



Investor Presentation

The Helaba Group

Frankfurt / Main, May 2017

1 Helaba Strategic Business Model

2  Group Strategy

3 Business Development

4 Asset Quality

5 Funding

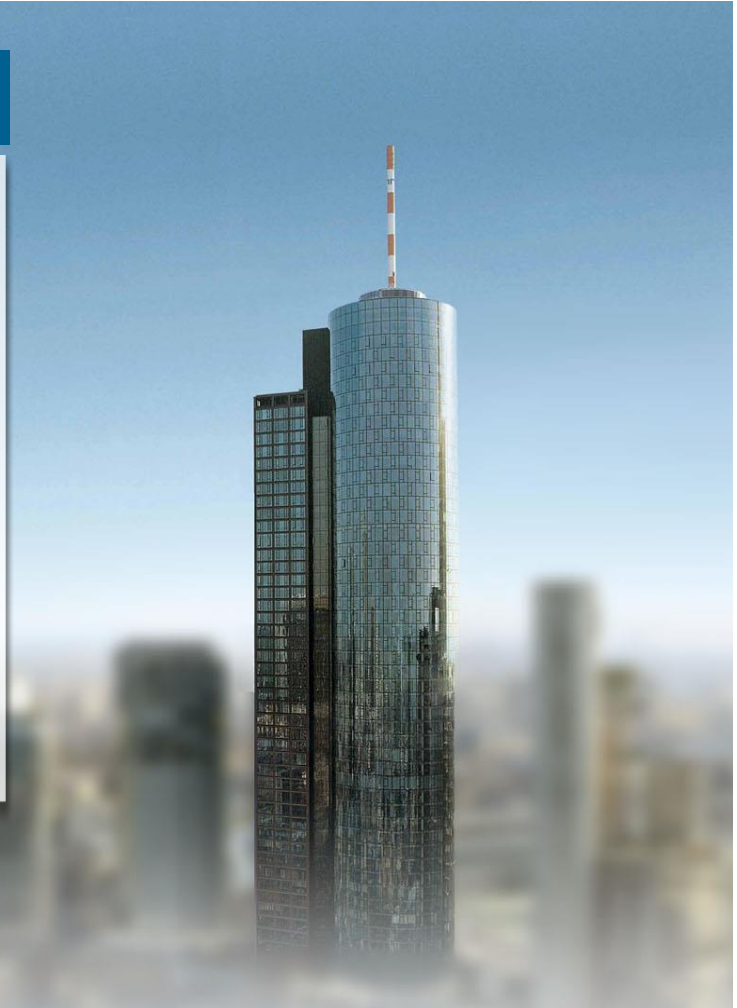


Helaba: Universal bank with strong regional focus

Key financial figures for 2016

Total assets:	€ 165.2 bn
CET1- ratio “phased-in” ¹ :	14.3%
CET1- ratio “fully loaded” ¹ :	13.8%
Total capital ratio ¹ :	20.5%
Result for FY 2016:	€ 549 mn (pre-tax, IFRS)
Risk weighted assets:	€ 52.8 bn
Leverage ratio:	4.7%

1) According to IFRS / CRR



Helaba's Profile

Universal Bank with Strong Regional Focus

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Strategic Business Model

Universal bank integrating wholesale, S-Group business, private customers and SME business and public development & infrastructure business

Core Markets

Universal bank with strong focus on Germany and presence in carefully selected international markets

Savings Banks Group

Central bank for 156 German savings banks (40% of all savings banks in Germany); close integration in  Group Hesse-Thuringia with joint ratings

Customer Business

Stable customer business (>50% of total assets); reflecting Helaba's close ties to the real economy

Funding

Well-balanced mix of instruments and high level of market acceptance; sustainable liquidity management throughout Helaba Group

Helaba Rating

Excellent ratings from the three leading rating agencies; joint ratings with savings banks in Hesse-Thuringia; ranked among the top German banks



Helaba's Stable Strategic Business Model

Three Core Business Units

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Helaba

...a Universal Bank with strong Regional Focus

Wholesale Business



Business Divisions:
Real Estate
Corporate Finance
Financial Institutions
and Public Finance
Global Markets
Asset Management
Transaction Banking

Group Business, Private Customers and SME Business



Public Development and Infrastructure Business



Wirtschafts- und Infrastrukturbank Hessen

Frankfurt / Main . Erfurt . Düsseldorf . Kassel . London . Paris



New York . Zürich . Madrid . Moscow . Shanghai . Singapore . Stockholm

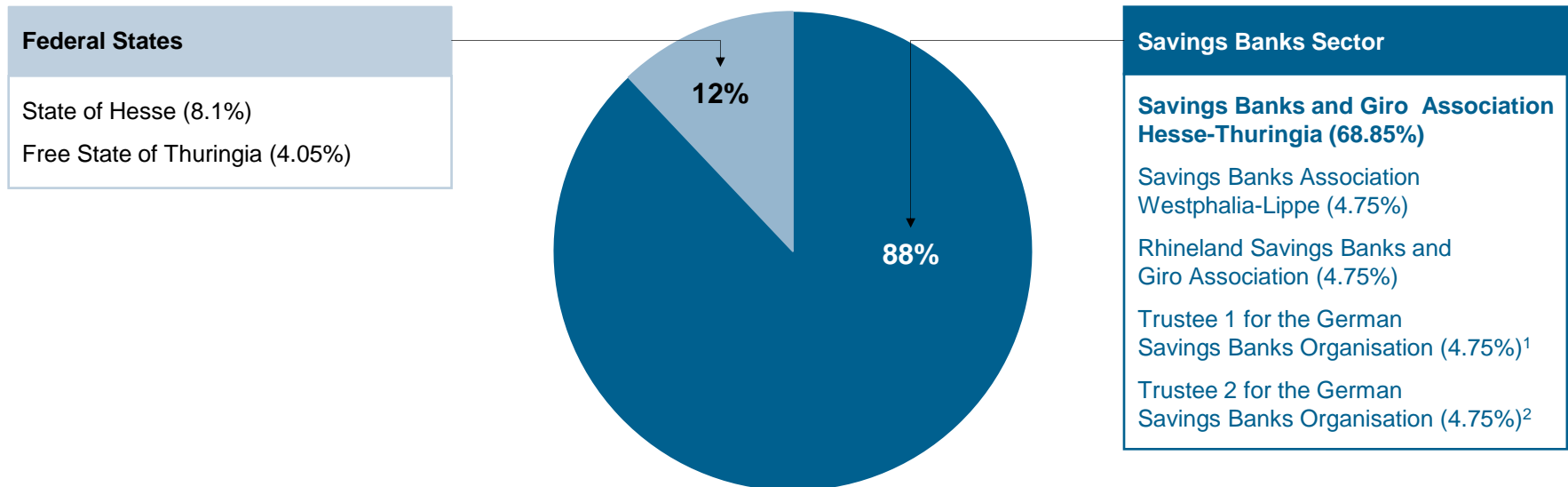


Helaba's Ownership Structure

Dominated by the Savings Banks Sector (88%)

