the financial companies affected will have to have implemented the requirements. A gap analysis was performed at Helaba in summer 2023 as the basis for initiating an implementation project aimed at consolidating the implementation requirements identified into action areas that will be worked through on a risk-oriented basis.

## Business performance
In 2023, the financial and capital markets were again characterised by geopolitical and macroeconomic uncertainties caused by the Ukraine war, high but falling inflation and the sharp interest rate hikes made by the central banks.

This resulted in the dynamic and volatile development of interest rates which had effects on the financial markets. Bank issuing activities in the capital market accordingly fluctuated widely and were characterised by a sometimes significant widening of spreads, especially in the first half of the year. With the end of the cycle of interest rate rises by the central banks, the situation calmed gradually in the second half of the year. Despite the uncertainties, Helaba implemented its issuing plans in full. As in previous years, Helaba benefited from its diversified strategic business model as well as its sound income and business performance.

In 2023, Helaba raised funding of approximately € 16.2 bn (2022: € 17.7 bn). As well as successfully placing two public Pfandbrief benchmark issues with a combined volume of € 1.75 bn, Helaba additionally placed a senior non-preferred benchmark issue as a green bond in the amount of € 750 m. It also successfully placed its first public Tier 2 issue in Switzerland.

Sales of retail issues placed through the Sparkasse network benefited substantially from interest rate trends, again achieving a record volume of almost € 10 bn (2022: € 6 bn). As in previous years, the customer deposits in the retail business within the Group, in particular through the subsidiary Frankfurter Sparkasse, brought further diversification to the funding base. In addition, new medium- and long-term funding at WIBank amounted to € 2.5 bn (2022: € 1.9 bn).

Loans and advances to customers (financial assets measured at amortised cost) remained almost unchanged at € 113.5 bn (31 December 2022: € 116.1 bn). Added to these were loans and advances to Sparkassen (financial assets measured at amortised cost) in the amount of € 8.2 bn (31 December 2022: € 7.8 bn). The focus on lending in core business areas and to the Sparkassen as

S-Group partners is in line with the customer-centric orientation of Helaba's business model.

The cost-income ratio for the Helaba Group was 59.4 % for the year ended 31 December 2023 (31 December 2022: 67.5 %). Return on equity amounted to 7.2 % (31 December 2022: 6.7 %).

As at 31 December 2023 the Helaba Regulatory Group's CET1 capital ratio was 14.7 % (31 December 2022: 13.5 %) and its total capital ratio 18.7 % (31 December 2022: 17.3 %). The CET1 ratio therefore remains well above the regulatory requirements.

Based on supervisory requirements that are currently known, any new provisions are included in the multi-year planning and appropriately taken into account when assessing capital adequacy.

As at 31 December 2023, the Helaba Regulatory Group's leverage ratio was 4.9 % (31 December 2022: 4.4 %) and therefore above the required minimum ratio.

The liquidity coverage ratio (LCR) for the Helaba Regulatory Group was 168.3 % as at 31 December 2023 (31 December 2022: 216.8 %). As at 31 December 2023, the NSFR for the Helaba Regulatory Group was noticeably higher than the target figure at 120.4 % (31 December 2022: 118.6 %).

The NPL ratio for the Helaba Regulatory Group (in accordance with EBA risk indicator code AQT_3.2) was 2.0 % as at 31 December 2023 (31 December 2022: 0.6 %).

The volume of new medium- and long-term business in the group (excluding the WIBank development business, which does not form part of the competitive market) was very substantially below the prior-year level at € 14.2 bn (2022: € 21.8 bn). Although the corporate banking business matched the prior-year level, the transaction volume in the real estate markets especially decreased significantly due to the current restraint on the part of both customers and Helaba, resulting in a substantial reduction in new business opportunities. By contrast, higher margins were achieved for the transactions that were implemented. The current market situation is also resulting in the financing for individual projects being delayed or refused.

As at 31 December 2023, the MREL ratio for the Helaba Regulatory Group stood at 57.1 % based on risk-weighted assets (RWAs) and 18.3 % based on the leverage ratio exposure (LRE). In the Helaba Regulatory Group's MREL portfolio, regulatory own funds accounted for 18.7 %, subordinated (i.e. non-preferred) debt 26.9 % and non-subordinated (i.e. preferred) debt 11.5 %, based on RWAs. Based on LRE, the composition of the portfolio was as follows: 6.0 % regulatory own funds, 8.6 % subordinated debt and 3.7 % non-subordinated debt. Consequently, the ratio of subordinated instruments was 45.6 % based on RWAs and 14.6 % based on LRE.

Therefore, as at 31 December 2023, the MREL portfolio was well in excess of the MREL requirements specified for the Helaba Regulatory Group by the competent resolution authority on 24 January 2024 that must be complied with from 1 January 2024.

Through its credit risk sharing transaction issued in 2022, Helaba freed up risk-weighted assets (RWAs) of around € 0.8 bn for a reference portfolio of corporate loans amounting to approximately € 2.1 bn in 2023. This credit risk sharing transaction synthetically transfers default risk to investors.

One of Helaba's core strategic areas of activity is to act as a partner, providing targeted support to help its customers with the transformation to a sustainable future in the form of a climate-neutral and circular economy. It is also successfully implementing its sustainable finance advisory service, in which it offers a broadly based range of information across sectors and products around the theme of sustainable finance covering all financial instruments (loans, promissory notes, bonds, leases, guarantees, etc.). In 2023, the Sustainable Finance Advisory continued to grow its capacities and activities focused on financing with a specific sustainability element in the agreed use of the funds or on linking the financing costs to previously agreed ESG indicators – for example green promissory note loans or ESG-linked loans. As well as providing advice and individually structuring this type of financing solution, the Sustainable Finance Advisory team acts as a knowledge multiplicator for Helaba's customers, thus supporting their transformation efforts. Here, the focus is on Helaba's corporate and Sparkassen customers in particular.

In the Asset Finance business, Helaba structures projects in the renewable energy, energy efficiency, rail transport and social and digital infrastructure segments. The issue proceeds from the issued green bond are being used on a portfolio basis to fund sustainability-related projects aimed at expanding the use of solar and wind energy. May 2023 saw the publication of the green bond portfolio's second impact report, presenting the portfolio's environmental value added. At the end of 2023, the land transport portfolio was integrated into the green bond portfolio. The Green Bond Framework was updated accordingly and a new second party opinion was obtained. Therefore, the Green Bond Framework remains in compliance with the relevant market standards.

Helaba is one of the leading arrangers in the sustainable promissory note segment of the market, regularly supporting or arranging ESG-linked transactions, including the issue of ESG-linked promissory notes in which the interest cost attaching to the promissory note is tied to the entity's sustainability performance.

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

On the digitalisation front, Helaba processes promissory notes over their whole life cycle entirely by using the vc trade digital platform. This is already a clear success, as evidenced by the fact that it is now being used by well over 300 Sparkassen to process promissory notes digitally. Syndicated loans can also be processed digitally using vc trade. This applies to the corporate and real estate financing asset classes, for example. ESG-linked syndicated loans can likewise be processed using vc trade.

With Helaba Crowd, Helaba has created a platform for use by the Sparkassen across Germany in order to facilitate public participation which is becoming increasingly important in light of the energy transition.

Helaba is continuing its collaboration with Komuno to digitalise municipal loans. After acquiring the German business of Loanboox and Capveriant, Komuno is now the clear market leader and well placed to defend this position in the long term. In addition, Komuno provides the Sparkassen with a risk marketplace enabling them to share larger foreign trade finance transactions efficiently with different institutions within the Group. In order to be able to offer a solution that complies with the expanded requirements in connection with ESG data, develop new products and satisfy regulatory requirements, Helaba is currently working with its strategic equity investment ESG Book to develop a platform for recording and managing ESG data. The goal of the platform is to provide support for the data recording processes used by the Sparkassen-Finanzgruppe at the customer interface.

In the blockchain segment, Helaba has entered into a strategic investment with Cashlink aimed at developing blockchain-based products together with Helaba customers and the Sparkassen. Due to the enormous range of available technologies, current options range from digital precious metals to digital bonds and offer Helaba a number of viable new business models.

With its Bank-wide ATLAS programme, Helaba is modernising its information technology system to achieve its strategic IT targets. The overall programme will run until mid-2027. In 2023, all 14 individual projects were in the first wave of implementation; some sub-projects have already been completed. Planning of the second wave has now started. The focus in 2023 included the development of the new core bank systems for customers, accounts and lending as well as the payment transaction platform.

Helaba is continuing to refine its business model and is analysing the composition and alignment of all its business areas, also in respect of the possible impacts (opportunities and risks) of evolving climate and environmental change. This analysis was performed as part of the strategy review process. At present, most business areas have been found to have only very limited susceptibility to climate-related and environmental risks because physical risks can usually be reduced by way of geographical focus and with mitigating actions and transition risks are regarded as manageable in the short and medium term in most business areas.

Helaba is actively supporting customers through their transformation ready for a low-carbon circular economy. The Sustainable Finance Advisory team advises corporate customers on the necessary transformation process and the perfectly tailored ESG financing solutions available to help them through it. This service, provided in tandem with the Sparkassen, creates an effective lever for the transformation of the regional economy.

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

The Helaba Group's sustainability performance is regularly rated by sustainability rating agencies. The ratings are a core component in the process of analysing and refining Helaba's sustainability profile. Helaba is constantly upgrading its range of sustainability management tools with the aim of achieving continuous improvement in these third-party ratings.

The Helaba Group has a stable rating in the upper average range for the global industry and the upper midrange among the comparison group of German banks and Landesbanken from all relevant sustainability rating agencies.

In 2023, Sustainalytics adjusted its rating from 21.7 (medium risk) to 19.1 (low risk), representing a more positive outlook from the rating agency. Helaba also offers its employees a comprehensive ESG training module with a view to nurturing knowledge and expertise in this field. ESG training is one of the elements required to achieve one of the sustainability targets.

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

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

# Financial position and financial performance

### Changes to the basis of consolidation

The changes to the basis of consolidation in 2023 did not have any material impact on the financial position or financial performance.

In the management report, euro amounts are generally rounded to the nearest million. Minor discrepancies may arise in totals or in the calculation of percentages in this report due to rounding.

## Financial performance of the Group

| | 2023 | 2022 | | Change |
|---|---|---|---|---|
| | in € m | in € m | in € m | in % |
| Net interest income | 1,840 | 1,417 | 423 | 29.8 |
| Loss allowances | –448 | –162 | –286 | >-100.0 |
| **Net interest income after loss allowances** | **1,392** | **1,255** | **137** | **10.9** |
| Net fee and commission income | 536 | 533 | 2 | 0.5 |
| Income / expenses from investment property | 207 | 207 | 1 | 0.4 |
| Gains or losses on measurement at fair value | 207 | 111 | 96 | 86.7 |
| Net trading income | 48 | 355 | –307 | –86.4 |
| Net income from hedge accounting and other financial instruments measured at fair value (not held for trading) | 158 | –245 | 403 | >100.0 |
| Share of profit or loss of equity-accounted entities | –13 | –4 | –8 | >-100.0 |
| Other net income / expense | 103 | 183 | –80 | –43.5 |
| General and administrative expenses, including depreciation and amortisation | –1,711 | –1,652 | –59 | –3.6 |
| **Profit or loss before tax** | **722** | **633** | **89** | **14.0** |
| Taxes on income | –255 | –202 | –53 | –26.3 |
| **Consolidated net profit** | **466** | **431** | **36** | **8.3** |

In 2023, the Helaba Group generated profit before taxes of € 722 m, a new record that exceeded the prior-year figure of € 633 m by 14.0 %. Thanks to its diversified and balanced business model, the Group was able to more than compensate for the significant negative impact on profit resulting from the changed situation on real estate markets. This impact was reflected especially in an increase in loss allowances but also in impairment losses recognised in net income / expenses from investment property and in other net income / expense. Operating income grew substantially, especially due to the large increase in net interest income resulting from the normalisation of the interest rate environment. Net fee and commission income and income from investment property made consistently high contributions to income. The increase in gains and losses on remeasurement at fair value also contributed to the higher consolidated profit before taxes. General and administrative expenses (including depreciation and amortisation) were only slightly higher than a year earlier. The changes in the individual items in the Group‘s financial performance were as described below:

The Group‘s net interest income for financial year 2023 was up by 29.8 % year on year to € 1,840 m. Disregarding the bonus for participating in the ECB’s tendering process (TLTRO) received by the Helaba Group in 2022, net interest income increased by 35.6 %, benefiting from the higher interest rates on the money and capital markets. The turnaround following a long phase of zero and negative interest rates is boosting both the deposit business and customer demand for certificates. Net margin contributions from customer business were on a very encouraging trend. A significantly higher contribution to income from investments of own funds also had a positive effect on net interest income.

Loss allowances amounted to a net addition (i. e. expense) of € 448 m (2022: net addition of € 162 m). This resulted mainly from the changed situation on real estate markets. The breakdown of this net addition to loss allowances by stage in accordance with IFRS 9 (including the provisions for loan commitments and financial guarantees) was as follows: stage 1, net reversal of € 37 m (2022: net reversal of € 27 m); stage 2, net reversal of € 45 m (2022: net addition of € 148 m); stage 3, net addition of € 527 m (2022: net addition of € 48 m). Direct write-offs, loss allowances on financial assets measured at fair value through other comprehensive income and recoveries on loans and receivables previously written off amounted to a net addition of € 2 m (2022: net reversal of € 8 m). The stage 2 loss allowances include a reversal of the post-model adjustment (PMA) in the amount of € 43 m (2022: addition of € 100 m). For further details, please refer to Note (37) of the consolidated financial statements.

After taking into account the loss allowances, the net interest income of € 1,255 m in the previous year rose to € 1,392 m in the reporting year.

Net fee and commission income of € 536 m was level with the prior year (2022: € 533 m). Net fee and commission income is mostly generated by Helaba, Frankfurter Sparkasse, Helaba Invest and the FBG Group. In particular, performance in terms of fees and commissions was strong in the account management and payment transactions business at Helaba and Frankfurter Sparkasse and in the administration of public-sector development programmes by WIBank. By contrast, fees and commissions in the securities and deposit business at Helaba decreased as a result of exiting the depositary business; fees and commissions in the lending and guarantee business at the New York branch also declined due to a drop in new activities in the real estate lending business.

Most of the net income from investment property is generated by the GWH Group and amounted to € 207 m (2022: € 207 m). This figure comprises the balance of rental income, operating costs, impairment losses and the net gains or losses on disposals. Impairment losses of € 66 m (2022: € 30 m) had a negative impact. By contrast, income from disposals was increased by € 19 m to € 40 m.

Net trading income in the 2023 fiscal year amounted to € 48 m (2022: € 355 m). The main income driver was the customer-led trading business which contributed € 108 m (2022: € 114 m) in line with expectations. As in the previous year, trading volumes developed positively in a persistently volatile market environment. This is true of both the securities business in the primary and secondary markets as well as of derivative trading and foreign exchange, precious metal and money market trading with customers. By contrast, net trading income in the measurement of derivatives (xVA) amounted to a net expense of € 60 m (2022: net income of € 242 m), above all due to interest rate shifts and the associated measurement adjustments. Taking into account opposing effects in the banking book, net x-value adjustments had a negative effect of € 37 m (2022: positive effect of € 101 m).

Net income from hedge accounting and other financial instruments measured at fair value (not held for trading) amounted to net income of € 158 m (2022: net expense of € 245 m). Key drivers here were remeasurement gains from derivatives which compensated for the previous year’s remeasurement losses. Moreover, fund investments contributed to the substantial improvement in income.

Other net income / expense decreased from net income of € 183 m to net income of € 103 m due to the negative effect of a lower net disposal gain on financial instruments not measured at fair value through profit or loss. This resulted in a loss of € 2 m (2022: gain of € 20 m). Impairment losses on property held for sale had a negative impact of € 45 m (2022: € 5 m) on other net income / expense. Dividend income of € 19 m (2022: € 17 m) was also recognised in other net income / expense.

General and administrative expenses (including depreciation and amortisation) rose by € 59 m to € 1,711 m. These expenses comprised personnel expenses of € 738 m (2022: € 733 m), other administrative expenses of € 827 m (2022: € 773 m) as well as depreciation and amortisation charges of € 147 m (2022: € 146 m). A pay-scale increase in July 2023, the payment of a bonus to compensate for inflation and – with an opposing effect – lower expenses for pensions and other benefits resulted in almost unchanged personnel expenses. The Group employed an average of 6,377 people in the year under review (2022: 6,310). Project activities, particularly those associated with modernising the IT infrastructure, and higher costs due to inflation resulted in an increase in other administrative expenses. These additionally included the European banking levy of € 68 m (2022: € 94 m) and expenses for the association overhead allocation and the reserve funds of € 89 m (2022: € 92 m). Depreciation and amortisation also rose due to increased investment in information technology (IT).

Consolidated profit before taxes amounted to € 722 m (2022: € 633 m).

General and administrative expenses were covered by the total income (profit before taxes excluding general and administrative expenses, depreciation and amortisation, and loss allowances) of € 2,881 m (2022: € 2,447 m), producing a cost-income ratio of 59.4 % (2022: 67.5 %). Return on equity before taxes rose from 6.7 % to 7.2 %. The return on assets pursuant to Article 90 of the Capital Requirements Directive IV (CRD IV) was 0.3 % (2022: 0.2 %).

Income tax expense amounted to € 255 m (2022: € 202 m) and resulted mainly from income tax expense of € 222 m in Germany (2022: € 141 m) and income tax expense of € 33 m abroad (2022: € 61 m). Of the income tax expense, a tax expense of € 144 m was in respect of current taxes. Deferred tax expenses of € 111 m (2022: deferred tax income of € 69 m) arose in relation to temporary differences. Mainly on account of prior-year tax refunds and tax-exempt income as well as a countervailing effect from non-deductible operating expenses, the tax rate amounted to 35.4 % (2022: 31.9 %).

Profit after taxes, that is to say consolidated net profit, increased by € 36 m to € 466 m. Of the consolidated net profit, a profit of € 0 m (2022: € 0 m) was attributable to non-controlling interests, with the result that the profit attributable to the shareholders of the parent company amounted to € 466 m (2022: € 431 m). An amount of € 90 m from this profit has been earmarked for distribution to the shareholders and for servicing the capital contributions of the Federal State of Hesse that are reported under equity. The servicing of the AT1 bonds, which is also reported as an appropriation of profit, was unchanged on the previous year and amounted to € 14 m.

Comprehensive income for financial year 2023 fell from € 761 m to € 560 m. This figure includes other comprehensive income in addition to the consolidated net profit as reported in the consolidated income statement. Other comprehensive income amounted to € 94 m (2022: € 330 m). As a result of the reduction in the discount rate, the remeasurement of the net liability under defined benefit plans yielded a loss of € 67 m before taxes (2022: a gain of € 693 m). A discount rate of 3.25 % (31 December 2022: 3.75 %) was used to determine pension provisions for the main pension obligations in Germany. Credit-risk-related changes in the fair value of financial liabilities designated voluntarily at fair value accounted for a net gain of € 98 m before taxes (2022: € 339 m). Compared with the prior-year period, interest-rate-related measurement effects on debt instruments measured at fair value through other comprehensive income had a very positive effect, contributing a net gain of € 163 m before taxes (2022: net loss of € 609 m). The prior-year figure was negatively impacted by the general rise in interest rates. The cross currency basis spread in the measurement of derivatives accounted for a net loss of € 53 m before taxes within comprehensive income (2022: net gain of € 39 m).

# Statement of financial position

**Assets**

| | 31.12.2023 | 31.12.2022 | Change | |
|---|---|---|---|---|
| | in € m | in € m | in € m | in % |
| Cash on hand and demand deposit balances with central banks and banks | 32,864 | 40,266 | –7,401 | –18.4 |
| Financial assets measured at amortised cost | 129,477 | 130,673 | –1,196 | –0.9 |
| Bonds | 2,795 | 1,774 | 1,021 | 57.5 |
| Loans and advances to banks | 13,168 | 12,836 | 332 | 2.6 |
| Loans and advances to customers | 113,514 | 116,062 | –2,549 | –2.2 |
| Trading assets | 11,697 | 12,672 | –975 | –7.7 |
| Financial assets measured at fair value (not held for trading) | 21,369 | 21,694 | –325 | –1.5 |
| Investment property | 3,485 | 3,109 | 376 | 12.1 |
| Income tax assets | 536 | 639 | –103 | –16.1 |
| Other assets | 2,644 | 2,449 | 195 | 7.9 |
| **Total assets** | **202,072** | **211,502** | **–9,429** | **–4.5** |

**Equity and liabilities**

| | 31.12.2023 | 31.12.2022 | Change | |
|---|---|---|---|---|
| | in € m | in € m | in € m | in % |
| Financial liabilities measured at amortised cost | 162,306 | 170,881 | –8,575 | –5.0 |
| Deposits and loans from banks | 48,195 | 65,735 | –17,540 | –26.7 |
| Deposits and loans from customers | 62,421 | 63,643 | –1,222 | –1.9 |
| Securitised liabilities | 51,263 | 41,064 | 10,198 | 24.8 |
| Other financial liabilities | 428 | 439 | –11 | –2.6 |
| Trading liabilities | 11,350 | 13,754 | –2,404 | –17.5 |
| Financial liabilities measured at fair value (not held for trading) | 16,037 | 15,042 | 995 | 6.6 |
| Provisions | 1,175 | 1,171 | 5 | 0.4 |
| Income tax liabilities | 127 | 215 | –88 | –40.9 |
| Other liabilities | 745 | 562 | 183 | 32.5 |
| Equity | 10,333 | 9,877 | 455 | 4.6 |
| **Total equity and liabilities** | **202,072** | **211,502** | **–9,429** | **–4.5** |

In the 2023 financial year, the Helaba Group's consolidated total assets contracted by 4.5 % or € 9.4 bn to € 202.1 bn, mainly as a result of a reduction in Helaba's participation in the ECB's targeted longer-term refinancing operations (TLTRO). Total business volume, which includes off-balance sheet liabilities in banking business and fiduciary activities as well as assets, went down by 3.8 % to € 242.1 bn (31 December 2022: € 251.8 bn).

Cash on hand and demand deposit balances with central banks and banks decreased by 18.4 % to € 32.9 bn (31 December 2022: € 40.3 bn). This figure includes a contribution of € 6.6 bn (31 December 2022: € 24.2 bn) from the TLTRO, a decline that was partly offset by an increase in the issue of new securitised liabilities.

Financial assets measured at amortised cost decreased by € 1.2 bn to € 129.5. In particular, the loans and advances to customers included in this amount went down by € 2.5 bn to € 113.5 bn. Of this amount, commercial real estate loans accounted for € 34.8 bn (31 December 2022: € 36.1 bn) and infrastructure loans for € 28.4 bn (31 December 2022: € 27.3 bn). Of the loans and advances to banks amounting to € 13.2 bn (31 December 2022: € 12.8 bn), which are financial assets measured at amortised cost, € 6.7 bn (31 December 2022: € 6.4 bn) was attributable to Sparkassen in Hesse, Thuringia, North Rhine-Westphalia and Brandenburg.

The cumulative loss allowances recognised in respect of financial assets measured at amortised cost amounted to € 1,223 m (31 December 2022: € 847 m).

Trading assets recognised at fair value amounted to € 11.7 bn at the reporting date (31 December 2022: € 12.7 bn). The reason for this decrease lay with the positive fair values of derivatives, which declined by € 1.1 bn to € 8.3 bn mainly due to interest-rate-related measurement effects. By contrast, the portfolio of bonds and other fixed-income securities expanded by € 1.1 bn to € 2.7 bn.

Of the financial assets measured at fair value (not held for trading) amounting to € 21.4 bn (31 December 2022: € 21.7 bn), assets of € 14.7 bn (31 December 2022: € 14.8 bn) comprised bonds and other fixed-income securities measured through other comprehensive income. Non-trading derivatives decreased by € 0.2 bn to € 1.6 bn, meaning that the positive fair values of all derivatives fell by € 1.3 bn overall to € 9.9 bn.

Financial liabilities measured at amortised cost amounted to € 162.3 bn (31 December 2022: € 170.9 bn). In this connection, the reduced participation in the ECB's long-term tenders resulted in a decrease of € 17.6 bn in deposits and loans from banks to € 48.2 bn. Of this figure, € 11.1 bn (31 December 2022: € 10.7 bn) was accounted for by liabilities to Sparkassen in Hesse, Thuringia, North Rhine-Westphalia and Brandenburg. The deposits and loans from customers also declined by € 1.2 bn to € 62.4 bn. Securitised liabilities showed an upward trend, increasing by € 10.2 bn to € 51.3 bn. Higher interest rates boosted demand from investors for interest-bearing financial instruments.

Trading liabilities recognised at fair value decreased by € 2.4 bn to € 11.4 bn. Whereas the negative fair values of derivatives fell by € 2.8 bn to € 6.5 bn, deposits and loans rose by € 0.6 bn to € 4.6 bn.

Financial liabilities measured at fair value (not held for trading) amounted to € 16.0 bn as at the reporting date (31 December 2022: € 15.0 bn). This figure included non-trading derivatives amounting to € 3.6 bn (31 December 2022: € 4.1 bn), meaning that the total negative fair values of all derivatives fell by € 3.3 bn to € 10.1 bn. As on the assets side of the statement of financial position, the fair values of derivatives were reduced by interest-rate-related measurement effects.

## Equity

The Helaba Group's equity amounted to € 10.3 bn as at 31 December 2023 (31 December 2022: € 9.9 bn). The increase was mainly attributable to the comprehensive income of € 560 m (31 December 2022: € 761 m). Accumulated OCI for the Group amounted to a loss of € 106 m (31 December 2022: cumulative net loss of € 199 m). Within this figure, cumulative income of € 156 m (31 December 2022: cumulative income of € 134 m) relates to items that will not be reclassified to profit or loss in future periods (i. e. OCI that will not be recycled) and a cumulative loss of € 261 m (31 December 2022: cumulative loss of € 333 m) to items that will be reclassified to profit or loss in future periods (i. e. OCI that will be recycled). OCI (that will not be recycled) included a cumulative loss of € 128 m (31 December 2022: cumulative loss of € 82 m) attributable to remeasurements of pension obligations. The change was mainly attributable to a decrease in the discount rate to 3.25 % (31 December 2022: 3.75 %). Remeasurement gains arising on financial liabilities to which the fair value option (FVO) is applied as a result of changes in own credit risk contributed € 292 m (31 December 2022: € 225 m) to the rise in OCI (that will not be recycled). OCI (that will be recycled) included the cumulative gains and losses on debt instruments measured at fair value through other comprehensive income amounting to a loss of € 226 m (31 December 2022: loss of € 388 m). Equity was negatively impacted by a loss of € 52 m (31 December 2022: loss of € 16 m) arising from the cross currency basis spread in the measurement of derivatives, which must be recognised in accumulated OCI in accordance with IFRS 9. Exchange rate factors resulted in a decrease of € 3 m in the currency translation reserve for foreign operations to € 35 m.

An amount of € 90 m was distributed from the consolidated net profit for 2022 to the owners based on their shareholdings and capital contributions. An amount of € 14 m was paid in December 2023 to service the AT1 bonds.

Please refer to Note (35) in the Notes for information on the regulatory capital ratios.

## Financial performance by segment

The contributions of the individual segments to the profit before taxes of € 722 m in 2023 (2022: € 633 m) were as follows:

**in € m**

| | 2023 | 2022[1] |
|---|---|---|
| Real Estate | –227 | 286 |
| Corporates & Markets | 409 | 447 |
| Retail & Asset Management | 368 | 194 |
| WIBank | 57 | 42 |
| Other | 126 | –364 |
| Consolidation / reconciliation | –11 | 28 |
| **Group** | **722** | **633** |

[1] Prior-year figures restated: Due to an organisational change, net income from money market trading for Treasury activities has been reclassified from the Corporates & Markets segment to the Other segment; see also Notes (1) and (20).

### Real Estate segment

The Real Estate Finance business line is reported in the Real Estate segment. Products related to financing major commercial projects and existing properties are at the core of the business activities.

In the reporting year, market conditions meant that the volume of new medium- and long-term business in Real Estate Finance decreased very substantially, by 53.8 % year on year, to € 4.3 bn. By contrast, margins on new business improved markedly compared with the previous year. The average business volume remained stable in 2023.

Net interest income amounted to € 442 m and remained virtually unchanged compared with the previous year. The addition to loss allowances of € 556 m was very much higher than the previous year due to the situation on the real estate markets. Net fee and commission income came to € 17 m and was thus lower than in the previous year (€ 22 m).

At € 143 m, general and administrative expenses were noticeably above the prior-year figure (€ 132 m).

The loss before taxes of the segment amounted to € 241 m and was thus very significantly lower than the prior-year net income of € 286 m, mainly due to the higher loss allowances.

## Corporates & Markets segment

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

The volume of new medium- and long-term business fell by around 20 % to € 8.6 bn. Whereas the new business volume in Corporate Banking, the municipal lending business and Savings Banks and SME (mainly the development loans business) was almost unchanged from the prior-year level, there was a decline in new asset-based medium- and long-term business.

Net interest income from the segment's lending business grew slightly although performance varied widely in the individual divisions. Although rising interest rates in the Savings Banks and SME division generated very substantial growth due to higher liabilities-side margins, the increase in the interest-rate-related funding costs of the trading books in the Capital Markets division had a very negative impact. Overall, the segment generated net interest income of € 527 m, 5.5 % up on the previous year.

Loss allowances amounted to a net reversal of € 13 m (2022: reversal of € 3 m).

Net fee and commission income came to € 166 m and was thus noticeably lower than in the previous year (€ 181 m). This decline resulted above all from the cessation of the deposit bank function.

The gains and losses on measurement at fair value (trading and non-trading) amounted to a net gain of € 188 m, a marked decrease on the prior-year figure (net gain of € 219 m) due to negative remeasurement effects (xVAs) and despite the growing customer business.

The appreciable increase of 8.5 % in general and administrative expenses is attributable to factors including adjustments to internal cost allocations.

Profit before taxes for the segment came to € 409 m, which was very markedly lower than the figure in 2022 (€ 447 m). This is mainly due to lower measurement gains and losses.

## Retail & Asset Management segment

The Retail & Asset Management segment offers retail banking, private banking and asset management products through the subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (FBG) and Helaba Invest as well as through Landesbausparkasse Hessen-Thüringen (LBS). The management of the Bank's own real estate and the real estate subsidiaries of the GWH Group also fall within this segment.

Net interest income in the segment amounted to € 410 m, very substantially higher than the previous year's figure. The increase largely stemmed from the interest-rate-related rise in the liabilities-side margin of the retail business of Frankfurter Sparkasse. Positive contributions from the segment's loss allowances yielded a net addition of € 4 m (2022: net reversal of € 8 m), predominantly accounted for by Frankfurter Sparkasse as well.

At € 294 m, the segment's net fee and commission showed a slight improvement on the previous year. Contributions came from Frankfurter Sparkasse, FBG and Helaba Invest.

Net income from investment property is generated mainly by GWH, primarily in the form of rental income from residential real estate. Despite the current real estate market environment, net income matched the prior-year level of € 207 m.

Gains or losses on measurement at fair value of special funds, which are predominantly related to activities at Frankfurter Sparkasse, showed a very sharp improvement to € 12 m (2022: net loss of € 41 m) after the negative impact from interest rate rises and credit spread volatility the previous year.

Other comprehensive income for the segment came to € 56 m, which was very substantially lower than the previous year's figure of € 85 m. Among the causes of this are impairment losses on property held for sale by GWH and one-time items from real estate management.

The moderate rise of 7.0 % in general and administrative expenses for the whole of the segment resulted primarily from the continuation of business growth initiatives at FBG. Added to this are higher operating and energy costs.

At € 368 m, profit before taxes in the segment was very significantly higher than the prior-year figure (€ 194 m).

## WIBank segment

The WIBank segment comprises the Wirtschafts- und Infrastrukturbank Hessen (WIBank) business line. In the reporting year, WIBank generated new business (lending and subsidy business) of around € 3.1 bn (2022: € 4.0 bn).

Cautious investment in the reporting year resulted in a very substantial decline in demand from municipal authorities for corresponding loans. Investments by communal authorities in Hesse with a volume of € 351 m (2022: € 755 m) were financed through loans funded on the capital market outside of development programmes. The end of hospital support programmes related to the coronavirus pandemic resulted in a decline of new business to

€ 230 m (2022: € 441 m). The new business of Residential Construction (Loans) also decreased by more than € 200 m. Here, demand was restrained temporarily by announcements of improved future funding conditions and higher construction costs.

At € 91 m, net interest income was very significantly higher than the prior-year figure (€ 71 m) especially due to the increase in interest rates. Net fee and commission income (€ 77 m) is derived mainly from the service business and grew substantially year on year (2022: € 66 m).

General and administrative expenses came to € 116 m. The sharp year-on-year increase (2022: € 99 m) is the result of higher IT and personnel expenses as well as expenses for third-party services.

In financial year 2023, the segment therefore generated net income before taxes of € 57 m (2022: € 42 m), which was primarily attributable to the positive development of net interest income.

## Other segment

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

Net interest income in the segment increased very sharply by € 220 m to € 386 m in the reporting year. This is mainly attributable to contributions from Interest Rate Management, especially the very much higher contribution from money market trading used to manage liquidity levels.

The very positive contribution from loss allowances yielded a net addition of € 91 m (2022: net reversal of € 126 m) and was especially due to changes resulting from the analysis of exceptional circumstances and the post-model adjustment.

The gains and losses on measurement at fair value (trading and non-trading) are derived mainly from money market trading and interest-rate-related remeasurements. The net gain of € 6 m (2022: net loss of € 70 m) represented a very significant year-on-year increase.

Other net income / expense in the segment decreased very sharply to net income of € 27 m (2022: net income of € 71 m). This was mainly attributable to impairment losses on real estate projects and to the fact that, unlike in the previous year, there were no gains on disposal from the sale of securities held in the liquidity buffer.

General and administrative expenses in the reporting year improved significantly to € 336 m (2022: € 387 m), primarily due to the decline of € 24 m in the bank levy that is reported in this segment.

Due to the positive development of net interest income and loss allowances, the segment's profit or loss before taxes improved very sharply to a profit of € 140 m (2022: loss of € 364 m).

## Consolidation / reconciliation

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

The profit or loss before taxes under consolidation / reconciliation amounted to a loss of € 11 m (2022: profit of € 28 m).

## Comparison with prior-year forecasts

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

| | 2022 forecast for 2023 | 2023 actual |
|---|---|---|
| Net interest income | Slight decrease | 29.8 % |
| Loss allowances | No increase | >-100.0 % |
| Net fee and commission income | Moderate increase | 0.5 % |
| Income / expenses from investment property | Very significant increase | 0.4 % |
| Gains or losses on measurement at fair value | Very significant increase | 86.7 % |
| Other net income / expense | Significant decrease | – 43.5 % |
| General and administrative expenses, including depreciation and amortisation | Moderate increase | – 3.6 % |
| Profit or loss before tax | Below prior-year level | 14.0 % |
| Total assets | Slight decrease | – 4.5 % |
| Volume of new medium- and long-term business (excl. WIBank) | Below prior-year value | – 34.9 % |

in %

| | 2022 forecast for 2023 | 31.12.2023 | 31.12.2022 |
|---|---|---|---|
| Cost-income ratio | < 70 | 59.4 | 67.5 |
| Return on equity | Decline | 7.2 | 6.7 |
| Common Equity Tier 1 (CET1) capital ratio | Slightly lower | 14.7 | 13.5 |
| Leverage ratio | Unchanged | 4.9 | 4.4 |
| Liquidity coverage ratio (LCR) | 125 | 168.3 | 216.8 |
| Net stable funding ratio (NSFR) | 105 | 120.4 | 118.6 |

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

Due to the dynamic development of interest rates and the resulting increase in margins, especially in the liabilities-side business, net interest income rose very substantially.

The projected stabilisation of the loss allowance requirement failed to materialise. Instead, the loss allowances recognised were very much higher than in the prior year due to developments on the real estate markets. Overall, net interest income after loss allowances was significantly above the prior-year figure.

The net income from investment property matched the prior-year level. It was not possible to achieve the projected sharp increase due to the recognition of special impairment losses on property.

In total, the gains and losses on measurement at fair value, comprising both trading and non-trading components, were significantly above the guidance figure. The operating trading income stabilised although xVA measurement adjustments were higher than expected. By contrast, the gains and losses on measurement at fair value (non-trading) of derivatives and funds improved very substantially year on year.

Other net income / expense dropped very sharply and was below the budgeted amount. The main drivers here were the recognition of an impairment loss presented in the Other segment.

The actual figure for general and administrative expenses was below the moderate increase predicted for this item, in part due to the lower than expected bank levy.

The profit before tax grew sharply year on year and was very substantially higher than projected. The return on equity consequently improved to 7.2 %.

Total assets were slightly down on the previous year and thus in line with expectations.

The volume of new medium- and long-term business was very significantly lower than a year earlier.

# Risk report

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

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

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

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

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

## Principles

### Responsibility of executive management

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

### Protection of assets

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

### Protection of the Bank's reputation

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

### Segregation of functions

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

## Transparency

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

## Cost efficiency

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

## Risk Appetite Framework (RAF)

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

## Risk-bearing capacity / ICAAP

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

## Compliance with regulatory standards

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

## Risk culture

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

- A set of corporate values adopted by the Executive Board that set out the Helaba Regulatory Group's basic values and guiding principles.

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

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

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

In addition, Helaba has established a credit risk culture that describes the attitudes and conduct required of employees in respect of loan processing. There is a special focus on a responsible and careful approach to handling credit risks (including the impact of ESG factors) and on diligence in ensuring risk-appropriate loan origination and monitoring.

## Auditing

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

# Risk classification

## Risk types

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

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

  Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. It includes the NFR sub-risk types of operational risk in the narrower sense, legal risk, conduct risk, model risk, information risk, third-party risk and project risk.
  - The narrower definition of operational risk and information risk encompass aspects of reputational risk and risks in relation to compliance, business continuity management (BCM) and human resources.
  - Legal risk is defined as the risk of loss for the Helaba Regulatory Group resulting from infringements of legal provisions that have the potential to result in (i) legal proceedings or (ii) internal actions to avert such losses. Breaches of contract relating to matters of creditworthiness (for example in the case of loan contracts) do not fall within this definition.
  - Conduct risk is defined as the current or potential risk of loss for an institution as a result of an inappropriate offer of financial (banking) services, including cases of intentional or negligent misconduct.
  - There are two distinct aspects to model risk:

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

       a) as part of determining the own capital requirement for internal Pillar I models using the model premiums/safety margins demanded by regulatory requirements and

b) by factoring in a risk exposure premium for the primary risk types in economic risk containment.

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

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

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

- Third-party risk entails matters related to non-financial risk in outsourcing and other external procurement activities. Outsourcing risk and the risk from other outsourcing transactions are defined as the risk of loss/damage to the Helaba Regulatory Group due to defective performance or loss of performance by the service provider. Risks in relation to the service provider may in principle arise from

I. underlying conditions at the service provider (creditworthiness, foreign legal risk, political stability),
II. performance (personnel, equipment and IT resources, reputation) and
III. dependence and concentration (concentration risk, market position).

Poor performance can arise in particular from

a) unsatisfactory quality/incomplete performance
b) untimely fulfilment
c) other contractual obligations not being performed satisfactorily or at all (for example, violation of legal or contractual provisions that may limit in particular the usefulness of the service provided or increase the complexity of containment and control)

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

- Reputation risk involves the possibility of a deterioration in the Helaba Regulatory Group's public image (its reputation for competence, integrity and trustworthiness) in the form of the perceptions of the individuals having a business or other relationship with the Helaba Regulatory Group. Most of the material impact of reputation risk finds expression in the business and liquidity risk. Reputation risk, which is a non-financial risk, is therefore assigned to these risk types in the risk type breakdown based on its impact. Reputation risks include original reputation losses as well as those that arise as a result of an operational loss event.

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

  - result from an unexpected change in customer behaviour, unforeseen market developments or other exogenous factors,

  - to the extent that this is not covered by any other risk type.

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

Sustainability and social responsibility are central to the way that Helaba approaches its business. This means that sustainability factors, especially those relating to climate and the environment, can potentially also affect Helaba's risk situation. In addition to the sustainability objectives, which are set down in the business strategy, the Helaba Regulatory Group defines ESG (environmental, social or governance) factors, the occurrence of which might negatively impact the financial position (including capital resources), financial performance or liquidity position, in the course of its risk containment activities. ESG factors can therefore act as potential risk drivers for all existing risk types and are not considered a separate risk type. ESG factors must therefore be taken into account within the risk management processes of the identified risk types. The extent of the required risk containment and monitoring measures reflects the significance of the ESG factors for the risk type concerned. A materiality analysis from a risk perspective for climate-related and environmental risks was completed in 2023 as well. The analysis assessed the materiality of transition and physical risks for the risk types classified in the risk inventory process as being of primary importance for the Helaba Regulatory Group, namely default risk, market risk, liquidity and funding risk, non-financial risk, real estate risk and business risk. Materiality was estimated using a scorecard method that also incorporated qualitative estimates. The analysis determined that Helaba's portfolio remains moderately exposed to transition risks in the context of default risk. The quarterly reporting of climate-related and environmental risks in the context of default risk introduced in 2023 is considered adequate for containment and monitoring purposes. In addition, real estate risk in the existing real estate portfolio is moderately exposed to transition risks. This issue is already addressed by a strong management focus and considered appropriately in the relevant planning in respect of investment in building energy efficiency, for example. Although exposure to climate-related and environmental risks as risk drivers is assessed as low in the other primary risk types, methods for risk measurement and monitoring are being refined for these areas too.

As the results of an internal climate stress test conducted in 2023 were normal, it was concluded that there is no need for separate, additional capital backing for climate-related and environmental risks under the ICAAP.

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

Sustainability as Helaba understands it and the activities and processes it pursues in this connection are described in full in the Non-financial statement.

## Risk concentrations

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

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

## Risk management process

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

### 1. Risk identification

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

### 2. Risk assessment

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

### 3. Risk containment

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

### 4. Risk monitoring and reporting

The Risk Controlling unit provides independent central risk monitoring of the following risk types: default risk (including equity risk), market risk, liquidity and funding risk, non-financial risk, real estate risk and business risk. The responsibilities of the Risk Controlling unit in this regard include the specification of appropriate methods, their implementation and the operation of the associated models. An integral component of these monitoring activities is the submission of reports to the relevant authority holders and committees covering the main risk types, risk-bearing capacity, the status of the RAS indicators and the status of the relevant indicators from the recovery plan (German Regulation on the Minimum Requirements for the Design of Recovery Plans for Institutions (MaSanV)). The internal models used in Risk Controlling to assess risk in accordance with Pillars I and II are in addition recorded in a model inventory and validated regularly. The Risk Controlling unit (Group Model Validation) is responsible for model governance, including maintaining the model inventory and ensuring that independent validation is carried out.

## Risk management structure

### Entities involved

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

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

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

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

Moreover, the Sustainability Board was established in 2023. Its main task is to address strategic cross-cutting issues and take key ESG decisions including those pertaining to strategic ESG targets and management, the decarbonisation of Helaba's portfolio and own operations, sustainability reporting and the Executive Board's performance of its duties in respect of the German Act on Corporate Due Diligence in Supply Chains.

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

### Risk management at Regulatory Group companies

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

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

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

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

The responsibilities of the organisational units follow a "three lines of defence" (3-LoD) policy. This governance policy sets out roles and responsibilities to ensure there is independent monitoring and internal auditing of the effectiveness of the risk containment and monitoring functions that have been implemented.

At Helaba (including LBS and WIBank) and in the major Regulatory Group companies, the containment of risks in the first line of defence is separated in terms of disciplinary and organisational reporting lines from the independent monitoring of risks in the second line of defence. The three lines of defence policy is implemented at Helaba (including LBS and WIBank) as follows:

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

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

### First line of defence (LoD 1)

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

### Second line of defence (LoD 2)

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

### Third line of defence (LoD 3)

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

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

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

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

## Internal Audit

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

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

The scope and findings of audits are documented in accordance with uniform standards. Written audit reports are supplied promptly to the Executive Board and the people responsible for the units audited. The timely resolution of deficiencies identified is monitored and matters are escalated if necessary. Internal Audit reports significant audit findings, the actions adopted and the implementation status of these actions to the Executive Board and Supervisory Board every quarter. The Executive Board, Supervisory Board and Audit Committee are also presented with a summary annual report on auditing activities.

## Compliance

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

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

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

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

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

## Information Security Management and Data Protection

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

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

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

The Data Protection Officer reports to and advises the Executive Board and all organisational units and employees with regard to data protection requirements. The function involves responsibility for monitoring the implementation of and compliance with the requirements of data protection law Helaba maintains a record of processing activities (Article 30 GDPR) covering procedures that involve the processing of personal data. This record provides the basis for ensuring that the processing of personal data complies with the data protection regulations. Helaba has developed an information security management system (ISMS) aligned with the ISO 27001 family of standards to ensure the availability, confidentiality and integrity of data (Article 5 and Article 32 GDPR) and to assess the resilience (maintenance of operability) of data-processing systems.

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

## Risk-bearing capacity / ICAAP

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

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

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

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

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

The risk-bearing capacity assessment for the Helaba Group covering all risk types reveals that the existing risk cover pools at the end of 2023 once again overcollateralised the quantified risk exposures by a substantial margin, underlining the conservative risk profile. Helaba had a capital buffer of € 4.6 bn in respect of its economic risk exposures as at the reporting date (31 December 2022: € 4.6 bn).

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

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

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

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

For the first time in 2023, an internal climate-related risk scenario as at 30 June 2023 was additionally included in both risk-bearing capacity perspectives. It was a short-term transition risk scenario based on the disorderly scenario defined by the Network for Greening the Financial System. In addition to the scenario outcomes, other sensitivities specific to climate-related risks were determined in order to also take account of physical risks, for example.

## Other protection mechanisms

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

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

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

The general meeting of members of the German Savings Banks Association (DSGV) adopted a resolution concerning a refinement of the Sparkassen-Finanzgruppe's protection scheme on 26 June 2023. The resulting changes implemented ECB and BaFin requirements and made the protection scheme more efficient. Among other things, the risk monitoring system is being improved and decision-making structures organised more effectively. Moreover, an additional fund is being created to protect the solvency and liquidity of the Sparkassen-Finanzgruppe institutions. The fund volume will amount to 0.5 % of the member institutions' total risk exposure and must be contributed over a period of at least eight calendar years starting in 2025.

As well as safeguarding the viability of the affiliated institutions themselves, the Sparkassen-Finanzgruppe scheme includes a deposit guarantee scheme to protect qualifying deposits up to a value of € 100,000 per customer. The deposits thus protected in the Helaba Group amount to € 18.9 bn in total (31 December 2022: € 18.1 bn). The German Federal Financial Supervisory Authority (BaFin) has recognised the Sparkassen-Finanzgruppe's institutional protection scheme as a deposit guarantee scheme for the purposes of the German Deposit Guarantee Act (EinSiG).

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

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

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

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

## Default risk

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

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

## Regulatory own funds requirements

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

## Risk monitoring using the global limit system

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

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

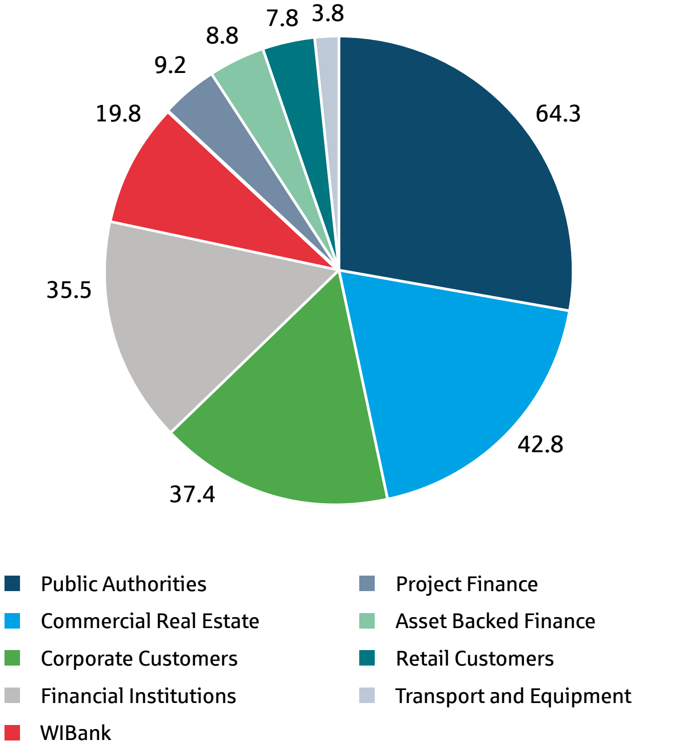
The approved total limits are allocated to individual borrowers, product categories and the operating divisions concerned in accordance with the application for approval. The utilisation of the individual limits is monitored on a daily basis and appropriate measures are initiated immediately if any limit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

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

Creditor risks associated with direct debits and secondary risks resulting from leasing commitments (lessees) or guarantees received are also recorded as commercial risks for the relevant risk-bearing entity.

Chart 1 shows the total volume of lending (comprising drawdowns and unutilised lending commitments) in the narrow Group companies (Helaba plus subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG and Helaba Asset Services) of € 229.5 bn as at 31 December 2023 (31 December 2022: € 232.6 bn) broken down by portfolio. The total volume of lending is the risk exposure value calculated in accordance with the legal provisions applicable to large exposures before applying the exemptions in relation to calculating utilisation of the large exposure limit and before applying credit mitigation techniques. Since 2023, this takes account of the retail business (below the materiality thresholds) of Frankfurter Sparkasse, LBS and WIBank.

Total volume of lending by portfolios (narrow Group companies)
Chart 1 in € bn




The lending activities in the narrow Group companies as at 31 December 2023 focused on the following portfolios: public sector, real estate and corporate customers.

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

| Region | | in € bn |
|---|---|---|
| | 31.12.2023 | 31.12.2022 |
| Germany | 161.3 | 160.5 |
| Rest of Europe | 48.2 | 49.9 |
| North America | 19.3 | 21.0 |
| Oceania | 0.1 | 0.5 |
| Other | 0.6 | 0.7 |

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

## Creditworthiness / risk appraisal

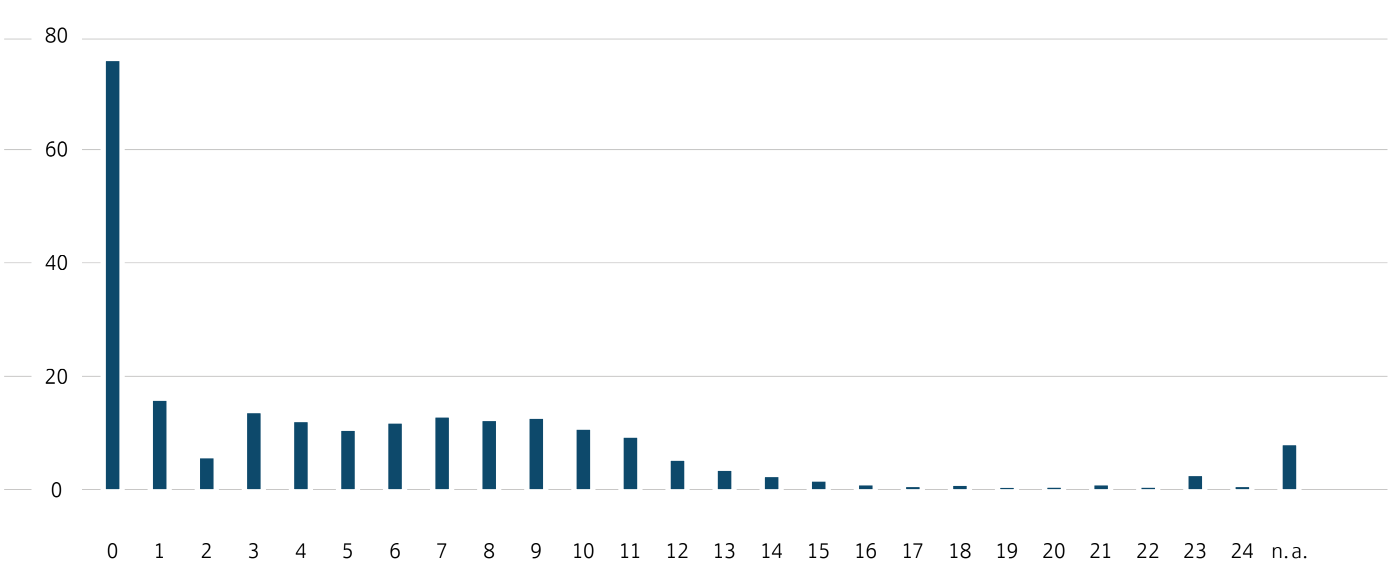
Helaba employs 16 rating systems developed together with DSGV or other Landesbanken and two rating systems developed internally. Based on statistical models, these systems classify loan exposures, irrespective of the customer or asset group, by the fixed probability of default (PD) using a 25-point cardinal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

Chart 2 shows the total volume of lending in the narrow Group companies (Helaba plus subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG and Helaba Asset Services) of € 229.5 bn (31 December 2022: € 232.6 bn) broken down by default rating category. The n.a. item comprises the retail business (below the materiality thresholds) of Frankfurter Sparkasse, LBS and WIBank that was included for the first time and is not broken down by rating category.

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

Chart 2

in € bn




## Collateral

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

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

## Country risks

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

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

The country risk system is the central tool for the comprehensive, timely and transparent risk-oriented recording, monitoring and containment of country risks. All of Helaba's lending and trading units, including subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG and Helaba Asset Services, are involved in country risk containment. The total country risk, excluding the countries of the euro zone, may not exceed seven times the Tier 1 capital of the Helaba Group of institutions. As of 31 December 2023, utilisation was 4.2 times the Tier 1 capital.

The Credit Committee of the Executive Board defines country limits for all countries apart from Germany. The overall limit assigned to a country is subdivided into a lending limit and a trading limit. The country risks for long-term transactions are also subject to additional sub-limits.

The internal rating method for country and transfer risks provides 25 different country rating categories based on the uniform master scale used throughout the Bank. All classifications are established at least annually by the Research & Advisory department and ultimately defined by the Credit Risk Management unit. The Capital Markets unit, which performs the central coordination function for country limit requests, presents a country limit proposal on this basis factoring in bank-specific considerations and relevant factors relating to business policy and risk methodology and the Credit Committee of the Executive Board then sets the limits for the individual countries based on this proposal.

Country risk (transfer, conversion and sovereign default risks) from Helaba loans issued by the narrow Group companies to borrowers based outside Germany amounted to €63.0 bn (31 December 2022: €66.5 bn), most of which was accounted for by borrowers in Europe (69.3 %) and North America (29.7 %). As at 31 December 2023, 54.4 % (31 December 2022: 57.2 %) of these risks were assigned to country rating classes 0 and 1 and a further 45.4 % (31 December 2022: 42.6 %) came from rating categories 2 to 15. Just 0.2 % (31 December 2022: 0.2 %) fell into rating class 16 or worse.

Exposures in the Russian Federation (rating category 22) and Ukraine (rating category 21) totalled approximately € 18 m as at the reporting date (31 December 2022: approximately € 20 m). There was no exposure in Belarus as at the reporting date.

## Credit risk processes and organisation

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

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

## Approval procedure

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

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

## Quantifying default risks

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

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

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

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

The analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity indicates that the economic risk exposure for the Helaba Regulatory Group from default risk, calculated on the basis of the VaR, was € 1,399 m (31 December 2022: € 1,353 m). The main reasons for this increase in the economic risk exposure are the rating deteriorations and defaults, coupled with the remeasurement of collateral in the Real Estate division. It was offset in part by declining exposures and improved ratings in the Corporate Banking and Global Markets divisions.

## Exceptional default risk management issues in 2023

In 2023, Helaba continued its active management of the critical sub-portfolios that have been identified and its close monitoring of exposures that have been classified as under intensive management, recovering or non-performing.

With the risks arising from the COVID-19 pandemic diminishing and those arising from the energy crisis triggered by the stoppage of gas deliveries from the Russian Federation being considered no longer material, 2023 was characterised mainly by the critical development of many areas of the real estate market and by the conflict in the Middle East since October 2023. The critical development of the real estate market has resulted from the significant increase in interest rates due to the dramatic rise in inflation that started in 2021 and peaked at the end of 2023, coupled with the higher level of returns expected by professional investors especially and the continued drop in demand for retail and office space.

Further benchmark rate rises by the ECB, the Bank of England and the Fed led to a high degree of uncertainty on commercial real estate markets regarding reliable levels of expected returns on investment properties which, accompanied by other negative factors in the office and retail segment (working from home, the expansion of online trading and a growing focus on buildings that satisfy high ESG standards), led to a significant decline in market values in certain asset classes and regions in 2023. This was evident above all in selective rating deteriorations and loan defaults.

The impact can be seen above all in those asset classes and regions in which the higher interest payments could not be offset by adequate increases in rental income (for example, due to declining demand, tenant insolvencies), market values depressed significantly by rising returns and construction prices, material procurement problems and the shortage of craftspeople had a significant negative impact on project development and modernisation measures, especially in the case of financing in Germany and the USA.

Due to the tense situation on the real estate market, Helaba performed various risk analyses on the real estate loan portfolio. In addition to the retail real estate sub-portfolio that has been considered critical for some time and subject to close monitoring, the office real estate and the industrial and other real estate sub-portfolios were classified as critical in the second quarter of 2023 and as at 31 December 2023, respectively.

In the case of the sub-portfolios based on credit standing, only the mechanical engineering sub-portfolio was classified as critical in the third quarter of 2023, despite weak economic development overall.

It is also positive that the aviation / aerospace / shipping sub-portfolio was no longer classified as critical from the third quarter of 2023 due to the reduction of the watchlist content to 0.7 %.

Moreover, as at 31 December 2023, the aircraft sub-portfolio was no longer classified as critical due to its positive development and small size, the improved market conditions in 2023 (including passenger numbers almost back to pre-COVID-19 levels, cost reductions that allow airlines to report positive results with much lower passenger numbers, operating profit expectations in the aviation industry) and the Bank's decision to cease new business in this product segment.

As at 31 December 2023, the watchlist content of this sub-portfolio at Group level was 9.9 % and the total volume of lending amounted to € 1.3 bn.

Overall, Helaba had identified critical sub-portfolios with a total volume of lending of around € 32.4 bn in the real estate and corporate customers portfolios as at the reporting date (31 December 2022: € 11.3 bn), an increase that resulted from the inclusion of the office real estate, mechanical engineering and industrial and other real estate sub-portfolios. The exposures contained in the watchlist declined from 28 % to 16 %.

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

in € bn

| | thereof: Sub-portfolios classified as critical | | thereof: On the watchlist | |
|---|---|---|---|---|
| **Portfolio** | **31.12.2023** | **31.12.2022** | **31.12.2023** | **31.12.2022** |
| Real Estate | 28.1 | 6.3 | 4.3 | 1.6 |
| Corporate Customers | 4.3 | 3.4 | 0.7 | 1.3 |
| Transport and Equipment | – | 1.7 | – | 0.3 |

In 2023, despite the increase in negative effects – especially in the commercial real estate portfolio –, the inherent risks in the lending portfolio of the narrow Group companies (measured by the average default rating) remained mainly stable. Loss allowances were significantly higher than in the previous year, mainly due to a substantial above-plan increase in default rates in the commercial real estate portfolio. In Germany and the USA especially, the commercial real estate markets – primarily the office real estate market – remained under pressure. With a volume of € 18.7 bn at Helaba, the office segment is one of the critical sub-portfolios that is being monitored closely. Office real estate in the USA accounts for around € 3 bn of this amount.

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

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

The lending risks of the narrow Group companies remain subject to close monitoring and regular assessment.

Depending on factors that include the future development of interest rates, real estate values and the Middle East conflict, coupled with the second-round and third-round effects of the Ukraine war, further rating deteriorations or loan defaults cannot be ruled out in 2024.

## Loss allowances

Appropriate loss allowances are recognised to cover default risk. The adequacy of the loss allowances is reviewed regularly and adjustments are made where necessary. Helaba has undertaken a post-model adjustment (PMA) to allow for additional risks which could become significant in the future if certain assumptions materialise, the impact and further development of which are difficult to predict. These risks were not yet fully reflected in the model-based calculations of loss allowances as a result of rating deteriorations and default events. For PMA, stage 1 and 2 volumes are taken into account and rating deteriorations of at least three and up to nine stages are simulated; the resulting effects on the loss allowances are determined for each individual transaction. No actual stage transfer of individual transactions took place as a result. Risks arising from the COVID-19 pandemic, disruption to global supply chains, the energy crisis and the Ukraine war were taken into account as at 31 December 2022. As at 31 December 2023, these risks – in some cases greatly weakened – still existed but no longer require loss allowances higher than the model-based loss allowances. The macroeconomic environment as at 31 December 2023 remained uncertain due to factors including the rapid and significant increase in interest rates compared with the zero interest rate period. As a result, significant price and funding risks have arisen, especially for the commercial real estate sector (office and retail properties). These risks were considered in the PMA as at 31 December 2023. Further details on credit risk are presented in Note (37) of the consolidated financial statements.

## Sustainability criteria in lending business

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

The process of identifying, measuring and managing sustainable lending is governed by Helaba’s Sustainable Lending Framework, which was published in the first half of 2022. This framework includes a comprehensive set of criteria and a standardised Group-wide method for classifying sustainable finance and thus further increasing its share of the total lending volume. It is applied in all lending business at Helaba and Frankfurter Sparkasse,

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

Risk management in respect of climate risks is being refined continuously, taking account of factors including the supervisory expectations set out in the ECB Guide on climate-related and environmental risks and other regulatory requirements. An effective risk reporting system is being established in parallel.

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

To limit the transition risk classified as high or above in the relevant total volume of lending, monitoring values were introduced for the real estate, corporate customers and project finance portfolios in 2024. Compliance with these values will be an aspect of the quarterly reporting to the Risk Committee of the Executive Board.

## Equity risk

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

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

The analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity shows an economic risk exposure of € 187 m (31 December 2022: € 151 m) for the Helaba Group from equity risk. The significant increase resulted mainly from new equity investments.

## Market risk

### Risk containment

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

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

### Limitation of market risks

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

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

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

### Risk monitoring

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

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

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

## Quantification of market risk

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

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

The summary below presents a reporting date assessment of the market risks (including correlation effects between the portfolios) taken on as at the end of 2023 plus a breakdown by trading book and banking book. The linear interest rate risk is the most significant of the market risk types. Its development is due to a decline in volatility in calculating the parameters, coupled with item adjustments. Various country- and rating-dependent government, financials and corporate yield curves are also used alongside swap and Pfandbrief curves for measurement purposes. Euro positions account for 92 % (31 December 2022: 92 %) of the linear interest rate risk for the overall portfolio of the narrow Group companies, sterling positions for 2 % (31 December 2022: 5 %) and US dollar positions for 4 % (31 December 2022: 2 %). In the field of equities, the focus is on securities listed in the DAX and DJ Euro Stoxx 50. The main foreign currency risks are attributable to US dollar and sterling positions. Residual risk amounted to € 16 m for the Group (31 December 2022: € 17 m). With a time horizon of one year and a confidence level of 99.9 %, the incremental risk in the trading book amounted to € 132 m (31 December 2022: € 257 m). The analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity shows an economic risk exposure of € 1,572 m (31 December 2022: € 1,122 m) for the Group from market risk (excluding xVA risk). The increase in economic risk potential resulted mainly from investment activities in the banking book.

**Group MaR by risk type** in € m

| | Total risk | | Interest rate risk | | Currency risk | | Equities risk | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Trading book | 31 | 36 | 30 | 36 | – | – | 1 | – |
| Banking book | 108 | 121 | 95 | 102 | – | 1 | 13 | 18 |
| **Total** | **136** | **153** | **123** | **134** | **–** | **1** | **13** | **18** |

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

## Internal model in accordance with the CRR

Helaba calculates the regulatory capital required for the general interest rate risk using an internal model in accordance with the CRR. This model, which consists of the risk measurement systems MaRC² (linear interest rate risk) and ELLI (interest rate option risk), has been approved by the banking regulator. The MaR in the internal model at year-end amounted to € 30 m (31 December 2022: € 36 m).

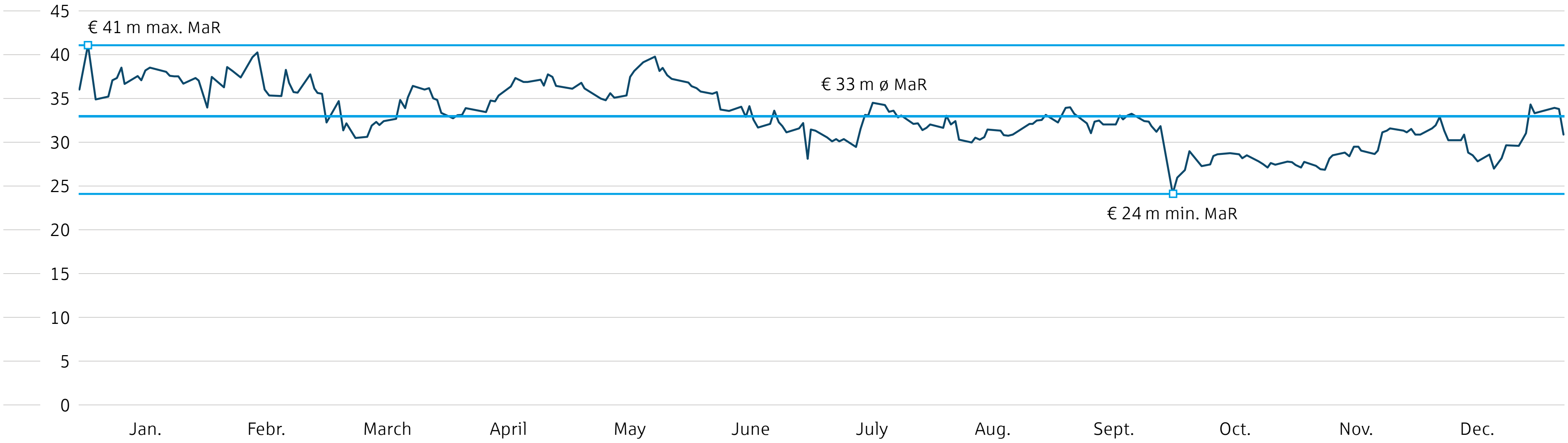
## Market risk in the trading book

All market risks are calculated daily on the basis of the end-of-day position of the previous trading day and the current market parameters. Helaba uses the parameters prescribed by the regulatory authorities – a 99 % confidence level, a holding period of ten trading days and a historical observation period of one year – for internal risk management as well. Chart 3 shows the MaR for the trading book (Helaba Bank) for the 2023 financial year. The average MaR for 2023 as a whole was € 33 m (2022 as a whole: € 24 m), the maximum MaR was € 41 m (2022 as a whole: € 36 m) and the minimum MaR was € 24 m (2022 as a whole: € 8 m). The changes in risk in financial year 2023 stemmed primarily from linear interest rate risk and were attributable to regular parameter updates (volatility, correlations), which included the reduced volatility over the course of the year, and to a normal level of reallocated exposures.

Daily MaR of the trading book in financial year 2023

Chart 3

in € m




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

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

**Average MaR for the trading book in financial year 2023**

| | Q1 | | Q2 | | Q3 | | Q4 | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Interest rate risk | 35 | 14 | 35 | 20 | 31 | 26 | 29 | 30 | 32 | 23 |
| Currency risk | – | 1 | – | 1 | – | – | – | – | – | 1 |
| Equities risk | – | – | – | 1 | – | 1 | – | 1 | – | 1 |
| **Total risk** | **36** | **15** | **35** | **21** | **32** | **27** | **29** | **31** | **33** | **24** |

Number of trading days: 251 (2022: 253)

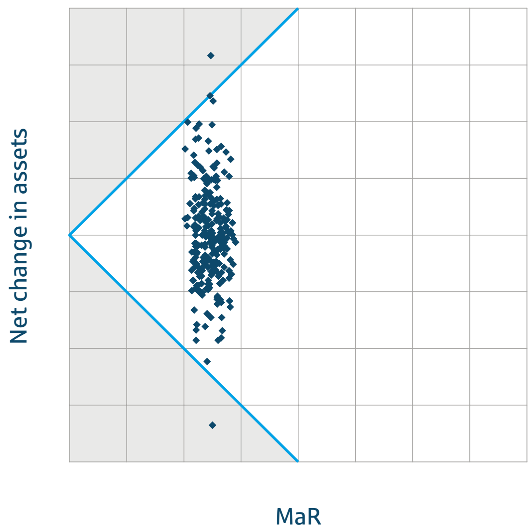
The annual average MaR for the trading book for Frankfurter Sparkasse and Frankfurter Bankgesellschaft remains unchanged at € 0 m in each case.

## Back-testing

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

Chart 4 shows the back-testing results of the Helaba risk models for the trading book across all types of market risk in financial year 2023.

Back-testing for the trading book in financial year 2023
Chart 4




The internal model for the general interest rate risk produced one negative outlier in clean back-testing and one negative outlier in dirty back-testing in 2023 in regulatory mark-to-market back-testing (2022: fifteen negative outliers in clean back-testing and four negative outliers in dirty back-testing).

## Stress test programme

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

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

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

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

The quantification of interest rate risks in the banking book is also subject to regulatory requirements, which stipulate a risk computation based on standardised interest rate shocks. The computation examines the effects of a rise and fall of 200 basis points in interest rates in line with the requirements of the banking regulator. As of the end of 2023, such an interest rate shock would, in the unfavourable scenario, have resulted in a negative change of € 264 m in the value of the Helaba Group banking book (31 December 2022: € 341 m). Of this figure, € 282 m (31 December 2022: loss of € 345 m) would have been attributable to local currency and a gain amounting to € 18 m (31 December 2022: € 4 m) to foreign currencies. The difference compared with year-end 2022 was mainly due to the change in interest rates. Helaba carries out an interest rate shock test at least once every quarter.

### Performance measurement

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

## Liquidity and funding risk

Ensuring liquidity so as to safeguard its short-term solvency and avoid cost risks in procuring medium-term and long-term funding is a top priority at Helaba, which accordingly employs a comprehensive set of constantly evolving tools to record, quantify, contain and monitor liquidity and funding risks in the internal liquidity adequacy assessment process (ILAAP). The existing processes, instruments and responsibilities for managing liquidity and funding risks stood the test in recent years against the backdrop of the global financial market crisis, the COVID-19 pandemic, the Ukraine war and last year's significant rise in market rates. Helaba's liquidity was fully assured at all times in 2023.

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

### Containment and monitoring

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

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

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

### Short-term liquidity risk

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

The short-term liquidity status concept has been chosen to allow various stress scenarios to be incorporated. The process involves comparing the net liquidity balance (liquidity needed) with the available liquidity. The defined limits are one week up to one year depending on the specific scenario. Monitoring the limits is the responsibility of the Risk Controlling unit. An economic liquidity coverage ratio that clearly shows the integration of regulatory and economic perspectives required in the ILAAP was determined in the same way as for the regulatory LCR. The coverage in the most relevant scenario (30 day solvency) was 147.7 % as at the reporting date as a result of the excellent level of liquidity adequacy (31 December 2022: 177.8 %). This increases to 152.3 % (31 December 2022: 181.7 %) if Frankfurter Sparkasse is included. The average coverage ratio in 2023 was 144.4 % (2022: 154.4 %), reflecting the excellent liquidity situation over the course of the year.

The Helaba Regulatory Group manages short-term liquidity in accordance with the regulatory LCR requirements in parallel with the economic model. The two perspectives are integrated through the ILAAP. The ratio for the Helaba Regulatory Group stood at 168.3 % on 31 December 2023 (31 December 2022: 216.8 %). This decline reflects the normalisation of the ratio due to the successive termination of the ECB's longer-term refinancing operations (TLTRO). Stress simulations for the LCR were also calculated.

The Money Market organisational unit borrows / invests in the money market (interbank and customer business, commercial paper and certificates of deposit) and make use of ECB open market operations and facilities in performing the operational cash planning tasks necessary to ensure short-term liquidity. Intraday liquidity planning is carried out in the Operations unit.

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

A total of € 2.9 bn in liquidity commitments had been drawn down for the securitisation platform initiated by Helaba as at the reporting date (31 December 2022: € 2.7 bn). As at the reporting date, the stand-by lines in the US public finance business had expired in full and no liquidity had been drawn down (unchanged from year-end 2022).

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

### Structural liquidity risk and market liquidity risk

The Treasury unit manages the liquidity risks in Helaba's commercial banking activities, which consist essentially of lending transactions including floating-interest roll-over transactions, securities held for the purpose of safeguarding liquidity and medium- and long-term financing. Funding risk is managed economically on the basis of liquidity gap analyses where liquidity mismatches are limited. In this connection, regulatory management is performed via the NSFR with a regulatory minimum value of 100 %. Stress simulations for the NSFR were also calculated. Helaba prevents concentrations of risk from arising when obtaining liquidity by diversifying its sources of funding. Market liquidity risk is quantified in the MaR model for market risk. A scenario calculation using a variety of holding periods is carried out. The scaled MaR suggested no significant market liquidity risk as at 31 December 2023, as was also the case at 31 December 2022. Market liquidity is also monitored on the basis of the margin between bid and offer prices.

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

## Non-financial risk / operational risk

### Principles of risk containment

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

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

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

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

The central Risk Controlling unit is responsible for monitoring compliance with the minimum standards applicable to the non-financial risk framework.

## Quantification

Risks are quantified for Helaba, Frankfurter Sparkasse and Helaba Invest using an internal model for operational risk based on a loss distribution approach, which takes into account risk scenarios and internal and external losses to calculate economic risk exposure. This also includes internal losses and risk scenarios that relate to sub-categories of non-financial risk and form part of operational risk. Such risks include legal risk, third-party risk, information risk and project risk. The summary below shows the risk profile as at the end of 2023 for Helaba, Frankfurter Sparkasse, Helaba Invest and the other companies of the Helaba Regulatory Group that are included in risk management at the level of individual risks.

**Operational risks – risk profile**

| Economic risk exposure | | in € m |
|---|---|---|
| | VaR 99.9 % | |
| | 31.12.2023 | 31.12.2022 |
| Helaba | 218 | 215 |
| Frankfurter Sparkasse, Helaba Invest and other companies included in risk management at the level of individual risks | 103 | 95 |
| **Total** | **320** | **311** |

The analysis as at the reporting date using the economic internal perspective for the calculation of risk-bearing capacity shows an economic risk exposure of € 320 m (31 December 2022: € 311 m) for the Helaba Regulatory Group from operational risk. The improvement was mainly attributable to the adjustment of inflation data in 2023.

## Ukraine war

No material effects of the war in Ukraine on non-financial risk were identified in 2023.

## ESG risks

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

Data acquisition regarding operational risk events was expanded as part of the HelabaSustained project to facilitate designation based on defined climate-related and environment-related criteria.

## Documentation system

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

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

## Legal risk

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

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

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

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

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

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

## Third-party risk – outsourcing and other external procurement

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

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

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

## Information risk

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

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

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

## Business continuity management

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

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

## Accounting process

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

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

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

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

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

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

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

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

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

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

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

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

Helaba has instituted the internal controls required for this purpose.

### Operational risk in the narrow sense of taxes

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

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

## Other risk types

### Business risk

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

The analysis as at the 31 December 2023 reporting date under the economic internal perspective for the calculation of risk-bearing capacity indicates that business risks were almost unchanged at € 195 m compared with 31 December 2022 (€ 199 m). The decline of € 4 m was due to the positive business development in the reporting year.

### Real estate risk

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

Sustainability aspects are considered in the measurement of the real estate portfolio and are incorporated into the value assessment as a component of the fair values. In addition, the level of insurance cover in place to protect real estate held in the Bank's real estate portfolio in respect of external factors (physical risks) and the sustainability certification of this real estate were updated in 2023.

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

The analysis as at the reporting date under the economic internal perspective shows a risk of € 107 m (31 December 2022: € 173 m) from real estate projects and real estate portfolios. This reduction was mainly attributable to the reduction in the real estate project portfolio in response to the prevailing market environment.

## Summary

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

# Non-financial statement

Under Section 340i (5) of the German Commercial Code (Handelsgesetzbuch – HGB), Helaba is under an obligation to make a non-financial statement in which it describes the main effects of its business activities in certain non-financial areas (environmental, social and employee concerns, respect for human rights and the prevention and combating of bribery and corruption).

A structured analysis process has determined that the subjects of credit finance, institutional asset management, financial service provision, residential management, anti-corruption, corporate culture and human resources activities are all of material significance for Helaba's business. The concepts described here generally apply to the Group. If there is any variation from basic principle, this is indicated separately in the text.

Helaba uses the Global Reporting Initiative (GRI) reporting standards as a guide in preparing the non-financial statement. It also prepares a sustainability report in accordance with the current GRI standards and provides comprehensive reports online on its sustainability activities (nachhaltigkeit.helaba.de). The sustainability report can also be accessed on this website.

In the year under review and on the date of the report, no material risks have been identifiable that have had or are very likely to have a serious negative impact on the areas specified above.

Helaba is required to provide information regarding the sustainable basis of its financing activities under the EU Taxonomy Regulation in accordance with Article 8 of Regulation (EU) 2020/852 and the related delegating acts. The disclosures relating to Taxonomy eligibility and alignment and the data collection method used are presented in this non-financial statement. The statements in the non-financial statement have been subject to a voluntary external business management audit in accordance with ISAE 3000 (Revised) in which limited assurance is provided by an independent auditor. References to details outside the management report represent additional information and do not form an integral part of the non-financial statement or the management report.

## Business model and sustainable business orientation

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

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

Helaba is continuously refining its business model and in doing so reviews the composition and focus of the individual lines of business, also giving consideration to changed environmental conditions and the transition to a sustainable circular economy. As part of the strategy process, all lines of business are examined for possible effects (opportunities and risks) of climate-related and environmental changes on their exposures. Overall, the opportunities associated with supporting the transformation outweigh the climate-related and environmental risks contained in their portfolios and still remaining after collateral and mitigating factors.

Helaba, Frankfurter Sparkasse and Frankfurter Bankgesellschaft signed the "Commitment by German Savings Banks to climate-friendly and sustainable business practices" in 2020 as part of an initiative driven by the German Savings Banks Association (DSGV). The objectives of this voluntary commitment are that institutions make their business operations carbon-neutral by 2035, that their financing and own investments be geared to climate change targets and that they support and facilitate their customers' transformation to climate-friendly economic models.

To underscore its strategic focus on sustainability both externally and internally, Helaba signed up to the UN Principles for Responsible Banking and published its first progress report in 2023. Helaba Invest and Frankfurter Bankgesellschaft are also signatories to the Principles for Responsible Investment (PRI). Moreover, Helaba has signed up to the Ten Principles of the UN Global Compact, thereby recognising international standards for environmental protection, human and labour rights, and anti-corruption measures and undertaking to orient its business operations around those standards. At both national and international levels, Helaba applies the Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO) as overarching principles for all its business activities.

## Sustainability strategy and ESG objectives

Diversification and sustainability are viewed as opportunities to break into new market areas, expand the sustainable product portfolio and further minimise potential risks at the same time. Helaba's understanding of sustainability encompasses all dimensions of ESG (environment, social and governance). The HelabaSustained programme that was launched in 2020 was completed as planned in 2023 and the outcomes transferred to the line organisation. The central goal of HelabaSustained was to expand the portfolio of sustainable products and advisory services, formulate ESG objectives and the associated measurement indicators and intensify internal and external communication relating to sustainability. Helaba published its first GRI sustainability report in 2022. Another successful outcome of the project is the creation of a new web-based application system (SDM, Sustainability Data Management) for the central recording, quality management and interim storage of non-property-related ESG data with an interface to Helaba's central dataset.

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

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

Helaba has defined two environmental objectives. First, it aims to reduce the emissions from its own operations as far as possible (KPI 1). Moreover, it aims to operate in a way that contributes to achieving the Paris Agreement (KPI 2). Helaba's social objectives include fostering diversity and investing in its employees and society (KPI 3, KPI 4a, KPI 4b). Overall, Helaba is seeking to establish a strong and stable position in the relevant ESG ratings (KPI 5). Helaba measures its progress in achieving these objectives on the basis of six key performance indicators.

The $CO_2$ emissions recorded for Helaba's own operations include the consumption of energy and resources at all of the Helaba Regulatory Group's major locations worldwide that exceed 1,000 m² of office space. This equates to coverage of around 98 %. The remaining space is calculated on the basis of extrapolations. Also included are the Scope 3 emissions from the upstream value chain – especially business travel. To a small extent, the emission values for Helaba's own operations are based on estimated and prior-year figures if more recent data are not available. The conversion factors provided by the German Association for Environmental Management and Sustainability in Financial Institutions (VfU) are used for calculating $CO_2$ emissions.

The share of sustainable business volume in the portfolio relates to the lending business of Helaba, WIBank, LBS and Frankfurter Sparkasse. The SDM tool is the central tool for performing and documenting sustainability assessments of Helaba's lending business. The Sustainable Lending Framework described below provides the basis for the sustainability assessment of the lending business.

The proportion of female managers refers to all women with disciplinary responsibility. It does not include members of the Executive Board because this is defined as a corporate body.

Training and professional development refers to measures intended to develop, modify or maintain employees' capabilities and foster their motivation. These measures must be conducted during working hours or be financed by the employer. They do not include network meetings.

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

| | Target value 2025 | As at: 31 December 2023 |
|---|---|---|
| **Environmental** | | |
| KPI 1: 30 % reduction of own $CO_2$ emissions (t $CO_2$e) compared with the reference value for 2016 to 2019 | 11,800 t $CO_2$e | 11,131 t $CO_2$e[1] |
| KPI 2: 50 % share of sustainable business volume in the portfolio | 50 % | 51.5 % |
| **Social** | | |
| KPI 3: 30 % share of female managers by 2025 | 30 % | 25.7 % |
| KPI 4a: 2.0 training / development days per employee per year | 2.0 days | 2.85 days (including 0.81 days mandatory training) |
| KPI 4b: 1,000 social volunteering days | > 1,000 days | 609 days |
| **Governance** | | |
| KPI 5: Upper third of the relevant ESG ratings in the banking sector | Upper third | ISS ESG: Consistently in C Prime top 10 % in the peer group of 271 banks |
| | | Sustainalytics: Improvement from 21.6 (medium risk) to 19.1 (low risk) – top 16 % in the peer group of 362 banks |
| | | MSCI: In the mid-field of the peer group of 197 banks; consistent A rating |

[1] As at 31 December 2022

In order to reduce the $CO_2$ emissions of its own banking operations, Helaba has extended the sustainable mobility offering for its employees. This includes a sustainability allowance and the introduction of leased bicycles from JobRad. To facilitate management of the sustainable business volume, a quarterly report is provided to the Executive Board via the Executive Board Information System. In order to increase the proportion of women it employs, Helaba remains committed to a balanced mix of male and female participants in its junior staff and professional development programmes. To help it achieve its target for training and development days, Helaba has established a diverse offering of sustainability-related training measures for employees. This includes a basic training programme of six modules and an advanced master class programme of three modules. Social volunteering was fostered primarily by extending the range of available team and group events. In 2023, a number of mainly communicative measures were identified for the targeted improvement of ESG ratings. They will be implemented continuously in 2024 as well.

## Responsible business practices and social value proposition

There is an impact on environmental, social and human rights issues from Helaba's business activities as a bank, from the management of the assets of institutional investors at the Helaba Invest subsidiary, from the housing portfolios of the GWH subsidiary in the real estate business, and from the private customer business operated by the subsidiary Frankfurter Sparkasse.

Helaba does not believe it has any material impact on the environment from its business operations in office buildings. Nevertheless, Helaba is committed to shrinking this ecological footprint on a continuous basis in accordance with ESG-KPI 1. Since financial year 2021, the Helaba Group has been purchasing offset certificates for the unavoidable emissions that remain once all sources that can be eliminated or replaced have been addressed. Helaba regularly monitors environmental key performance indicators in relation to its operations and publishes the results transparently on its website.

It also uses a risk-based approach when outsourcing activities and processes and requires all its suppliers to accept its Code of Conduct, which imposes requirements on suppliers that include a stipulation making it mandatory for them to document their observance of human rights. To implement the requirements of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG) that has been applicable at Helaba since 1 January 2023, the position of Human Rights Officer was created. This role is assigned organisationally to Group Sustainability Management. The tasks of the Human Rights Officer include conducting and monitoring risk management for the purpose of analysing human rights and environmental risks. In 2023, Helaba's supply chain was analysed with regard to relevant risks. No specific risks emerged in its own area of business. In respect of its direct suppliers, no significant risks were identified for specific suppliers. Helaba consistently implements appropriate preventive measures and regularly monitors their effectiveness.

### Credit finance

Helaba supports customers with the transformation process necessary to establish a more sustainable business model and offers a broad range of services in this area. With individual measures such as a rendezvous clause, Helaba aims to tap into the concept of sustainable finance, particularly for the wide range of small and medium-sized enterprises and those companies that are just starting to equip themselves with ESG objectives and management tools. Since 2020, Helaba has supported 170 financing transactions involving contractually agreed sustainability elements (ESG-linked loans or green loans). It is also particularly active in the financing of renewable energy, digital infrastructure, rail transport and energy efficiency projects.

Helaba played a leading role in ten ESG-linked and green transactions in the market for sustainable promissory notes in 2023 (2022: 19). Seven of the issuers were helped to place their first sustainable promissory notes. By supporting the € 850 m KPI-linked transaction of Fresenius SE & Co. KGaA, Helaba was involved in the largest sustainable promissory note transaction of 2023. In this way, Helaba is underscoring its efforts to encourage companies to join the sustainable transformation and aims to play a leading role in the market in 2024 as well.

In 2023, the Sustainable Finance Advisory continued to grow its capacities and activities focused on financing with a specific sustainability element in the agreed use of the funds or on linking the financing costs to previously agreed ESG indicators – for example green promissory note loans or ESG-linked loans. As well as providing advice and individually structuring this type of financing solution, the Sustainable Finance Advisory team acts as a knowledge multiplicator for Helaba's customers, thus supporting their transformation efforts. Here, the focus is on Helaba's corporate and Sparkassen customers in particular.

### Expansion of sustainable business

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

The identification of sustainable financing transactions using the Sustainable Lending Framework represents the initial step in a holistic impact assessment and management process. In 2023, Helaba developed a Sustainable Investment Framework (SIF) with the aim of classifying the sustainable investment business. In its SIF, as well as more general exclusion criteria for own-account investing activities and asset management, Helaba defines a comprehensive set of criteria for classifying an investment as sustainable. The SIF defines minimum standards for sustainable investments in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation for asset management. These minimum requirements go beyond the general exclusion criteria for all investments by the Helaba Regulatory Group and cover compliance with procedures for ethical corporate governance, the consideration of environmental or social characteristics and a positive sustainability contribution by some of the investments. Screening criteria have been defined to ensure this compliance and implement the minimum requirements. These criteria are subject to ongoing review.

### Financed greenhouse gas emissions

Helaba recognises the particular urgency of the climate crisis and its stated aim is to help limit climate change. In 2022, it therefore started to determine financed greenhouse gas emissions, on the basis of which it is developing a reduction strategy in accordance with the Paris Agreement.

The initial focus is on particularly carbon-intensive sectors and on customers that make up a large proportion of the lending portfolio. The prioritised sectors here are: mining, chemical industry, metal production; energy; automotive and mechanical engineering; food, feed, agriculture; public sector and municipal corporations; shipping, aviation, transport; construction, real estate, housing, retail (excluding motor vehicles); and other manufacturing. Helaba works with the support of an external data provider to ascertain the financed greenhouse gas emissions for corporate finance in the prioritised sectors and for a large proportion of the real estate, equipment and project finance portfolios on the basis of the Partnership for Carbon Accounting Financials (PCAF) approach. In this way, coverage and data availability and quality are improved on a continuous basis. The current analysis relates to the lending portfolio of Helaba Bank as at 31 December 2022. The coverage of the total lending volume (less money market trading, repos, derivatives, securities and central bank business) of € 133.6 bn (31 December 2021: € 125.4 bn) was increased to 50 % (€ 66.7 bn). The financed Scope 1 and 2 emissions therefore amount to around 16.3 million tonnes $CO_2$e. Helaba discloses the financed greenhouse gas emissions in detail in its Sustainability Report.

In 2023, building on the first carbon footprint ascertained for the lending portfolio, Helaba inferred sector-specific reduction pathways in accordance with the 1.5 °C target, set specific reduction targets and developed appropriate measures, beginning with the energy and real estate portfolios. The method of the Science Based Targets initiative (SBTi) that is applied specifies sector-specific decarbonization pathways in line with the 1.5 °C target. When selecting the reference pathway, the SBTi considers various scientific climate scenarios such as the IEA "Net Zero Emissions by 2050 Scenario" or the pathways from the IPCC database. The baseline value for Helaba was calculated on the basis of the financed emissions for the respective sector. The SBTi reference scenario was then applied to determine a sector-specific convergence pathway and define corresponding targets. The transformation of the real economy is and remains a basic assumption for attaining the 1.5 °C target in the portfolio. The targets for other sectors will be developed in 2024.

### Sustainability criteria for lending

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

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

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

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

### Institutional asset management

Full-service manager Helaba Invest supports institutional customers along the whole of the professional asset management value chain. Helaba Invest had assets of € 165.0 bn under management in special and retail funds as at 31 December 2023 (31 December 2022: € 159.0 bn). It manages sustainability-linked portfolios and offers customised solutions for institutional investors. Helaba Invest believes it has an overriding duty to ensure that its business activities are sustainable and regards the sustainability of its operations as a key aspect of its socially responsible approach.

To ensure it can achieve its ambition, Helaba Invest established its ESG Investment Policy back in 2021. It is applied to special and retail funds for which Helaba Invest makes the investment decisions. More specifically, it is applied to all investment processes within Helaba Invest's portfolio management systems. It is only applied to special funds if the investors consent to this. As at 31 December 2023, € 24.6 bn was covered by Helaba Invest's ESG Investment Policy (31 December 2022: € 23.8 bn).

The ESG Investment Policy represents a binding foundation in the form of ethical standards, sustainability-related risk management, the integration of climate aspects and responsible exercising of voting rights. For example, Helaba Invest excludes from its managed funds manufacturers of controversial weapons, which include cluster munitions, land mines and biological, chemical and nuclear weapons. In addition, companies whose business model depends to a large extent on coal-fired power generation are thus excluded, for example, as are companies that rely on controversial oil and natural gas production methods. Sales limits of 25 % and 5 %, respectively, are applied. Since 2021, the specific $CO_2$ intensity of the investment portfolio has been systematically recorded and analysed. This indicator is factored into internal assessments so as to enable a reduction in the carbon intensity of the portfolios to be measured. With the help of an external engagement provider, Helaba Invest is also working to bring about improvements at the companies it has invested in. This covers human and labour rights, the environment and corruption.

Alongside its ESG Investment Policy, Helaba Invest is expanding its activities in relation to products that take into account environmental and / or social characteristics in accordance with the Sustainable Finance Disclosure Regulation (known as Article 8 products). Together with its customers, Helaba Invest has chosen to maintain a conservative approach to classifying and reclassifying funds in order to minimise the risk of greenwashing. The volume of Article 8 products amounted to € 3.3 bn as at 31 December 2023 (31 December 2022: € 2.2 bn), a year-on-year increase of 50 %. A large number of master special funds not currently classified according to Articles 8 or 9 of the EU SFDR (Sustainable Finance Disclosure Regulation) also already factor in individual sustainability criteria. In 2023, Helaba Invest continued the systematic expansion of its sustainability-aligned product portfolio.

As a way of continuing to provide institutional investors with access to the attractive investment class of infrastructure, Helaba Invest added a follow-up product, HI-Infrastruktur-Multi Manager-Fonds III, to its successful series of infrastructure funds of funds. This product also satisfies the disclosure requirements of Article 8 SFDR. The minimum share of sustainable investments is 25 %. Helaba Invest also plans to use its HI Corporates Carbon Solutions concept to actively help to limit $CO_2$ emissions and thus also limit climate change. In the process, Helaba Invest is investing in companies that have credible transformation strategies, continuously improve their carbon footprint and / or use smart technologies to manage climate change. In the energy sector, Helaba Invest does not automatically exclude pollution emitters. Rather, it provides active support to companies that are fuelling the transition to green energy and significantly lowering their emissions in the process. Helaba Invest views this option as a more reasonable alternative to selling controversial assets to external parties because the emissions simply change owners and do not disappear. Thanks to this realistic investment approach, Helaba Invest aims to achieve a 50 % reduction in $CO_2$ emissions (basis Scope 1 and 2) on the portfolio level in the first ten years compared with the 2019 reference year. Emissions should be reduced by 90 % by 2050.

Helaba Invest has had a sustainability governance system in place since 2020 and ensures that processes and responsibilities are aligned with the management of its overarching and strategic sustainability activities. For example, two ESG committees recommend actions to Helaba Invest's investment committees as and when necessary. The sustainability officer's role is to coordinate these activities, put possible improvements to the management as and when necessary, and refine Helaba Invest's sustainability strategy in the public interest. The sustainability officer does so in close consultation with ESG experts from the relevant product and specialist units. In 2019, Helaba Invest began publishing an annual declaration of conformity with the German Sustainability Code (DNK) on a voluntary basis. The materiality analysis conducted in this context at the start of 2022 identified areas for action that represent the priorities for its sustainability strategy. In three areas for action – good governance, sustainable products and services, and being an attractive employer – key issues were recorded and backed with appropriate strategic targets and indicators to measure target attainment.

In the course of updating the sustainability strategy for 2024, Helaba Invest decided to contribute actively to implementing the United Nations Sustainable Development Goals (SDGs). These provide guidance to Helaba Invest in achieving the goals in its three defined areas for action. Each area for action was assigned to the corresponding SDGs: good governance to SDGs 8 and 12, sustainable products and services to SDGs 9 and 13 and being an attractive employer to SDGs 4 and 5. Key measures in support of this strategy were already implemented in 2023. In respect of the first area for action (good governance), Helaba Invest collaborated with Helaba to develop the SIF. This sets out the details of Helaba's sustainability activities in the investment segment and, alongside the Sustainable Lending Framework and the Green Bond Framework, is a further pillar in Helaba's Sustainable Finance Framework. It supplements the existing sustainability criteria for own-account investing activities and asset management.

As well as raising Helaba Invest's ambitions in the area of sustainability, the SIF anchors the existing commitment to active ownership within a joint framework. In the area of sustainable products and services, reporting solutions have been made available alongside the expansion of the sustainability-aligned fund portfolio. In addition to the established reports on the ESG rating, ESG score, ESG controversies, business involvement screening research (BISR) and ESG carbon, Helaba Invest is providing the "Grün Sehen!" (Look Green) tool to banks to support them in integrating their direct investments into an ESG report. In this way, Helaba Invest is enabling banks to access a comprehensive analysis of all liquid proprietary transaction inventories and manage these more transparently in relation to ESG aspects.

Its avowed mission is to promote a sustainable and prosperous society through investment. Helaba Invest's commitment to sustainability is further underlined by its status as a signatory of the PRI and the CDP (previously known as the Carbon Disclosure Project). It has also bound itself to observe the code of conduct of the German Investment Funds Association (BVI), including the guidelines on socially responsible investment and the guidelines on sustainable real estate portfolio management. As a member of the BVI "Sustainability" committee and through its involvement in BVI working groups such as "Responsible Investment" and "Impact Investing", Helaba Invest is playing a part in the transformation of the German fund industry. Moreover, Helaba Invest has been a member of the Bundesverband Alternative Investments (BAI) since 2012 and of the Association of German Public Banks (VÖB) since 2023. At corporate level too, Helaba Invest is continuously expanding its sustainability activities and promotes an open and tolerant corporate culture. As a signatory to Germany's Diversity Charter and with its renewed participation in the country's Diversity Day, Helaba Invest demonstrated its clear commitment to diversity in 2023 as well.

### Provision of financial services

Within the Helaba Group, private customer business is primarily conducted by Frankfurter Sparkasse. Frankfurter Sparkasse's Charter specifies that its mission is to promote saving and other forms of wealth accumulation and to satisfy the demand for credit at local level. As the market leader in private customer business with the biggest branch network in Frankfurt am Main, Frankfurter Sparkasse has significant influence over the provision of financial services in its territory. It discharges its responsibility for the provision of access to financial services and meets its mandate to operate in the public interest by ensuring it has a broadly based presence in the territory, comprising 50 branches and advice centres, 34 self-service banking centres, four digital advisory units and 183 automated teller machines (ATMs).

Frankfurter Sparkasse recognises financial inclusion as a key component of its mandate to operate in the public interest. To ensure that access to banking services is available to all sectors of the population, particularly economically and socially disadvantaged customers, Frankfurter Sparkasse offers various types of basic account. As at 31 December 2023, customers held 1,253 basic accounts (31 December 2022: 1,320). Frankfurter Sparkasse makes it easier for the blind and visually impaired to access its services by ensuring that each of its physical branches has at least one ATM with a headphone socket. The online branch of the Frankfurter Sparkasse offers completely barrier-free access to its media operations, too.

Frankfurter Sparkasse pursues a business policy that is consistently focused on customer needs. Regular sales staff training sessions are held, covering the sales philosophy of the Sparkassen-Finanzgruppe and the implementation of guidelines and laws with a consumer focus. Frankfurter Sparkasse believes that it is of fundamental importance to ensure that the advice provided for customers is of high quality. For this reason, for example, quality targets are used as the basis for up to 35 % of the measurement of customer advisor performance; these targets include customer satisfaction requirements. In the case of both retail and corporate customers, regular surveys are used to measure customer satisfaction; the results are used to specify targets. In addition, within the framework of the S-Group Concept in Hesse and Thuringia, reports on customer satisfaction are submitted to the S-Group bodies and the S-Group strategy is used to determine action plans and targets.

Frankfurter Sparkasse looks strategically at the area of sustainability and the associated aspects and requirements. In 2021, it established a sustainability management system which currently manages sustainability in the context of the end-to-end ESGIntegration project.

Key ESG issues are being identified, consolidated and addressed in five sub-projects covering: sales and marketing; strategy, management and risk; environment; social and governance; and technical implementation.

Alongside compliance with specific regulatory requirements (Taxonomy, CSRD), the project is focused particularly on providing sales-side support to customers in their efforts to transform towards a sustainable economy and society as well as to reduce the bank's own carbon footprint. Another important project goal is identifying and managing sustainability risks (inside-out/outside-in perspectives).

When developing specific solutions, Frankfurter Sparkasse draws on the existing framework of the Sparkassen-Finanzgruppe (for example, the voluntary commitment of the German Savings Bank Association (DSGV) to climate-friendly and sustainable operation by the Sparkassen) and the activities of parent company Helaba.

### Residential management

GWH Immobilien Holding GmbH leases out and/or manages some 53,000 homes and is accordingly well placed to make a difference regarding environmental and social issues. It aims to provide high-quality, affordable homes for broad sections of the population and to reduce the detrimental effects of the buildings sector on the environment.

GWH is investing strategically in diverse housing concepts for all stages of life for both its existing housing stock and new construction projects to meet the rising demand for housing, particularly in urban centres such as the Rhine-Main and Rhine-Neckar regions. A total of 364 homes for rent were completed in 2023, for example (2022: 132). All homes were constructed in accordance with KfW standard EH 55 and financed accordingly. GWH also provides local help and advice offices to maintain a trusting relationship with its tenants. Caretakers generally live on site and are thus able to become part of the local community.

When it comes to sustainable development, GWH initiated a range of end-to-end processes in 2023, for example in respect of the strategic review of material sustainability issues and the corresponding risk assessments for the ongoing optimisation of its sustainability strategy. Regarding the energy and carbon footprints of its residential buildings, GWH systematically identified material sources of emissions in 2023 so that it could implement measures in connection with its decarbonisation strategy in order to leverage key reduction potential. Moreover, working with its own energy service provider Systeno GmbH, GWH supplies more than one third of its homes with heating from energy-efficient combined heat and power systems and renewable energy sources. It is also working on the targeted further development of neighbourhoods.

GWH checks the effectiveness of these environmental and climate-related actions regularly by measuring the reductions achieved in $CO_2$ emissions. The most recent assessment indicates that total energy consumption of 435,728 Mwh in 2022 was approximately 1.2 % lower than it would otherwise have been thanks to the modernisation of building envelopes and equipment systems, a gain that reduced $CO_2$ emissions by 1,131 tonnes (2021: 832 tonnes of $CO_2$). Since 2017, new energy certificates have been prepared for 95.0 % of the residential units, showing consumption values for 87.8 % and requirement values for 12.2 % of all residential units.

At 116 kWh/m²/a (2021: 119 kWh/m²/a), the average energy consumption of GWH's residential properties is well below the German average of around 169 kWh/m²/a (last available value for 2015) as published by the country's energy agency. 33.6% of this living space satisfies energy efficiency classes A+ to C, 55.3% classes D to E and 11.1% classes F to H. In addition to environmental effects, social issues are also of significance for tenants and here too, GWH is committed to making a difference. Its major housing schemes often have highly diverse sociocultural profiles, with 15.0% of the homes provided by GWH being rent-controlled (subsidised) and 40.0% located in areas subject to special neighbourhood management schemes introduced to address social issues. Such schemes pursue a range of measures intended to improve quality of life and quality of living for residents, create better neighbourhoods and bring about a degree of social equality.

Working with a large number of charitable partner organisations active in the local areas concerned, GWH draws up individual profiles for 18 large neighbourhoods and uses them as the basis for annual updates of multi-year neighbourhood plans intended to improve the quality of life and the value of housing in the communities. The process involves analysing strengths and weaknesses and describing development possibilities and opportunities for upgrades. Residents are able to play an active role in the related decision-making processes. In October 2023, GWH conducted a representative survey of its tenants to identify further neighbourhood development potential. GWH plans to conduct further surveys among tenants in the years ahead. Today, 18.1% of the maintenance spending that can be planned already goes into continuous neighbourhood improvements such as playgrounds, new lighting systems, accessible thoroughfares and attractive communal spaces. In addition, GWH makes premises available for social outreach purposes, including youth support schemes and community centres, and takes part in social projects. It also sets up help and advice offices and employs welfare officers to support housing development residents. Discharging its responsibilities to the region in this way enables GWH to foster social cohesion at multiple levels.

GWH stands ready to assist its tenants in times when heating and electricity costs are rising sharply and also lives up to its ambition to be a reliable and fair landlord for customers in economically challenging periods. Under the GWH home pledge, GWH is promising its customers that it will not serve notice of termination as a result of difficulties in paying utilities and common charges for the 2022 and 2023 accounting periods. GWH's continued intention in doing so is to alleviate its customers' fear that they risk losing their own home in the face of increases in energy costs. If tenants are unable to pay the increased utilities and common charges in full or at all, GWH is prepared to come to individual arrangements to make it easier for its customers to meet their payment obligations in addition to waiving termination. This home pledge and the resulting intensive support provided to tenants set GWH apart and exceed normal industry standards.

## Combating bribery and corruption

It is a fundamental principle at Helaba that the Group will comply at all times with laws and regulations at local, national and international levels. The risk that legal provisions could be breached is considered legal risk and is managed as part of operational risk (see Risk Report).

As part of the preventive approach, an annual Group risk analysis report is prepared and submitted to the Board member responsible for these activities, the Executive Board as a whole and the Supervisory Board. In addition, Internal Audit conducts an independent assessment of risk management and the controls in the course of its auditing activities and reports on this to the Executive Board. In 2023, as in previous years, no corruption proceedings were notified to Helaba.

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

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

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

## Appreciative corporate culture and sustainable HR activities

The knowledge and experience of employees is key to the long-term successful performance of Helaba as a provider of specialised financial services in a dynamic and complex market environment. Employees help Helaba to build its successful long-term customer relationships through their achievements, their commitment and their ideas. Helaba aims to foster a corporate culture founded on mutual trust and confidence to enable this flexible, agile and innovative collaborative ethos to flourish and grow.

### Attractive employer and employee professional development

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

In the future, in response to the market's higher recruiting expectations, Helaba will be organising recruitment centrally and optimising the hiring process. In 2023, it began advertising newly introduced benefits. For example, employees are given a monthly sustainability allowance, the offer of deferred compensation to lease a bike from JobRad or the option of mobile working from another EU country within the legally permissible limits. Moreover, a referral programme enables the Bank's employees to recommend potential new employees, thereby helping to fill vacant positions. Employees receive a bonus for each successful referral. The new "Willkommen@Helaba" format makes onboarding new employees more effective, helping them to network and building their loyalty to Helaba.

Helaba promotes regular dialogue between employee and line manager in addition to formal job descriptions to help ensure the required employee skills are always available. This dialogue process considers the performance, motivation and qualifications of each employee, creates transparency regarding work requirements and individual targets and provides a forum for discussing development opportunities and agreeing appropriate actions.

Helaba provides a range of in-house services aimed at training and professional development to ensure that employee skills and qualifications are maintained and expanded. For example, it invested € 4.6 m in employee skills development in 2023 (2022: € 3.8 m) to ensure all employees have access to a needs-based range of internal seminars covering professional, personal, social and methodological development. Employees can also make use of external training services; sponsored opportunities in the form of work and study programmes or courses leading to professional qualifications are also available.

Helaba focuses particularly on the recruitment and development of junior talents. The New Talent Agenda introduced in 2023 aims to increase the percentage of Helaba Bank employees aged under 30 to 10 % in the long term. This is to be achieved by direct recruitment as well as through vocational training and trainee programmes. Moreover, contact programmes are to be increased, offering internships to students to raise their awareness of Helaba before the end of their degree courses. More is also being done to retain young talents during their development phase. For example, there are various dialogue and networking formats and, in 2023, the E-Sports company sports programme was established. Helaba's combined work/study programmes remain crucial. Training is provided at the Frankfurt/Offenbach and Kassel sites. 28 women and 29 men began a traineeship or combined work/study programme at Frankfurter Sparkasse in 2023. Frankfurter Sparkasse is therefore once again the largest provider of training places in the banking sector in the Rhine-Main region.

Promoting internal careers and developing high-potential staff so that, ideally, they can be integrated into succession planning is a key priority for Helaba and an important step in making HR work more sustainable. Sustainable in this context means being committed to long term partnerships with employees and bringing them on within the organisation so that they are ready to take up important roles as these become vacant. In July 2023, Helaba laid the basis for future-oriented human resources activities with the introduction of a structured function assessment system, market-oriented remuneration bands and a modern job title structure for employees not covered by collectively agreed terms of employment. This initially applied only to Germany. Uniform job titles are also to be introduced outside Germany by the end of 2024. Since 2023, the development options available to employees not covered by collectively agreed terms of employment include not only traditional management careers but also equivalent technical, sales and project management careers. With these modern development opportunities, Helaba aims to provide its employees with high-quality new perspectives for their individual development in order to remain an attractive employer in the long term for high-performing and high-potential employees especially. In addition, internal careers are fostered by way of structured potential identification and development programmes. The employees selected have the opportunity to undertake professional development at Helaba based on their strengths and areas of learning, either by following a structured personal development plan or through a defined programme for high-potential employees.

Occupational health management at Helaba is designed to maintain the physical and mental well-being of employees by focusing on preventive measures, to nurture an awareness of the need for a healthy lifestyle and to improve quality of life. Events, presentations and seminars provide regular information for employees on health issues such as healthy eating, physical activity in day-to-day office work and avoiding workplace stress. A comprehensive company sports programme is provided to help employees maintain their physical fitness. An employee assistance programme including a qualified counselling service is available for employees facing challenging personal or professional circumstances. Employees can make use of this service if they have professional, family, health or other personal issues, for example in connection with help at home or care for relatives requiring support and assistance.

## Corporate culture

As a corporate citizen, Helaba wishes to be a major force for good in society. It therefore offers employees the opportunity to undertake social volunteering during working hours. Corporate social volunteering is possible at all Helaba sites in the form of various projects that are open to all employees.

In particular, the mood barometer survey conducted in 2022 offered a sound basis for refining the corporate culture in all departments in 2023. This comprehensive view of the company was combined with other perspectives and approaches to cultural transformation in the “Let’s go 2030” programme in the course of 2023. Under the motto of “Make more possible together”, Helaba is developing ideas and measures for the continuous optimisation of cross-company collaboration and the performance and innovation culture. One highlight of the programme was the “Let’s go 2030 live” event in January 2024. More than 2,000 employees registered for the event, some elements of which were interactive, and were able to work together on future topics and build networks across organisational borders.

## Diversity and equal opportunities

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

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

Helaba supports a range of network formats aimed at making diversity visible and tangible. HelaWiN is a network for women in all of the Bank’s departments and at all hierarchy levels. HelaPride creates greater visibility for the LGBTIQ* community. NextGeneration brings together young employees from across the Helaba Regulatory Group. HelaNations reaches out to employees from outside Germany or employees of other ethnicities. Helaba-Transform is a forum for discussing the latest digital trends and developments.

Also provided in support of these objectives are a mentoring programme and a development programme for high-potential junior staff, the aims of which include developing the potential of female employees for positions of responsibility. These various opportunities are augmented by seminars to support career development for female employees, established childcare options, comprehensive part-time working models and other similar provisions. Helaba intends that particular attention should be paid to women when identifying people with high potential and carrying out succession planning and has voluntarily undertaken to try to raise the percentage of women in management positions above 30 % overall in accordance with KPI 3 for the ESG targets.

### Diversity in the Helaba Regulatory Group workforce, key figures

| | 31.12.2023 | 31.12.2022 | 31.12.2021 |
|---|---|---|---|
| Proportion of women | 47.2 % | 47.2 % | 47.1 % |
| Proportion of female managers | 25.7 % | 23.3 % | 23.4 % |
| Proportion of women on the Executive Board (Helaba Bank) | 16.7 % | 0.0 % | 0.0 % |
| Proportion of women on the Supervisory Board (Helaba Bank) | 32.1 % | 28.3 % | 30.2 % |
| Proportion aged > 50 | 49.4 % | 50.4 % | 50.1 % |
| Proportion aged 30 – 50 | 42.4 % | 41.5 % | 41.8 % |
| Proportion aged < 30 | 8.3 % | 8.1 % | 8.4 % |
| Proportion of employees with disabilities | 5.0 % | 5.4 % | 6.0 % |

## Basic principles under employment law and remuneration policy

In 2023, 94.5 % (2022: 95.4 %) of employees worked in Germany. Relevant employment law and health & safety provisions are a fixed integral component of the internal rules, regulations and processes. 97.5 % (2022: 97.4 %) of employees had a permanent employment contract. As provided for in the Hessian Act concerning Personnel Representation (HPVG), the Human Resources Council (HRC) represents the interests of the employees and monitors compliance with the regulations intended to protect these interests. As the representative body, the Human Resources Council is the first point of contact for senior management in all matters concerning employees. The General Human Resources Council at Helaba is supported by personnel representative bodies at individual sites and at Frankfurter Sparkasse and by the body representing young trainees and the severely disabled. The Human Resources Council takes part in activities at Helaba on the basis of co-determination, involvement and consultation, primarily in relation to organisational, personnel and social matters.

Helaba's remuneration strategy and remuneration principles set out the relationship between business strategy, risk strategy, the long-term objectives and gender-neutral remuneration. The remuneration for 53.2 % (2022: 55.2 %) of employees is collectively agreed, with the pay for 80.4 % of this group being set under the collective agreement for public-sector banks (2022: 80.4 %). Remuneration for the remaining 46.8 % (2022: around 44.8 %) is not subject to a collective salary agreement. The remuneration systems for the employees and the Executive Board of Helaba and Frankfurter Sparkasse satisfy the requirements specified in the German Regulation on the Supervisory Requirements for Institutions' Remuneration Systems (IVV) and the EBA guidelines.

The inclusion of sustainability targets in the form of long-term profitability and stability is intended to ensure that no incentive is created to take on unreasonable risks. One of the effects of Helaba's remuneration policy and practices (which include retention and the definition of performance criteria) is to support a long-term approach to the management of environmental and climate risks, as described in the ECB Guide on climate-related and environmental risks, in line with the organisation's risk appetite and risk strategy. This approach is addressed in Helaba's targets system.

Helaba additionally agrees targets relating to sustainability factors and implements these in the employee targets system. These targets include the KPIs derived from the strategic ESG objectives. The aim is to make sure all employees are conscious of the sustainability transformation and the associated opportunities and risks and are able to play their part in full.

A breakdown of the remuneration systems and the total values of all remuneration components is published annually in the form of a separate report (remuneration report pursuant to section 16 IVV in conjunction with Article 450 CRR) on Helaba's website (www.helaba.com).

Overall, a low employee turnover rate of 4.3 % (departure initiated by the employee; 2022: 3.1 %), an average period of service of 12.7 years (2022: 12.9 years) and a low absenteeism rate of 5.3 % (absence caused by illness as evidenced by a doctor's certificate; 2022: 6.4 %) are testimony to a high degree of satisfaction and significant employee commitment.

## EU Taxonomy disclosures

There is a need to direct investment towards sustainable activities in order to achieve the European Union's climate and energy objectives for 2030 and the goals of the European Green Deal. The EU Action Plan on Financing Sustainable Growth accordingly provided for the creation of a common classification system for sustainable economic activities and the implementation of an EU Taxonomy (Regulation (EU) 2020/852), which came into force on 12 July 2020. Reporting must be based on the regulatory group.

Helaba is required under Article 8 (1) of the EU Taxonomy to screen its lending business and other relevant business transactions and to disclose information about the extent to which the activities financed are environmentally sustainable.

Article 9 of the EU Taxonomy considers six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

The delegated act issued by the European Commission on 6 July 2021 (Delegated Regulation (EU) 2021/2178) sets out the details of the environmental sustainability reporting obligations resulting from the EU Taxonomy. The reporting obligations concern especially whether an economic activity is deemed Taxonomy-eligible and Taxonomy-aligned within the meaning of the EU Taxonomy. According to Article 10 of Delegated Regulation (EU) 2021/2178, the reporting obligations of the EU Taxonomy are to be implemented gradually.

In 2021, the European Commission defined the first Taxonomy-eligible economic activities for environmental objectives 1 (climate change mitigation) and 2 (climate change adaptation) in the Climate Delegated Act (EU) 2021/2139. Delegated Regulation (EU) 2022/1214 (delegated act concerning fossil gas and nuclear energy activities), which came into force in August 2022, added six specific economic activities in the areas of nuclear and gas energy. For the 2021 and 2022 reporting years, Helaba reported the Taxonomy-eligible business as a proportion of total assets as well as the business that is exempted from Taxonomy eligibility screening. From the 2023 reporting year, Helaba is required for the first time to make detailed disclosures regarding the Taxonomy alignment of its business transactions using the extensive EU templates. The green asset ratio (GAR) published there and the other key performance indicators (KPIs) relate to previously defined economic activities for environmental objectives 1 and 2.

In June 2023, the European Commission published a Sustainable Finance Package that mainly comprises the Environmental Delegated Act (EU) 2023/2486 and amendments to the Climate Delegated Act (EU) 2023/2485. The Environmental Delegated Act defines economic activities and technical screening criteria for environmental objectives 3 to 6 of the EU Taxonomy. The amendments to the Climate Delegated Act mainly concern the addition of further economic activities for environmental objectives 1 and 2. A two-stage reporting obligation also applies for the economic activities that were newly defined in 2023. For the financial years 2023 and 2024, reporting will initially cover the Taxonomy eligibility of the financing for these economic activities until the Taxonomy Regulation is then also fully applicable to these activities from financial year 2025 onwards.

In implementing the requirements of the EU Taxonomy, especially those deriving from delegated regulations (EU) 2021/2139 and (EU) 2021/2178, consideration is given to the clarifications of the EU Commission concerning the scope of application and the method for screening Taxonomy eligibility and Taxonomy alignment that were published in their final versions in the Official Journal of the European Union (especially 2022/C 385/01, C/2023/267 and C/2023/305).

The main parameters of the EU Taxonomy requirements are presented in brief below. A business transaction is considered to be Taxonomy-eligible if it finances an economic activity that is described in the Climate Delegated Act, the Environmental Delegated Act or the delegated act concerning fossil gas and nuclear energy activities, irrespective of whether the economic activity satisfies all the technical screening criteria for Taxonomy alignment defined in these delegated acts.

A Taxonomy-eligible business transaction is also Taxonomy-aligned if the financed economic activity complies with the requirements specified in Article 3 of the Taxonomy Regulation:

- It contributes substantially to at least one of the environmental objectives by satisfying the technical screening criteria defined by the EU for the corresponding economic activity.
- It does not significantly harm any of the other environmental objectives (do no significant harm criteria).
- It complies with the minimum social safeguards.

In accordance with EU provisions, only the following product and customer groups must be screened for their Taxonomy eligibility and/or alignment: loans and advances, debt securities and equity instruments of undertakings subject to the NFRD disclosure obligations, loans to local governments for house financing and other specialised lending, loans to households collateralised by residential immovable properties and/or to be used for the modernisation, construction or purchase of residential properties or for motor vehicle loans.

In this reporting, existing definitions and delineations from FINREP are used in principle to ensure maximum coherence between financial and non-financial reporting . For example, whether or not a counterparty is subject to NFRD disclosure obligations was assessed on the basis of whether it falls within the small and midsize enterprises (SME) cluster. All financing with companies based in the EU that are not SMEs according to FINREP was included in Taxonomy asssessment.

Helaba and the subsidiaries of the regulatory group have screened business transactions for their Taxonomy eligibility and/or alignment in line with uniform Group requirements. In general, financing arrangements with a specific purpose of use were screened individually on the single transaction level in compliance with the technical screening criteria. With the exception of the home loans and savings business, Helaba uses a software solution named SDM (Sustainability Data Management) in order to systematically perform and document the Taxonomy assessment. Helaba's front and back office units evaluated Taxonomy-eligible business transactions with regard to their Taxonomy alignment on the basis of the stipulated technical screening criteria. The existence of physical risks that might significantly harm the environmental objective of climate change adaptation is determined on the basis of a robust climate-related risk and vulnerability assessment using a third-party climate-related risk tool. The front and back office units have established a suitable process for assessing the Taxonomy alignment and therefore obtain the relevant business information from customers. Transactions for which this information could not be obtained despite all reasonable efforts were classified as Taxonomy non-aligned.

At both national and international levels, Helaba applies the Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO) as overarching principles for complying with minimum social standards in all its business activities. To determine the Taxonomy eligibility or alignment of business transactions with no specific purpose (general financing transactions), information from a third-party data provider was used and the gross carrying amounts of these financial instruments were weighted with the published KPIs for turnover and CapEx.

The following table is an extract of the templates published for the first time as at 31 December 2023 in accordance with (EU) 2021/2178. The full set of tables is included at the end of the non-financial statement.

**Green asset ratio (GAR) in accordance with Article 8 of the EU Taxonomy (Regulation (EU) 2020/852) as at 31 December 2023**

| On-balance sheet transactions | | Main KPI – existing business Turnover | CapEx |
|---|---|---|---|
| Total assets | in € m | 199,182 | 199,182 |
| Assets not recorded for the GAR calculation | in € m | 76,911 | 76,911 |
| Total GAR assets | in € m | 122,271 | 122,271 |
| Assets eligible for inclusion in the GAR | in € m | 94,832 | 94,832 |
| Taxonomy-eligible assets | in € m | 39,203 | 38,360 |
| Taxonomy eligibility ratio | in % | 32.1 | 31.4 |
| Taxonomy-aligned assets | in € m | 1,683 | 1,772 |
| Green asset ratio | in % | 1.4 | 1.4 |

The table provides an overview of the stock KPIs and the relevant gross carrying amounts included in the statement of financial position as well as the Taxonomy alignment and Taxonomy eligibility ratios for the previously published economic activities for environmental objectives 1 and 2. It starts with the total assets item, which is equivalent to the total assets of the regulatory group (Helaba Regulatory Group), and continues with the assets not covered for GAR calculation. These include the trading book, central bank exposures and transactions with central governments and supranational issuers. The difference between the two items describes the total GAR assets, which make up the denominator for the GAR. The total GAR assets include Taxonomy-eligible and Taxonomy-aligned assets as well as certain portfolios which are explicitly excluded from the GAR numerator in accordance with (EU) 2021/2178. These are loans and advances, debt securities and equity instruments of undertakings not subject to NFRD disclosure obligations, short-term interbank loans, hedging derivatives, cash on hand and other assets (e. g. real estate and equipment, intangible assets and other assets). The assets eligible for inclusion in the GAR include the product and customer groups that are to be subjected to Taxonomy screening. On that basis, the Taxonomy-eligible assets and the Taxonomy eligibility ratios are shown for both turnover and CapEx and are calculated by dividing the gross carrying amounts of the Taxonomy-eligible assets and the total GAR assets. Lastly, the gross carrying amount of the Taxonomy-aligned assets and the GAR itself are reported. The GAR is calculated on the basis of the turnover and CapEx KPIs and represents the proportion of Taxonomy-aligned assets in the total GAR assets.

The Taxonomy-eligible assets of the Helaba Group have risen significantly compared with the previous year. As a result, the turnover KPI for the Taxonomy eligibility ratio increased from 18.0 % to 32.1 %. This is primarily due to the ratios for assessing general financing arrangements that were published by financial undertakings for the first time in this reporting year.

Most of the Taxonomy-aligned business is accounted for by Helaba and mainly results from financing arrangements with specific purposes in the Corporate Banking and Asset Finance divisions. The largest contribution to the Taxonomy-aligned business came fromfunding for wind farms and solar parks, transport finance (especially for rail vehicles) and asset-backed financing arrangements, mainly from the purchase of lease receivables. Other Taxonomy-aligned business transactions concerned real estate loans from LBS to private households and corporate loans from Frankfurter Sparkasse. Taxonomy alignment in the off-balance sheet transactions is attributable to the asset management products of Helaba Invest and the FBG Group.

With the entry into force of the CSRD, the number of undertakings subject to the EU Taxonomy reporting obligations will increase successively. Starting this reporting year, financial undertakings will be required for the first time to publish Taxonomy alignment ratios. These aspects will improve the GAR of the Helaba Group in the years ahead.

Although initially the GAR will not be a relevant performance indicator for the Group, Helaba has committed to continue expanding the sustainable volume in alignment with the EU Taxonomy, for example by way of sustainable finance advisory services that consider the technical screening criteria of the EU Taxonomy as well as other important sustainability factors.

The following table shows the Taxonomy-eligible financing arrangements in respect of the additional and new economic activities for environmental objectives 1 to 6 that were published by the EU Commission in June 2023, as at 31 December 2023. The Taxonomy eligibility ratio is the quotient of the gross carrying amounts of the Taxonomy-eligible transactions and the total GAR assets.

**Disclosure obligations in accordance with Article 8 of the EU Taxonomy – Taxonomy eligibility, new activities in 2023**

| Gross carrying amount | in € m | Ratio[1] in % |
|---|---|---|
| Taxonomy eligibility of new activities, environmental objectives 1 & 2 | 1,374 | 1.12 |
| Taxonomy eligibility, environmental objectives 3 to 6 | 417 | 0.34 |

[1] Ratio = Gross carrying amounts of Taxonomy-eligible transactions/total GAR assets

Most of the Taxonomy-eligible financing arrangements in connection with new activities are accounted for by Helaba's transport finance and financing provided by Frankfurter Sparkasse for its corporate customers.

## EU Taxonomy templates

The following tables show the reporting requirements in accordance with Annex V and VI of Delegated Regulation (EU) 2021/2178 in respect of Article 8 of the Taxonomy Regulation. The Taxonomy eligibility/alignment disclosures they contain refer to the economic activities for environmental objectives 1 and 2 published by the EU Commission prior to 31 December 2022. Disclosures in respect of the activities for environmental objectives 3 to 6 and the new activities for environmental objectives 1 and 2 published by the European Commission in the Sustainable Finance Package in June 2023 are shown in the table entitled "Disclosure obligations in accordance with Article 8 of the EU Taxonomy – Taxonomy eligibility, new activities in 2023".

### Template 0 – Summary of KPIs

The following table provides a summary of the KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation.

| | Total environmentally sustainable activities | KPI Turnover | KPI CapEx | Coverage (over total assets) | Assets excluded from the numerator of the GAR | Assets excluded from the denominator of the GAR |
|---|---|---|---|---|---|---|
| | in € m | in % | in % | in % | in % | in % |
| **Main KPI** | | | | | | |
| Green asset ratio (GAR) stock | 1,683 | 1.4 | 1.4 | 61.4 | 13.8 | 38.6 |
| **Additional KPIs** | | | | | | |
| GAR (flow) | 291 | 1.4 | 1.5 | 10.7 | 13.7 | – |
| Trading book[1] | – | – | – | | | |
| Financial guarantees | 23 | 0.4 | 0.4 | | | |
| Assets under management | 694 | 1.5 | 2.7 | | | |
| Fees and commissions income[1] | – | – | – | | | |

[1] The KPIs for the trading book and the fee and commission income were not disclosed in the 2023 financial year.

### Template 1 – Assets for the calculation of GAR

The following tables contain a detailed breakdown of all Taxonomy-relevant business transactions based on the total assets, financial guarantees and assets under management in accordance with the FINREP framework. The breakdown is spread over four tables. The first two tables relate to stock on the reporting date and the other two tables flow during the reporting period. The tables for both stock and flow show the turnover and CapEx ratios to be used in the Taxonomy assessment of funding provided to financial and non-financial undertakings.

Loans and advances, debt securities and equity instruments are reported by their gross carrying amounts. The corresponding loss allowances are reported in other assets in accordance with the IFRS 9 impairment model. The remaining balance sheet assets are reported by their carrying amounts. The derivatives item includes hedging derivatives for hedge accounting whereas the trading and banking book derivatives are allocated to the trading portfolio in accordance with the FINREP framework. The short-term interbank loans include demand deposits and overnight funds to credit institutions.

Financial guarantees are reported at nominal value and assets under management at fair value.

Taxonomy-eligible and Taxonomy-aligned transactions must be allocated to the environmental objectives to which they contribute. In the case of Taxonomy-aligned transactions, it must also be reported whether they are financing arrangements with a specific purpose (use of proceeds) and thus be included in full in the GAR or whether they are a transitional or enabling activity. Enabling economic activities are those activities which themselves do not contribute substantially to climate change mitigation but play a key role in decarbonising the economy by directly enabling improvements in the carbon footprint and environmental performance of other activities. Transitional activities are activities for which there is not yet any technologically and economically feasible low-carbon alternative but which support the transition to a climate-neutral economy. These activities may play a key role in climate change mitigation because their currently large carbon footprint is reduced and they also contribute to gradually reducing the dependency on fossil fuels.

**Turnover stock**

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 94,832 | 38,936 | 1,681 | 1,555 | 4 | 44 | 267 | 2 | – | 2 |
| **Financial undertakings** | **33,928** | **4,384** | **242** | **229** | **1** | **2** | **41** | **0** | **–** | **0** |
| Credit institutions | 22,339 | 1,985 | – | – | – | – | – | – | – | – |
| Loans and advances | 12,134 | 895 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 10,194 | 1,090 | – | – | – | – | – | – | – | – |
| Equity instruments | 11 | – | – | | – | – | – | – | | – |
| Other financial corporations | 11,589 | 2,399 | 242 | 229 | 1 | 2 | 41 | 0 | – | 0 |
| of which investment firms | 28 | 17 | – | – | – | – | – | – | – | – |
| Loans and advances | 17 | 17 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 10 | – | – | – | – | – | – | – | – | – |
| Equity instruments | 1 | – | – | | – | – | – | – | | – |
| of which management companies | – | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – | – |

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – | – | – | | – |
| of which insurance undertakings | 167 | 64 | – | – | – | – | – | – | – | – |
| Loans and advances | 161 | 64 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 5 | – | – | – | – | – | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – | – | – | | – |
| **Non-financial undertakings** | **52,369** | **26,597** | **1,361** | **1,248** | **4** | **42** | **227** | **2** | **–** | **1** |
| Loans and advances | 51,003 | 26,591 | 1,356 | 1,248 | 3 | 40 | 227 | 2 | – | 1 |
| Debt securities, including UoP | 49 | 5 | 5 | – | 1 | 1 | – | – | – | – |
| Equity instruments | 1,317 | – | – | | – | – | – | – | | – |
| **Households** | **7,421** | **6,936** | **49** | **49** | **–** | **0** | **–** | **–** | **–** | **–** |
| of which loans collateralised by residential immovable property | 6,718 | 6,559 | 49 | 49 | – | – | – | – | – | – |
| of which building renovation loans | 7,262 | 6,985 | 49 | 49 | – | 0 | – | – | – | – |
| of which motor vehicle loans | 0 | 0 | – | – | – | – | | | | |
| **Local governments financing** | **1,114** | **1,020** | **29** | **29** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing financing | 296 | 296 | – | – | – | – | – | – | – | – |
| Other local government financing | 817 | 724 | 29 | 29 | – | – | – | – | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **27,439** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Financial and non-financial undertakings** | **25,012** | | | | | | | | | |

in € m

| | Total (gross) carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 9,292 | | | | | | | | | |
| Loans and advances | 5,207 | | | | | | | | | |
| of which loans collateralised by commercial immovable property | 669 | | | | | | | | | |
| of which building renovation loans | 327 | | | | | | | | | |
| Debt securities | 3,848 | | | | | | | | | |
| Equity instruments | 237 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 15,720 | | | | | | | | | |
| Loans and advances | 15,720 | | | | | | | | | |
| Debt securities | – | | | | | | | | | |
| Equity instruments | – | | | | | | | | | |
| **Derivatives** | **393** | | | | | | | | | |
| **On demand interbank loans** | **214** | | | | | | | | | |
| **Cash and cash-related assets** | **80** | | | | | | | | | |
| **Other categories of assets (e. g. goodwill, commodities etc.)** | **1,741** | | | | | | | | | |
| **Total GAR assets** | **122,271** | **38,936** | **1,681** | **1,555** | **4** | **44** | **267** | **2** | **–** | **2** |
| **Assets not covered for GAR calculation** | **76,911** | | | | | | | | | |
| Central governments and supranational issuers | 31,592 | | | | | | | | | |
| Central banks exposure | 32,431 | | | | | | | | | |
| Trading book | 12,887 | | | | | | | | | |
| **Total assets** | **199,182** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |

in € m

| | Total (gross) carrying amount | Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Of which Use of Proceeds | Of which transitional | Of which enabling | Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Of which Use of Proceeds | Of which enabling |
|---|---|---|---|---|---|---|---|---|---|---|
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | |
| Financial guarantees | 6,215 | 319 | 23 | 23 | – | – | 37 | – | – | – |
| Assets under management | 46,185 | 1,007 | 678 | – | 31 | 320 | 16 | 16 | – | 9 |
| Of which debt securities | 3,275 | 225 | 67 | – | 12 | 22 | 1 | 1 | – | 0 |
| Of which equity instruments | 45,889 | 783 | 611 | – | 19 | 297 | 15 | 15 | – | 9 |

in € m

| | Total (gross) carrying amount | TOTAL (CCM + CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Of which Use of Proceeds | Of which transitional | Of which enabling |
|---|---|---|---|---|---|---|
| **GAR - Covered assets in both numerator and denominator** | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 94,832 | 39,204 | 1,683 | 1,555 | 4 | 45 |
| **Financial undertakings** | **33,928** | **4,425** | **243** | **229** | **1** | **2** |
| Credit institutions | 22,339 | 1,985 | – | – | – | – |
| Loans and advances | 12,134 | 895 | – | – | – | – |
| Debt securities, including UoP | 10,194 | 1,090 | – | – | – | – |
| Equity instruments | 11 | – | – | | – | – |
| Other financial corporations | 11,589 | 2,440 | 243 | 229 | 1 | 2 |
| of which investment firms | 28 | 17 | – | – | – | – |
| Loans and advances | 17 | 17 | – | – | – | – |

in € m

| | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| Debt securities, including UoP | 10 | – | – | – | – | – |
| Equity instruments | 1 | – | – | | – | – |
| of which management companies | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – |
| of which insurance undertakings | 167 | 64 | – | – | – | – |
| Loans and advances | 161 | 64 | – | – | – | – |
| Debt securities, including UoP | 5 | – | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – |
| **Non-financial undertakings** | **52,369** | **26,823** | **1,362** | **1,248** | **4** | **43** |
| Loans and advances | 51,003 | 26,818 | 1,357 | 1,248 | 3 | 42 |
| Debt securities, including UoP | 49 | 5 | 5 | – | 1 | 1 |
| Equity instruments | 1,317 | – | – | | – | – |
| **Households** | **7,421** | **6,936** | **49** | **49** | **–** | **0** |
| of which loans collateralised by residential immovable property | 6,718 | 6,559 | 49 | 49 | – | – |
| of which building renovation loans | 7,262 | 6,985 | 49 | 49 | – | 0 |
| of which motor vehicle loans | 0 | 0 | – | – | – | – |
| **Local governments financing** | **1,114** | **1,020** | **29** | **29** | **–** | **–** |
| Housing financing | 296 | 296 | – | – | – | – |
| Other local government financing | 817 | 724 | 29 | 29 | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **27,439** | **–** | **–** | **–** | **–** | **–** |
| **Financial and non-financial undertakings** | **25,012** | | | | | |

in € m

| | Total (gross) carrying amount | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 9,292 | | | | | |
| Loans and advances | 5,207 | | | | | |
| of which loans collateralised by commercial immovable property | 669 | | | | | |
| of which building renovation loans | 327 | | | | | |
| Debt securities | 3,848 | | | | | |
| Equity instruments | 237 | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 15,720 | | | | | |
| Loans and advances | 15,720 | | | | | |
| Debt securities | – | | | | | |
| Equity instruments | – | | | | | |
| **Derivatives** | **393** | | | | | |
| **On demand interbank loans** | **214** | | | | | |
| **Cash and cash-related assets** | **80** | | | | | |
| **Other categories of assets (e. g. goodwill, commodities etc.)** | **1,741** | | | | | |
| **Total GAR assets** | **122,271** | **39,204** | **1,683** | **1,555** | **4** | **45** |
| **Assets not covered for GAR calculation** | **76,911** | | | | | |
| Central governments and supranational issuers | 31,592 | | | | | |
| Central banks exposure | 32,431 | | | | | |
| Trading book | 12,887 | | | | | |
| **Total assets** | **199,182** | **–** | **–** | **–** | **–** | **–** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | |
| Financial guarantees | 6,215 | 357 | 23 | 23 | – | – |
| Assets under management | 46,185 | 1,023 | 694 | – | 31 | 329 |

in € m

| | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| Of which debt securities | 3,275 | 226 | 68 | – | 12 | 23 |
| Of which equity instruments | 45,889 | 798 | 626 | – | 19 | 306 |

## Capital expenditure - stock

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 94,832 | 38,091 | 1,767 | 1,555 | 6 | 77 | 270 | 5 | – | 5 |
| **Financial undertakings** | **33,928** | **3,459** | **252** | **229** | **1** | **3** | **41** | **0** | **–** | **0** |
| Credit institutions | 22,339 | 1,062 | – | – | – | – | – | – | – | – |
| Loans and advances | 12,134 | 674 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 10,194 | 388 | – | – | – | – | – | – | – | – |
| Equity instruments | 11 | – | – | – | – | – | – | – | – | – |
| Other financial corporations | 11,589 | 2,398 | 252 | 229 | 1 | 3 | 41 | 0 | – | 0 |
| of which investment firms | 28 | 17 | – | – | – | – | – | – | – | 0 |

in € m

| | Total (gross) carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Loans and advances | 17 | 17 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 10 | – | – | – | – | – | – | – | – | 0 |
| Equity instruments | 1 | – | – | – | – | – | – | – | – | – |
| of which management companies | – | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | – | – | – | – | – | – | – | – |
| of which insurance undertakings | 167 | 64 | – | – | – | – | – | – | – | – |
| Loans and advances | 161 | 64 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 5 | – | – | – | – | – | – | – | – | – |
| Equity instruments | 0 | – | – | – | – | – | – | – | – | – |
| **Non-financial undertakings** | **52,369** | **26,675** | **1,437** | **1,248** | **5** | **73** | **230** | **5** | **–** | **4** |
| Loans and advances | 51,003 | 26,668 | 1,430 | 1,248 | 4 | 70 | 230 | 5 | – | 4 |
| Debt securities, including UoP | 49 | 7 | 7 | – | 1 | 3 | – | – | – | – |
| Equity instruments | 1,317 | – | – | – | – | – | – | – | – | – |
| **Households** | **7,421** | **6,936** | **49** | **49** | **–** | **0** | **–** | **–** | **–** | **–** |
| of which loans collateralised by residential immovable property | 6,718 | 6,559 | 49 | 49 | – | – | – | – | – | – |
| of which building renovation loans | 7,262 | 6,985 | 49 | 49 | – | 0 | – | – | – | – |
| of which motor vehicle loans | 0 | 0 | – | – | – | – | – | – | – | – |
| **Local governments financing** | **1,114** | **1,020** | **29** | **29** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing financing | 296 | 296 | – | – | – | – | – | – | – | – |

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Other local government financing | 817 | 724 | 29 | 29 | – | – | – | – | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **27,439** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Financial and non-financial undertakings** | **25,012** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 9,292 | | | | | | | | | |
| Loans and advances | 5,207 | | | | | | | | | |
| of which loans collateralised by commercial immovable property | 669 | | | | | | | | | |
| of which building renovation loans | 327 | | | | | | | | | |
| Debt securities | 3,848 | | | | | | | | | |
| Equity instruments | 237 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 15,720 | | | | | | | | | |
| Loans and advances | 15,720 | | | | | | | | | |
| Debt securities | – | | | | | | | | | |
| Equity instruments | – | | | | | | | | | |
| **Derivatives** | **393** | | | | | | | | | |
| **On demand interbank loans** | **214** | | | | | | | | | |
| **Cash and cash-related assets** | **80** | | | | | | | | | |
| **Other categories of assets (e. g. goodwill, commodities etc.)** | **1,741** | | | | | | | | | |
| **Total GAR assets** | **122,271** | **38,091** | **1,767** | **1,555** | **6** | **77** | **270** | **5** | **–** | **5** |

in € m

| | Total (gross) carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **Assets not covered for GAR calculation** | **76,911** | | | | | | | | | |
| Central governments and supranational issuers | 31,592 | | | | | | | | | |
| Central banks exposure | 32,431 | | | | | | | | | |
| Trading book | 12,887 | | | | | | | | | |
| **Total assets** | **199,182** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | |
| Financial guarantees | 6,215 | 319 | 23 | 23 | – | – | 37 | – | – | – |
| Assets under management | 46,185 | 1,607 | 1,224 | – | 52 | 495 | 30 | 30 | – | 20 |
| Of which debt securities | 3,275 | 416 | 181 | – | 16 | 59 | 0 | 0 | – | 0 |
| Of which equity instruments | 45,889 | 1,191 | 1,043 | – | 37 | 437 | 29 | 29 | – | 20 |

in € m

| | Total (gross) carrying amount | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 94,832 | 38,361 | 1,772 | 1,555 | 6 | 82 |
| **Financial undertakings** | **33,928** | **3,500** | **253** | **229** | **1** | **4** |
| Credit institutions | 22,339 | 1,062 | – | – | – | – |
| Loans and advances | 12,134 | 674 | – | – | – | – |

in € m

| | Total (gross) carrying amount | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| Debt securities, including UoP | 10,194 | 388 | – | – | – | – |
| Equity instruments | 11 | – | – | | – | – |
| Other financial corporations | 11,589 | 2,438 | 253 | 229 | 1 | 4 |
| of which investment firms | 28 | 17 | – | – | – | 0 |
| Loans and advances | 17 | 17 | – | – | – | – |
| Debt securities, including UoP | 10 | – | – | – | – | 0 |
| Equity instruments | 1 | – | – | | – | – |
| of which  management companies | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – |
| of which insurance undertakings | 167 | 64 | – | – | – | – |
| Loans and advances | 161 | 64 | – | – | – | – |
| Debt securities, including UoP | 5 | – | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – |
| **Non-financial undertakings** | **52,369** | **26,905** | **1,442** | **1,248** | **5** | **78** |
| Loans and advances | 51,003 | 26,898 | 1,434 | 1,248 | 4 | 75 |
| Debt securities, including UoP | 49 | 7 | 7 | – | 1 | 3 |
| Equity instruments | 1,317 | – | – | | – | – |
| **Households** | **7,421** | **6,936** | **49** | **49** | **–** | **0** |
| of which loans collateralised by residential immovable property | 6,718 | 6,559 | 49 | 49 | – | – |
| of which building renovation loans | 7,262 | 6,985 | 49 | 49 | – | 0 |
| of which motor vehicle loans | 0 | 0 | – | – | – | – |
| **Local governments financing** | **1,114** | **1,020** | **29** | **29** | **–** | **–** |

in € m

| | Total (gross) carrying amount | TOTAL (CCM + CCA) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Of which Use of Proceeds | Of which transitional | Of which enabling |
|---|---|---|---|---|---|---|
| Housing financing | 296 | 296 | – | – | – | – |
| Other local government financing | 817 | 724 | 29 | 29 | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **27,439** | **–** | **–** | **–** | **–** | **–** |
| **Financial and non-financial undertakings** | **25,012** | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 9,292 | | | | | |
| Loans and advances | 5,207 | | | | | |
| of which loans collateralised by commercial immovable property | 669 | | | | | |
| of which building renovation loans | 327 | | | | | |
| Debt securities | 3,848 | | | | | |
| Equity instruments | 237 | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 15,720 | | | | | |
| Loans and advances | 15,720 | | | | | |
| Debt securities | – | | | | | |
| Equity instruments | – | | | | | |
| **Derivatives** | **393** | | | | | |
| **On demand interbank loans** | **214** | | | | | |
| **Cash and cash-related assets** | **80** | | | | | |
| **Other categories of assets (e. g. goodwill, commodities etc.)** | **1,741** | | | | | |
| **Total GAR assets** | **122,271** | **38,361** | **1,772** | **1,555** | **6** | **82** |
| **Assets not covered for GAR calculation** | **76,911** | | | | | |
| Central governments and supranational issuers | 31,592 | | | | | |
| Central banks exposure | 32,431 | | | | | |

in € m

| | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| Trading book | 12,887 | | | | | |
| **Total assets** | **199,182** | **–** | **–** | **–** | **–** | **–** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | |
| Financial guarantees | 6,215 | 357 | 23 | 23 | – | – |
| Assets under management | 46,185 | 1,636 | 1,253 | – | 52 | 516 |
| Of which debt securities | 3,275 | 416 | 181 | – | 16 | 59 |
| Of which equity instruments | 45,889 | 1,220 | 1,073 | – | 37 | 457 |

## Turnover - flow

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 18,416 | 3,504 | 291 | 268 | 0 | 6 | 50 | 0 | – | 0 |
| **Financial undertakings** | **9,570** | **557** | **3** | **–** | **0** | **0** | **0** | **0** | **–** | **0** |
| Credit institutions | 7,324 | 464 | – | – | – | – | – | – | – | – |
| Loans and advances | 4,137 | 89 | – | – | – | – | – | – | – | – |

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Debt securities, including UoP | 3,187 | 375 | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – | – | – | | – |
| Other financial corporations | 2,246 | 94 | 3 | – | 0 | 0 | 0 | 0 | – | 0 |
| of which investment firms | 6 | 6 | – | – | – | – | – | – | – | – |
| Loans and advances | 6 | 6 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – | – | – | | – |
| of which management companies | – | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – | – | – | | – |
| of which insurance undertakings | 42 | – | – | – | – | – | – | – | – | – |
| Loans and advances | 42 | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – | – | – | | – |
| **Non-financial undertakings** | **8,144** | **2,301** | **284** | **265** | **0** | **6** | **50** | **–** | **–** | **–** |
| Loans and advances | 8,139 | 2,301 | 284 | 265 | – | 6 | 50 | – | – | – |
| Debt securities, including UoP | 5 | 0 | 0 | – | 0 | 0 | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – | – | – | | – |
| **Households** | **537** | **511** | **3** | **3** | **–** | **0** | **–** | **–** | **–** | **–** |

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | **Total (gross) carrying amount** | | | **Of which Use of Proceeds** | **Of which transitional** | **Of which enabling** | | | **Of which Use of Proceeds** | **Of which enabling** |
| of which loans collateralised by residential immovable property | 426 | 412 | 3 | 3 | – | – | – | – | – | – |
| of which building renovation loans | 526 | 511 | 3 | 3 | – | 0 | – | – | – | – |
| of which motor vehicle loans | – | – | – | – | – | – | | | | |
| **Local governments financing** | **165** | **135** | **1** | **1** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing financing | 66 | 66 | – | – | – | – | – | – | – | – |
| Other local government financing | 99 | 69 | 1 | 1 | – | – | – | – | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **2,918** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Financial and non-financial undertakings** | **2,916** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 1,648 | | | | | | | | | |
| Loans and advances | 851 | | | | | | | | | |
| of which loans collateralised by commercial immovable property | 70 | | | | | | | | | |
| of which building renovation loans | 16 | | | | | | | | | |
| Debt securities | 785 | | | | | | | | | |
| Equity instruments | 12 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 1,269 | | | | | | | | | |
| Loans and advances | 1,269 | | | | | | | | | |
| Debt securities | – | | | | | | | | | |
| Equity instruments | – | | | | | | | | | |
| **Derivatives** | **–** | | | | | | | | | |

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **On demand interbank loans** | **–** | | | | | | | | | |
| **Cash and cash-related assets** | **2** | | | | | | | | | |
| **Other categories of assets (e. g. goodwill, commodities etc.)** | **–** | | | | | | | | | |
| **Total GAR assets** | **21,334** | **3,504** | **291** | **268** | **0** | **6** | **50** | **0** | **–** | **0** |
| **Assets not covered for GAR calculation** | **–** | | | | | | | | | |
| Central governments and supranational issuers | – | | | | | | | | | |
| Central banks exposure | – | | | | | | | | | |
| Trading book | – | | | | | | | | | |
| **Total assets** | **21,334** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | |
| Financial guarantees | 13 | – | – | – | – | – | – | – | – | – |
| Assets under management | 11,561 | 257 | 180 | – | 8 | 84 | 4 | 4 | – | 3 |
| Of which debt securities | 1,052 | 50 | 18 | – | 3 | 8 | 0 | 0 | – | 0 |
| Of which equity instruments | 12,314 | 207 | 162 | – | 5 | 76 | 4 | 4 | – | 3 |

in € m

| | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 18,416 | 3,554 | 291 | 268 | 0 | 6 |
| **Financial undertakings** | **9,570** | **557** | **3** | **–** | **0** | **0** |
| Credit institutions | 7,324 | 464 | – | – | – | – |
| Loans and advances | 4,137 | 89 | – | – | – | – |
| Debt securities, including UoP | 3,187 | 375 | – | – | – | – |
| Equity instruments | – | – | – | | – | – |
| Other financial corporations | 2,246 | 94 | 3 | – | 0 | 0 |
| of which investment firms | 6 | 6 | – | – | – | – |
| Loans and advances | 6 | 6 | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – |
| of which management companies | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – |
| of which insurance undertakings | 42 | – | – | – | – | – |
| Loans and advances | 42 | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – |
| **Non-financial undertakings** | **8,144** | **2,352** | **284** | **265** | **0** | **6** |
| Loans and advances | 8,139 | 2,352 | 284 | 265 | – | 6 |
| Debt securities, including UoP | 5 | 0 | 0 | – | 0 | 0 |

in € m

| | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| Equity instruments | 0 | – | – | | – | – |
| **Households** | **537** | **511** | **3** | **3** | **–** | **0** |
| of which loans collateralised by residential immovable property | 426 | 412 | 3 | 3 | – | – |
| of which building renovation loans | 526 | 511 | 3 | 3 | – | 0 |
| of which motor vehicle loans | – | – | – | – | – | – |
| **Local governments financing** | **165** | **135** | **1** | **1** | **–** | **–** |
| Housing financing | 66 | 66 | – | – | – | – |
| Other local government financing | 99 | 69 | 1 | 1 | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **2,918** | **–** | **–** | **–** | **–** | **–** |
| **Financial and non-financial undertakings** | **2,916** | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 1,648 | | | | | |
| Loans and advances | 851 | | | | | |
| of which loans collateralised by commercial immovable property | 70 | | | | | |
| of which building renovation loans | 16 | | | | | |
| Debt securities | 785 | | | | | |
| Equity instruments | 12 | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 1,269 | | | | | |
| Loans and advances | 1,269 | | | | | |
| Debt securities | – | | | | | |
| Equity instruments | – | | | | | |
| **Derivatives** | **–** | | | | | |
| **On demand interbank loans** | **–** | | | | | |

in € m

| | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| **Cash and cash-related assets** | **2** | | | | | |
| **Other categories of assets (e. g. goodwill, commodities etc.)** | **–** | | | | | |
| **Total GAR assets** | **21,334** | **3,554** | **291** | **268** | **0** | **6** |
| **Assets not covered for GAR calculation** | **–** | | | | | |
| Central governments and supranational issuers | – | | | | | |
| Central banks exposure | – | | | | | |
| Trading book | – | | | | | |
| **Total assets** | **21,334** | **–** | **–** | **–** | **–** | **–** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | |
| Financial guarantees | 13 | – | – | – | – | – |
| Assets under management | 11,561 | 261 | 184 | – | 8 | 87 |
| Of which debt securities | 1,052 | 50 | 18 | – | 3 | 8 |
| Of which equity instruments | 12,314 | 211 | 166 | – | 5 | 79 |

## Capital expenditure - flow

in € m

| | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 18,416 | 3,252 | 322 | 268 | 0 | 18 | 50 | 0 | – | 0 |
| **Financial undertakings** | **9,570** | **273** | **5** | **–** | **0** | **0** | **0** | **0** | **–** | **0** |
| Credit institutions | 7,324 | 179 | – | – | – | – | – | – | – | – |
| Loans and advances | 4,137 | 53 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 3,187 | 126 | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – | – | – | | – |
| Other financial corporations | 2,246 | 93 | 5 | – | 0 | 0 | 0 | 0 | – | 0 |
| of which investment firms | 6 | 6 | – | – | – | – | – | – | – | – |
| Loans and advances | 6 | 6 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – | – | – | | – |
| of which management companies | – | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – | – | – | | – |
| of which insurance undertakings | 42 | – | – | – | – | – | – | – | – | – |
| Loans and advances | 42 | – | – | – | – | – | – | – | – | – |

in € m

| | Total (gross) carrying amount | Climate Change Mitigation (CCM) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Of which Use of Proceeds | Of which transitional | Of which enabling | Climate Change Adaptation (CCA) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Of which Use of Proceeds | Of which enabling |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – | – | – | | – |
| **Non-financial undertakings** | **8,144** | **2,334** | **313** | **265** | **0** | **18** | **50** | **0** | **–** | **0** |
| Loans and advances | 8,139 | 2,334 | 313 | 265 | 0 | 18 | 50 | 0 | – | 0 |
| Debt securities, including UoP | 5 | 0 | 0 | – | 0 | – | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – | – | – | | – |
| **Households** | **537** | **511** | **3** | **3** | **–** | **0** | **–** | **–** | **–** | **–** |
| of which loans collateralised by residential immovable property | 426 | 415 | 3 | 3 | – | – | – | – | – | – |
| of which building renovation loans | 526 | 513 | 3 | 3 | – | 0 | – | – | – | – |
| of which motor vehicle loans | – | – | – | – | – | – | | | | |
| **Local governments financing** | **165** | **135** | **1** | **1** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing financing | 66 | 66 | – | – | – | – | – | – | – | – |
| Other local government financing | 99 | 69 | 1 | 1 | – | – | – | – | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **2,918** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Financial and non-financial undertakings** | **2,916** | | | | | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 1,648 | | | | | | | | | |
| Loans and advances | 851 | | | | | | | | | |
| of which loans collateralised by commercial immovable property | 70 | | | | | | | | | |
| of which building renovation loans | 16 | | | | | | | | | |

in € m

| | Total (gross) carrying amount | Climate Change Mitigation (CCM) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Of which Use of Proceeds | Of which transitional | Of which enabling | Climate Change Adaptation (CCA) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Of which Use of Proceeds | Of which enabling |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt securities | 785 | | | | | | | | | |
| Equity instruments | 12 | | | | | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 1,269 | | | | | | | | | |
| Loans and advances | 1,269 | | | | | | | | | |
| Debt securities | – | | | | | | | | | |
| Equity instruments | – | | | | | | | | | |
| **Derivatives** | **–** | | | | | | | | | |
| **On demand interbank loans** | **–** | | | | | | | | | |
| **Cash and cash-related assets** | **2** | | | | | | | | | |
| **Other categories of assets (e. g. goodwill, commodities etc.)** | **–** | | | | | | | | | |
| **Total GAR assets** | **21,334** | **3,252** | **322** | **268** | **0** | **18** | **50** | **0** | **–** | **0** |
| **Assets not covered for GAR calculation** | **–** | | | | | | | | | |
| Central governments and supranational issuers | – | | | | | | | | | |
| Central banks exposure | – | | | | | | | | | |
| Trading book | – | | | | | | | | | |
| **Total assets** | **21,334** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | |
| Financial guarantees | 13 | – | – | – | – | – | – | – | – | – |
| Assets under management | 11,561 | 415 | 330 | – | 14 | 137 | 8 | 8 | – | 6 |
| Of which debt securities | 1,052 | 102 | 55 | – | 4 | 27 | 0 | 0 | – | 0 |
| Of which equity instruments | 12,314 | 312 | 275 | – | 10 | 110 | 8 | 8 | – | 6 |

in € m

| | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 18,416 | 3,302 | 322 | 268 | 0 | 18 |
| **Financial undertakings** | **9,570** | **273** | **5** | **–** | **0** | **1** |
| Credit institutions | 7,324 | 179 | – | – | – | – |
| Loans and advances | 4,137 | 53 | – | – | – | – |
| Debt securities, including UoP | 3,187 | 126 | – | – | – | – |
| Equity instruments | – | – | – | | – | – |
| Other financial corporations | 2,246 | 93 | 5 | – | 0 | 1 |
| of which investment firms | 6 | 6 | – | – | – | – |
| Loans and advances | 6 | 6 | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | 0 | – | – | | – | – |
| of which management companies | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – |
| of which insurance undertakings | 42 | – | – | – | – | – |
| Loans and advances | 42 | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | – | | – | – |
| **Non-financial undertakings** | **8,144** | **2,384** | **313** | **265** | **0** | **18** |
| Loans and advances | 8,139 | 2,384 | 313 | 265 | 0 | 18 |
| Debt securities, including UoP | 5 | 0 | 0 | – | 0 | – |

in € m

| | Total (gross) carrying amount | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| Equity instruments | 0 | – | – | | – | – |
| **Households** | **537** | **511** | **3** | **3** | **–** | **0** |
| of which loans collateralised by residential immovable property | 426 | 415 | 3 | 3 | – | – |
| of which building renovation loans | 526 | 513 | 3 | 3 | – | 0 |
| of which motor vehicle loans | – | – | – | – | – | – |
| **Local governments financing** | **165** | **135** | **1** | **1** | **–** | **–** |
| Housing financing | 66 | 66 | – | – | – | – |
| Other local government financing | 99 | 69 | 1 | 1 | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **2,918** | **–** | **–** | **–** | **–** | **–** |
| **Financial and non-financial undertakings** | **2,916** | | | | | |
| SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 1,648 | | | | | |
| Loans and advances | 851 | | | | | |
| of which loans collateralised by commercial immovable property | 70 | | | | | |
| of which building renovation loans | 16 | | | | | |
| Debt securities | 785 | | | | | |
| Equity instruments | 12 | | | | | |
| Non-EU country counterparties not subject to NFRD disclosure obligations | 1,269 | | | | | |
| Loans and advances | 1,269 | | | | | |
| Debt securities | – | | | | | |
| Equity instruments | – | | | | | |
| **Derivatives** | **–** | | | | | |
| **On demand interbank loans** | **–** | | | | | |

in € m

| | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|
| | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Of which environmentally sustainable (Taxonomy-aligned) | | | |
| | Total (gross) carrying amount | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| **Cash and cash-related assets** | **2** | | | | | |
| **Other categories of assets (e. g. goodwill, commodities etc.)** | **–** | | | | | |
| **Total GAR assets** | **21,334** | **3,302** | **322** | **268** | **0** | **18** |
| **Assets not covered for GAR calculation** | **–** | | | | | |
| Central governments and supranational issuers | – | | | | | |
| Central banks exposure | – | | | | | |
| Trading book | – | | | | | |
| **Total assets** | **21,334** | **–** | **–** | **–** | **–** | **–** |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | |
| Financial guarantees | 13 | – | – | – | – | – |
| Assets under management | 11,561 | 423 | 338 | – | 14 | 142 |
| Of which debt securities | 1,052 | 102 | 55 | – | 4 | 27 |
| Of which equity instruments | 12,314 | 321 | 283 | – | 10 | 115 |