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Distribution of Helaba's share capital



1) FIDES Alpha GmbH, Trustee for the Regional Savings Banks Support Funds, represented by the German Savings Banks and Giro Association (DSGV)
2) FIDES Beta GmbH, Trustee for the Deposit Reserve of the Landesbanks, represented by the DSGV



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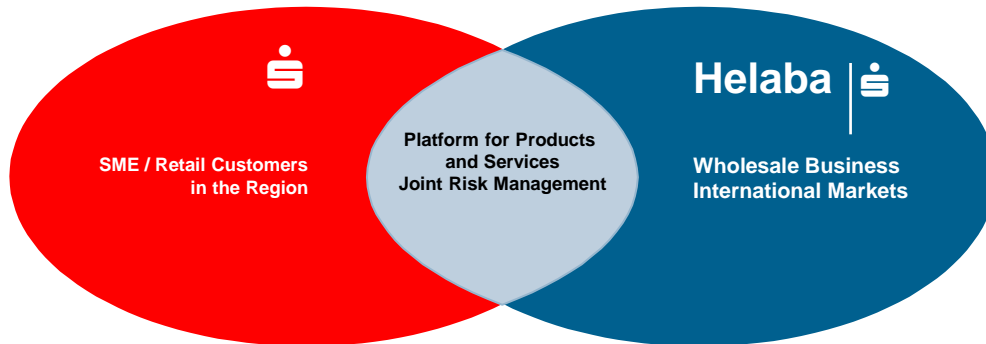


Helaba and Savings Banks in Hesse-Thuringia

A Single Economic Unit with a unique Franchise

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Group Hesse-Thuringia



Results 2015

- Total assets: € 260 bn
- Earnings before taxes (IFRS): € 1,480 mn
- Customers: 5 mn
- Employees: 26,700
- Locations/Branches: 2,000

Joint Market Presence

- Joint business strategy
- Full market coverage (retail and wholesale business)
- Clear allocation of customer responsibility
- Co-ordinated range of products

Joint Risk Management

- Uniform risk management strategy
- Risk monitoring system with early warning indicators
- Risk-adjusted contributions to the group's reserve fund

Joint Group Reserve Fund

- Integrated in joint risk management system
- Approx. € 522 mm in addition to existing nationwide voluntary support mechanisms as at 31.12.2016
- Direct legal investor protection in addition to institutional support

Consolidated Accounts

- Audited consolidated group accounts since 2003
- Earnings before taxes in 2015 (IFRS): € 1,480 mn
- Group rating from Fitch Ratings (A+) and Standard & Poor's (A)



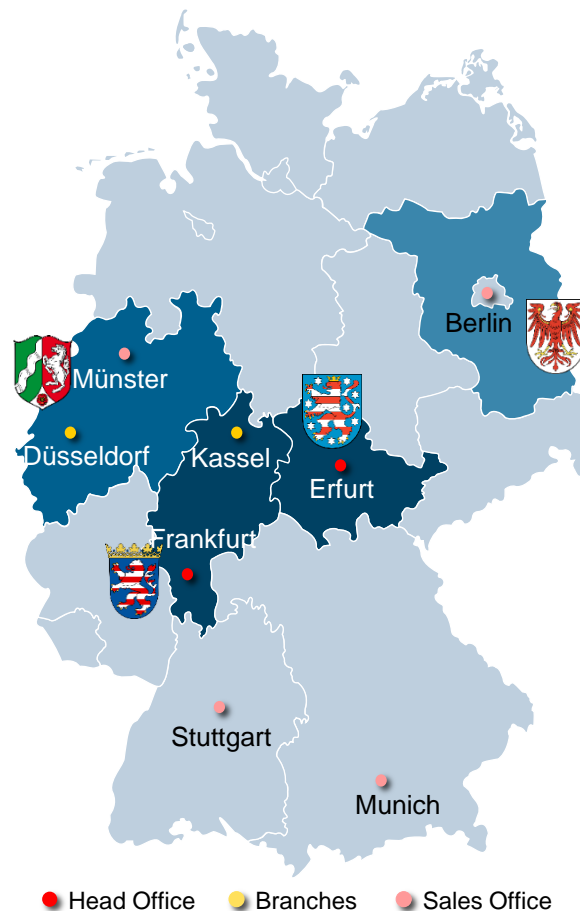
S-Group Business, Private Customers and SME Business

Helaba: Leading S-Group Bank within the German Savings Banks Association

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Hesse-Thuringia

- Home Region with central bank function for associated savings banks
- Savings banks and the Federal States of Hesse and Thuringia are Helaba's shareholders
- Successful business model of a "single economic entity" with S-Group's savings banks; regional support funds, consolidated annual accounts and group-ratings
- Head offices in Frankfurt / Main and Erfurt



North Rhine-Westphalia

- Home Region with central bank function for associated savings banks
- Savings banks associations of NRW are Helaba's shareholders
- S-Group agreement as basis for cooperation; regional support funds in NRW
- Branch office in Düsseldorf, sales office in Münster

Brandenburg

- Home Region with central bank function for associated savings banks and S-Group agreements
- Sales Office Berlin

Other regions

- Focus on Rhineland-Palatinate, Bavaria and Baden-Wuerttemberg
- Sales offices in Munich, Stuttgart and Berlin

As central bank for 156 savings banks Helaba is S-Group bank for about 40% of the German savings banks