## Template 2 – GAR sector information

The following table shows the Taxonomy-aligned business transactions for non-financial undertakings not subject to the NFRD diclosure obligations (as reported in the "Turnover – stock" table) by sector (business sectors as defined by NACE code level 4). The allocation to a business sector is based on the main activity of the respective counterparty.

in € m

| | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | | TOTAL (CCM + CCA) | |
|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | |
| | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) |
| A 01.50 - Mixed farming | 0 | – | – | – | 0 | – |
| C 10.39 - Other processing and preserving of fruit and vegetables | 1 | 1 | – | – | 1 | 1 |
| C 10.81 - Manufacture of sugar | 5 | 0 | – | – | 5 | 0 |
| C 10.89 - Manufacture of other food products n.e.c. | 0 | – | – | – | 0 | – |
| C 11.01 - Distilling, rectifying and blending of spirits | 0 | – | – | – | 0 | – |
| C 16.10 - Sawmilling and planing of wood | 5 | – | – | – | 5 | – |
| C 17.11 - Manufacture of pulp | 0 | 0 | – | – | 0 | 0 |
| C 18.13 - Pre-press and pre-media services | 0 | – | – | – | 0 | – |
| C 19.20 - Manufacture of refined petroleum products | 0 | 0 | – | – | 0 | 0 |
| C 20.13 - Manufacture of other inorganic basic chemicals | 10 | 0 | – | – | 10 | 0 |
| C 20.15 - Manufacture of fertilisers and nitrogen compounds | 5 | – | – | – | 5 | – |
| C 20.30 - Manufacture of paints, varnishes and similar coatings, printing ink and mastics | 0 | – | – | – | 0 | – |
| C 20.59 - Manufacture of other chemical products n.e.c. | 5 | 0 | – | – | 5 | 0 |
| C 21.10 - Manufacture of basic pharmaceutical products | 0 | 0 | – | – | 0 | 0 |
| C 21.20 - Manufacture of pharmaceutical preparations | 12 | – | – | – | 12 | – |
| C 22.21 - Manufacture of plastic plates, sheets, tubes and profiles | 8 | – | – | – | 8 | – |
| C 22.29 - Manufacture of other plastic products | 40 | – | – | – | 40 | – |
| C 23.51 - Manufacture of cement | 1 | 1 | – | – | 1 | 1 |
| C 24.10 - Manufacture of basic iron and steel and of ferro-alloys | 1 | 1 | – | – | 1 | 1 |

in € m

| | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | | TOTAL (CCM + CCA) | |
|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | |
| | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) |
| C 25.11 - Manufacture of metal structures and parts of structures | 28 | 24 | – | – | 28 | 24 |
| C 25.73 - Manufacture of tools | 8 | – | – | – | 8 | – |
| C 25.94 - Manufacture of fasteners and screw machine products | 6 | – | – | – | 6 | – |
| C 26.11 - Manufacture of electronic components | 1 | 1 | – | – | 1 | 1 |
| C 26.40 - Manufacture of consumer electronics | 0 | – | – | – | 0 | – |
| C 27.12 - Manufacture of electricity distribution and control apparatus | 3 | 3 | – | – | 3 | 3 |
| C 28.22 - Manufacture of lifting and handling equipment | 2 | 2 | – | – | 2 | 2 |
| C 28.29 - Manufacture of other general-purpose machinery n.e.c. | 5 | 5 | – | – | 5 | 5 |
| C 28.92 - Manufacture of machinery for mining, quarrying and construction | 0 | 0 | – | – | 0 | 0 |
| C 28.99 - Manufacture of other special-purpose machinery n.e.c. | 22 | – | – | – | 22 | – |
| C 29.10 - Manufacture of motor vehicles | 3 | 3 | 1 | 1 | 4 | 4 |
| C 29.32 - Manufacture of other parts and accessories for motor vehicles | 16 | 10 | – | – | 16 | 10 |
| C 30.11 - Building of ships and floating structures | 50 | – | – | – | 50 | – |
| C 30.20 - Manufacture of railway locomotives and rolling stock | 13 | 13 | – | – | 13 | 13 |
| C 33.20 - Installation of industrial machinery and equipment | 0 | – | – | – | 0 | – |
| D 35.11 - Production of electricity | 1,209 | 487 | 39 | – | 1,248 | 487 |
| D 35.12 - Transmission of electricity | 109 | – | – | – | 109 | – |
| D 35.13 - Distribution of electricity | 275 | 23 | – | – | 275 | 23 |
| D 35.14 - Trade of electricity | 280 | – | 3 | – | 282 | – |
| D 35.30 - Steam and air conditioning supply | 28 | – | – | – | 28 | – |
| E 36.00 - Water collection, treatment and supply | 73 | – | – | – | 73 | – |
| E 37.00 - Sewerage | 365 | – | – | – | 365 | – |
| E 38.21 - Treatment and disposal of non-hazardous waste | 44 | – | – | – | 44 | – |

in € m

| | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | | TOTAL (CCM + CCA) | |
|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | |
| | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) |
| F 41.10 - Development of building projects | 211 | – | – | – | 211 | – |
| F 42.11 - Construction of roads and motorways | 3 | – | – | – | 3 | – |
| F 43.33 - Floor and wall covering | 0 | – | – | – | 0 | – |
| F 43.39 - Other building completion and finishing | 0 | – | – | – | 0 | – |
| F 43.99 - Other specialised construction activities n.e.c. | 9 | 9 | 0 | 0 | 9 | 9 |
| G 45.32 - Retail trade of motor vehicle parts and accessories | 10 | – | – | – | 10 | – |
| G 46.14 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft | 0 | – | – | – | 0 | – |
| G 46.41 - Wholesale of textiles | 2 | – | – | – | 2 | – |
| G 46.49 - Wholesale of other household goods | 0 | – | – | – | 0 | – |
| G 47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating | 48 | – | – | – | 48 | – |
| G 47.19 - Other retail sale in non-specialised stores | 0 | – | – | – | 0 | – |
| G 47.71 - Retail sale of clothing in specialised stores | 0 | – | – | – | 0 | – |
| G 47.74 - Retail sale of medical and orthopaedic goods in specialised stores | 0 | – | – | – | 0 | – |
| G 47.89 - Retail sale via stalls and markets of other goods | 0 | – | – | – | 0 | – |
| G 47.91 - Retail sale via mail order houses or via Internet | 0 | – | – | – | 0 | – |
| H 49.10 - Passenger rail transport, interurban | 212 | – | – | – | 212 | – |
| H 49.20 - Freight rail transport | 26 | – | – | – | 26 | – |
| H 49.31 - Urban and suburban passenger land transport | 225 | 33 | – | – | 225 | 33 |
| H 49.39 - Other passenger land transport n.e.c. | 15 | – | – | – | 15 | – |
| H 49.41 - Freight transport by road | 0 | – | – | – | 0 | – |
| H 50.10 - Sea and coastal passenger water transport | 0 | – | – | – | 0 | – |
| H 52.23 - Service activities incidental to air transportation | 149 | 3 | – | – | 149 | 3 |
| H 52.29 - Other transportation support activities | 18 | – | – | – | 18 | – |

in € m

| | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | | TOTAL (CCM + CCA) | |
|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | |
| | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) |
| H 53.10 - Postal activities under universal service obligation | 0 | – | – | – | 0 | – |
| H 53.20 - Other postal and courier activities | 0 | 0 | – | – | 0 | 0 |
| I 55.20 - Holiday and other short-stay accommodation | 0 | – | – | – | 0 | – |
| I 55.90 - Other accommodation | 100 | – | – | – | 100 | – |
| I 56.10 - Restaurants and mobile food service activities | 0 | – | – | – | 0 | – |
| I 56.29 - Other food service activities | 0 | – | – | – | 0 | – |
| J 61.10 - Wired telecommunications activities | 0 | 0 | – | – | 0 | 0 |
| J 61.20 - Wireless telecommunications activities | 0 | 0 | – | – | 0 | 0 |
| J 62.01 - Computer programming activities | 0 | – | – | – | 0 | – |
| J 62.02 - Computer consultancy activities | 0 | – | – | – | 0 | – |
| J 62.09 - Other information technology and computer service activities | 4 | – | – | – | 4 | – |
| J 63.11 - Data processing, hosting and related activities | 1 | 1 | – | – | 1 | 1 |
| K 64.30 - Trusts, funds and similar financial entities | 1 | 1 | – | – | 1 | 1 |
| L 68.10 - Buying and selling of own real estate | 2,473 | – | 90 | – | 2,563 | – |
| L 68.20 - Renting and operating of own or leased real estate | 18,587 | 142 | 90 | – | 18,677 | 142 |
| L 68.31 - Real estate agencies | 19 | – | – | – | 19 | – |
| L 68.32 - Management of real estate on a fee or contract basis | 165 | – | – | – | 165 | – |
| M 69.10 - Legal activities | 0 | – | – | – | 0 | – |
| M 70.10 - Activities of head offices | 82 | 69 | – | – | 82 | 69 |
| M 70.22 - Business and other management consultancy activities | 0 | – | – | – | 0 | – |
| M 71.12 - Engineering activities and related technical consultancy | 18 | – | – | – | 18 | – |
| M 73.12 - Media representation | 0 | – | – | – | 0 | – |

in € m

| | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | | TOTAL (CCM + CCA) | |
|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | | Non-Financial corporates (Subject to NFRD) | |
| | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) | (Gross) carrying amount | Of which environmentally sustainable (CCM) |
| N 77.12 - Renting and leasing of trucks | 5 | – | – | – | 5 | – |
| N 77.29 - Renting and leasing of other personal and household goods | 1 | – | – | – | 1 | – |
| N 77.32 - Renting and leasing of construction and civil engineering machinery and equipment | 0 | – | – | – | 0 | – |
| N 77.39 - Renting and leasing of other machinery, equipment and tangible goods n.e.c. | 1,040 | 493 | – | – | 1,040 | 493 |
| N 81.10 - Combined facilities support activities | 0 | – | – | – | 0 | – |
| N 82.30 - Organisation of conventions and trade shows | 36 | – | – | – | 36 | – |
| N 82.99 - Other business support service activities n.e.c. | 11 | – | – | – | 11 | – |
| O 84.11 - General public administration activities | 124 | 35 | – | – | 124 | 35 |
| P 85.31 - General secondary education | 44 | – | – | – | 44 | – |
| P 85.42 - Tertiary education | 10 | – | – | – | 10 | – |
| Q 86.10 - Hospital activities | 124 | – | – | – | 124 | – |
| Q 86.90 - Other human health activities | 1 | – | – | – | 1 | – |
| Q 87.10 - Residential nursing care activities | 6 | – | – | – | 6 | – |
| Q 87.30 - Residential care activities for the elderly and disabled | 1 | – | 4 | – | 6 | – |
| Q 87.90 - Other residential care activities | 3 | – | – | – | 3 | – |
| Q 88.99 - Other social work activities without accommodation n.e.c. | 0 | – | – | – | 0 | – |
| R 93.11 - Operation of sports facilities | 1 | – | – | – | 1 | – |
| R 93.13 - Fitness facilities | 0 | – | – | – | 0 | – |
| S 94.12 - Activities of professional membership organisations | 0 | – | – | – | 0 | – |
| S 94.99 - Activities of other membership organisations n.e.c. | 16 | – | – | – | 16 | – |
| S 96.04 - Physical well-being activities | 4 | – | – | – | 4 | – |
| S 96.09 - Other personal service activities n.e.c. | 159 | – | – | – | 159 | – |

## Template 3 – GAR KPI stock

The following two templates show the proportion of stock that is Taxonomy-eligible and Taxonomy-aligned as at the reporting date as a ratio of the total GAR assets for each product/customer group and environmental objective, including the main KPIs in the GAR. The template also contains both the turnover and CapEx ratios.

**Turnover**

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 31.8 | 1.4 | 1.3 | 0.0 | 0.0 | 0.2 | 0.0 | – | 0.0 |
| **Financial undertakings** | **3.6** | **0.2** | **0.2** | **0.0** | **0.0** | **0.0** | **0.0** | **–** | **0.0** |
| Credit institutions | 1.6 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.7 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 0.9 | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| Other financial corporations | 2.0 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | – | 0.0 |
| of which investment firms | 0.0 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.0 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| of which management companies | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| of which insurance undertakings | 0.1 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.1 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| **Non-financial undertakings** | **21.8** | **1.1** | **1.0** | **0.0** | **0.0** | **0.2** | **0.0** | **–** | **0.0** |
| Loans and advances | 21.7 | 1.1 | 1.0 | 0.0 | 0.0 | 0.2 | 0.0 | – | 0.0 |
| Debt securities, including UoP | 0.0 | 0.0 | – | 0.0 | 0.0 | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| **Households** | **5.7** | **0.0** | **0.0** | **–** | **0.0** | **–** | **–** | **–** | **–** |
| of which loans collateralised by residential immovable property | 5.4 | 0.0 | 0.0 | – | – | – | – | – | – |
| of which building renovation loans | 5.7 | 0.0 | 0.0 | – | 0.0 | – | – | – | – |
| of which motor vehicle loans | 0.0 | – | – | – | – | | | | |
| **Local governments financing** | **0.8** | **0.0** | **0.0** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing financing | 0.2 | – | – | – | – | – | – | – | – |
| Other local government financing | 0.6 | 0.0 | 0.0 | – | – | – | – | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total GAR assets** | **31.8** | **1.4** | **1.3** | **0.0** | **0.0** | **0.2** | **0.0** | **–** | **0.0** |

in %

| | TOTAL (CCM + CCA) | | | | | |
|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | Proportion of total assets covered |
| **GAR - Covered assets in both numerator and denominator** | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 32.1 | 1.4 | 1.3 | 0.0 | 0.0 | 77.6 |
| **Financial undertakings** | **3.6** | **0.2** | **0.2** | **0.0** | **0.0** | **27.7** |
| Credit institutions | 1.6 | – | – | – | – | 18.3 |
| Loans and advances | 0.7 | – | – | – | – | 9.9 |
| Debt securities, including UoP | 0.9 | – | – | – | – | 8.3 |
| Equity instruments | – | – | | – | – | 0.0 |
| Other financial corporations | 2.0 | 0.2 | 0.2 | 0.0 | 0.0 | 9.5 |
| of which investment firms | 0.0 | – | – | – | – | 0.0 |
| Loans and advances | 0.0 | – | – | – | – | 0.0 |
| Debt securities, including UoP | – | – | – | – | – | 0.0 |
| Equity instruments | – | – | | – | – | 0.0 |
| of which management companies | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – |
| of which insurance undertakings | 0.1 | – | – | – | – | 0.1 |
| Loans and advances | 0.1 | – | – | – | – | 0.1 |
| Debt securities, including UoP | – | – | – | – | – | 0.0 |
| Equity instruments | – | – | | – | – | 0.0 |

in %

| | TOTAL (CCM + CCA) | | | | | |
|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | Proportion of total assets covered |
| **Non-financial undertakings** | **21.9** | **1.1** | **1.0** | **0.0** | **0.0** | **42.8** |
| Loans and advances | 21.9 | 1.1 | 1.0 | 0.0 | 0.0 | 41.7 |
| Debt securities, including UoP | 0.0 | 0.0 | – | 0.0 | 0.0 | 0.0 |
| Equity instruments | – | – | | – | – | 1.1 |
| **Households** | **5.7** | **0.0** | **0.0** | **–** | **0.0** | **6.1** |
| of which loans collateralised by residential immovable property | 5.4 | 0.0 | 0.0 | – | – | 5.5 |
| of which building renovation loans | 5.7 | 0.0 | 0.0 | – | 0.0 | 5.9 |
| of which motor vehicle loans | 0.0 | – | – | – | – | |
| **Local governments financing** | **0.8** | **0.0** | **0.0** | **–** | **–** | **0.9** |
| Housing financing | 0.2 | – | – | – | – | 0.2 |
| Other local government financing | 0.6 | 0.0 | 0.0 | – | – | 0.7 |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total GAR assets** | **32.1** | **1.4** | **1.3** | **0.0** | **0.0** | **100.0** |

## Capital expenditure

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 31.2 | 1.4 | 1.3 | 0.0 | 0.1 | 0.2 | 0.0 | – | 0.0 |
| **Financial undertakings** | **2.8** | **0.2** | **0.2** | **0.0** | **0.0** | **0.0** | **0.0** | **–** | **0.0** |
| Credit institutions | 0.9 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.6 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 0.3 | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| Other financial corporations | 2.0 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | – | 0.0 |
| of which investment firms | 0.0 | – | – | – | – | – | – | – | 0.0 |
| Loans and advances | 0.0 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | 0.0 |
| Equity instruments | – | – | | – | – | – | – | | – |
| of which management companies | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| of which insurance undertakings | 0.1 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.1 | – | – | – | – | – | – | – | – |

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Of which environmentally sustainable (Taxonomy-aligned) | | | | | Of which environmentally sustainable (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| **Non-financial undertakings** | **21.8** | **1.2** | **1.0** | **0.0** | **0.1** | **0.2** | **0.0** | **–** | **0.0** |
| Loans and advances | 21.8 | 1.2 | 1.0 | 0.0 | 0.1 | 0.2 | 0.0 | – | 0.0 |
| Debt securities, including UoP | 0.0 | 0.0 | – | 0.0 | 0.0 | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| **Households** | **5.7** | **0.0** | **0.0** | **–** | **0.0** | **–** | **–** | **–** | **–** |
| of which loans collateralised by residential immovable property | 5.4 | 0.0 | 0.0 | – | – | – | – | – | – |
| of which building renovation loans | 5.7 | 0.0 | 0.0 | – | 0.0 | – | – | – | – |
| of which motor vehicle loans | 0.0 | – | – | – | – | | | | |
| **Local governments financing** | **0.8** | **0.0** | **0.0** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing financing | 0.2 | – | – | – | – | – | – | – | – |
| Other local government financing | 0.6 | 0.0 | 0.0 | – | – | – | – | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total GAR assets** | **31.2** | **1.4** | **1.3** | **0.0** | **0.1** | **0.2** | **0.0** | **–** | **0.0** |

in %

| | TOTAL (CCM + CCA) | | | | | |
|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | Proportion of total assets covered |
| **GAR - Covered assets in both numerator and denominator** | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 31.4 | 1.4 | 1.3 | 0.0 | 0.1 | 77.6 |
| **Financial undertakings** | **2.9** | **0.2** | **0.2** | **0.0** | **0.0** | **27.7** |
| Credit institutions | 0.9 | – | – | – | – | 18.3 |
| Loans and advances | 0.6 | – | – | – | – | 9.9 |
| Debt securities, including UoP | 0.3 | – | – | – | – | 8.3 |
| Equity instruments | – | – | | – | – | 0.0 |
| Other financial corporations | 2.0 | 0.2 | 0.2 | 0.0 | 0.0 | 9.5 |
| of which investment firms | 0.0 | – | – | – | 0.0 | 0.0 |
| Loans and advances | 0.0 | – | – | – | – | 0.0 |
| Debt securities, including UoP | – | – | – | – | 0.0 | 0.0 |
| Equity instruments | – | – | | – | – | 0.0 |
| of which management companies | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – |
| of which insurance undertakings | 0.1 | – | – | – | – | 0.1 |
| Loans and advances | 0.1 | – | – | – | – | 0.1 |
| Debt securities, including UoP | – | – | – | – | – | 0.0 |
| Equity instruments | – | – | | – | – | 0.0 |

in %

| | TOTAL (CCM + CCA) | | | | | |
|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | Proportion of total assets covered |
| **Non-financial undertakings** | **22.0** | **1.2** | **1.0** | **0.0** | **0.1** | **42.8** |
| Loans and advances | 22.0 | 1.2 | 1.0 | 0.0 | 0.1 | 41.7 |
| Debt securities, including UoP | 0.0 | 0.0 | – | 0.0 | 0.0 | 0.0 |
| Equity instruments | – | – | | – | – | 1.1 |
| **Households** | **5.7** | **0.0** | **0.0** | **–** | **0.0** | **6.1** |
| of which loans collateralised by residential immovable property | 5.4 | 0.0 | 0.0 | – | – | 5.5 |
| of which building renovation loans | 5.7 | 0.0 | 0.0 | – | 0.0 | 5.9 |
| of which motor vehicle loans | 0.0 | – | – | – | – | |
| **Local governments financing** | **0.8** | **0.0** | **0.0** | **–** | **–** | **0.9** |
| Housing financing | 0.2 | – | – | – | – | 0.2 |
| Other local government financing | 0.6 | 0.0 | 0.0 | – | – | 0.7 |
| Collateral obtained by taking possession: residential and commercial immovable properties | – | – | – | – | – | – |
| **Total GAR assets** | **31.4** | **1.4** | **1.3** | **0.0** | **0.1** | **100.0** |

## Template 4 – GAR KPI flow

The following two templates show the proportion of new balance sheet assets that are Taxonomy-eligible and Taxonomy-aligned as a ratio of total GAR assets for each product/customer group and environmental objective, including the GAR´s main KPIs, Helaba discloses the GAR turnover and CapEx KPIs for flow as at the reporting date.

**Turnover compared with flow of total Taxonomy-eligible assets**

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 16.4 | 1.4 | 1.3 | 0.0 | 0.0 | 0.2 | 0.0 | – | 0.0 |
| **Financial undertakings** | **2.6** | **0.0** | **–** | **0.0** | **0.0** | **0.0** | **0.0** | **–** | **0.0** |
| Credit institutions | 2.2 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.4 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 1.8 | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| Other financial corporations | 0.4 | 0.0 | – | 0.0 | 0.0 | 0.0 | 0.0 | – | 0.0 |
| of which investment firms | 0.0 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.0 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| of which management companies | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – |

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| of which insurance undertakings | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| **Non-financial undertakings** | **10.8** | **1.3** | **1.2** | **0.0** | **0.0** | **0.2** | **–** | **–** | **–** |
| Loans and advances | 10.8 | 1.3 | 1.2 | – | 0.0 | 0.2 | – | – | – |
| Debt securities, including UoP | 0.0 | 0.0 | – | 0.0 | 0.0 | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| **Households** | **2.4** | **0.0** | **0.0** | **–** | **0.0** | **–** | **–** | **–** | **–** |
| of which loans collateralised by residential immovable property | 1.9 | 0.0 | 0.0 | – | – | – | – | – | – |
| of which building renovation loans | 2.4 | 0.0 | 0.0 | – | 0.0 | – | – | – | – |
| of which motor vehicle loans | – | – | – | – | – | | | | |
| **Local governments financing** | **0.6** | **0.0** | **0.0** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing financing | 0.3 | – | – | – | – | – | – | – | – |
| Other local government financing | 0.3 | 0.0 | 0.0 | – | – | – | – | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total GAR assets** | **16.4** | **1.4** | **1.3** | **0.0** | **0.0** | **0.2** | **0.0** | **–** | **0.0** |

in %

| | TOTAL (CCM + CCA) | | | | | |
|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | Proportion of total assets covered |
| **GAR - Covered assets in both numerator and denominator** | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 16.7 | 1.4 | 1.3 | 0.0 | 0.0 | 86.3 |
| **Financial undertakings** | **2.6** | **0.0** | **–** | **0.0** | **0.0** | **44.9** |
| Credit institutions | 2.2 | – | – | – | – | 34.3 |
| Loans and advances | 0.4 | – | – | – | – | 19.4 |
| Debt securities, including UoP | 1.8 | – | – | – | – | 14.9 |
| Equity instruments | – | – | | – | – | – |
| Other financial corporations | 0.4 | 0.0 | – | 0.0 | 0.0 | 10.5 |
| of which investment firms | 0.0 | – | – | – | – | 0.0 |
| Loans and advances | 0.0 | – | – | – | – | 0.0 |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | 0.0 |
| of which management companies | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – |
| of which insurance undertakings | – | – | – | – | – | 0.2 |
| Loans and advances | – | – | – | – | – | 0.2 |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – |

in %

| | TOTAL (CCM + CCA) | | | | | |
|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | Proportion of total assets covered |
| **Non-financial undertakings** | **11.0** | **1.3** | **1.2** | **0.0** | **0.0** | **38.2** |
| Loans and advances | 11.0 | 1.3 | 1.2 | – | 0.0 | 38.2 |
| Debt securities, including UoP | 0.0 | 0.0 | – | 0.0 | 0.0 | 0.0 |
| Equity instruments | – | – | | – | – | 0.0 |
| **Households** | **2.4** | **0.0** | **0.0** | **–** | **0.0** | **2.5** |
| of which loans collateralised by residential immovable property | 1.9 | 0.0 | 0.0 | – | – | 2.0 |
| of which building renovation loans | 2.4 | 0.0 | 0.0 | – | 0.0 | 2.5 |
| of which motor vehicle loans | – | – | – | – | – | – |
| **Local governments financing** | **0.6** | **0.0** | **0.0** | **–** | **–** | **0.8** |
| Housing financing | 0.3 | – | – | – | – | 0.3 |
| Other local government financing | 0.3 | 0.0 | 0.0 | – | – | 0.5 |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total GAR assets** | **16.7** | **1.4** | **1.3** | **0.0** | **0.0** | **100.0** |

**Capital expenditure compared with flow of total Taxonomy-eligible assets**

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| **GAR - Covered assets in both numerator and denominator** | | | | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 15.2 | 1.5 | 1.3 | 0.0 | 0.1 | 0.2 | 0.0 | – | 0.0 |
| **Financial undertakings** | **1.3** | **0.0** | **–** | **0.0** | **0.0** | **0.0** | **0.0** | **–** | **0.0** |
| Credit institutions | 0.8 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.2 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | 0.6 | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| Other financial corporations | 0.4 | 0.0 | – | 0.0 | 0.0 | 0.0 | 0.0 | – | 0.0 |
| of which investment firms | 0.0 | – | – | – | – | – | – | – | – |
| Loans and advances | 0.0 | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| of which  management companies | – | – | – | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| of which insurance undertakings | – | – | – | – | – | – | – | – | – |

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Loans and advances | – | – | – | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| **Non-financial undertakings** | **10.9** | **1.5** | **1.2** | **0.0** | **0.1** | **0.2** | **0.0** | **–** | **0.0** |
| Loans and advances | 10.9 | 1.5 | 1.2 | 0.0 | 0.1 | 0.2 | 0.0 | – | 0.0 |
| Debt securities, including UoP | 0.0 | 0.0 | – | 0.0 | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – | – | | – |
| **Households** | **2.4** | **0.0** | **0.0** | **–** | **0.0** | **–** | **–** | **–** | **–** |
| of which loans collateralised by residential immovable property | 1.9 | 0.0 | 0.0 | – | – | – | – | – | – |
| of which building renovation loans | 2.4 | 0.0 | 0.0 | – | 0.0 | – | – | – | – |
| of which motor vehicle loans | – | – | – | – | – | | | | |
| **Local governments financing** | **0.6** | **0.0** | **0.0** | **–** | **–** | **–** | **–** | **–** | **–** |
| Housing financing | 0.3 | – | – | – | – | – | – | – | – |
| Other local government financing | 0.3 | 0.0 | 0.0 | – | – | – | – | – | – |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total GAR assets** | **15.2** | **1.5** | **1.3** | **0.0** | **0.1** | **0.2** | **0.0** | **–** | **0.0** |

in %

| | TOTAL (CCM + CCA) | | | | | |
|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | Proportion of total assets covered |
| **GAR - Covered assets in both numerator and denominator** | | | | | | |
| Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 15.5 | 1.5 | 1.3 | 0.0 | 0.1 | 86.3 |
| **Financial undertakings** | **1.3** | **0.0** | **–** | **0.0** | **0.0** | **44.9** |
| Credit institutions | 0.8 | – | – | – | – | 34.3 |
| Loans and advances | 0.2 | – | – | – | – | 19.4 |
| Debt securities, including UoP | 0.6 | – | – | – | – | 14.9 |
| Equity instruments | – | – | | – | – | – |
| Other financial corporations | 0.4 | 0.0 | – | 0.0 | 0.0 | 10.5 |
| of which investment firms | 0.0 | – | – | – | – | 0.0 |
| Loans and advances | 0.0 | – | – | – | – | 0.0 |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | 0.0 |
| of which management companies | – | – | – | – | – | – |
| Loans and advances | – | – | – | – | – | – |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – |
| of which insurance undertakings | – | – | – | – | – | 0.2 |
| Loans and advances | – | – | – | – | – | 0.2 |
| Debt securities, including UoP | – | – | – | – | – | – |
| Equity instruments | – | – | | – | – | – |

in %

| | TOTAL (CCM + CCA) | | | | | |
|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | Proportion of total assets covered |
| **Non-financial undertakings** | **11.2** | **1.5** | **1.2** | **0.0** | **0.1** | **38.2** |
| Loans and advances | 11.2 | 1.5 | 1.2 | 0.0 | 0.1 | 38.2 |
| Debt securities, including UoP | 0.0 | 0.0 | – | 0.0 | – | 0.0 |
| Equity instruments | – | – | | – | – | 0.0 |
| **Households** | **2.4** | **0.0** | **0.0** | **–** | **0.0** | **2.5** |
| of which loans collateralised by residential immovable property | 1.9 | 0.0 | 0.0 | – | – | 2.0 |
| of which building renovation loans | 2.4 | 0.0 | 0.0 | – | 0.0 | 2.5 |
| of which motor vehicle loans | – | – | – | – | – | – |
| **Local governments financing** | **0.6** | **0.0** | **0.0** | **–** | **–** | **0.8** |
| Housing financing | 0.3 | – | – | – | – | 0.3 |
| Other local government financing | 0.3 | 0.0 | 0.0 | – | – | 0.5 |
| **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total GAR assets** | **15.5** | **1.5** | **1.3** | **0.0** | **0.1** | **100.0** |

## Template 5 – KPI off-balance sheet exposures

The following two templates show the proportion of Taxonomy-eligible and Taxonomy-aligned off-balance sheet exposures in total off-balance sheet exposures. The KPIs are presented for stock and flow on the basis of the turnover and CapEx ratios.

**Turnover compared with total eligible off-balance sheet assets of stock**

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Financial guarantees (FinGuar KPI) | 5.1 | 0.4 | 0.4 | – | – | 0.6 | – | – | – |
| Assets under management (AuM KPI) | 2.2 | 1.5 | – | 0.1 | 0.7 | 0.0 | 0.0 | – | 0.0 |

in %

| | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| Financial guarantees (FinGuar KPI) | 5.7 | 0.4 | 0.4 | – | – |
| Assets under management (AuM KPI) | 2.2 | 1.5 | – | 0.1 | 0.7 |

**Turnover compared with total eligible off-balance sheet assets of flow**

in %

| | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling | | | Of which Use of Proceeds | Of which enabling |
| Financial guarantees (FinGuar KPI) | – | – | – | – | – | – | – | – | – |
| Assets under management (AuM KPI) | 2.2 | 1.6 | – | 0.1 | 0.7 | 0.0 | 0.0 | – | 0.0 |

in %

| | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | | Of which Use of Proceeds | Of which transitional | Of which enabling |
| Financial guarantees (FinGuar KPI) | – | – | – | – | – |
| Assets under management (AuM KPI) | 2.3 | 1.6 | – | 0.1 | 0.7 |

### Templates 1 to 5 – Nuclear and gas energy activities

There are a further five templates for reporting fossil gas and nuclear energy activities in respect of environmental objectives 1 and 2, (turnover and CapEx ratios). Template 1 is used to report whether and which fossil gas and nuclear energy activities are financed. Templates 2 and 3 show the contribution and ratios of the Taxonomy-aligned economic activities in the denominator and numerator of the total GAR assets. Template 4 describes the contribution and ratios of the Taxonomy-eligible but not Taxonomy-aligned economic activities and template 5 the Taxonomy non-eligible economic activities. The figures shown in templates 4 and 5 do not include Taxonomy-eligible financing arrangements for the economic activities that were defined in 2023.

**Template 1 – Nuclear and fossil gas related activities**

| | |
|---|---|
| **Nuclear energy related activities** | |
| The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | YES |
| The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | YES |
| The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | YES |
| **Fossil gas related activities** | |
| The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | YES |
| The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | YES |
| The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | YES |

**Template 2 – Taxonomy-aligned economic activities (denominator)**

| | TOTAL (CCM + CCA) | | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | |
|---|---|---|---|---|---|---|
| **Economic activities** | **in € m** | **in %** | **in € m** | **in %** | **in € m** | **in %** |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |

| Economic activities | TOTAL (CCM + CCA) | | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | |
|---|---|---|---|---|---|---|
| | in € m | in % | in € m | in % | in € m | in % |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **1,683** | **1.4** | **1,681** | **1.4** | **2** | **0.0** |
| **Total applicable KPI** | **1,683** | **1.4** | **1,681** | **1.4** | **2** | **0.0** |

### Template 3 – Taxonomy-aligned economic activities (numerator)

| Economic activities | TOTAL (CCM + CCA) | | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | |
|---|---|---|---|---|---|---|
| | in € m | in % | in € m | in % | in € m | in % |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI** | **1,683** | **100.0** | **1,681** | **99.9** | **2** | **0.1** |
| **Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI** | **1,683** | **100.0** | **1,681** | **99.9** | **2** | **0.1** |

## Template 4 – Taxonomy-eligible but not Taxonomy-aligned economic activities

| | TOTAL (CCM + CCA) | | Climate Change Mitigation (CCM) | | Climate Change Adaptation (CCA) | |
|---|---|---|---|---|---|---|
| **Economic activities** | **in € m** | **in %** | **in € m** | **in %** | **in € m** | **in %** |
| Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – |
| Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 47 | 0.0 | 9 | 0.0 | 39 | 0.0 |
| Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 251 | 0.2 | 251 | 0.2 | – | – |
| Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 | 0 | 0.0 | – | – |
| **Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **37,514** | **30.7** | **37,287** | **30.5** | **227** | **0.2** |
| **Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI** | **37,812** | **30.9** | **37,547** | **30.7** | **266** | **0.2** |

## Template 5 – Taxonomy non-eligible economic activities

| Economic activities | in € m | in % |
|---|---|---|
| Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – |
| Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – |
| Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0.0 |
| Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – |
| Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – |
| Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – |
| **Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **55,177** | **45.1** |
| **Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI** | **55,177** | **45.1** |

# Outlook and opportunities

## Economic conditions

In light of continuing geopolitical uncertainty, the global economy is unlikely to grow faster in 2024 than it did the previous year. At around 5 %, growth in China should also be similar to the 2023 level. Despite massive interest rate hikes, the USA should avoid recession and economic growth there is expected to reach 1.8 % in 2024.

Since 2021, the euro zone has been growing faster than Germany which is facing a slew of structural problems. Having recorded just a slight plus in 2023, the common currency area is likely to see expansion of around 1 % in 2024, also due to lower interest and inflation rates. Key countries such as Italy and Spain are still benefiting from large-scale European transfers.

The ECB and the Fed are expected to respond to the fall in inflation by dropping interest rates at around the middle of 2024. They are each likely to reduce their benchmark rates by 75 basis points by the end of the year. At the same time, the decline in total assets is projected to continue. In the quarters ahead, the capital market rates on bond markets on both sides of the Atlantic are likely to see net sidewards movement because interest rate declines have already been factored in. The central banks' accelerated scaling back of their securities portfolios coupled with relatively high government issuing activities will restrict price potential here.

## Opportunities

Helaba defines as opportunities the business potential that it is able to leverage in its operating segments as a result of its business model, market position or special expertise. By pursuing targeted strategic growth initiatives in its lines of business, Helaba has positioned itself to best exploit the potential opportunities arising from each market environment.

The Helaba Group has long maintained a stable and viable strategic business model that it continues to develop.

The key factors behind the Helaba Group's success remain its conservative risk profile, backed up by effective risk management, and the strategic business model for the Group as a whole based on the concept of a full-service bank with its own retail business, a strong base in the region, a very close relationship with the Sparkassen and robust capital and liquidity adequacy.

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

Helaba has adopted five strategic sustainability objectives and its endeavours in the area of sustainability target all three ESG dimensions: environment, social and governance. Its second ESG objective frames Helaba's aim to help bring the Paris Agreement targets within reach and increase the volume of sustainable business in its portfolio to 50 % by 2025. The Sustainable Lending Framework provides a standardised method for the definition, measurement and management of sustainable lending business. This represents the initial step in a holistic impact assessment and management process. At the end of 2023, Helaba published the Sustainable Lending Framework to define, measure and manage the sustainable lending business.

The Sustainable Finance Advisory service advises both corporate customers and customers of the Sparkassen in order to keep pace with the growing demand for specific advice and individual structuring of sustainable financing solutions. By offering low-entry-threshold products, Helaba primarily taps customer groups that are just embarking on the transformation journey and want to use sustainable finance measures to pivot their business model or strategic management to sustainability. Helaba is thus underscoring its efforts to encourage companies to join the sustainable transformation and intends to continue building up its market position here in 2024.

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

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

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

With its Green Bond Framework introduced in 2021, Helaba has positioned itself in the bond market as a sustainable issuer. In this regard, Helaba is making the most of its established market access to place sustainable funding instruments with investors as well.

The digital transformation is marching on and will continue to bring huge changes to the banking industry as well as to attract other competitors to the market. Having now become well established across the financial market, innovative technologies including blockchain, artificial intelligence and cloud services are advancing at an extraordinary pace. These changes bring with them new customer expectations in terms of exactly what constitutes a comprehensive digital customer offer. In particular, the omnipresent developments in the fields of artificial intelligence (AI) and automation are leading customers to expect faster and more efficient process handling and offer inherent opportunities to handle more business using the same resources. A programme covering all aspects of artificial intelligence has been initiated in order to leverage these opportunities. Its goal is to introduce an AI strategy and adequate governance structures. Moreover, use cases are to be implemented across the Group with the goal of achieving efficiencies and improving the customer experience.

Helaba continues to drive its digital transformation consistently, focusing on the key areas of innovation and new business models, ecosystems and partnerships, digital culture and collaboration, and new technologies. This is supported by the Digital Transformation Committee, which brings together senior management expertise from the front office and corporate centre units and ensures that Helaba maintains a comprehensive overview of the action areas and opportunities opened up by digital transformation. Agile working methods and collaboration in cross-functional teams pave the way for greater flexibility and a faster response to customer needs. In order to foster this development and give employees the opportunity to integrate digitalisation measures into their daily work, Helaba is working on a series of formats aimed at providing information for employees and encouraging them to actively participate in innovation measures, thus increasing the innovative capability of all divisions.

Plans are in place to introduce a performance measurement system and a digital roadmap to facilitate tracking and management of progress in the action areas. Digital ecosystems and partnerships are of great importance for Helaba, not least as a way to provide new options for more efficient collaboration for the Sparkassen and other S-Group companies. Digital platforms harbour remarkable market potential by virtue of the numerous possibilities they open up to automate process chains and integrate supply and demand even more effectively.

Through its equity investment company Helaba Digital, Helaba pursues partnerships with fintechs, proptechs and start-ups with a sustainability focus or makes equity investments in such entities. It intends to continue expanding the portfolio of strategic equity investments and thereby proactively help to shape the development of the markets concerned.

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

In addition, Helaba is participating in venture capital funds such as the proptech vc-FundsPT1 to enable it to leverage the opportunities offered by sharing knowledge with start-ups in the real estate area that is so important to Helaba.

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

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

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

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

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

Other major opportunities for Helaba relate to innovations in connection with the digital euro, a development that continues to be monitored in light of the ongoing evolution of payment transactions. Helaba is playing an active role in the collaborative project run by the German Banking Industry Committee to design tokenised commercial bank money known as the "Giralgeldtoken" and draw up use cases for programmable payments. The challenge now is to develop specific solutions for ongoing use by customers. For a leading provider of payment transaction processing services like Helaba, this initiative could open up opportunities for additional innovative business models such as pay-per-use.

Technological progress is opening up new possibilities for data analysis and use too, prompting Helaba to become a partner in the Financial Big Data Cluster (FBDC) initiative. The initiative and its members aim to identify opportunities to build up joint data resources for the financial sector and develop use cases for the application of artificial intelligence to analyse this data. Helaba is particularly interested in the sustainable finance element of the initiative.

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

The digital transformation is being supported by the development of a central Data Governance & Analytics unit to help create added value with data-driven products, services and business models. Group-wide data governance is a key foundation for this and thus has a fundamental role to play in the achievement of the strategic business objectives.

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

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

The rise in interest rates has created new challenges in the real estate market in particular. Due to the resulting price and funding risks, German and international markets are still characterised by great restraint on the part of investors which is impacting both values and financing parameters. Against the backdrop of the business area's cyclicality, which has always been a factor in the real estate strategy, as well as the quality-focused selection of customers and transactions, Helaba considers these risks to be manageable overall. In 2024, the focus will be mainly on managing the existing portfolio and taking a more selective and cautious approach to new business. In the current market, Helaba's range of attractive products – including those with an ESG focus – and its existing expertise in sustainable financing will support its activities. These are flanked by the expansion of digital expertise, coupled with rapid decision-making in cases that demonstrate sufficient reliability.

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

The Corporates & Markets segment encompasses the customer-driven wholesale business. Helaba is broadening its activities in corporate finance business with targeted product initiatives that include the development and expansion of sustainable products and the strengthening of development loan structuring activities. Another key component of Helaba's activities is the provision of finance for infrastructure and infrastructure-related services in the form of project and transport finance. Long-term business potential should be strong in this segment thanks to the focus of project finance activities on the priority energy sector, principally renewable energy, and the modal shift towards rail transport. It has identified opportunities associated with the digitalisation and optimisation of processes and systems throughout the value chain as well as with closer integration of corporate banking activities with the FBG Group.

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

Export-oriented corporate customers expect their partner bank to offer a range of products that will help them with their international activities. Its institutional roots in the Sparkassen-Finanzgruppe and its extended customer base are enabling Helaba to establish itself within the Sparkassen-Finanzgruppe as a service and solution provider for international business. This segment has been strengthened by the takeover of NordLB's international documentary business. It also stands to receive a boost from the development of the risk marketplace with Komuno and from its leading role in developing and financing the Spring risk marketplace. Helaba is continuously investigating additional opportunities to expand this business area further.

In the precious metals and foreign notes business area, Helaba is a reliable and competent partner to the Sparkassen and their customers especially. Pooling this expertise within the Sparkassen-Finanzgruppe provides further opportunities for achieving economies of scale and tapping into new customer groups such as coin traders and third-party banks.

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

For Helaba as one of the largest users of the pan-European payment infrastructure platform for high-value euro transactions (EBA Clearing), innovation in this area plays an important role. The ongoing expansion of the virtual girocard in e-commerce is just one of the steps being taken in response to the digital structural change in the cash management business. The addition of the co-badged Debit MasterCard and Visa Debit card to the girocard product range combines the global payment options at the point of sale with the extended internet capability of the card. Helaba is also working to safeguard its leading role in payment transaction processing in the future by ensuring that it is well-positioned in the current #DK initiative (German Banking Industry Committee) and the European Payments Initiative (EPI 2.0), which aim to provide a secure, demand-based and efficient wallet payment system ("wero") in Germany and, optionally, in Europe. Helaba is continuing to systematically advance the digitalisation of its payment transactions services.

By taking over the foreign payment transactions of the Sparkassen in Baden-Württemberg, Rhineland-Palatinate and Saxony, Helaba has the opportunity to continue growing its market position and consolidate cross-border payment transactions.

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

Frankfurter Sparkasse's digital sales platform, 1822direkt, again received awards in 2023 for the quality of its products, advice and service, highlighting the appeal of its offering. The current interest rate environment has led to a revival of the deposit business. Marketing and customer acquisition have focused especially overnight money. Frankfurter Sparkasse intends to make even greater use of existing market opportunities by stepping up its expansion of securities business and home finance for private customers.

Helaba Invest's strategic focus on its three main pillars – AM Liquid, AM Illiquid and Administration (master investment company) – presents opportunities for it to build on its position as the leading provider of special funds both within and outside the Sparkassen-Finanzgruppe. Additional market potential is to be found in the highly diversified customer structure, stable long-term customer base and extensive service portfolio. For many years, Helaba Invest has regularly received top ratings for product quality and for individual and overall customer support (Telos Satisfaction Survey 2023).

It actively promotes sustainability-linked funds (Article 8 of the Sustainable Finance Disclosure Regulation). A key advance in this area is the Sustainable Investment Framework (SIF) developed in 2023 in collaboration with Helaba. This sets out the details of

Helaba's sustainability activities in the investment segment and supplements the existing sustainability criteria for Helaba Invest's own-account investing activities and asset management.

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

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

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

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

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

Particular opportunities are also seen in residential construction and subsidies for owner-occupied homes. The State of Hesse has improved the conditions of its subsidy programmes, resulting in consistently high demand. Likewise, the new photovoltaic subsidy programme has generated additional impulses in new business. Moreover, despite the lower financial headroom of municipal authorities and companies, growing business potential is expected in infrastructure development due to the continuing high need for investment in municipal infrastructure in the medium and long term.

Another focus of investment is on measures which help to boost the transformation, increase resilience and foster digitalisation, innovation and climate neutrality. In addition, there is an unchanged internal focus on further process digitalisation and optimisation and the simultaneous improvement of online services for customers, especially through the further development of the digital customer portal. Integrating ESG requirements into processes is becoming increasingly important.

Helaba receives ratings from rating agencies Moody's Investors Service (Moody's) and Fitch Ratings (Fitch).

Moody's has awarded Helaba an issuer rating of "Aa3", plus a rating of "P-1" for its short-term liabilities. In the case of Fitch, Helaba is rated jointly with the Sparkassen in Hesse and Thuringia in the form of an S-Group rating. Fitch confirmed its ratings for the Sparkassen-Finanzgruppe Hessen-Thüringen at "A+/F1+" in 2023.

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

Helaba is firmly and permanently established as part of the German Sparkassen-Finanzgruppe by virtue of its ownership structure (88 % of its shares are held by members of the Sparkassen organisation) and its Sparkasse central bank function for around 40 % of Sparkassen in Germany. Further enhancing its position as a leading S-Group bank for the German Sparkassen and permanently integrating with the Sparkassen are among Helaba's strategic objectives. Efficiency improvements and targeted collaborations are creating additional options for further increasing S-Group benefits for the Sparkassen. Possible springboards include joint lending operations with Sparkassen for larger SME clients, international business and the intensification of the successfully established Group-wide cross-selling of products from the subsidiaries, for example in the area of high-end private banking through Frankfurter Bankgesellschaft.

The prevailing economic conditions remain challenging, and so the banking sector finds itself in a continuous process of adjustment, with increasing pressure to consolidate. Inorganic growth is an option for public-sector banks too as a way of putting their business model on an even sounder footing, facilitating sustainable growth and exploiting new opportunities in the market. In recent years, for example, various transactions between the Landesbanken have bundled expertise in individual business areas. Helaba will remain open to the idea of such transactions in the future.

Overall, the Helaba Group finds itself well placed to meet the challenges of the future over the long term with its established strategic business model. The fundamental business strategy is sound and the broad diversification of the business model has acted as a stabilising factor, particularly in the current market situation. Sustainable finance remains very much front and centre as it strives to proactively assist customers by providing sustainable financial products to support the carbon-neutral transition. Added to this are the digital transformation megatrend and the advance of artificial intelligence into ever more areas of life. The Helaba Group's objective in its profitability strategy is to additionally stabilise its sustainable earnings power to strengthen its capital base while observing risk strategy requirements and taking account of changes in the regulatory environment. Alongside growth initiatives, Helaba is also aiming for further efficiency enhancements as part of digital transformation.

## Expected development of the Group

Landesbank Hessen-Thüringen Girozentrale (Helaba) is a credit institution organised under public law; its business model is based on a strong regional focus, a presence in carefully selected international markets and a very close relationship with the Sparkasse organisation and therefore provides an excellent foundation for business growth in 2024.

Following the slight recession in 2023, forecasters currently expect the economy to recover slowly in 2024. In light of falling interest rates, the leading central banks are projected to make the first interest rate cuts in mid-2024. Moreover, even now the cycle has peaked, interest rates are still above the level of the negative interest rate phase which is having a positive impact on the banking industry's profitability – especially net interest income. Despite the still challenging real estate market environment, falling interest rates are expected to reduce the pressure slightly on financing costs. For this reason, some segments of the real estate sector are forecast to stabilise from 2024.

Overall, these expectations represent the primary constraints for Helaba's forecast earnings growth in 2024.

The assumptions of slight economic growth have been considered positively in new business planning which envisages the expansion of new business volume. Overall, total assets are expected to remain almost unchanged.

Despite higher average margins in the lending business, the projected declines in margins in the liabilities-side business and in the business volume for 2024 are forecast to result in lower contributions from interest, leading to an appreciable decrease in net interest income. In the medium term, it is anticipated that the net interest income of the lending business will rise again.

In the 2023 reporting year, additions to loss allowances were significantly higher given the situation of the real estate sector; as a result, total loss allowances are substantial in size. It is therefore assumed that additions to loss allowances will not increase in 2024.

The ongoing expansion of customer business, most notably at the subsidiary companies, suggests net fee and commission income will be moderately higher than in the prior year.

Due to the anticipated turnaround in Germany's housing market, a very sharp year-on-year increase is expected in net income from investment property.

Valuation gains or losses – the sum of net trading income and gains and losses on measurement at fair value (non-trading) – are expected to decline significantly year on year in 2024.

Other net income seems likely to improve markedly in 2024 and is expected to be above the prior-year figure.

From 2024, general and administrative expenses will decline because there will be no expense for the European bank levy. By contrast, project activities – especially the implementation of regulatory requirements and the modernisation of IT infrastructure – and hiring due to the insourcing of regulatory functions will also be reflected in general and administrative expenses, as will the growth initiatives at the subsidiaries and in development business. As a result, general and administrative expenses are expected to increase moderately overall.

In summary, Helaba is projecting a moderate decline in net interest income in 2024 due to the slightly lower contributions anticipated from margins in the liabilities-side business. Higher margin contributions and the expanding new lending business is expected to have a positive impact on the lending business in the medium term only. Nevertheless, the pressures in the real estate business – especially in respect of loss allowances – are projected to decline compared with 2023. Other income components are expected to develop positively overall. It is anticipated that consolidated profit before taxes will exceed € 700 m in 2024.

Return on equity should accordingly fall markedly and the cost-income ratio should remain within the target range (< 70 %). The Common Equity Tier 1 capital ratio for the Helaba Regulatory Group is budgeted to decrease slightly. The risk appetite for the leverage ratio remains the same as in the prior year.

Regulatory authorities stipulate that a liquidity coverage ratio (LCR) and a net stable funding ratio (NSFR) of at least 100 % must be maintained (capacity). The Helaba Regulatory Group has a target LCR of 135 % (appetite) for 2024, which is above the regulatory minimum requirement.

The net stable funding ratio (NSFR) – a medium- and long-term liquidity ratio – was introduced on a mandatory basis from June 2021 after the CRR II came into force. The target figure for 2024 is 105 % (appetite).

Geopolitical uncertainties such as the continuation of the Ukraine war, further developments in the Middle East, the conflict relating to Taiwan and the US elections remain the risks to the Helaba Group's performance in 2024. The aforementioned uncertainties are the factor most likely to cause actual developments to differ substantially from the economic parameters assumed by Helaba on the basis of its macroeconomic forecasts.

## Expected development of the segments

In the Real Estate segment, business performance will be affected by the projected real estate market situation. The negative trend is expected to bottom out in the course of the year and Helaba is anticipating a slow stabilisation of some sub-segments. The office real estate market in the USA remains under pressure due to rising vacancy rates and declining prices, although office rents are still robust in preferred locations. Due to Helaba's continuing strong market position, business volume is expected to remain stable in 2024, with income declining only slightly year on year. The volume of the medium- and long-term real estate lending business in 2024 is likely to be higher than the previous year, with a countervailing trend in repayments. Additions to loss allowances in the Real Estate segment are expected to stabilise compared with the prior year. With a marginal increase in general and administrative expenses, the segment's profit before taxes in 2024 is anticipated to be higher than the prior-year level.

Income from the lending business in the Corporates & Markets segment is expected to be markedly lower overall in 2024. This applies to Asset Finance, Corporate Banking and the municipal lending business. In 2024, the Savings Banks and SME segment is also anticipating a noticeable decline in income, especially net interest income due to declining margins in the liabilities-side business. Income in the capital market business is expected to rise very sharply through to the end of 2024. The segment's profit before taxes is forecast to be slightly lower than the prior-year figure overall.

We are anticipating a decline in profit before taxes in the Retail & Asset Management segment. Frankfurter Bankgesellschaft will continue its growth trajectory and should see a slight increase in earnings, mainly because net fee and commission income is expected to be significantly higher, although general and administrative expenses will rise slightly due to the ongoing expansion of business. GWH is expecting stronger gains for 2024 compared with the previous year. Likewise, Helaba Invest is forecasting a significant improvement in income in 2024. In its position as the regional market leader, Frankfurter Sparkasse is likely to make a substantial contribution to the segment's net income in 2024. At the same time, the gain from the margins on the liabilities side of the deposit business and the anticipated increase in additions to loss allowances are expected to be down on the previous year.

The WIBank segment is projecting a slight decline in business volume and a corresponding decrease in income in 2024.

In the Other segment, income derived from investing own funds is expected to be up sharply year on year, with income from business activities down very substantially. OFB expects income in 2024 to be very substantially up on the prior-year figure, which was affected by impairment losses. The segment's profit before taxes is forecast to be substantially lower than the prior-year figure overall.

## Overall assessment

Helaba recorded a significant increase in Group net profit before taxes to € 722 m (2022: € 633 m) for financial year 2023. In light of the difficult economic environment in Germany in 2023, current geopolitical uncertainties and the turmoil on the real estate markets, this performance highlights the stability of the diversified business model.

The actions implemented from the strategic agenda are working and were progressed consistently in 2023. The modernisation of the IT infrastructure continued as planned.

Helaba continues to support customers proactively through the current turbulence, especially in the context of transitioning to more sustainable business models. In particular, work to expand the ESG product range and the Sustainable Finance Advisory proposition further consolidated Helaba's strong market position in 2023.

In the operating business, net interest income in particular increased further as a result of the interest rate turnaround.

The moderate increase in general and administrative expenses was lower than anticipated due to factors such as the lower bank levy.

In response to the worsened risk situation in the real estate segment, higher additions were made to loss allowances (including a post-model adjustment).

Levels of geopolitical and economic uncertainty remain high worldwide. The further development and resulting implications of conflicts, the realignment of trade flows and structural factors such as the increasing shortage of qualified labour, locally inadequate infrastructure and high energy prices in Germany have combined to create a challenging environment. Added to this are the upcoming elections in the USA.

Thanks to the continuing resilience of its well-diversified business model with its focus on stable growth, Helaba is well placed for the challenges of 2024. There are opportunities available for further growth too in connection with the essential transformation process on the pathway to sustainable economic systems.

Helaba is confident for 2024 and expects its pre-tax earnings to match the prior-year level.

The net profit generated in financial year 2023 allows Helaba to service all subordinated debt and silent participations, pay a dividend and make appropriations to reserves.

Frankfurt am Main / Erfurt, 27 February 2024

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

| | | |
|---|---|---|
| Groß | Kemler | Nickel |
| Rhino | Schmid | Weiss |

# Consolidated financial statements

# Consolidated income statement

for the period 1 January to 31 December 2023

| | Notes | 2023 in € m | 2022 in € m | Change in % |
|---|---|---|---|---|
| Net interest income | (4) | 1,840 | 1,417 | 29.8 |
| Interest income | | 8,421 | 3,861 | >100.0 |
| thereof: Calculated using the effective interest method | | 6,215 | 2,630 | >100.0 |
| Interest expenses | | –6,581 | –2,443 | >-100.0 |
| Loss allowances | (5) | –448 | –162 | >-100.0 |
| Gains or losses from non-substantial modification of contractual cash flows | (6) | 0 | 0 | –92.9 |
| **Net interest income after loss allowances and modifications** | | **1,392** | **1,255** | **10.9** |
| Dividend income | (7) | 19 | 17 | 11.4 |
| Net fee and commission income | (8) | 536 | 533 | 0.5 |
| Fee and commission income | | 660 | 682 | –3.2 |
| Fee and commission expenses | | –125 | –149 | 16.3 |
| Income/expenses from investment property | (9) | 207 | 207 | 0.4 |
| Net trading income | (10) | 48 | 355 | –86.4 |
| Gains or losses on other financial instruments mandatorily measured at fair value through profit or loss | (11) | 768 | –2,202 | >100.0 |
| Gains or losses on financial instruments designated voluntarily at fair value | (12) | –623 | 1,966 | >-100.0 |
| Net income from hedge accounting | (13) | 14 | –8 | >100.0 |
| Gains or losses on derecognition of financial instruments not measured at fair value through profit or loss | (14) | –2 | 20 | >-100.0 |
| thereof: From financial assets measured at amortised cost | | 0 | 0 | –72.7 |
| Share of profit or loss of equity-accounted entities | (15) | –13 | –4 | >-100.0 |
| Other net operating income | (16) | 86 | 146 | –40.9 |
| General and administrative expenses | (17) | –1,564 | –1,506 | –3.8 |
| Depreciation | (18) | –147 | –146 | –1.0 |
| **Profit or loss before tax** | | **722** | **633** | **14.0** |
| Taxes on income | (19) | –255 | –202 | –26.3 |
| **Consolidated net profit** | | **466** | **431** | **8.3** |
| thereof: Attributable to non-controlling interests | | 0 | –0 | >100.0 |
| thereof: Attributable to shareholders of the parent | | 466 | 431 | 8.1 |

# Consolidated statement of comprehensive income

for the period 1 January to 31 December 2023

| | 2023 | 2022 | Change |
|---|---|---|---|
| | in € m | in € m | in % |
| **Consolidated net profit according to the consolidated income statement** | **466** | **431** | **8.3** |
| **Items that will not be reclassified to the consolidated income statement:** | **22** | **717** | **−97.0** |
| Remeasurement of net defined benefit liability | −67 | 693 | >-100.0 |
| Change in fair value of equity instruments measured at fair value through other comprehensive income | 1 | −6 | >100.0 |
| Credit risk-related change in fair value of financial liabilities designated voluntarily at fair value | 98 | 339 | −71.2 |
| Taxes on income on items that will not be reclassified to the consolidated income statement | −10 | −309 | 96.6 |
| **Items that will be subsequently reclassified to the consolidated income statement:** | **72** | **−387** | **>100.0** |
| Share of profit or loss of equity-accounted entities | – | 0 | −100.0 |
| Unrealised gains (+)/losses (–) recognised in the reporting period | – | 0 | −100.0 |
| Gains (–)/losses (+) reclassified to the consolidated income statement in the reporting period | – | −0 | 100.0 |
| Change in fair value of debt instruments measured at fair value through other comprehensive income | 163 | −609 | >100.0 |
| Unrealised gains (+)/losses (–) recognised in the reporting period | 162 | −589 | >100.0 |
| Gains (–)/losses (+) reclassified to the consolidated income statement in the reporting period | 1 | −20 | >100.0 |
| Gains or losses from currency translation of foreign operations | −3 | 2 | >-100.0 |
| Unrealised gains (+)/losses (–) recognised in the reporting period | −3 | 2 | >-100.0 |
| Gains or losses from fair value hedges of currency risk | −53 | 39 | >-100.0 |
| Unrealised gains (+)/losses (–) recognised in the reporting period | −53 | 39 | >-100.0 |
| Taxes on income on items that will be subsequently reclassified to the consolidated income statement | −35 | 180 | >-100.0 |
| **Other comprehensive income after taxes** | **94** | **330** | **−71.7** |
| **Comprehensive income for the reporting period** | **560** | **761** | **−26.4** |
| thereof: Attributable to non-controlling interests | 0 | −0 | >100.0 |
| thereof: Attributable to shareholders of the parent | 560 | 761 | −26.5 |

# Consolidated statement of financial position

as at 31 December 2023

**Assets**

| | Notes | 31.12.2023 in € m | 31.12.2022 in € m | Change in % |
|---|---|---|---|---|
| Cash on hand, demand deposits and overnight money balances with central banks and banks | (21), (37) | 32,864 | 40,266 | –18.4 |
| Financial assets measured at amortised cost | (22), (37) | 129,477 | 130,673 | –0.9 |
| Trading assets | (23) | 11,697 | 12,672 | –7.7 |
| Other financial assets mandatorily measured at fair value through profit or loss | (24) | 2,614 | 2,523 | 3.6 |
| Financial assets designated voluntarily at fair value | (25) | 2,828 | 2,853 | –0.9 |
| Positive fair values of hedging derivatives under hedge accounting | (26) | 393 | 740 | –46.9 |
| Financial assets measured at fair value through other comprehensive income | (27), (37) | 15,535 | 15,579 | –0.3 |
| Shares in equity-accounted entities | (28) | 36 | 34 | 7.8 |
| Investment property | (29) | 3,485 | 3,109 | 12.1 |
| Property and equipment | (30) | 710 | 722 | –1.8 |
| Intangible assets | (31) | 234 | 188 | 24.6 |
| Income tax assets | (32) | 536 | 639 | –16.1 |
| Current income tax assets | | 161 | 109 | 48.1 |
| Deferred income tax assets | | 375 | 531 | –29.2 |
| Other assets | (33) | 1,664 | 1,506 | 10.5 |
| **Total assets** | | **202,072** | **211,502** | **–4.5** |

**Equity and liabilities**

| | Notes | 31.12.2023 in € m | 31.12.2022 in € m | Change in % |
|---|---|---|---|---|
| Financial liabilities measured at amortised cost | (22) | 162,306 | 170,881 | –5.0 |
| Trading liabilities | (23) | 11,350 | 13,754 | –17.5 |
| Negative fair values of non-trading derivatives | (24) | 2,924 | 3,420 | –14.5 |
| Financial liabilities designated voluntarily at fair value | (25) | 12,445 | 10,915 | 14.0 |
| Negative fair values of hedging derivatives under hedge accounting | (26) | 667 | 706 | –5.6 |
| Provisions | (34) | 1,175 | 1,171 | 0.4 |
| Income tax liabilities | | 127 | 215 | –40.9 |
| Current income tax liabilities | | 124 | 214 | –42.0 |
| Deferred income tax liabilities | | 3 | 1 | >100.0 |
| Other liabilities | (33) | 745 | 562 | 32.5 |
| Equity | (35) | 10,333 | 9,877 | 4.6 |
| Subscribed capital | | 2,509 | 2,509 | – |
| Capital reserves | | 1,546 | 1,546 | – |
| Additional Tier 1 capital instruments | | 354 | 354 | – |
| Retained earnings | | 6,028 | 5,665 | 6.4 |
| Accumulated other comprehensive income (OCI) | | –106 | –199 | 46.9 |
| Non-controlling interests | | 1 | 2 | –33.9 |
| **Total equity and liabilities** | | **202,072** | **211,502** | **–4.5** |

# Consolidated statement of changes in equity

for the period 1 January to 31 December 2023

in € m

| | Subscribed capital | Capital reserves | Additional Tier 1 capital instruments | Retained earnings | Accumulated other comprehensive income | Equity attributable to shareholders of the parent company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **As at 1.1.2022** | **2,509** | **1,546** | **354** | **5,338** | **–529** | **9,217** | **4** | **9,222** |
| Changes in the basis of consolidation | – | – | – | – | – | – | –1 | –1 |
| Dividend payment | | | | –104 | | –104 | –1 | –105 |
| Comprehensive income for the reporting period | | | | 431 | 330 | 761 | –0 | 761 |
| thereof: Consolidated net profit | | | | 431 | | 431 | –0 | 431 |
| thereof: Other comprehensive income after taxes | | | | | 330 | 330 | – | 330 |
| Reclassifications within equity | | | | 0 | –0 | – | | – |
| **As at 31.12.2022** | **2,509** | **1,546** | **354** | **5,665** | **–199** | **9,875** | **2** | **9,877** |
| Changes in the basis of consolidation | – | – | – | – | – | – | –0 | –0 |
| Dividend payment | | | | –104 | | –104 | –1 | –105 |
| Comprehensive income for the reporting period | | | | 466 | 94 | 560 | 0 | 560 |
| thereof: Consolidated net profit | | | | 466 | | 466 | 0 | 466 |
| thereof: Other comprehensive income after taxes | | | | | 94 | 94 | – | 94 |
| Reclassifications within equity | | | | 0 | –0 | – | | – |
| **As at 31.12.2023** | **2,509** | **1,546** | **354** | **6,028** | **–106** | **10,331** | **1** | **10,333** |

# Consolidated cash flow statement

for the period 1 January to 31 December 2023

in € m

| | 2023 | 2022 |
|---|---|---|
| **Consolidated net profit** | **466** | **431** |
| Non-cash items in consolidated net profit and reconciliation to cash flow from operating activities: | | |
| Loss allowances and modifications in respect of financial assets; depreciation, amortisation, impairment losses and reversals of impairment losses in respect of non-financial assets | 706 | 342 |
| Additions to and reversals of provisions outside the scope of application of IFRS 9 | –28 | –32 |
| Other non-cash expense/income | –83 | –181 |
| Gains or losses from the derecognition of non-financial assets and financial instruments | –58 | –80 |
| Other adjustments | –1,715 | –1,163 |
| **Subtotal** | **–711** | **–682** |
| Changes in assets and liabilities from operating activities after adjustment for non-cash items: | | |
| Loans and receivables measured at amortised cost | 1,881 | 664 |
| Trading assets/liabilities | 112 | 1,283 |
| Other loans and receivables mandatorily measured at fair value through profit or loss | 55 | 25 |
| Loans and receivables designated voluntarily at fair value | 131 | 160 |
| Loans and receivables measured at fair value through other comprehensive income | 55 | –196 |
| Other assets/liabilities from operating activities | –256 | –25 |
| Financial liabilities measured at amortised cost | –7,859 | 2,082 |
| Financial liabilities designated voluntarily at fair value | 876 | 1,640 |
| Interest received | 7,745 | 4,012 |

in € m

| | 2023 | 2022 |
|---|---|---|
| Interest paid | –7,526 | –2,077 |
| Dividends and profit distributions received | 19 | 17 |
| Income tax payments | –144 | –272 |
| **Cash flow from operating activities** | **–5,623** | **6,632** |
| Proceeds from the disposal of: | | |
| Financial assets measured at amortised cost excluding loans and receivables | 516 | 20 |
| Other financial assets mandatorily measured at fair value through profit or loss excluding loans and receivables | 305 | 259 |
| Financial assets designated voluntarily at fair value excluding loans and receivables | 7 | 1 |
| Financial assets measured at fair value through other comprehensive income excluding loans and receivables | 5,473 | 7,276 |
| Investment property | 100 | 51 |
| Property and equipment | 0 | 35 |
| Intangible assets | 1 | – |
| Payments for the acquisition of: | | |
| Financial assets measured at amortised cost excluding loans and receivables | –1,523 | –1,397 |
| Other financial assets mandatorily measured at fair value through profit or loss excluding loans and receivables | –267 | –331 |
| Financial assets measured at fair value through other comprehensive income excluding loans and receivables | –5,270 | –6,057 |
| Investment property | –555 | –224 |
| Property and equipment | –73 | –115 |
| Intangible assets | –74 | –54 |

| in € m | 2023 | 2022 |
|---|---|---|
| Effect of changes in basis of consolidation: | | |
| Proceeds from the disposal of subsidiaries and other operations | – | 5 |
| **Cash flow from investing activities** | **–1,360** | **–537** |
| Dividend payments | –104 | –104 |
| Repayment of lease liabilities | –42 | –43 |
| Change in cash and cash equivalents from other financing activities (subordinated liabilities)[1] | –294 | 170 |
| **Cash flow from financing activities** | **–440** | **23** |
| **Cash and cash equivalents as at 1.1.** | **40,266** | **34,039** |
| Cash flow from operating activities | –5,623 | 6,632 |
| Cash flow from investing activities | –1,360 | –537 |
| Cash flow from financing activities | –440 | 23 |
| Effect of exchange rate changes, measurement changes and changes in basis of consolidation | 22 | 108 |
| **Cash and cash equivalents as at 31.12.** | **32,864** | **40,266** |
| thereof: Cash on hand | 80 | 79 |
| thereof: Demand deposits and overnight money balances at central banks and banks | 32,784 | 40,187 |

[1] Non-cash changes in subordinated liabilities amounted to an increase of € 13 m (31 December 2022: decrease of € 27 m) and were attributable to accrued interest and measurement effects.

The consolidated cash flow statement shows the composition of and changes to cash and cash equivalents in the financial year. The changes in cash and cash equivalents are attributable to operating activities, investing activities and financing activities.

The cash flow from operating activities is calculated using the indirect method and comprises proceeds from and payments for loans and receivables, financial liabilities, trading assets / liabilities and other assets or liabilities. The interest and dividend payments resulting from operating activities (including leasing interest expenses) are shown separately. Other adjustments relate to net interest income, dividend income and taxes on income excluding deferred taxes.

The cash flow from investing activities comprises proceeds and payments relating to bonds and other fixed-income securities, equity shares and other variable-income securities, shareholdings, investment property, property and equipment, intangible assets as well as proceeds and payments in connection with the sale or acquisition of subsidiaries and other operations. Further disclosures concerning the consolidated companies purchased or sold are set out in Note (2).

The cash flow from financing activities comprises proceeds and repayments related to subordinated liabilities, the repayment of lease liabilities as well as proceeds from capital contributions and repayments from equity. The dividends paid out in the financial year are also recognised under this cash flow category.

Cash and cash equivalents correspond to the cash reserve, which comprises cash on hand and demand deposit balances with central banks as well as demand deposits and overnight money balances with banks.

Entities consolidated for the first time had an effect of € 5 m on cash and cash equivalents as at 31 December 2023 (31 December 2022: not affected). As in the prior-year period, deconsolidations in the reporting period did not lead to the derecognition of cash and cash equivalents.

The volume of assets and liabilities increased in the reporting period as a result of the acquisition of subsidiaries; carrying amounts on the date of initial recognition are presented in Note (2).

The informative value of the consolidated cash flow statement is generally limited in the case of banks. This statement is therefore considered of minor importance for the Helaba Group and is not used to manage the Group's liquidity levels or structure the consolidated statement of financial position.

# Notes

# Notes

## Accounting policies

### (1) Basis of presentation

#### Basis of accounting

Landesbank Hessen-Thüringen Girozentrale (Helaba) is an institution under public law whose addresses are Neue Mainzer Strasse 52 – 58, 60311 Frankfurt am Main (Germany) and Bonifaciusstrasse 16, 99084 Erfurt (Germany).

Helaba pursues the long-term strategic business model of a full-service bank; it has a strong regional focus, a presence in carefully selected international markets and is tightly integrated into the Sparkassen-Finanzgruppe. One key aspect of Helaba's business model is its legal form as a public-law institution. Helaba operates as a for-profit entity in line with the applicable provisions of the Charter and the Treaty of the Formation of a Joint Savings Banks Association Hesse-Thuringia. The Treaty and the Charter establish the legal framework for Helaba's business model. Other factors central to this business model are Helaba's status as part of the Sparkassen-Finanzgruppe with its institutional protection scheme and the distribution of tasks between Sparkassen, Landesbanken and other S-Group companies, the large stake in Helaba owned by the Sparkassen organisation, and Helaba's retention and expansion of its activities in the S-Group and public development and infrastructure business.

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

The consolidated financial statements of Helaba, entered in the commercial register at the Frankfurt am Main local court under number HRA 29821 and at the Jena local court under number HRA 102181, for the year ended 31 December 2023 have been prepared pursuant to Section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB) and Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (IAS Regulation) in accordance with the International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

The consolidated financial statements comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes. The segment reporting is included within the notes. The group management report in accordance with Section 315 HGB includes a separate report on the opportunities and risks of future development (opportunity and risk report) in which the risk management system is also explained.

The reporting currency of the consolidated financial statements is the euro (€). Euro amounts are generally rounded to the nearest million. Minor discrepancies may arise in totals or in the calculation of percentages in this report due to rounding. If a figure is reported as "0", this means that the amount has been rounded to zero. If a figure is reported as "–", this means that the figure is zero.

The IFRSs and International Financial Reporting Standards Interpretations (IFRICs) that were in force as at 31 December 2023 have been applied in full. The relevant requirements of German commercial law as specified in Section 315e HGB have also been observed.

These consolidated financial statements have been prepared by the Executive Board as at 27 February 2024 and will be submitted for approval by the Board of Public Owners on 22 March 2024.

The necessary assumptions, estimates and assessments in connection with recognition and measurement are applied in accordance with the relevant standard, are continuously reviewed and are based on past experience and other factors, such as planning, expectations and forecasts of future events. Estimation uncertainty arises in particular from judgements in connection with:

- credit risk, especially when determining the impairment of financial assets, loan commitments and guarantees using the expected credit loss method (see Note (37))
- the calculation of the fair values of certain financial assets and liabilities (see Note (40))
- provisions and other obligations (see Note (34))

- the measurement of real estate and the measurement of real estate collateral due to the significant increase in interest rates and the decline in market transactions (see Notes (9), (29) and (37))
- impairment of assets, including goodwill, other intangible assets and right-of-use assets under leases (see Notes (16) and (31))
- the recognition of deferred tax assets (see Note (32))

These assumptions, estimates and assessments affect the assets and liabilities reported as at the reporting date and the income and expenses reported for the year.

Helaba applies the post-model adjustment (PMA) to calculate loss allowances for additional risks which, under certain assumptions, could become significant in the future and whose impact and further development are difficult to gauge. These risks were not yet fully reflected in the individual calculations of loss allowances as a result of rating deteriorations and default events. For the PMA, stage 1 and 2 volumes are taken into account and rating deteriorations of at least three and up to nine stages are simulated; the resulting effect on the loss allowance is determined for each individual transaction. This does not result in an actual stage transfer of the individual transaction. Risks arising from the COVID-19 pandemic and disruption to global supply chains, the energy crisis and the Ukraine war were taken into account as at 31 December 2022. Generally speaking, these risks still existed as at 31 December 2023, although they were in part significantly reduced. However, they must no longer be reflected by a loss allowance that goes beyond the model-based loss allowance. The macroeconomic environment as at 31 December 2023 is one of considerable uncertainty due to factors such as the rapid and substantial rise in interest rates following the period of zero interest rates. This has resulted in significant price and funding risks for the commercial real estate sector (office and retail real estate) which were considered in the PMA as at 31 December 2023. For further details, please refer to Note (37).

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

## IFRSs applied for the first time

The 2023 financial year was the first year in which mandatory application was required for the following IFRSs and IFRICs adopted by the EU. The adoption of the new or amended standards and interpretations had little or no impact on the consolidated financial statements.

**Amendments to IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies – and to IFRS Practice Statement 2 – Making Materiality Judgements**

In February 2021, the IASB published amendments to IAS 1 and IFRS Practice Statement 2 containing guidance and examples aimed at helping companies to decide when information about the preparation of the financial statements should be judged to be material and therefore require disclosure. The amendments are intended to support companies in making more helpful disclosures of accounting policies to the users of financial statements by replacing the requirement to disclose “significant” accounting policies with the requirement to disclose “material” information about accounting policies and by adding guidance to make it easier for companies to apply the concept of materiality in assessing when information about accounting policies should be disclosed. The amendments to IAS 1 are effective in financial years starting on or after 1 January 2023. As the amendments to IFRS Practice Statement 2 contain non-mandatory guidance on the definition of “material” in connection with information about accounting policies, it was not deemed necessary to specify a date for the entry into force of the amendments.

**Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates**

In February 2021, the IASB published amendments to IAS 8 introducing a new definition of accounting estimates. The amendments clarify how to distinguish between changes in accounting estimates and changes in accounting policies and corrections of errors. They also explain how companies can make accounting estimates using measurement techniques and input factors. The amendments are effective in financial years starting on or after 1 January 2023 and apply to changes in accounting methods and accounting estimates made at or after the start of the financial year.

**Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules**

As at the reporting date, the base erosion and profit sharing (BEPS) Pillar Two rules were adopted into Germany’s Minimum Tax Act (Mindeststeuergesetz – MinStG) through the enactment of the Minimum Tax Directive Implementation Act (Mindestbesteuerungsrichtlinie-Umsetzungsgesetz – MinBestRL-UmsG). However, these rules did not enter into force until 1 January 2024. Helaba closely monitors the progress of the legislative process in every country in which it is active. The BEPS Pillar Two rules have been adopted into national legislation in all tax jurisdictions relevant to Helaba – with the exception of Brazil, Switzerland and the USA – and will come into force from 2024.

Following the introduction of the MinStG, Helaba is obliged to check whether it pays a tax rate of at least 15 % calculated in accordance with the new rules in all tax jurisdictions in which it is located. Helaba will apply the transition rules on the basis of Section 81 MinStG, which defines temporary safe harbour rules. To this end, an analysis based on the qualified country-by-country reporting was performed for 2022.

In addition to the consolidated subsidiaries, 23 companies that are also subsidiaries but are not consolidated owing to their lack of materiality were also included in the new reporting. Of these companies, 22 are domiciled in Germany and one in Brazil. The HGB closing figures (excluding deferred taxes) for these German subsidiaries are included in the calculation. The statutory adjustments were also made.

The analysis showed that no top-up tax would be owed for the individual tax jurisdictions for Helaba in the 2023 financial year, if and to the extent that the Minimum Tax Act was already being applied on the reporting date because at least one of the safe harbour rules (de minimis, effective tax rate, routine profit test) applied.

Helaba applies the exemption published in IAS 12 Income Taxes in May 2023. This states that no deferred tax assets or deferred tax liabilities need be recognised in connection with OECD Pillar Two income taxes.

**Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In May 2021, the IASB published amendments to IAS 12 restricting the application of the initial recognition exemption in accordance with IAS 12 such that it no longer applies to business transactions that give rise to equal taxable and deductible temporary differences. The amendments are to be applied to business transactions that occur on or after the beginning of the earliest comparative period presented. Moreover, as at the beginning of the earliest comparative period presented, a deferred tax asset (if sufficient taxable profits are available) and a deferred tax liability must be recognised for all deductible and taxable temporary differences in connection with leases and decommissioning obligations.

**IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts – Initial Application of IFRS 17 and IFRS 9 – Comparative Information**

In May 2017, the IASB published IFRS 17, a comprehensive new accounting standard establishing principles for the recognition, measurement, presentation and disclosure of insurance contracts. With its entry into force, IFRS 17 replaces IFRS 4 Insurance Contracts published in 2005. Irrespective of the type of company making the disclosure, IFRS 17 is to be applied to all types of insurance contracts (life insurance, property insurance, direct insurance and reinsurance) and to certain warranties and financial instruments with discretionary participation features. Individual exemptions apply in respect of the scope. The overarching goal of IFRS 17 is to create a more useful and more uniform accounting model for insurers. In contrast to the provisions of IFRS 4, which largely provide exemptions for previous local accounting regulations, IFRS 17 is a comprehensive model for insurance contracts that covers all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- a specific variant for contracts with a direct participation feature (variable fee approach) and
- a simplified model (premium allocation approach), usually for short-term contracts.

IFRS 17 is to be applied in financial years starting on or after 1 January 2023. Comparative information must be provided. IFRS 17 has no impact on the Helaba Group.

## Implementation of the IBOR Reform at Helaba

In the second half of 2023, Helaba successfully concluded the bank-wide project to implement the reforms initiated by the regulators. The implementation of the reforms required extensive modifications to contracts and IT systems.

The end of the USD-LIBOR on 30 June 2023 marked the switch of the last material reference rates affected by the IBOR reforms. As a result, items that used the GBP LIBOR, CHF LIBOR, JPY LIBOR, EUR LIBOR, EONIA and USD LIBOR as the reference rates prior to the respective switching dates in 2021 and 2023 were switched to alternative reference rates. A switch was still pending in very few individual cases concerning only loans and no derivatives. These are of subordinate importance overall.

The measures to switch the contracts resulted in no material impacts on the economic conditions.

## New financial reporting standards for future financial years

The standards and interpretations listed below have been issued by the IASB and IFRS IC, but have only been partially adopted by the EU and will only become mandatory in later financial years, and have thus not been applied early by Helaba, nor is any early application planned. These standards and interpretations are expected to have little or no impact on the consolidated financial statements.

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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

In the context of calculating the fair values of financial instruments, Helaba has fine-tuned the allocation criteria for Level -1 securities in order to improve the quality of the allocation of securities. In particular, a change was made to the number of quotes by various market participants required for allocation to Level 1. This change resulted in the transfer of seven bonds with a total volume of € 197 m from Level 1 to Level 2. It had no effect on the statement of financial position or the income statement. These modifications to the Level system constitute changes to estimates in accordance with IAS 8.32 et seq.

There has been no impact on the figures for consolidated net profit or equity from the adjusted figures referred to below:

- In the previous year, interest income from demand deposits at central banks and banks was recognised in Note (4) as other interest income and interest income from loans and receivables. As this interest income results only from financial assets measured at amortised cost, it was reclassified to demand deposits and overnight money balances at central banks and banks under interest income from financial assets measured at amortised cost.
- Due to an organisational change, the income from money trading for treasury activities was no longer assigned to the Corporates & Markets segment but to the Other segment. The prior-year figures were adjusted for comparability. The adjustments are presented in Note (20).
- The previous year's disclosures on the offsetting of financial instruments also included derivative financial instruments which are not subject to offsetting agreements. The adjustments are presented in Note (42).

## (2) Consolidation of entities

### Principles of consolidation

Under the provisions specified in IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All present facts and circumstances must be used as the basis for establishing whether control exists. An investor must continuously monitor the situation and reassess whether it controls an investee if facts and circumstances change.

With regard to establishing whether an entity qualifies as a subsidiary, the Helaba Group will, if there are material circumstances indicating such a likelihood, review whether Helaba can directly or indirectly exercise power of control over the relevant activities of the entity concerned. In such a review, Helaba will

- determine the purpose and design of the entity concerned,
- identify the relevant activities,
- determine whether Helaba, on the basis of its rights, has the opportunity to direct the relevant activities,
- assess the extent of the risk from the entity or the extent of its participation in the returns generated by the entity, and
- assess whether Helaba has the ability to exploit its power of control to influence the level of its participation in the returns.

The review includes an evaluation of voting rights and also an analysis of other rights and circumstances that in substance could lead to an opportunity for control. The review also considers indicators as to whether there is a de facto agency relationship in accordance with IFRS 10.

If an entity meets the criteria for cellular structures (silos), each step in the review is carried out for each one of these identified structures. Such a structure is deemed to be in existence if, within a legal entity, an asset or group of assets is segregated such that it is considered, in substance and for the purposes of IFRS 10, as a self-contained asset and there is little or no interconnected risk between the asset concerned and other assets or groups of assets in the legal entity in question.

If the outcome of the process for determining the purpose and design of the entity, and for identifying the relevant activities, is that the voting rights are a critical factor in the assessment of the opportunity for control, the Helaba Group generally has control over the entity where the Group, directly or indirectly, has or can control more than half of the voting rights in the entity. Notwithstanding the above, the Helaba Group does not have any opportunity for control if another investor has the ability in practice to direct the relevant activities because this investor can control the majority of the voting rights for the key activities or because the Helaba Group is only acting as a (de facto) agent on behalf of another investor within the meaning of IFRS 10. A review is also conducted to establish whether there are joint management arrangements and, as a result, the opportunity for control is limited.

In the same way, Helaba carries out an assessment in cases in which the Helaba Group does not hold a majority of the voting rights but in which it has the opportunity in practice to unilaterally direct the relevant activities or in which another investor is only acting as a (de facto) agent within the meaning of IFRS 10 on behalf of the Helaba Group. In circumstances other than one in which Helaba holds a general majority of the voting rights, this ability to control may arise, for example, in cases in which contractual agreements give the Helaba Group the opportunity to direct the relevant activities of the entity or potential control over voting rights.

If there are options or similar rights relating to voting rights, these are taken into account in the assessment of whether any party is able to exercise control through voting rights, provided that such options or similar rights are considered substantive. Such assessment takes into account any conditions or exercise periods and also evaluates the extent to which the exercise of such options or similar rights would be economically advantageous.

The test as to whether, regardless of any legal basis, there is an opportunity to exercise control in substance involves the check to establish whether a formal holder of voting rights or the holder of a right that could lead to control over an entity is acting as a (de facto) agent within the meaning of IFRS 10. In this case, in an analysis of the substance of the arrangement, the (de facto) agent is deemed to be acting on behalf of another investor if the agent does not have any material business interests of its own in the entity concerned. This scenario may also arise if this other investor does not have any direct rights to issue instructions but the circumstances are so geared to the requirements of the investor in practice that the investor is exposed to most of the variability of returns from the entity.

A threshold value for participation in the expected variability of returns is used as an initial indicator for the existence of a (de facto) agent within the meaning of IFRS 10. If, from a legal perspective, the Helaba Group has the opportunity to direct the relevant activities of an entity, a threshold value is used as the basis for assessing whether there is any indicator that an interest should be assigned to third parties; the Helaba Group's consolidation duties in accordance with IFRS 10 are also determined on this basis. Such an assignment of the opportunity to exercise control applies, for instance, to the securities investment funds managed by Helaba Invest on behalf of third parties.

If it is unclear whether the Helaba Group has the opportunity to direct the relevant activities of an entity and the Helaba Group is exposed to approximately 90 % or more of the variability of returns, an individual in-depth review is carried out to establish whether the Helaba Group has the opportunity to exercise control over the entity.

The checks described above are carried out periodically for all cases exceeding a materiality threshold. A new assessment is carried out if there are any material changes in the basis of the assessment or if the materiality threshold is exceeded. A multi-stage process is used in which an initial assessment is carried out on the basis of checklists by the local units with customer or business responsibility. This initial procedure consists of an analysis of the opportunities to exercise influence based on legal structures and an assessment of indicators of the exposure to the variability of returns from the entity concerned. Variability of returns takes into account all expected positive and negative contributions from the entity that in substance are dependent on the performance of the entity and subject to fluctuation as a result.

IFRS 11 Joint Arrangements sets out the rules for the accounting treatment of joint ventures or joint operations if two or more parties exercise joint control over an entity. To establish whether there is joint control, the first step is to determine who exercises power of control over the relevant activities, a procedure that is similar to that used in the case of subsidiaries. If this control is exercised collectively by two or more parties on a contractual basis, a joint arrangement is deemed to be in existence. To date, the review of the cases involving joint arrangements has regularly led to a classification of these arrangements as joint ventures. The review takes into account separate agreements on joint decision-making or on the exercise of voting rights, the minimum number of votes necessary for decisions, the number of shareholders and associated proportions of voting rights, possible (de facto) agent relationships and, on a case-by-case basis, consent requirements under other contractual relationships.

In an existing shareholding, there is generally a significant influence if at least 20 % of the voting rights are held. Other parameters and circumstances are taken into account in addition to the extent of the voting rights to assess whether the Helaba Group can exercise a significant influence in practice over entities in other scenarios. These parameters and circumstances include, for example, employee representation on the management or supervisory bodies of the entity or, where applicable, the existence of consent requirements for key decisions to be made by the entity concerned. If such factors are identified during the course of the review, the Helaba Group may be deemed to have a significant influence in such cases even though its equity investment is equivalent to less than 20 % of voting rights. An in-depth analysis is carried out covering all opportunities for the exercise of influence and the relationships between the shareholders.

The review of the existence of joint control or associate relationships is regularly carried out as part of the process for identifying subsidiaries subject to consolidation.

All material subsidiaries and other entities directly or indirectly controlled by the Helaba Group are fully consolidated in the consolidated financial statements. Material joint ventures and investments in associates are recognised and measured using the equity method as specified in IAS 28. In individual cases where the entity concerned is only of minor significance in the context of the economic circumstances of the Group from both individual and overall perspectives, the entity concerned has not been consolidated or been recognised and measured using the equity method. Materiality is reviewed and decided upon by comparing the volume of total assets (assessed as being long term) and level of profit for the entity concerned against threshold values. The threshold values are determined on the basis of the average total assets and levels of profit for the Group over the last five years.

Entities are consolidated for the first time on the date of acquisition, or on the date an opportunity for control arises as defined in IFRS 10, using the acquisition method. The assets and liabilities are measured at the fair value on the date of this first-time consolidation. Any positive differences arising from this initial acquisition accounting process are recognised as goodwill under intangible assets on the face of the statement of financial position. This goodwill is subject to an impairment test at least once a year (see Note (31)). If any negative goodwill arises from this initial consolidation, the fair values are first reviewed before the resulting amount is recognised immediately in profit or loss.

Any shares in subsidiaries not attributable to the parent company are reported as a share of equity attributable to non-controlling interests within the consolidated equity; the equivalent net profit and comprehensive income is reported respectively as net profit attributable to non-controlling interests on the face of the consolidated income statement and comprehensive income attributable to non-controlling interests on the face of the consolidated statement of comprehensive income. Non-controlling interests are determined at the time of initial recognition on the basis of the fair values of the assets and liabilities attributable to these non-controlling interests and then updated.

In the case of a business combination achieved in stages (step acquisition), the entity is fully consolidated from the date on which control is obtained. Any investments acquired prior to the date on which control is obtained are remeasured at fair value on the date of acquisition and used as the basis for acquisition accounting. The difference between the carrying amounts of these previously recognised investments and the fair value is recognised in profit or loss after recycling any components of the carrying amounts hitherto recognised in other comprehensive income (resulting from remeasurement using the equity method or because the assets are designated as financial assets measured at fair value through other comprehensive income).

If entities that have previously been consolidated or accounted for using the equity method no longer have to be included in the consolidation, they are deconsolidated with recognition in profit or loss, or no longer accounted for using the equity method, on the date on which the consolidation requirement no longer applies. The remaining investments are recognised in accordance with IFRS 9 either at fair value through other comprehensive income for strategic investments or at fair value through profit or loss for non-strategic investments, or in accordance with IAS 28 for investments measured using the equity method.

If investments in subsidiaries, joint ventures or associates are intended for disposal in the short term, and the other relevant criteria are satisfied, these investments are measured in accordance with IFRS 5 and the assets, liabilities and share of net profit / loss reported under a separate item on the face of the consolidated statement of financial position and consolidated income statement.

Any intercompany balances between consolidated entities and any income and expenses arising between such entities are eliminated. Intercompany profits and losses arising on transactions between consolidated entities are also eliminated.

Investments in associates and joint ventures are recognised in the statement of financial position at their acquisition cost from the date on which significant influence is obtained or the date on which joint control is established. The carrying amount is remeasured in subsequent years taking into account pro rata changes in equity and the amortisation of identified hidden reserves and charges. The pro rata net profit or loss for the year from such investments, any impairment losses and other loss allowances are reported under share of profit or loss of equity-accounted entities on the face of the consolidated income statement. The share of other comprehensive income of equity-accounted entities is reported as a separate line item in the consolidated statement of comprehensive income.

If the recoverable amount of an investment accounted for using the equity method is less than the current carrying amount, an impairment loss is recognised. If the reasons for a previously recognised impairment loss no longer exist, the impairment loss is reversed, but only up to a maximum of the pro rata carrying amount that would have been recognised, including any amortisation, if the impairment loss had not been applied.

In addition to the parent company Helaba, a total of 113 entities are consolidated in the Helaba Group (31 December 2022: 117). Of this total, 89 (31 December 2022: 89) entities are fully consolidated and 24 entities are included using the equity method (31 December 2022: 28). The fully consolidated companies are subsidiaries and special purpose entities in accordance with IFRS 10, including collective investment undertakings. The consolidated financial statements do not include 23 (31 December 2022: 24) subsidiaries, 16 (31 December 2022: 17) joint ventures and 12 (31 December 2022: 11) associates that are of minor significance for the presentation of the financial position and financial performance of the Helaba Group. The shares in these entities are reported under financial assets measured at fair value through other comprehensive income if they constitute material strategic equity investments; otherwise, they are reported under financial assets mandatorily measured at fair value through profit or loss. The changes in the basis of consolidation during the reporting period were related to the entities shown below.

## Changes in the group of fully consolidated entities

**Entities added**

| | |
|---|---|
| Frankfurter Bankgesellschaft Holding AG, Frankfurt am Main | Established the previous year, the company was no longer immaterial upon commencement of its business activities; initial consolidation from April 2023 |

**Entities removed**

| | |
|---|---|
| HI-C-FSP-Fonds, Frankfurt am Main | Fund liquidated in October 2023 |

The initial consolidation of Frankfurter Bankgesellschaft Holding AG and the deconsolidation of HI-C-FSP-Fonds did not result in any net gains on initial consolidation / deconsolidation.

### Changes in the group of equity-accounted entities

**Entities removed**

| | |
|---|---|
| GIZS GmbH & Co. KG, Frankfurt am Main | Deconsolidation due to lack of materiality from May 2023 |
| Horus AWG GmbH, Frankfurt am Main | Dissolution of the company in April 2023 |
| sono west Projektentwicklung GmbH & Co. KG, Frankfurt am Main | Merged into a non-Group company in November 2023 |
| Stresemannquartier GmbH & Co. KG, Berlin | Removal of the business interest in January 2023 |

The gains from and expenses of the deconsolidation of the aforementioned entities each amounted to less than € 1 m. These net gains on deconsolidation are reported within the share of profit or loss of equity-accounted entities.

## (3) Financial instruments

In the Helaba Group, financial instruments are recognised and measured in accordance with the provisions of IFRS 9 Financial Instruments. In the case of cash transactions, non-derivative financial instruments are recognised for the first time in the statement of financial position on the settlement date, and derivatives on the trade date. The recognition of amounts in the consolidated statement of financial position and consolidated income statement is based on the measurement categories and classes of financial instruments described below.

### Categories of financial instruments

On initial recognition, financial assets are allocated to a measurement category, which then serves as a basis for subsequent measurement. The categorisation of debt instruments is based on the allocation to a business model (business model criterion) and by an assessment as to whether the asset satisfies the SPPI (solely payments of principal and interest) criterion. Financial liabilities are generally measured at amortised cost unless they are intended for trading, they are derivatives or the fair value option is exercised.

To determine the underlying business model for financial assets, an assessment must be carried out at portfolio level to establish whether the cash flows for the financial instruments to be classified are to be generated by collecting the contractual cash flows (“hold to collect” business model) or also by selling the financial instrument (“hold to collect and sell” business model), or whether a different business model is involved. Examples of different business models are an intention to trade or management on the basis of the fair value. In the first step, financial instruments are classified according to the business models used for these portfolios. Financial assets are allocated to the “hold to collect” business model if financial instruments in the portfolio concerned are only expected to be sold rarely or in small volumes. The assessment does not into take into account the sale of such financial instruments shortly before the maturity date or in the event of a rise in default risk on the part of the borrower. Any other non-material disposals (i. e. unrelated to the frequency or volume criteria) lead to a review of the business model criterion for future classifications of financial assets.

A financial asset is reviewed on an individual transaction basis to assess whether the SPPI criterion is satisfied. The SPPI criterion is deemed to be satisfied if the contractual cash flows from the financial asset are exclusively the same as those in a lending relationship (i. e. from an economic perspective, solely payment of principal and interest). Other components of cash flows that represent other risks (such as market risk and leverage effects) rather than just interest for the term of the loan and the credit quality of the borrower generally mean that the SPPI criterion under IFRS 9 is not satisfied. Only contractual components of very minor financial significance (for example, because they are very unlikely to materialise or only have a very marginal impact on the cash flows) can be compatible with the requirements of the SPPI criterion.

**Measured at amortised cost (AC)**
Financial assets in the "hold to collect" business model that satisfy the SPPI criterion and for which the fair value option has not been exercised are measured at amortised cost (AC). Non-derivative financial liabilities that are not intended for trading and for which the fair value option has not been exercised are also measured at amortised cost.

**Measured at fair value through profit or loss (FVTPL)**
The financial instruments measured at fair value through profit or loss (FVTPL) measurement category is used for all financial instruments that do not meet the SPPI condition, that are not allocated to either the "hold to collect" or "hold to collect and sell" business models, or for which the fair value option (FVO) has been exercised. Business models other than "hold to collect" and "hold to collect and sell" therefore cover all other portfolios and include, for example, portfolios of financial instruments held for trading purposes or managed on the basis of fair value. A distinction is made within this measurement category (FVTPL) between financial instruments mandatorily measured at fair value through profit or loss and financial instruments (voluntarily) designated at fair value through profit or loss (financial instruments to which the fair value option is applied (FVTPL FVO)). To ensure that the importance of trading activities is properly reflected in financial statements, a further breakdown is applied to the financial instruments mandatorily measured at fair value through profit or loss measurement category for the purposes of reporting in the consolidated statement of financial position and consolidated income statement. This breakdown consists of two subcategories: assets and liabilities held for trading (FVTPL HfT) and other financial assets mandatorily measured at fair value through profit or loss (FVTPL MAND).

**Measured at fair value through other comprehensive income (FVTOCI)**
The financial instruments measured at fair value through other comprehensive income measurement category consists of financial assets that are allocated to the "hold to collect and sell" business model and for which the SPPI criterion is satisfied unless the fair value option has been exercised. Generally speaking, equity instruments do not satisfy the SPPI criterion and have to be measured at fair value through profit or loss. However, IFRS 9 offers an irrevocable election option at the time of initial recognition whereby equity instruments as defined in IAS 32 may be measured at fair value through other comprehensive income if such instruments are acquired for non-trading purposes. The net gains or losses on the remeasurement of debt instruments recognised in other comprehensive income (OCI) are reclassified to profit or loss (i.e. they are recycled to the consolidated income statement) on derecognition of the financial instrument concerned. However, the net gains or losses on remeasurement of equity instruments recognised in OCI are not recycled to the consolidated income statement on the recognition of the financial instrument concerned; instead, these net gains or losses are reclassified within equity from OCI to retained earnings (i.e. there is no recycling).

Please refer to the relevant line items in the consolidated statement of financial position disclosures for further information on the measurement categories.

## Classes of financial instruments

The classes of financial assets and financial liabilities described below, which have different characteristics, are used for the financial instrument disclosures in the notes. In some of the disclosures, these classes are broken down into sub-classes. The definition of these classes is based on the classes of instruments specified by the FINREP financial reporting framework developed by the European Banking Authority (EBA).

**Demand deposits and overnight money balances with central banks and banks**
This class encompasses all demand deposits and credit balances with central banks and banks repayable on demand that are not classified as loans and receivables.

**Bonds and other fixed-income securities**
This class comprises debt instruments in the form of securities held by the Helaba Group. Certain characteristics, such as the nature of the collateral, subordination or the existence of a compound instrument, have no bearing on the classification. A distinction is made between money market instruments and medium- and long-term bonds based on the original maturity of the security concerned. All bonds and other fixed-income securities, regardless of what they are actually called, are deemed to be money market instruments if their original maturity is one year or less. Examples of money market instruments are commercial paper and certificates of deposit.

**Loans and receivables**
All non-derivative debt instruments not classified as bonds or other fixed-income securities are treated as loans and receivables. In addition to loans and deposits repayable on demand (with the exception of credit balances that are reported under cash on hand, demand deposits and overnight money balances with central banks and banks), such instruments include fixed-term loans, credit card receivables, trade accounts receivable, finance lease receivables and reverse repos.

**Positive and negative fair values of derivatives**
The Helaba Group holds derivatives for trading (trading book) and for hedging purposes (banking book). In the case of derivatives held for hedging purposes, a distinction is made between derivatives used for economic hedging as part of hedge management for which the formal documentation requirements specified in IFRS 9 are not satisfied (economic hedges) and derivatives used in qualifying hedging relationships in accordance with IFRS 9.

**Equity shares and other variable-income securities**
This class comprises equity instruments and other securities for which no fixed interest payments have been agreed. The class largely consists of shares or participation documents evidencing a share in the assets of a public limited company or entity with a similar legal structure, provided that the involvement is not intended to support Helaba's own business operations by establishing a lasting relationship (in which case the securities must be allocated to the shareholdings class). This class also includes shares/units in securities investment funds in the form of special institutional funds and retail funds (such as equity funds, fixed-income funds, mixed funds and real estate funds).

**Shareholdings**
The shareholdings class comprises equity shares in unconsolidated affiliated companies, non-equity-accounted joint ventures and associates, and other equity investments. This class also includes shares in entities that are of minor significance and are therefore neither fully consolidated nor accounted for using the equity method.

**Receivables from the purchase of endowment insurance policies**
This class consists of endowment insurance policies purchased on the secondary market by two subsidiaries.

**Securitised liabilities**
Securitised liabilities comprise the debt instruments issued by the Helaba Group as securities. The class brings together issued money market instruments, medium-/long-term bonds and equity/index certificates, reflecting the composition of the bonds and other fixed-income securities asset class. This class of liabilities also includes subordinated bearer bonds, profit-participation certificates and silent participation certificates issued by the Helaba Group.

**Deposits and loans**
The definition of deposits and loans is based on the definition of the term "Deposits" in Part 2 of Annex II of Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector. The class comprises amounts invested with the Helaba Group by creditors except amounts arising from the issue of negotiable securities. The class includes deposits on savings accounts, overnight deposit accounts and term deposit accounts as well as (promissory note) loans taken out by the Helaba Group, plus lease liabilities under long-term leases. For the purposes of the aforementioned Annex, deposits and loans are further subdivided into deposits and loans repayable on demand (overnight deposits), deposits and loans with agreed maturity, deposits and loans redeemable at notice and repurchase agreements (repos).

**Liabilities arising from short-selling of securities**
If, during the term of a securities lending transaction or repo, the Helaba Group sells borrowed securities to third parties, its obligation to return the securities to the original lender or seller is recognised as a liability arising from short-selling of securities.

**Other financial liabilities**
Other financial liabilities comprise all financial liabilities that are not classified as negative fair values of derivatives, securitised liabilities, deposits and loans, liabilities under short-term leases or under leases in which the underlying asset is of low value, or liabilities arising from short-selling of securities. Examples of other financial liabilities include dividends to be distributed, charges under executory contracts and trade payables.

**Loan commitments**
Loan commitments are firm obligations entered into by the Helaba Group to provide a loan to a potential borrower on the basis of terms and conditions contractually established in advance. Loan commitments also include forward loans in which the Helaba Group enters into an irrevocable agreement with a potential borrower to issue a loan at a future point in time on the basis of terms specified when the agreement is signed (forward interest rate). Loan commitments that constitute derivatives or for which the fair value option was exercised on initial recognition are measured at fair value both on initial measurement and in any subsequent remeasurement. The loan commitments covered by this class comprise solely loan commitments to which the impairment rules under IFRS 9 apply. Loan commitments that do not fall within the scope of the impairment requirements under IFRS 9 are classified as sundry obligations and reported under sundry obligations (within the scope of IAS 37). Examples of such loan commitments are loan commitments in which the party making the commitment can legally withdraw from the commitment unilaterally and unconditionally at any time and in which therefore no default risk arises.

**Financial guarantees**
A financial guarantee is a contract in which the guarantor is obliged to make a specified payment that compensates the beneficiary of the guarantee for a loss incurred. Such a loss arises because a specified debtor fails to meet contractual payment obligations in relation to a debt instrument. The guarantor's obligation arising in connection with a financial guarantee is recognised on the date the contract is signed. The Helaba Group recognises financial guarantees in which it is the guarantor at fair value, which is zero when the contract is signed if the expected payments (present value of the obligation) are the same as the consideration in the form of premium instalments paid in arrears and on an arm's-length basis (present value of premiums). When a financial guarantee is subsequently remeasured in accordance with the rules under IFRS 9 for recognising impairment losses, a provision is recognised for anticipated losses that may arise from a claim under the guarantee. Financial guarantees for which the fair value option was exercised on initial recognition are measured at fair value both on initial measurement and in any subsequent remeasurement.

# Consolidated income statement disclosures

## (4) Net interest income

The net interest income item encompasses the interest income and interest expenses arising from financial assets and liabilities with the exception of net interest income in connection with financial instruments held for trading, which is reported as part of net trading income.

Net interest income also includes the net interest income or expense from pension obligations and the interest cost arising from the unwinding of the discount on non-current provisions and other liabilities recognised at present value.

In the case of financial instruments measured at fair value, differences may arise between the transaction price and the fair value (day-one profit or loss). Any day-one profit or loss is normally recognised immediately in profit or loss. If the calculation of the fair value is not based on observable measurement parameters, the day-one profit or loss must be recognised in profit or loss over the maturity of the asset concerned using the effective interest method.

From the date on which a hedge is established using hedge accounting, the difference between the amortised cost and the repayment amount of a designated hedge is recognised on a pro rata basis under net interest income.

The Helaba Group reports positive interest on financial liabilities under interest income, and negative interest on financial assets under interest expense. On the other hand, cash flows resulting from derivatives are offset against each other and reported either in interest income or interest expense in the same way that cash flows for each derivative are netted in a normal interest rate environment.

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

The Helaba Group's total borrowing under the ECB's TLTRO programme amounted to € 6.5 bn as at 31 December 2023 (31 December 2022: € 24.2 bn). For the period from 23 November 2022 until the maturity date or early repayment date (last interest rate period), the interest rate is indexed to the average applicable key ECB interest rates over that period. These pro rata amounts of interest are presented under interest expense from financial liabilities. In the prior year, interest income and expense from financial liabilities were reported; the interest income included a bonus amount of € 60 m.

in € m

| | 2023 | 2022[1] |
|---|---|---|
| **Interest income from** | **8,421** | **3,861** |
| **Financial assets measured at amortised cost** | **5,988** | **2,556** |
| thereof: Calculated using the effective interest method | 5,961 | 2,520 |
| Demand deposits and overnight balances with central banks and banks | 1,710 | 224 |
| Bonds and other fixed-income securities | 54 | 15 |
| Loans and receivables | 4,225 | 2,317 |
| **Non-trading financial assets mandatorily measured at fair value through profit or loss** | **1,688** | **747** |
| Bonds and other fixed-income securities | 14 | 9 |
| Loans and receivables | 5 | 4 |
| Derivatives not held for trading | 1,669 | 734 |
| **Financial assets designated voluntarily at fair value** | **30** | **26** |
| Bonds and other fixed-income securities | 3 | 3 |
| Loans and receivables | 27 | 24 |
| **Financial assets measured at fair value through other comprehensive income** | **254** | **110** |
| thereof: Calculated using the effective interest method | 254 | 110 |
| Bonds and other fixed-income securities | 237 | 100 |
| Loans and receivables | 16 | 10 |
| **Hedging derivatives under hedge accounting** | **371** | **112** |
| **Financial liabilities (negative interest)** | **4** | **232** |
| Financial liabilities measured at amortised cost | 4 | 232 |
| **Other** | **87** | **77** |
| Commitment fees | 87 | 77 |
| From plan assets in connection with pension obligations | 0 | 0 |

in € m

| | 2023 | 2022[1] |
|---|---|---|
| **Interest expense on** | **–6,581** | **–2,443** |
| **Financial liabilities measured at amortised cost** | **–3,828** | **–1,247** |
| Securitised liabilities | –888 | –343 |
| Deposits and loans | –2,938 | –903 |
| Other financial liabilities | –2 | –1 |
| **Derivatives not held for trading** | **–1,804** | **–463** |
| **Financial liabilities designated voluntarily at fair value** | **–206** | **–161** |
| Securitised liabilities | –119 | –60 |
| Deposits and loans | –88 | –101 |
| Other financial liabilities | –0 | – |
| **Hedging derivatives under hedge accounting** | **–702** | **–408** |
| **Financial assets (negative interest)** | **–2** | **–155** |
| Financial assets measured at amortised cost | –2 | –154 |
| Financial assets measured mandatorily at fair value through profit or loss | –0 | –0 |
| Financial assets designated voluntarily at fair value | – | –0 |
| Financial assets measured at fair value through other comprehensive income | – | –0 |
| **Provisions and other liabilities** | **–38** | **–9** |
| Unwinding of discount on provisions for pension obligations | –31 | –18 |
| Unwinding of discount on other provisions | –3 | 7 |
| Sundry liabilities | –4 | 2 |
| **Net interest income** | **1,840** | **1,417** |

[1] Prior-year figures corrected: In 2022, part of the interest income from demand deposits at central banks and banks was reported as interest income from loans and receivables measured at amortised cost. The disclosure was corrected by € 216 m. Moreover, it is now reported under financial assets measured at amortised cost in contrast to the prior-year presentation under other interest income. See also Note (1).

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

## (5) Loss allowances

The “Loss allowances” item in the consolidated income statement includes all impairment expenses and income in relation to financial assets in the measurement categories AC (including trade accounts receivable and lease receivables) and FVTOCI (recycling) where such commitments and guarantees are subject to the IFRS 9 impairment requirements. This includes additions to cumulative loss allowances, reversals, direct write-downs, recoveries on loans and receivables previously written off as well as necessary adjustments to loss allowances in the case of modifications of stage 3 financial assets and in the case of purchased or originated credit-impaired (POCI) financial assets. This item also includes the additions and reversals of provisions in respect of credit risk arising on loan commitments and financial guarantees within the scope of application of the IFRS 9 impairment model.

in € m

| | 2023 | 2022 |
|---|---|---|
| **Financial assets measured at amortised cost** | **–458** | **–154** |
| Demand deposits and overnight money balances at central banks and banks | –0 | 0 |
| Additions to cumulative loss allowances | –0 | –0 |
| Reversals of cumulative loss allowances | 0 | 0 |
| Bonds and other fixed-income securities | 0 | –0 |
| Additions to cumulative loss allowances | –0 | –0 |
| Reversals of cumulative loss allowances | 0 | 0 |
| Loans and receivables | –458 | –154 |
| Additions to cumulative loss allowances | –937 | –467 |
| Reversals of cumulative loss allowances | 482 | 306 |
| Direct write-offs | –4 | –4 |
| Recoveries on loans and receivables previously written off | 2 | 12 |
| **Financial assets measured at fair value through other comprehensive income** | **0** | **1** |
| Bonds and other fixed-income securities | 0 | 0 |
| Additions to cumulative loss allowances | –1 | –1 |
| Reversals of cumulative loss allowances | 1 | 1 |
| Loans and receivables | –0 | 0 |
| Additions to cumulative loss allowances | –0 | –0 |
| Reversals of cumulative loss allowances | 0 | 1 |
| **Loan commitments** | **–10** | **1** |
| Additions to provisions | –51 | –75 |
| Reversals of provisions | 41 | 76 |
| **Financial guarantees** | **19** | **–10** |
| Additions to provisions | –36 | –36 |
| Reversals of provisions | 55 | 27 |
| **Total** | **–448** | **–162** |

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

If the modification is not substantial, the gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows discounted using the original effective interest rate. Gains or losses from this adjustment are reported in this item if they arise from financial assets in stages 1 or 2 or from financial liabilities. Gains and losses from the modification of financial assets in stage 3 or POCI assets are reported under loss allowances (see Notes (5) and (37)). Likewise, please refer to Note (37) for general disclosures on modifications and the distinction between substantial and non-substantial modifications.

In the reporting period, there were gains or losses of € 0 m from non-substantial modifications of contractual cash flows in respect of these instruments (2022: € 0 m).

## (7) Dividend income

Dividend income from equity instruments mandatorily measured at fair value and from equity instruments measured at fair value through other comprehensive income on the basis of the FVTOCI option is reported in this line item as soon as a legal right to payment is established. Dividend income from equity instruments allocated to the trading book is recognised as part of net trading income. Dividend income includes dividends from public limited companies, profit distributions from other companies, income under profit transfer agreements with unconsolidated affiliated companies and distributions from special institutional funds and retail funds.

in € m

| | 2023 | 2022 |
|---|---|---|
| **Related to financial assets mandatorily measured at fair value through profit or loss** | **18** | **15** |
| Equity shares and other variable-income securities | 10 | 8 |
| Shares in unconsolidated affiliates | 1 | 2 |
| Shares in non-equity-accounted joint ventures | 0 | 0 |
| Shares in non-equity-accounted associates | 0 | 0 |
| Other equity investments | 6 | 5 |
| **Related to financial assets measured at fair value through other comprehensive income** | **1** | **2** |
| Other equity investments | 1 | 2 |
| **Total** | **19** | **17** |

## (8) Net fee and commission income

Net fee and commission income comprises income and expenses from banking service business. Fee and commission income and expenses from trading-related activities are reported within net trading income. Income from non-banking services is recognised as sundry income within other net operating income.

in € m

| | 2023 | 2022 |
|---|---|---|
| Lending and guarantee business | 70 | 82 |
| Account management and payment transactions | 160 | 149 |
| Asset management | 156 | 152 |
| Securities and securities deposit business | 33 | 48 |
| Management of public-sector subsidy and development programmes | 74 | 63 |
| Other fees and commissions | 43 | 38 |
| **Total** | **536** | **533** |

### Revenue recognition in accordance with IFRS 15

Revenue from contracts with customers is recognised in accordance with the provisions of IFRS 15. No options available under IFRS 15 have been applied in the recognition of revenue. Fees in connection with identified independent service obligations performed at a specific time and that are not included in the effective interest rate are recognised on the date of performance. Where these services are not invoiced individually and immediately to the customer, invoices are issued at least once a year. Fees that are paid for services delivered over a period of time are recognised on the reporting date according to the percentage of completion.

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

in € m

| | Real Estate | | Corporates & Markets | | Retail & Asset Management | | WIBank | | Other | | Consolidation/ reconciliation | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Fee and commission income** | **17** | **22** | **197** | **231** | **384** | **376** | **77** | **67** | **–** | **–** | **–15** | **–14** | **660** | **682** |
| Lending and guarantee business | 17 | 22 | 74 | 77 | 2 | 1 | – | – | – | – | –5 | –5 | 87 | 95 |
| Account management and payment transactions | – | – | 86 | 77 | 82 | 80 | – | – | – | – | –2 | –2 | 166 | 155 |
| Asset management | – | – | – | – | 168 | 163 | – | – | – | – | –2 | –2 | 166 | 161 |
| Securities and securities deposit business | – | – | 32 | 71 | 53 | 51 | – | – | – | – | –3 | –3 | 82 | 119 |
| Management of public-sector subsidy and development programmes | – | – | – | – | – | – | 74 | 63 | – | – | – | – | 74 | 63 |
| Other | 1 | 1 | 5 | 6 | 79 | 81 | 3 | 4 | – | – | –3 | –2 | 86 | 88 |
| **Revenue in accordance with IFRS 15 under other operating income** | **–** | **–** | **1** | **1** | **70** | **108** | **0** | **0** | **47** | **67** | **–6** | **–63** | **112** | **113** |
| **Total** | **17** | **22** | **198** | **232** | **453** | **484** | **77** | **67** | **47** | **67** | **–21** | **–77** | **772** | **795** |

As at 31 December 2023, the balance of receivables and contract assets in connection with IFRS 15 amounted to € 281 m (31 December 2022: € 238 m). As at 31 December 2023, Helaba had contractual liabilities of € 3 m (31 December 2022: € 3 m) that were expected to crystallise in the subsequent year with income of at least the same amount. As yet unrecognised income subject to revenue recognition over a period of time amounted to € 65 m as at 31 December 2023 (31 December 2022: € 202 m). The revenue is expected to be recognised in full in 2024.

## (9) Net income from investment property

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

in € m

| | 2023 | 2022 |
|---|---|---|
| **Income from investment property** | **490** | **472** |
| Rental and lease income | 300 | 282 |
| Income from allocatable operating and maintenance expenses | 138 | 162 |
| Gains on derecognition | 40 | 21 |
| Reversals of impairment losses | 0 | – |
| Other income | 12 | 8 |
| **Expenses from investment property** | **–282** | **–266** |
| Operating and maintenance expenses | –211 | –232 |
| thereof: From property leased out | –211 | –232 |
| Impairment losses | –66 | –30 |
| Miscellaneous expenses | –5 | –4 |
| **Total** | **207** | **207** |

## (10) Net trading income

Net trading income includes remeasurement and disposal gains or losses on financial instruments held for trading, interest and dividends resulting from trading assets as well as fees and commissions in connection with trading activities. All gains and losses from the currency translation of financial assets and liabilities, regardless of measurement category, are recognised as currency gains and losses within net trading income.

in € m

| | 2023 | 2022 |
|---|---|---|
| **Equity-/index-related transactions** | **1** | **0** |
| Equity shares and other variable-income securities | 1 | 4 |
| Equities | 0 | 3 |
| Investment units | 0 | 0 |
| Equity/index derivatives | 5 | –8 |
| Issued equity/index certificates | –5 | 4 |
| **Interest-rate-related transactions** | **13** | **329** |
| Bonds and other fixed-income securities | 119 | –267 |
| Loans and receivables | 46 | –196 |
| Repayable on demand and at short notice | 4 | 0 |
| Securities repurchase transactions (reverse repos) | 5 | –1 |
| Other fixed-term loans | 39 | –197 |
| Other receivables not classified as loans | –1 | 1 |
| Short sales | –5 | 4 |
| Issued money market instruments | –0 | –2 |
| Deposits and loans | –185 | 6 |
| Payable on demand | –64 | –6 |
| Securities repurchase transactions (repos) | –121 | 12 |
| Other financial liabilities | 0 | 0 |
| Interest-rate derivatives | 38 | 784 |
| **Currency-related transactions** | **32** | **24** |
| Foreign exchange | 31 | 35 |
| FX derivatives | 0 | –10 |
| **Credit derivatives** | **–3** | **6** |
| **Commodity-related transactions** | **23** | **21** |
| **Net fee and commission income or expense** | **–17** | **–25** |
| **Total** | **48** | **355** |

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

The gains or losses from fair value measurement and from the derecognition of financial instruments not held for trading mandatorily measured at fair value through profit or loss are reported under this item. The unrealised remeasurement gains or losses result from the non-exchange-rate-related change in fair value, disregarding accrued interest (change in clean fair value).

in € m

| | 2023 | 2022 |
|---|---|---|
| **Derivatives not held for trading** | **708** | **–2,052** |
| Equity/index derivatives | 2 | 2 |
| Interest-rate derivatives | 725 | –2,101 |
| Cross-currency derivatives (FX derivatives) | –15 | 48 |
| Credit derivatives | –3 | –1 |
| **Bonds and other fixed-income securities** | **40** | **–117** |
| **Loans and receivables** | **7** | **–36** |
| **Equity shares and other variable-income securities** | **11** | **–3** |
| **Shareholdings** | **1** | **4** |
| Shares in unconsolidated affiliates | 1 | 0 |
| Shares in non-equity-accounted joint ventures | –2 | –0 |
| Shares in non-equity-accounted associates | 2 | 3 |
| Other equity investments | 0 | 1 |
| **Receivables from the purchase of endowment insurance policies** | **0** | **1** |
| **Total** | **768** | **–2,202** |

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

This line item is used to report the realised and unrealised gains or losses on financial assets and financial liabilities designated voluntarily at fair value. They comprise only the non-exchange-rate-related changes in fair value. In the case of the measurement of financial liabilities, changes in fair value attributable to changes in Helaba's own credit risk are not recognised in this consolidated income statement item, but in accumulated OCI instead.

in € m

| | 2023 | 2022 |
|---|---|---|
| Bonds and other fixed-income securities | 5 | –25 |
| Loans and receivables | 107 | –622 |
| Securitised liabilities | –436 | 1,222 |
| Deposits and loans | –299 | 1,390 |
| **Total** | **–623** | **1,966** |

## (13) Net income from hedge accounting

The changes in value of the hedged items and hedging instruments included in hedging relationships, together with any ineffective portions, relating to the hedged risk (interest rate risk, currency risk) are reported under net income from hedge accounting. The hedging costs associated with hedging currency risks are disclosed in the accumulated other comprehensive income (OCI).

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

If a financial asset in the FVTOCI (recycling) measurement category forms part of a hedge subject to hedge accounting, the portion of the remeasurement gains or losses attributable to the hedged risk is recognised under net income from hedge accounting.

Please refer to Note (26) for the disclosures on the positive and negative fair values of hedging derivatives covered by hedge accounting.

The following table shows the ineffective portion of hedges reported in the income statement or in other comprehensive income (OCI):

in € m

| | Consolidated income statement: Recognised ineffective portion of hedges | | Comprehensive income: Recognised hedge costs | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Fair value hedges – micro hedges** | **29** | **–10** | **–13** | **3** |
| Interest rate hedges | 40 | –20 | – | – |
| Change in fair value of hedging derivatives in the reporting period | 92 | –453 | – | – |
| Interest-rate-related change in fair value of hedged items in the reporting period | –52 | 432 | – | – |
| Combined hedge of interest rate and currency risk | –11 | 10 | –13 | 3 |
| Change in fair value of hedging derivatives in the reporting period | –23 | 84 | –13 | 3 |
| Interest-rate-related change in fair value of hedged items in the reporting period | 12 | –73 | – | – |
| **Fair value hedges – group hedges** | **–16** | **1** | **–40** | **36** |
| Foreign currency hedges | –16 | 1 | –40 | 36 |
| Change in fair value of hedging derivatives in the reporting period | 341 | –352 | –40 | 36 |
| Spot-rate-related change in fair value of hedged items in the reporting period | –357 | 353 | – | – |
| **Total** | **14** | **–8** | **–53** | **39** |

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

This item consists of the net gains or losses from the early derecognition (as a result of disposal or substantial modification) of financial instruments measured at amortised cost in stages 1 and 2 and of financial assets measured at fair value through other comprehensive income in stages 1 and 2.

For financial assets measured at amortised cost, the recognition of the gain or loss on derecognition is based on the stage under the impairment model at the time of derecognition. In the case of financial assets in stage 1, the previously recognised cumulative loss allowances are first reversed through the loss allowances item in the consolidated income statement. A net gain or loss on derecognition in the amount of the difference between the selling price and the gross carrying amount is then recognised. For instruments in stage 2, the cumulative loss allowances are first utilised and the difference between the selling price and gross carrying amount after utilisation is then recognised as a net gain or loss on derecognition. In the case of impaired financial assets in stage 3, the main factor determining fair value in a sale transaction is the credit risk. The cumulative loss allowances are therefore first adjusted until the selling price equates to the net carrying amount. Accordingly, all effects from the sale of financial assets in stage 3 are recognised under loss allowances (see Note (37)). Generally speaking, the same system is used for financial assets measured at fair value through other comprehensive income. In addition, the non-credit-risk-related changes in fair value accumulated up to that point in accumulated OCI are recycled to profit or loss.

in € m

| | 2023 | 2022 |
|---|---|---|
| **Related to financial assets measured at amortised cost** | **0** | **0** |
| Bonds and other fixed-income securities | –0 | –0 |
| Loans and receivables | 0 | 0 |
| **Related to financial assets measured at fair value through other comprehensive income** | **–1** | **20** |
| Bonds and other fixed-income securities | –1 | 20 |
| Loans and receivables | –0 | –0 |
| **Related to financial liabilities measured at amortised cost** | **–0** | **0** |
| Deposits and loans | –0 | 0 |
| **Total** | **–2** | **20** |

## (15) Share of profit or loss of equity-accounted entities

The share of profit or loss of equity-accounted entities comprises the earnings contributions of equity-accounted joint ventures and associates, which are recognised in the income statement.

in € m

| | 2023 | 2022 |
|---|---|---|
| **Share of profit or loss of equity-accounted joint ventures** | **–15** | **–6** |
| Share of profit or loss | 2 | –2 |
| Impairment losses or impairment loss reversals | –18 | –5 |
| Gain/loss on disposals | –0 | 0 |
| **Share of profit or loss of equity-accounted associates** | **3** | **2** |
| Share of profit or loss | 4 | 3 |
| Impairment losses or impairment loss reversals | –1 | –1 |
| **Total** | **–13** | **–4** |

## (16) Other net operating income

in € m

| | 2023 | 2022 |
|---|---|---|
| **Gains (+) or losses (–) from the disposal of non-financial assets** | **20** | **38** |
| Property and equipment | –0 | –0 |
| Intangible assets | – | –0 |
| Inventories | 20 | 39 |
| **Impairment losses (–) or reversals of impairment losses (+) on non-financial assets** | **–45** | **–5** |
| Property and equipment | –0 | –1 |
| Intangible assets | –0 | –1 |
| Inventories | –45 | –3 |
| **Additions (–) to or reversals (+) of provisions** | **28** | **32** |
| Provisions for off-balance sheet liabilities (excluding loan commitments and financial guarantees) | 0 | 0 |
| Restructuring provisions | 6 | 7 |
| Provisions for litigation risks and tax proceedings | 6 | –1 |
| Sundry provisions | 16 | 26 |
| **Income from the deconsolidation of subsidiaries** | **–** | **5** |
| **Other net operating income** | **47** | **46** |
| Property and equipment | 20 | 16 |
| Inventories | 27 | 29 |
| **Rental income under non-cancellable subtenancy arrangements** | **2** | **1** |
| **Income from non-banking services** | **28** | **30** |
| **Income and expenses from the absorption of losses** | **–0** | **–** |
| **Profit transfer expenses** | **–0** | **–1** |
| **Sundry other operating income and expenses** | **8** | **0** |
| **Total** | **86** | **146** |

Gains or losses from the disposal of non-financial assets, other net operating income/expense and income from non-banking services include revenue in accordance with IFRS 15. Please refer to Note (8) for further disclosures.

## (17) General and administrative expenses

in € m

| | 2023 | 2022 |
|---|---|---|
| **Personnel expenses** | **–738** | **–733** |
| Wages and salaries | –605 | –577 |
| Social security | –92 | –87 |
| Expenses for pensions and other benefits | –40 | –68 |
| **Other administrative expenses** | **–826** | **–773** |
| Business operating costs | –124 | –120 |
| Audit and consultancy services | –132 | –103 |
| IT expenses | –314 | –278 |
| Expenses for business premises | –50 | –43 |
| Cost of advertising, public relations and representation | –31 | –25 |
| Mandatory contributions | –175 | –205 |
| thereof: Contributions to SGVHT and DSGV protection schemes | –58 | –63 |
| thereof: Mandatory contributions to the European Single Resolution Fund | –68 | –94 |
| **Total** | **–1,564** | **–1,506** |

In the reporting year, audit and consultancy services included the following fees for services provided by group companies of EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft:

in € m

| | 2023 | 2022 |
|---|---|---|
| Audit fees | –7 | –6 |
| Other attestation services | –1 | –1 |
| Other services | 0 | – |
| **Total** | **–8** | **–7** |

The fees for financial statements auditing services include the fees for audits of financial statements required under EU law, the fees for the review of interim financial statements by an auditor and those for audits of annual financial statements not prescribed under EU law. Fees for other attestation services related to statutory, contractually agreed or voluntary review or attestation services, particularly attestations for protection schemes and statutory notifications, project reviews, reviews of the service-related internal control system and reviews of the custody business and securities service business.

The following table shows a breakdown of the average number of employees in the Helaba Group in the reporting year:

| | Female | | Male | | Total | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Helaba** | **1,559** | **1,548** | **1,848** | **1,864** | **3,406** | **3,412** |
| Bank | 1,120 | 1,118 | 1,550 | 1,577 | 2,670 | 2,695 |
| WIBank | 322 | 314 | 226 | 216 | 548 | 530 |
| LBS | 117 | 116 | 71 | 71 | 188 | 187 |
| **Group subsidiaries** | **1,442** | **1,407** | **1,528** | **1,491** | **2,971** | **2,898** |
| **Helaba group** | **3,001** | **2,955** | **3,376** | **3,355** | **6,377** | **6,310** |

## (18) Depreciation and amortisation

in € m

| | 2023 | 2022 |
|---|---|---|
| **Investment property** | **–52** | **–50** |
| Buildings leased out | –52 | –50 |
| **Property and equipment** | **–60** | **–61** |
| Owner-occupied land and buildings | –42 | –43 |
| Operating and office equipment | –16 | –16 |
| Machinery and technical equipment | –2 | –2 |
| **Intangible assets** | **–35** | **–34** |
| Concessions, industrial and similar rights | –0 | –0 |
| Purchased software | –34 | –33 |
| Internally generated software | –0 | –0 |
| Other intangible assets | –1 | –1 |
| **Total** | **–147** | **–146** |

Where applicable, investment property and property and equipment is depreciated on a straight-line basis over its normal useful life with due regard to legal and contractual restrictions. This does not apply to low-value assets which are either depreciated in full in the year of acquisition or are pooled in a compound item that is reversed in profit or loss at a rate of 20 % each in the year of acquisition and the four subsequent financial years. Right-of-use assets derived from leases are generally depreciated on a straight-line basis over the term of the lease concerned. In those instances in which a purchase option has been factored into the measurement of the right-of-use asset, or the underlying asset will be transferred to Helaba at the end of the lease term, the right-of-use asset is depreciated on a straight-line basis over the normal useful life of the underlying asset concerned.

The bands used for the useful lives of investment property are as follows, depending on the type of property usage in each case:

- Residential and commercial property 40–80 years
- Office buildings, other office and business premises 40–60 years
- Special property 20–60 years

The range of anticipated useful lives for property and equipment is as follows:

- Buildings 25–80 years
- Operating and office equipment 1–46 years
- Machinery and technical equipment 1–24 years

Additional impairment losses are recognised if there are indications of impairment and the carrying amount of an asset is greater than the higher of value in use and fair value less costs to sell. If the reason for originally recognising an impairment loss no longer applies, the impairment loss is reversed, but only to the extent that the carrying amount of the asset does not exceed its amortised cost. Impairment losses in respect of investment property are recognised in net income from investment property (see Note (9)). Impairment losses in respect of all other property and equipment are recognised within other net operating income (see Note (16)).

With the exception of goodwill, the Helaba Group's intangible assets are amortised over their finite useful lives. In most cases, software is amortised over a period of three years. Impairment losses in respect of intangible assets are reported under other net operating income (see Note (16)). Please refer to Note (31) for information on impairment tests applied to intangible assets.

## (19) Taxes on income

Income tax expense amounted to € 255 m (2022: € 202 m) and resulted mainly from income tax expense of € 222 m in Germany (2022: € 141 m) and income tax expense of € 33 m abroad (2022: € 61 m).

There was no reduction of the current tax expense from the use of previously unrecognised tax losses.

Of the income tax expense, a tax expense of € 144 m (2022: tax expense of € 272 m) was in respect of current taxes. Deferred tax expense of € 111 m (2022: deferred tax income of € 69 m) arose in relation to temporary differences. In the previous year, tax income arose in the amount of € 6 m (2022: € 6 m). The net outcome from new tax loss carryforwards and the utilisation of such carryforwards in the reporting period was a small amount of deferred tax income / expense (2022: small amount of deferred tax income / expense).

in € m

| | 2023 | 2022 |
|---|---|---|
| Current taxes | –144 | –272 |
| Deferred taxes | –111 | 69 |
| **Total** | **–255** | **–202** |

| in € m | 2023 | 2022 |
|---|---|---|
| **Profit or loss before tax** | **722** | **633** |
| Applicable income tax rate in % | 32 | 32 |
| **Expected income tax expense in the financial year** | **–231** | **–203** |
| Effect of variance in tax rates | –17 | 2 |
| Effect of changes in the tax rate | – | –0 |
| Effect of prior-period taxes recognised in the financial year | 6 | 6 |
| Tax-exempt income and trade tax reduction | 37 | 31 |
| Non-deductible operating expenses and trade tax addition | –37 | –45 |
| Impairment losses and adjustments | –6 | –1 |
| Other effects | –8 | 7 |
| **Income tax expense** | **–255** | **–202** |

In addition to income taxes recognised in the income statement, other deferred taxes are recognised in relation to components of other comprehensive income. The following table shows a breakdown of the gains and losses recognised in other comprehensive income and the related deferred taxes.

| in € m | Before tax | | Taxes | | After tax | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Items that will not be reclassified to the consolidated income statement:** | **32** | **1,026** | **–10** | **–309** | **21** | **717** |
| Remeasurement of net defined benefit liability | –67 | 693 | 20 | –202 | –46 | 491 |
| Change in fair value of equity instruments measured at fair value through other comprehensive income | 1 | –6 | 0 | 0 | 1 | –6 |
| Credit risk-related change in fair value of financial liabilities designated voluntarily at fair value | 97 | 339 | –31 | –107 | 67 | 232 |
| **Items that will be subsequently reclassified to the consolidated income statement:** | **107** | **–567** | **–35** | **180** | **72** | **–387** |
| Share of profit or loss of equity-accounted entities | – | 0 | – | –0 | – | 0 |
| Change in fair value of debt instruments measured at fair value through other comprehensive income | 163 | –609 | –52 | 193 | 111 | –416 |
| Gains or losses from currency translation of foreign operations | –3 | 2 | – | – | –3 | 2 |
| Gains or losses from fair value hedges of currency risk | –53 | 39 | 17 | –13 | –36 | 27 |
| **Total** | **139** | **459** | **–46** | **–129** | **93** | **330** |

## (20) Segment reporting

in € m

| | Real Estate | | Corporates & Markets | | Retail & Asset Management | | WIBank | | Other | | Consolidation / reconciliation | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022[1] | 2023 | 2022 | 2023 | 2022 | 2023 | 2022[1] | 2023 | 2022 | 2023 | 2022 |
| Net interest income | 442 | 429 | 527 | 500 | 410 | 242 | 91 | 71 | 386 | 167 | −16 | 8 | 1,840 | 1,417 |
| Loss allowances | −556 | −33 | 13 | 3 | 4 | −8 | – | 0 | 91 | −126 | 0 | 1 | −448 | −162 |
| **Net interest income after loss allowances** | **−115** | **397** | **540** | **503** | **414** | **234** | **91** | **72** | **478** | **41** | **−16** | **9** | **1,392** | **1,255** |
| Net fee and commission income | 17 | 22 | 166 | 181 | 294 | 281 | 77 | 66 | −18 | −16 | −1 | −1 | 536 | 533 |
| Income / expenses from investment property | – | – | – | – | 207 | 207 | – | – | – | – | – | – | 207 | 207 |
| Gains or losses on measurement at fair value | – | – | 188 | 219 | 11 | −38 | 2 | 1 | 6 | −70 | – | −0 | 207 | 111 |
| Net trading income | – | – | 151 | 353 | −1 | 3 | – | – | −102 | −8 | −0 | 7 | 48 | 355 |
| Net income from hedge accounting and other financial instruments measured at fair value (not held for trading) | – | – | 37 | −134 | 12 | −41 | 2 | 1 | 108 | −62 | 0 | −7 | 158 | −245 |
| Share of profit or loss of equity-accounted entities | – | – | – | −6 | 4 | 3 | – | – | −17 | −2 | – | – | −13 | −4 |
| Other net income / expense | −0 | −1 | 16 | 11 | 56 | 85 | 4 | 3 | 27 | 71 | 1 | 14 | 103 | 183 |
| **Total income** | **−97** | **418** | **910** | **909** | **987** | **772** | **173** | **141** | **476** | **23** | **−15** | **22** | **2,433** | **2,285** |
| General and administrative expenses, including depreciation and amortisation | −143 | −132 | −501 | −462 | −619 | −578 | −116 | −99 | −336 | −387 | 4 | 6 | −1,711 | −1,652 |
| **Profit or loss before tax** | **−241** | **286** | **409** | **447** | **368** | **194** | **57** | **42** | **140** | **−364** | **−11** | **28** | **722** | **633** |
| Assets (€ bn) | 33.4 | 34.7 | 64.1 | 65.0 | 35.9 | 35.3 | 26.6 | 25.9 | 62.7 | 76.0 | −20.6 | −25.4 | 202.1 | 211.5 |
| Risk-weighted assets (€ bn) | 15.8 | 17.8 | 28.6 | 30.2 | 6.9 | 6.8 | 1.5 | 1.5 | 8.1 | 8.5 | – | – | 61.0 | 64.8 |
| Allocated capital (€ m) | 2,283 | 2,255 | 3,962 | 3,691 | 2,375 | 2,227 | 211 | 183 | 1,182 | 1,103 | 0 | 0 | 10,014 | 9,459 |
| Return on equity (%) | – | 12.7 | 10.3 | 12.1 | 15.5 | 8.7 | 26.9 | 22.9 | – | – | – | – | 7.2 | 6.7 |
| Cost-income ratio (%) | 31.2 | 29.3 | 55.9 | 51.0 | 62.9 | 74.1 | 67.0 | 70.3 | – | – | – | – | 59.4 | 67.5 |

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

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

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

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

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

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

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

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

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

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

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

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

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

The return on equity for the segments is the ratio of profit/loss before taxes to average allocated capital. The cost-income ratio is the ratio of general and administrative expenses (including depreciation) to total income net of loss allowances.

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

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

Income after loss allowances is attributable to products and services as follows:

in € m

| | 2023 | 2022[1] |
|---|---|---|
| Real estate lending | –97 | 418 |
| Property management and development | 166 | 266 |
| Corporate loans | 477 | 449 |
| Municipal lending business | 48 | 45 |
| Treasury products | 368 | 157 |
| Capital market products | 103 | 281 |
| Fund management/asset management | 216 | 199 |
| Home savings business | 55 | 41 |
| Sparkasse lending business | 51 | 26 |
| Cash Management | 232 | 108 |
| Public development and infrastructure business | 173 | 141 |
| Retail | 536 | 320 |
| Other products/reconciliation | 105 | –166 |
| **Group** | **2,433** | **2,285** |

[1] Prior-year figures adjusted: Due to an organisational change, the income from money trading for treasury activities is now included in treasury products. The income of € 40 m included in the capital market products in 2022 has been reclassified.

The breakdown by region is as follows:

in € m

| | 2023 | 2022 |
|---|---|---|
| Germany | 2,288 | 1,959 |
| Europe (excluding Germany) | 51 | 137 |
| World (excluding Europe) | 94 | 189 |
| **Group** | **2,433** | **2,285** |

Due to an organisational change, the income from money trading for treasury activities is now included in the Other segment. In 2022, it was included in the Corporates & Markets segment. The adjusted prior-year figures are presented in the following table:

in € m

| | Corporates & Markets | | | Other | | |
|---|---|---|---|---|---|---|
| | reported | adjustment | adjusted | reported | adjustment | adjusted |
| Net interest income | 548 | –48 | 500 | 119 | 48 | 167 |
| **Net interest income after loss allowances** | **551** | **–48** | **503** | **–7** | **48** | **41** |
| Gains or losses on measurement at fair value | 211 | 8 | 219 | –62 | –8 | –70 |
| Net trading income | 345 | 8 | 353 | – | –8 | –8 |
| **Total income** | **949** | **–40** | **909** | **–17** | **40** | **23** |
| General and administrative expenses, including depreciation and amortisation | –477 | 15 | –462 | –372 | –15 | –387 |
| **Profit or loss before tax** | **472** | **–25** | **447** | **–389** | **25** | **–364** |
| Assets (€ bn) | 66.1 | –1.1 | 65.0 | 74.9 | 1.1 | 76.0 |
| Risk-weighted assets (€ bn) | 30.4 | –0.2 | 30.2 | 8.4 | 0.1 | 8.5 |
| Allocated capital (€ m) | 3,707 | –16 | 3,691 | 1,087 | 16 | 1,103 |
| Return on equity (%) | 12.7 | –0.6 | 12.1 | – | – | – |
| Cost-income ratio (%) | 50.4 | 0.6 | 51.0 | – | – | – |

# Consolidated statement of financial position disclosures

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

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Cash on hand** | **80** | **79** |
| **Financial assets measured at amortised cost** | **32,649** | **39,980** |
| Demand deposits at central banks | 32,381 | 39,807 |
| With Deutsche Bundesbank | 31,056 | 38,536 |
| With other central banks | 1,325 | 1,271 |
| Demand deposits and overnight money balances at banks | 268 | 174 |
| **Financial assets mandatorily measured at fair value** | **135** | **207** |
| Demand deposits and overnight money balances at banks | 135 | 207 |
| **Total** | **32,864** | **40,266** |

## (22) Financial instruments measured at amortised cost

In the Helaba Group, financial instruments measured at amortised cost mainly consist of loans and receivables and of non-derivative financial liabilities that are not held for trading and for which the fair value option has not been exercised.

The net carrying amount of financial assets reported in the statement of financial position is the gross carrying amount of the financial instruments reduced by the loss allowances determined in accordance with the impairment model under IFRS 9. Please refer to Note (37) for information on the application of the impairment model to financial assets measured at amortised cost.

Within hedge accounting, the carrying amounts of financial instruments in this measurement category that form the hedged items in micro fair value hedges are adjusted for the changes in the fair value corresponding to the hedged risk. Please refer to Note (26) for information on hedge accounting.

Derivative components embedded in financial liabilities within this measurement category must be evaluated to assess whether there is a separation requirement. If there is a separation requirement, the derivative must be categorised (normally as mandatorily measured at fair value through profit or loss) and accounted for separately. The host contract is classified independently (excluding any separated derivative components) and can be allocated to the AC measurement category.

For detailed disclosures on issuing activities, see Note (46).

For disclosures on liabilities arising under leases, please refer to Note (50).

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

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Bonds and other fixed-income securities** | **2,795** | **1,774** |
| thereof: Listed | 2,795 | 1,739 |
| Medium- and long-term bonds | 2,795 | 1,774 |
| **Loans and receivables** | **126,682** | **128,898** |
| Repayable on demand and at short notice | 6,429 | 6,607 |
| Credit card receivables | 1 | 14 |
| Trade accounts receivable, including factoring | 3,035 | 3,176 |
| Receivables from securities repurchase transactions (reverse repos) | 41 | – |
| Other fixed-term loans | 117,127 | 119,039 |
| Promissory note loans | 2,541 | 2,789 |
| Registered bonds | 1,410 | 1,211 |
| Forwarding loans | 9,191 | 9,501 |
| Time deposits | 4,156 | 4,008 |
| Bausparkasse building loans | 1,181 | 1,090 |
| Sundry other fixed-term loans | 98,647 | 100,440 |
| Other receivables not classified as loans | 49 | 62 |
| **Total** | **129,477** | **130,673** |

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

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Commercial real estate loans | 34,816 | 36,104 |
| Residential building loans | 7,262 | 7,091 |
| Consumer loans to private households | 178 | 222 |
| Infrastructure loans | 28,363 | 27,263 |
| Asset finance | 4,817 | 5,593 |
| Leasing funding | 5,129 | 5,133 |
| Import/export finance | 2 | 3 |
| Other financing purposes | 36,559 | 37,631 |
| **Total** | **117,127** | **119,039** |

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

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Securitised liabilities** | **51,263** | **41,064** |
| Issued money market instruments | 3,007 | 1,260 |
| Commercial paper (CP) | 51 | 431 |
| Certificates of deposit (CD) | 1,303 | 331 |
| Asset-backed commercial paper (ABCP) | 396 | 498 |
| Other money market instruments | 1,257 | – |
| Medium- and long-term bonds issued | 48,255 | 39,805 |
| Mortgage Pfandbriefe | 6,834 | 7,613 |
| Public Pfandbriefe | 7,847 | 6,900 |
| Structured (hybrid) bonds | 348 | 702 |
| Other medium- and long-term bonds | 33,226 | 24,590 |
| **Deposits and loans** | **110,616** | **129,378** |
| Payable on demand | 45,318 | 44,808 |
| With an agreed term | 58,975 | 77,879 |
| With an agreed period of notice | 6,323 | 6,688 |
| Securities repurchase transactions (repos) | – | 3 |
| **Other financial liabilities** | **428** | **439** |
| **Total** | **162,306** | **170,881** |

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

in € m

| | Germany | | European Union (excluding Germany) | | World (excluding European Union) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Bonds and other fixed-income securities** | **283** | **168** | **2,062** | **1,501** | **451** | **105** | **2,795** | **1,774** |
| Central giro institutions | 74 | 5 | – | – | – | – | 74 | 5 |
| Other banks | 204 | 163 | 2,046 | 1,501 | 417 | 85 | 2,667 | 1,750 |
| Other financial corporations | – | – | 0 | – | – | 14 | 0 | 14 |
| Non-financial corporations | 4 | – | – | – | – | – | 4 | – |
| Government | – | – | 16 | – | 33 | 5 | 49 | 5 |
| **Loans and receivables** | **83,799** | **83,546** | **24,612** | **25,982** | **18,271** | **19,370** | **126,682** | **128,898** |
| Central banks | 50 | 54 | – | – | – | – | 50 | 54 |
| Central giro institutions | 460 | 356 | – | – | – | – | 460 | 356 |
| Sparkassen | 8,197 | 7,833 | – | – | – | – | 8,197 | 7,833 |
| Other banks | 2,130 | 2,084 | 1,402 | 1,586 | 931 | 924 | 4,462 | 4,594 |
| Other financial corporations | 6,539 | 6,269 | 3,832 | 4,137 | 1,506 | 1,785 | 11,877 | 12,192 |
| Non-financial corporations | 33,553 | 33,333 | 18,160 | 18,738 | 15,365 | 16,334 | 67,077 | 68,404 |
| Government | 24,612 | 25,355 | 1,194 | 1,500 | 302 | 161 | 26,108 | 27,015 |
| Households | 8,259 | 8,262 | 24 | 23 | 168 | 166 | 8,451 | 8,451 |
| **Total** | **84,082** | **83,714** | **26,674** | **27,484** | **18,721** | **19,474** | **129,477** | **130,673** |

in € m

| | Germany | | European Union (excluding Germany) | | World (excluding European Union) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Deposits and loans** | **101,418** | **118,908** | **3,524** | **4,993** | **5,675** | **5,477** | **110,616** | **129,378** |
| Central banks | 6,635 | 23,780 | – | – | – | – | 6,635 | 23,780 |
| Central giro institutions | 1,270 | 1,140 | – | – | – | – | 1,270 | 1,140 |
| Sparkassen | 14,000 | 13,539 | – | – | – | – | 14,000 | 13,539 |
| Other banks | 22,795 | 22,909 | 2,630 | 3,015 | 866 | 1,353 | 26,290 | 27,277 |
| Other financial corporations | 16,343 | 17,461 | 523 | 1,143 | 3,991 | 2,665 | 20,857 | 21,269 |
| Non-financial corporations | 9,039 | 9,851 | 256 | 723 | 167 | 570 | 9,461 | 11,144 |
| Government | 8,826 | 8,498 | 0 | 0 | 222 | 564 | 9,048 | 9,062 |
| Households | 22,511 | 21,731 | 115 | 111 | 429 | 326 | 23,055 | 22,168 |
| **Other financial liabilities** | **411** | **420** | **6** | **8** | **11** | **11** | **428** | **439** |
| Central giro institutions | 2 | 2 | – | – | – | – | 2 | 2 |
| Sparkassen | 6 | 4 | – | – | – | – | 6 | 4 |
| Other banks | 2 | 55 | – | – | – | – | 2 | 55 |
| Other financial corporations | 72 | 85 | – | – | 10 | 10 | 82 | 96 |
| Non-financial corporations | 165 | 200 | 6 | 8 | 0 | 0 | 170 | 209 |
| Government | 35 | 26 | – | – | – | – | 35 | 26 |
| Households | 131 | 47 | – | – | 0 | 0 | 131 | 47 |
| **Total** | **101,829** | **119,327** | **3,529** | **5,001** | **5,685** | **5,488** | **111,044** | **129,817** |

## (23) Trading assets and trading liabilities

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

Loans and receivables held for trading mainly comprise promissory note loans and, to a lesser extent, repos and money trading transactions.

For detailed disclosures on issuing activities, see Note (46).

Please refer to Note (41) for detailed information on derivatives.

The following tables show a breakdown of trading assets and trading liabilities by product:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Positive fair values of derivatives held for trading** | **8,325** | **9,421** |
| thereof: Traded OTC | 8,325 | 9,421 |
| Equity-/index-related transactions | 39 | 126 |
| Interest-rate-related transactions | 7,475 | 8,243 |
| Currency-related transactions | 798 | 1,043 |
| Credit derivatives | 10 | 8 |
| Commodity-related transactions | 3 | 1 |
| **Bonds and other fixed-income securities** | **2,696** | **1,629** |
| thereof: Listed | 2,671 | 1,629 |
| Money market instruments | 25 | 0 |
| Medium- and long-term bonds | 2,671 | 1,629 |
| **Loans and receivables** | **676** | **1,621** |
| Repayable on demand and at short notice | 8 | 7 |
| Receivables from securities repurchase transactions (reverse repos) | 206 | 46 |
| Other fixed-term loans | 462 | 1,568 |
| **Equity shares and other variable-income securities** | **–** | **1** |
| thereof: Listed | – | 1 |
| Equities | – | 1 |
| **Trading assets** | **11,697** | **12,672** |

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Negative fair values of derivatives held for trading** | **6,488** | **9,267** |
| thereof: Traded OTC | 6,488 | 9,267 |
| thereof: Exchange-traded | 0 | 0 |
| Equity-/index-related transactions | 39 | 126 |
| Interest-rate-related transactions | 5,746 | 8,268 |
| Currency-related transactions | 685 | 861 |
| Credit derivatives | 14 | 10 |
| Commodity-related transactions | 4 | 2 |
| **Securitised liabilities** | **30** | **374** |
| Issued money market instruments | – | 346 |
| Commercial paper (CP) | – | 346 |
| Issued equity/index certificates | 30 | 28 |
| **Deposits and loans** | **4,632** | **4,067** |
| Payable on demand | 937 | 903 |
| With an agreed term | 3,695 | 3,164 |
| **Liabilities arising from short-selling** | **199** | **45** |
| **Trading liabilities** | **11,350** | **13,754** |

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

in € m

| | Germany | | European Union (excluding Germany) | | World (excluding European Union) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Bonds and other fixed-income securities** | **1,819** | **724** | **604** | **494** | **273** | **411** | **2,696** | **1,629** |
| Central giro institutions | 143 | 123 | – | – | – | – | 143 | 123 |
| Sparkassen | 78 | 9 | – | – | – | – | 78 | 9 |
| Other banks | 1,177 | 482 | 534 | 427 | 265 | 402 | 1,976 | 1,312 |
| Other financial corporations | 25 | 5 | 5 | 9 | 0 | – | 31 | 14 |
| Non-financial corporations | 18 | 26 | 22 | 21 | 2 | – | 42 | 47 |
| Government | 379 | 79 | 42 | 36 | 6 | 9 | 427 | 124 |
| **Loans and receivables** | **610** | **1,412** | **63** | **155** | **3** | **54** | **676** | **1,621** |
| Central banks | 169 | 46 | – | – | – | – | 169 | 46 |
| Central giro institutions | 0 | 28 | – | – | – | – | 0 | 28 |
| Sparkassen | 144 | 650 | – | – | – | – | 144 | 650 |
| Other banks | 58 | 344 | – | – | 1 | – | 59 | 344 |
| Other financial corporations | – | 5 | – | – | 3 | 3 | 3 | 8 |
| Non-financial corporations | 45 | 120 | 63 | 155 | – | 51 | 108 | 326 |
| Government | 194 | 219 | – | – | – | – | 194 | 219 |
| **Equity shares and other variable-income securities** | **–** | **1** | **–** | **–** | **–** | **–** | **–** | **1** |
| Non-financial corporations | – | 1 | – | – | – | – | – | 1 |
| **Total** | **2,429** | **2,137** | **667** | **649** | **277** | **466** | **3,372** | **3,251** |

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

in € m

| | Germany | | European Union (excluding Germany) | | World (excluding European Union) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Deposits and loans** | **1,989** | **3,823** | **1,023** | **138** | **1,621** | **106** | **4,632** | **4,067** |
| Sparkassen | 520 | 2,351 | – | – | – | – | 520 | 2,351 |
| Other banks | 87 | 344 | 3 | 8 | 73 | 106 | 163 | 457 |
| Other financial corporations | 276 | 263 | 575 | 75 | 1,548 | – | 2,398 | 338 |
| Non-financial corporations | 732 | 530 | 445 | 56 | – | – | 1,177 | 586 |
| Government | 374 | 335 | – | – | – | – | 374 | 335 |
| **Liabilities arising from short-selling** | **180** | **45** | **–** | **–** | **19** | **–** | **199** | **45** |
| Other banks | 10 | – | – | – | – | – | 10 | – |
| Non-financial corporations | 0 | – | – | – | – | – | 0 | – |
| Government | 171 | 45 | – | – | 19 | – | 190 | 45 |
| **Total** | **2,169** | **3,868** | **1,023** | **138** | **1,640** | **106** | **4,832** | **4,112** |

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

The following financial instruments are reported in this item of the statement of financial position:

- Derivatives that are not held for trading and not used for hedging purposes. Derivatives recognised in this item are derivative financial instruments used for economic hedging as part of hedge management (economic hedges); the documentation requirements for hedge accounting in accordance with IFRS 9 are not satisfied.
- Bonds that do not satisfy the SPPI criterion and that are not held for trading purposes.
- Loans and receivables that do not satisfy the SPPI criterion and that are not held for trading purposes.
- Equity instruments that Helaba has not elected to measure at fair value through other comprehensive income.

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Positive fair values of non-trading derivatives** | **1,211** | **1,086** |
| thereof: Traded OTC | 1,211 | 1,086 |
| thereof: Exchange-traded | 0 | 0 |
| Equity-/index-related transactions | 5 | 3 |
| Interest-rate-related transactions | 1,133 | 944 |
| Currency-related transactions | 73 | 139 |
| Credit derivatives | – | 0 |
| **Bonds and other fixed-income securities** | **734** | **806** |
| thereof: Listed | 585 | 671 |
| Money market instruments | – | 4 |
| Medium- and long-term bonds | 734 | 802 |
| **Loans and receivables** | **163** | **211** |
| Repayable on demand and at short notice | 6 | 1 |
| Other fixed-term loans | 157 | 211 |
| **Equity shares and other variable-income securities** | **424** | **344** |
| thereof: Listed | 15 | 10 |
| Equities | 0 | 0 |
| Investment units | 424 | 344 |
| **Shareholdings** | **82** | **75** |
| Shares in unconsolidated affiliates | 15 | 9 |
| Shares in non-equity-accounted joint ventures | 2 | 5 |
| Shares in non-equity-accounted associates | 9 | 7 |
| Other equity investments | 56 | 55 |
| **Total** | **2,614** | **2,523** |

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Negative fair values of non-trading derivatives** | **2,924** | **3,420** |
| thereof: Traded OTC | 2,924 | 3,420 |
| Interest-rate-related transactions | 2,791 | 3,133 |
| Currency-related transactions | 131 | 287 |
| Credit derivatives | 2 | 0 |
| **Total** | **2,924** | **3,420** |

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

in € m

| | Germany | | European Union (excluding Germany) | | World (excluding European Union) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Bonds and other fixed-income securities** | **72** | **67** | **375** | **396** | **287** | **344** | **734** | **806** |
| Central giro institutions | 1 | 1 | – | – | – | – | 1 | 1 |
| Other banks | – | 3 | 59 | 59 | 12 | 15 | 72 | 78 |
| Other financial corporations | 14 | 13 | 89 | 151 | 101 | 110 | 204 | 273 |
| Non-financial corporations | 56 | 45 | 227 | 186 | 174 | 218 | 456 | 449 |
| Government | 1 | 6 | – | – | – | – | 1 | 6 |
| **Loans and receivables** | **157** | **204** | **–** | **–** | **6** | **7** | **163** | **211** |
| Other financial corporations | 1 | 10 | – | – | 6 | 7 | 7 | 17 |
| Non-financial corporations | 37 | 66 | – | – | – | – | 37 | 66 |
| Government | 119 | 128 | – | – | – | – | 119 | 128 |
| **Equity shares and other variable-income securities** | **121** | **115** | **277** | **206** | **26** | **22** | **424** | **344** |
| Other financial corporations | 121 | 115 | 277 | 206 | 26 | 22 | 424 | 344 |
| Non-financial corporations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Shareholdings** | **81** | **75** | **1** | **1** | **0** | **0** | **82** | **75** |
| Other banks | 2 | 2 | – | – | – | – | 2 | 2 |
| Other financial corporations | 46 | 41 | – | – | 0 | 0 | 46 | 42 |
| Non-financial corporations | 33 | 32 | 1 | 1 | – | – | 33 | 32 |
| **Total** | **430** | **462** | **653** | **602** | **319** | **373** | **1,403** | **1,437** |

Please refer to Note (41) for detailed information on derivatives.

## (25) Financial instruments designated voluntarily at fair value

By applying the fair value option voluntarily, it is possible to use the FVTPL measurement category for financial instruments that would otherwise be allocated to the AC or FVTOCI (recycling) measurement categories based solely on the business model criterion or SPPI condition. The fair value option can be used for financial assets and financial liabilities if there is an economic relationship between the financial instrument concerned and other financial instruments and the application of the fair value option will prevent an accounting mismatch in the consolidated income statement.