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Management Summary

Helaba satisfied with performance in 2016 financial year

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Consolidated profit before taxes with € 549 mn well above expectations, third best result in Helaba's history



Particular income components grow again, above all increase of net fee and commission income by 2%



Positive development of customer business



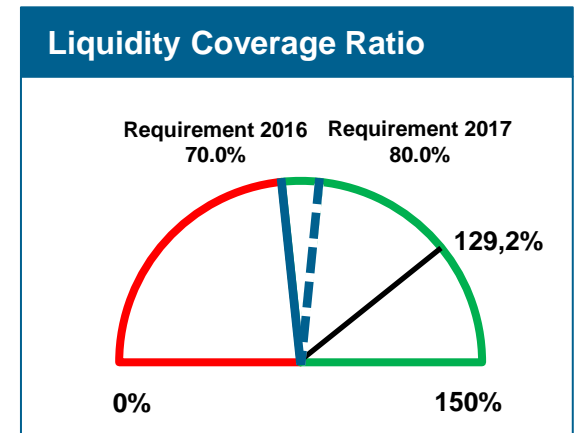
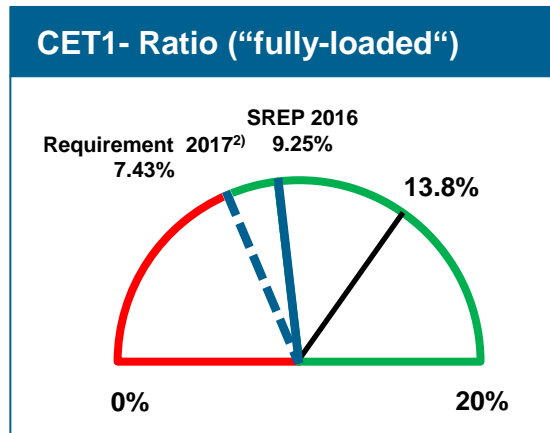
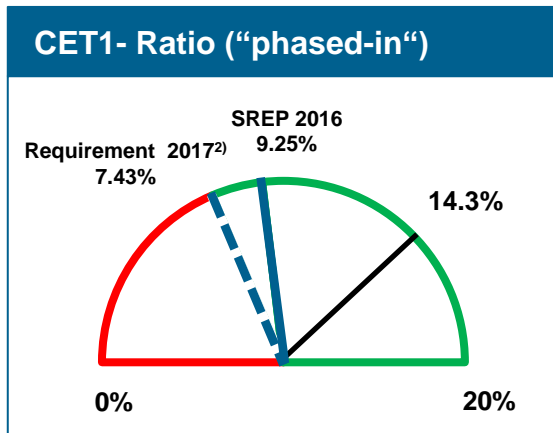
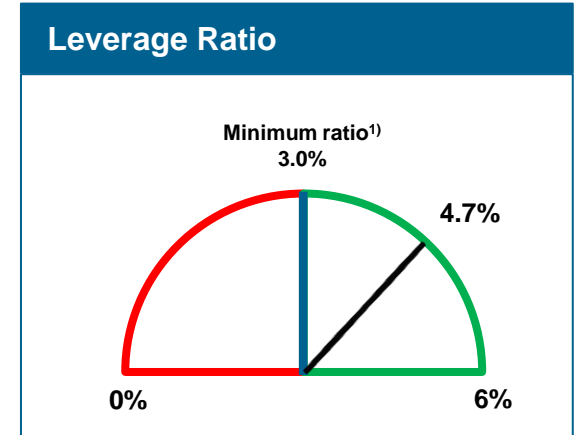
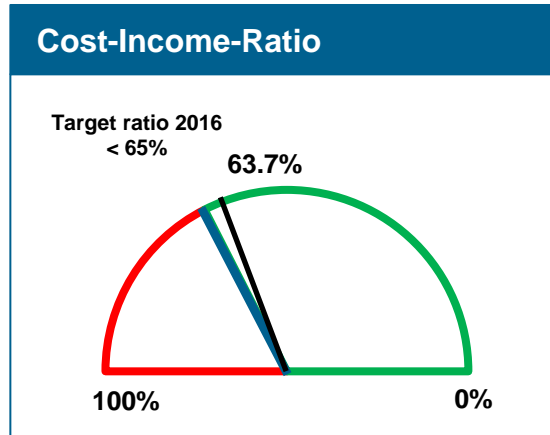
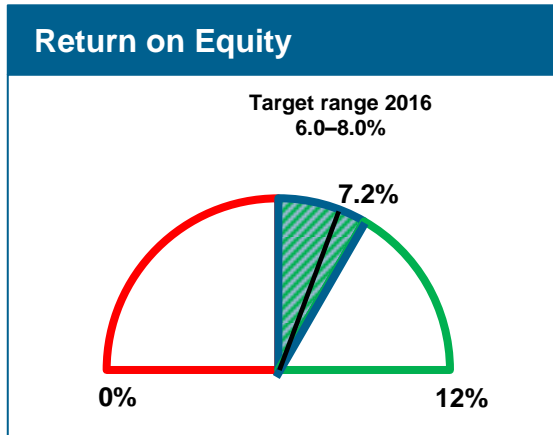
Financial ratios within target: cost-income-ratio at 63.7%, return on equity at 7.2%



Key regulatory figures see further improvement: CET1- ratio phased-in of 14.3% or fully-loaded of 13.8%, total capital ratio of 20.5%



Key financial ratios for 2016



— Relevant target ratio
— Ratio 2016

1) A mandatory minimum ratio of 3.0 % is expected to apply from 1 January 2019
2) Derived from SREP requirement for 2017 considering capital buffers