The fair value option can also be used for financial liabilities if one of the following criteria is satisfied:

- The financial liability is managed on a fair value basis.
- The financial liability is a structured product and, if the fair value option were not applied, the host contract and the embedded derivative would have to be accounted for separately.

The Helaba Group uses the fair value option in individual cases in which there is an economic relationship between the financial instruments concerned and other financial instruments – for example in an economic hedge where hedge accounting is not applied – and these other financial instruments need to be measured at fair value in accordance with IFRS 9. In the case of financial liabilities, the Helaba Group uses the fair value option particularly for structured products.

Helaba determines the cumulative changes in carrying amounts attributable to credit risk for financial instruments to which the fair value option is applied. For each of these financial instruments, the calculation is based on the difference between the latest measurement and the historical measurement on the date of addition. This difference is then adjusted for any changes in value resulting from market factors not related to credit risk.

When the fair value option is applied, changes in the fair value of financial instruments are generally recognised through profit or loss. However, the portion of a change in the fair value of financial liabilities attributable to changes in the Helaba Group's own credit quality is recognised in accumulated other comprehensive income. Cumulative changes in fair value recognised in other comprehensive income are not reclassified to consolidated profit or loss, even in the event of early derecognition of financial liabilities prior to maturity. However, the changes in fair value accumulated in other comprehensive income up to the point of derecognition are reclassified to retained earnings within equity.

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

in € m

| | Carrying amount (fair value) | | Changes attributable to credit risk | | | |
|---|---|---|---|---|---|---|
| | | | Reporting period | | Cumulative | |
| | 31.12.2023 | 31.12.2022 | 2023 | 2022 | 31.12.2023 | 31.12.2022 |
| Bonds and other fixed-income securities | 103 | 104 | 6 | 0 | 10 | 4 |
| thereof: Listed | 103 | 104 | | | | |
| Loans and receivables | 2,725 | 2,749 | – | 7 | – | –7 |
| **Total** | **2,828** | **2,853** | **6** | **7** | **10** | **–3** |

The following overview shows the settlement amounts of liabilities for which the fair value option is used, the current carrying amounts and the cumulative changes in fair value attributable to changes in the Helaba Group's own credit risk:

in € m

| | Carrying amount (fair value) | | Settlement amount | | Cumulative changes attributable to credit risk | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Securitised liabilities | 8,016 | 6,671 | 9,034 | 8,114 | –138 | –115 |
| Deposits and loans | 4,430 | 4,245 | 6,063 | 6,081 | –289 | –215 |
| **Total** | **12,445** | **10,915** | **15,097** | **14,196** | **–427** | **–329** |

For detailed disclosures on issuing activities, see Note (46).

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

in € m

| | Germany | | European Union (excluding Germany) | | World (excluding European Union) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Bonds and other fixed-income securities** | **103** | **104** | **–** | **–** | **–** | **–** | **103** | **104** |
| Government | 103 | 104 | – | – | – | – | 103 | 104 |
| **Loans and receivables** | **2,725** | **2,749** | **–** | **–** | **–** | **–** | **2,725** | **2,749** |
| Other financial corporations | 1 | 2 | – | – | – | – | 1 | 2 |
| Non-financial corporations | 38 | 40 | – | – | – | – | 38 | 40 |
| Government | 2,687 | 2,707 | – | – | – | – | 2,687 | 2,707 |
| **Financial assets** | **2,828** | **2,853** | **–** | **–** | **–** | **–** | **2,828** | **2,853** |
| **Deposits and loans** | **4,288** | **4,113** | **133** | **124** | **9** | **8** | **4,430** | **4,245** |
| Sparkassen | 500 | 510 | – | – | – | – | 500 | 510 |
| Other banks | 82 | 79 | – | – | 9 | 8 | 91 | 87 |
| Other financial corporations | 3,435 | 3,274 | 133 | 124 | – | – | 3,568 | 3,398 |
| Non-financial corporations | 161 | 150 | – | – | – | – | 161 | 150 |
| Government | 110 | 101 | – | – | – | – | 110 | 101 |
| **Financial liabilities** | **4,288** | **4,113** | **133** | **124** | **9** | **8** | **4,430** | **4,245** |

## (26) Hedge accounting

The Helaba Group enters into derivatives for both trading and hedging purposes. If derivatives are demonstrably used to hedge risks, special hedge accounting rules can be applied under IFRS 9, subject to certain preconditions, in order to eliminate accounting mismatches (in annual financial statements) that could arise from differences between the measurement of hedging instruments and that of hedged items.

Please refer to the Helaba Group's general risk strategy and specific risk strategies in the management report for a description of the overarching risk management strategy for managing market risk in the banking book. The Helaba Group applies hedge accounting on a selective basis for the derivatives used in the context of managing market risk in the banking book. It is not necessary to apply hedge accounting to all banking book derivatives because the risk exposures in connection with some of the banking book derivatives balance each other out and, in addition, some of the hedged banking book transactions are themselves measured at fair value through profit or loss.

The following hedge accounting models are used in the Helaba Group:

- Fair value hedges for interest rate risk
  Fair value hedge accounting is used for interest rate swaps and those cross-currency swaps with a fixed and variable interest-bearing component to offset in the consolidated income statement the changes in the fair value of the designated swaps against the interest-rate-related changes in fair value of fixed-interest issues, loans or securities on the assets side of the statement of financial position. Hedged banking book transactions are allocated to each swap individually (micro hedges). Interest-rate-related changes in the fair value of hedged items are deemed to be those changes in fair value that arise from changes in the currency-specific interest rate swap curves with the predominant variable market interest rate basis (hedged risk). Together with any gains or losses from currency translation in connection with foreign currency transactions, these interest-rate-related changes in fair value make up the majority of the market-risk-related changes in the fair value of hedged items. As the hedging relationships do not involve any basis risk that could be systematically countered through a hedge ratio, one unit of hedge always hedges one unit of hedged item in the designated hedges (and the hedge ratio is therefore always 1:1). Nevertheless, the resulting offsetting in the consolidated income statement (net income from hedge accounting) is not perfect; a certain degree of hedging ineffectiveness is to be expected, particularly for the following reasons:

  - Differences in the discounting for hedged items and hedging instruments resulting from the fact that, unlike hedged items, derivative hedging instruments backed by cash collateral are measured on the basis of overnight index swap (RFR) yield curves (RFR discounting)

  - Interest rate measurement gains or losses from the variable side of derivative hedges (which cannot be offset by any corresponding measurement gains or losses on fixed-interest hedged items).

- Fair value hedges for currency risk
  Cross-currency basis swaps are used as instruments in fair value hedges of currency risk. Changes in the fair value of the swaps arising from a change in the currency basis element are reported as hedge costs under other comprehensive income in the consolidated statement of comprehensive income (change from the fair value hedges of currency risk) and, on a cumulative basis, in the reserve for fair value hedges of currency risk, which is a component of accumulated OCI. The remaining change in the fair value of the designated cross-currency basis swaps is recognised in net income from hedge accounting together with the spot-rate-related change in the fair value of the hedged items (hedged risk). Together with any interest-rate-related changes in fair value in fixed-rate transactions, these spot-rate-related changes in the fair value of hedged items make up the majority of the market-risk-related changes in the fair value of hedged items. As the hedging relationships do not involve any basis risk that could be systematically countered through a hedge ratio, one group of hedges of one currency hedges a bottom layer of a group of hedged items in the same currency identified by amount (bottom layer approach; the hedge ratio is always 1:1). Nevertheless, the resulting offsetting in the consolidated income statement is not completely perfect because the interest rate measurement gains and losses from the floating rates on both sides of the cross-currency basis swaps are not matched by any corresponding measurement gains or losses in the hedged items, which are only measured at spot rates. For this reason (and other reasons of minor significance), a certain degree of hedge ineffectiveness is always anticipated.

Hedged items are not allocated individually to the cross-currency basis swaps. Rather, a group hedge is designated for each currency. Each group hedge consists of the swaps and the primary banking book transactions in the currency concerned.

If cross-currency basis swaps are derecognised, the cumulative cross-currency basis spread elements recognised in OCI are recycled in the consolidated income statement. The same applies if a formerly designated cross-currency basis swap is de-designated. Over the maturity of the hedge, the cross-currency basis spread element in OCI decreases as a result of the residual maturity effect. Other measurement changes relating to hedges are recognised under hedging gains or losses.

- Fair value hedges for interest rate and currency risk
  This is a combination of the two hedge accounting models described above (fair value hedges for interest rate risk and fair value hedges for currency risk). In this case, fixed-for-floating cross-currency swaps are used as hedging instruments. The interest rate component is hedged as in fair value hedges for interest rate risk. The hedging of the currency risk is reported in OCI in the same way as in fair value hedges of currency risk. As in fair value hedges for interest rate risk, hedged banking book transactions are allocated to the cross-currency swaps individually for each swap (micro hedges, no group hedges). It is also the case in these arrangements that the resulting offsetting of values is not perfect (i.e. there is some ineffectiveness). Consequently, the interest rate ineffectiveness is reported in the consolidated income statement under net income from hedge accounting and the hedge costs are recognised in OCI.

In the Helaba Group, prospective effectiveness is determined using regression analysis; the critical terms match method is used for currency risks.

If ineffectiveness is identified, the hedge is terminated, even if the ineffectiveness is predominantly attributable to credit-risk-related fair value fluctuations.

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

in € m

| | Notional amount | | Positive fair values | | Negative fair values | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Fair value hedges – micro hedges** | **51,986** | **51,903** | **124** | **144** | **608** | **603** |
| thereof: Traded OTC | 51,986 | 51,903 | 124 | 144 | 608 | 603 |
| Interest rate hedges | 51,377 | 51,382 | 124 | 144 | 432 | 415 |
| Interest rate swaps | 51,220 | 51,225 | 100 | 129 | 432 | 415 |
| Cross-currency swaps | 157 | 157 | 24 | 15 | – | – |
| Combined hedge of interest rate and currency risk | 609 | 521 | – | – | 176 | 187 |
| Cross-currency swaps | 609 | 521 | – | – | 176 | 187 |
| **Fair value hedges – group hedges** | **15,303** | **17,245** | **269** | **595** | **59** | **104** |
| thereof: Traded OTC | 15,303 | 17,245 | 269 | 595 | 59 | 104 |
| Foreign currency hedges | 15,303 | 17,245 | 269 | 595 | 59 | 104 |
| Cross-currency swaps | 15,303 | 17,245 | 269 | 595 | 59 | 104 |
| **Total** | **67,289** | **69,148** | **393** | **740** | **667** | **706** |

The following table shows the notional amounts by remaining maturity of the hedging derivatives used in hedge accounting:

in € m

| | Up to three months | | Three months to one year | | One year to five years | | More than five years | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Fair value hedges – micro hedges** | **811** | **911** | **3,590** | **627** | **29,267** | **27,781** | **18,317** | **22,584** | **51,986** | **51,903** |
| Interest rate hedges | 811 | 911 | 3,590 | 627 | 29,166 | 27,781 | 17,809 | 22,063 | 51,377 | 51,382 |
| Interest rate swaps | 811 | 911 | 3,590 | 627 | 29,009 | 27,624 | 17,809 | 22,063 | 51,220 | 51,225 |
| Cross-currency swaps | – | – | – | – | 157 | 157 | – | – | 157 | 157 |
| Combined hedge of interest rate and currency risk | – | – | – | – | 101 | – | 508 | 521 | 609 | 521 |
| Cross-currency swaps | – | – | – | – | 101 | – | 508 | 521 | 609 | 521 |
| **Fair value hedges – group hedges** | **264** | **102** | **2,603** | **2,481** | **10,335** | **12,168** | **2,101** | **2,494** | **15,303** | **17,245** |
| Foreign currency hedges | 264 | 102 | 2,603 | 2,481 | 10,335 | 12,168 | 2,101 | 2,494 | 15,303 | 17,245 |
| Cross-currency swaps | 264 | 102 | 2,603 | 2,481 | 10,335 | 12,168 | 2,101 | 2,494 | 15,303 | 17,245 |
| **Total** | **1,075** | **1,013** | **6,193** | **3,108** | **39,602** | **39,949** | **20,419** | **25,078** | **67,289** | **69,148** |

The carrying amounts of the hedged items and the accumulated hedge adjustments on continued and terminated hedges are shown in the following table:

in € m

| | Carrying amount of hedged items | | Cumulative hedge adjustments | | Cumulative hedge adjustments from discontinued hedges | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Interest rate hedges** | | | | | | |
| Financial assets measured at amortised cost | 13,405 | 16,321 | –1,662 | –2,367 | 187 | 265 |
| Loans and receivables | 13,405 | 16,321 | –1,662 | –2,367 | 187 | 265 |
| Financial assets measured at fair value through other comprehensive income | 9,733 | 7,893 | –140 | –490 | 0 | 1 |
| Bonds and other fixed-income securities | 9,733 | 7,893 | –140 | –490 | 0 | 1 |
| Financial liabilities measured at amortised cost | 26,681 | 23,926 | –1,227 | –2,555 | –271 | –125 |
| Securitised liabilities | 19,808 | 16,160 | –935 | –1,725 | 52 | 55 |
| Deposits and loans | 6,873 | 7,766 | –292 | –830 | –324 | –181 |
| **Combined hedge of interest rate and currency risk** | | | | | | |
| Financial assets measured at fair value through other comprehensive income | 743 | 676 | –59 | –73 | – | – |
| Bonds and other fixed-income securities | 743 | 676 | –59 | –73 | – | – |
| **Foreign currency hedges** | | | | | | |
| Financial assets measured at amortised cost | 14,399 | 15,767 | – | – | – | – |
| Loans and receivables | 14,399 | 15,767 | – | – | – | – |
| Financial assets measured at fair value through other comprehensive income | 608 | 933 | – | – | – | – |
| Bonds and other fixed-income securities | 608 | 933 | – | – | – | – |

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

In the Helaba Group, this item in the statement of financial position mainly consists of bonds and other fixed-income securities, together with equity instruments that the Helaba Group has elected to measure at fair value through other comprehensive income. The Helaba Group applies this option to identified strategic shareholdings. The financial instruments are measured at fair value. Gains and losses on remeasurement at fair value are reported – after taking into account deferred taxes – in other comprehensive income.

Debt instruments in the FVTOCI (recycling) measurement category are also subject to the stipulations of the IFRS 9 impairment model. Please refer to Note (37) for further disclosures.

No equity instruments measured at fair value through other comprehensive income were derecognised in the reporting period.

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Bonds and other fixed-income securities** | **14,747** | **14,771** |
| thereof: Listed | 14,134 | 14,160 |
| Money market instruments | 953 | 916 |
| Medium- and long-term bonds | 13,794 | 13,855 |
| **Loans and receivables** | **760** | **782** |
| Other fixed-term loans | 760 | 782 |
| **Shareholdings** | **27** | **26** |
| Shares in unconsolidated affiliates | 0 | 0 |
| Other equity investments | 27 | 26 |
| **Total** | **15,535** | **15,579** |

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

in € m

| | Germany | | European Union (excluding Germany) | | World (excluding European Union) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Bonds and other fixed-income securities** | **5,080** | **4,538** | **5,867** | **5,367** | **3,799** | **4,866** | **14,747** | **14,771** |
| Central giro institutions | 827 | 614 | – | – | – | – | 827 | 614 |
| Other banks | 1,990 | 1,631 | 4,897 | 4,645 | 3,345 | 4,079 | 10,232 | 10,354 |
| Other financial corporations | 13 | 12 | 33 | 82 | 93 | 150 | 139 | 244 |
| Non-financial corporations | 31 | 83 | 13 | 52 | 0 | 55 | 44 | 189 |
| Government | 2,219 | 2,199 | 923 | 589 | 362 | 582 | 3,505 | 3,370 |
| **Loans and receivables** | **553** | **558** | **185** | **184** | **22** | **40** | **760** | **782** |
| Other financial corporations | 50 | 18 | 28 | 27 | – | – | 78 | 45 |
| Non-financial corporations | 503 | 540 | 157 | 157 | 22 | 40 | 682 | 737 |
| **Shareholdings** | **27** | **26** | **–** | **–** | **–** | **–** | **27** | **26** |
| Other banks | 16 | 14 | – | – | – | – | 16 | 14 |
| Other financial corporations | 11 | 12 | – | – | – | – | 11 | 12 |
| **Total** | **5,661** | **5,122** | **6,052** | **5,551** | **3,822** | **4,906** | **15,535** | **15,579** |

## (28) Shares in equity-accounted entities

In the reporting period, a total of 22 (31 December 2022: 25) joint ventures and 3 (31 December 2022: 3) associates were accounted for using the equity method.

The breakdown of equity-accounted investments is shown below:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Investments in joint ventures** | **34** | **31** |
| Non-financial corporations | 34 | 31 |
| **Investments in associates** | **3** | **3** |
| Other financial corporations | 0 | 0 |
| Non-financial corporations | 3 | 3 |
| **Total** | **36** | **34** |

There are no listed companies among the equity-accounted entities.

The share of losses of equity-accounted entities not recognised for the reporting period amounted to a loss of € 1 m (2022: loss of € 2 m); the cumulative total of such unrecognised losses amounted to a loss of € 1 m as at 31 December 2023 (31 December 2022: loss of € 5 m).

The table below contains summarised financial information about equity-accounted joint ventures and associates based on the Helaba Group's equity-accounted interest in the assets, liabilities, profit or loss from continuing operations and comprehensive income.

in € m

| | Joint ventures | | Associates | |
|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Financial information – total** | | | | |
| Total assets | 621 | 523 | 90 | 77 |
| Total liabilities | 602 | 467 | 50 | 41 |
| Profit or loss from continuing operations | –22 | 3 | 1 | 13 |
| Other net income / expense | – | – | –0 | –0 |
| Comprehensive income | –22 | 3 | 1 | 13 |
| **Financial information – proportionate** | | | | |
| Total assets | 283 | 234 | 24 | 20 |
| Total liabilities | 273 | 208 | 25 | 20 |
| Profit or loss from continuing operations | –11 | 4 | 2 | 2 |
| Other net income / expense | – | – | –0 | –0 |
| Comprehensive income | –11 | 4 | 2 | 2 |

## (29) Investment property

Investment property is defined as property held to generate rental income in the long term or for capital appreciation, or both.

With regard to the classification of mixed-use property, in other words property in which some areas are rented out and other areas are used by Helaba itself, a check is first performed to determine whether the individual components can be sold or rented out separately and whether there is an active market for these components. If it is not possible for the property to be split, the property is only classified as investment property if the owner-occupancy area is insignificant in relation to the overall size of the property. Property in which Helaba Group companies themselves occupy a significant area is recognised in accordance with IAS 16 and reported under property and equipment.

Investment property is measured at amortised cost. Subsequent additional costs are only capitalised if they give rise to a further economic benefit. In contrast, maintenance costs are expensed as incurred. Borrowing costs are capitalised as part of the acquisition costs in accordance with the provisions in IAS 23. The component approach is used if material parts of the property differ significantly in terms of useful life.

Gains or losses on the disposal of investment property are reported in net income from investment property (see Note (9)).

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Land and buildings leased to third parties | 3,086 | 2,770 |
| thereof: Right-of-use assets under leases | 36 | 36 |
| Undeveloped land | 11 | 12 |
| Investment property under construction | 387 | 326 |
| **Total** | **3,485** | **3,109** |

Real estate and leasing right-of-use assets held by the GWH Group accounted for € 3,142 m (31 December 2022: € 2,830 m) of the total investment property. The contractual obligations to purchase, construct or develop investment property in the GWH Group amounted to € 716 m (31 December 2022: € 598 m).

The fair values of the properties and right-of-use assets as at 31 December 2023 came to a total of € 5,763 m (31 December 2022: € 5,546 m) and were allocated to Level 3. Please refer to Note (40) for information on determining fair value.

The table below shows the changes in investment property:

in € m

| | 2023 | 2022 |
|---|---|---|
| **Cost** | | |
| **Balance as at 1.1.** | **3,754** | **3,562** |
| Additions | 555 | 224 |
| Additions from original acquisition/construction | 555 | 224 |
| Disposals | –82 | –32 |
| **Balance as at 31.12.** | **4,226** | **3,754** |
| **Accumulated depreciation** | | |
| **Balance as at 1.1.** | **–597** | **–548** |
| Depreciation | –52 | –50 |
| Disposals | 21 | 2 |
| **Balance as at 31.12.** | **–627** | **–597** |
| **Cumulative loss allowances** | | |
| **Balance as at 1.1.** | **–49** | **–19** |
| Impairment losses | –66 | –30 |
| Reversals of impairment losses | 0 | – |
| **Balance as at 31.12.** | **–114** | **–49** |
| **Carrying amounts as at 31.12.** | **3,485** | **3,109** |

## (30) Property and equipment

Property and equipment comprises assets used by the Helaba Group itself, including the following: land and buildings, operating and office equipment, properties under construction (provided that they are not being constructed or developed for future use as investment property) and assets leased out to third parties under operating leases.

Property and equipment is measured at amortised cost. This cost comprises the purchase price and all directly assignable costs incurred in order to bring the asset to working condition. Subsequent additional costs are only capitalised if they give rise to a further economic benefit. In contrast, maintenance costs for property and equipment are expensed as incurred. Gains or losses on the disposal of property and equipment are reported in other net operating income (see Note (16)).

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Owner-occupied land and buildings | 620 | 633 |
| thereof: Right-of-use assets under leases | 127 | 134 |
| Operating and office equipment | 59 | 60 |
| thereof: Right-of-use assets under leases | 3 | 4 |
| Machinery and technical equipment | 31 | 30 |
| thereof: Right-of-use assets under leases | 0 | 0 |
| **Total** | **710** | **722** |

Some parts of the owner-occupied land and buildings are leased out. The carrying amount of land and buildings leased out by the Helaba Group (under operating leases) stood at € 95 m as at 31 December 2023 (31 December 2022: € 89 m).

Some machinery and technical equipment was also leased out. The carrying amount of machinery and technical equipment leased out by the Helaba Group (under operating leases) stood at € 17 m as at 31 December 2023 (31 December 2022: € 18 m).

As in the previous year, there were no contractual obligations to acquire property or equipment.

The changes in property and equipment were as follows:

| | Owner-occupied land and buildings | | Operating and office equipment | | Machinery and technical equipment | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Cost** | | | | | | | | |
| **Balance as at 1 January** | **990** | **894** | **255** | **251** | **37** | **35** | **1,282** | **1,180** |
| Additions | 17 | 98 | 15 | 15 | 3 | 3 | 35 | 115 |
| Disposals | –7 | –3 | –23 | –11 | –0 | –0 | –30 | –15 |
| Changes due to currency translation and other adjustments | 11 | 2 | 2 | 1 | –0 | 0 | 13 | 3 |
| **Balance as at 31 December** | **1,012** | **990** | **248** | **255** | **39** | **37** | **1,300** | **1,282** |
| **Accumulated depreciation** | | | | | | | | |
| **Balance as at 1 January** | **–352** | **–312** | **–195** | **–189** | **–7** | **–5** | **–554** | **–506** |
| Depreciation | –42 | –43 | –16 | –16 | –2 | –2 | –60 | –61 |
| Disposals | 6 | 3 | 22 | 10 | 1 | 0 | 28 | 13 |
| Changes due to currency translation and other adjustments | 2 | –0 | –0 | –0 | 0 | –0 | 2 | –1 |
| **Balance as at 31 December** | **–386** | **–352** | **–189** | **–195** | **–9** | **–7** | **–584** | **–554** |
| **Cumulative loss allowances** | | | | | | | | |
| **Balance as at 1 January** | **–5** | **–5** | **–1** | **–0** | **–** | **–** | **–6** | **–5** |
| Impairment losses | –0 | –0 | – | –0 | – | – | –0 | –1 |
| Disposals | –0 | – | 0 | –0 | – | – | 0 | –0 |
| Changes due to currency translation and other adjustments | 0 | 0 | – | –0 | – | – | 0 | –0 |
| **Balance as at 31 December** | **–6** | **–5** | **–1** | **–1** | **–** | **–** | **–6** | **–6** |
| **Carrying amounts as at 31 December** | **620** | **633** | **59** | **60** | **31** | **30** | **710** | **722** |

For disclosures on right-of-use assets arising under leases, please refer to Note (50).

## (31) Intangible assets

The main items reported under intangible assets are software, goodwill arising from acquisition accounting, and intangible assets acquired as part of a business combination.

Gains or losses on the disposal of intangible assets are reported in other net operating income (see Note (16)).

As in the previous year, there were no contractual obligations to acquire intangible assets.

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Goodwill | 13 | 13 |
| Concessions, industrial and similar rights | 0 | 1 |
| Software | 211 | 169 |
| thereof: Purchased | 210 | 168 |
| thereof: Internally generated | 1 | 1 |
| Software under development | 8 | 3 |
| Other intangible assets | 2 | 2 |
| **Total** | **234** | **188** |

Goodwill is subject to an impairment test at least once a year and additionally if there are any indications of impairment. The impairment test is carried out for every cash-generating unit to which goodwill has been allocated. In the impairment test, the recoverable amount is compared against the net carrying amount of the cash-generating unit including the carrying amounts of the allocated goodwill. The recoverable amount is the higher of value in use and fair value less costs to sell. If there are no recent comparable transactions or observable market prices available, the value is generally determined using a discounted earnings model. The present value is calculated using current local long-term discount rates including a risk supplement comprising a market risk premium and a beta factor. Impairment losses are reported under other net operating income.

The goodwill arose from the acquisition of 75.1 % of the shares in IMAP M&A Consultants AG and has been allocated to the Retail & Asset Management segment. Goodwill for the "IMAP" cash-generating unit (company) was tested for impairment on 31 December 2023 using an income capitalisation approach based on the discounted cash flows derived from expected surpluses in accordance with IMAP's current business plan. For the detailed planning phase up to 2028, the planning is differentiated on the basis of the surpluses. For the purposes of projecting the long-term earnings from 2029 onwards, a growth markdown of 1.0 % is assumed in the discounting applied. Present value was calculated on the basis of the current market discount rate of 2.75 % plus a market risk premium of 7.0 % and a custom beta of 1.286 derived from a peer group of European companies with a similar business focus. On this basis, the discount factor calculated for the detailed planning phase came to 11.75 %.

By their very nature, the assumptions underlying the discounted earnings calculation mean that there is estimation uncertainty (and actual trends in the future may therefore differ from the planning assumptions) and that there is scope for discretion in specifying the parameters. For example, further rises in capital market rates or inflation-induced economic weakness could lead to lower revenue in the detailed planning phase.

The intangible assets changed as follows:

in € m

| | Goodwill | | Concessions and industrial rights | | Purchased software | | Internally generated software | | Software under development | | Other intangible assets | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Cost** | | | | | | | | | | | | | | |
| **Balance as at 1 January** | **164** | **164** | **2** | **2** | **450** | **391** | **1** | **1** | **3** | **–** | **7** | **7** | **627** | **566** |
| Additions | – | – | 0 | 0 | 77 | 58 | – | – | 5 | 3 | – | – | 82 | 60 |
| Additions from internal development | – | – | 0 | 0 | 8 | 4 | – | – | – | – | – | – | 8 | 4 |
| Other additions | – | – | – | – | 69 | 54 | – | – | 5 | 3 | – | – | 74 | 56 |
| Disposals | – | – | – | – | –7 | –1 | – | – | – | – | – | – | –7 | –1 |
| Changes due to currency translation and other adjustments | – | – | – | – | –16 | 2 | – | – | – | – | 0 | 0 | –16 | 2 |
| **Balance as at 31 December** | **164** | **164** | **2** | **2** | **504** | **450** | **1** | **1** | **8** | **3** | **7** | **7** | **686** | **627** |
| **Accumulated amortisation** | | | | | | | | | | | | | | |
| **Balance as at 1 January** | **–** | **–** | **–1** | **–1** | **–277** | **–245** | **–1** | **–1** | **–** | **–** | **–2** | **–1** | **–281** | **–248** |
| Amortiisation | – | – | –0 | –0 | –34 | –33 | –0 | –0 | – | – | –1 | –1 | –35 | –34 |
| Disposals | – | – | – | – | 6 | 3 | – | – | – | – | – | – | 6 | 3 |
| Changes due to currency translation and other adjustments | – | – | – | – | 14 | –2 | – | –0 | – | – | –0 | –0 | 14 | –2 |
| **Balance as at 31 December** | **–** | **–** | **–2** | **–1** | **–290** | **–277** | **–1** | **–1** | **–** | **–** | **–3** | **–2** | **–295** | **–281** |
| **Accumulated impairment losses** | | | | | | | | | | | | | | |
| **Balance as at 1 January** | **–151** | **–151** | **–** | **–** | **–5** | **–4** | **–** | **–** | **–** | **–** | **–3** | **–3** | **–159** | **–158** |
| Impairment losses | – | – | – | – | –0 | –1 | – | – | – | – | – | – | –0 | –1 |
| Disposals | – | – | – | – | 2 | –0 | – | – | – | – | – | – | 2 | –0 |
| **Balance as at 31 December** | **–151** | **–151** | **–** | **–** | **–4** | **–5** | **–** | **–** | **–** | **–** | **–3** | **–3** | **–157** | **–159** |
| **Carrying amounts as at 31 December** | **13** | **13** | **0** | **1** | **210** | **168** | **1** | **1** | **8** | **3** | **2** | **2** | **234** | **188** |

## (32) Income tax assets and liabilities

Taxes on income are recognised and measured in accordance with the provisions in IAS 12. Current income tax assets and liabilities are calculated using the latest tax rates that will be applicable when the tax concerned arises.

Deferred tax assets and liabilities are generally recognised for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position in accordance with IFRS and those in the corresponding tax base. They are measured using the tax rates that have been enacted as at the reporting date concerned and that will be relevant for the date on which the deferred taxes are realised. Deferred tax liabilities are recognised for temporary differences that will result in a tax expense when the differences reverse. If a tax refund is anticipated on reversal of temporary differences and it is probable that this refund can be utilised, then deferred tax assets are recognised. Deferred tax assets are only recognised for tax loss carryforwards if it is sufficiently probable that they will be able to be utilised in the future. Deferred tax assets and liabilities are netted provided that they relate to the same type of tax, tax authority and maturity. They are not discounted. Deferred taxes on temporary differences in other comprehensive income are also recognised in other comprehensive income (OCI).

The deferred income tax assets and liabilities relate to the following items:

in € m

| | Deferred income tax assets | | Deferred income tax liabilities | |
|---|---|---|---|---|
| | **31.12.2023** | **31.12.2022** | **31.12.2023** | **31.12.2022** |
| Financial assets and liabilities measured at amortised cost | 480 | 1,155 | 717 | 884 |
| Financial assets, financial liabilities, trading assets and trading liabilities measured at fair value through profit or loss | 1,213 | 1,849 | 1,009 | 1,667 |
| Financial assets measured at fair value through other comprehensive income | 221 | 100 | 103 | 316 |
| Other assets | 93 | 71 | 103 | 62 |
| Provisions for employee benefits | 247 | 219 | 5 | 4 |
| Other provisions | 35 | 41 | 71 | 63 |
| Other liabilities | 94 | 93 | 7 | 8 |
| Tax loss carryforwards | 6 | 7 | – | – |
| **Deferred tax assets and liabilities, gross** | **2,389** | **3,534** | **2,016** | **3,004** |
| Netted against deferred tax liabilities/assets | −2,013 | −3,003 | −2,013 | −3,003 |
| **Total** | **375** | **531** | **3** | **1** |
| thereof: Non-current | 234 | 328 | 2 | 1 |

Deferred tax assets and deferred tax liabilities have been offset in accordance with IAS 12.74.

The following table shows the deferred taxes recognised in association with items in other comprehensive income:

in € m

| | Before tax | | Taxes | | After tax | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Items that will not be reclassified to the consolidated income statement:** | **229** | **197** | **–73** | **–63** | **156** | **134** |
| Remeasurement of net defined benefit liability | –190 | –123 | 62 | 42 | –128 | –82 |
| Change in fair value of equity instruments measured at fair value through other comprehensive income | –8 | –9 | –0 | –0 | –8 | –9 |
| Credit risk-related change in fair value of financial liabilities designated voluntarily at fair value | 427 | 329 | –135 | –104 | 292 | 225 |
| **Items that will be subsequently reclassified to the consolidated income statement:** | **–390** | **–497** | **128** | **164** | **–261** | **–333** |
| Share of profit or loss of equity-accounted entities | –1 | –1 | 0 | 0 | –1 | –1 |
| Change in fair value of debt instruments measured at fair value through other comprehensive income | –330 | –494 | 104 | 156 | –226 | –338 |
| Gains or losses from hedges of a net investment in a foreign operation | –17 | –17 | – | – | –17 | –17 |
| Gains or losses from currency translation of foreign operations | 35 | 38 | – | – | 35 | 38 |
| Gains or losses from fair value hedges of currency risk | –77 | –24 | 24 | 7 | –52 | –16 |
| **Total** | **–161** | **–300** | **55** | **101** | **–106** | **–199** |

The calculation of deferred tax assets for the domestic and foreign reporting units was based on individual tax rates. Given an average municipality trade tax multiplier of 451 %, the combined income tax rate for the Bank in Germany in 2023 was 31.61 %, which was almost unchanged compared with the prior year.

In the case of deferred tax assets, the recovery of which depends on future taxable profits that extend beyond the impact on earnings from the reversal of taxable temporary differences in existence on the reporting date, the Helaba Group only recognises such deferred tax assets to the extent that it is reasonably certain they could be utilised. If the deferred tax assets are to be utilised, there must be sufficient taxable profits in the foreseeable future against which the associated tax loss carryforwards can be offset. In this regard, the Helaba Group generally uses a planning horizon of five years.

On the basis of the multi-year planning, the Bank has concluded that the deferred tax assets are recoverable and can be justified for the period covered by the multi-year planning because sufficient taxable income will be available.

As at 31 December 2023, the Helaba Group had recognised deferred tax assets of € 3 m (31 December 2022: € 3 m) in respect of corporate income tax loss carryforwards of € 17 m (31 December 2022: € 20 m) and deferred tax assets of € 3 m (31 December 2022: € 4 m) in respect of trade tax loss carryforwards of € 21 m (31 December 2022: € 26 m).

Overall, no deferred tax assets had been recognised in respect of corporate income tax loss carryforwards of € 22 m (31 December 2022: € 19 m) and in respect of trade tax loss carryforwards of € 73 m (31 December 2022: € 49 m) because Helaba did not believe there was sufficient probability of taxable profits in the foreseeable future against which these tax loss carryforwards could be used. There is no time limit for the utilisation of loss carryforwards.

In the reporting period, the Bank recognised impairment losses of € 5 m on deferred tax assets in respect of loss carryforwards.

The current income tax liabilities include provisions for tax risks. These provisions are determined on the basis of the most likely amount required to settle the liability. The Bank has not reported any contingent liabilities in respect of tax risks.

## (33) Other assets and liabilities

Other assets mainly consist of property held for sale as part of ordinary business activities. These assets comprise properties, both completed and under construction, that Helaba is itself developing and marketing. The properties are measured at the lower of cost and fair value less cost to sell, i. e. the estimated recoverable sales proceeds less anticipated remaining costs for completion and sale.

Other assets and other liabilities are used for reporting any other assets or liabilities that, viewed in isolation, are of minor significance and that cannot be allocated to any other item in the statement of financial position.

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Inventories | 866 | 767 |
| Property held for sale | 857 | 759 |
| Other inventories / work in progress | 9 | 8 |
| Advance payments and payments on account | 207 | 348 |
| Other taxes receivable | 3 | 2 |
| Defined benefit assets | 27 | 34 |
| Sundry assets | 560 | 355 |
| **Other assets** | **1,664** | **1,506** |

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Advance payments / payments on account | 224 | 220 |
| Tax liabilities, other taxes | 53 | 32 |
| Employee benefits due in short term | 105 | 97 |
| Sundry liabilities | 363 | 213 |
| **Other liabilities** | **745** | **562** |

# (34) Provisions

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Provisions for employee benefits** | **984** | **936** |
| Pensions and similar defined benefit obligations | 911 | 860 |
| Other employee benefits due in the long term | 73 | 76 |
| **Other provisions** | **191** | **234** |
| Provisions for off-balance sheet liabilities | 70 | 80 |
| Provisions for loan commitments and financial guarantees | 69 | 80 |
| Provisions for other off-balance sheet obligations | 1 | 0 |
| Restructuring provisions | 10 | 28 |
| Provisions for litigation risks | 7 | 13 |
| Sundry provisions | 104 | 113 |
| **Total** | **1,175** | **1,171** |

## Provisions for pensions and similar obligations

Company pension arrangements in the Helaba Group comprise various types of benefit plans. There are both defined contribution plans and defined benefit plans.

In the case of defined contribution plans, fixed contributions are paid to external pension providers. No provisions are generally recognised in connection with these defined contribution plans because the Group is not subject to any further payment obligations. The ongoing contributions for defined contribution plans are recognised in general and administrative expenses.

As regards defined benefit plans, Helaba operates a number of schemes involving total benefit commitments, final salary schemes and pension module schemes. Some of the pension obligations are covered by assets that represent plan assets as defined by IAS 19. These plan assets are offset against the pension obligations. If this gives rise to an asset surplus (overcollateralisation), the carrying amount of the net defined benefit asset (net DBA) is limited to the present value of the associated economic benefits available to the Group during the term of the pension plan or following settlement of the obligations (asset ceiling). Economic benefits may be available, for example, in the form of refunds from the plan or reductions in future contributions to the plan.

The defined benefit obligations (DBO) are determined annually by external actuaries. The obligations are measured using the projected unit credit method based on biometric assumptions, salary and pension increases expected in the future, and a current market discount rate. This discount rate is based on the coupon for investment-grade corporate bonds in the same currency with a maturity matched to the weighted average maturity for the payment obligations. In Germany, a reference discount rate is applied that takes into account a large number of AA-rated bonds and has been adjusted for statistical outliers. The Helaba Group determines this discount rate largely on the basis of Mercer's discount rate recommendation. The actual discount rate used is in a range covered by 0.5 percentage points, within which three expected scenarios are calculated. Based on Mercer's rate recommendation, Helaba uses the discount rate from the scenario deemed to be the best estimate taking into account the duration and discount rate recommendations from other actuaries. This procedure is intended to avoid positive or negative outliers.

In accordance with IAS 19, the defined benefit expense to be recognised in consolidated profit or loss is largely determined right at the start of a financial year on the basis of the actuarial assumptions applicable at that point. The pension expense to be recognised in the income statement includes mainly the net interest component and the current service cost.

The net interest component comprises both the expense arising from unwinding the discount on the present value of the pension obligation and the imputed interest income on the plan assets. The net interest is determined by multiplying the net defined benefit liability (present value of the defined benefit obligation less plan assets) at the start of the period by the applicable discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. If a surplus of plan assets arises (overcollateralisation), the net interest component also includes the net interest on the effect of the asset ceiling. The net interest expense is included as part of the net interest income figure reported in the income statement.

The current service cost represents the increase in pension obligations attributable to the service provided by employees in the financial year; it is reported under general and administrative expenses.

If the present value of a defined benefit obligation changes as a result of the amendment or curtailment of a plan, the resulting effects are recognised in profit or loss under general and administrative expenses as a past service cost. The amount concerned is recognised on the date the amendment or curtailment occurs. Any gain or loss arising from the settlement of defined benefit obligations is treated in the same way. Following a plan amendment, curtailment or settlement, the current service cost and the net interest for the period after the remeasurement must be determined using the actuarial assumptions at the time of the change.

Any variances between the actuarial assumptions at the start of the period and actual trends during the financial year, together with any updates made to the measurement parameters at the end of the financial year, result in remeasurement effects, which are then reported in other comprehensive income.

The changes in provisions for pensions and similar obligations reported in the statement of financial position were as follows:

in € m

| | DBO | | Plan assets | | Net defined benefit obligations | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Balance as at 1 January** | **1,640** | **2,391** | **–813** | **–931** | **827** | **1,459** |
| Total pension cost | 92 | 83 | –35 | –13 | 57 | 69 |
| Interest expense (+)/interest income (–) | 61 | 30 | –30 | –11 | 31 | 18 |
| Current service cost | 28 | 51 | – | – | 28 | 51 |
| Past service cost | –1 | –0 | – | – | –1 | –0 |
| Gains or losses on settlement | 5 | 2 | –5 | –2 | – | – |
| Total gains or losses on remeasurement | 98 | –827 | –32 | 134 | 67 | –693 |
| Actuarial gains (–)/losses (+) on financial assumptions | 114 | –816 | – | – | 114 | –816 |
| Actuarial gains (–)/losses (+) on demographic assumptions | –2 | –0 | – | – | –2 | –0 |
| Experience adjustment gains (–)/losses (+) | –14 | –11 | – | – | –14 | –11 |
| Gains or losses on remeasurement of plan assets | – | – | –32 | 134 | –32 | 134 |
| Employee contributions | 3 | 3 | –3 | –3 | 0 | 0 |
| Employer contributions | – | – | –12 | –12 | –12 | –12 |
| Benefits paid | –68 | –64 | 13 | 11 | –54 | –53 |
| Changes in basis of consolidation | 0 | – | – | – | 0 | – |
| Reclassifications | – | 56 | – | – | – | 56 |
| Changes due to currency translation | 3 | –1 | –4 | 1 | –1 | –0 |
| **Balance as at 31 December** | **1,769** | **1,640** | **–885** | **–813** | **884** | **827** |

The main defined benefit plans (in the form of direct commitments) at Landesbank Hessen-Thüringen are as follows:

In the case of employees who joined the Bank on or before 31 December 1985 and who are eligible for pension benefits, there is a fully dynamic comprehensive defined benefit plan, in which the annual benefits payable under the plan are up to a maximum of 75 % of the pensionable remuneration on retirement date, subject to deduction of third-party pension entitlements. During the period in which a pension is drawn, pension benefits are increased in line with any pay-scale increases. The existing beneficiaries are primarily retirees and surviving dependants. However, there is also a small proportion of beneficiaries who are still active or who have left the Bank but have retained vested entitlements.

The retirement benefit system in place between 1986 and 1998 is a scheme based on final salary with a split pension benefits formula. The annual pension benefits are linked to a certain percentage of pensionable remuneration earned for each year of service depending on the contribution assessment ceiling in the statutory pension insurance scheme (salary components above the ceiling being weighted differently from those below the ceiling). The plan is based on a maximum of 35 years of service and pension benefits rise in line with pay-scale increases during the period in which the benefits are drawn. The existing beneficiaries are predominantly current employees and individuals who have left the Bank but have vested rights.

For the defined benefit plan in force since 1999, the retirement pension is calculated by adding all the pension credits accrued during the pensionable period of service. The pension credits are determined by multiplying the pensionable remuneration for the respective calendar year by an age-dependent factor. During the period in which the pension is drawn, the benefits are subject to an annual increase of 1 %. The plan is open to new members. The current members of the scheme are predominantly active employees and individuals who have left the Bank but have vested rights.

In addition, the Helaba Group has individual commitments to pay annual pension benefits. These commitments for the most part involve comprehensive defined benefit plans similar to those used by the civil service in Germany in which the benefits represent the difference between a target pension and the statutory pension entitlement and in which the pension benefits are increased in line with pay-scale increases during the period in which pensions are drawn. The existing beneficiaries under these plans are mainly retirees, surviving dependants and individuals who have left the Bank but still have vested rights. However, the plans remain open to new members.

As a result of the takeover of the S-Group Bank business, the transfer of the business unit in accordance with Section 613a BGB meant that the pension obligations of Portigon AG to the new employees were also transferred to Helaba.

Employees who, as a result of the break-up of Westdeutsche Landesbank Girozentrale into the public-law Landesbank NRW (currently NRW.Bank) and the private-law WestLB AG (currently Portigon AG) in 2002, were assigned to NRW.Bank were put on special leave so that they could enter into a second employment relationship with Portigon AG (VBB dual contract holders). The pension commitments are maintained by NRW.Bank without change. Economically, however, the costs are charged to Helaba because NRW.Bank has to be reimbursed for the pension payments it has to make.

For the vested pension rights of the other employees, the accrued entitlement was determined at the time of transfer of the business unit and the corresponding obligation was transferred to Helaba. The externally funded vested pension rights vis-à-vis BVV Versorgungskasse des Bankgewerbes e.V., Berlin, were exempted from contributions as from the date of the transfer of the business unit. As from the date of transfer of the business unit, the employees were registered with Helaba's company pension scheme under the service agreement in force since 1999.

There is also an employee-funded pension plan in the form of a deferred compensation scheme in which the benefits comprise lump-sum capital payments. In this case, investment fund units are purchased for each amount of deferred compensation and an age-dependent capital component is calculated for the employee concerned using an arm's length guaranteed rate of return. Upon retirement, the employee is paid the higher of the total capital components or the fund assets. The deferred compensation options available to employees are being extended under the German Act to Strengthen Occupational Retirement Pensions (Betriebsrentenstärkungsgesetz, BRSG) to include insurance-based schemes, which are being offered to employees primarily as a gross deferred compensation option.

In 2021, Landesbank Hessen-Thüringen transferred assets of around €500 m to a legally independent trustee, Helaba Pensionsmanagement e.V., as part of a contractual trust arrangement (CTA). These assets consist of two special fixed-income and equity funds for institutional investors. The funds serve as cover assets that will enable Helaba to satisfy its defined benefit obligations and qualify as plan assets within the meaning of IAS 19.

At Frankfurter Sparkasse, employees who joined the bank before 31 December 2014 are entitled to a pension from the Frankfurter Sparkasse pension fund. This is a regulated pension fund, and the pension fund's obligation to regularly adjust the lifetime benefits is implemented in the form of a direct commitment by Frankfurter Sparkasse. Under the subsequent arrangements, there is a defined contribution plan funded by both the employer and employees; the pension is provided through BVV Versicherungsverein des Bankgewerbes a.G. Employees of the former Stadtsparkasse Frankfurt are entitled to a pension from Zusatzversorgungskasse der Stadt Frankfurt (ZVK Frankfurt), which Helaba identified as an obligation during the course of its acquisition of Frankfurter Sparkasse and recognises in its statement of financial position. There are also individual commitments, largely in the form of comprehensive defined benefit plans (in which the benefits represent the difference between a target pension and third-party pension entitlements) and an employee-funded pension plan.

Employees at the London branch are members of a defined benefit plan, although the plan is now closed to new entrants. This plan is a pension fund that follows local measurement arrangements. It is reviewed at regular intervals to ensure that it meets the requirements for external financing. In 2018, the vested rights were determined for the members of the pension scheme and future services are being funded through a matching plan in the form of a defined contribution plan via an external pension provider.

At the subsidiary Frankfurter Bankgesellschaft (Schweiz) AG, the statutory requirements related to occupational pensions are satisfied by a separate pension scheme linked to a collective arrangement under the auspices of a third-party provider.

The following table shows the funding status of the defined benefit plans:

in € m

| | DBO | | Plan assets | | Net defined benefit obligations | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Domestic defined benefit plans** | **1,658** | **1,543** | **−787** | **−729** | **871** | **814** |
| **Landesbank Hessen-Thüringen** | **1,167** | **1,100** | **−531** | **−488** | **636** | **612** |
| Comprehensive defined benefit plans | 561 | 576 | – | – | 561 | 576 |
| Defined benefit plan up to 1985 | 454 | 478 | – | – | 454 | 478 |
| Individual commitments | 71 | 64 | – | – | 71 | 64 |
| VBB dual contract holders | 36 | 33 | – | – | 36 | 33 |
| Final salary plans (Retirement pension scheme 1986–1998) | 210 | 186 | – | – | 210 | 186 |
| Pension credit system (Retirement pension scheme from 1999) | 290 | 238 | – | – | 290 | 238 |
| Other plans | 106 | 100 | −41 | −38 | 66 | 62 |
| Plan asset without direct allocation | – | – | −491 | −450 | −491 | −450 |
| **Frankfurter Sparkasse** | **429** | **384** | **−242** | **−228** | **187** | **156** |
| Frankfurter Sparkasse pension fund | 213 | 193 | −240 | −227 | −27 | −34 |
| Pension fund adjustment obligation | 82 | 62 | – | – | 82 | 62 |
| ZVK Frankfurt | 73 | 70 | – | – | 73 | 70 |
| Individual commitments | 54 | 51 | – | – | 54 | 51 |
| Other plans | 8 | 8 | −2 | −2 | 6 | 6 |
| **Other Group companies** | **62** | **59** | **−14** | **−13** | **48** | **47** |
| **Foreign defined benefit plans** | **111** | **97** | **−98** | **−84** | **14** | **13** |
| **Total** | **1,769** | **1,640** | **−885** | **−813** | **884** | **827** |

The asset of € 27 m resulting from the Frankfurter Sparkasse pension fund as at 31 December 2023 is presented within Other assets (31 December 2022: € 34 m).

The plan assets of the individual Group companies are invested in accordance with the respective investment guidelines, which are determined (together with the investment focus) by an investment committee.

The following table shows the breakdown of plan assets:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Plan assets quoted in active markets** | **277** | **259** |
| Cash on hand, demand deposits and overnight money balances with central banks and banks | 0 | – |
| Bonds and other fixed-income securities | 141 | 136 |
| Equity shares and other variable-income securities | 136 | 123 |
| **Plan assets not quoted in active markets** | **608** | **554** |
| Cash on hand, demand deposits and overnight money balances with central banks and banks | 0 | 1 |
| Equity shares and other variable-income securities | 546 | 501 |
| Qualifying insurance contracts | 62 | 53 |
| **Fair values of plan assets** | **885** | **813** |

As at 31 December 2023, the plan assets included none of the Group's own assets (31 December 2022: € 81 m).

For the next financial year, Helaba expects to make contributions to plan assets of € 17 m (2022: € 11 m).

The Helaba Group's pension obligations are exposed to various risks. These risks stem from general market risk (largely interest rate risk and inflation risk) and biometric risk (mainly longevity risk). However, there are no extraordinary risks arising in connection with pension obligations.

- General market volatility
  The main impact from general market volatility on the level of the defined benefit obligations is through changes in the discount rate. Pension provisions have increased noticeably again due to the fall in interest rates at the end of the financial year. The principal reason why discount rates have such a significant impact on defined benefit obligations is the length of the maturities involved in these obligations.

  The portfolio is diversified in order to counter market price volatility in connection with plan assets and is regularly monitored by the relevant investment committee.

- Inflation risk – pension adjustment
  The Helaba Group applies the principles in the German Occupational Pensions Act (Betriebsrentengesetz, BetrAVG) when determining adjustments as part of benefit reviews for its defined benefit plans. The more recent schemes, which are structured as pension credit systems, are subject to fixed adjustment rates and thus are largely independent of the inflation rate and future pay-scale increases.

- Inflation risk – salary increases, pay scale increases, increases in civil servant remuneration
  In most of the older pension arrangements (comprehensive defined benefit plan up to 1985 and final salary plan), Helaba increases pensions in line with pay-scale trends in both private and public-sector banks. Increases in pay scales covering pensionable salaries therefore have an effect on the level of current pension benefits. Individual defined benefit plans provide for the adjustment of pensions on the basis of civil service pay in accordance with the regulations in the federal state concerned (Hesse, Thuringia, North Rhine-Westphalia).

- Risk of longevity
  Given that by far the most common form of benefit is an annuity, Helaba bears the risk that the beneficiaries will live longer than the period estimated in the actuarial calculations. Normally, this risk balances out across all the beneficiaries as a whole and only becomes material if general life expectancy turns out to be higher than forecast.

As far as specific risks are concerned, it is worth mentioning that defined benefit obligations are to a certain extent dependent on external factors. In addition to the factors already referred to (adjustments related to pay-scale increases or increases in civil servant pay), there are other influences subject to variation beyond the control of Helaba. This is particularly true in the case of changes to statutory pensions and other externally funded pensions, which are offset as part of the comprehensive defined benefit plans. Helaba must bear the risk in this regard.

The principal actuarial assumptions on which the measurement of the defined benefit obligations is based are shown in the following table (weighted average rates):

in %

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Discount rate | 3.2 | 3.7 |
| Salary trend | 2.1 | 2.1 |
| Pension trend | 1.8 | 1.8 |

In both the year under review and the previous year, the probability of invalidity and death in Germany was based on the 2018 generation mortality tables published by Professor Dr. Heubeck. Changes in the main actuarial assumptions would have the following effects on the present value of all the defined benefit obligations:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Discount rate (decreased by 50 basis points) | 140 | 128 |
| Salary trend (increased by 25 basis points) | 44 | 44 |
| Pension trend (increased by 25 basis points) | 42 | 41 |
| Life expectancy (improved by 10%) | 69 | 64 |

The sensitivity analysis shown above reflects the change in one assumption, all the other assumptions remaining as in the original calculation. In other words, the analysis does not factor in any possible correlation effects between the individual assumptions. This analysis only takes into account changes in assumptions that lead to an increase in the liability. The relevant present value of the obligations arising from changes to key actuarial assumptions that lead to a reduction in the liability can be extrapolated approximately from the calculated values by looking at the figures symmetrically.

The impact on the obligations from a change to an actuarial assumption is calculated precisely on the basis of the projected unit credit method. Approximation methods have not been used. The absolute change in assumptions in terms of basis points in each case is based on the average long-term changes that have occurred in the recent past and on potential future changes, and is therefore estimated as a mean change.

The weighted average maturity of the defined benefit obligations was 15.7 years (31 December 2022: 15.2 years). The following table shows the maturity structure of the forecast pension payments:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Forecast pension payments with maturities of up to one year | 75 | 72 |
| Forecast pension payments with maturities of one year to five years | 307 | 301 |
| Forecast pension payments with maturities of five years to ten years | 423 | 414 |

The Helaba Group is involved in joint defined benefit plans with a number of other employers (multi-employer plans) and these defined benefit plans cannot be recognised as such because there is insufficient reliable information available. The plans are therefore treated as defined contribution plans in accordance with IAS 19. They involve membership of pay-as-you-go pension schemes in the form of regulated pension funds that switched to an "as funded" basis on 1 January 2002. The funds concerned are the regional supplementary pension funds and Versorgungsanstalt des Bundes und der Länder, all of which have similar statutes in terms of content. With the switch to the "as funded" basis, the existing defined benefit obligations were converted to a defined contribution system. The statutes authorise the collection of additional contributions if necessary in order to fund agreed benefits; alternatively, benefits can be reduced if there is insufficient cover in the fund (recovery money, recovery clause). There is no allocation of assets and liabilities according to originator. The pension fund publishes information on its business performance and risk trends solely in an annual report. It does not disclose any further information. As in the previous year, expenses amounting to € 1 m were incurred in connection with these plans.

There are also defined contribution plans arising from Helaba's membership of BVV Versicherungsverein des Bankgewerbes a. G. Curtailment of the benefits under the pension terms will be offset by additional contributions on the part of the employer. Further defined contribution plans are externally funded through direct insurance with insurers subject to public law. As far as possible, these arrangements are through SV SparkassenVersicherung and Provinzial Lebensversicherung AG. The foreign branches in London and New York also have their own defined contribution plans funded through external pension providers. In the reporting year, the total expenses for defined contribution plans were € 5 m (2022: expenses of € 4 m).

The employer subsidy for pension insurance in the reporting period amounted to € 40 m (2022: € 38 m).

## Other employee benefits due in the long term

Provisions for other employee benefits due in the long term are recognised for employee benefits that are not entirely payable within twelve months after the reporting period. These items mainly comprise provisions for long-service awards, early retirement agreements, partial retirement agreements and deferred bonuses. Such items are measured in line with IAS 19, although using a simplified method, according to which remeasurements of the net obligation are recognised through consolidated profit or loss.

## Other provisions

Other provisions are recognised in accordance with IAS 37 if the Helaba Group has incurred a present obligation (legal or constructive) as a result of a past event, it is probable that settlement will result in an outflow of resources and the amount can be reliably estimated. The timing or amount of the obligation is uncertain. The amount recognised as a provision is the best possible estimate as at the reporting date of the expense that will be necessary to settle the obligation. Non-current provisions are recognised at present value if the time value of money is material. Provisions are discounted using a standard market discount rate commensurate with the risk involved.

The following table shows the changes in other provisions and provisions for other long-term employee benefits:

in € m

| | Provisions for other long-term employee benefits | | Provisions for other off-balance sheet obligations | | Restructuring provisions | | Provisions for litigation risks | | Sundry provisions | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Balance as at 1.1.** | **76** | **80** | **0** | **1** | **28** | **59** | **13** | **14** | **113** | **192** |
| Utilisation | –26 | –38 | –0 | – | –7 | –12 | –1 | –2 | –155 | –183 |
| Reversals | –0 | –1 | –1 | –0 | –6 | –7 | –6 | –1 | –16 | –25 |
| Reclassifications | 12 | 12 | – | – | –6 | –11 | – | – | – | –56 |
| Interest cost | 2 | –2 | – | – | 1 | –2 | – | –0 | 1 | –4 |
| Additions | 10 | 23 | 1 | 0 | – | – | 0 | 2 | 161 | 189 |
| Changes due to currency translation and other adjustments | 0 | 1 | 0 | – | 0 | –0 | – | – | –0 | 1 |
| **Balance as at 31.12.** | **73** | **76** | **1** | **0** | **10** | **28** | **7** | **13** | **104** | **113** |

Provisions for other off-balance sheet liabilities result from liabilities outside the scope of application of the IFRS 9 impairment model that are subject to the recognition and measurement regulations of IAS 37. Please refer to Note (37) for further information on provisions for loan commitments and financial guarantees within the scope of application of the IFRS 9 impairment model.

The restructuring provisions related mainly to Helaba's "Scope – Growth through Efficiency" programme, for which provisions of € 2 m (31 December 2022: € 15 m) had been recognised as at the reporting date, and to restructuring measures at Frankfurter Sparkasse (such as planned branch closures) in an amount of € 8 m (31 December 2022: € 13 m).

Claims are pursued against the Helaba Group before the courts and in arbitration proceedings. Provisions for litigation risks have been recognised if it is estimated that the probability of a successful claim is greater than 50 %. The amount of the provision is the amount that the Bank is likely to have to pay in the event of a successful claim. The provisions for litigation risks recognised by the Helaba Group also take into account amounts to cover litigation costs (court costs and other expenses in connection with litigation, such as legal and other fees).

Helaba has recognised provisions for litigation risks mainly to cover lawsuits brought by investors in closed funds. Investors who believe that their expectations with regard to a particular investment have not been met base their claims on non-compliance with consumer protection regulations. Depending on the circumstances in each individual case, the Bank will examine the possibility of settling a claim in terms of the nature and scope of a potential settlement. Helaba will not provide a detailed description here of individual cases or proceedings, nor a breakdown of the overall amount for the provision for litigation risks. Claimants could otherwise draw conclusions about the Bank's litigation and settlement strategy.

The provisions for litigation risks are reviewed quarterly to ensure they are appropriate. The provisions may be increased or reversed on the basis of management assessments taking into account the legal situation. The final costs incurred in connection with litigation risks could differ from the recognised provisions because an assessment of probability and the determination of figures for uncertain liabilities arising from litigation to a large degree requires measurements and estimates that could prove to be inaccurate as litigation proceedings progress.

Cases that do not meet the criteria for the recognition of provisions are reviewed to establish whether they need to be disclosed under contingent liabilities and, where appropriate, are included in the information disclosed in Note (47).

The sundry provisions mainly relate to risks in connection with real estate, flat-rate employment taxes, obligations in connection with share transactions and risks related to potential compensation claims in the deposit business or to the reimbursement of account processing fees and loan processing fees.

Additions to and reversals of provisions for other long-term employee benefits are normally recognised under personnel expenses; those relating to other off-balance sheet liabilities, to restructuring provisions and to provisions for litigation expenses are reported under other net operating income. Additions to sundry provisions are normally included in general and administrative expenses or other net operating income, depending on the underlying circumstances, but reversals of these provisions are recognised under other net operating income. The interest cost (from unwinding of discount) is reported under net interest income.

Of the total for other provisions, current provisions accounted for € 89 m (31 December 2022: € 116 m).

## (35) Equity

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

As at 31 December 2023, the share capital was attributable to the owners as follows:

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

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

In 2018, the Helaba Group raised Additional Tier 1 (AT1) capital externally through registered bonds in the amount of € 354 m. All AT1 bonds are unsecured subordinated Helaba bonds. The servicing of these bonds is based on an interest rate applied to the respective nominal amount. These bonds provide fixed interest rates for the period between the issue date and the first possible early repayment date. Afterwards, interest rates will be established for another period of ten years. According to the bond terms, Helaba may be obliged, but also has extensive rights, to take the sole decision to suspend interest payments at any time. Interest payments are not cumulative, which means that suspended interest payments will not be paid out in subsequent periods. These bonds have no maturity date, and may be terminated by Helaba at specific dates. If Helaba does not terminate a bond, it has additional termination options every ten years. Early terminations may be permissible provided that all tax-related and regulatory conditions are met. Every termination is subject to approval from the competent supervisory authority. The repayment as well as the nominal amount of the bonds may be reduced if a triggering event occurs. The decline of Helaba Group's Common Equity Tier 1 (CET1) capital ratio to under 5.125 % on a consolidated basis would be a triggering event. After the occurrence of a triggering event, any reduced bond amounts may be increased again under specific conditions. According to the applicable resolution stipulations, the competent supervisory authority may exercise a series of rights; for instance, the supervisory authority may decide to wholly or partially mark down entitlements to repayment of capital and / or to convert such entitlements into CET1 instruments. As at 31 December 2023, the bond amounts recognised in the consolidated statement of financial position stood at € 354 m (31 December 2022: € 354 m).

The retained earnings amounting to € 6,037 m (31 December 2022: € 5,665 m) comprise the profits retained by the parent company and the consolidated subsidiaries as well as amounts from the amortised results of acquisition accounting and from other consolidation adjustments. Retained earnings include reserves provided for by the Charter of € 297 m (31 December 2022: € 296 m). If these reserves are used to cover losses, the net profit generated in subsequent years is used in full to restore the reserves required by the Charter to the required level.

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

in € m

| | Items that will be subsequently reclassified to the consolidated income statement, net of tax | | | Items that will not be reclassified to the consolidated income statement, net of tax | | | | | Accumulated other comprehensive income |
|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of the net liability under defined benefit plans | Changes in fair value of equity instruments measured at fair value through other comprehensive income | Credit risk-related change in fair value of financial liabilities designated voluntarily at fair value | Share of other comprehensive income of equity-accounted entities | Changes in fair value of debt instruments measured at fair value through other comprehensive income | Gains or losses from hedges of a net investment in a foreign operation | Gains or losses from currency translation of foreign operations | Gains or losses from fair value hedges of currency risk | |
| **As at 1.1.2022** | **–573** | **–3** | **–6** | **–1** | **78** | **–17** | **36** | **–43** | **–529** |
| Other comprehensive income for the reporting period | 491 | –6 | 232 | 0 | –416 | – | 2 | 27 | 330 |
| Reclassifications within equity | – | – | –0 | | | | | | –0 |
| **As at 31.12.2022** | **–82** | **–9** | **225** | **–1** | **–338** | **–17** | **38** | **–16** | **–199** |
| Other comprehensive income for the reporting period | –46 | 1 | 67 | – | 111 | – | –3 | –36 | 94 |
| Reclassifications within equity | – | – | –0 | | | | | | –0 |
| **As at 31.12.2023** | **–128** | **–8** | **292** | **–1** | **–226** | **–17** | **35** | **–52** | **–106** |

## Capital management

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

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

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

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

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

To add to these generally applicable requirements, the ECB lays down further institution-specific requirements for institutions subject to the SSM. The minimum CET1 capital ratio required to be maintained by the Helaba Regulatory Group in 2023 under the Supervisory Review and Evaluation Process (SREP) decision taken by the ECB was 5.63 % (2022: 5.48 %) plus the applicable capital buffer requirements. The CET1 capital ratio requirement, including the relevant capital buffer requirements, as at 31 December 2023 therefore came to 9.27 % (31 December 2022: 8.58 %).

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

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

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

The breakdown of the own funds of the Helaba banking group was as follows (each amount shown after regulatory adjustments):

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Tier 1 capital** | **9,291** | **9,140** |
| Common Equity Tier 1 capital (CET1) | 8,937 | 8,786 |
| Additional Tier 1 capital | 354 | 354 |
| **Tier 2 capital** | **2,102** | **2,055** |
| **Own funds, total** | **11,393** | **11,195** |

The following capital requirements and ratios were applicable as at the reporting date:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Default risk (including equity investments and securitisations) | 4,076 | 4,356 |
| Market risk (including CVA risk) | 469 | 529 |
| Operational risk | 334 | 302 |
| **Total own funds requirement** | **4,879** | **5,188** |
| CET1 capital ratio | 14.7% | 13.5% |
| Tier 1 capital ratio | 15.2% | 14.1% |
| Total capital ratio | 18.7% | 17.3% |

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

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

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

# Disclosures on financial instruments and off-balance sheet transactions

## (36) Risk management

The Group's risk strategy focuses on the assumption of risks with a view to making profits and takes account of the company's economic and regulatory capital. The identified risks are continuously measured and monitored for risk management purposes. The methods used are subject to constant improvement. With regard to the organisation of risk management, the individual risk types, including the consideration given to ESG factors, and risk concentrations, please refer to the risk report, which forms an integral part of the management report.

## (37) Credit risks attributable to financial instruments

The Helaba Group applies the three-stage IFRS 9 impairment model to the following financial instruments and measurement categories:

- Financial assets in the AC measurement category
- Debt instruments in the FVTOCI (recycling) measurement category
- Lease receivables
- Receivables in accordance with IFRS 15 (including contract assets)
- Loan commitments within the scope of IFRS 9 and financial guarantees not measured at fair value through profit or loss.

In accordance with the expected credit loss model, a loss allowance is recognised in the amount of the expected credit loss for all financial instruments falling within this scope, depending on the model stage to which the financial instrument concerned is allocated.

Cumulative loss allowances on financial assets in the AC measurement category are deducted from the gross carrying amounts on the assets side of the statement of financial position. In the case of financial assets in the FVTOCI (recycling) measurement category, they are reported within accumulated OCI. The cumulative provisions for losses on loan commitments and financial guarantees are reported separately as a provision for off-balance sheet liabilities under provisions on the liabilities side of the statement of financial position. Impairment losses and reversals of impairment losses are recognised as additions to, and reversals of, this provision.

### Loss allowances at stage 1

When a financial instrument is first recognised, it is normally allocated to stage 1 regardless of its initial credit risk. Exceptions are financial instruments that need to be classified as POCI assets (because there is already objective evidence of impairment at the time of initial recognition), lease receivables and IFRS 15 contract assets, which are always allocated to stage 2 in application of the simplified approach under IFRS 9.

The loss allowance at stage 1 is recognised in an amount equal to the twelve-month expected credit loss (12M ECL). This amount is derived from the lifetime expected credit losses and comprises the portion of the losses resulting from default events anticipated in the twelve months following the reporting date.

### Loss allowances at stage 2

Financial instruments for which the credit risk has increased significantly compared with the credit risk expected on initial recognition are allocated to stage 2. Lease receivables, together with contract assets as specified in IFRS 15, are also allocated to stage 2.

To assess whether there has been a significant increase in credit risk since initial recognition, Helaba uses a relative quantitative transfer criterion based on the established internal rating process. In this approach, the latest probability of default over the residual maturity of the financial instrument is compared with the probability of default anticipated for this period at the time of initial recognition. The predicted default risk will be determined using rating-module-specific migration matrices and a distribution assumption (quantile), such that a rating threshold value can be established as a quantitative transfer criterion for each financial instrument. The transfer of an instrument to loan workout will also be used as a qualitative criterion for assessing whether the instrument needs to be moved to stage 2. This is required, for example, if payments are more than 30 days past due. If a payment is more than 30 days past due, this is considered a major credit event affecting creditworthiness, which means that the corresponding item is automatically transferred to stage 2. The same applies when forbearance action is agreed.

The definition of default event used to determine probabilities of default is the same as the regulatory definition in article 178 of the CRR.

The criteria for a transfer from stage 1 to stage 2 apply in the same way for a transfer back to stage 1: a financial instrument can be transferred back to stage 1 if the credit risk associated with the financial instrument has reduced again to the extent that the criterion of a significant increase in credit risk is no longer satisfied.

At stage 2, a loss allowance is recognised in an amount equal to the lifetime expected credit losses (lifetime ECLs) for the financial instrument concerned.

The lifetime ECL is generally determined for each individual financial instrument. A portfolio approach is only carried out to take into consideration forward-looking information not previously reflected in the ECL calculation models and that should be factored into the recognition of loss allowances. As at 31 December 2023, the adjustment of loss allowances recognised in this regard amounted to € 353 m (31 December 2022: € 396 m). Current and foreseeable risks and their potential impact on probability of default and the recoverability of collateral securing selected credit portfolios are examined in this context. A detailed description is provided in the section entitled Post-model adjustment.

The following main parameters, assumptions and estimation methods are used to establish lifetime ECLs:

- Probability of default (PD):
  the lifetime PD represents the borrower's probability of default for the entire remaining term of the transaction concerned. The calculation of the lifetime PD is based on migration matrices available for every rating module. The migration matrices describe the probability that a borrower will migrate from one rating class into another within the next twelve months. They can be used to determine both the one-year PD and – based on matrix multiplication – the lifetime PD. The migration probabilities are mainly derived from past experience, but also take information on the current situation as well as forward-looking information into account.

- Exposure at default (EAD):
  the EAD is mainly based on the expected present value of the projected and extraordinary cash flows during the remaining term of the transaction. This includes both expected unscheduled repayments as well as cancellation probabilities for transactions where the cancellation before the end of the contract term is considered possible. Both parameters are calculated as average values of historical data.

- Credit conversion factor (CCF):
  the CCF is taken into account as part of the EAD calculation in the context of loan commitments. The CCF represents the projected drawdown of the provided credit line if a default occurs within the next year. Based on historical and economic customer behaviour, the CCF is calculated as the ratio between the loan amount to be drawn until the default event, and the provided credit line as at the respective reporting date. In order to be able to determine the provided credit line for more than one period in the event of a default, a life CCF (LCCF) must be taken into consideration. The LCCF represents the expected drawdown of a provided credit line over time provided that no counterparty default occurs. The LCCF is calculated from historical data: it is the percentage of drawdowns of the overall credit line in the respective period.

- Loss given default (LGD):
  the LGD is calculated for the secured and unsecured portions of the EAD. The calculation of the secured EAD portion includes estimated changes in the fair value of collateral; these estimates might be adjusted if pronounced macroeconomic fluctuations are anticipated. Initially, the LGD is calculated for twelve months. In order to calculate LGDs covering more than one year, both the EAD and the collateral value are extrapolated over future periods. IFRS 9 requires reporting entities to make estimates reflecting their expectations; to fulfil this requirement, the Helaba Group does not take into account any downturn components or collateral margins considered inappropriately high for economic purposes. Moreover, the consideration of collateral is also based on economic criteria. For instance, all recoverable collateral is taken into account irrespective of its eligibility for regulatory purposes.

- Remaining term:
  When determining the remaining term of financial instruments, the Helaba Group bases its calculations on the maximum contractual term, taking into account borrowers' renewal options. In the case of combined financial instruments, i. e. financial instruments consisting of a combination of loan and revolving credit (such as current account overdrafts), the contractual term is generally an inadequate reflection of the actual term – therefore, an estimated term is used for these scenarios.

Forward-looking information is taken into account in the calculation of the lifetime ECL by also reviewing exceptional circumstances as part of the model. For the purposes of figures determined as at 31 December 2023, an exceptional circumstance was identified because of the anticipated macroeconomic environment. For further information, please see the remarks in the section entitled Exceptional circumstance.

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

### Loss allowances at stage 3

A financial instrument is allocated to stage 3 if there is objective evidence of impairment, as follows:

- significant financial difficulty on the part of the issuer or the borrower;
- failure of the issuer or borrower to make interest payments or repayments of principal in accordance with contract;
- concessions by the lender that have only been granted because of the financial difficulties of the issuer or borrower;

- significant probability that the issuer or borrower will become insolvent or have to undergo financial restructuring;
- disappearance of an active market for the asset because of the issuer's or borrower's financial difficulties;
- observable data indicating a measurable decline in estimated future cash flows from a group of financial assets even though a decline cannot yet be identified for the individual asset concerned.

In this context, the Helaba Group has harmonised its definition of indicators constituting objective evidence with the regulatory definition of a default event in accordance with article 178 CRR. A financial asset is therefore deemed to be in default and is allocated to stage 3 if one or more of the following criteria are satisfied:

- Repayment by the borrower in full, without recourse by the lender to recovery of collateral, is unlikely.
- A significant liability of the borrower to the Helaba Group is more than 90 days past due.

However, in individual cases, the connection between stage 3 and the regulatory definition of a default event may no longer apply where Helaba has granted substantial modifications or originated new primary business with defaulted borrowers who are already in a cure period. New business is allocated to stage 1 unless it has to be classified as a POCI asset.

If the objective evidence of impairment no longer applies, the instrument is transferred back from stage 3 into stage 2 or stage 1. The objective evidence of impairment no longer applies as soon as the default event is over. Simultaneously, an internally established cure period applies, taking regulatory requirements into account. During the cure period, all items remain in stage 3.

The amount of the loss allowance to be recognised for financial instruments in stage 3 is also equivalent to the lifetime ECL. The loss allowance is then calculated on the basis of individual cash flow estimates, taking into account various scenarios and the probability of such scenarios materialising. For global limits, the lifetime ECL as determined at stage 2 is used, but with the given default probability of 100 %.

Uncollectible loans and receivables in which it is virtually certain that there will be no further receipt of payments after recovery of all collateral and receipt of other proceeds are derecognised taking into account recognised loss allowances, or through profit or loss (direct write-offs).

## POCI assets

Financial instruments for which there is already objective evidence of impairment on initial recognition are subject to a separate measurement approach known as the purchased or originated credit-impaired (POCI) approach. With reference to newly issued financial instruments and financial instruments after substantial modifications, the Helaba Group verifies upon initial recognition whether all contractually agreed payments can be expected to be received without the potential recovery of collateral. If a financial instrument is classified as a POCI asset on initial recognition, this classification must be maintained until the financial instrument is derecognised, regardless of any change in the associated credit risk. POCI financial assets are therefore not subject to the transfer criteria in the general three-stage model.

## Modifications

According to IFRS 9, contract modifications of financial instruments comprise both the adjustment of contractual cash flows as well as changes in the legal situation with an effect on the cash flows associated with the financial instrument. However, unlike forbearance measures, the exercise of a provision or option stipulated in the original contract is not considered a contract modification within the meaning of IFRS 9. In addition, modifications in line with IFRS 9 are considered independently from any financial difficulties of the borrower. Any contractual changes are reviewed to establish whether they constitute a modification.

The modification rules apply to financial instruments measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVTOCI (recycling) measurement category) as well as loan commitments and financial guarantees within the scope of the impairment rules. A distinction must be made between substantial and non-substantial modifications. Within the Helaba Group, financial instruments in the AC measurement category as well as financial assets in the FVTOCI category are considered modified substantially if specific qualitative criteria are fulfilled in the context of contract adjustments; these criteria include change of borrower, currency changes, and the subsequent stipulation of contractual components not in line with the SPPI criteria. In the case of financial assets in stages 1 and 2, a quantitative test is also carried out: if the present value of the cash flows after modification (determined by discounting using the original effective interest rate) varies by more than 10 % from the present value of the originally agreed cash flows, then the financial instrument concerned is also deemed to have been substantially modified. Substantial modifications of stage 1 and stage 2 financial assets mean that the asset in question is derecognised through profit or loss and that another financial asset – with amended contract conditions – is initially recognised. Non-substantial modifications do not lead to the derecognition of the assets concerned; instead, the gross carrying amount of the asset is adjusted through profit or loss to the present value of the modified cash flows in a calculation using the original effective interest rate. Gains or losses resulting from substantial modifications are reported under gains or losses on derecognition of financial instruments not measured at fair value through profit or loss (see Note (14)), whereas gains or losses from non-substantial modifications are recognised in a separate line item in the consolidated income statement (see Note (6)). In the case of stage 3 financial assets and POCI assets, modification effects are recognised by utilising loss allowances. If loss allowances first need to be adjusted in line with the effect from a modification, this may have an impact on the net loss allowances reported in the income statement.

If a stage 2 or stage 3 financial instrument is not substantially modified, it is transferred back to stage 1 in line with the general stipulations. The quantitative transfer criterion is still based on the expected default probability at initial recognition (i. e. not at the modification date).

The amortised cost before modification in respect of financial assets that were not substantially modified in the reporting period and for which the cumulative loss allowances on the date of contractual modification were measured in the amount of the lifetime ECL (stages 2 and 3) and, in cases where the simplified approach was used, in respect of financial assets that were more than 30 days past due amounted to € 79 m (31 December 2022: € 52 m).

The corresponding modification gains or losses amounted to € 0 m (31 December 2022: € 0 m). The portfolio contains modified assets with a gross carrying amount of € 1 m (31 December 2022: € 40 m) that were assigned to stages 2 or 3 at the date of modification, but transferred to stage 1 in the reporting year.

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

The following table shows the loss allowances recognised as at the reporting date in respect of financial instruments subject to the rules in IFRS 9:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Cumulative loss allowances** | **1,226** | **849** |
| In respect of financial assets measured at amortised cost | 1,223 | 847 |
| Demand deposits and overnight money balances at central banks and banks | 0 | 0 |
| Bonds and other fixed-income securities | 0 | 0 |
| Loans and receivables | 1,223 | 846 |
| In respect of financial assets measured at fair value through other comprehensive income | 3 | 3 |
| Bonds and other fixed-income securities | 2 | 2 |
| Loans and receivables | 1 | 1 |
| **Loan loss provisions** | **69** | **80** |
| For loan commitments | 36 | 26 |
| For financial guarantees | 34 | 54 |
| **Total** | **1,295** | **929** |

## Exceptional circumstance

The macroeconomic environment as at 31 December 2023 is one of considerable uncertainty due to factors such as the rapid and substantial rise in interest rates following the period of zero interest rates. This has resulted in significant price and funding risks for the commercial real estate sector (office and retail real estate). Forward-looking information is taken into account in the calculation of the lifetime ECL by generally including such information in the probability of default (PD) and loss given default (LGD) input parameters and by reviewing exceptional circumstances at sub-portfolio level. Exceptional circumstances are situations in which an adjustment of the risk parameters is required, for example because of unusual macroeconomic circumstances. As part of the regular ECL calculation process, quarterly reviews are carried out on the basis of economic forecasts made by the Helaba Group to establish whether exceptional circumstances are present. Various macroeconomic parameters are analysed according to scenario to identify an exceptional circumstance. These parameters include gross domestic product, unemployment rate, oil price, consumer price and share price indices, together with trends in interest rates and exchange rates. Three internal macroeconomic scenarios at Helaba are used in the scenario-related evaluation. An exceptional circumstance is identified largely by means of a comparison between the current portfolio probability of default and the default rate forecast in the scenarios. If an exceptional circumstance is identified on this basis for one or more risk parameters, the parameters are adjusted at sub-portfolio level as part of the model. Stage 1 and 2 volumes are taken into account in relation to the exceptional circumstance. If the adjustment of the probability of default to incorporate forward-looking macroeconomic information causes the quantitative transfer limit to be exceeded, a lifetime ECL is recognised. No actual transfer from those stages takes place.

The anticipated macroeconomic trend was assessed as an exceptional circumstance for one sub-portfolio and factored into loss allowances. The various scenarios are based on different assumptions about global economic performance. In the baseline scenario, the average annual seasonally adjusted GDP in Germany in 2024 will increase by 0.8 %, thus closing the gap on growth in the rest of the euro zone. Inflation in 2024 will fall from high levels in Germany and the rest of the euro zone to an average annual rate of 3.0 %. The effects of climate change still play a subordinate role in the forecast horizon at global economic level and only build over the long term. Impetus comes mainly from efforts to reduce greenhouse gases. These tend to increase price pressures, although the extent to which they do so varies considerably from region to region. This counteracts positive growth effects stemming from increasing investment in decarbonisation. The ECB and the Fed have tightened their monetary policy considerably and ended the cycle of interest rate hikes. A reversal of the tighter monetary policy is now expected from summer 2024. The ECB's main refinancing rate and the US benchmark rate are likely to be cut by 75 basis points. While the decline in inflation and benchmark rate cuts have a positive impact overall on bond markets, price potential is restricted by the central banks' reduction of their securities portfolios and the relatively high level of government issuing activities. Although the economic recovery is resulting in a relaxation of the market for corporate and bank bonds, the end of the ECB's purchase programme prevents a fall in risk premiums.

In the negative alternative scenario, the global economy enters a recession. The central banks tighten their monetary policy beyond a reasonable level. Those aspects of demand that are sensitive to interest rates undergo particularly strong corrections. Concerns about financial stability grow. In Europe, energy supply shortages again become an issue in the winter. Market interventions in response to geopolitical and climate policy developments cause uncertainty and weaker corporate and household confidence. Competition for the scarce raw materials needed for the energy transition and other geopolitical conflicts reduce the international willingness to cooperate that is essential to rapidly reducing greenhouse gas emissions. Due to the economic downturn and the significantly lower inflation expectations, the ECB reduces the main refinancing rate over 12 months to 2 %. The Fed reacts similarly with noticeable interest rate cuts. Banks experience an increase in loan defaults, resulting in higher risk premiums. The oil price drops significantly, pushing down inflation.

In the positive alternative scenario, the economy overcomes the consequences of the surge in inflation and the extensive responses of the central banks. Higher investment activity drives the economy and increases productivity. The improved economic situation enables governments to support monetary policy in the fight against inflation and to consolidate their budgets. Additional momentum may come from investment in decarbonisation, especially if governments create incentives for private activities. Successful global cooperation on climate issues reduces uncertainty in planning. Efficiency gains in the economy and a reduction in protectionism also ease price pressures despite strong demand. Compared with the base scenario, the positive scenario envisages little additional monetary policy action in the short term. The ECB increases the main refinancing rate to as much as 5 %.

The analysis of the exceptional circumstance includes forecasts for subsequent years and also considers the current market environment. Key parameters used in the analysis for the principal market of Germany included the following:

in %

| | Positive | | Base | | Negative | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Gross domestic product | 2.0 | 1.1 | 1.3 | 0.0 | −2.3 | −2.3 |
| Unemployment rate | 5.0 | 5.2 | 5.6 | 5.7 | 7.2 | 6.7 |
| Rate of change consumer price index | 3.8 | 6.4 | 3.0 | 6.0 | 2.4 | 7.0 |
| Short term interest, 3 months | 4.7 | 2.4 | 3.7 | 3.2 | 2.2 | 2.1 |

The impact of the exceptional circumstance on loss allowances has decreased from € 87 m to € 35 m as at 31 December 2023. Economic development is affected particularly by uncertainty surrounding the further development of the real estate market. The effect of the exceptional circumstance as at 31 December 2023 was calculated, as in the previous year, on the basis of the impact in the negative scenario so as to factor in the uncertainty in the macroeconomic environment. For comparison: The weighted scenario comprising baseline scenario (probability of 70 %; 31 December 2022: 65 %), positive scenario (probability of 10 %; 31 December 2022: 10 %) and negative scenario (probability of 20 %; 31 December 2022: 25 %) results in loss allowances being € 6 m lower, and the positive scenario in loss allowances being € 11 m lower.

## Post-model adjustment

The post-model adjustment (PMA), previously referred to as portfolio-based loss allowance, ensures adequate consideration of risks whose evolution is difficult to gauge. In the context of calculating total loss allowances, the risk parameters of PD and LGD are reviewed quarterly to estimate the loss allowance required for the lending portfolio (stages 1/2) in an analysis of the exceptional circumstance and, if necessary, to estimate any additional loss allowance required in the form of a PMA. On the basis of forward-looking information as at 31 December 2023, there was a heightened risk of defaults for reasons detailed below. These risks were not fully reflected in the model-based calculations of loss allowances as a result of rating deteriorations and default events. Accordingly, taking account of the macroeconomic environment and in view of the significant increase in interest rates and the resulting price and funding risks in the commercial real estate sector, an analysis and calculation of exceptional circumstances and PMA were carried out for stage 1 and 2 volumes. For information on the special circumstance, please refer to the preceding section.

At € 11,526 m, the proportion of financial assets and off-balance sheet commitments at stage 2 equated to 5.3 % of the total volume (31 December 2022: € 10,238 m or 4.6 %). The overall volume of transactions at stage 3 and classified as POCI was € 3,341 m, equating to 1.5 % of the total volume (31 December 2022: € 1,112 m or 0.5 %).

The significant easing of the situation in the energy sector led to a corresponding reversal of the PMA recognised in this regard in previous years. Furthermore, a new PMA was recognised as a result of a significant increase in credit risk in the commercial real estate sector. As a consequence, the stage 2 PMA was largely unchanged. In calculating the PMA, stage 1 and 2 volumes are taken into account and rating deteriorations of three and up to nine stages are simulated (31 December 2022: three to five stages). The resulting effect on the loss allowances is calculated as a PMA in stage 2. This does not result in an actual stage transfer of the individual transaction.

Risks arising from the COVID-19 pandemic and disruption to global supply chains, the energy crisis and the Ukraine war were taken into account as at 31 December 2022 and 30 June 2023. If these risks still existed as at 31 December 2023, even if greatly diminished in some cases, they are now adequately reflected by the loss allowance model and therefore do not require any additional calculations of loss allowances in the form of a PMA. The PMA for the energy crisis (€ 270 m), the Ukraine war (€ 10 m) and the COVID-19 pandemic (€ 24 m) that existed as at 31 December 2022 was therefore reversed in full as at 31 December 2023.

The PMA as at 31 December 2023 therefore exists for critical sub-portfolios in an amount of € 353 m. Critical sub-portfolios were first identified with a focus on the COVID-19 pandemic in financial year 2021; this process has since been enhanced to take adequate account of the macroeconomic environment. This process covers homogeneous sub-portfolios with a significant proportion of non-performing loans and loans under intensive management. As at the reporting date, account is therefore taken of foreseeable risks and their potential effects on the probability of default and the recoverability of collateral that cannot yet be quantified at individual transaction level. This additional loss allowance requirement was calculated on the basis of critical sub-portfolios for which assumptions were made in a simulation about rating deteriorations and/or haircuts and, therefore, a corresponding rise in ECLs. The PMA recognised as at 31 December 2022 for the sub-portfolios classified as critical (corporate customers and transport and equipment) was reversed in full as at 31 December 2023, since all relevant effects at individual transaction level are adequately reported using the IFRS 9 loss allowance model. However, a PMA of € 10 m was recognised as at 31 December 2023 for the critical sub-portfolio of mechanical engineering in the corporate customers portfolio.

The risk situation in the commercial real estate (CRE) portfolio deteriorated further and significantly compared with 31 December 2022. As a result of further increases in key interest rates by the ECB, the Bank of England and the Federal Reserve, the commercial real estate market was dominated by uncertainty as to the sustainable expected returns from investment property which, compounded by additional negative factors in the office and trade segment (working from home, increase in online retail), led to significant declines in market values in these asset classes and regions in 2023. Therefore, the office real estate sub-portfolio is now also classified as critical, alongside the commercial real estate sub-portfolio, which was already classified as critical during the COVID-19 pandemic. Simulated by significant deteriorations in ratings and haircuts, which replicate currently observable probabilities of defaults, the PMA of € 343 m as at 31 December 2023 mainly includes adjustments of € 138 m for national commercial real estate and of € 205 m for international commercial real estate within the commercial real estate portfolio.

Compared with 31 December 2022, the post-model adjustment declined by a total of € 43 m to € 353 m.

The amount of the PMA is subject to significant estimation uncertainty. If the ratings deteriorated by one rating level less than expected, the required PMA would fall by around € 100 m; if they deteriorate by one rating level more than expected, however, the requirement would rise by around € 110 m.

As part of the credit process that has been implemented, very close monitoring is being carried out to identify the potential effects of current and emerging crises on credit risk in the Helaba Group. For further information on the monitoring of these risks, please refer to the risk report, which forms an integral part of the management report.

## Disclosures for financial assets measured at amortised cost

The following table shows a breakdown of the financial assets measured at amortised cost and the cumulative loss allowances recognised in respect of these assets by IFRS 9 impairment model stage as at 31 December 2023:

**Financial assets measured at amortised cost** in € m

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

The following table shows the figures as at 31 December 2022:

**Financial assets measured at amortised cost** in € m

| | Gross carrying amount | | | | | Cumulative loss allowances | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Demand deposits and overnight money balances at central banks and banks | 39,980 | 0 | – | – | 39,980 | 0 | 0 | – | – | 0 |
| Bonds and other fixed-income securities | 1,775 | – | – | – | 1,775 | 0 | – | – | – | 0 |
| Loans and receivables | 120,636 | 8,162 | 941 | 6 | 129,745 | 38 | 564 | 243 | 1 | 846 |
| **Total** | **162,390** | **8,162** | **941** | **6** | **171,500** | **38** | **564** | **243** | **1** | **847** |

Cumulative loss allowances of € 7 m (31 December 2022: € 6 m) were attributable to financial assets in stages 2 and 3 under the simplified approach with a gross carrying amount of € 295 m (31 December 2022: € 249 m). There is no separate presentation below for reasons of materiality. Cumulative loss allowances on demand deposits and overnight money balances with central banks and banks and on bonds and other fixed-income securities remained largely unchanged in both the reporting year and the comparative period.

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

**Financial assets measured at amortised cost** in € m

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **POCI** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **POCI** | **Total** |
| **Loans and receivables** | | | | | | | | | | |
| **Balance as at 1 January** | **38** | **564** | **243** | **1** | **846** | **36** | **437** | **240** | **1** | **714** |
| Total change in loss allowances due to transfers between stages | 19 | −29 | 10 | – | – | 14 | −18 | 4 | – | – |
| Transfer to stage 1 | 25 | −25 | −0 | – | – | 17 | −17 | −0 | – | – |
| Transfer to stage 2 | −6 | 6 | −0 | – | – | −3 | 3 | −0 | – | – |
| Transfer to stage 3 | −0 | −11 | 11 | – | – | −0 | −4 | 4 | – | – |
| Additions | 62 | 180 | 693 | 3 | 937 | 74 | 261 | 132 | 1 | 467 |
| Newly originated / acquired financial assets | 20 | 14 | 7 | – | 41 | 30 | 14 | 2 | – | 45 |
| Other additions | 42 | 166 | 686 | 3 | 897 | 44 | 247 | 130 | 1 | 422 |
| Interest effects in stage 3 from updates of gross carrying amount | – | – | 13 | 0 | 13 | – | – | 8 | 0 | 8 |
| Reversals | −89 | −233 | −158 | −3 | −482 | −89 | −113 | −103 | −1 | −306 |
| Reversals from redemptions (derecognition) | −7 | −7 | −12 | – | −26 | −11 | −7 | −1 | −0 | −18 |
| Other reversals | −82 | −226 | −146 | −3 | −457 | −78 | −107 | −102 | −1 | −287 |
| Utilisations | – | −0 | −84 | – | −84 | – | – | −38 | – | −38 |
| Changes due to currency translation and other adjustments | 2 | −5 | −8 | 3 | −7 | 3 | −2 | 1 | – | 1 |
| **Balance as at 31 December** | **32** | **478** | **710** | **4** | **1,223** | **38** | **564** | **243** | **1** | **846** |

The gross carrying amounts of the financial assets measured at amortised cost include bonds and other fixed-income securities, loans and receivables, together with demand deposits and overnight money balances with central banks and banks. The reconciliation of the gross carrying amounts only shows transfers that have already occurred as a result of rating deteriorations or default events. The stage 1 to stage 2 transfers simulated in relation to the PMA and the exceptional circumstance to factor in forward-looking information are not included in the reconciliation of the gross carrying amounts. These stage transfers are only included if they actually materialise for individual transactions.

The changes in the gross carrying amounts were as follows:

**Financial assets measured at amortised cost** in € m

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Demand deposits and overnight money balances at central banks and banks** | | | | | | | | | | |
| **Balance as at 1 January** | **39,980** | **0** | **–** | **–** | **39,980** | **33,682** | **0** | **–** | **–** | **33,682** |
| Newly originated/acquired financial assets | 11,577,923 | – | – | – | 11,577,923 | 3,798,525 | – | – | – | 3,798,525 |
| Change in current account balance | −7,334 | 2 | – | – | −7,332 | 6,280 | −0 | – | – | 6,280 |
| Derecognitions including redemptions | −11,577,895 | – | – | – | −11,577,895 | −3,798,607 | – | – | – | −3,798,607 |
| Changes due to currency translation and other adjustments | −26 | – | – | – | −26 | 100 | – | – | – | 100 |
| **Balance as at 31 December** | **32,647** | **2** | **–** | **–** | **32,649** | **39,980** | **0** | **–** | **–** | **39,980** |
| **Bonds and other fixed-income securities** | | | | | | | | | | |
| **Balance as at 1 January** | **1,775** | **–** | **–** | **–** | **1,775** | **389** | **0** | **–** | **–** | **389** |
| Newly originated/acquired financial assets | 1,523 | – | – | – | 1,523 | 1,397 | – | – | – | 1,397 |
| Derecognitions including redemptions | −518 | – | – | – | −518 | −24 | – | – | – | −24 |
| Changes due to currency translation and other adjustments | 16 | 0 | – | – | 16 | 14 | −0 | – | – | 14 |
| **Balance as at 31 December** | **2,796** | **0** | **–** | **–** | **2,796** | **1,775** | **–** | **–** | **–** | **1,775** |

**Financial assets measured at amortised cost** in € m

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Loans and receivables** | | | | | | | | | | |
| **Balance as at 1 January** | **120,636** | **8,162** | **941** | **6** | **129,745** | **120,804** | **8,411** | **1,119** | **6** | **130,339** |
| Changes in basis of consolidation | – | – | – | – | – | 2 | – | – | – | 2 |
| Newly originated/acquired financial assets | 50,310 | 933 | 62 | 12 | 51,317 | 69,634 | 855 | 62 | 2 | 70,553 |
| Change in current account balance | –2,065 | 352 | –1 | 0 | –1,714 | –2,998 | –531 | –1 | –0 | –3,530 |
| Transfers between stages | –9,058 | 4,192 | 4,866 | – | 0 | –1,768 | 1,461 | 307 | – | – |
| Transfer to stage 1 | 4,739 | –4,736 | –3 | – | – | 5,722 | –5,714 | –8 | – | – |
| Transfer to stage 2 | –13,598 | 13,774 | –176 | – | – | –7,314 | 7,480 | –167 | – | – |
| Transfer to stage 3 | –198 | –4,846 | 5,044 | – | – | –177 | –305 | 482 | – | – |
| Derecognitions including redemptions | –48,922 | –2,542 | –686 | –1 | –52,152 | –61,901 | –1,653 | –336 | –2 | –63,892 |
| Write-offs | – | – | –57 | – | –57 | – | – | –34 | – | –34 |
| Changes due to currency translation and other adjustments | 4,221 | –1,370 | –2,085 | 0 | 766 | –3,136 | –381 | –175 | 0 | –3,693 |
| **Balance as at 31 December** | **115,121** | **9,726** | **3,041** | **16** | **127,905** | **120,636** | **8,162** | **941** | **6** | **129,745** |

Additions and disposals for demand deposits and overnight money balances with central banks and banks relate predominantly to overnight investments with Deutsche Bundesbank.

The following table shows the gross carrying amounts and cumulative loss allowances in respect of financial assets measured at amortised cost, broken down by counterparty sector.

**Financial assets measured at amortised cost** — in € m

| | Gross carrying amount | | Cumulative loss allowances | |
|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Demand deposits and overnight money balances at central banks and banks** | **32,649** | **39,980** | **0** | **0** |
| Central banks | 32,381 | 39,807 | 0 | 0 |
| Central giro institutions | 94 | 60 | – | – |
| Sparkassen | 8 | 12 | 0 | 0 |
| Other banks | 166 | 101 | 0 | 0 |
| **Bonds and other fixed-income securities** | **2,796** | **1,775** | **0** | **0** |
| Central giro institutions | 74 | 5 | 0 | 0 |
| Other banks | 2,668 | 1,751 | 0 | 0 |
| Other financial corporations | 0 | 14 | – | 0 |
| Non-financial corporations | 4 | – | 0 | – |
| Government | 49 | 5 | 0 | 0 |
| **Loans and receivables** | **127,905** | **129,745** | **1,223** | **846** |
| Central banks | 50 | 54 | – | – |
| Central giro institutions | 460 | 356 | 0 | 0 |
| Sparkassen | 8,197 | 7,833 | 0 | 0 |
| Other banks | 4,463 | 4,596 | 1 | 2 |
| Other financial corporations | 11,881 | 12,197 | 4 | 6 |
| Non-financial corporations | 68,263 | 69,206 | 1,186 | 802 |
| Government | 26,109 | 27,016 | 1 | 0 |
| Households | 8,481 | 8,487 | 30 | 36 |
| **Total** | **163,350** | **171,500** | **1,223** | **847** |

The following table shows the carrying amounts and cumulative loss allowances in respect of loans to and receivables from non-financial corporations, broken down by industry:

**Financial assets measured at amortised cost** — in € m

| | Gross carrying amount | | Cumulative loss allowances | |
|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Agriculture, forestry and fishing | 0 | 0 | 0 | 0 |
| Mining and quarrying | 78 | 44 | 5 | 1 |
| Manufacturing | 5,909 | 6,082 | 37 | 38 |
| Electricity, gas, steam and air-conditioning supply | 6,505 | 7,179 | 43 | 31 |
| Water supply, sewerage, waste management and remediation activities | 3,711 | 2,732 | 0 | 0 |
| Construction | 783 | 786 | 2 | 2 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 2,051 | 2,225 | 16 | 37 |
| Transportation and storage | 4,541 | 4,938 | 9 | 50 |
| Accommodation and food service activities | 122 | 119 | 0 | 0 |
| Information and communication | 2,575 | 2,952 | 5 | 10 |
| Real estate activities | 32,984 | 34,129 | 1,055 | 617 |
| Professional, scientific and technical activities | 1,919 | 1,131 | 5 | 2 |
| Other service activities | 2,890 | 2,521 | 3 | 8 |
| Public administration, defence, social insurance | 1,739 | 1,474 | 1 | 0 |
| Education | 406 | 453 | 1 | 1 |
| Human health and social work activities | 1,315 | 1,266 | 1 | 2 |
| Arts, entertainment and recreation | 161 | 418 | 0 | 2 |
| Other service activities | 575 | 757 | 1 | 1 |
| **Non-financial corporations** | **68,263** | **69,206** | **1,186** | **802** |

The following table shows the carrying amounts of financial assets measured at amortised cost broken down by allocation to internal rating class:

**Financial assets measured at amortised cost** in € m

| | 31.12.2023 | | | | | 31.12.2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Demand deposits and overnight money balances at central banks and banks** | | | | | | | | | | |
| **Gross carrying amount** | **32,647** | **2** | **–** | **–** | **32,649** | **39,980** | **0** | **–** | **–** | **39,980** |
| Internal classes 0–3 | 32,508 | – | – | – | 32,508 | 39,875 | – | – | – | 39,875 |
| Internal classes 4–7 | 24 | – | – | – | 24 | 41 | – | – | – | 41 |
| Internal classes 8–11 | 0 | 2 | – | – | 2 | 0 | 0 | – | – | 1 |
| No allocation to an internal rating class | 115 | – | – | – | 115 | 64 | – | – | – | 64 |
| **Cumulative loss allowances** | **0** | **0** | **–** | **–** | **0** | **0** | **0** | **–** | **–** | **0** |
| **Net carrying amount** | **32,647** | **2** | **–** | **–** | **32,649** | **39,980** | **0** | **–** | **–** | **39,980** |
| **Bonds and other fixed-income securities** | | | | | | | | | | |
| **Gross carrying amount** | **2,796** | **0** | **–** | **–** | **2,796** | **1,775** | **–** | **–** | **–** | **1,775** |
| Internal classes 0–3 | 845 | – | – | – | 845 | 345 | – | – | – | 345 |
| Internal classes 4–7 | 1,951 | – | – | – | 1,951 | 1,369 | – | – | – | 1,369 |
| Internal classes 8–11 | – | – | – | – | – | 61 | – | – | – | 61 |
| No allocation to an internal rating class | – | 0 | – | – | 0 | – | – | – | – | – |
| **Cumulative loss allowances** | **0** | **–** | **–** | **–** | **0** | **0** | **–** | **–** | **–** | **0** |
| **Net carrying amount** | **2,795** | **0** | **–** | **–** | **2,795** | **1,774** | **–** | **–** | **–** | **1,774** |

**Financial assets measured at amortised cost** in € m

| | 31.12.2023 | | | | | 31.12.2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Loans and receivables** | | | | | | | | | | |
| **Gross carrying amount** | **115,121** | **9,726** | **3,041** | **16** | **127,905** | **120,636** | **8,162** | **941** | **6** | **129,745** |
| Internal classes 0–3 | 51,192 | 25 | – | – | 51,217 | 48,351 | 41 | – | – | 48,392 |
| Internal classes 4–7 | 22,955 | 1,366 | – | 0 | 24,321 | 29,086 | 505 | – | – | 29,592 |
| Internal classes 8–11 | 32,042 | 2,278 | – | 1 | 34,321 | 31,659 | 2,095 | – | 1 | 33,755 |
| Internal classes 12–15 | 6,527 | 4,273 | – | 0 | 10,800 | 9,031 | 3,242 | – | 0 | 12,273 |
| Internal classes 16–20 | 1,151 | 1,410 | – | 0 | 2,561 | 1,305 | 1,556 | – | 0 | 2,861 |
| Internal class 21 | 299 | 335 | – | – | 634 | 485 | 700 | – | – | 1,185 |
| Internal classes 22–24 (defaulted) | – | – | 3,040 | 15 | 3,055 | – | – | 940 | 5 | 945 |
| No allocation to an internal rating class | 955 | 40 | 2 | – | 996 | 719 | 22 | 1 | – | 742 |
| **Cumulative loss allowances** | **32** | **478** | **710** | **4** | **1,223** | **38** | **564** | **243** | **1** | **846** |
| **Net carrying amount** | **115,089** | **9,249** | **2,331** | **13** | **126,682** | **120,598** | **7,597** | **698** | **5** | **128,898** |

The Helaba Group determines the credit rating using a 25-point rating scale. The following table shows the reconciliation from the rating classes to the ratings of S&P, Moody's and Fitch, together with the internal average probabilities of default:

| | **Average probability of default** | **Mapping to external ratings** | | |
|---|---|---|---|---|
| | **in %** | **S&P** | **Moody's** | **Fitch** |
| Internal classes 0–3 | 0.00–0.03 | AAA to A+ | Aaa to A1 | AAA to AA– |
| Internal classes 4–7 | 0.04–0.09 | A+ to A– | A2 to Baa1 | A+ to A– |
| Internal classes 8–11 | 0.12–0.39 | BBB+ to BBB– | Baa1 to Ba1 | BBB+ to BBB– |
| Internal classes 12–15 | 0.59–1.98 | BB+ to BB– | Ba1 to B1 | BB+ to BB– |
| Internal classes 16–20 | 2.96–15.00 | B+ to B– | B1 to C | B+ to B– |
| Internal classes 21 | 20 | CCC to C | Caa to C | CCC to C |
| Internal classes 22–24 (defaulted) | 100 | Default | Default | Default |

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

The following table shows the carrying amounts of financial assets measured at fair value through other comprehensive income and the cumulative loss allowances recognised in respect of these assets as at 31 December 2023:

**Financial assets measured at fair value through other comprehensive income** in € m

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

The following table shows the carrying amounts of financial assets measured at fair value through other comprehensive income and the cumulative loss allowances recognised in respect of these assets as at 31 December 2022:

**Financial assets measured at fair value through other comprehensive income** in € m

| | Carrying amount (fair value) | | | | | Cumulative loss allowances (recognised in OCI) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Bonds and other fixed-income securities | 14,518 | 253 | – | – | 14,771 | 2 | 0 | – | – | 2 |
| Loans and receivables | 778 | 4 | – | – | 782 | 1 | 0 | – | – | 1 |
| **Total** | **15,296** | **257** | **–** | **–** | **15,553** | **3** | **0** | **–** | **–** | **3** |

Cumulative loss allowances on financial assets measured at fair value through other comprehensive income remained largely unchanged in both the reporting year and the comparative period.

The following table shows the changes in the gross carrying amounts of financial assets measured at fair value through other comprehensive income in the reporting year:

**Financial assets measured at fair value through other comprehensive income** in € m

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Bonds and other fixed-income securities** | | | | | | | | | | |
| **Balance as at 1 January** | **14,934** | **257** | **–** | **–** | **15,191** | **16,344** | **46** | **–** | **–** | **16,390** |
| Newly originated/acquired financial assets | 5,270 | – | – | – | 5,270 | 6,057 | – | – | – | 6,057 |
| Transfers between stages | 95 | –95 | – | – | – | –110 | 110 | – | – | – |
| Transfer to stage 1 | 276 | –276 | – | – | – | 48 | –48 | – | – | – |
| Transfer to stage 2 | –181 | 181 | – | – | – | –158 | 158 | – | – | – |
| Derecognitions including redemptions | –5,636 | –22 | – | – | –5,658 | –6,417 | –26 | – | – | –6,443 |
| Changes due to currency translation and other adjustments | 251 | –19 | – | – | 233 | –942 | 128 | – | – | –814 |
| **Balance as at 31 December** | **14,914** | **121** | **–** | **–** | **15,035** | **14,934** | **257** | **–** | **–** | **15,191** |
| Fair value changes recognised in OCI | –286 | –2 | – | – | –288 | –416 | –4 | – | – | –420 |
| **Fair value as at 31 December** | **14,628** | **119** | **–** | **–** | **14,747** | **14,518** | **253** | **–** | **–** | **14,771** |
| **Loans and receivables** | | | | | | | | | | |
| **Balance as at 1 January** | **854** | **4** | **–** | **–** | **858** | **653** | **7** | **–** | **–** | **660** |
| Newly originated/acquired financial assets | 56 | – | – | – | 56 | 266 | – | – | – | 266 |
| Transfers between stages | 4 | –4 | – | – | – | – | – | – | – | – |
| Transfer to stage 1 | 4 | –4 | – | – | – | – | – | – | – | – |
| Derecognitions including redemptions | –112 | – | – | – | –112 | –68 | –3 | – | – | –71 |
| Changes due to currency translation and other adjustments | 1 | 0 | – | – | 1 | 3 | –0 | – | – | 3 |
| **Balance as at 31 December** | **804** | **–** | **–** | **–** | **804** | **854** | **4** | **–** | **–** | **858** |
| Fair value changes recognised in OCI | –44 | – | – | – | –44 | –76 | –0 | – | – | –77 |
| **Fair value as at 31 December** | **760** | **–** | **–** | **–** | **760** | **778** | **4** | **–** | **–** | **782** |

The following table shows the carrying amounts and loss allowances recognised in OCI, broken down by counterparty sector:

**Financial assets measured at fair value through other comprehensive income** in € m

| | Carrying amount (fair value) | | Cumulative loss allowances (recognised in OCI) | |
|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Bonds and other fixed-income securities** | **14,747** | **14,771** | **2** | **2** |
| Central giro institutions | 827 | 614 | 0 | 0 |
| Other banks | 10,232 | 10,354 | 1 | 1 |
| Other financial corporations | 139 | 244 | 0 | 0 |
| Non-financial corporations | 44 | 189 | 0 | 0 |
| Government | 3,505 | 3,370 | 0 | 0 |
| **Loans and receivables** | **760** | **782** | **1** | **1** |
| Other financial corporations | 78 | 45 | 0 | 0 |
| Non-financial corporations | 682 | 737 | 1 | 1 |
| **Total** | **15,507** | **15,553** | **3** | **3** |

The following table shows the carrying amounts and cumulative loss allowances in respect of loans to and receivables from non-financial corporations, broken down by industry:

**Financial assets measured at fair value through other comprehensive income** in € m

| | Carrying amount (fair value) | | Cumulative loss allowances (recognised in OCI) | |
|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Agriculture, forestry and fishing | 12 | 11 | 0 | 0 |
| Manufacturing | 311 | 363 | 0 | 0 |
| Electricity, gas, steam and air-conditioning supply | 105 | 104 | 0 | 0 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 50 | 47 | 0 | 0 |
| Transportation and storage | 53 | 51 | 0 | 0 |
| Information and communication | 21 | 25 | 0 | 0 |
| Real estate activities | 85 | 86 | 0 | 0 |
| Professional, scientific and technical activities | 45 | 50 | 0 | 0 |
| **Non-financial corporations** | **682** | **737** | **1** | **1** |

The following table shows the gross carrying amounts of financial assets measured at fair value through other comprehensive income broken down by allocation to internal rating class:

**Financial assets measured at fair value through other comprehensive income** in € m

| | 31.12.2023 | | | | | 31.12.2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Bonds and other fixed-income securities** | | | | | | | | | | |
| **Gross carrying amount** | **14,914** | **121** | **–** | **–** | **15,035** | **14,934** | **257** | **–** | **–** | **15,191** |
| Internal classes 0–3 | 9,566 | 87 | – | – | 9,654 | 8,298 | – | – | – | 8,298 |
| Internal classes 4–7 | 4,984 | – | – | – | 4,984 | 5,721 | – | – | – | 5,721 |
| Internal classes 8–11 | 346 | 34 | – | – | 380 | 811 | 257 | – | – | 1,068 |
| Internal classes 12–15 | – | – | – | – | – | 59 | – | – | – | 59 |
| Internal classes 16–20 | 17 | – | – | – | 17 | – | – | – | – | – |
| No allocation to an internal rating class | – | – | – | – | – | 45 | – | – | – | 45 |
| **Cumulative loss allowances** | **2** | **0** | **–** | **–** | **2** | **2** | **0** | **–** | **–** | **2** |
| **Net carrying amount** | **14,912** | **121** | **–** | **–** | **15,033** | **14,932** | **257** | **–** | **–** | **15,189** |
| **Total fair value** | **14,628** | **119** | **–** | **–** | **14,747** | **14,518** | **253** | **–** | **–** | **14,771** |
| **Loans and receivables** | | | | | | | | | | |
| **Gross carrying amount** | **804** | **–** | **–** | **–** | **804** | **854** | **4** | **–** | **–** | **858** |
| Internal classes 0–3 | 97 | – | – | – | 97 | 58 | – | – | – | 58 |
| Internal classes 4–7 | 293 | – | – | – | 293 | 260 | – | – | – | 260 |
| Internal classes 8–11 | 394 | – | – | – | 394 | 523 | – | – | – | 523 |
| Internal classes 12–15 | 21 | – | – | – | 21 | 14 | 4 | – | – | 18 |
| **Cumulative loss allowances** | **1** | **–** | **–** | **–** | **1** | **1** | **0** | **–** | **–** | **1** |
| **Net carrying amount** | **803** | **–** | **–** | **–** | **803** | **854** | **4** | **–** | **–** | **858** |
| **Total fair value** | **760** | **–** | **–** | **–** | **760** | **778** | **4** | **–** | **–** | **782** |

## Disclosures for off-balance sheet commitments

The following table shows the nominal amounts of loan commitments and the maximum guarantee amounts of financial guarantees (subsequently referred to as nominal amount) as well as the related provisions as at 31 December 2023:

**Off-balance sheet liabilities** in € m

| | Nominal amount | | | | | Provisions | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loan commitments | 30,282 | 989 | 193 | 3 | 31,466 | 6 | 8 | 17 | 4 | 36 |
| Financial guarantees | 5,120 | 690 | 82 | 6 | 5,898 | 2 | 8 | 22 | 2 | 34 |
| **Total** | **35,402** | **1,679** | **275** | **9** | **37,364** | **8** | **16** | **39** | **6** | **69** |

The following table shows the figures as at 31 December 2022:

**Off-balance sheet liabilities** in € m

| | Nominal amount | | | | | Provisions | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loan commitments | 30,311 | 1,361 | 34 | 2 | 31,708 | 8 | 9 | 9 | 0 | 26 |
| Financial guarantees | 5,415 | 457 | 117 | 12 | 6,001 | 3 | 8 | 41 | 2 | 54 |
| **Total** | **35,726** | **1,819** | **151** | **14** | **37,709** | **11** | **17** | **50** | **2** | **80** |

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

**Off-balance sheet liabilities** in € m

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Loan commitments** | | | | | | | | | | |
| **Balance as at 1 January** | **8** | **9** | **9** | **0** | **26** | **8** | **12** | **6** | **0** | **27** |
| Total change in provision due to transfers between stages | 5 | –5 | 0 | – | – | 7 | –7 | 0 | – | – |
| Transfer to stage 1 | 6 | –6 | –0 | – | – | 8 | –8 | –0 | – | – |
| Transfer to stage 2 | –1 | 1 | –0 | – | – | –1 | 1 | –0 | – | – |
| Transfer to stage 3 | –0 | –0 | 0 | – | – | –0 | –0 | 0 | – | – |
| Additions | 7 | 19 | 19 | 5 | 51 | 20 | 31 | 23 | 0 | 75 |
| New loan commitments originated | 2 | 0 | – | – | 3 | 16 | 3 | – | – | 19 |
| Other additions | 5 | 18 | 19 | 5 | 48 | 4 | 28 | 23 | 0 | 55 |
| Reversals | –14 | –14 | –11 | –1 | –41 | –28 | –27 | –21 | –0 | –76 |
| Utilisations (drawdown under loan commitment) | –6 | –12 | –1 | –0 | –19 | –11 | –10 | –3 | –0 | –24 |
| Other reversals | –8 | –3 | –10 | –1 | –22 | –17 | –17 | –18 | –0 | –52 |
| Changes due to currency translation and other adjustments | –0 | –0 | –0 | – | –0 | –0 | 0 | 0 | – | 0 |
| **Balance as at 31 December** | **6** | **8** | **17** | **4** | **36** | **8** | **9** | **9** | **0** | **26** |
| **Financial guarantees** | | | | | | | | | | |
| **Balance as at 1 January** | **3** | **8** | **41** | **2** | **54** | **4** | **15** | **26** | **–** | **44** |
| Total change in provision due to transfers between stages | 3 | –3 | 0 | – | – | 2 | –4 | 1 | – | – |
| Transfer to stage 1 | 4 | –4 | – | – | – | 3 | –3 | – | – | – |
| Transfer to stage 2 | –1 | 1 | – | – | – | –0 | 0 | – | – | – |
| Transfer to stage 3 | – | –0 | 0 | – | – | –0 | –1 | 1 | – | – |
| Additions | 3 | 9 | 24 | 0 | 36 | 5 | 8 | 22 | 2 | 36 |
| New financial guarantees originated | 0 | – | – | – | 0 | 2 | 1 | – | – | 3 |
| Other additions | 2 | 9 | 24 | 0 | 35 | 3 | 7 | 22 | 2 | 33 |
| Reversals | –6 | –6 | –43 | –0 | –55 | –8 | –11 | –8 | –0 | –27 |
| Changes due to currency translation and other adjustments | –0 | 0 | – | – | –0 | 0 | 0 | –0 | – | 0 |
| **Balance as at 31 December** | **2** | **8** | **22** | **2** | **34** | **3** | **8** | **41** | **2** | **54** |

The following table shows the changes in the nominal amounts of loan commitments and financial guarantees in the reporting period:

**Off-balance sheet liabilities** in € m

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Loan commitments** | | | | | | | | | | |
| **Balance as at 1 January** | **30,311** | **1,361** | **34** | **2** | **31,708** | **27,637** | **1,196** | **73** | **1** | **28,908** |
| Changes in basis of consolidation | – | – | – | – | – | 11 | – | – | – | 11 |
| New loan commitments originated | 10,503 | 184 | 8 | 4 | 10,699 | 20,957 | 425 | 1 | 1 | 21,385 |
| Change in current account balance | 426 | 11 | 1 | −0 | 437 | −800 | 93 | −3 | 0 | −710 |
| Transfers between stages | −437 | 167 | 270 | – | – | −563 | 556 | 7 | – | – |
| Transfer to stage 1 | 893 | −886 | −6 | – | – | 1,039 | −1,039 | −0 | – | – |
| Transfer to stage 2 | −1,328 | 1,358 | −30 | – | – | −1,599 | 1,601 | −1 | – | – |
| Transfer to stage 3 | −1 | −305 | 306 | – | – | −3 | −6 | 9 | – | – |
| Drawdowns under loan commitments | −13,664 | −747 | −65 | −6 | −14,483 | −17,706 | −792 | −96 | −3 | −18,596 |
| Changes due to currency translation and other adjustments | 3,143 | 13 | −55 | 3 | 3,104 | 775 | −118 | 51 | 2 | 710 |
| **Balance as at 31 December** | **30,282** | **989** | **193** | **3** | **31,466** | **30,311** | **1,361** | **34** | **2** | **31,708** |
| **Financial guarantees** | | | | | | | | | | |
| **Balance as at 1 January** | **5,415** | **457** | **117** | **12** | **6,001** | **5,238** | **602** | **103** | **10** | **5,953** |
| New financial guarantees originated | 1,073 | 153 | 28 | – | 1,253 | 1,750 | 98 | 6 | 2 | 1,855 |
| Transfers between stages | −259 | 267 | −8 | – | – | 40 | −63 | 23 | – | – |
| Transfer to stage 1 | 162 | −162 | −0 | – | – | 148 | −148 | – | – | – |
| Transfer to stage 2 | −421 | 434 | −13 | – | – | −100 | 100 | – | – | – |
| Transfer to stage 3 | – | −5 | 5 | – | – | −7 | −16 | 23 | – | – |
| Changes due to currency translation and other adjustments | −1,109 | −187 | −54 | −6 | −1,357 | −1,612 | −179 | −15 | – | −1,806 |
| **Balance as at 31 December** | **5,120** | **690** | **82** | **6** | **5,898** | **5,415** | **457** | **117** | **12** | **6,001** |

Helaba entered into loan commitments and financial guarantees with customers in the following counterparty sectors and industries:

**Off-balance sheet liabilities** in € m

| | Nominal amount | | Provisions | |
|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Loan commitments** | **31,466** | **31,708** | **36** | **26** |
| Central giro institutions | 2 | 104 | – | 0 |
| Sparkassen | 530 | 457 | 0 | 0 |
| Other banks | 291 | 285 | 0 | 0 |
| Other financial corporations | 5,239 | 4,540 | 1 | 1 |
| Non-financial corporations | 21,503 | 22,745 | 32 | 19 |
| Government | 2,602 | 2,140 | 0 | 0 |
| Households | 1,298 | 1,437 | 3 | 6 |
| **Financial guarantees** | **5,898** | **6,001** | **34** | **54** |
| Central giro institutions | 0 | 0 | 0 | 0 |
| Sparkassen | 127 | 97 | 0 | 0 |
| Other banks | 335 | 278 | 0 | 0 |
| Other financial corporations | 262 | 196 | 0 | 0 |
| Non-financial corporations | 5,109 | 5,324 | 33 | 53 |
| Government | 61 | 63 | 0 | 0 |
| Households | 4 | 43 | 0 | 0 |
| **Total** | **37,364** | **37,709** | **69** | **80** |

The following table shows the nominal amounts of loan commitments and financial guarantees by allocation to internal rating class:

**Off-balance sheet liabilities** in € m

| | 31.12.2023 | | | | | 31.12.2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| **Loan commitments** | | | | | | | | | | |
| **Nominal amount** | **30,282** | **989** | **193** | **3** | **31,466** | **30,311** | **1,361** | **34** | **2** | **31,708** |
| Internal classes 0–3 | 5,762 | 0 | – | 0 | 5,763 | 5,790 | 1 | – | 0 | 5,790 |
| Internal classes 4–7 | 11,075 | 47 | – | 0 | 11,122 | 7,514 | 74 | – | 0 | 7,588 |
| Internal classes 8–11 | 10,434 | 253 | – | 0 | 10,687 | 12,238 | 238 | – | 0 | 12,476 |
| Internal classes 12–15 | 2,252 | 414 | – | 0 | 2,665 | 2,870 | 581 | – | – | 3,451 |
| Internal classes 16–20 | 500 | 269 | – | 0 | 769 | 409 | 307 | – | 0 | 717 |
| Internal class 21 | 18 | 4 | – | – | 22 | 27 | 92 | – | – | 119 |
| Internal classes 22–24 (defaulted) | – | – | 193 | 2 | 195 | – | – | 22 | 2 | 24 |
| No allocation to an internal rating class | 241 | 2 | – | – | 243 | 1,463 | 69 | 12 | – | 1,544 |
| **Provisions** | **6** | **8** | **17** | **4** | **36** | **8** | **9** | **9** | **0** | **26** |
| **Financial guarantees** | | | | | | | | | | |
| **Nominal amount** | **5,120** | **690** | **82** | **6** | **5,898** | **5,415** | **457** | **117** | **12** | **6,001** |
| Internal classes 0–3 | 556 | 3 | – | – | 560 | 370 | 0 | – | – | 370 |
| Internal classes 4–7 | 1,696 | 51 | – | – | 1,747 | 1,965 | 28 | – | – | 1,993 |
| Internal classes 8–11 | 2,136 | 111 | – | – | 2,247 | 2,114 | 46 | – | – | 2,160 |
| Internal classes 12–15 | 649 | 158 | – | – | 807 | 657 | 195 | – | – | 852 |
| Internal classes 16–20 | 63 | 362 | – | 4 | 429 | 33 | 114 | – | – | 147 |
| Internal class 21 | 17 | 6 | – | – | 22 | 271 | 75 | – | – | 345 |
| Internal classes 22–24 (defaulted) | – | – | 82 | 2 | 85 | – | – | 117 | 12 | 129 |
| No allocation to an internal rating class | 2 | – | – | – | 2 | 4 | – | – | – | 4 |
| **Provisions** | **2** | **8** | **22** | **2** | **34** | **3** | **8** | **41** | **2** | **54** |

## Non-performing exposures and forbearance

In addition to the mandatory disclosures in accordance with IFRS 9, the Helaba Group provides information on non-performing exposures and forborne exposures (in accordance with EBA definitions) to provide a comprehensive picture of the credit risks. Items are designated non-performing exposures if one of the following criteria is met:

- a material exposure is more than 90 days past due,
- an exposure is unlikely to be repaid in full without the need for recovery of collateral.

Regardless of these criteria, exposures deemed to be defaulted in accordance with article 178 of the CRR are always classified as non-performing exposures. The same materiality threshold relating to the 90 day past due criterion is applied equally both to default events in accordance with the CRR and to non-performing exposures in accordance with Section 16 of the German Solvency Regulation (Solvabilitätsverordnung, SolvV). A financial asset is classified as past due if the party to the agreement fails to make the contractually agreed (partial) payments in respect of the financial instrument on time. The past due period begins on the day after the due date of the contractually agreed partial payment. Besides the indicators listed in article 178 of the CRR, the following indicators are used to identify exposures that will probably not be fully redeemed: ban on business operations issued by a supervisory authority, rating-related terminations, or the borrower's loss of regular sources of income.

The Helaba Group has harmonised the internal application of the terms "non-performing exposures" and "default event" in line with article 178 of the CRR. The harmonisation of the objective evidence with the regulatory definition of a default event also ensures that the requirements match the criteria for the allocation of an exposure to stage 3. However, in individual cases, this standardised approach may no longer apply where Helaba grants substantial modifications or issues new financial instruments to defaulted borrowers who are already in a cure period. New business is allocated to stage 1 unless it has to be classified as a POCI asset. Furthermore, if a POCI asset recovers, this may lead to differences between non-performing exposures and financial instruments in default.

Deferred or renegotiated loans and advances are determined in accordance with the definition of forborne exposures issued by the European Banking Authority (EBA). A forborne exposure refers to debt instruments in connection with which forbearance action has been applied. Such action includes concessions or restructuring as a result of existing or anticipated financial difficulties on the part of the debtor. Forbearance action includes any rights agreed upon at contract inception enabling the debtor to amend the credit terms if such amendments are due to (pending) financial difficulties of the debtor. Before a contract may be classified as forborne, concessions to the debtor must have been made.

For every forbearance action, the Helaba Group verifies whether this triggers a default event regarding the debt instrument concerned. If the forbearance action leads to a default event, the instrument concerned is designated as "non-performing forborne" and transferred to stage 3. If the objective evidence of impairment no longer applies, the instrument is transferred from stage 3. The objective evidence of impairment no longer applies as soon as the default event is over. Simultaneously, an internally established cure period applies, taking regulatory requirements into account. During the cure period, all items remain in stage 3. If the forbearance action does not lead to a default event, the instrument concerned is designated as "performing forborne" and transferred to stage 2 based on the qualitative transfer criteria. If the debt instrument recovers during the cure period to the extent that it is no longer deemed an exposure subject to workout and the 'significant increase in credit risk' condition is no longer satisfied on the basis of the quantitative transfer criterion, it is transferred from stage 2 to stage 1.

The following table shows the financial assets measured at amortised cost broken down into performing and non-performing exposures, together with the value of the debt instruments within these exposures that are in default or subject to forbearance action:

**Financial assets measured at amortised cost** in € m

| | Gross carrying amount | | | | Cumulative loss allowances | | | |
|---|---|---|---|---|---|---|---|---|
| | Performing exposures | | Non-performing exposures | | Performing exposures | | Non-performing exposures | |
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Demand deposits and overnight money balances at central banks and banks | 32,649 | 39,980 | – | – | 0 | 0 | – | – |
| Bonds and other fixed-income securities | 2,796 | 1,775 | – | – | 0 | 0 | – | – |
| Loans and receivables | 124,847 | 128,797 | 3,058 | 947 | 509 | 602 | 714 | 244 |
| thereof: Forborne exposures | 1,495 | 1,393 | 1,248 | 581 | 9 | 15 | 304 | 172 |
| thereof: Defaulted | – | – | 3,057 | 946 | – | – | 714 | 244 |
| **Total** | **160,292** | **170,553** | **3,058** | **947** | **510** | **603** | **714** | **244** |

The following table shows the financial assets measured at fair value through other comprehensive income by classification as performing / non-performing, defaulted or forborne:

**Financial assets measured at fair value through other comprehensive income** in € m

| | Carrying amount (fair value) | | | | Cumulative loss allowances (recognised in OCI) | | | |
|---|---|---|---|---|---|---|---|---|
| | Performing exposures | | Non-performing exposures | | Performing exposures | | Non-performing exposures | |
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Bonds and other fixed-income securities | 14,747 | 14,771 | – | – | 2 | 2 | – | – |
| Loans and receivables | 760 | 782 | – | – | 1 | 1 | – | – |
| **Total** | **15,507** | **15,553** | **–** | **–** | **3** | **3** | **–** | **–** |

The following table shows the performing status as well as the occurrence of default events for off-balance sheet liabilities within the scope of application of the IFRS 9 impairment model. In accordance with the FINREP requirements of the EBA, the Helaba Group classifies off-balance sheet liabilities by forbearance status only for loan commitments:

**Off-balance sheet liabilities** in € m

| | Nominal amount | | | | Provisions | | | |
|---|---|---|---|---|---|---|---|---|
| | Performing exposures | | Non-performing exposures | | Performing exposures | | Non-performing exposures | |
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Loan commitments | 31,271 | 31,673 | 195 | 35 | 14 | 17 | 22 | 10 |
| thereof: Forborne exposures | 221 | 200 | 23 | 8 | 0 | 1 | 5 | 1 |
| thereof: Defaulted | – | – | 195 | 35 | – | – | 22 | 10 |
| Financial guarantees | 5,810 | 5,872 | 88 | 129 | 10 | 11 | 24 | 42 |
| thereof: Defaulted | – | – | 85 | 129 | – | – | 24 | 42 |
| **Total** | **37,081** | **37,545** | **284** | **165** | **24** | **28** | **45** | **52** |

## Collateral

In order to secure its loans, the Helaba Group holds, in particular, charges over real estate, as well as guarantees and warranties. Financial collateral arrangements that are customary in the industry are also used. Regular remeasurements and reviews to assess whether collateral can be recovered, used or applied to other purposes are carried out to ensure the quality of collateral held. The bulk of guarantees are provided by public-sector institutions, but guarantees are also received from businesses of good credit standing.

The estimated fair value of the collateral is based on a valuation of that collateral. Depending on the type and volume of the loans in question, the collateral is constantly monitored and updated in accordance with the credit guidelines. The maximum amount of the collateral held that can be taken into account is the amount by which the collateral reduces the default risk on the financial asset. The maximum amount cannot, therefore, exceed the carrying amount of the secured financial asset. The maximum amount of loan commitments and financial guarantees is derived by reducing the collateral value to the nominal amount or the maximum guarantee amount. If a financial instrument is covered by more than one item of collateral, the value reduction is applied to the collateral with the worst quality. Collateral in the form of a charge over real estate is considered to be the highest quality collateral available and is therefore always preferred.

The following values are used to determine the maximum exposure to credit risk within the meaning of IFRS 7.35K (a) as at the reporting date: for financial assets measured at amortised cost, the carrying amounts as presented in Note (22); and for financial assets measured at fair value through other comprehensive income, the fair value as presented in the statement of financial position. The maximum credit risk from loan commitments within the scope of application of the impairment regulations corresponds to the nominal amount. The same applies to the maximum guarantee amounts of financial guarantees.

The following table shows the maximum amounts of the collateral held by the Helaba Group as at 31 December 2023 for financial instruments within the scope of application of the IFRS 9 impairment model:

in € m

| | | | Maximum amount of collateral or financial guarantees to be taken into account | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Gross carrying amount / nominal amount / maximum guarantee amount | Cumulative loss allowances / provisions | Residential real estate | Commercial real estate | Cash collateral and own debt instruments | Other debt instruments and other assets | Financial guarantees received | Total |
| **Financial assets measured at amortised cost** | **163,350** | **1,223** | **11,836** | **16,462** | **333** | **5,362** | **7,090** | **41,083** |
| Demand deposits and overnight money balances at central banks and banks | 32,649 | 0 | – | – | – | – | – | – |
| Bonds and other fixed-income securities | 2,796 | 0 | – | – | – | – | – | – |
| Loans and receivables | 127,905 | 1,223 | 11,836 | 16,462 | 333 | 5,362 | 7,090 | 41,083 |
| thereof: Stage 3 and POCI assets | 3,058 | 714 | 41 | 1,638 | 22 | 31 | 204 | 1,937 |
| **Financial assets measured at fair value through other comprehensive income** | **15,839** | **3** | **–** | **–** | **–** | **–** | **–** | **–** |
| Bonds and other fixed-income securities | 15,035 | 2 | – | – | – | – | – | – |
| Loans and receivables | 804 | 1 | – | – | – | – | – | – |
| **Loan commitments** | **31,466** | **36** | **396** | **99** | **9** | **261** | **739** | **1,504** |
| thereof: Stage 3 and POCI assets | 195 | 22 | 0 | 2 | 0 | 0 | 21 | 23 |
| **Financial guarantees** | **5,898** | **34** | **–** | **196** | **43** | **4** | **243** | **487** |
| thereof: Stage 3 and POCI assets | 88 | 24 | – | – | – | – | 1 | 1 |
| **Total** | **216,553** | **1,295** | **12,231** | **16,758** | **385** | **5,627** | **8,072** | **43,074** |

The following table shows the figures as at 31 December 2022:

in € m

| | Gross carrying amount / nominal amount / maximum guarantee amount | Cumulative loss allowances / provisions | Maximum amount of collateral or financial guarantees to be taken into account | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Residential real estate | Commercial real estate | Cash collateral and own debt instruments | Other debt instruments and other assets | Financial guarantees received | Total |
| **Financial assets measured at amortised cost** | **171,500** | **847** | **12,476** | **17,251** | **348** | **5,013** | **6,712** | **41,800** |
| Demand deposits and overnight money balances at central banks and banks | 39,980 | 0 | – | – | – | – | – | – |
| Bonds and other fixed-income securities | 1,775 | 0 | – | – | – | – | – | – |
| Loans and receivables | 129,745 | 846 | 12,476 | 17,251 | 348 | 5,013 | 6,712 | 41,800 |
| thereof: Stage 3 and POCI assets | 947 | 244 | 44 | 176 | 3 | 85 | 141 | 450 |
| **Financial assets measured at fair value through other comprehensive income** | **16,049** | **3** | **–** | **–** | **–** | **–** | **–** | **–** |
| Bonds and other fixed-income securities | 15,191 | 2 | – | – | – | – | – | – |
| Loans and receivables | 858 | 1 | – | – | – | – | – | – |
| **Loan commitments** | **31,708** | **26** | **529** | **157** | **8** | **291** | **716** | **1,700** |
| thereof: Stage 3 and POCI assets | 35 | 10 | 0 | 0 | 0 | 0 | 1 | 1 |
| **Financial guarantees** | **6,001** | **54** | **–** | **153** | **60** | **12** | **49** | **273** |
| thereof: Stage 3 and POCI assets | 129 | 42 | – | – | – | – | 2 | 2 |
| **Total** | **225,258** | **929** | **13,006** | **17,561** | **415** | **5,316** | **7,476** | **43,773** |

The following table shows the financial instruments within the scope of application of impairment regulations, for which no loss allowance was recognised due to sufficient collateralisation:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Gross carrying amount of financial assets measured at amortised cost | 9,908 | 10,104 |
| Loans and receivables | 9,908 | 10,104 |
| Nominal amount of loan commitments | 705 | 671 |
| Maximum guarantee amount of financial guarantees | 3 | 3 |
| **Total** | **10,616** | **10,778** |

The amount contractually outstanding for financial assets that were wholly or partially derecognised (written off directly) in the reporting period due to uncollectibility, but in respect of which the Helaba Group is still pursuing collection (through legal enforcement), was € 1 m (2022: € 3 m). Legal enforcement measures are carried out until the Helaba Group's legal claims against the debtor have been extinguished, for instance by way of final settlement or external debt waivers.

## Credit risks and collateral in respect of financial instruments outside the scope of application of IFRS 9 impairment requirements

As at the reporting date, the maximum exposure to credit risk within the meaning of IFRS 7.36 (a) corresponded to the carrying amount of the financial assets as disclosed in the statement of financial position, plus the other obligations as disclosed in Note (47). These amounts do not factor in any deduction of collateral or other credit enhancements.

The following table shows the financial assets measured at fair value through profit or loss as well as other off-balance sheet commitments (fair values or nominal amounts) and the corresponding collateral including the maximum amounts to be taken into account as at 31 December 2023:

in € m

| | | Maximum amount of collateral or financial guarantees to be taken into account | | | | | |
|---|---|---|---|---|---|---|---|
| | Fair value / nominal amount | Residential real estate | Commercial real estate | Cash collateral and own debt instruments | Other debt instruments and other assets | Financial guarantees received | Total |
| **Demand deposits and overnight money balances at central banks and banks** | **135** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Trading assets** | **3,372** | **–** | **37** | **0** | **0** | **–** | **37** |
| Bonds and other fixed-income securities | 2,696 | – | – | – | – | – | – |
| Loans and receivables | 676 | – | 37 | 0 | 0 | – | 37 |
| **Other financial assets mandatorily measured at fair value through profit or loss** | **897** | **–** | **–** | **–** | **–** | **–** | **–** |
| Bonds and other fixed-income securities | 734 | – | – | – | – | – | – |
| Loans and receivables | 163 | – | – | – | – | – | – |
| **Financial assets designated voluntarily at fair value** | **2,828** | **–** | **–** | **–** | **–** | **8** | **8** |
| Bonds and other fixed-income securities | 103 | – | – | – | – | – | – |
| Loans and receivables | 2,725 | – | – | – | – | 8 | 8 |
| **Total financial assets** | **7,232** | **–** | **37** | **0** | **0** | **8** | **45** |
| **Other obligations** | **4,392** | **1** | **1** | **15** | **1** | **–** | **17** |

The following table shows the figures as at 31 December 2022:

in € m

| | Fair value / nominal amount | Maximum amount of collateral or financial guarantees to be taken into account | | | | | |
|---|---|---|---|---|---|---|---|
| | | Residential real estate | Commercial real estate | Cash collateral and own debt instruments | Other debt instruments and other assets | Financial guarantees received | Total |
| **Demand deposits and overnight money balances at central banks and banks** | **207** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Trading assets** | **3,250** | **–** | **75** | **5** | **0** | **0** | **81** |
| Bonds and other fixed-income securities | 1,629 | – | – | – | – | – | – |
| Loans and receivables | 1,621 | – | 75 | 5 | 0 | 0 | 81 |
| **Other financial assets mandatorily measured at fair value through profit or loss** | **1,018** | **–** | **–** | **–** | **33** | **–** | **33** |
| Bonds and other fixed-income securities | 806 | – | – | – | – | – | – |
| Loans and receivables | 211 | – | – | – | 33 | – | 33 |
| **Financial assets designated voluntarily at fair value** | **2,853** | **–** | **–** | **–** | **–** | **8** | **8** |
| Bonds and other fixed-income securities | 104 | – | – | – | – | – | – |
| Loans and receivables | 2,749 | – | – | – | – | 8 | 8 |
| **Total financial assets** | **7,328** | **–** | **75** | **5** | **33** | **8** | **121** |
| **Other obligations** | **5,830** | **1** | **2** | **6** | **1** | **1** | **10** |

Collateral for derivatives (cash collateral), master netting agreements and the maximum exposure to credit risk for derivatives, which equates to fair value, are presented in Note (42).

In the case of OTC derivative transactions, the Helaba Group applies a credit valuation adjustment (CVA) for default risk in order to cover any expected losses. This CVA is determined by assessing the potential credit risk for a given counterparty. This assessment takes into account any collateral held, any offsetting effects under master agreements, the expected loss in the event of a default and the credit risk based on market data, including CDS spreads. As at 31 December 2023, the CVAs for both trading book and banking book derivatives with positive fair values amounted to € 108 m (31 December 2022: € 116 m).

For further information on credit risks, please refer to the risk report, which forms an integral part of the management report.

## (38) Provision of collateral

### Assets pledged as security

The collateral is provided on terms which are customary for the relevant repo, securities and financing transactions.

Securities are pledged as collateral in connection with repos and securities lending transactions (with cash collateral) and may be re-sold or pledged as collateral to others by the recipient even if the Helaba Group (as the original provider of the collateral) is not in default. The disposal or pledge of such collateral is subject to standard contractual conditions. Please refer to Note (39) for further information on the definition and structure of repos and securities lending transactions. As a result of these transactions, as in the previous year, no financial assets were furnished as collateral in which the recipient of the collateral had a contractual right to re-sell the assets or pledge them to other parties as collateral even if the Helaba Group were not in default.

In addition, the Bank holds loans and advances backed by property charges and municipal authority loans and advances as well as other cover assets in its collateral pool in accordance with Sections 12 and 30 of the German Pfandbrief Act (Pfandbriefgesetz – PfandBG). As at 31 December 2023, cover assets amounted to € 48,693 m (31 December 2022: € 49,325 m) with mortgage and public Pfandbriefe of € 29,866 m in circulation (31 December 2022: € 36,533 m). These also included registered securities, which are reported under liabilities due to banks and liabilities due to customers.

In the context of ECB open market operations, borrowed securities with a value of € 2,613 m (31 December 2022: € 4,903 m) were pledged as collateral for one drawdown of funding in the tender procedure.

As at the reporting date, the following assets (carrying amounts after loss allowances) had been pledged or transferred as collateral for the Helaba Group's own liabilities (for details on the transfer of financial assets without derecognition, please refer to Note (39)):

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Financial assets** | **11,730** | **17,956** |
| Financial assets measured at amortised cost | 4,593 | 5,832 |
| Bonds and other fixed-income securities | 1,518 | 578 |
| Loans and receivables | 3,075 | 5,253 |
| Trading assets | 70 | 1,019 |
| Bonds and other fixed-income securities | 70 | 1,019 |
| Financial assets measured at fair value through other comprehensive income | 7,066 | 11,105 |
| Bonds and other fixed-income securities | 6,601 | 11,105 |
| Loans and receivables | 465 | – |
| **Non-financial assets** | **2,415** | **2,118** |
| Investment property | 2,415 | 2,118 |
| **Total** | **14,145** | **20,074** |

Financial assets (securities and cash collateral) were provided as collateral in connection with the following business transactions:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Collateral for funding transactions with central banks | 6,541 | 12,340 |
| Securities collateral for transactions via exchanges and clearing houses | 2,087 | 1,688 |
| Securities transferred in connection with securities repurchase transactions | – | 3 |
| Cash collateral for exchange-traded derivative transactions | 7 | 13 |
| Cash collateral for OTC derivative transactions incl. central counterparties | 2,974 | 3,590 |
| Securities provided as collateral for funding transactions with the European Investment Bank (EIB) | – | 166 |
| Collateral provided for other purposes | 121 | 157 |
| **Total** | **11,730** | **17,956** |

The collateral provided for other purposes was mainly related to securities collateral furnished in accordance with Section 202b of the New York Banking Law, which was a precondition for the operation of banking business by the US branch.

### Assets received as security

Collateral is received on terms that are customary for the relevant repo, securities and financing transactions.

The fair value of collateral received in connection with repurchase agreements (repos) that permit the Helaba Group to sell on or pledge such collateral even if the party providing the collateral does not default amounted to € 242 m (31 December 2022: € 45 m). The fair value of the collateral that was sold on or was the subject of onward pledging amounted to € 219 m (31 December 2022: € 45 m). There is an obligation to return this collateral to the owners.

Please refer to Note (37) for disclosures on collateral received in connection with lending operations. Please refer to Note (42) for disclosures on collateral and offsetting agreements.

In connection with Helaba's Pfandbrief business, there are arrangements in which loans and advances eligible for the collateral pool, including the rights to the corresponding collateral, are also legally transferred to Helaba but the beneficial ownership of the loans and advances remains with the transferring bank in accordance with the terms and conditions of the transfer agreement. The transferring bank continues to account for these loans and advances to the customers concerned, which are entered in the cover register. As at 31 December 2023, Helaba's collateral pool included such legal transfers with a nominal value of € 3,111 m (31 December 2022: € 2,574 m).

## (39) Transfer of financial instruments

Financial assets are derecognised when the contractual rights associated with an asset expire or are transferred such that substantially all the risks and rewards incidental to ownership are passed to another party or when the control or power over the asset is transferred to another party. If substantially all the risks and rewards incidental to ownership are not transferred or control or power over the asset is not passed to another party, the remaining economic involvement in the financial instrument ("continuing involvement") is recognised in accordance with IFRS 9. In addition, financial assets in the AC and FVOCI categories are derecognised if they have been substantially modified, i. e. if the contractual cash flows have been modified or the legal position affecting the cash flows has changed such that, de facto, there is a new transaction in place.

Financial liabilities are derecognised when the liabilities are settled. The same applies to financial liabilities measured at amortised cost in the case of substantial modifications leading to new liabilities.

### Transfer without derecognition

In connection with "genuine" repo and securities lending transactions, Helaba Group transfers bonds and other fixed-income securities, but retains the main credit, interest rate and currency risks as well as the opportunities for capital appreciation associated with the ownership of these financial assets. Thus, the requirements for derecognition in accordance with IFRS 9 are not fulfilled, and the financial assets continue to be recognised in the consolidated statement of financial position and measured in accordance with the corresponding measurement category, provided the items are bonds and other fixed-income securities owned by the Helaba Group. In the context of securities repurchase and lending transactions, securities accepted from third parties as part of reverse repos or borrowed bonds and other fixed-income securities, which may not be recognised in the consolidated statement of financial position, may also be transferred.

The transferee or borrower, as the case may be, may sell on or pledge the transferred securities at any time. Nevertheless, the Helaba Group generally continues to receive the contractually agreed cash flows from these securities.

The Helaba Group enters into securities repurchase agreements in the form of standardised repo or reverse repo deals in which the Helaba Group is either the seller/borrower (repo) or buyer/lender (reverse repo). Such arrangements are a contractual agreement to transfer securities accompanied by a simultaneous agreement to repurchase the transferred (or equivalent) securities on a specified date in the future in return for the payment of an amount agreed in advance. The transactions are settled using standard framework contracts, and do not contain any limitations.

The financial assets reported as reverse repos in the loans and receivables class are in effect the Helaba Group's entitlement to repayment of the cash it paid out as the buyer in return for the transfer of securities. This class is also used to report cash collateral furnished by the Helaba Group, as borrower, in connection with securities lending transactions.

The liabilities from securities repurchase transactions result from the amount paid by the transferee for the transferred bonds and other fixed-income securities. This amount corresponds to the fair value of the transferred securities less a safety margin on the date on which the transaction is entered into. When the bonds and other fixed-income securities are transferred back at the end of the term of the securities repurchase agreement, this amount, plus agreed interest, must be repaid to the transferee. The corresponding liabilities in connection with securities lending transactions arise out of the obligation to repay the cash collateral received. The main counterparties in the Helaba Group's securities lending transactions comprise affiliated and non-affiliated Sparkassen. Cash collateral for lent bonds and other fixed-income securities is generally only required from counterparties outside the Sparkassen-Finanzgruppe. The liabilities from securities repurchase transactions and from cash collateral received in connection with securities lending are recognised under trading liabilities or under financial liabilities measured at amortised cost.

Because transferred bonds and other fixed-income securities are assigned to the FVTPL or FVTOCI measurement categories, the carrying amounts of the transferred items represent their fair values.

As at 31 December 2023, no bonds or other fixed-income securities (31 December 2022: bonds and other fixed-income securities with a carrying amount of € 3 m) had been transferred to the lender in securities repurchase transactions. Accordingly, no corresponding liabilities were recognised as at 31 December 2023 (31 December 2022: € 3 m).

### Transfer with derecognition

Contracts for the sale and acquisition of shares in companies (equity investments and affiliates) include the warranties customary with such transactions, in particular in respect of the tax and legal position. As in the previous year, provisions of € 7 m were recognised for this purpose.

## (40) Fair values

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

### Measurement process and fair value hierarchy

**Measurement methods**

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

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

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

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

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

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

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

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

In the case of purchased rights under endowment insurance policies, the fair value is measured on the basis of the surrender value notified by the insurance company. This value is then adjusted for contributions and other changes in value up to the reporting date.

**Adjustments**

Adjustments may be required in some cases, and these adjustments form an additional part of the measurement process. Depending on the complexity of the financial instrument involved, the use of a model to measure a financial instrument could involve some uncertainty in the selection of a suitable model, for example regarding the numeric implementation or the parametrisation/calibration of the model. When measuring a financial instrument using fair value principles, this uncertainty is taken into account by applying model adjustments, which can be subdivided into deficiency adjustments and complexity adjustments.

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

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

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

**Validation and control**

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

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

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

**Level 1**

The market price is the best indicator of the fair value of financial instruments. If an active market exists, observable market prices are used to measure the financial instruments recognised at fair value. These are normally prices quoted on a stock exchange or market prices quoted on the interbank market. These fair values are reported as Level 1.

**Level 2**

If an observable market price does not exist for a financial instrument, recognised and customary valuation techniques are used for measurement purposes, with all input data being based on observable market data and taken from external sources. These valuation techniques are normally used for OTC derivatives (including credit derivatives) and for financial instruments that are recognised at fair value and not traded on an active market. In such cases, the fair values are reported as Level 2.

**Level 3**
In those cases in which not all input parameters are directly observable on the market, the fair values are calculated using realistic assumptions based on market conditions. This approach is required in particular for complex structured (derivative) basket products where correlations not directly observable in the market are significant to the measurement. If no market prices are available for non-derivative financial instruments, sector rating credit curves are used to determine the credit spreads. Inputs that cannot be observed, particularly the surpluses derived from corporate planning, are also used to measure unlisted shareholdings recognised at fair value and to test goodwill for impairment. In the case of investment property, fair values are determined on the basis of expected income and expenses, with the result that these fair values are also classified as Level 3.

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

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

## Financial instruments measured at fair value

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

in € m

| | 31.12.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Cash on hand, demand deposits and overnight money balances with central banks and banks** | **–** | **135** | **–** | **135** | **–** | **207** | **–** | **207** |
| Demand deposits and overnight money balances at banks | – | 135 | – | 135 | – | 207 | – | 207 |
| **Trading assets** | **2,512** | **9,021** | **164** | **11,697** | **1,369** | **10,624** | **679** | **12,672** |
| Positive fair values of derivatives | – | 8,316 | 9 | 8,325 | – | 9,395 | 27 | 9,421 |
| Bonds and other fixed-income securities | 2,512 | 170 | 14 | 2,696 | 1,369 | 260 | – | 1,629 |
| Loans and receivables | – | 535 | 141 | 676 | – | 969 | 652 | 1,621 |
| Equity shares and other variable-income securities | – | – | – | – | 1 | – | – | 1 |
| **Other financial assets mandatorily measured at fair value through profit or loss** | **729** | **1,299** | **586** | **2,614** | **769** | **1,229** | **525** | **2,523** |
| Positive fair values of derivatives | 0 | 1,189 | 22 | 1,211 | 0 | 1,067 | 19 | 1,086 |
| Bonds and other fixed-income securities | 717 | 10 | 7 | 734 | 762 | 38 | 7 | 806 |
| Loans and receivables | – | 7 | 157 | 163 | – | 34 | 177 | 211 |
| Equity shares and other variable-income securities | 12 | 93 | 319 | 424 | 7 | 91 | 246 | 344 |
| Shareholdings | – | – | 82 | 82 | – | – | 75 | 75 |
| **Financial assets designated voluntarily at fair value** | **–** | **2,598** | **230** | **2,828** | **104** | **2,511** | **238** | **2,853** |
| Bonds and other fixed-income securities | – | 103 | – | 103 | 104 | – | – | 104 |
| Loans and receivables | – | 2,495 | 230 | 2,725 | – | 2,511 | 238 | 2,749 |
| **Positive fair values of hedging derivatives under hedge accounting** | **–** | **393** | **–** | **393** | **–** | **740** | **–** | **740** |
| **Financial assets measured at fair value through other comprehensive income** | **12,840** | **2,108** | **586** | **15,535** | **12,526** | **2,396** | **658** | **15,579** |
| Bonds and other fixed-income securities | 12,840 | 1,887 | 20 | 14,747 | 12,526 | 2,153 | 92 | 14,771 |
| Loans and receivables | – | 221 | 539 | 760 | – | 242 | 539 | 782 |
| Shareholdings | – | – | 27 | 27 | – | – | 26 | 26 |
| **Financial assets** | **16,082** | **15,553** | **1,567** | **33,201** | **14,768** | **17,706** | **2,099** | **34,573** |

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

in € m

| | 31.12.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Trading liabilities** | **199** | **11,134** | **16** | **11,350** | **45** | **13,682** | **27** | **13,754** |
| Negative fair values of derivatives | 0 | 6,472 | 16 | 6,488 | 0 | 9,241 | 27 | 9,267 |
| Securitised liabilities | – | 30 | – | 30 | – | 374 | – | 374 |
| Deposits and loans | – | 4,632 | – | 4,632 | – | 4,067 | – | 4,067 |
| Liabilities arising from short-selling | 199 | – | – | 199 | 45 | – | – | 45 |
| **Negative fair values of non-trading derivatives** | **–** | **2,775** | **149** | **2,924** | **–** | **3,181** | **239** | **3,420** |
| **Financial liabilities designated voluntarily at fair value** | **–** | **11,276** | **1,169** | **12,445** | **–** | **9,853** | **1,063** | **10,915** |
| Securitised liabilities | – | 7,140 | 875 | 8,016 | – | 5,892 | 779 | 6,671 |
| Deposits and loans | – | 4,136 | 294 | 4,430 | – | 3,961 | 284 | 4,245 |
| **Negative fair values of hedging derivatives under hedge accounting** | **–** | **667** | **–** | **667** | **–** | **706** | **–** | **706** |
| **Financial liabilities** | **199** | **25,853** | **1,334** | **27,386** | **45** | **27,422** | **1,329** | **28,796** |

For the financial assets and liabilities in the Helaba Group's portfolio as at the reporting date, the following tables show transfers from Level 1 and Level 2 to other levels. Following amendment of the criteria for allocating bonds and other fixed-income securities to Level 1, a portfolio of € 197 m was allocated to Level 2 as at 31 December 2023; this portfolio would have been allocated to Level 1 in accordance with the previous definition (see Note (1)). The other transfers result from a change in fair value quality. Other portfolio changes in Level 1 and Level 2 are attributable to additions, derecognition or measurement changes.

in € m

| | 31.12.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | From Level 1 to | | From Level 2 to | | From Level 1 to | | From Level 2 to | |
| | Level 2 | Level 3 | Level 1 | Level 3 | Level 2 | Level 3 | Level 1 | Level 3 |
| **Trading assets** | **10** | **–** | **2** | **10** | **2** | **–** | **26** | **–** |
| Positive fair values of derivatives | – | – | – | 1 | – | – | – | – |
| Bonds and other fixed-income securities | 10 | – | 2 | 9 | 2 | – | 26 | – |
| **Other financial assets mandatorily measured at fair value through profit or loss** | **–** | **–** | **9** | **0** | **14** | **–** | **–** | **–** |
| Positive fair values of derivatives | – | – | – | 0 | – | – | – | – |
| Bonds and other fixed-income securities | – | – | 9 | – | 14 | – | – | – |
| **Financial assets designated voluntarily at fair value** | **103** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Bonds and other fixed-income securities | 103 | – | – | – | – | – | – | – |
| **Financial assets measured at fair value through other comprehensive income** | **5** | **–** | **35** | **13** | **63** | **–** | **–** | **5** |
| Bonds and other fixed-income securities | 5 | – | 35 | – | 63 | – | – | – |
| Loans and receivables | – | – | – | 13 | – | – | – | 5 |
| **Financial assets** | **117** | **–** | **46** | **23** | **79** | **–** | **26** | **5** |

in € m

| | 31.12.2023 | | | | 31.12.2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | From Level 1 to | | From Level 2 to | | From Level 1 to | | From Level 2 to | |
| | Level 2 | Level 3 | Level 1 | Level 3 | Level 2 | Level 3 | Level 1 | Level 3 |
| **Trading liabilities** | **–** | **–** | **–** | **9** | **–** | **–** | **–** | **–** |
| Negative fair values of derivatives | – | – | – | 9 | – | – | – | – |
| **Financial liabilities** | **–** | **–** | **–** | **9** | **–** | **–** | **–** | **–** |

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

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

in € m

| | Positive fair values of derivatives | | Bonds and other fixed-income securities | | Loans and receivables | | Equity shares and other variable-income securities | | Shareholdings | | Receivables from endowment insurance policies | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Balance as at 1 January** | **46** | **185** | **99** | **55** | **1,607** | **1,293** | **246** | **183** | **102** | **103** | **–** | **20** |
| Gains or losses recognised in the consolidated income statement | –10 | –64 | 0 | 0 | 19 | –188 | 11 | 4 | –1 | 6 | – | –12 |
| Loss allowances | – | – | 0 | 0 | – | – | – | – | – | – | – | – |
| Net trading income | –16 | –1 | –0 | – | 9 | –97 | – | – | – | – | – | – |
| Gains or losses on other financial assets mandatorily measured at fair value through profit or loss | 6 | –63 | –0 | –0 | 9 | –91 | 11 | 4 | –1 | 6 | – | –12 |
| Gains or losses on derecognition of financial instruments not measured at fair value through profit or loss | – | – | 0 | 0 | – | – | – | – | – | – | – | – |
| Gains or losses recognised in other comprehensive income | – | – | 0 | –0 | 22 | –48 | – | – | 1 | –6 | – | – |
| Additions | 2 | 1 | 253 | 200 | 281 | 1,551 | 75 | 82 | 14 | 2 | – | – |
| Disposals/liquidations | –4 | –17 | –322 | –158 | –856 | –983 | –13 | –24 | –6 | –4 | – | –9 |
| Changes in basis of consolidation | – | – | – | – | – | – | – | – | 0 | – | – | – |
| Changes due to currency translation | –0 | – | – | – | 0 | 0 | 1 | 0 | 0 | 0 | – | – |
| Changes in accrued interest | 1 | –1 | 0 | 0 | 2 | 1 | – | – | – | – | – | – |
| Amortisation of premiums/discounts | –5 | –12 | 2 | 1 | –6 | –7 | – | – | – | – | – | – |
| Transfers from Level 2 | 1 | – | 8 | 2 | 13 | 29 | – | – | – | – | – | – |
| Transfers to Level 2 | –1 | –47 | – | – | –13 | –42 | – | – | – | – | – | – |
| Other changes in the portfolio | – | – | – | – | – | – | – | – | –0 | – | – | – |
| **Balance as at 31 December** | **31** | **46** | **41** | **99** | **1,067** | **1,607** | **319** | **246** | **109** | **102** | **–** | **–** |
| Gains or losses on financial assets in the portfolio recognised in the consolidated income statement | 11 | –18 | –1 | –0 | 3 | –36 | 12 | 34 | –1 | –4 | – | 0 |

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

in € m

| | Negative fair values of derivatives | | Securitised liabilities | | Deposits and loans | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Balance as at 1 January** | **266** | **127** | **779** | **996** | **284** | **376** |
| Gains or losses recognised in the consolidated income statement | –122 | 200 | 89 | –190 | 25 | –71 |
| Net trading income | –20 | –1 | – | – | – | – |
| Gains or losses on other financial assets mandatorily measured at fair value through profit or loss | –102 | 201 | 89 | –190 | 25 | –71 |
| Gains or losses on derecognition of financial instruments not measured at fair value through profit or loss | – | – | – | 0 | – | – |
| Gains or losses recognised in other comprehensive income | – | – | 3 | –17 | –1 | –2 |
| Additions | 3 | 1 | 16 | 34 | – | – |
| Disposals/liquidations | –4 | –22 | –10 | –41 | – | –10 |
| Changes due to currency translation | –0 | – | – | – | – | – |
| Changes in accrued interest | 15 | 8 | 0 | 0 | –5 | 0 |
| Amortisation of premiums/discounts | 4 | –3 | –2 | –2 | –9 | –9 |
| Transfers from Level 2 | 12 | – | – | – | – | – |
| Transfers to Level 2 | –9 | –46 | – | –2 | – | – |
| **Balance as at 31 December** | **165** | **266** | **875** | **779** | **294** | **284** |
| Gains or losses on financial assets in the portfolio recognised in the consolidated income statement | 102 | –247 | –88 | 191 | –25 | 71 |

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

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

The following table provides an overview of the main inputs not observable in a market that were used in the relevant valuation techniques as at 31 December 2023:

in € m

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

The following table shows the figures as at 31 December 2022:

in € m

| | Assets at Level 3 | Liabilities at Level 3 | Valuation technique | Key inputs not observable in a market | Range |
|---|---|---|---|---|---|
| **Derivatives** | **46** | **266** | | | |
| Equity-/index-related derivatives | 1 | 1 | Option pricing model | Dividend estimate with remaining term > 3 years | 0 €–117 € |
| | 28 | 25 | Option pricing model | Equity shares correlation | –66.5 %–85.0 % |
| Interest-rate derivatives | 17 | 240 | Option pricing model | Interest correlation | –5.3 %–99.7 % |
| **Equity shares and other variable-income securities** | **246** | | | | |
| Private equity funds | 246 | | Fund valuation | Net asset values | n.a. |
| **Bonds and other fixed-income securities** | **99** | | DCF approach | Credit spread | 0.0 %–4.0 % |
| **Securitised liabilities** | | **779** | | | |
| Interest certificates | | 779 | Option pricing model | Interest correlation | –5.3 %–99.7 % |
| **Loans and receivables** | **1,607** | | | | |
| Promissory note loans | 1,243 | | DCF approach | Credit spread | 0.0 %–3.0 % |
| | 283 | | Option pricing model | Credit spread | 0.0 %–0.4 % |
| | 72 | | Option pricing model | Interest correlation | –5.3 %–99.7 % |
| | | | | Credit spread | 0.0 %–0.8 % |
| Mezzanine receivables | 3 | | Fund valuation | Fair value | n.a. |
| Other | 6 | | Various | n.a. | n.a. |
| **Deposits and loans** | | **284** | Option pricing model | Interest correlation | –5.3 %–99.7 % |
| **Shareholdings** | **102** | | | | |
| Private equity funds | 0 | | Fund valuation | Net asset values | n.a. |
| Other | 47 | | Income capitalisation approach | Discount rate | 8.4 %–9.9 % |
| | | | | Expected cash flows | n.a. |
| | 54 | | Various | Fair value and other | n.a. |
| **Total** | **2,099** | **1,329** | | | |

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

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

In the case of equity derivatives with underlyings involving dividend distributions, future dividends are taken into account in the valuation. However, no dividend estimates are directly observable on the market for securities with a remaining term of more than three years. To determine the impact on fair values of dividend projections for items with a remaining term of more than three years, a premium or discount of 50 % was applied to the dividend estimates used. As in the previous year, this resulted in only negligible deviations.