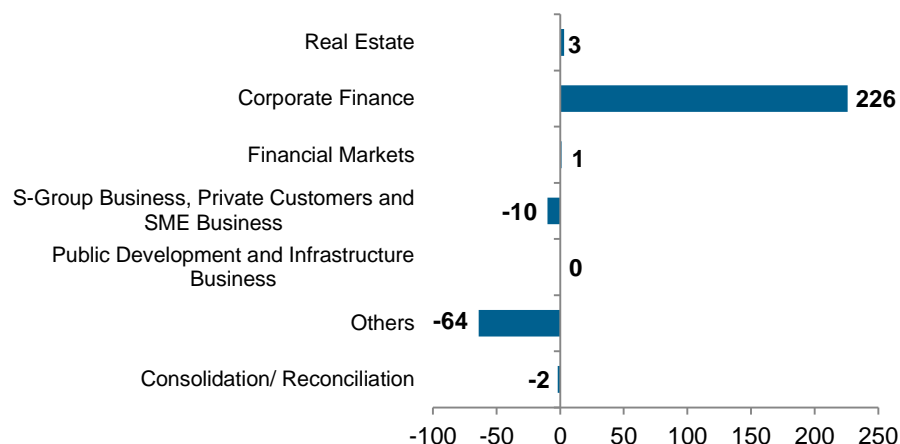
Provisions for losses on loans and advances

Composition of the Provision for Losses on Loans (in € mn)

01.01.- 31.12.2015		01.01.- 31.12.2016	
Net-risk provision	237	Net-risk provision	154
		Individual allowances	234
		Global allowances	-6
		Portfolio allowances	-72
		Provisions	3
		Direct impairments on receivables / reversals	-5

- Given the high quality of the business portfolio and the fact that the German economy was in good shape, significantly lower requirement for provisions for losses on loans and advances than in 2015
- Reversal of portfolio loan loss allowance for lending exposures that are not at serious risk of default in the amount of € 72 mn (2015: net addition of € 93 mn).

Break down on Segments (in € mn)



- Provisions for losses on loans and advances were shaped by the allowances for losses on loans and advances related to ship finance (segment Corporate Finance)
- In 2016, provisions for losses on loans and advances in segment Others included a reversal of € 64 mn relating to a portfolio loan loss allowance recognized in 2015 (2015: provision addition of € 93 mn).



Consolidated Balance Sheet of Helaba Group FY 2016 (IFRS)

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	31.12.2016	31.12.2015	Change	
	in € billion	in € billion	in € billion	in %
Loans and advances to banks incl. cash reserves	18.3	19.1	-0.8	-4.2
Loans and advances to customers	93.1	93.2	-0.1	-0.1
Impairments on receivables	-0.8	-1.0	0.2	-20.0
Assets held for trading	20.5	26.1	-5.6	-21.5
Positive market value of derivatives not held for trading	4.0	4.4	-0.4	-9.1
Financial investments, incl. companies accounted for using the equity method	25.8	26.6	-0.8	-3.0
Other Assets	4.3	3.9	0.4	10.3
Total assets	165.2	172.3	-7.1	-4.1
Liabilities due to banks	30.1	36.0	-5.9	-16.4
Liabilities due to customers	46.8	47.7	-0.9	-1.9
Securitised liabilities	50.9	47.1	3.8	8.1
Liabilities held for trading	18.7	22.4	-3.7	-16.5
Negative market value of derivatives not held for trading	3.9	4.4	-0.5	-11.4
Provisions, other liabilities	3.2	2.9	0.3	10.3
Subordinated capital	3.7	4.1	-0.4	-9.8
Equity	7.7	7.7	0.2	2.6
Total liabilities	165.2	172.3	-7.1	-4.1



P&L for Helaba Group FY 2016 (IFRS)

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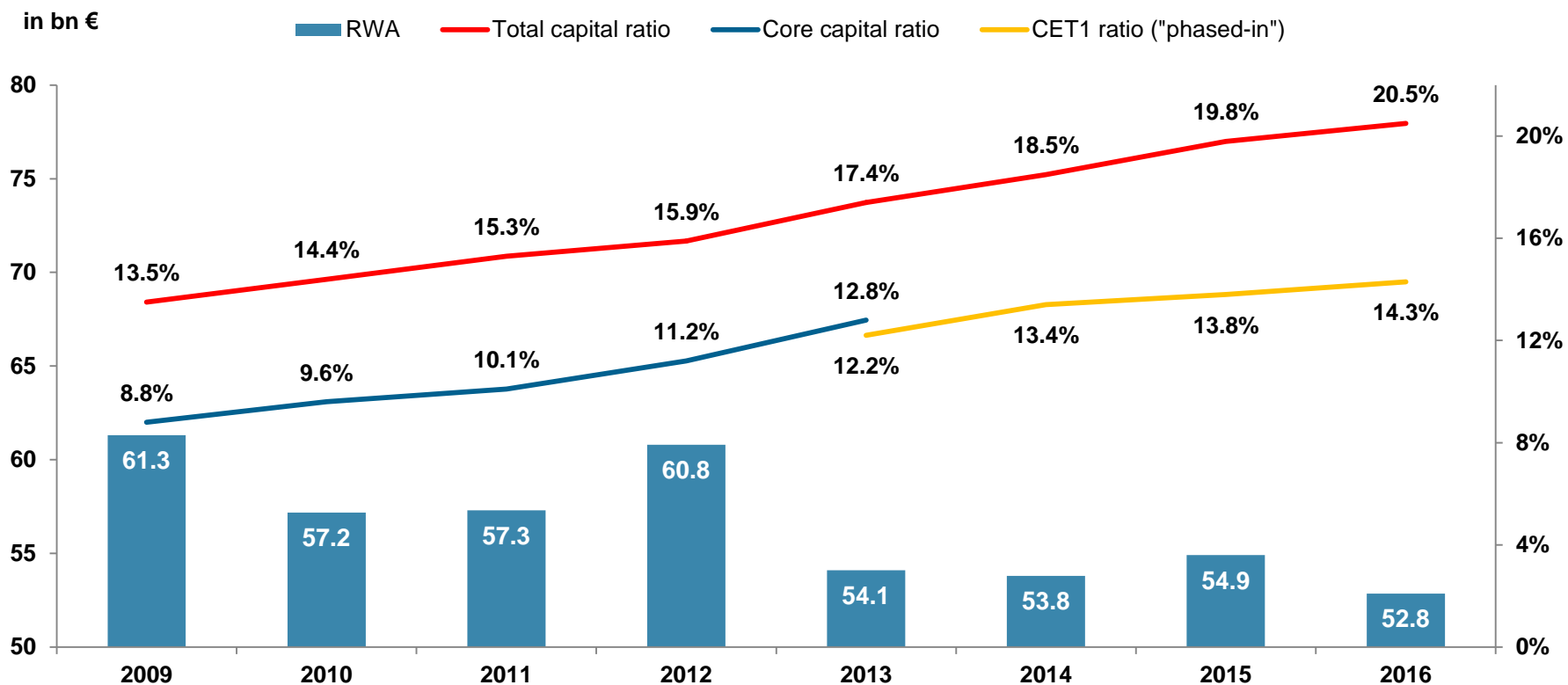
	2016	2015	Change	
	in € million	in € million	in € million	in %
Net interest income	1,231	1,312	-81	-6.2
Provisions for losses on loans and advances	-154	-237	83	35.0
Net interest income after provisions for losses on loans and advances	1,077	1,075	2	0.2
Net commission income	340	333	7	2.1
Net trading income	146	190	-44	-23.2
Result from hedges / derivatives	46	25	21	84.0
Results from financial investments (incl. result from companies accounted for using the equity method)	53	-10	63	-
Other operating result	119	173	-54	-31.2
General administration expenses	-1,232	-1,190	-42	-3.5
Earnings before taxes	549	596	-47	-7.9
Taxes on income	-209	-177	-32	-18.1
Consolidated net income after taxes	340	419	-79	-18.9