The credit spread is a key input in a model-based measurement of the fair value of bonds and other fixed-income securities and of the promissory note loans reported under loans and receivables. Interest-bearing securities are allocated to Level 3 if it is not (or not with reasonable assurance) possible to derive the credit spread as an input parameter from market data. For this reason, the sensitivity analysis applied to interest-bearing securities includes an examination of the potential impact from credit spread changes. Helaba determines credit spread standard deviations for all required sector-rating-combinations based on one-year history files of sector curves from the CDS or bond market. The determined standard deviations are allocated to Level 3 securities – based on sector and rating – and then multiplied with credit spread sensitivity of the respective security. The result is the fair value adjustment for the relevant security exposure if the valuation spread increases or declines by the 1-year standard deviation. This results in fair values that could be as much as € 6 m (31 December 2022: € 8 m) above or below the disclosed amounts.

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

In the case of fund units / shares and mezzanine loans, fair values are predominantly determined by the fund management companies on the basis of the fund assets (net asset value) and made available to the unitholders / shareholders. The latest available fair values are adjusted up to the reporting date. If the input factors used are increased or decreased by 10 %, the fair values determined using these input factors change by € 30 m (31 December 2022: € 23 m).

In the case of investments in unlisted companies for which fair values are determined using the discounted earnings model, there are sensitivities affecting the expected cash flows and the discount rates. A 10 % increase or decrease in the cash flows to be discounted would result in an increase or decrease in fair values of € 5 m (31 December 2022: € 5 m). If the discount rate were to be increased by one percentage point, the calculated fair values would fall by € 5 m (31 December 2022: € 5 m); if it were lowered by one percentage point, the fair values would rise by € 6 m (31 December 2022: € 7 m). Furthermore, the fair value for some investments in unlisted companies is determined predominantly using the net asset value method. In some cases, selling prices are available and these can be updated to provide an appropriate price for the latest reporting date. The input factors used for these fair values are subject to a premium, or discount, of 10 %. This results in alternative values that could be € 4 m (31 December 2022: € 5 m) above or below the disclosed amounts.

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

## Fair values of financial assets measured at amortised cost

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

in € m

| | Fair value | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Level 1 | | Level 2 | | Level 3 | | Total | | Carrying amount | | Difference | |
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Demand deposits and overnight money balances at central banks and banks | – | – | 32,649 | 39,979 | – | – | 32,649 | 39,979 | 32,649 | 39,980 | 0 | –2 |
| Bonds and other fixed-income securities | 437 | 144 | 2,339 | 1,526 | – | – | 2,776 | 1,670 | 2,795 | 1,774 | –19 | –104 |
| Loans and receivables | – | – | 71,620 | 69,759 | 52,663 | 55,442 | 124,283 | 125,201 | 126,682 | 128,898 | –2,399 | –3,697 |
| **Financial assets measured at amortised cost** | **437** | **144** | **106,609** | **111,264** | **52,663** | **55,442** | **159,708** | **166,850** | **162,126** | **170,653** | **–2,418** | **–3,803** |
| Securitised liabilities | 4,059 | 3,187 | 45,708 | 35,655 | – | – | 49,767 | 38,842 | 51,263 | 41,064 | –1,495 | –2,222 |
| Deposits and loans | – | – | 74,553 | 76,374 | 33,699 | 49,681 | 108,252 | 126,055 | 110,616 | 129,378 | –2,364 | –3,323 |
| Other financial liabilities | – | – | 255 | 203 | 173 | 237 | 428 | 440 | 428 | 439 | 0 | 1 |
| **Financial liabilities measured at amortised cost** | **4,059** | **3,187** | **120,516** | **112,232** | **33,872** | **49,918** | **158,446** | **165,338** | **162,306** | **170,881** | **–3,860** | **–5,543** |

The portfolios reported under Level 3 mainly consist of development and retail business as well as loans to and receivables from customers who do not have an impeccable credit standing. The fair values determined for the ECB's TLTRO are also allocated to Level 3.

## Fair values of investment property

The fair values for property disclosed in Note (29) have been determined using internationally recognised valuation techniques. The vast majority of the residential buildings, commercial properties, parking facilities and undeveloped land areas in the Group's portfolio are valued by independent experts on the basis of market values, mainly by using the discounted cash flow method. In this method, the fair value is calculated by determining the present value of the rental income achievable over the long term, taking into account management costs and forecast property vacancy rates. For the purposes of the calculation, the properties are structured according to a location and property appraisal and subdivided into clusters. This is based on the following parameters: market (macro location), site (micro location) and property. Properties are thus grouped, each of the properties within a particular group sharing similar characteristics. The groups differ in terms of position, quality of management unit and therefore also in terms of their respective risk. The rental income achievable over the long term, the micro location and the condition of the property are taken into account, meaning that climate-related factors are indirectly factored into the calculation.

The following details were determined and applied on the basis of the resulting clusters:

- annual rates of increase for rent;
- non-allocatable operating costs;
- effective vacancy rates;
- discount rates.

The following details were determined and applied on the basis of the properties:

- market rent as at the valuation date;
- maintenance, management and other expenses;
- trends in the rent per square metre of rentable area based on an extrapolation of market rents and current rents;
- trends in vacant property levels based on cluster-specific assumptions regarding target vacancy level;
- trends in expenses for maintenance, management, non-allocatable operating costs, other costs and any ground rent.

The cash flow is determined in two stages. The first stage comprises a detailed forecast period of ten years in which the cash inflows from the current target rent based on full occupancy are reduced by the effect of the current vacancy level in the first year and then the assumed structural vacancy levels in years two to ten. The resulting amount reduced by management costs, non-allocatable operating costs, maintenance and repair costs and ground rent produces the available cash flow (before taxes and debt servicing) which can then be discounted. In the eleventh year, the methodology assumes a hypothetical disposal of the property and the sale price is used as a residual value in the calculation. The total of the present values from the cash flows in the detailed forecast period and from the hypothetical resale of the property represent the fair value of the property concerned.

The discount rate comprises a risk-free interest rate together with mark-ups and discounts for existing property, location and market risks

## (41) Derivatives

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

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

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

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

in € m

| | Notional amounts | | Positive fair values | | Negative fair values | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Equity-/index-related transactions** | **692** | **1,965** | **44** | **129** | **39** | **126** |
| OTC products | 658 | 1,934 | 44 | 129 | 39 | 126 |
| Equity options | 658 | 1,934 | 44 | 129 | 39 | 126 |
| Purchases | 332 | 969 | 44 | 129 | – | – |
| Sales | 327 | 965 | – | – | 39 | 126 |
| Other transactions | – | 1 | – | 0 | – | – |
| Exchange-traded products | 33 | 30 | 0 | 0 | – | – |
| Equity/index futures | 31 | 30 | – | – | – | – |
| Equity/index options | 2 | 1 | 0 | 0 | – | – |
| **Interest-rate-related transactions** | **871,321** | **720,991** | **8,709** | **9,316** | **8,969** | **11,816** |
| OTC products | 861,214 | 709,498 | 8,709 | 9,316 | 8,969 | 11,816 |
| Forward rate agreements | – | 19,600 | – | – | – | – |
| Interest rate swaps | 806,310 | 634,730 | 7,988 | 8,508 | 7,909 | 10,538 |
| Interest rate options | 54,621 | 55,168 | 720 | 809 | 1,060 | 1,278 |
| Purchases | 20,421 | 22,572 | 547 | 668 | 62 | 57 |
| Sales | 34,200 | 32,596 | 174 | 140 | 998 | 1,221 |
| Other interest rate contracts | 283 | – | 0 | – | – | – |
| Exchange-traded products | 10,107 | 11,492 | – | – | 0 | 0 |
| Interest rate futures | 10,047 | 11,428 | – | – | 0 | 0 |
| Interest rate options | 60 | 64 | – | – | – | – |

in € m

| | Notional amounts | | Positive fair values | | Negative fair values | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Currency-related transactions** | **71,850** | **74,804** | **1,163** | **1,791** | **1,051** | **1,439** |
| OTC products | 71,850 | 74,804 | 1,163 | 1,791 | 1,051 | 1,439 |
| Currency spot and futures contracts | 48,479 | 47,711 | 556 | 691 | 682 | 900 |
| Cross-currency swaps | 23,152 | 26,914 | 606 | 1,100 | 368 | 538 |
| Currency options | 220 | 178 | 1 | 1 | 1 | 1 |
| Purchases | 111 | 85 | 1 | 1 | – | – |
| Sales | 109 | 94 | – | – | 1 | 1 |
| **Credit derivatives** | **2,165** | **4,499** | **10** | **9** | **16** | **11** |
| OTC products | 2,165 | 4,499 | 10 | 9 | 16 | 11 |
| **Commodity-related transactions** | **336** | **210** | **3** | **1** | **4** | **2** |
| OTC products | 336 | 210 | 3 | 1 | 4 | 2 |
| Commodity forwards | 273 | – | 3 | – | 3 | – |
| Commodity options | 63 | 210 | 0 | 1 | 1 | 2 |
| **Total** | **946,364** | **802,467** | **9,928** | **11,247** | **10,079** | **13,394** |

Derivatives have been entered into with the following counterparties:

in € m

| | Notional amounts | | Positive fair values | | Negative fair values | |
|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Central banks and banks in Germany | 302,627 | 283,400 | 4,056 | 4,358 | 5,121 | 7,013 |
| Central banks and banks in the EU (excluding Germany) | 68,219 | 69,344 | 3,017 | 3,566 | 2,223 | 2,518 |
| Central banks and banks in the rest of the world (excluding EU) | 21,230 | 28,575 | 632 | 822 | 1,045 | 1,269 |
| Governments, Germany | 10,117 | 11,067 | 1,156 | 1,171 | 191 | 286 |
| Other counterparties in Germany | 25,517 | 31,566 | 593 | 677 | 745 | 1,130 |
| Other counterparties in the EU (excluding Germany) | 13,509 | 15,401 | 220 | 286 | 311 | 570 |
| Other counterparties (rest of world, excluding EU) | 495,005 | 351,592 | 254 | 367 | 443 | 608 |
| Exchange-traded derivatives | 10,140 | 11,523 | 0 | 0 | 0 | 0 |
| **Total** | **946,364** | **802,467** | **9,928** | **11,247** | **10,079** | **13,394** |

The remaining maturities of the notional amounts are classified as follows:

in € m

| | Up to three months | | Three months to one year | | One year to five years | | More than five years | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| Equity-/index-related transactions | 64 | 268 | 370 | 374 | 257 | 1,321 | – | 2 | 692 | 1,965 |
| Interest-rate-related transactions | 47,695 | 41,606 | 153,086 | 82,507 | 315,269 | 253,217 | 355,271 | 343,660 | 871,321 | 720,991 |
| Currency-related transactions | 29,386 | 28,627 | 18,786 | 20,234 | 19,150 | 20,796 | 4,529 | 5,147 | 71,850 | 74,804 |
| Credit derivatives | – | 21 | 376 | 387 | 1,613 | 4,042 | 176 | 49 | 2,165 | 4,499 |
| Commodity-related transactions | 336 | 210 | – | – | – | – | – | – | 336 | 210 |
| **Total** | **77,481** | **70,731** | **172,618** | **103,502** | **336,288** | **279,377** | **359,976** | **348,858** | **946,364** | **802,467** |

## (42) Offsetting financial instruments

The Helaba Group offsets financial assets and financial liabilities in accordance with IAS 32. It recognises netted amounts if, in respect of the financial assets and financial liabilities concerned, there is a legally enforceable right of set-off at all times in the normal course of business and it intends to settle the instruments on a net basis or to realise the financial asset and settle the financial liability simultaneously.

In accordance with the disclosure requirements in IFRS 7 relating to offsetting financial instruments, the tables below show a reconciliation from the gross to the net risk exposure for financial instruments. The disclosures relate both to financial instruments that have been offset and also to those that are subject to a master netting agreement.

Offsetting in derivatives transactions involves the positive and negative values of derivatives as well as the associated cash collateral, which is reported under loans and advances to banks and loans and advances to customers or under liabilities due to banks and liabilities due to customers.

The Helaba Group has also entered into master netting agreements with counterparties in the derivatives and securities repurchase business. These agreements include conditional netting rights. If the conditions are met – for example if a counterparty defaults for reasons related to its credit rating – the transactions are settled on a net basis.

Cash collateral items do not include any other conditional offsetting options under property charges or in connection with other loan collateral not covered by master netting agreements.

Disclosures on the offsetting of financial instruments:

in € m

| | Actual netting | | | | | | Conditional netting rights on basis of master netting agreements | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross amount before netting | | Gross amount of financial instruments netted in SoFP | | Carrying amount | | Collateral in form of financial instruments | | Cash collateral | | Net amount after taking into account conditional netting rights | |
| | 31.12.2023 | 31.12.2022[1] | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022[1] | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022[1] |
| **Financial assets** | | | | | | | | | | | | |
| Positive fair values of derivatives | 30,607 | 38,143 | –21,569 | –27,702 | 9,038 | 10,441 | –3,909 | –4,174 | –4,230 | –5,186 | 900 | 1,081 |
| Securities repurchase transactions | 248 | 46 | – | – | 248 | 46 | –240 | –45 | – | – | 7 | 1 |
| Current account receivables | 32,374 | 38,042 | –4,071 | –2,076 | 28,304 | 35,966 | – | – | – | – | 28,304 | 35,966 |
| **Total** | **63,229** | **76,231** | **–25,640** | **–29,778** | **37,590** | **46,453** | **–4,149** | **–4,219** | **–4,230** | **–5,186** | **29,210** | **37,048** |
| **Financial liabilities** | | | | | | | | | | | | |
| Negative fair values of derivatives | 29,901 | 37,097 | –21,028 | –25,588 | 8,873 | 11,508 | –3,909 | –4,174 | –2,753 | –3,446 | 2,211 | 3,888 |
| Securities repurchase transactions | – | 3 | – | – | – | 3 | – | –3 | – | – | – | – |
| Current account payables | 5,312 | 4,972 | –4,612 | –4,190 | 700 | 783 | – | – | – | – | 700 | 783 |
| **Total** | **35,213** | **42,072** | **–25,640** | **–29,778** | **9,573** | **12,294** | **–3,909** | **–4,177** | **–2,753** | **–3,446** | **2,911** | **4,671** |

[1] Prior-year figures adjusted: In the previous year, derivatives were reported for which there were no offsetting agreements. The gross amounts before netting, the carrying amount and the net amount after factoring in conditional netting rights were reduced by € 802 m for positive fair values of derivatives and by € 1,885 m for negative fair values of derivatives (see Note (1)).

## (43) Foreign currency volumes

The provisions in IAS 21 are applied in translating transactions denominated in foreign currency in the financial statements of the companies included in the consolidated financial statements and in translating the financial statements of foreign operations with a functional currency that is different from the reporting currency.

All monetary items denominated in foreign currency and equity instruments (equity shares and other variable-income securities, shareholdings) measured at fair value in foreign currency are translated at the closing rate (the spot rate on the reporting date). Non-monetary items measured at amortised cost (such as property and equipment) are translated using the exchange rate applicable on initial recognition. Currency translation differences, with the exception of differences resulting from equity instruments measured at fair value through other comprehensive income, are recognised in consolidated profit or loss.

In order to translate financial statements prepared in foreign currency for operations included in the consolidated financial statements (subsidiaries, branch offices), the temporal method is used initially to translate from the foreign currency into the functional currency where these currencies are different. Figures are then translated into the reporting currency (euros) using the modified closing-rate method. In this method, all monetary and non-monetary assets and liabilities are translated into the reporting currency using the ECB reference rate on the reporting date. Income and expenses for the reporting period are translated using the average rate for the period. All resulting currency translation differences are recognised in a separate equity item (currency translation reserve) until the foreign operation is derecognised or discontinued.

The foreign currency assets and liabilities shown under this item relate to non-derivative financial instruments. The foreign currency exposures are hedged by corresponding derivatives.

in € m

| | Foreign currency assets | | Foreign currency liabilities | |
|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| USD | 15,557 | 16,536 | 8,653 | 5,954 |
| GBP | 5,067 | 5,371 | 1,165 | 1,978 |
| CHF | 916 | 802 | 584 | 504 |
| JPY | 701 | 822 | 29 | 65 |
| Other currencies | 1,871 | 1,767 | 367 | 376 |
| **Total** | **24,112** | **25,297** | **10,798** | **8,877** |

## (44) Breakdown of maturities

For the breakdown of the remaining terms of financial liabilities, the undiscounted cash flows were allocated to the individual maturity buckets in accordance with the contractually agreed maturity dates. If there was no fixed contractual agreement for the date of repayment, the earliest possible time or termination date was used. This applies in particular to overnight money raised and demand deposits as well as savings deposits with an agreed period of notice.

The non-derivative financial liabilities presented under trading liabilities have been included in the maturities breakdown with their carrying amounts, and the loan commitments have been included at their nominal value. Trading derivatives were allocated with their carrying amounts to the shortest maturity bucket; the loan commitments were allocated to the earliest bucket in which the commitment could be drawn down. Liabilities from warranties and guarantee agreements in accordance with Note (47) can generally become payable at any time up to the maximum guaranteed amount.

The remaining terms of the financial liabilities break down as follows:

in € m

| | Payable on demand | | Up to three months | | Three months to one year | | One year to five years | | More than five years | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Financial liabilities measured at amortised cost** | **45,629** | **45,596** | **21,977** | **13,303** | **22,553** | **34,392** | **46,117** | **50,289** | **35,168** | **36,959** |
| Securitised liabilities | – | 529 | 5,159 | 2,688 | 9,689 | 3,508 | 28,288 | 25,090 | 12,101 | 13,151 |
| Deposits and loans | 45,367 | 44,811 | 16,782 | 10,559 | 12,826 | 30,865 | 17,803 | 25,159 | 22,999 | 23,739 |
| Other financial liabilities | 262 | 256 | 36 | 55 | 38 | 20 | 27 | 40 | 68 | 68 |
| **Trading liabilities** | **7,624** | **10,216** | **3,286** | **1,430** | **410** | **2,081** | **–** | **–** | **30** | **28** |
| Negative fair values of derivatives held for trading | 6,488 | 9,267 | – | – | – | – | – | – | – | – |
| Securitised liabilities | – | – | – | 270 | – | 77 | – | – | 30 | 28 |
| Deposits and loans | 937 | 903 | 3,286 | 1,160 | 410 | 2,004 | – | – | – | – |
| Liabilities arising from short-selling | 199 | 45 | – | – | – | – | – | – | – | – |
| **Negative fair values of non-trading derivatives** | **–** | **–** | **310** | **374** | **313** | **265** | **1,185** | **1,250** | **1,494** | **1,778** |
| **Negative fair values of hedging derivatives under hedge accounting** | **–** | **–** | **43** | **64** | **54** | **76** | **412** | **266** | **268** | **268** |
| **Financial assets designated voluntarily at fair value** | **–** | **–** | **718** | **513** | **4,711** | **2,232** | **5,896** | **6,603** | **3,336** | **4,362** |
| Securitised liabilities | – | – | 624 | 488 | 4,310 | 2,009 | 3,619 | 4,622 | 657 | 1,141 |
| Deposits and loans | – | – | 94 | 25 | 401 | 223 | 2,277 | 1,981 | 2,679 | 3,220 |
| **Loan commitments** | **28,934** | **28,729** | **583** | **560** | **1,120** | **1,432** | **829** | **987** | **–** | **–** |
| **Financial guarantees** | **5,876** | **5,977** | **1** | **1** | **0** | **0** | **9** | **4** | **12** | **20** |
| **Total** | **88,064** | **90,517** | **26,918** | **16,244** | **29,161** | **40,479** | **54,449** | **59,399** | **40,308** | **43,415** |

## (45) Subordinated financial instruments

Assets are reported as subordinated if, in the case of liquidation or insolvency of the debtor, they can be repaid only after the claims of the other creditors have been satisfied.

Subordinated financial liabilities comprise profit participation issues (with and without certificate), silent participations as well as subordinated loans and bonds, which must be classified as debt in accordance with the criteria specified in IAS 32.

As a general rule, subordinated financial liabilities are classified as financial liabilities measured at amortised cost. Micro fair value hedges or the fair value option are used for some subordinated liabilities in order to avoid accounting mismatches.

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Financial assets measured at amortised cost** | **59** | **92** |
| Loans and receivables | 59 | 92 |
| **Other financial assets mandatorily measured at fair value through profit or loss** | **1** | **2** |
| Loans and receivables | 1 | 2 |
| **Subordinated financial assets** | **61** | **93** |
| **Financial liabilities measured at amortised cost** | **2,798** | **3,107** |
| Securitised liabilities | 1,753 | 1,700 |
| Subordinated bonds | 1,753 | 1,700 |
| Deposits and loans | 1,046 | 1,406 |
| Unsecuritised silent participations | 18 | 18 |
| Subordinated loans | 1,028 | 1,388 |
| **Financial liabilities designated voluntarily at fair value** | **43** | **42** |
| Deposits and loans | 43 | 42 |
| Subordinated loans | 43 | 42 |
| **Subordinated financial liabilities** | **2,841** | **3,148** |

## (46) Issuing Activities

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

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

The following table provides an overview of changes in securitised funding:

in € m

| | Measured at amortised cost | | Mandatorily measured at fair value through profit or loss | | Voluntarily designated at fair value | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Balance as at 1 January** | **41,064** | **44,363** | **374** | **264** | **6,671** | **6,509** | **48,109** | **51,136** |
| Additions from issues | 128,048 | 79,419 | 192 | 636 | 1,091 | 1,827 | 129,330 | 81,883 |
| Additions from reissue of previously repurchased instruments | 8,482 | 7,074 | – | – | 32 | 74 | 8,514 | 7,148 |
| Redemptions | –124,010 | –77,251 | –545 | –522 | –105 | –321 | –124,660 | –78,094 |
| Repurchases | –3,321 | –10,411 | –3 | –2 | –120 | –80 | –3,444 | –10,493 |
| Changes in accrued interest | 193 | 43 | – | – | 17 | 9 | 211 | 52 |
| Changes in value recognised through profit or loss | 837 | –2,303 | 9 | –3 | 450 | –1,217 | 1,296 | –3,522 |
| Credit-risk-related changes in fair value recognised in OCI | – | – | – | – | –23 | –137 | –23 | –137 |
| Changes due to currency translation and other adjustments | –31 | 129 | 2 | 0 | 4 | 7 | –25 | 136 |
| **Balance as at 31 December** | **51,263** | **41,064** | **30** | **374** | **8,016** | **6,671** | **59,308** | **48,109** |

# (47) Contingent liabilities and other off-balance sheet obligations

The Helaba Group's contingent liabilities and other obligations are mainly potential future payment obligations of the Group attributable to credit lines that have been granted but have not yet been drawn down and to financial guarantees that have been provided. The figures shown reflect potential liabilities and assume that the credit lines extended are utilised in full and that the financial guarantees are called upon.

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Loan commitments** | **31,466** | **31,708** |
| **Financial guarantees** | **5,898** | **6,001** |
| **Other obligations** | **4,392** | **5,830** |
| Liabilities from guarantees and warranty agreements (excluding financial guarantees) | 2,235 | 3,524 |
| Placement and underwriting obligations | 822 | 860 |
| Obligations to make further retrospective payments | 0 | 0 |
| Contribution obligations | 229 | 279 |
| Contractual obligations for the acquisition of property and equipment, intangible assets and other assets | 141 | 289 |
| Contractual obligations in connection with investment property | 716 | 598 |
| Litigation risk obligations | 0 | 1 |
| Sundry obligations | 248 | 279 |
| **Total** | **41,756** | **43,539** |

At the reporting date, € 222 m of the contribution obligations was attributable to 42 commercial partnerships (31 December 2022: € 270 m, 40 commercial partnerships), while € 6 m was attributable to three corporations (31 December 2022: € 9 m, three corporations). As in the previous year, no contribution obligations existed in respect of affiliated companies.

The Bank is a partner with unlimited liability in GLB GmbH & Co. OHG, Frankfurt am Main. Real estate management company Kaiserlei GmbH is the general partner in Westhafen Haus GmbH & Co. Projektentwicklungs-KG, Frankfurt am Main.

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

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

In addition, Helaba is a member of the reserve fund of the Sparkassen- und Giroverband Hessen-Thüringen (SGVHT). This provides additional protection on top of Germany's existing national protection scheme, protecting both institutions and creditors. The total volume of the fund has been set at € 600 m. Sparkassen- und Giroverband Hessen-Thüringen will be liable to make up any shortfall should a claim be made against the fund before the full amount has been contributed in cash.

Certain banks affiliated with the Group have additional obligations as members of protection schemes in accordance with the provisions applicable to such arrangements.

If Sparkassen-Immobilien-Vermittlungs-GmbH or OFB Projektentwicklung GmbH becomes insolvent, Helaba has agreed to make the compensation payments to the relevant supplementary pension fund.

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

Contingent liabilities of € 205 m (31 December 2022: € 205 m) may arise if capital contributions (to Helaba's subscribed capital) have to be repaid.

The sundry obligations include obligations of € 105 m (31 December 2022: € 85 m) to the European Single Resolution Fund. Helaba and Frankfurter Sparkasse have elected to fully utilise the option to make some of the annual contribution in the form of an irrevocable payment undertaking backed in full by cash collateral. The European Single Resolution Fund is authorised to require the (partial) payment of (partial) payment undertakings as soon as the irrevocable payment undertakings amount to or exceed 30 % of the fund's volume. If an institution does not pay the amount required by the due date, the European Single Resolution Fund shall be entitled to utilise the collateral in respect of the amount required. In a European court ruling dated 25 October 2023 that was not final as at the reporting date, it was stated that collateral will only not be returned if an institution gives up its banking licence; other grounds for the return of collateral are not ruled out. A claim based on the irrevocable payment undertaking is considered unlikely given the financial adequacy of the European Single Resolution Fund.

The Reserve Fund of the Landesbanken and Girozentralen and the deposit security reserve fund of the Landesbausparkassen also give their member banks an option to pay part of their contributions in the form of irrevocable payment undertakings backed in full by collateral. The Bank and the Landesbausparkasse have utilised this option for contributions of € 99 m (31 December 2022: € 73 m). Under similar conditions to the European Single Resolution Fund, the Reserve Fund is authorised to require payment under payment undertakings and to utilise the collateral if necessary. A claim based on the irrevocable payment undertaking is considered unlikely given the financial adequacy of the Reserve Fund of the Landesbanken and Girozentralen,

## (48) Letters of comfort

| Entity | Registered offices |
|---|---|
| Grundstücksgesellschaft Gateway Gardens GmbH | Frankfurt am Main |

## (49) Fiduciary transactions

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Loans and advances to banks | 1,050 | 918 |
| Loans and advances to customers | 629 | 610 |
| Equity shares and other variable-income securities | 88 | 88 |
| Shareholdings | 69 | 70 |
| Sundry assets | 15 | 15 |
| **Trust assets** | **1,851** | **1,701** |
| Deposits and loans from banks | 535 | 548 |
| Deposits and loans from customers | 1,087 | 928 |
| Other financial liabilities | 228 | 225 |
| **Trust liabilities** | **1,851** | **1,701** |

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

# Other disclosures

## (50) Leases

A lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

### Leases in which the Helaba Group is the lessee

The Helaba Group generally accounts for all leases in which it is the lessee by recognising in the statement of financial position right-of-use assets (i. e. assets representing the right to use the leased assets in question) and liabilities for the associated payment obligations at present value. The initial measurement of the lease liabilities includes the following lease payments:

- fixed lease payments
- variable lease payments that depend on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease

Lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. Otherwise, Helaba's incremental borrowing rate is used for discounting purposes. The incremental borrowing rate comprises a risk-free interest rate component for obtaining liquidity in the relevant maturity band and a risk premium related to the Helaba Group's credit quality. A distinction is made between secured lease assets (real estate) and unsecured financing (other clusters). Adjustments for foreign currencies and different currency zones are taken into account, where appropriate. The lease liabilities are reported under financial liabilities measured at amortised cost.

During the term of the lease, the lease liability is reduced in accordance with the principles of financial mathematics. The interest expense component is reported in net interest income.

Right-of-use assets are measured at cost, comprising the following on initial measurement:

- initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs incurred
- estimated costs to be incurred in reinstating the asset at the end of the lease as required by the terms and conditions of the lease

Right-of-use assets are reported under the relevant category of property and equipment. If a right-of-use asset satisfies the criteria for investment property, it is reported in this asset category. Right-of-use assets are subsequently measured at amortised cost. Generally, depreciation is recognised in respect of right-of-use assets on a straight-line basis over the term of the lease concerned. In those instances in which a purchase option has been factored into the measurement of the right-of-use asset, or the underlying asset will be transferred to Helaba at the end of the lease term, the right-of-use asset is depreciated on a straight-line basis over the normal useful life of the underlying asset concerned. If there is evidence of impairment, the right-of-use asset must also be tested for impairment in accordance with the rules specified in IAS 36. If there are changes to the lease payments after the commencement date, the right-of-use asset must be adjusted by the amount resulting from the remeasurement of the lease liability.

If the underlying asset in a lease is of low value and/or the lease is short term (maximum term of twelve months and no purchase option available), Helaba makes use of the available practical expedients and recognises the payments as an expense in the consolidated income statement on a straight-line basis. In addition, the requirements are not applied to leases for intangible assets. In the case of contracts that include both lease and non-lease components, Helaba makes use of the option not to separate these components.

A range of leases include extension and termination options. When determining a lease term, Helaba takes into account all relevant facts and circumstances that create an economic incentive for Helaba (the lessee) to exercise the option to extend the lease or not to exercise the option to terminate the lease. Changes to a lease term because such options are exercised or not exercised are only included when determining a lease term if it is reasonably certain that Helaba (the lessee) will exercise or not exercise the option concerned.

The IFRS 16 financial reporting standard requires estimates and judgements to be made with regard to certain matters. In particular, an assessment must be made as to whether options will be exercised with an impact on the term of the lease.

The following table shows the separately presented right-of-use assets that are recognised under non-current assets in connection with leases:

in € m

| | Investment property | | Owner-occupied land and buildings | | Operating and office equipment | | Machinery and technical equipment | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Cost** | | | | | | | | | | |
| **Balance as at 1 January** | **51** | **60** | **236** | **198** | **11** | **9** | **0** | **0** | **298** | **268** |
| Additions from original acquisition/construction | 2 | 0 | 9 | 40 | 2 | 2 | – | – | 13 | 42 |
| Disposals | –10 | –9 | –7 | –3 | –3 | –1 | – | – | –20 | –13 |
| Changes due to currency translation and other adjustments | – | – | 12 | 1 | 0 | 0 | –0 | 0 | 12 | 1 |
| **Balance as at 31 December** | **43** | **51** | **250** | **236** | **9** | **11** | **0** | **0** | **303** | **298** |
| **Accumulated depreciation** | | | | | | | | | | |
| **Balance as at 1 January** | **–15** | **–11** | **–101** | **–77** | **–7** | **–5** | **–0** | **–0** | **–124** | **–93** |
| Depreciation | –1 | –4 | –29 | –28 | –2 | –3 | –0 | –0 | –32 | –35 |
| Disposals | 10 | – | 6 | 2 | 3 | 1 | – | 0 | 19 | 3 |
| Changes due to currency translation and other adjustments | – | – | 2 | 0 | 0 | 0 | 0 | –0 | 2 | 1 |
| **Balance as at 31 December** | **–7** | **–15** | **–123** | **–101** | **–6** | **–7** | **–0** | **–0** | **–135** | **–124** |
| **Accumulated impairment losses** | | | | | | | | | | |
| **Balance as at 1 January** | **–** | **–** | **–0** | **0** | **–** | **–** | **–** | **–** | **–0** | **0** |
| Impairment losses | – | – | –0 | –0 | – | – | – | – | –0 | –0 |
| Disposals | – | – | –0 | – | – | – | – | – | –0 | – |
| Changes due to currency translation and other adjustments | – | – | 0 | 0 | – | – | – | – | 0 | 0 |
| **Balance as at 31 December** | **–** | **–** | **–1** | **–0** | **–** | **–** | **–** | **–** | **–1** | **–0** |
| **Carrying amounts as at 31 December** | **36** | **36** | **127** | **134** | **3** | **4** | **0** | **0** | **167** | **174** |

The right-of-use assets reported under investment property largely relate to heritable building rights in the GWH Group. Heritable building rights are land rights. The buildings constructed on the land are owned by the holder of the heritable building rights. The owner of the land receives an annual rent over the term of the heritable building rights agreement. At the end of the term of the agreement, the buildings constructed on the land may be transferred to the owner of the land in return for an appropriate consideration. As at 31 December 2023, the Helaba Group held 125 agreements with remaining terms between 16 and 77 years (31 December 2022: 125 agreements with remaining terms between 17 and 78 years). The right-of-use assets reported under owner-occupied land and buildings mostly relate to the leasing of land and buildings used in banking operations. The leases may include extension and/or termination options. In some of the variants, there are price adjustment clauses.

The financial liabilities measured at amortised cost in the statement of financial position include lessee liabilities (including liabilities under short-term leases and liabilities under leases in which the underlying asset is of low value) amounting to € 171 m (31 December 2022: € 177 m).

The following table shows the maturity structure of lease liabilities based on undiscounted cash flows:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Up to three months | 9 | 10 |
| More than three months and up to one year | 15 | 14 |
| More than one year and up to five years | 59 | 70 |
| More than five years | 110 | 102 |
| **Total** | **192** | **195** |

Further lease disclosures for the Helaba Group as lessee:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Interest expense from the unwinding of discount on lease liabilities | – 1 | – 1 |
| Expense for short-term leases (term of less than twelve months) included in general and administrative expenses | – 0 | – 0 |
| Expenses for leased assets of low value included in general and administrative expenses | – 1 | – 1 |
| Expense for variable lease payments included in general and administrative expenses | – 0 | – 0 |
| Income included in other net operating income from the subleasing of right-of-use assets (excluding right-of-use assets reported under investment property) | 2 | 1 |
| Total amount of cash outflows for leases in the period | 42 | 43 |
| Potential future lease payments not included in lease liabilities | 47 | 46 |
| Lease liabilities from short-term leases (term of less than twelve months) | – 0 | – 0 |

## Leases in which the Helaba Group is the lessor

Lessors must classify leases as either finance leases or operating leases. A lease is classified as an operating lease if substantially all the risks and rewards incidental to ownership of the leased asset remain with the lessor. On the other hand, leases in which substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee are classified as finance leases. Where the Helaba Group enters into operating leases, the beneficial ownership in the asset used for leasing remains with the Group company concerned. The assets used for leasing are recognised in the statement of financial position under property and equipment or under investment property. The assets used for leasing are recognised in accordance with the principles described for the categories concerned. The lease income is recognised in profit or loss under other net operating income on a straight-line basis over the term of the lease unless an alternative distribution of the income is appropriate in individual cases. If a lease is classified as a finance lease, a receivable due from the lessee in an amount equivalent to the value of the net investment in the lease is recognised at the commencement date under financial assets measured at amortised cost. The lease payments received are split into an interest component recognised in profit or loss and a component covering repayment of principal. The interest component is reported in net interest income.

**Disclosures on finance leases**

The Helaba Group did not report any amounts from finance leases in either the reporting period or in the prior-year period.

**Disclosures on operating leases**

The following minimum lease payments are expected in the course of the next few years from non-cancellable operating leases:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Up to one year | 119 | 110 |
| More than one year and up to two years | 39 | 34 |
| More than two years and up to three years | 32 | 27 |
| More than three years and up to four years | 27 | 19 |
| More than four years and up to five years | 20 | 16 |
| More than five years | 63 | 68 |
| **Total** | **300** | **275** |

The following table shows the amounts from operating leases recognised in the consolidated income statement:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Lease income for the period included in net income from investment property relating to fixed and in-substance lease payments | 300 | 282 |
| Lease income for the period included in other net operating income relating to fixed and in-substance lease payments | 42 | 42 |
| Lease income for the period from variable lease payments included in other net operating income that depend on an index or a rate | 0 | 0 |

The operating leases mainly relate to leases for land and buildings.

## (51) Report on business relationships with structured entities

The banking business and other operating activities of the Group companies give rise to various business relationships with structured entities within the meaning of IFRS 12. A structured entity is an entity that has been designed so that the exercise of voting or similar rights under company law is not the dominant factor in deciding who controls the entity as defined by IFRS 10.

The sponsorship of a structured entity as described in IFRS 12.27 may arise as part of the banking functions provided for customers. This affects situations in which the Helaba Group has initiated a special purpose entity or service entity, has been involved in and supported the establishment and initiation of the entity, and in which the Group's current business relationship with this unconsolidated structured entity is still so close that a third party would justifiably assume that the entity was affiliated with the Group.

### Disclosures on unconsolidated structured entities

The following table shows the loans and advances to unconsolidated structured entities within the meaning of IFRS 12 as at the reporting date:

in € m

| | Securitisation special purpose entities | | Asset management entities | | Other structured entities | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Financial assets measured at amortised cost** | **3,560** | **3,070** | **412** | **383** | **3,648** | **3,602** | **7,620** | **7,055** |
| Bonds and other fixed-income securities | 0 | – | – | – | – | – | 0 | – |
| Loans and receivables | 3,560 | 3,070 | 412 | 383 | 3,648 | 3,602 | 7,620 | 7,055 |
| **Trading assets** | **3** | **–** | **0** | **4** | **0** | **0** | **3** | **4** |
| Positive fair values of derivatives held for trading | 3 | – | 0 | 4 | – | – | 3 | 4 |
| Loans and receivables | – | – | – | – | 0 | 0 | 0 | 0 |
| **Other financial assets mandatorily measured at fair value through profit or loss** | **7** | **7** | **366** | **278** | **–** | **8** | **373** | **293** |
| Bonds and other fixed-income securities | 7 | 7 | – | – | – | – | 7 | 7 |
| Equity shares and other variable-income securities | – | – | 366 | 278 | – | 8 | 366 | 286 |
| **Sundry assets** | **–** | **–** | **8** | **8** | **–** | **–** | **8** | **8** |
| **Assets** | **3,569** | **3,076** | **786** | **673** | **3,648** | **3,610** | **8,004** | **7,360** |
| Loan commitments | 781 | 700 | 5 | 19 | 422 | 684 | 1,208 | 1,403 |
| Financial guarantees | 28 | 28 | – | – | 10 | – | 38 | 28 |
| Sundry obligations | – | – | 43 | 118 | – | – | 43 | 118 |
| **Off-balance sheet liabilities** | **809** | **728** | **48** | **138** | **431** | **684** | **1,289** | **1,550** |
| **Size of structured entities** | **5,879** | **4,074** | **229,895** | **205,248** | **148,569** | **144,096** | **384,343** | **353,418** |

The asset management entities predominantly relate to the investment assets managed by Helaba Invest Kapitalanlagegesellschaft mbH, the breakdown of which was as follows:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Retail funds 40 (31 December 2022: 39) | 5,425 | 5,024 |
| Institutional funds 368 (31 December 2022: 388) | 158,613 | 153,024 |
| **Total** | **164,037** | **158,048** |

In particular, the securitisation entities business comprises service functions for securitisation entities in the OPUSALPHA Group. The lines of liquidity provided for the entities in the OPUSALPHA Group, including flat-rate premiums of 2 %, amounted to € 3,686 m (31 December 2022: € 3,338 m), of which € 2,978 m had been drawn down as at 31 December 2023 (31 December 2022: € 2,715 m). The liquidity provision commitments relate to the maximum planned purchase commitments; Helaba is exposed to subordinated liabilities should the discounts on purchases and risks borne by third parties be insufficient. The table above shows the Group's default risk from asset exposures plus any current interest and fees due to the Group as at 31 December 2023 after taking into account issues of € 396 m (31 December 2022: € 498 m). From the current perspective, there are no plans to provide support for the structured entities beyond the normal banking financing functions and corresponding services.

The recognised loans and advances and loan commitments to other structured entities related to a number of financing transactions for property and special purpose entities. These structured entities predominantly act as property entities for leasing or real estate transactions.

### Disclosures on consolidated structured entities

If a structured entity is included in the basis of consolidation in accordance with IFRS 10, the business relationships with other consolidated entities are subject to the normal consolidation requirements. The structured entities consolidated as at 31 December 2023 included investment funds in which Helaba or a subsidiary held a majority or all of the shares / units. A funding entity for purchasing entities in the OPUSALPHA securitisation structure (OPUSALPHA Funding LTD) was required to be consolidated in accordance with IFRS 10. The consolidation in accordance with IFRS 10 additionally required the inclusion of four entities (HANNOVER LEASING Life Invest Deutschland I GmbH & Co. KG, HANNOVER LEASING Life Invest Deutschland II GmbH & Co. KG, EGERIA Verwaltungsgesellschaft mbH and CORDELIA Verwaltungsgesellschaft mbH) that formed part of the structures of closed-end funds with investments in acquired rights under life insurance policies. The full consolidation also included the asset leasing vehicle RAMIBA Verwaltung GmbH, in which Helaba can decide on the remarketing of the lease asset at the end of the term.

## (52) Significant restrictions on assets or on the transfer of funds

In addition to the information in the disclosures on legal restrictions affecting control over financial instruments (see Notes (38) and (39)), there were restrictions for the following entities as at the reporting date on current dividend distributions because of contractual arrangements or rules in the articles of association:

- Bürgschaftsbank Thüringen GmbH, Erfurt
- Bürgschaftsbank Hessen GmbH, Wiesbaden
- Hessische Landgesellschaft mbH Staatliche Treuhandstelle für ländliche Bodenordnung, Kassel
- Hessen Kapital I GmbH, Frankfurt am Main
- Hessen Kapital II GmbH, Frankfurt am Main
- MBG H Mittelständische Beteiligungsgesellschaft Hessen mbH, Frankfurt am Main
- Mittelständische Beteiligungsgesellschaft Thüringen mbH, Erfurt

At Frankfurter Sparkasse, a statutory requirement in the German Act Establishing Frankfurter Sparkasse as a Public-Law Institution (Gesetz zur Errichtung der Frankfurter Sparkasse als Anstalt des öffentlichen Rechts, Fraspa-Gesetz) specifies an obligation to appropriate 33 % of the net income reported in the annual financial statements of Frankfurter Sparkasse to reserves.

In the case of nine consolidated subsidiaries, there is a block on dividends amounting to a total of € 3 m (31 December 2022: € 16 m, nine consolidated subsidiaries) based on the stipulations in Section 253 (6) sentence 2 HGB. This results from the measurement of provisions for pension obligations in the separate financial statements, which have had to be discounted since 2016 with average discount rates for the last ten years.

The consolidation of special purpose entities in accordance with IFRS 10 is frequently not based on holding the majority of voting rights. Accordingly, in the case of these consolidated special purpose entities, there is no basis in law requiring unconditional, immediate appropriation of profits or transfer of assets for the benefit of Helaba. The total volume of assets in consolidated special purpose entities in accordance with IFRS prior to consolidation amounted to € 1,141 m (31 December 2022: € 1,223 m). This total figure included an amount of € 1,118 m (31 December 2022: € 1,199 m) related to the consolidated funding entity in the OPUSALPHA securitisation structure.

The business activities of Landesbausparkasse Hessen-Thüringen and WIBank, and the activities in the Pfandbrief business operated by the Bank, are subject to special legal frameworks, namely the German Building and Loan Associations Act (Bausparkassengesetz, BSpKG), the Act Governing WIBank (Gesetz über die Wirtschafts- und Infrastrukturbank Hessen) and the German Pfandbrief Act (Pfandbriefgesetz, PfandBG). Most of the assets and liabilities in these business operations are therefore subject to restrictions because the operations are focused on the object of the entity in each case and the appropriation of funds is tied to statutory requirements. In some cases, the way funding is used is also restricted. For example, in the case of certain development programmes, such as those related to the construction of social housing or the development of infrastructure, the provider of the development funding (such as national or international development banks, federal or state governments) limits the purpose for which the funds may be used to ensure that the funding is properly targeted to achieve the desired development impact. In the case of the “Wohnungswesen und Zukunftsinvestition” and “Hessischer Investitionsfonds” special funds, two funds focusing on housing / investing for the future and capital investment in the State of Hesse respectively, there are also restrictions on the use of the return inflows derived from the application of the funding. In their respective financial statements as at 31 December 2023, WIBank reported total assets of € 28,211 m (31 December 2022: € 27,501 m) and LBS total assets of € 6,192 m (31 December 2022: € 6,193 m).

Regulatory requirements relating to the recognition of own funds specified certain contractual details for issues of subordinated liabilities. Under these requirements, the Helaba Group is prohibited from netting against those liabilities, its right of termination is limited if certain conditions are met and the consent of the regulator must be obtained. The contractual rules for some issues require a replenishment following any loss before any actual repayment is made. Currently, there are no such replenishment obligations.

## (53) Related party disclosures

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

With regard to the Sparkassen- und Giroverband Hessen-Thüringen, the Federal State of Hesse and the Free State of Thuringia in their capacity as shareholders and owners, the criteria for exemption from reporting on related parties that are public-sector entities are satisfied; this option is always utilised if the business volumes involved are insignificant. The business relations with our shareholders and their subordinated subsidiaries in accordance with IAS 24 comprise normal banking services. The extent of business relations with the shareholders and main subordinated companies in the period under review is detailed in the balances at the end of the year shown in the following table. The disclosures relating to persons in key positions of the Helaba Group as defined in IAS 24, including their close family relations and companies controlled by those persons, are also included in the following table.

As at the reporting date, Helaba held the following assets in respect of related parties:

in € m

| | Unconsolidated subsidiaries | | Investments in joint ventures and associates | | Helaba shareholders | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Cash on hand, demand deposits and overnight money balances with central banks and banks** | **0** | **2** | **–** | **–** | **–** | **–** | **–** | **–** | **0** | **2** |
| **Financial assets measured at amortised cost** | **2** | **8** | **151** | **148** | **6,640** | **6,734** | **13** | **14** | **6,806** | **6,904** |
| Loans and receivables | 2 | 8 | 151 | 148 | 6,640 | 6,734 | 13 | 14 | 6,806 | 6,904 |
| **Trading assets** | **–** | **–** | **–** | **–** | **216** | **201** | **–** | **–** | **216** | **201** |
| Positive fair values of derivatives held for trading | – | – | – | – | 191 | 196 | – | – | 191 | 196 |
| Bonds and other fixed-income securities | – | – | – | – | 24 | 5 | – | – | 24 | 5 |
| **Other financial assets mandatorily measured at fair value through profit or loss** | **15** | **8** | **10** | **12** | **1** | **1** | **–** | **–** | **26** | **21** |
| Equity shares and other variable-income securities | 0 | – | – | – | – | – | – | – | 0 | – |
| Shareholdings | 15 | 8 | 10 | 12 | 1 | 1 | – | – | 26 | 21 |
| **Financial assets designated voluntarily at fair value** | **–** | **–** | **–** | **–** | **530** | **577** | **–** | **–** | **530** | **577** |
| Loans and receivables | – | – | – | – | 530 | 577 | – | – | 530 | 577 |
| **Financial assets measured at fair value through other comprehensive income** | **0** | **0** | **–** | **–** | **399** | **250** | **–** | **–** | **399** | **250** |
| Bonds and other fixed-income securities | – | – | – | – | 368 | 221 | – | – | 368 | 221 |
| Loans and receivables | – | – | – | – | 31 | 29 | – | – | 31 | 29 |
| Shareholdings | 0 | 0 | – | – | – | – | – | – | 0 | 0 |
| **Shares in equity-accounted entities** | **–** | **–** | **3** | **11** | **–** | **–** | **–** | **–** | **3** | **11** |
| **Sundry assets** | **–** | **–** | **–** | **0** | **115** | **115** | **–** | **–** | **115** | **115** |
| **Total assets** | **17** | **18** | **164** | **170** | **7,900** | **7,877** | **13** | **14** | **8,095** | **8,080** |

The liabilities and off-balance sheet commitments to related parties as at the reporting date were as follows:

in € m

| | Unconsolidated subsidiaries | | Investments in joint ventures and associates | | Helaba shareholders | | Other related parties | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| **Financial liabilities measured at amortised cost** | **151** | **152** | **11** | **18** | **2,914** | **3,118** | **3** | **8** | **3,080** | **3,296** |
| Deposits and loans | 151 | 152 | 11 | 18 | 2,914 | 3,118 | 3 | 8 | 3,080 | 3,296 |
| Other financial liabilities | 0 | 0 | – | – | 0 | 0 | – | – | 0 | 0 |
| **Trading liabilities** | **–** | **–** | **4** | **0** | **474** | **121** | **–** | **–** | **477** | **121** |
| Negative fair values of derivatives held for trading | – | – | – | 0 | 95 | 121 | – | – | 95 | 121 |
| Deposits and loans | – | – | 4 | – | 379 | – | – | – | 382 | – |
| **Financial liabilities designated voluntarily at fair value** | **–** | **–** | **–** | **–** | **16** | **54** | **–** | **–** | **16** | **54** |
| Deposits and loans | – | – | – | – | 16 | 54 | – | – | 16 | 54 |
| **Provisions** | **0** | **0** | **0** | **0** | **16** | **10** | **12** | **13** | **28** | **23** |
| **Total liabilities** | **151** | **152** | **15** | **18** | **3,420** | **3,303** | **15** | **21** | **3,602** | **3,493** |
| Loan commitments | 2 | 2 | 141 | 96 | 762 | 997 | 0 | 0 | 906 | 1,096 |
| Financial guarantees | – | – | 0 | 0 | 16 | 10 | 0 | – | 16 | 10 |
| **Total off-balance sheet commitments** | **2** | **2** | **141** | **96** | **778** | **1,007** | **1** | **0** | **922** | **1,106** |

As in the previous year, loans to and receivables from other related parties did not include any loans to members of the Executive Board or the Supervisory Board.

Standard banking transactions with related parties gave rise to income and expenses in the lending, deposits, investment and derivatives businesses. Net interest income of € 41 m was generated from related parties (2022: € 74 m). Standard banking services produced net fee and commission income of € 76 m (2022: € 64 m). In addition, derivative transactions are entered into with related parties, mainly to hedge interest rate risk. Interest income of € 5 m (2022: € 50 m) was generated from interest rate derivatives. This item was reported under net trading income. In accordance with IFRS, derivatives are measured at fair value through profit or loss; unrealised effects from changes in fair value reported in net trading income are matched by corresponding countervailing transactions with other customers as part of overall bank management.

The remuneration paid to the Executive Board of Helaba was broken down as follows:

in € m

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Benefits due in short term | 5.4 | 3.0 |
| Post-employment benefits (defined contribution plans) | – | – |
| Other benefits due in the long term | 1.8 | 1.8 |
| Benefits payable on termination of employment | – | – |
| **Total** | **7.2** | **4.8** |

Additions of € 1.7 m were also made to the pension provisions for members of the Executive Board (2022: € 1.7 m). This amount represented the current service cost.

A total of € 1.0 m (2022: € 0.9 m) was paid to the Supervisory Board and € 0.1 m (2022: € 0.1 m) was paid to the members of the Advisory Board. In addition, the employee representatives on the Supervisory Board (including deputy members) received a combined amount of € 1.9 m (2022: € 1.8 m) in salary payments as company employees. An amount of € 4 m was paid to former members of the Executive Board and their surviving dependants (2022: € 4 m). Provisions of € 55 m have been recognised for pension obligations in accordance with IAS 19 for this group of persons (2022: € 52 m).

## (54) Members of the Supervisory Board

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

**Dr. Werner Henning**
Chief Administrative Officer
County District of Eichsfeld
Heiligenstadt
– First Vice-Chairman –

**Michael Boddenberg**
Member of the State Parliament of Hesse
Wiesbaden
– Second Vice-Chairman –

**Karin-Brigitte Göbel**
Chairwoman of the Board of Managing Directors
Stadtsparkasse Düsseldorf
Düsseldorf
– Third Vice-Chairman since 3 July 2023 –

**Klaus Moßmeier**
Chairman of the Board of Managing Directors
Kreis- und Stadtsparkasse Unna-Kamen
Unna
– Third Vice-Chairman until 2 July 2023 –

**Karolin Schriever**
Executive Member of the Board
Deutscher Sparkassen- und Giroverband e.V.
Berlin
– Fifth Vice-Chairwoman –

**Dr. Sascha Ahnert**
Chairman of the Board of Managing Directors
Stadt- und Kreis-Sparkasse Darmstadt
Darmstadt

**Dr. Annette Beller**
Member of the Management Board
B. Braun SE
Melsungen

**Hans-Georg Dorst**
Chairman of the Board of Managing Directors
Sparkasse Mittelthüringen
Erfurt

**Günter Högner**
Chairman of the Board of Managing Directors
Nassauische Sparkasse
Wiesbaden
– until 31 May 2023 –

**Oliver Klink**
Chairman of the Board of Managing Directors
Taunussparkasse
Bad Homburg v. d. H.

**Frank Lortz**
Vice-President of the State Parliament of Hesse
Wiesbaden

**Marcus Nähser**
Chairman of the Board of Managing Directors
Nassauische Sparkasse
Wiesbaden
– since 1 July 2023 –

**Dr. Hagen Pfeiffer**
Managing Director
HP Management Advisory GmbH
Eschborn

**Günter Rudolph**
Member of the State Parliament of Hesse
Wiesbaden
– until 11 October 2023 –

**Anita Schneider**
Chief Administrative Officer
County District of Gießen
Gießen

**Dr. Hartmut Schubert**
Secretary of State
Ministry of Finance of the State of Thuringia
Erfurt

**Wolfgang Schuster**
Chief Administrative Officer
County District of Lahn-Dill
Wetzlar

**Dr. Heiko Wingenfeld**
Mayor
City of Fulda
Fulda

### Employee representatives

**Thorsten Derlitzki**
Vice-President
Frankfurt am Main
– Fourth Vice-Chairman –

**Sven Ansorg**
Bank employee
Erfurt
– since 1 July 2023 –

**Frank Beck**
Vice-President
Frankfurt am Main

**Katja Elsner**
Vice-President
Frankfurt am Main
– until 30 June 2023 –

**Thorsten Kiwitz**
President
Frankfurt am Main

**Christiane Kutil-Bleibaum**
President
Düsseldorf

**Annette Langner**
Senior expert
Frankfurt am Main

**Susanne Noll**
Bank employee
Frankfurt am Main

**Birgit Sahliger-Rasper**
Bank employee
Frankfurt am Main

**Thomas Sittner**
Bank employee
Frankfurt am Main

## (55) Members of the Executive Board

| | |
|---|---|
| **Thomas Groß**<br>– CEO – | Helaba Chief Executive Officer and Chief Financial Officer (CEO and CFO) and Dezernent (Board member) with responsibility for Group Steering, Human Resources and Legal Services, Finance, Group Audit, Frankfurter Sparkasse and Frankfurter Bankgesellschaft |
| **Dr. Detlef Hosemann**<br>– until 30 November 2023 – | Helaba Chief Risk Officer (CRO) and Dezernent (Board member) with responsibility for Risk Control, Credit Risk Management, Restructuring & Recovery and Compliance |
| **Hans-Dieter Kemler** | Dezernent (Board member) with responsibility for Corporate Banking, Capital Markets, Treasury and Helaba Invest |
| **Frank Nickel** | Dezernent (Board member) with responsibility for Savings Banks and SME, Public Sector, WIBank and LBS |
| **Christian Rhino** | Helaba Chief Information Officer and Chief Operating Officer (CIO and COO) and Dezernent (Board member) with responsibility for Information Technology, Organisation and Operations |
| **Christian Schmid** | Dezernent (Board member) with responsibility for Real Estate Finance, Asset Finance, Real Estate Management, Distribution and Portfolio Management, GWH Immobilien Holding GmbH, OFB Projektentwicklung GmbH, Branch Management New York and Branch Management London |
| **Tamara Weiss**<br>– as of 1 December 2023 – | Helaba Chief Risk Officer (CRO) and Dezernent (Board member) with responsibility for Risk Control, Credit Risk Management, Restructuring & Recovery and Compliance |

# (56) Positions on supervisory boards and other executive bodies

## Positions held by the members of the Executive Board

| Office holder | Corporation | Function |
|---|---|---|
| Thomas Groß | Frankfurter Bankgesellschaft Holding AG, Frankfurt am Main | CEO |
| | Frankfurter Bankgesellschaft (Schweiz) AG, Zürich, Schweiz | President |
| | Frankfurter Sparkasse, Frankfurt am Main | Chairman |
| | GWH Immobilien Holding GmbH, Frankfurt am Main | Member |
| Hans-Dieter Kemler | Frankfurter Bankgesellschaft Holding AG, Frankfurt am Main | Vice-Chairman |
| | Frankfurter Sparkasse, Frankfurt am Main | First Vice-Chairman |
| | Helaba Invest Kapitalanlagegesellschaft mbH, Frankfurt am Main | Chairman |
| Frank Nickel | Frankfurter Bankgesellschaft Holding AG, Frankfurt am Main | Member |
| | Frankfurter Sparkasse, Frankfurt am Main | Member |
| | Helaba Invest Kapitalanlagegesellschaft mbH, Frankfurt am Main | Vice-Chairman |
| | Thüringer Aufbaubank, Erfurt | Member |
| Christian Rhino | Deutscher Sparkassen Verlag Gesellschaft mit beschränkter Haftung, Stuttgart | Member |
| | DSGF Deutsche Servicegesellschaft für Finanzdienstleister mbH, Köln | Member |
| | paydirekt GmbH, Frankfurt am Main | Member |
| Christian Schmid | GWH Immobilien Holding GmbH, Frankfurt am Main | Chairman |
| Tamara Weiss | Frankfurter Sparkasse, Frankfurt am Main | Member |
| | GWH Immobilien Holding GmbH, Frankfurt am Main | Member |

## Positions held by other employees

| Office holder | Corporation | Function |
|---|---|---|
| Uwe Höppner | Bürgschaftsbank Thüringen GmbH, Erfurt | Member |
| Hans-Dieter Kemler | Eurex Deutschland, Frankfurt am Main | Member |
| Peter Kohls | Frankfurter Bankgesellschaft (Deutschland) AG, Frankfurt am Main | Member |
| Holger Mai | Frankfurter Bankgesellschaft (Deutschland) AG, Frankfurt am Main | Chairman |
| | Frankfurter Bankgesellschaft (Schweiz) AG, Schweiz, Zürich | Member |
| Lioudmila Mathea | GWH Immobilien Holding GmbH, Frankfurt am Main | Member |
| Dirk Mewesen | Helaba Asset Services Limited, Dublin, Irland | Member |
| Dr. Michael Reckhard | Bürgschaftsbank Hessen GmbH, Wiesbaden | Member |
| Jörg Schirrmacher | Helaba Asset Services Limited, Dublin, Irland | Member |
| Peter Schnell | Städtische Sparkasse Offenbach am Main, Offenbach am Main | Member |
| Peter Marc Stober | Frankfurter Bankgesellschaft (Deutschland) AG, Frankfurt am Main | Member |
| Dr. Thomas Wagner | Frankfurter Bankgesellschaft (Deutschland) AG, Frankfurt am Main | Vice-Chairman |
| | Frankfurter Bankgesellschaft (Schweiz) AG, Schweiz, Zürich | Member |
| Dr. Ingo Wiedemeier | Finanz Informatik GmbH & Co. KG, Frankfurt am Main | Member |

# (57) Report on events after the reporting date

There were no significant events after 31 December 2023.

# (58) List of shareholdings of Landesbank Hessen-Thüringen Girozentrale in accordance with Section 315a in conjunction with Section 313 (2) HGB

## Fully consolidated subsidiaries

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency | |
|---|---|---|---|---|---|---|---|---|
| 1 | 1822direkt Gesellschaft der Frankfurter Sparkasse mbH, Frankfurt am Main | 100.00 | 0.00 | | 7.1 | 0 | € | 1) |
| 2 | Airport Office One GmbH & Co. KG, Schönefeld | 100.00 | 0.00 | | –0.0 | –11 | € | 2) |
| 3 | ASTARTE Verwaltungsgesellschaft mbH & Co. Vermietungs KG, Frankfurt am Main | 100.00 | 100.00 | | –4.6 | 19,160 | € | 2) |
| 4 | CORDELIA Verwaltungsgesellschaft mbH, Pullach | 0.00 | 0.00 | | 0.0 | 0 | € | 3) |
| 5 | DKB Wohnimmobilien Beteiligungs GmbH & Co. KG, Potsdam | 94.89 | 0.00 | | 36.7 | 2,469 | € | |
| 6 | Dritte OFB Friedrichstraße GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.1 | –101 | € | 2) |
| 7 | Dritte OFB PE GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.4 | –151 | € | 2) |
| 8 | EGERIA Verwaltungsgesellschaft mbH, Pullach | 0.00 | 0.00 | | 0.0 | 0 | € | 3) |
| 9 | Erste OFB Friedrichstraße GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.0 | –67 | € | 2) |
| 10 | Family Office der Frankfurter Bankgesellschaft AG, Frankfurt am Main | 100.00 | 0.00 | | 1.6 | 430 | € | |
| 11 | FHP Friedenauer Höhe Fünfte GmbH & Co. KG, Berlin | 100.00 | 0.00 | | –0.5 | –15 | € | 2) |
| 12 | FHP Friedenauer Höhe Projekt GmbH, Berlin | 100.00 | 0.00 | | 0.1 | –13 | € | |
| 13 | FHP Friedenauer Höhe Zweite GmbH & Co. KG, Berlin | 100.00 | 0.00 | | –0.5 | –25 | € | 2) |
| 14 | FHP Projektentwicklung GmbH & Co. KG, Berlin | 100.00 | 0.00 | | –0.0 | –23 | € | 2) |
| 15 | Frankfurter Bankgesellschaft (Deutschland) AG, Frankfurt am Main | 100.00 | 0.00 | | 26.2 | 4,986 | € | |
| 16 | Frankfurter Bankgesellschaft Holding AG, Frankfurt am Main | 100.00 | 100.00 | | 0.1 | 0 | € | |
| 17 | Frankfurter Bankgesellschaft (Schweiz) AG, Zurich, Switzerland | 100.00 | 0.00 | | 143.7 | 10,581 | CHF | |
| 18 | Frankfurter Sparkasse, Frankfurt am Main | 100.00 | 100.00 | | 937.7 | 9,000 | € | |
| 19 | Galerie Lippe GmbH & Co. KG, Frankfurt am Main | 94.90 | 0.00 | | –35.7 | –16 | € | 2) |
| 20 | GGM Gesellschaft für Gebäude-Management mbH, Frankfurt am Main | 100.00 | 0.00 | | 0.3 | 0 | € | 1), 4) |
| 21 | GHT Gesellschaft für Projektmanagement Hessen-Thüringen mbH, Frankfurt am Main | 100.00 | 0.00 | | 0.3 | 0 | € | 1), 4) |
| 22 | Grundstücksverwaltungsgesellschaft Kaiserlei GmbH, Frankfurt am Main | 100.00 | 0.00 | | 0.9 | 6 | € | |

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency | |
|---|---|---|---|---|---|---|---|---|
| 23 | Grundstücksverwaltungsgesellschaft KAISERLEI GmbH & Co. Projektentwicklung Epinayplatz KG, Frankfurt am Main | 100.00 | 0.00 | | 0.7 | –54 | € | 2) |
| 24 | G+S Wohnen in Frankfurt am Main GmbH, Frankfurt am Main | 100.00 | 0.00 | | 23.4 | 0 | € | 1) |
| 25 | GSG Siedlungsgesellschaft für Wohnungs- und Städtebau mbH, Frankfurt am Main | 100.00 | 5.10 | | 87.8 | 7,068 | € | |
| 26 | GWH Bauprojekte GmbH, Frankfurt am Main | 100.00 | 0.00 | | 13.6 | 0 | € | 1) |
| 27 | GWH Digital GmbH, Frankfurt am Main | 100.00 | 0.00 | | 0.2 | 50 | € | |
| 28 | GWH Immobilien Holding GmbH, Frankfurt am Main | 100.00 | 100.00 | | 949.9 | 0 | € | 1) |
| 29 | GWH Komplementär I. GmbH, Frankfurt am Main | 100.00 | 0.00 | | 0.1 | 27 | € | |
| 30 | GWH Projekt Braunschweig I GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 9.2 | –52 | € | |
| 31 | GWH Projekt Dresden I GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 12.1 | –19 | € | |
| 32 | GWH Projekt Dresden II GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 14.2 | –19 | € | |
| 33 | GWH Projekt Dresden III GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 14.2 | –25 | € | |
| 34 | GWH Projekt Eppstein GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 6.1 | –15 | € | |
| 35 | GWH Projekt Friedrichsdorf I GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.1 | –19 | € | |
| 36 | GWH Projekt Gunderslache GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 21.8 | –29 | € | |
| 37 | GWH Projekt Lyoner Gärten GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.0 | –15 | € | |
| 38 | GWH Projekt Wolfsburg I GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 2.1 | –19 | € | |
| 39 | GWH WertInvest GmbH, Frankfurt am Main | 100.00 | 0.00 | | 2.3 | 763 | € | |
| 40 | GWH Wohnungsgesellschaft mbH Hessen, Frankfurt am Main | 100.00 | 0.00 | | 451.3 | 63,648 | € | |
| 41 | HANNOVER LEASING Life Invest Deutschland I GmbH & Co. KG, Pullach | 48.27 | 0.00 | | 5.1 | 148 | € | 3) |
| 42 | HANNOVER LEASING Life Invest Deutschland II GmbH & Co. KG, Pullach | 63.10 | 0.00 | | 6.0 | 733 | € | |
| 43 | Haus am Brüsseler Platz GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.8 | –97 | € | 2) |
| 44 | Helaba Asset Services Limited, Dublin, Ireland | 100.00 | 100.00 | | 39.0 | –2,799 | € | |
| 45 | Helaba Digital GmbH & Co. KG, Frankfurt am Main | 100.00 | 100.00 | | 5.9 | –1,584 | € | 2) |
| 46 | Helaba Invest Kapitalanlagegesellschaft mbH, Frankfurt am Main | 100.00 | 100.00 | | 18.0 | 0 | € | 1) |
| 47 | HeWiPPP II GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –2.0 | –927 | € | 2) |

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency | |
|---|---|---|---|---|---|---|---|---|
| 48 | Honua'ula Partners LLC, Wilmington, USA | 100.00 | 0.00 | | –255.7 | –13,500 | USD | |
| 49 | HP Holdco LLC, Wilmington, USA | 100.00 | 100.00 | | –0.5 | –152 | USD | |
| 50 | HTB Grundstücksverwaltungsgesellschaft mit beschränkter Haftung, Frankfurt am Main | 100.00 | 100.00 | | 0.1 | –0 | € | |
| 51 | IMAP M&A Consultants AG, Mannheim | 78.97 | 0.00 | | 5.0 | 3,952 | € | |
| 52 | Kalypso Projekt GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.0 | 6 | € | 2) |
| 53 | MAVEST Wohnungsbaugesellschaft mbH, Frankfurt am Main | 100.00 | 0.00 | | 16.0 | 1,777 | € | |
| 54 | Merian GmbH Wohnungsunternehmen, Frankfurt am Main | 94.90 | 0.00 | | 31.7 | 1,783 | € | |
| 55 | MKB PARTNERS, LLC, Wilmington, USA | 100.00 | 0.00 | | 7.7 | –1 | USD | |
| 56 | Montindu S.A./N.V., Brussels, Belgium | 100.00 | 99.97 | | 15.7 | 369 | € | |
| 57 | Neunte P 1 Projektgesellschaft mbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.1 | –16 | € | 2) |
| 58 | OFB Beteiligungen GmbH, Frankfurt am Main | 100.00 | 0.00 | | 3.4 | 71 | € | |
| 59 | OFB Biotech Campus GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.0 | –40 | € | 2) |
| 60 | OFB Bleidenstraße GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 7.4 | 15,165 | € | 2) |
| 61 | OFB gatelands Projektentwicklung GmbH & Co. KG, Schönefeld | 100.00 | 0.00 | | –0.4 | –388 | € | 2) |
| 62 | OFB Limes Haus II GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 2.7 | –5 | € | 2) |
| 63 | OFB Löwenhöhe GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 2.6 | 1,953 | € | 2) |
| 64 | OFB MK 14.3 GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –1.4 | –918 | € | 2) |
| 65 | OFB Projektentwicklung GmbH, Frankfurt am Main | 100.00 | 100.00 | | 1.1 | 0 | € | 1), 4) |
| 66 | OFB Sechste PE GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 6.7 | 6,455 | € | 2) |
| 67 | OFB Seven Gardens 2. BA GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.1 | –120 | € | 2) |
| 68 | OPUSALPHA FUNDING LIMITED, Dublin, Ireland | 0.00 | 0.00 | | 0.0 | 0 | € | 3) |
| 69 | Projekt Erfurt B38 GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.0 | –12 | € | 2) |
| 70 | Projektentwicklung Neuwerkstraße 17 GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.1 | –101 | € | 2) |
| 71 | Projektgesellschaft ILP Erfurter Kreuz mbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.1 | 93 | € | 2) |
| 72 | PVG GmbH, Frankfurt am Main | 100.00 | 100.00 | | 1.0 | 0 | € | 1), 4) |

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency | |
|---|---|---|---|---|---|---|---|---|
| 73 | Ramiba Verwaltung GmbH, Pullach | 0.00 | 0.00 | | –0.2 | –31 | € | 3) |
| 74 | SQO Stadt Quartier Offenburg GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 31.3 | –293 | € | 2) |
| 75 | Systeno GmbH, Frankfurt am Main | 100.00 | 0.00 | | 13.8 | 3,981 | € | |
| 76 | unIQus Projektentwicklung GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.1 | 32 | € | 2) |
| 77 | Versicherungsservice der Frankfurter Sparkasse GmbH, Frankfurt am Main | 100.00 | 0.00 | | 0.3 | 0 | € | 1) |
| 78 | Verso Grundstücksentwicklung GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.2 | 175 | € | 2) |
| 79 | Verso Projektentwicklung GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.2 | –172 | € | 2) |
| 80 | Vierte OFB Friedrichstraße GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.1 | –47 | € | 2) |
| 81 | Vierte OFB PE GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.9 | –242 | € | 2) |
| 82 | Zweite OFB Friedrichstraße GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | 0.4 | 347 | € | 2) |
| 83 | Zweite OFB PE GmbH & Co. KG, Frankfurt am Main | 100.00 | 0.00 | | –0.1 | –190 | € | 2) |

| No. | Name and location of the entity | Holding in %: Total | Holding in %: Thereof directly | Fund volume in € m | Original currency | |
|---|---|---|---|---|---|---|
| 84 | GWH WohnWertInvest Deutschland III, Hamburg | 100.00 | 0.00 | 12.5 | € | 3) |
| 85 | HI-FBI-Fonds, Frankfurt am Main | 100.00 | 0.00 | 154.6 | € | 3) |
| 86 | HI-FSP-Fonds, Frankfurt am Main | 100.00 | 0.00 | 160.8 | € | 3) |
| 87 | HI-FSP-Infrastruktur-Fonds, Frankfurt am Main | 100.00 | 0.00 | 64.6 | € | 3) |
| 88 | HI-H-FSP-Fonds, Frankfurt am Main | 100.00 | 0.00 | 504.6 | € | 3) |
| 89 | HI-HT-KOMP.-Fonds, Frankfurt am Main | 100.00 | 0.00 | 4.2 | € | 3), 5) |

The following joint ventures and associates have also been accounted for using the equity method:

## Joint ventures accounted for using the equity method

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency |
|---|---|---|---|---|---|---|---|
| 90 | CP Campus Projekte GmbH, Frankfurt am Main | 50.00 | 0.00 | | 1.3 | 861 | € |
| 91 | Einkaufszentrum Wittenberg GmbH, Leipzig | 50.00 | 0.00 | | –0.8 | 302 | € |
| 92 | Eschborn Gate GmbH, Frankfurt am Main | 50.00 | 0.00 | | 0.5 | –3,452 | € |
| 93 | FHP Friedenauer Höhe Dritte GmbH & Co. KG, Berlin | 50.00 | 0.00 | | –0.5 | –133 | € |
| 94 | FHP Friedenauer Höhe Erste GmbH & Co. KG, Berlin | 50.00 | 0.00 | | –1.4 | –989 | € |
| 95 | FHP Friedenauer Höhe Sechste GmbH & Co. KG, Berlin | 50.00 | 0.00 | | –1.7 | –223 | € |
| 96 | FHP Friedenauer Höhe Vierte GmbH & Co. KG, Berlin | 50.00 | 0.00 | | –3.0 | –18 | € |
| 97 | G & O Alpha Hotelentwicklung GmbH, Frankfurt am Main | 50.00 | 0.00 | | –0.5 | –569 | € |
| 98 | G & O Alpha Projektentwicklungs-GmbH & Co. KG, Frankfurt am Main | 50.00 | 0.00 | | 0.2 | –179 | € |
| 99 | G & O Gateway Gardens Dritte GmbH & Co. KG, Frankfurt am Main | 50.00 | 0.00 | | 0.1 | –9 | € |
| 100 | G & O Gateway Gardens Erste GmbH & Co. KG, Frankfurt am Main | 50.00 | 0.00 | | 0.4 | –10 | € |
| 101 | G & O MK 12 GmbH & Co. KG, Frankfurt am Main | 50.00 | 0.00 | | –1.0 | –610 | € |
| 102 | G & O MK 17.7 Nord GmbH & Co. KG, Frankfurt am Main | 50.00 | 0.00 | | –0.7 | 603 | € |
| 103 | G & O MK 17.7 Süd GmbH & Co. KG, Frankfurt am Main | 50.00 | 0.00 | | –0.1 | –75 | € |
| 104 | gatelands Immobilien GmbH & Co. KG, Schönefeld | 75.00 | 0.00 | | 0.5 | –16 | € |
| 105 | GOB Dritte E & A Grundbesitz GmbH, Frankfurt am Main | 50.00 | 0.00 | | –0.2 | 205 | € |
| 106 | GOB Projektentwicklung Fünfte GmbH & Co. KG, Frankfurt am Main | 8.84 | 0.00 | | –0.3 | –39 | € |
| 107 | Grundstücksgesellschaft Gateway Gardens GmbH, Frankfurt am Main | 33.33 | 0.00 | | –0.6 | –6,004 | € |
| 108 | OFB & Procom Objekt Neu-Ulm GmbH & Co. KG, Frankfurt am Main | 50.00 | 0.00 | | 0.0 | 3 | € |
| 109 | Projekt Wilhelmstraße Wiesbaden GmbH & Co. KG, Frankfurt am Main | 30.00 | 0.00 | | 0.1 | 44 | € |
| 110 | Westhafen Haus GmbH & Co. Projektentwicklungs-KG, Frankfurt am Main | 50.00 | 0.00 | | 0.0 | 2 | € |