Overview Capital Ratios

Satisfactory capitalization

Development capital ratios (Helaba Group)



→ As of 31.12.2016 CET1 ratio “fully loaded“ was 13.8%, CET1 requirement for 2017¹⁾ at 7.43%.

1) Derived from SREP requirement for 2017 considering capital buffers



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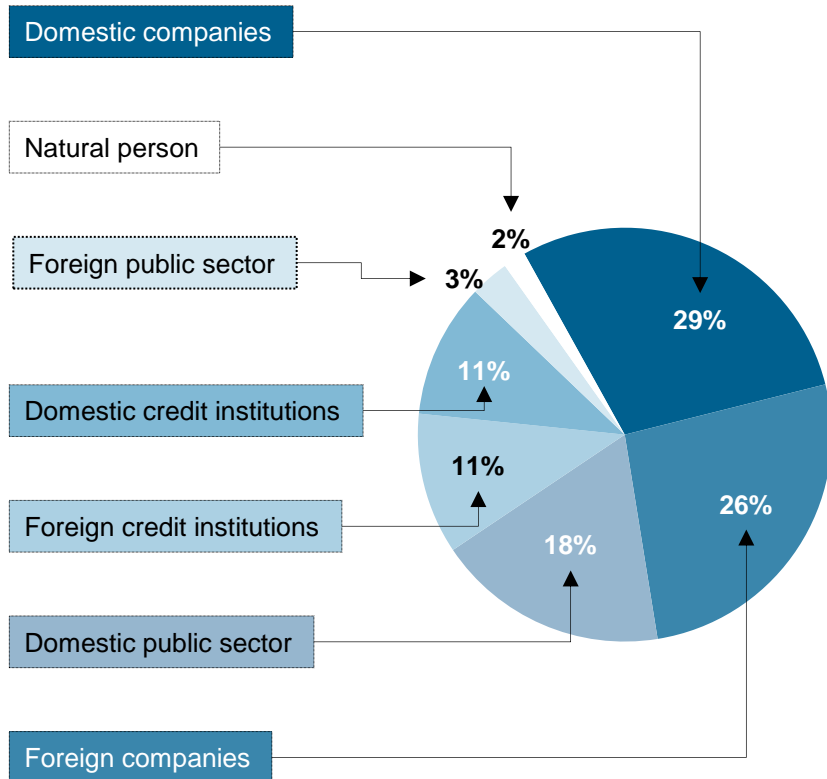
5 Funding



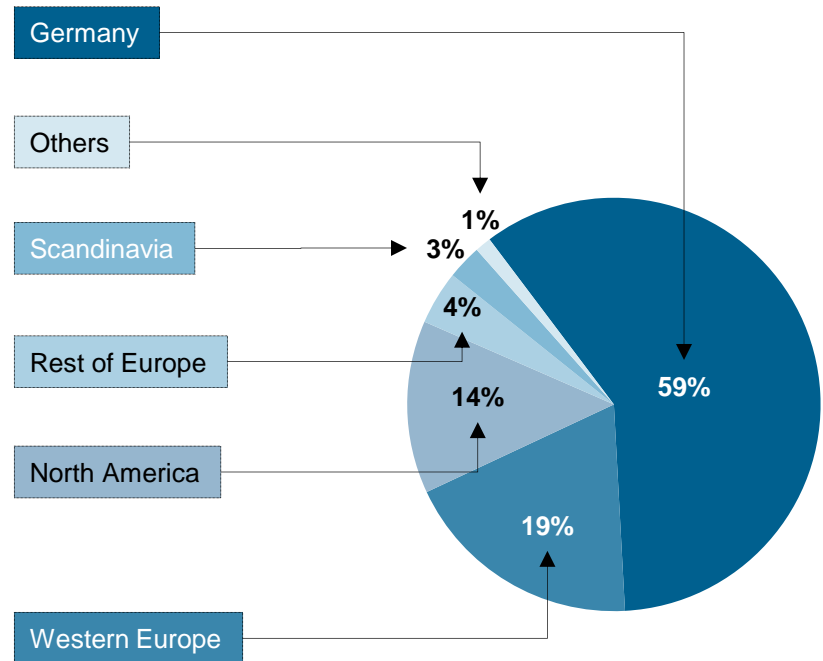
Helaba Risk Profile – Total volume of lending (€ 178.2 bn)

Diversified portfolio focusing on Germany

Breakdown by customer



Breakdown by region



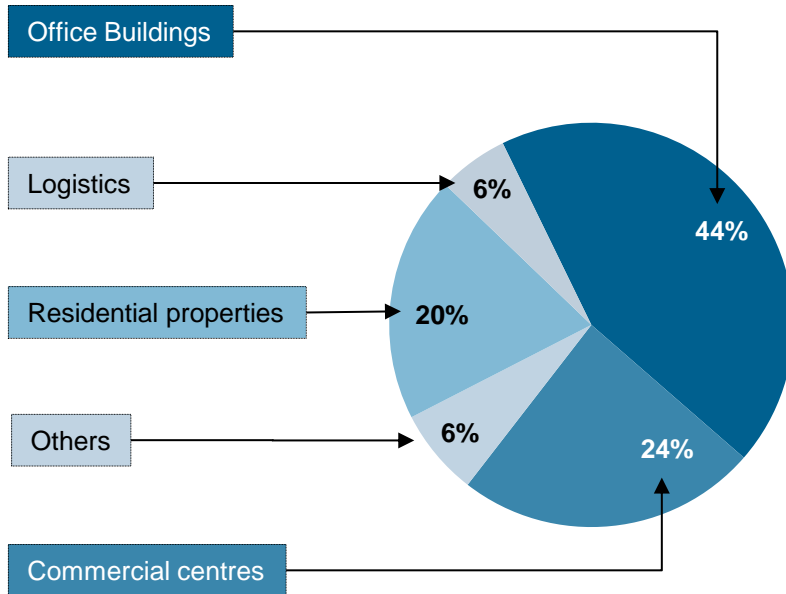
As of December 31, 2016



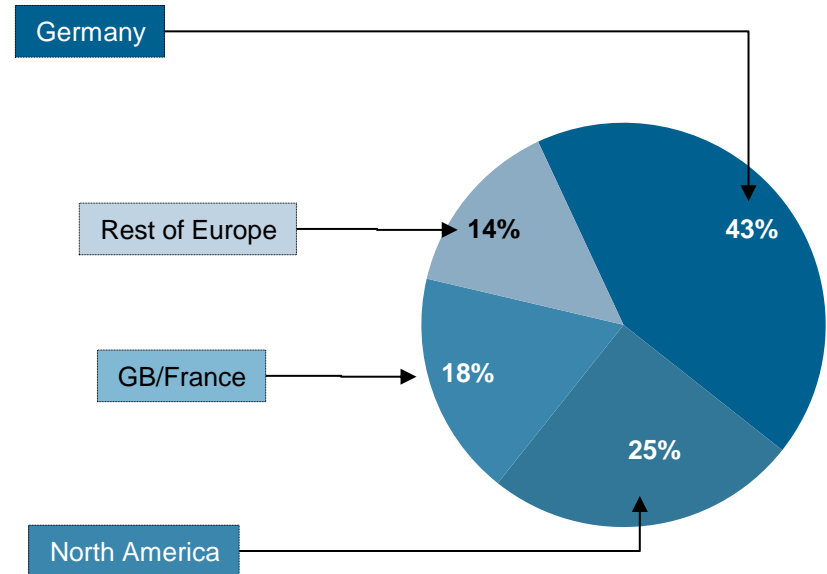
Real Estate Credit Portfolio

Well diversified – lending volume of € 34.8 bn

Breakdown by types of use



Breakdown by region



As of December 31, 2016

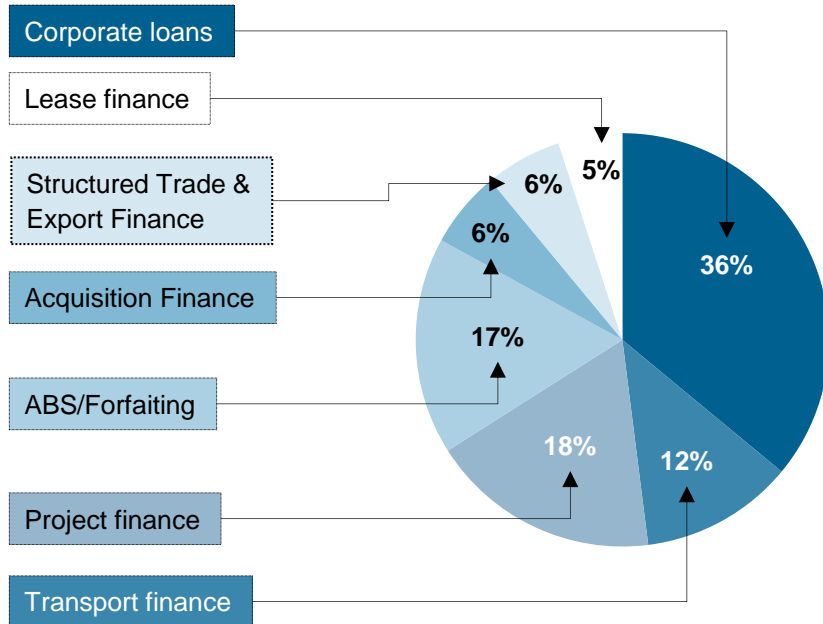
➔ Being among the market leaders in Germany Helaba has an acknowledged expertise in real estate credit business