## Associates accounted for using the equity method

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency | |
|---|---|---|---|---|---|---|---|---|
| 111 | HANNOVER LEASING Wachstumswerte Asien 1 GmbH & Co. KG, Pullach | 54.51 | 0.00 | | 1.5 | –923 | € | |
| 112 | Projekt Am Sonnenberg Wiesbaden GmbH, Essen | 49.00 | 0.00 | | –0.7 | –655 | € | |
| 113 | WoWi Media GmbH & Co. KG, Hamburg | 23.72 | 0.00 | 19.24 | 2.8 | 11,461 | € | |

## Non-consolidated subsidiaries

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in thousands | Original currency | |
|---|---|---|---|---|---|---|---|---|
| 114 | ASTARTE Verwaltungsgesellschaft mbH, Frankfurt am Main | 100.00 | 100.00 | | 0.0 | –3 | € | |
| 115 | BGT GmbH, Frankfurt am Main | 100.00 | 100.00 | | 0.0 | 0 | € | 1) |
| 116 | BM H Beteiligungs-Managementgesellschaft Hessen mbH, Wiesbaden | 100.00 | 100.00 | | 1.8 | 649 | € | |
| 117 | BWT Beteiligungsgesellschaft für den Wirtschaftsaufbau Thüringens mbH, Frankfurt am Main | 100.00 | 100.00 | | 0.2 | –0 | € | |
| 118 | GLD Verwaltungsgesellschaft mbH, Frankfurt am Main | 100.00 | 0.00 | | 0.0 | 1 | € | |
| 119 | Helaba Digital Verwaltungsgesellschaft mbH, Frankfurt am Main | 100.00 | 0.00 | | 0.0 | –0 | € | |
| 120 | Helaba Gesellschaft für Immobilienbewertung mbH, Frankfurt am Main | 100.00 | 100.00 | | 0.2 | 0 | € | |
| 121 | Helaba Representação Ltda., São Paulo, Brazil | 100.00 | 99.00 | | 0.1 | 0 | BRL | |
| 122 | Komuno GmbH, Frankfurt am Main | 100.00 | 0.00 | | 1.6 | –1,590 | € | |
| 123 | Kornmarkt Arkaden Verwaltung GmbH, Frankfurt am Main | 100.00 | 0.00 | | 0.0 | –0 | € | |
| 124 | Main Funding GmbH, Frankfurt am Main | 0.00 | 0.00 | | 0.3 | 7 | € | 3) |
| 125 | Main Funding II GmbH, Frankfurt am Main | 0.00 | 0.00 | | 0.1 | 7 | € | 3) |

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in thousands | Original currency | |
|---|---|---|---|---|---|---|---|---|
| 126 | OFB gatelands Verwaltung GmbH, Schönefeld | 100.00 | 0.00 | | 0.0 | 6 | € | |
| 127 | S-Beteiligungsgesellschaft Hessen-Thüringen mbH, Frankfurt am Main | 100.00 | 100.00 | | 7.0 | –1 | € | |
| 128 | Sparkassen-Immobilien-Vermittlungs-GmbH, Frankfurt am Main | 100.00 | 100.00 | | 3.5 | 958 | € | 1) |
| 129 | SRT Erste Kingston UG (haftungsbeschränkt), Frankfurt am Main | 0.00 | 0.00 | | 0.0 | 0 | € | 3) |
| 130 | TE Beta GmbH i.L., Frankfurt am Main | 100.00 | 100.00 | | 0.4 | –2 | € | |
| 131 | TE Gamma GmbH i.L., Frankfurt am Main | 100.00 | 100.00 | | 0.1 | –2 | € | |
| 132 | TE Kronos GmbH, Frankfurt am Main | 100.00 | 100.00 | | 0.0 | –0 | € | |
| 133 | TF H IV Goodwill GmbH, Wiesbaden | 100.00 | 0.00 | | n.a. | n.a. | | |
| 134 | TF H IV Vermögensverwaltung GmbH & Co. KG, Wiesbaden | 0.00 | 0.00 | | n.a. | n.a. | | 3) |
| 135 | TF H IV Verwaltungs GmbH, Wiesbaden | 100.00 | 0.00 | | n.a. | n.a. | | |
| 136 | TF H Technologie-Finanzierungsfonds Hessen Gesellschaft mit beschränkter Haftung (TF H GmbH) i.L., Frankfurt am Main | 66.67 | 66.67 | | 0.5 | –25 | € | |

## Joint ventures not accounted for using the equity method

| | | Holding in % as per Section 16 (4) AktG | | | | | |
|---|---|---|---|---|---|---|---|
| No. | Name and location of the entity | Total | Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency |
| 137 | FHP Friedenauer Höhe Verwaltungs GmbH, Berlin | 50.00 | 0.00 | | 0.0 | 2 | € |
| 138 | G & O Alpha Verwaltungsgesellschaft mbH, Frankfurt am Main | 50.00 | 0.00 | | 0.1 | –15 | € |
| 139 | G & O Verwaltungsgesellschaft mbH, Frankfurt am Main | 50.00 | 0.00 | | 0.1 | 35 | € |
| 140 | gatelands Verwaltungs GmbH, Schönefeld | 75.00 | 0.00 | | 0.1 | 6 | € |
| 141 | GIZS GmbH & Co. KG, Frankfurt am Main | 33.33 | 33.33 | | 2.8 | –13,743 | € |
| 142 | GIZS Verwaltungs-GmbH, Frankfurt am Main | 33.33 | 33.33 | | 0.1 | 11 | € |
| 143 | GOB Projektentwicklungsgesellschaft E & A mbH, Frankfurt am Main | 50.00 | 0.00 | | 0.0 | 3 | € |
| 144 | GreenTech Accelerator Gernsheim GmbH, Gernsheim | 20.00 | 20.00 | | 0.2 | –10 | € |
| 145 | Helaba-Assekuranz-Vermittlungsgesellschaft mbH, Frankfurt am Main | 50.00 | 50.00 | | 0.5 | 298 | € |
| 146 | Hessen Kapital I GmbH, Wiesbaden | 100.00 | 100.00 | | 41.6 | –2,625 | € |
| 147 | Hessen Kapital II GmbH, Wiesbaden | 100.00 | 100.00 | | 12.2 | 178 | € |
| 148 | Multi Park Verwaltungs GmbH i.L., Neu-Isenburg | 50.00 | 0.00 | | 0.1 | –9 | € |
| 149 | Projekt Feuerbachstraße Verwaltung GmbH, Frankfurt am Main | 70.00 | 0.00 | | 0.0 | 0 | € |
| 150 | Projekt Wilhelmstraße Wiesbaden Verwaltung GmbH, Frankfurt am Main | 30.00 | 0.00 | | –0.0 | –6 | € |
| 151 | Rotunde - Besitz- und Betriebsgesellschaft der S-Finanzgruppe mbH & Co. KG, Erfurt | 34.00 | 34.00 | 25.00 | 4.4 | 22 | € |
| 152 | Rotunde Verwaltungsgesellschaft mbH, Erfurt | 34.00 | 34.00 | 25.00 | 0.0 | 0 | € |

## Associates not accounted for using the equity method

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency |
|---|---|---|---|---|---|---|---|
| 153 | Bürgschaftsbank Hessen GmbH, Wiesbaden | 21.03 | 21.03 | | 24.7 | 967 | € |
| 154 | Bürgschaftsbank Thüringen GmbH, Erfurt | 31.50 | 31.50 | | 27.7 | 172 | € |
| 155 | FinTech Community Frankfurt GmbH, Frankfurt am Main | 25.00 | 25.00 | | 0.2 | –12 | € |
| 156 | GbR VÖB-ImmobilienAnalyse, Bonn | 0.00 | 0.00 | 20.00 | n.a. | n.a. | |
| 157 | Hessische Landgesellschaft mbH Staatliche Treuhandstelle für ländliche Bodenordnung, Kassel | 37.11 | 37.11 | | 108.6 | 6,017 | € |
| 158 | MBG H Mittelständische Beteiligungsgesellschaft Hessen mbH, Wiesbaden | 32.52 | 32.52 | | 11.6 | 12 | € |
| 159 | Mittelständische Beteiligungsgesellschaft Thüringen mbH, Erfurt | 38.56 | 38.56 | | 29.1 | 529 | € |
| 160 | Sparkassen-Marktservice Beteiligungs GmbH & Co. KG, Frankfurt am Main | 50.00 | 40.00 | | 4.1 | 198 | € |
| 161 | Sparkassen-Marktservice Verwaltungs GmbH, Frankfurt am Main | 50.00 | 40.00 | | 0.0 | –0 | € |
| 162 | TF H III Technologiefonds Hessen Gesellschaft mit beschränkter Haftung, Wiesbaden | 25.00 | 25.00 | | 7.1 | 532 | € |
| 163 | TF H IV Technologiefonds Hessen GmbH & Co. KG, Wiesbaden | 34.78 | 34.78 | | n.a. | n.a. | |
| 164 | vc trade GmbH, Frankfurt am Main | 9.52 | 0.00 | | 4.9 | –1,241 | € |

## List of other shareholdings

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency |
|---|---|---|---|---|---|---|---|
| 165 | ABE CLEARING S.A.S à capital variable, Paris, France | 2.08 | 2.08 | | 42.6 | 6,108 | € |
| 166 | ABG FRANKFURT HOLDING Wohnungsbau- und Beteiligungsgesellschaft mbH, Frankfurt am Main | 0.00 | 0.00 | | 1,123.9 | 68,070 | € |
| 167 | Advent International GPE IX-A SCSp, Luxembourg, Luxembourg | 0.43 | 0.43 | | 2,415.9 | –1,264,835 | € |
| 168 | Advent International GPE V-B Limited Partnership, George Town, Cayman Islands | 2.01 | 2.01 | 0.30 | 12.1 | 1,755 | € |
| 169 | Advent International GPE VI Limited Partnership, George Town, Cayman Islands | 0.24 | 0.24 | | 482.6 | –43,402 | € |
| 170 | Advent International GPE X-A SCSp, Luxembourg, Luxembourg | 0.30 | 0.30 | | 149.8 | –25,834 | € |
| 171 | AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main | 1.14 | 1.14 | | 283.8 | 10,195 | € |
| 172 | Antenne Thüringen GmbH & Co. KG, Weimar | 3.50 | 3.50 | | 3.2 | 746 | € |
| 173 | Atruvia AG, Karlsruhe | 0.02 | 0.00 | | 449.0 | 9,936 | € |
| 174 | AVW Assekuranzvermittlung der Wohnungswirtschaft GmbH & Co. KG, Bosau | 13.32 | 0.00 | 13.51 | 29.0 | 28,706 | € |
| 175 | Bauverein für Höchst a. M. und Umgebung eG, Frankfurt am Main | 0.03 | 0.00 | | 36.5 | 1,094 | € |
| 176 | BC European Capital VIII-8, St. Peter Port, Guernsey | 1.83 | 1.83 | 0.17 | 129.1 | –884 | € |
| 177 | BC Partners XI LE - 2 SCSp, Luxembourg, Luxembourg | 3.87 | 3.87 | | 109.6 | 2,767 | € |
| 178 | BCEC X Luxembourg 1 SCSp, Luxembourg, Luxembourg | 7.37 | 7.37 | | 378.5 | –17,939 | € |
| 179 | BOF III CV Investors LP, Wilmington, USA | 4.16 | 4.16 | | 6.5 | –9 | € |
| 180 | Campus Kronberg GmbH & Co. KG, Hamburg | 6.00 | 0.00 | | 52.1 | 2,326 | € |
| 181 | Capnamic Ventures Fund II GmbH & Co. KG, Cologne | 4.27 | 4.27 | 4.35 | 78.0 | 1,187 | € |
| 182 | Capnamic Ventures Fund III GmbH & Co. KG, Cologne | 2.60 | 2.60 | | 52.5 | –76 | € |
| 183 | CapVest Equity Partners II, L.P., Hamilton, Bermuda | 3.48 | 3.48 | | 0.6 | 91 | € |
| 184 | CapVest Equity Partners IV (Feeder) SCSp, Findel, Luxembourg | 2.35 | 2.35 | | 363.2 | 34,124 | € |
| 185 | CapVest Equity Partners V (Feeder 2) SCSp, Senningerberg, Luxembourg | 5.85 | 5.85 | | –8.8 | –8,787 | € |
| 186 | Carlyle Europe Partners V - EU SCSp, Luxembourg, Luxembourg | 0.31 | 0.31 | | 4.2 | 791 | € |
| 187 | CARMA FUND I Capital GmbH & Co. KG, Munich | 5.93 | 5.93 | | 0.2 | –892 | € |

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency | |
|---|---|---|---|---|---|---|---|---|
| 188 | CASHLINK Technologies GmbH, Frankfurt am Main | 9.35 | 0.00 | | n.a. | n.a. | | |
| 189 | Clareant Mezzanine Fund II (No. 1) Limited Partnership, St. Helier, Jersey | 4.07 | 4.07 | | 10.1 | –2,299 | € | |
| 190 | Clareant Mezzanine No. 1 Fund Limited Partnership, St. Helier, Jersey | 3.40 | 3.40 | | 9.2 | –1,917 | € | |
| 191 | DBAG Fund V GmbH & Co. KG, Frankfurt am Main | 7.59 | 7.59 | 15.11 | 10.2 | 2,167 | € | |
| 192 | DBAG Fund VIII A (Guernsey) L.P., St. Peter Port, Guernsey | 1.76 | 1.76 | | 296.2 | 3,324 | € | |
| 193 | DBAG Fund VIII B (Guernsey) L.P., St. Peter Port, Guernsey | 1.76 | 1.76 | | 57.2 | 8,445 | € | |
| 194 | Deutsche Sparkassen Leasing AG & Co. KG, Bad Homburg v. d. H. | 1.71 | 0.00 | | 697.1 | 51,994 | € | |
| 195 | Deutsche WertpapierService Bank AG, Frankfurt am Main | 3.74 | 3.74 | | 284.9 | 1,478 | € | |
| 196 | Deutscher Sparkassen Verlag Gesellschaft mit beschränkter Haftung, Stuttgart | 5.41 | 5.41 | | 239.4 | 24,936 | € | 6) |
| 197 | “Dia” Productions GmbH & Co. KG, Pullach | 0.27 | 0.00 | | 1.4 | 3,467 | € | |
| 198 | Digital Growth Fund II GmbH & Co. KG, Munich | 1.24 | 1.24 | | 127.2 | –9,783 | € | |
| 199 | DIV Grundbesitzanlage Nr. 30 Frankfurt-Deutschherrnufer GmbH & Co. KG i.L., Frankfurt am Main | 0.06 | 0.06 | | 1.8 | 12 | € | |
| 200 | Dritte Projektentwicklungs-GmbH & Co. Schulen Landkreis Kassel KG, Kassel | 6.00 | 0.00 | | 16.6 | 2,216 | € | |
| 201 | Eighth Cinven Fund (No. 2) Limited Partnership, London, United Kingdom | 0.17 | 0.17 | | n.a. | n.a. | | |
| 202 | EQT Expansion Capital II (No. 1) Limited Partnership, St. Peter Port, Guernsey | 4.57 | 4.57 | | 29.3 | –12,162 | € | |
| 203 | EQT IX (No.1) EUR SCSp, Luxembourg, Luxembourg | 0.17 | 0.17 | | 9,566.3 | 349,162 | € | |
| 204 | EQT V (No. 1) Limited Partnership, St. Peter Port, Guernsey | 0.28 | 0.28 | | 226.4 | 102,462 | € | |
| 205 | EQT X (No.1) EUR SCSp, Luxembourg, Luxembourg | 0.88 | 0.88 | | –173.5 | –173,442 | € | |
| 206 | Erste Schulen Landkreis Kassel Verwaltungs-GmbH, Kassel | 6.00 | 0.00 | | 0.1 | 4 | € | |
| 207 | Erste ST Berlin Projekt GmbH & Co. KG, Berlin | 0.50 | 0.00 | | –2.7 | –2,113 | € | |
| 208 | Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Neuhardenberg | 1.76 | 0.00 | | 3,285.3 | 2,830 | € | |
| 209 | ESG Book GmbH, Frankfurt am Main | 1.83 | 0.00 | | 4.8 | –5,993 | € | |
| 210 | FIDUCIA Mailing Services eG, Karlsruhe | 0.13 | 0.06 | | 0.1 | 0 | € | |
| 211 | Forum Direktfinanz GmbH & Co. KG, Münster | 14.29 | 14.29 | | 3.4 | 1,425 | € | |
| 212 | Fourth Cinven Fund (No. 1) Limited Partnership, St. Peter Port, Guernsey | 1.42 | 1.42 | | 69.7 | 1,145,743 | € | |

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Holding in % as per Section 16 (4) AktG: Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency |
|---|---|---|---|---|---|---|---|
| 213 | GBOF VI Feeder 2 SCSP, Luxembourg, Luxembourg | 2.20 | 2.20 | | 453.7 | 49,285 | € |
| 214 | GbR Datenkonsortium OpRisk, Bonn | 0.00 | 0.00 | 9.09 | n.a. | n.a. | |
| 215 | GeckoGroup AG in Insolvenz, Wetzlar | 5.02 | 0.00 | | n.a. | n.a. | |
| 216 | GLB GmbH & Co. OHG, Frankfurt am Main | 11.20 | 11.20 | | 2.8 | –59 | € |
| 217 | GLB-Verwaltungs-GmbH, Frankfurt am Main | 11.20 | 11.20 | | 0.1 | 2 | € |
| 218 | Gründerfonds Ruhr GmbH & Co. KG, Essen | 8.70 | 8.70 | | 15.9 | –611 | € |
| 219 | HaemoSys GmbH, Jena | 38.33 | 0.00 | | –4.8 | –524 | € |
| 220 | Hafenbogen GmbH & Co. KG, Frankfurt am Main | 5.10 | 5.10 | | 21.8 | –391 | € |
| 221 | HANNOVER LEASING GmbH & Co. KG, Pullach | 5.10 | 5.10 | | 55.6 | 662 | € |
| 222 | Hello Darmstadt Projektentwicklung GmbH & Co. KG, Darmstadt | 5.10 | 0.00 | | 0.8 | 439 | € |
| 223 | Hessisch-Thüringische Sparkassen-Beteiligungsgesellschaft mbH, Frankfurt am Main | 15.49 | 0.00 | | 4.0 | 147 | € |
| 224 | HQ Equita Beteiligungen V GmbH & Co. KG, Bad Homburg v. d. H. | 3.24 | 3.24 | | 173.4 | 3,412 | € |
| 225 | ICG Europe Fund VII Feeder SCSp, Luxembourg, Luxembourg | 0.64 | 0.64 | | 3,004.3 | 158,665 | € |
| 226 | ICG Europe Fund VIII Feeder SCSp, Senningerberg, Luxembourg | 0.34 | 0.34 | | 1,349.0 | 144,093 | € |
| 227 | Immomio GmbH, Hamburg | 15.65 | 0.00 | | 8.3 | –1,453 | € |
| 228 | Interessengemeinschaft Frankfurter Kreditinstitute GmbH, Frankfurt am Main | 16.90 | 4.21 | | 23.7 | 7,978 | € |
| 229 | Investcorp Private Equity 2007 Fund, L.P., George Town, Cayman Islands | 2.01 | 2.01 | | 5.2 | –45 | USD |
| 230 | KKR European Fund V (EUR) SCSp, Luxembourg, Luxembourg | 0.70 | 0.70 | | 2,158.1 | –158,119 | USD |
| 231 | KKR European Fund VI (EUR) SCSp, Luxembourg, Luxembourg | 0.64 | 0.64 | | –33.4 | –33,358 | USD |
| 232 | Kornmarkt Arkaden Dritte GmbH & Co. KG, Frankfurt am Main | 5.10 | 0.00 | | 5.0 | 14 | € |
| 233 | Kornmarkt Arkaden Erste GmbH & Co. KG, Frankfurt am Main | 5.10 | 0.00 | | 29.5 | 1,016 | € |
| 234 | Kornmarkt Arkaden Vierte GmbH & Co. KG, Frankfurt am Main | 5.10 | 0.00 | | 74.1 | –26 | € |
| 235 | Kornmarkt Arkaden Zweite GmbH & Co. KG, Frankfurt am Main | 5.10 | 0.00 | | 20.2 | –2,998 | € |
| 236 | LBS IT Informations-Technologie GmbH & Co KG, Berlin | 7.30 | 7.30 | | 0.0 | 61 | € |
| 237 | LEA Mittelstandspartner II GmbH & Co. KG, Karlsruhe | 2.09 | 2.09 | | 53.7 | –2,949 | € |

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency |
|---|---|---|---|---|---|---|---|
| 238 | LEA Venturepartner GmbH & Co. KG, Karlsruhe | 4.17 | 4.17 | | 38.2 | –1,360 | € |
| 239 | Magical Productions GmbH & Co. KG, Pullach | 2.11 | 0.00 | | 2.4 | 836 | € |
| 240 | Magnum Capital III SCA SICAV-RAIF, Luxembourg, Luxembourg | 2.22 | 2.22 | | 191.9 | 40,708 | € |
| 241 | MML Partnership Capital VII SCSp, Senningerberg, Luxembourg | 1.51 | 1.51 | | 682.7 | 19,342 | € |
| 242 | NAsP III/V GmbH, Marburg | 14.92 | 0.00 | | 0.5 | –262 | € |
| 243 | Nassauische Heimstätte Wohnungs- und Entwicklungsgesellschaft mbH, Frankfurt am Main | 0.84 | 0.00 | | 1,096.1 | 10,837 | € |
| 244 | neue leben Pensionskasse Aktiengesellschaft, Hamburg | 3.20 | 0.00 | | 30.4 | 500 | € |
| 245 | Nordic Capital XI Alpha SCSp, Senningerberg, Luxembourg | 0.73 | 0.73 | | –12.7 | –12,736 | € |
| 246 | Objekt Limes Haus GmbH & Co. KG, Hamburg | 5.10 | 0.00 | | 14.2 | –2,225 | € |
| 247 | PALMYRA Verwaltungsgesellschaft mbH & Co. Vermietungs KG S.e.n.c., Luxembourg, Luxembourg | 5.20 | 0.00 | | 9.9 | –1,353 | € |
| 248 | Pan-European Infrastructure Fund LP, St. Helier, Jersey | 0.73 | 0.73 | | 0.6 | –264 | € |
| 249 | PATRIZIA Hessen Zehn GmbH & Co. KG, Hamburg | 5.20 | 0.00 | | 14.6 | 717 | € |
| 250 | PineBridge PEP IV Co-Investment L.P., Wilmington, USA | 9.51 | 0.00 | | 5.2 | 1,059 | USD |
| 251 | PineBridge PEP IV Non-U.S. L.P., Wilmington, USA | 17.00 | 0.00 | | 1.0 | –81 | USD |
| 252 | PineBridge PEP IV Secondary L.P., Wilmington, USA | 16.10 | 0.00 | | 3.9 | –524 | USD |
| 253 | PineBridge PEP IV U.S. Buyout L.P., Wilmington, USA | 17.21 | 0.00 | | 3.6 | –974 | USD |
| 254 | PineBridge PEP IV U.S. Venture L.P., Wilmington, USA | 17.51 | 0.00 | | 9.3 | –1,282 | USD |
| 255 | Private Equity Thüringen GmbH & Co. KG i.L., Erfurt | 14.11 | 14.11 | | 1.7 | 38 | € |
| 256 | Projekt Hirschgarten MK8 GmbH & Co. KG, Stuttgart | 5.10 | 0.00 | | 169.9 | 7,220 | € |
| 257 | Projektentwicklungs-GmbH & Co. Landratsamt KG, Wolfhagen | 6.00 | 0.00 | | 7.5 | 777 | € |
| 258 | PT1 Early Stage Fund II GmbH & Co. KG, Berlin | 11.36 | 11.36 | | n.a. | n.a. | |
| 259 | RSU GmbH & Co. KG, Munich | 9.60 | 9.60 | | 10.9 | 241 | € |
| 260 | S CountryDesk GmbH, Cologne | 5.88 | 2.94 | | 0.9 | 67 | € |
| 261 | SCHUFA Holding AG, Wiesbaden | 0.31 | 0.00 | | 157.2 | 50,866 | € |
| 262 | Seventh Cinven Fund (No. 1) Limited Partnership, St Peter Port, Guernsey | 0.16 | 0.16 | | 7,691.1 | 1,183,767 | € |

| No. | Name and location of the entity | Holding in % as per Section 16 (4) AktG: Total | Thereof directly | Voting rights if different from holding total in % | Equity in € m | Net profit in € thousands | Original currency |
|---|---|---|---|---|---|---|---|
| 263 | S-International Saar Pfalz GmbH & Co. KG, Saarbrücken | 9.90 | 9.90 | | 0.5 | –399 | € |
| 264 | SIX Group AG, Zurich, Switzerland | 0.00 | 0.00 | | 5,360.2 | 75,586 | CHF |
| 265 | SIZ GmbH, Bonn | 5.32 | 5.32 | | 6.5 | 576 | € |
| 266 | S.W.I.F.T. Society for Worldwide Interbank Financial Telecommunication SCRL, La Hulpe, Belgium | 0.00 | 0.00 | 0.22 | 664.1 | 38,075 | € |
| 267 | THE TRITON FUND II L.P. i.L., St. Helier, Jersey | 0.77 | 0.77 | | 46.4 | –158 | € |
| 268 | Treuhandgesellschaft für die Südwestdeutsche Wohnungswirtschaft mbH, Frankfurt am Main | 3.25 | 0.00 | | 2.2 | 113 | € |
| 269 | Triton Fund III L.P., St. Helier, Jersey | 0.71 | 0.71 | | 70.2 | –31,329 | € |
| 270 | Triton Fund V SCSp, Luxembourg, Luxembourg | 2.44 | 2.44 | | 866.5 | 200,598 | € |
| 271 | True Sale International GmbH, Frankfurt am Main | 8.33 | 8.33 | | 4.7 | 136 | € |
| 272 | Volks- Bau- und Sparverein Frankfurt am Main eG, Frankfurt am Main | 0.01 | 0.00 | | 68.4 | 3,256 | € |
| 273 | yabeo Impact AG, Pullach | 8.54 | 8.54 | | 5.2 | –3,502 | € |
| 274 | Zweite Schulen Landkreis Kassel Verwaltungs-GmbH, Kassel | 6.00 | 0.00 | | 0.1 | 3 | € |
| 275 | Zweite ST Berlin Projekt GmbH & Co. KG, Berlin | 0.50 | 0.00 | | 5.9 | –85 | € |

[1] A control and/or profit and loss transfer agreement has been signed with the entity.
[2] Section 264b HGB has been applied with regard to the entity's annual financial statements.
[3] The entity is classified as a subsidiary, but not based on the majority of voting rights held.
[4] Section 264 (3) HGB has been applied with regard to the entity's annual financial statements.
[5] Financial year end: 31 January; fund included in the consolidated financial statements with values at 31 December.
[6] Holding larger than 5 % in a large corporation.
n.a. There are no adopted financial statements.

# Responsibility statement

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

Frankfurt am Main / Erfurt, 27 February 2024

Landesbank Hessen-Thüringen Girozentrale

The Executive Board

| | | |
|---|---|---|
| Groß | Kemler | Nickel |
| Rhino | Schmid | Weiss |

# Further information and independent auditor

# Country by country reporting pursuant to Section 26a KWG

"Country by country reporting" has to be performed in accordance with the requirements stipulated in EU Directive 2013/36/EU ("Capital Requirements Directive", CRD IV) and transposed into German law by section 26a of the German Banking Act (Kreditwesengesetz, KWG).

The report sets out the sales revenues generated and number of employees in the reporting period for each EU member state and third country in which, as at 31 December 2023, the entities included in the consolidated financial statements via full consolidation have a branch or their head office.

The figures disclosed as sales revenue, consolidated net profit and income tax expenses are before consolidation effects. The figures disclosed as sales revenue are each office's net profit, before allowances for losses on loans and advances and general and administrative expenses, as included in the consolidated accounts under IFRS. The figures disclosed as consolidated net profit before taxes and taxes on income refer to the balance of contributions to these two items on the consolidated income statement in accordance with IFRS. Income tax expenses refers to the corporation taxes for the reporting unit in question.

The average figures disclosed under number of employees are based on full-time equivalent (FTE) employees.

Within the meaning of an EU subsidy program, the consolidated entities did not receive any subsidies during the reporting period.

| | Sales revenue | Consolidated net profit before taxes on income | Taxes on income[1] | Number of employees |
|---|---|---|---|---|
| | in € m | in € m | in € m | |
| **European Union** | **2,666** | **739** | **–223** | **5,664** |
| Belgium | 1 | 0 | –0 | – |
| Germany | 2,659 | 732 | –221 | 5,634 |
| France | 0 | 0 | –0 | 20 |
| Ireland | 5 | 4 | –1 | 2 |
| Sweden | 1 | 2 | –0 | 8 |
| **Switzerland** | **119** | **75** | **–1** | **124** |
| **USA** | **180** | **27** | **–22** | **88** |
| **United Kingdom** | **53** | **–4** | **–9** | **50** |
| **Total** | **3,017** | **837** | **–255** | **5,926** |

[1] The amount of tax reported for a country relates only to the tax liabilities borne by the entities in question and can be affected by the following factors, for example: the measurement basis for tax purposes can differ from the net profit shown according to commercial law, for example due to non-taxable income and non-tax-deductible expenses. The amount of tax reported can additionally be affected by the occurrence or use of tax loss carryforwards and by changes in current and deferred taxes relating to other periods.

The entities included in country by country reporting are assigned to the regions below:

| Entity | Nature of activity | Head office / location | Country |
|---|---|---|---|
| 1822direkt Gesellschaft der Frankfurter Sparkasse mbH | Provider of ancillary services | Frankfurt am Main | Germany |
| Airport Office One GmbH & Co. KG | Other undertaking | Schönefeld | Germany |
| ASTARTE Verwaltungsgesellschaft mbH & Co. Vermietungs KG | Financial institution | Frankfurt am Main | Germany |
| CORDELIA Verwaltungsgesellschaft mbH | Other undertaking | Pullach | Germany |
| DKB Wohnimmobilien Beteiligungs GmbH & Co. KG | Financial institution | Potsdam | Germany |
| Dritte OFB Friedrichstraße GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Dritte OFB PE GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| EGERIA Verwaltungsgesellschaft mbH | Other undertaking | Pullach | Germany |
| Erste OFB Friedrichstraße GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Family Office der Frankfurter Bankgesellschaft AG | Financial institution | Frankfurt am Main | Germany |
| Frankfurter Bankgesellschaft Holding AG | Financial institution | Frankfurt am Main | Germany |
| FHP Friedenauer Höhe Fünfte GmbH & Co. KG | Other undertaking | Berlin | Germany |
| FHP Friedenauer Höhe Projekt GmbH | Other undertaking | Berlin | Germany |
| FHP Friedenauer Höhe Zweite GmbH & Co. KG | Other undertaking | Berlin | Germany |
| FHP Projektentwicklung GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Frankfurter Bankgesellschaft (Deutschland) AG | Bank | Frankfurt am Main | Germany |
| Frankfurter Sparkasse | Bank | Frankfurt am Main | Germany |
| G+S Wohnen in Frankfurt am Main GmbH | Other undertaking | Frankfurt am Main | Germany |
| Galerie Lippe GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GGM Gesellschaft für Gebäude-Management mbH | Provider of ancillary services | Frankfurt am Main | Germany |
| GHT Gesellschaft für Projektmanagement Hessen-Thüringen mbH | Other undertaking | Frankfurt am Main | Germany |
| Grundstücksverwaltungsgesellschaft Kaiserlei GmbH | Other undertaking | Frankfurt am Main | Germany |
| Grundstücksverwaltungsgesellschaft Kaiserlei GmbH & Co. Projektentwicklung Epinayplatz KG | Other undertaking | Frankfurt am Main | Germany |

| Entity | Nature of activity | Head office / location | Country |
|---|---|---|---|
| GSG Siedlungsgesellschaft für Wohnungs- und Städtebau mbH | Other undertaking | Frankfurt am Main | Germany |
| GWH Bauprojekte GmbH | Other undertaking | Frankfurt am Main | Germany |
| GWH Digital GmbH | Other undertaking | Frankfurt am Main | Germany |
| GWH Immobilien Holding GmbH | Financial institution | Frankfurt am Main | Germany |
| GWH Komplementär I. GmbH | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Braunschweig I GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Friedrichsdorf I GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Dresden I GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Dresden II GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Dresden III GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Eppstein GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Gunderslache GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Lyoner Gärten GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH Projekt Wolfsburg I GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| GWH WertInvest GmbH | Other undertaking | Frankfurt am Main | Germany |
| GWH Wohnungsgesellschaft mbH Hessen | Other undertaking | Frankfurt am Main | Germany |
| GWH WohnWertInvest Deutschland III | Securities investment fund | Hamburg | Germany |
| HANNOVER LEASING Life Invest Deutschland I GmbH & Co. KG | Other undertaking | Pullach | Germany |
| HANNOVER LEASING Life Invest Deutschland II GmbH & Co. KG | Other undertaking | Pullach | Germany |
| Haus am Brüsseler Platz GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Helaba Digital GmbH & Co. KG | Financial institution | Frankfurt am Main | Germany |
| Helaba Invest Kapitalanlagegesellschaft mbH | Investment trust company | Frankfurt am Main | Germany |
| HeWiPPP II GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| HI-FBI-Fonds | Securities investment fund | Frankfurt am Main | Germany |
| HI-FSP-Fonds | Securities investment fund | Frankfurt am Main | Germany |
| HI-FSP-Infrastruktur-Fonds | Securities investment fund | Frankfurt am Main | Germany |

| Entity | Nature of activity | Head office / location | Country |
|---|---|---|---|
| HI-H-FSP-Fonds | Securities investment fund | Frankfurt am Main | Germany |
| HI-HT-KOMP.-FONDS | Securities investment fund | Frankfurt am Main | Germany |
| HTB Grundstücksverwaltungsgesellschaft mit beschränkter Haftung | Other undertaking | Frankfurt am Main | Germany |
| IMAP M&A Consultants AG | Financial institution | Mannheim | Germany |
| Kalypso Projekt GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Landesbank Hessen-Thüringen Girozentrale | Bank | Frankfurt am Main / Erfurt | Germany |
| Landesbank Hessen-Thüringen Girozentrale – Düsseldorf branch | Bank | Düsseldorf | Germany |
| Landesbausparkasse Hessen-Thüringen – legally dependent division of Landesbank Hessen-Thüringen Girozentrale | Bank | Frankfurt am Main / Erfurt | Germany |
| Landeskreditkasse zu Kassel – branch of Landesbank Hessen-Thüringen Girozentrale | Bank | Kassel | Germany |
| MAVEST Wohnungsbaugesellschaft mbH | Other undertaking | Frankfurt am Main | Germany |
| Merian GmbH Wohnungsunternehmen | Other undertaking | Frankfurt am Main | Germany |
| Neunte P 1 Projektgesellschaft mbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| OFB Beteiligungen GmbH | Financial institution | Frankfurt am Main | Germany |
| OFB Biotech Campus GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| OFB Bleidenstraße GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| OFB gatelands Projektentwicklung GmbH & Co. KG | Other undertaking | Schönefeld | Germany |
| OFB Limes Haus II GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| OFB Löwenhöhe GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| OFB MK 14.3 GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| OFB Projektentwicklung GmbH | Other undertaking | Frankfurt am Main | Germany |
| OFB Sechste PE GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| OFB Seven Gardens 2. BA GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Projekt Erfurt B38 GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Projektentwicklung Neuwerkstraße 17 GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Projektgesellschaft ILP Erfurter Kreuz mbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| PVG GmbH | Other undertaking | Frankfurt am Main | Germany |

| Entity | Nature of activity | Head office / location | Country |
|---|---|---|---|
| RAMIBA Verwaltung GmbH | Financial institution | Pullach | Germany |
| SQO Stadt Quartier Offenburg GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Systeno GmbH | Other undertaking | Frankfurt am Main | Germany |
| unIQus Projektentwicklung GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Versicherungsservice der Frankfurter Sparkasse GmbH | Other undertaking | Frankfurt am Main | Germany |
| Verso Grundstücksentwicklung GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Verso Projektentwicklung GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Vierte OFB Friedrichstraße GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Vierte OFB PE GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Wirtschafts- und Infrastrukturbank Hessen – legally dependent entity within Landesbank Hessen-Thüringen Girozentrale | Bank | Frankfurt am Main | Germany |
| Zweite OFB Friedrichstraße GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Zweite OFB PE GmbH & Co. KG | Other undertaking | Frankfurt am Main | Germany |
| Montindu S.A. / N.V. | Other undertaking | Brussels | Belgium |
| Landesbank Hessen-Thüringen Girozentrale – Paris branch | Bank | Paris | France |
| Helaba Asset Services Limited | Financial institution | Dublin | Ireland |
| OPUSALPHA FUNDING LIMITED | Financial institution | Dublin | Ireland |
| Landesbank Hessen-Thüringen Girozentrale – Stockholm branch | Bank | Stockholm | Sweden |
| Frankfurter Bankgesellschaft (Schweiz) AG | Bank | Zürich | Switzerland |
| HP Holdco LLC | Other undertaking | Wilmington | USA |
| Landesbank Hessen-Thüringen Girozentrale – New York branch | Bank | New York | USA |
| Honua'ula Partners LLC | Other undertaking | Wilmington | USA |
| MKB PARTNERS, LLC | Other undertaking | Wilmington | USA |
| Landesbank Hessen-Thüringen Girozentrale – London branch | Bank | London | United Kingdom |

# Independent auditor's report

To Landesbank Hessen-Thüringen Girozentrale,
Frankfurt am Main / Erfurt

## Report on the audit of the consolidated financial statements and of the group management report

### Opinions

We have audited the consolidated financial statements of Landesbank Hessen-Thüringen Girozentrale Frankfurt am Main / Erfurt, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 January 2023 to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Landesbank Hessen-Thüringen Girozentrale for the financial year from 1 January 2023 to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the group non-financial statement included in the "Non-Financial Statement" section of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January 2023 to 31 December 2023, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of the "Non-Financial Statement" in the group management report referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

### Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537 / 2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

### Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2023 to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

## 1. Calculation of loss allowances for performing exposures

### Reasons why the matter was determined to be a key audit matter

The estimate of the credit risk parameters underlying the calculation of loss allowances for performing exposures under the Bank's IFRS 9 loss allowance model is based on historical information, obligor characteristics, current economic developments and forward-looking macroeconomic assumptions. Some of these parameters can only be observed with a time lag and are subject to estimation uncertainty.

The increased risks from the significant deterioration in the situation on the real estate markets compared to the prior year are not yet fully reflected in the credit risk parameters. Against this backdrop, the Bank recognized a post-model adjustment (portfolio-based loss allowance). The post-model adjustment leads to a significant increase in loss allowances for performing exposures, particularly for the commercial real estate portfolio. The assumptions regarding changes in probabilities of borrower default and the recoverability of real estate collateral were decisive in determining the post-model adjustment.

In light of the increased estimation uncertainty and the associated judgement, the calculation of loss allowances for performing exposures was a key audit matter.

### Auditor's response

We assessed the design and operating effectiveness of the internal control system with regard to the calculation of loss allowances for performing exposures, considering governance, IT applications and the relevant valuation models as well as the results of the Bank's internal backtesting. We particularly assessed whether the procedures and controls implemented to update the parameters as well as the existing approval processes were appropriate and effective.

We performed substantive analytical procedures based on a full data excerpt. We recalculated the loss allowances at stages 1 and 2 on a sample basis and considered the appropriateness of stage allocation. We analysed the extent to which assumptions on macroeconomic forecasts lie within a range of reasonable values from external information sources.

We satisfied ourselves of the need to recognize a post-model adjustment and assessed the determination of the sub-portfolios affected by the post-model adjustment in accordance with internal bank requirements. Furthermore, we obtained an understanding of the calculation of the post-model adjustment by assessing the underlying assumptions regarding changes in the probabilities of default and collateral values in the Bank's commercial real estate portfolio. In addition, we checked the arithmetical accuracy of the Bank's post-model adjustment.

As part of the audit, we consulted internal specialists who have particular expertise in the area of credit risk management.

Our procedures did not lead to any reservations relating to the calculation of loss allowances for performing exposures.

### Reference to related disclosures

The Institution's disclosures on loss allowances are contained in Note (5) and Note (37) of the notes to the consolidated financial statements and in the "Risk-Bearing Capacity/ICAAP" section of the group management report.

## 2. Identification and calculation of loss allowances for defaulted exposures in the commercial real estate portfolio

### Reasons why the matter was determined to be a key audit matter

Identification of defaulted exposures constitutes a significant area of management judgement. Exposures in the office and retail property sub-portfolios of the Bank's commercial real estate portfolio were particularly affected by the significant deterioration in the situation on the real estate markets compared to the prior year. The procedure for calculating loss allowances for defaulted exposures involves various assumptions and estimations, particularly with regard to the financial situation of the borrower, expectations of future cash flows, observable market prices and expectations of net sales prices as well as the realization of collateral. Minimal changes in the assumptions and estimation inputs may mean that defaulted exposures are not identified promptly. They can also lead to significantly different measurements and thus to a change in the loss allowances required.

In light of the significance for the assets, liabilities and financial performance, we considered the identification and calculation of loss allowances for defaulted exposures in the commercial real estate portfolio to be a key audit matter.

### Auditor's response

We considered the processes for identifying default risks and monitoring borrowers in the office and retail property sub-portfolios. To this end, we assessed in particular the processes for monitoring early warning indicators, the application of default criteria and the correct allocation to the relevant risk status on the basis of the criteria set out in IFRS 9.

We also examined the process for calculating loss allowances, which included testing the operating effectiveness of the controls implemented for the calculation of loss allowances.

As part of our credit file review, we took a risk-based sample and analysed in particular exposures in the office and retail property sub-portfolios with regard to loss allowances required for defaulted exposures.

We performed substantive audit procedures, assessing whether the significant assumptions concerning the estimated future cash flows from the exposures including the carrying amount of the collateral held were consistent with the financial situation of the borrower and the publicly available market and industry forecasts. In addition, we assessed the identified loss allowance scenarios for consistency with the Bank's assessment of the borrower and the planned measures.

In the case of property collateral for which the Institution provided us with appraisals from a real estate expert it had appointed, we used these appraisals as audit evidence. In this context, we obtained an understanding of the underlying source data, the valuation inputs used and the assumptions made, critically evaluated them and assessed whether they are within a reasonable range. We also consulted internal specialists who have particular expertise in the area of real estate valuation for this purpose.

Our procedures did not lead to any reservations relating to the calculation of loss allowances for defaulted exposures in the commercial real estate portfolio.

### Reference to related disclosures

The Institution's disclosures on the valuation of the loan portfolios are contained in Note (5) and Note (37) of the notes to the consolidated financial statements and in the "Default risk" section of the group management report.

## Other information

The Supervisory Board is responsible for the "Report of the Supervisory Board" and the Board of Public Owners is responsible for the "Report of the Board of Public Owners". In all other respects, the executive directors are responsible for the other information. The other information comprises the responsibility statement and the group non-financial statement included in the "Non-Financial Statement" section of the group management report in accordance with Sec. 315b HGB. Furthermore, the other information comprises additional parts of the annual report that we expect to be provided to us after we have issued our auditor's report, in particular the "2023 at a Glance" section, the "Helaba" section comprising "Preface", "The Executive Board", "Corporate Strategy", "Staff" and "Sustainability", the "Corporate Bodies" section comprising "Supervisory Board", "Board of Public Owners", "Advisory Board on Public Companies/Institutions, Municipalities and Sparkassen", "Report of the Supervisory Board", "Report of the Board of Public Owners" and the "Helaba Addresses" section, but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

## Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

## Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other legal and regulatory requirements

### Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

#### Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file HELABA_KA+KLB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January 2023 to 31 December 2023 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

#### Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (06.2022)). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

### Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Institution are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Institution are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

### Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

### Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the Board of Public Owners on 31 March 2023 and were engaged by the Executive Board on 2 August 2023. We have been the group auditor of Landesbank Hessen-Thüringen Girozentrale without interruption since financial year 2018.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

## Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

## German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Mr Marcus Binder.

Eschborn/Frankfurt am Main, 29 February 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

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|---|---|
| Binder | Alt |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| [German Public Auditor] | [German Public Auditor] |

# Independent auditor's report on a limited assurance engagement

To Landesbank Hessen-Thüringen Girozentrale,
Frankfurt am Main / Erfurt

We have performed a limited assurance engagement on the group non-financial statement of Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main / Erfurt (hereinafter the "Institution") contained in the "Non-Financial Statement" section of the group management report, and on the section "Basic Information About the Group", incorporated by reference, of the group management report for the period from 1 January 2023 to 31 December 2023 ("non-financial reporting").

Not subject to our assurance engagement are other references to disclosures made outside the non-financial reporting.

## Responsibilities of the executive directors

The executive directors of the Institution are responsible for the preparation of the non-financial reporting in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in the "EU Taxonomy disclosures" section of the non-financial reporting.

These responsibilities of the Institution's executive directors include the selection and application of appropriate methods to prepare the non-financial reporting and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of non-financial reporting that is free from material misstatement, whether due to fraud (manipulation of the non-financial reporting) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in the "EU Taxonomy information" section of the non-financial reporting. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

## Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements – in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

## Responsibilities of the auditor

Our responsibility is to express a limited assurance conclusion on the non-financial reporting based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Institution's non-financial reporting is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in the "EU Taxonomy disclosures" section of the non-financial reporting. Not subject to our assurance engagement were other references to disclosures made outside the non-financial reporting.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gained an understanding of the structure of the Group's sustainability organization and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the non-financial reporting regarding the preparation process, the evaluation of the reporting processes and the methods of data capture and preparation, the internal controls and the disclosures in the non-financial reporting
- Inquiries of relevant employees regarding the selection of topics for the non-financial reporting, the assessment of effects and risks and the policies of the Group for the topics identified as material
- Identification and assessment of the risk of material misstatement in the non-financial reporting
- Analytical procedures on selected disclosures in the non-financial reporting
- Performance of selective sampling relating to the collection and reporting of selected disclosures in the non-financial reporting
- Evaluation of the process to identify the taxonomy-eligible and taxonomy-compliant economic activities and the corresponding disclosures in the non-financial reporting
- Evaluation of the presentation of disclosures in the non-financial reporting

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

## Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial reporting of the Institution for the period from 1 January to 31 December 2023 is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "EU Taxonomy information" of the non-financial reporting. We do not express an assurance conclusion on the other references to disclosures made outside the non-financial reporting.

## Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Institution's purposes and that the report is intended solely to inform the Institution about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Institution alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

## General Engagement Terms and Liability

The attached "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the Institute of Public Auditors in Germany ["Institut der Wirtschaftsprüfer": IDW] on 1 January 2024 are an integral part of this engagement, also in relation to third parties (ey-idw-aab-de-2024.pdf).

In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarised in this report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Eschborn / Frankfurt am Main, 29 February 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

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| Binder | Alt |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| [German Public Auditor] | [German Public Auditor] |

# Corporate bodies

# Supervisory Board

Appointed by the Sparkassen- und Giroverband Hessen-Thüringen

| Members | Deputy members |
|---|---|
| **Stefan G. Reuß**<br>Executive President<br>Sparkassen- und Giroverband Hessen-Thüringen<br>Frankfurt am Main/Erfurt<br>– Chairman – | **Reinhard Faulstich**<br>Chairman of the Board of Managing Directors<br>Sparkasse Bad Hersfeld-Rotenburg<br>Bad Hersfeld |
| **Dr. Werner Henning**<br>Chief Administrative Officer<br>County District of Eichsfeld<br>Heiligenstadt<br>– First Vice-Chairman – | **Andreas Bausewein**<br>Mayor<br>City of Erfurt<br>Erfurt |
| **Dr. Sascha Ahnert**<br>Chairman of the Board of Managing Directors<br>Stadt- und Kreis-Sparkasse Darmstadt<br>Darmstadt | **Jürgen Schüdde**<br>Chairman of the Board of Managing Directors<br>Sparkasse Starkenburg<br>Heppenheim |
| **Dr. Annette Beller**<br>Member of the Management Board<br>B. Braun SE<br>Melsungen | **Wilhelm Bechtel**<br>Chairman of the Board of Managing Directors<br>Stadtsparkasse Schwalmstadt<br>Schwalmstadt |
| **Hans-Georg Dorst**<br>Chairman of the Board of Managing Directors<br>Sparkasse Mittelthüringen<br>Erfurt | **Martin Bayer**<br>Chairman of the Board of Managing Directors<br>Kreissparkasse Saalfeld-Rudolstadt<br>Saalfeld |
| **Oliver Klink**<br>Chairman of the Board of Managing Directors<br>Taunussparkasse<br>Bad Homburg v. d. H. | **Annette Theil-Deininger**<br>Chairwoman of the Board of Managing Directors<br>Rhön-Rennsteig-Sparkasse<br>Meiningen |
| **Marcus Nähser**<br>Chairman of the Board of Managing Directors<br>Nassauische Sparkasse<br>Wiesbaden<br>– since 1 July 2023 –<br><br>**Günter Högner**<br>Chairman of the Board of Managing Directors<br>Nassauische Sparkasse<br>Wiesbaden<br>– until 31 May 2023 – | **Stefan Hastrich**<br>Chairman of the Board of Managing Directors<br>Kreissparkasse Weilburg<br>Weilburg |
| **N.N.**<br><br>**Günther Rudolph**<br>Member of the State Parliament of Hesse<br>Wiesbaden<br>– until 11 October 2023 – | **Frank Matiaske**<br>Chief Administrative Officer<br>County District of Odenwald<br>Erbach |
| **Anita Schneider**<br>Chief Administrative Officer<br>County District of Giessen<br>Giessen | **Winfried Becker**<br>Chief Administrative Officer<br>County District of Schwalm-Eder<br>Homberg (Efze) |
| **Wolfgang Schuster**<br>Chief Administrative Officer<br>County District of Lahn-Dill<br>Wetzlar | **Alexander Hetjes**<br>Mayor<br>City of Bad Homburg v. d. H.<br>Bad Homburg v. d. H. |
| **Dr. Heiko Wingenfeld**<br>Mayor<br>City of Fulda<br>Fulda | **André Schellenberg**<br>City Treasurer<br>City of Darmstadt<br>Darmstadt |

Appointed by the State of Hesse

| Members | Deputy members |
| --- | --- |
| **Michael Boddenberg**<br>Minister of State<br>Ministry of Finance of the State of Hesse<br>Wiesbaden<br>– Second Vice-Chairman – | **Tarek Al-Wazir**<br>Minister of State<br>Ministry of Economics, Energy,<br>Transport and Housing of the State of Hesse<br>Wiesbaden |
| **Frank Lortz**<br>Vice-President of the State Parliament of Hesse<br>Wiesbaden | **Sigrid Erfurth**<br>Neu-Eichenberg |

Appointed by the State of Thuringia

| Members | Deputy members |
| --- | --- |
| **Dr. Hartmut Schubert**<br>Secretary of State<br>Ministry of Finance of the State of Thuringia<br>Erfurt | **Dr. Werner Pidde**<br>Gotha |

Appointed by the Rheinischer Sparkassen- und Giroverband

| Members | Deputy members |
| --- | --- |
| **Karin-Brigitte Göbel**<br>Chairwoman of the Board of Managing Directors<br>Stadtsparkasse Düsseldorf<br>Düsseldorf<br>– Third Vice-Chairwoman since 3 July 2023 – | **Norbert Laufs**<br>Chairman of the Board of Managing Directors<br>Sparkasse Aachen<br>Aachen |

Appointed by the Sparkassenverband Westfalen-Lippe

| Members | Deputy members |
| --- | --- |
| **Klaus Moßmeier**<br>Chairman of the Board of Managing Directors<br>Kreis- und Stadtsparkasse Unna-Kamen<br>Unna<br>– Third Vice-Chairman until 2 July 2023 – | **Dr. h. c. Sven-Georg Adenauer**<br>Chief Administrative Officer<br>County District of Gütersloh<br>Gütersloh |

Appointed by Fides Beta GmbH

| Members | Deputy members |
| --- | --- |
| **Karolin Schriever**<br>Executive Member of the Board<br>Deutscher Sparkassen- und Giroverband e. V.<br>Berlin<br>– Fifth Vice-Chairwoman – | **Dr. Matthias Bergner**<br>Managing Director<br>Fides Beta GmbH<br>Berlin |

Appointed by Fides Alpha GmbH

| Members | Deputy members |
| --- | --- |
| **Dr. Hagen Pfeiffer**<br>Managing Director<br>HP Management Advisory GmbH<br>Eschborn | **Michael Bräuer**<br>Chairman of the Board of Managing Directors<br>Sparkasse Oberlausitz-Niederschlesien<br>Zittau |

Employee representatives

| Members | Deputy members* |
|---|---|
| **Thorsten Derlitzki**<br>Vice-President<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main<br>– Fourth Vice-Chairman – | **Robert Schopplich**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main<br>– since 1 July 2023 – |
| **Sven Ansorg**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Erfurt<br>– since 1 July 2023 – | **Jens Druyen**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Düsseldorf |
| **Frank Beck**<br>Vice-President<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main | **Petra Barz**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main |
| **Katja Elsner**<br>Vice-President<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main<br>– until 30 June 2023 – | **Ute Opfer**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Kassel |
| **Thorsten Kiwitz**<br>President<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main | **Katja Elsner**<br>Vice-President<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main<br>– since 1 July 2023 – |
| **Christiane Kutil-Bleibaum**<br>Vice-President<br>Landesbank Hessen-Thüringen<br>Erfurt | **Wolfgang Scheib**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Offenbach am Main<br>– since 1 July 2023 – |
| **Annette Langner**<br>Vice-President<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main | **Sabine Thomsen**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Düsseldorf<br>– since 1 July 2023 – |
| **Susanne Noll**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main | **Christine Genz**<br>Wirtschafts- und Infrastrukturbank Hessen<br>Wetzlar<br>– since 1 July 2023 – |

| Members | Deputy members* |
|---|---|
| **Birgit Sahliger-Rasper**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main | **Nicole Gerhold**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Kassel |
| **Thomas Sittner**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Frankfurt am Main | **Sven Ansorg**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Erfurt<br>– until 30 June 2023 –<br><br>**Hans-Jörg Heidtkamp**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Düsseldorf<br>– until 30 June 2023 –<br><br>**Ursula Schmitt**<br>Bank employee<br>Landesbank Hessen-Thüringen<br>Wirtschafts- und Infrastrukturbank Hessen<br>Offenbach<br>– until 30 June 2023 – |

* The order in which deputy employee representatives are listed is based on the outcome of the Supervisory Board election.

# Board of Public Owners

**Martina Schweinsburg**
Chief Administrative Officer
County District of Greiz
Greiz
– Chairwoman –
– since 4 May 2023 –

**Claus Kaminsky**
Mayor
City of Hanau
Hanau
– Vice-Chairman since 9 May 2023 –
– Chairman until 3 May 2023 –

**Prof. Dr. Liane Buchholz**
President
Sparkassenverband Westfalen-Lippe
Münster
– Vice-Chairwoman since 1 July 2023 –

**Michael Breuer**
President
Rheinischer Sparkassen- und Giroverband
Düsseldorf
– Vice-Chairman until 30 June 2023 –

**Ingo Buchholz**
Chairman of the Board of Managing Directors
Kasseler Sparkasse
Kassel
– Vice-Chairman –

**Karolin Schriever**
Executive Member of the Board
Deutscher Sparkassen- und Giroverband e.V.
Berlin
– Vice-Chairwoman –

**Heike Taubert**
Minister
Ministry of Finance of the State of Thuringia
Erfurt
– Vice-Chairwoman –

**Christian Blechschmidt**
Chairman of the Board of Managing Directors
Sparkasse Unstrut-Hainich
Mühlhausen

**Michael Bott**
Chairman of the Board of Managing Directors
Sparkasse Waldeck-Frankenberg
Korbach
– until 3 May 2023 –

**Volker Bouffier**
Minister-President (ret.)
Gießen

**Guido Braun**
Chairman of the Board of Managing Directors
Sparkasse Hanau
Hanau

**Martina Feldmayer**
Member of the State Parliament of Hesse
Wiesbaden

**Karlheinz Ihrig**
Chairman of the Board of Managing Directors
Sparkasse Odenwaldkreis
Erbach / Odenwald
– since 9 May 2023 –

**Ulrich Krebs**
Chief Administrative Officer
County District of Hochtaunus
Bad Homburg v. d. H.

**Thomas Müller**
Chief Administrative Officer
County District of Hildburghausen
Hildburghausen
– until 3 May 2023 –

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

**Klaus Peter Schellhaas**
Chief Administrative Officer
County District of Darmstadt-Dieburg
Darmstadt

**Dieter Zimmermann**
Chairman of the Board of Managing Directors
Kreissparkasse Ahrweiler
Bad Neuenahr-Ahrweiler

# Advisory Board on Public Companies / Institutions, Municipalities and Sparkassen

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

**Thomas Groß**
Chairman of the Executive Board
Landesbank Hessen-Thüringen Girozentrale
Frankfurt am Main
– Vice-Chairman –

**Burkhard Albers**
Managing Director
Kommunaler Arbeitgeberverband Hessen e. V.
Frankfurt am Main

**Dr. Constantin H. Alsheimer**
Chairman of the Board of Managing Directors
Mainova AG
Frankfurt am Main

**Rainer Burelbach**
Mayor
City of Heppenheim
Heppenheim
– until 30 June 2023 –

**Thomas Fügmann**
Chief Administrative Officer
County District of Saale-Orla
Schleiz

**Dr. Thomas Hain**
Managing Director
Nassauische Heimstätte GmbH
Frankfurt am Main

**Andreas Heller**
Chief Administrative Officer
County District of Saale-Holzland
Eisenberg

**Torsten Herrmann**
President
IHK Südthüringen
Suhl-Mäbendorf
– since 1 March 2023 –

**Thorsten Hinte**
Head of the ecclesiastical council of the
Protestant Church in Hesse and Nassau
Darmstadt
– since 1 March 2023 –

**Antje Hochwind-Schneider**
Chief Administrative Officer County District of Kyffhäuser
Sondershausen
– since 1 June 2023 –

**Renate Hötte**
LVR Board Member
Landschaftsverband Rheinland
Cologne

**Jörg Jacoby**
Finance Director
Dortmunder Stadtwerke AG
Dortmund
– since 1 November 2023 –

**Dr. Andreas Jahn**
Chairman of the Management Board
SV SparkassenVersicherung Holding AG
Stuttgart

**Frank Junker**
Chief Executive Officer
ABG Frankfurt Holding
Frankfurt am Main

**Sebastian Jurczyk**
Chief Executive Officer
Stadtwerke Münster GmbH
Münster

**Olaf Kieser**
Chief Executive Officer
EAM GmbH & Co. KG
Kassel

**Birgit Lichtenstein**
Finance Director
RheinEnergie AG
Cologne

**Brigitte Lindscheid**
District President
Darmstadt Regional Council
Darmstadt

**Dr. Georg Lunemann**
Director
Landschaftsverband Westfalen-Lippe
Münster

**Steffen Müller**
Managing Director
Nordhessischer Verkehrsverbund
Kassel

**Jürgen Noch**
Managing Director
Westfalen Weser Energie GmbH & Co. KG
Paderborn

**Jochen Partsch**
Mayor
City of Darmstadt
Darmstadt
– until 30 June 2023 –

**Guntram Pehlke**
Chairman of the Management Board
DSW21 Dortmunder Stadtwerke AG
Dortmund
– until 30 June 2023 –

**Stefan G. Reindl**
Spokesman for the Management Board
TEAG – Thüringer Energie AG
Erfurt

**Prof. Knut Ringat**
Managing Director and spokesman
for the Management Board
Rhein-Main-Verkehrsverbund GmbH
Hofheim am Taunus

**Ralf Schodlok**
Chairman of the Board of Managing Directors
ESWE Versorgungs AG
Wiesbaden

**Susanne Selbert**
State Director
Landeswohlfahrtsverband Hessen
Kassel

**Volker Sparmann**
Mobility Officer
of the Ministry of Economics, Energy,
Transport and Housing of the State of Hesse
House of Logistics & Mobility (HOLM) GmbH
Frankfurt am Main

**Heinz Thomas Striegler**
Head of the church administrative board
Protestant Church in Hesse and Nassau
Darmstadt
– until 28 February 2023 –

**Axel ter Glane**
Head of Department
Ministry of Finance of the State of Thuringia
Erfurt

**Dr. Peter Traut**
President
IHK Südthüringen
Suhl
– until 28 February 2023 –

**Stephanie Weber**
Operations Director
Hessischer Rundfunk
Frankfurt am Main

**Marcus Wittig**
Chairman of the Board
Duisburger Versorgungs- und
Verkehrsgesellschaft mbH
Duisburg

**Bernd Woide**
Chief Administrative Officer
County District of Fulda
Fulda

**Peter Wolf**
Chairman of the Board of Managing Directors
Sparkasse Gießen
Gießen
– since 1 June 2023 –

**Peter Zaiß**
Managing Director
SWE Stadtwerke Erfurt GmbH
Erfurt

# Report of the Supervisory Board

The Supervisory Board and its committees supervised the conduct of business by the Executive Board in the year under review in accordance with the statutory regulations and Helaba's Charter and were regularly, promptly and comprehensively notified of matters relating to equity holdings, major events and important business transactions of material significance for the Bank. The Supervisory Board was involved in decisions of material significance for Helaba and, where required, gave its consent following comprehensive discussion and review. In light of the new term of office of the Supervisory Board from 1 July 2023 to 30 June 2027, the body was newly constituted at its meeting on 3 July 2023.

## Meetings of the Supervisory Board

The Supervisory Board was notified regularly of developments in the business, earnings, risk and capital situation of Landesbank Hessen-Thüringen Girozentrale and the Helaba Group at eight meetings held during the year under review. It obtained reports on current developments in the international financial markets and the banking markets, on the implications of these developments for the Bank's earnings, liquidity and risk situation and on the management measures taken by the Executive Board. The Supervisory Board received prompt notification of the content of the Risk Report, prepared in accordance with the German Minimum Requirements for Risk Management (MaRisk), that was presented to the Supervisory Board Risk and Credit Committee every quarter.

The Executive Board held detailed discussions with the Supervisory Board on the business strategy for 2024, on the review of assumptions and analysis of target attainment for 2023, on the risk strategy and risk appetite statement (RAS) for 2024, on operational planning and on rolling multi-year planning including equity planning. The Supervisory Board also discussed and duly noted the tax strategy for 2024, the IT strategy for 2024, target attainment in respect of the IT strategy for 2023 and the information security strategy for 2024.

The Supervisory Board addressed matters concerning the Executive Board and the Supervisory Board on an ad hoc basis following their prior discussion by the Nomination Committee and/or the Personnel and Remuneration Oversight Committee and adopted a resolution on the appointment of a new Executive Board member. The Supervisory Board addressed the ECB ruling received on 2 January 2023 in connection with the breach of regulatory reporting obligations in 2020. In addition, the Executive Board regularly updated the Supervisory Board about IT upgrades and regulatory issues. This included Supervisory Board deliberations regarding the evaluation of the Supervisory Board and Executive Board, a process that must be carried out annually in accordance with statutory and regulatory requirements.

Internal Audit reported to the Supervisory Board meetings regularly on audit findings of particular significance and the checks performed on actions taken to resolve previously identified concerns. The Supervisory Board took note of the annual report for 2022 compiled by the Compliance division (MaRisk Compliance, Compliance Money Laundering and Fraud Prevention/Terrorism Financing, Compliance Capital Markets).

The meetings of the Supervisory Board also received reports from the Executive Board on the following key topics:

- ATLAS – Helaba's IT modernisation programme
- The status report on capital contributions from the State of Hesse
- The implementation status of the HelabaSustained sustainability programme
- The concluding report of the Scope programme
- The ECB's SREP decision
- Regulatory audits and resulting action plans
- The internal governance framework
- The ECB stress test
- The updating of Helaba's recovery plan

The Supervisory Board also considered the following key topics:

- The impact of the further development of the Sparkassen organisation protection scheme, including the establishment of an additional fund by Helaba
- The closure of Helaba Asset Services UC, Dublin

Following consultation with the Supervisory Board at the meeting of 8 December 2023, the Bank's Board of Public Owners authorised the Bank to raise capital instruments and to amend the Helaba Charter in connection with the reform of the expense allowances for the Board members at its meeting on 11 December 2023. These amendments came into force following their publication in the Official Gazettes for the states of Hesse and Thuringia on 8 January 2024 and 2 January 2024, respectively.

Helaba organised two training events for all members of the corporate bodies during the year under review. External speakers were brought in for elements of these events, which also served as continuing professional development as required in connection with the expertise requirements for the exercise of a mandate in management and supervisory entities pursuant to Section 25d (4) of the German Banking Act (Kreditwesengesetz – KWG). The topics covered by the training sessions included the positioning and status of Helaba IT in respect of regulatory issues, the rights and obligations of the Helaba Supervisory Board and current regulatory developments. In addition, two training sessions for the Nomination Committee and Audit Committee covered topics specific to those committees. Individual training was additionally provided for new and existing members of the Supervisory Board.

## Committees of the Supervisory Board

The committees of the Supervisory Board (Risk and Credit Committee, Audit Committee, Personnel and Remuneration Oversight Committee, Nomination Committee, Investment Committee, Building Committee, WIBank Committee and IT Committee) assisted the Supervisory Board in its work and drew up proposals for decisions. The duties of the committees follow from Section 25d (7) et seq. KWG and from the Rules of Procedure for the Supervisory Board and its committees. The chairpersons of the committees regularly reported to the meetings of the Supervisory Board on the work carried out by the committees.

The Risk and Credit Committee held 14 meetings in the year under review. The Committee's duties, in line with the responsibilities assigned to it, include approving the granting of loans and the implementation of requirements set out in Section 25d (8) KWG, in particular advising the Supervisory Board on the Bank's current and future overall risk acceptance and strategy and assisting with the monitoring of the implementation of this strategy by the Executive Board. The Committee also monitors the terms applied in customer business to ensure that they remain in harmony with the Bank's business model and risk structure and is informed regularly about the structure of lending business on the basis of specific portfolio analyses and portfolio stress tests. In the reporting year, the Supervisory Board Risk and Credit Committee devoted attention to Helaba's overall risk reporting on a quarterly basis, addressed compliance reporting and the risk inventory, and discussed in advance the risk strategy for 2024. The Risk and Credit Committee also gave regular consideration to the portfolio reports for Helaba's business areas and to supervisory reviews. In the reporting year, the Risk and Credit Committee addressed the topic of loss allowances in accordance with IFRS 9. In connection with the reporting of selected loan exposures, the regular discussion in 2023 focused on the development of loan exposures in the real estate loan portfolio.

The Audit Committee convened for three meetings (one of which was held jointly with the Risk and Credit Committee) and discussed the following in detail in accordance with the requirements of Section 25d (9) KWG: the audit of the annual financial statements of the Bank, the Group and Landesbausparkasse Hessen-Thüringen, and the auditing of the custody business and securities service business as specified in Section 36 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). In addition, the Audit Committee was notified of audit planning for the separate and consolidated financial statements for the year ended 31 December 2023. Moreover, the Audit Committee received updates on the SREP decision, external audits in the reporting year, the conclusion of measures relating to the ECB ruling in connection with the breach of regulatory reporting obligations in 2022, the status of the resolution of observations made in the course of the audit of the annual financial statements and supervisory reviews as well as current supervisory issues. It also took note of Group Audit's annual report. In addition, the Audit Committee was provided with information about issues relating to the audit and organisational structures.

The Nomination Committee met five times in the year under review. In accordance with the requirements of Section 25d (11) KWG, it devoted attention to assessing the questionnaire to evaluate the activities of the Supervisory Board and Executive Board. This questionnaire reflects the stipulations of Section 25d (11) KWG, which require a regular assessment of the structure, size, composition and performance of the supervisory entity and the knowledge, skills and experience of the members of the supervisory entity. The matters involved were subsequently addressed by the Supervisory Board. In connection with the appointment of new members and deputy members of the Supervisory Board, the Nomination Committee determined their individual suitability on the basis of a suitability matrix as well as the collective suitability of the Supervisory Board of Helaba for the term of office from 1 July 2023 to 30 June 2027. Moreover, the Committee determined the collective suitability of the Executive Board on an ad-hoc basis, taking account of the newly appointed CRO. The Nomination Committee issued a recommendation for selecting a new external expert to evaluate the activities of the Supervisory Board and Executive Board. The Supervisory Board accepted this recommendation and approved the engagement. In addition, the Nomination Committee discussed the results of the suitability assessment of key function holders for the 2023 financial year as well as the update of guidelines relating to suitability and recommended resolutions to the Supervisory Board.

The six meetings of the Personnel and Remuneration Oversight Committee held in the year under review examined the results of the audit of the suitability of the employee remuneration system pursuant to Section 25d (12) KWG. The Committee also took note of Helaba's risk analysis, the identification of the risk-bearing entities at Helaba and in the Helaba Regulatory Group for 2024, and the remuneration oversight report of the Remuneration Officers. The Committee additionally held detailed discussions on Helaba's remuneration report and the evaluation of the effects of the remuneration systems on risk, capital and liquidity management and was informed about personnel management tools, the diversity report and demography analysis. It was also informed about the appropriate design of the employee and Executive Board remuneration system at Helaba for 2023 and the involvement in 2023 of the internal units exercising control. Moreover, the Personnel and Remuneration Oversight Committee concerned itself with the redesign of the sustainability components for the remuneration system of Helaba's risk-bearing entities and for the Executive Board remuneration system at Helaba. It consulted on the principles of the remuneration system, on matters relating to Executive Board remuneration – including the further development of the target system in connection with the further development of variable remuneration – and on the reappointment of Executive Board members and the successor for the CRO position and carried out preparatory work for decisions to be made by the Supervisory Board.

The WIBank Committee, which is responsible for monitoring WIBank's development activities in accordance with article 26 of Helaba's Charter, met six times in the year under review. At its meetings, it addressed matters that included the annual accounts, the course of business and the business and risk strategy of WIBank.

The Investment Committee was informed in one meeting about the business performance of the Bank's material strategic equity investments and the risk report on equity investments.

The Building Committee held four meetings in the year under review, discussing in detail the status of the Bank's ongoing real estate projects, in particular the Central Business Tower (CBT) development in Frankfurt am Main. The Building Committee was also informed about developments in the real estate market, the Bank's real estate portfolio and the MAIN TOWER modernisation concept.

The IT Committee discussed the ATLAS IT modernisation programme at four meetings. The Committee received regular detailed updates on the status of the programme and carried out preparatory work for decisions to be made by the Supervisory Board. Moreover, the IT Committee discussed the planned further development and complexity reduction of Helaba's IT application landscape in the context of the ATLAS programme.

## Audit and adoption of the annual accounts for 2023

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft audited the annual accounts for 2023 together with the accompanying management report and issued an unqualified certificate of audit. The Supervisory Board meeting of 22 March 2024 adopted the annual accounts of the Bank, approved the management report and applied to the Board of Public Owners for the Executive Board and the Supervisory Board to be discharged from responsibility in respect of financial year 2023.

## Changes to the Executive Board

Dr. Detlef Hosemann left the Helaba Executive Board as at 30 November 2023. At its meeting on 21 July 2023, following prior consultation with and corresponding recommendations from the Nomination Committee and the Personnel and Remuneration Oversight Committee, the Supervisory Board decided to appoint Ms. Tamara Weiss to succeed Dr. Hosemann as a member of the Helaba Executive Board and as CRO. Ms. Weiss took up her duties on 1 December 2023.

The Supervisory Board wishes to thank Helaba's Executive Board and employees for their efforts in the year under review.

Frankfurt am Main, 22 March 2024

Chairman of the Supervisory Board, Landesbank Hessen-Thüringen Girozentrale

**Stefan G. Reuß**
Executive President of the Sparkassen- und Giroverband Hessen-Thüringen

# Report of the Board of Public Owners

The Board of Public Owners discharged the duties incumbent upon it under the law and the Helaba Charter at a total of five meetings in the year under review. It was notified accordingly of major events, operational planning for the year and rolling multi-year planning, including equity planning. It also regularly considered Helaba's reporting on developments in the business, earnings, risk and capital situation.

The Board of Public Owners discussed and duly noted the business strategy for 2024, the review of assumptions and analysis of target attainment for 2023, the risk strategy and risk appetite statement (RAS) for 2024, the tax strategy for 2024, the IT strategy for 2024, target attainment in respect of the IT strategy for 2023 and the information security strategy for 2024.

The Executive Board reported on the following key topics at the meetings of the Board of Public Owners:

- ATLAS – Helaba's IT modernisation programme
- The status report on capital contributions from the State of Hesse
- The concluding report of the Scope programme
- The ECB's SREP decision
- Regulatory audits and resulting action plans
- The ECB ruling in connection with the breach of regulatory reporting obligations in 2020
- The internal governance framework
- The ECB stress test
- The updating of Helaba's recovery plan

The Board of Public Owners also considered the following key topics:

- The closure of Helaba Asset Services UC, Dublin
- Approval of the new version of the statutes for the Sparkassen-Finanzgruppe's institutional protection scheme, including the principles for risk monitoring and for calculating contributions to the additional fund to the Sparkassen-Finanzgruppe's protection scheme
- Approval of the concept for redesigning the capital contributions of the Federal State of Hesse and collaboration in the measures envisaged by the concept if these fall within the sphere of responsibility of the Board of Public Owners

Following consultation with the Supervisory Board at the meeting of 8 December 2023, the Bank's Board of Public Owners authorised the Bank to raise capital instruments and to amend the Helaba Charter in connection with the reform of the expense allowances for the Board members at its meeting on 11 December 2023. These amendments came into force following their publication in the Official Gazettes for the states of Hesse and Thuringia on 8 January 2024 and 2 January 2024, respectively. Also on 11 December 2023, the Board of Public Owners resolved to use the reported distributable profit of € 90,000,000.00 as follows: € 61,588,440.00 will be paid as a dividend on the Bank's share capital and € 28,411,560.00 as remuneration for the capital contribution from the State of Hesse.

The Board of Public Owners in its decision of 22 March 2024 approved the Bank's annual accounts, with a reported distributable profit of € 90,000,000.00, and management report and discharged the Executive Board and the Supervisory Board from responsibility in respect of financial year 2023. It resolved, moreover, to use the reported distributable profit of € 90,000,000.00 as follows: € 61,588,440.00 will be paid as a dividend on the Bank's share capital and € 28,411,560.00 as remuneration for the capital contribution from the State of Hesse. The Board of Public Owners also approved the consolidated financial statements and group management report of Landesbank Hessen-Thüringen Girozentrale for the financial year 2023.

The Board of Public Owners wishes to thank Helaba's Executive Board and employees for their efforts in the year under review.

Frankfurt am Main, 22 March 2024

Chairwoman of the Board of Public Owners of Landesbank Hessen-Thüringen Girozentrale

**Martina Schweinsburg**
Chief Administrative Officer
County District of Greiz

# Helaba addresses

# Helaba addresses

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| **Head offices** | **Frankfurt am Main** | Neue Mainzer Strasse 52–58<br>60311 Frankfurt am Main<br>Germany | T +49 69/91 32-01 |
| | **Erfurt** | Bonifaciusstrasse 16<br>99084 Erfurt<br>Germany | T +49 3 61/2 17-71 00 |
| **Bausparkasse** | **Landesbausparkasse Hessen-Thüringen** | | |
| | **Offenbach** | Kaiserleistrasse 29–35<br>63067 Offenbach<br>Germany | T +49 3 61/2 17-70 07 |
| | **Erfurt** | Bonifaciusstrasse 19<br>99084 Erfurt<br>Germany | T +49 3 61/2 17-70 07 |
| **Development Bank** | **Wirtschafts- und Infrastrukturbank Hessen** | | |
| | **Offenbach** | Kaiserleistrasse 29–35<br>63067 Offenbach<br>Germany | T +49 69/91 32-03 |
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| | **Shanghai** | Unit 012, 18th Floor<br>Hang Seng Bank Tower<br>1000 Lujiazui Ring Road<br>Shanghai, 200120<br>China | T +86 21/68 77 77 08 |
| | **Singapore** | One Temasek Avenue<br>#05–04 Millenia Tower<br>Singapore 039192 | T +65/62 38 04 00 |

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| **Selected subsidiaries** | **Frankfurter Sparkasse** | Neue Mainzer Strasse 47–53<br>60311 Frankfurt am Main<br>Germany | T +49 69/26 41-18 22 |
| | **1822direkt Gesellschaft der Frankfurter Sparkasse mbH** | Borsigallee 19<br>60388 Frankfurt am Main<br>Germany | info@1822direkt.de<br>T +49 69/9 41 70-0 |
| | **Frankfurter Bankgesellschaft (Deutschland) AG** | Junghofstrasse 26<br>60311 Frankfurt am Main<br>Germany | T +49 69/1 56 86-0 |
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| | **Helaba Invest** Kapitalanlage-gesellschaft mbH | Junghofstrasse 24<br>60311 Frankfurt am Main<br>Germany | T +49 69/2 99 70-0 |
| | **GWH** Wohnungsgesellschaft mbH Hessen | Westerbachstrasse 33<br>60489 Frankfurt am Main<br>Germany | T +49 69/9 75 51-0 |
| | **OFB** Projektentwicklung GmbH | Speicherstrasse 55<br>60327 Frankfurt am Main<br>Germany | T +49 69/9 17 32-01 |
| | **GGM** Gesellschaft für Gebäude-Management mbH | Speicherstrasse 55<br>60327 Frankfurt am Main<br>Germany | T +49 69/6 05 12 12-5 00 |

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