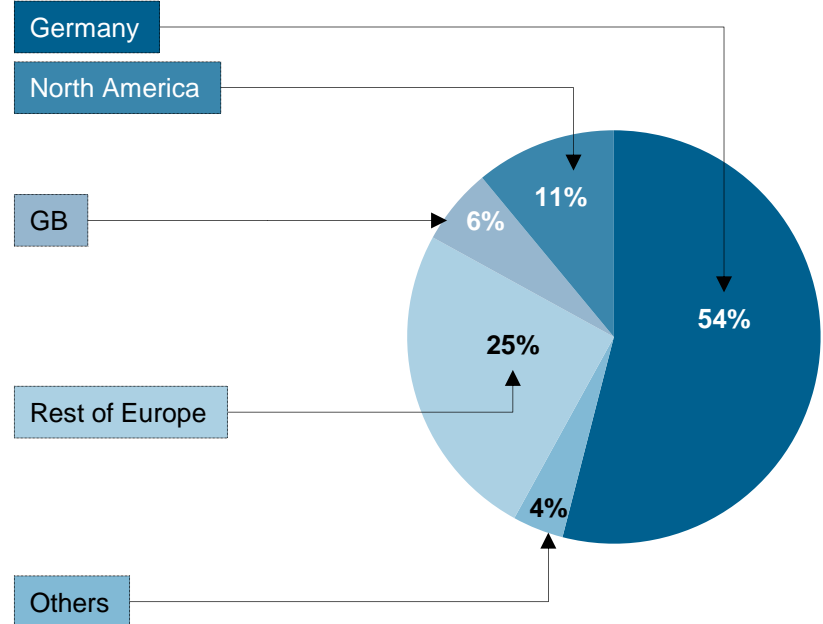
Corporate Finance Portfolio

High Stability of portfolio structure – lending volume € 36.4 bn

Product areas and Portfolio



Breakdown by region



As of December 31, 2016

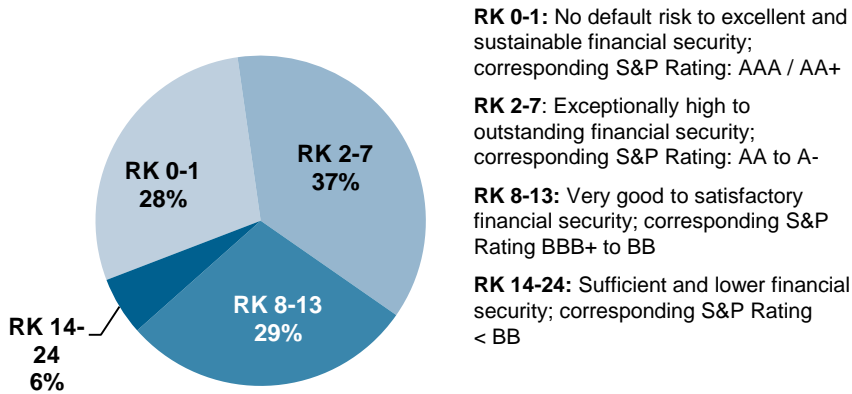
➔ Presence in international markets and leader in selected segments, e.g. long-term infrastructure projects and PPP



Helaba's Risk Profile

High quality of loan portfolio

Total volume of lending by default rating category



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

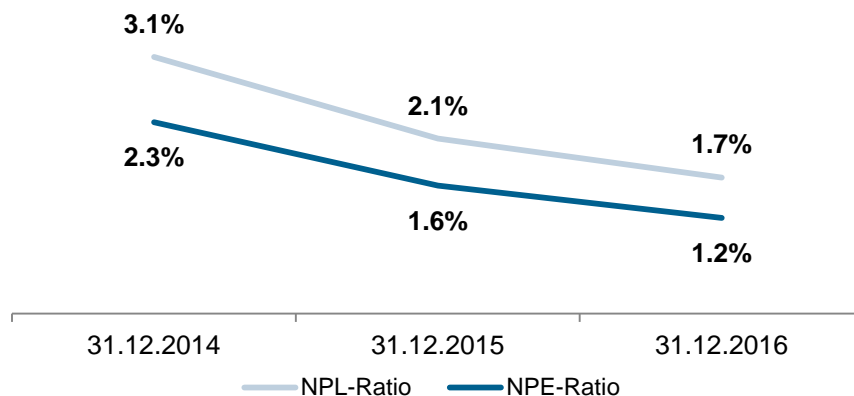
RK 2-7: Exceptionally high to outstanding financial security; corresponding S&P Rating: AA to A-

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

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

- Total volume of lending of € 178.2 bn for narrow Group companies (Helaba Bank with the subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG and Helaba Asset Services)
- 94% of total volume of lending with excellent to satisfactory creditworthiness

Development NPE¹- und NPL²- Ratio



- NPL ratio of 2.04 %, (as of 30.06.2016) according the 2016 results of the Transparency Exercise reflects the high quality of Helaba's lending portfolio which is well below the average of 2.72 % for German banks (which was already very low by European standards)
- NPL-ratio of 1.65 % as of 31.12.2016. Total Loans and advances amounted to €112.0 bn, thereof Non-Performing Exposures of € 1.9 bn.

1) The NPE-ratio is the share of non-performing exposures as of the EBA definition in relation to business volume (incl. off-balance sheet positions)
 2) The NPL-ratio is the share of non-performing exposures as of the EBA definition in relation to loans and advances



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Funding Strategy

Strong regional engagement as success factor during the financial crisis

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Funding Strategy

- Continued matched funding of new business
- Expand the already strong position within the German investor base and further develop the international investor base
- Intensive marketing of Helaba's solid "Credit Story" inside and outside of Germany
- Further develop the product and structuring capacity through the issuance programmes


Funding Volume

	Covered	Unsecured	Total
2016	€ 3.0 bn	€ 14.2 bn	€ 17.2 bn
2017 planned	€ 6.0 bn	€ 9.0 bn	€ 15.0 bn

Funding Programmes

- EUR 35 bn Euro Medium Term Note Programme
- Domestic issuance (Basisprospekt)
- EUR 10 bn Euro-CP/CD Programme
- EUR 6 bn French CD Programme
- USD 5 bn USCP Programme

Broad Liquidity Access

- EUR 34 bn collateral pool for German covered bonds ("Pfandbriefe")
- EUR 30 bn securities eligible for ECB / central bank funding
- EUR 17 bn retail deposits within Helaba Group
- EUR 92 bn deposits within the  Finance Group Hesse-Thuringia (as of Dec. 31, 2015)

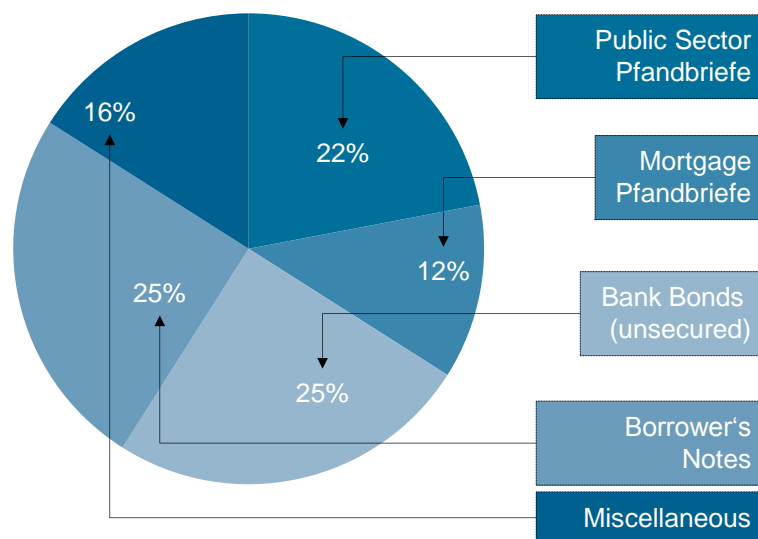


Funding

Sustainable liquidity management and high level of acceptance in the market

Outstanding medium and long-term funding (≥ 1 year): € 81.5 bn

	2016	2015	2014
	in € mn	in € mn	in € mn
Covered securities ("Pfandbriefe")	27,477	29,406	27,734
- o/w Public sector	17,605	20,642	21,718
- o/w Mortgage backed	9,872	8,764	6,016
Senior unsecured bonds	20,113	17,087	25,120
Borrower's notes	21,050	21,417	23,367
Miscellaneous*	12,852	13,700	16,150
Summe	81,492	81,610	92,371



* Subordinated bonds / participation rights certificates / silent deposits / earmarked funds

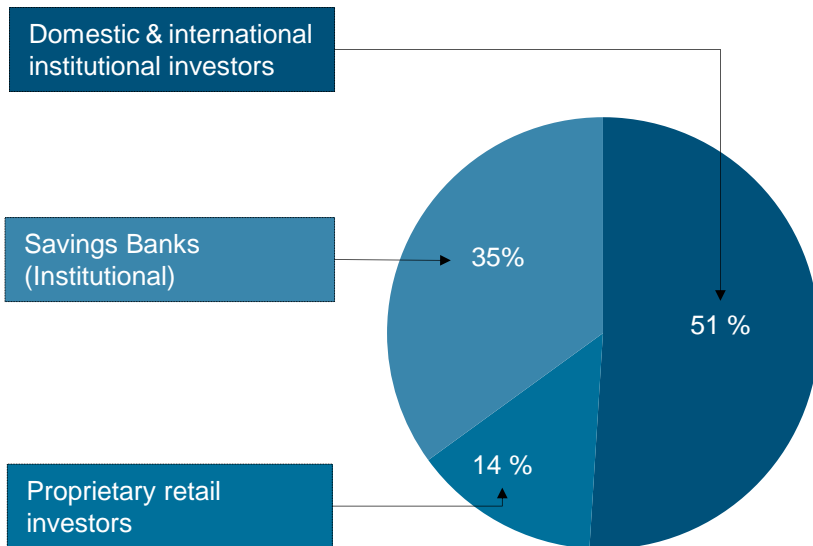
As of Dec. 31, 2016



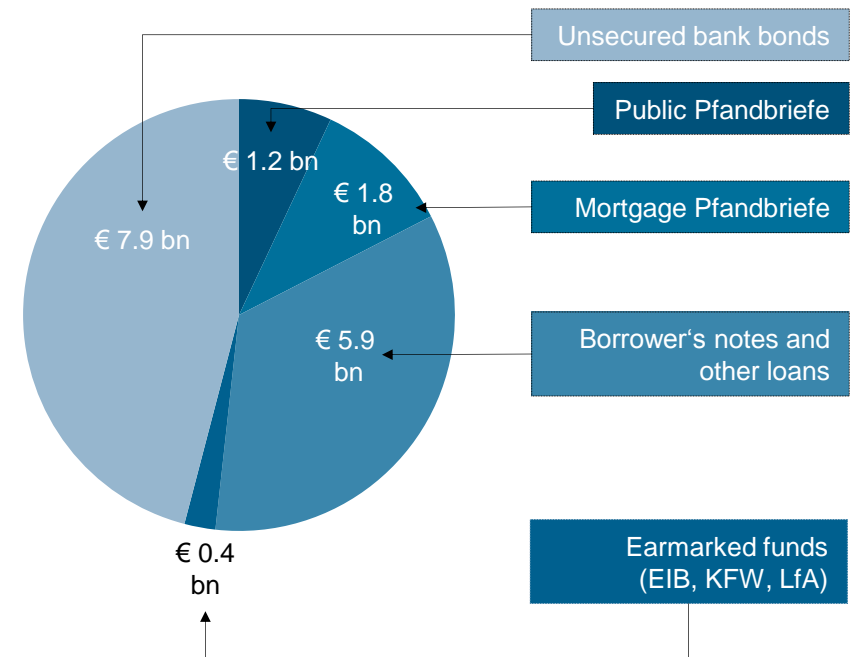
Medium- and long-term funding (≥ 1 year) in 2016

Diversified funding mix

Breakdown by Investor



Breakdown by Product



Medium- and long-term funding volume in 2016 : € 17.2 bn

As of Dec. 31, 2016



Helaba Ratings on a high level

Moody's	
Outlook	Stable
Counterparty Risk Assessment	Aa3(cr)
Long-term Deposit Rating	Aa3
Public-Sector Covered Bonds	Aaa
Short-term Deposit Rating ²⁾	P-1
Senior senior unsecured bank debt ³⁾	Aa3
Senior Unsecured ⁴⁾	A1
Subordinate Rating ⁵⁾	Baa2
Baseline Credit Assessment	baa3

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

Standard & Poor's	
Outlook	Stable
Long-term Issuer Credit Rating	A
Short-term Issuer Credit Rating ²⁾	A-1
Long-term Senior Unsecured ³⁾	A
Long-term Senior Subordinated ⁴⁾	A-
Standalone Credit Profile	a

Ratings for Helaba liabilities covered by statutory guarantee ⁶⁾

	Moody's	Fitch	Standard & Poor's
Long-term ratings	Aa1	AAA	AA-

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

2) Corresponds to short-term liabilities

3) Corresponds in principle to long-term senior unsecured debt according to §46f (5 u.7) KWG ("with preferential right to payment")

4) Corresponds in principle to long-term senior unsecured debt according to §46f (6) KWG ("without preferential right to payment")

5) Corresponds to subordinated liabilities

6) Applies to all liabilities in place on 18 July 2001 (indefinitely)



Agenda 2017 – “Strengthening strengths“

First steps

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Successful sale of stake in Hannover Leasing to Corestate Capital Group



Further and irreversible integration of Helaba into the  Finance Group



Business expansion in North Rhine-Westphalia



Strengthening the national market leader position in Cash Management



Application of first solutions developed by the “Strategic Digitalisation Project“



New Core Banking System





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