



Investor Presentation

The Helaba Group

Frankfurt / Main, January 2018

1 Helaba Strategic Business Model

2  Group Strategy

3 Business Development

4 Asset Quality

5 Funding

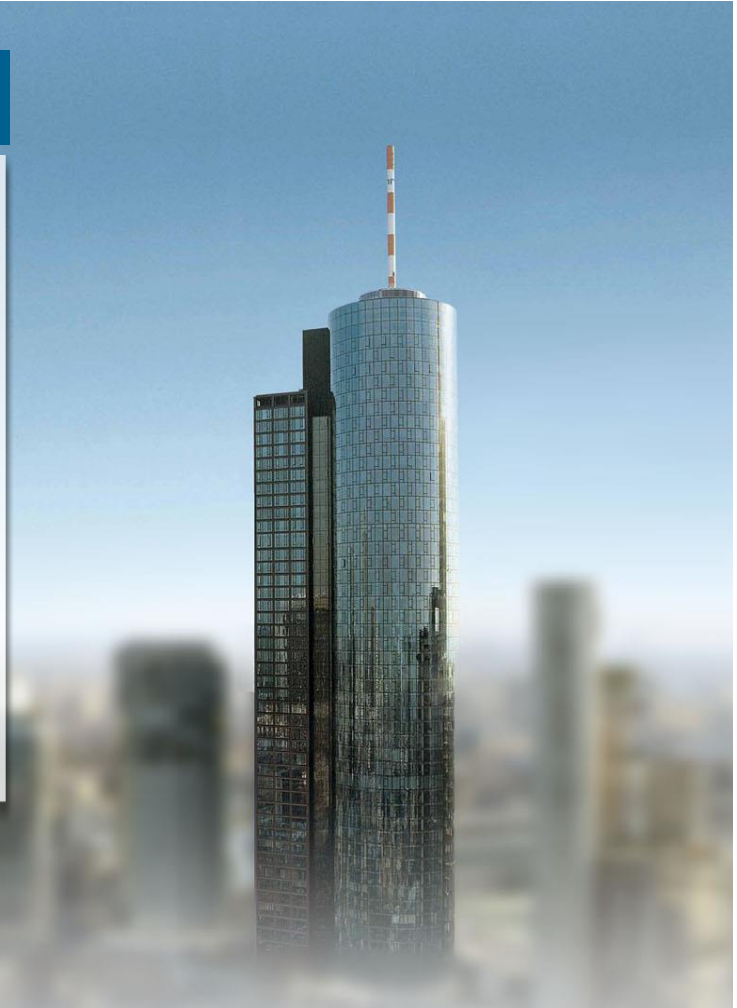


Helaba: Universal bank with strong regional focus

Key financial figures for Q3 2017

Total assets:	€ 163.1 bn
CET1- ratio “phased-in” ¹ :	15.3%
CET1- ratio “fully loaded” ¹ :	15.1%
Total capital ratio ¹ :	21.9%
Result for H1 2017:	€ 381 mn (pre-tax, IFRS)
Risk-weighted assets:	€ 49.2 bn
Leverage ratio “phased-in” ¹ :	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

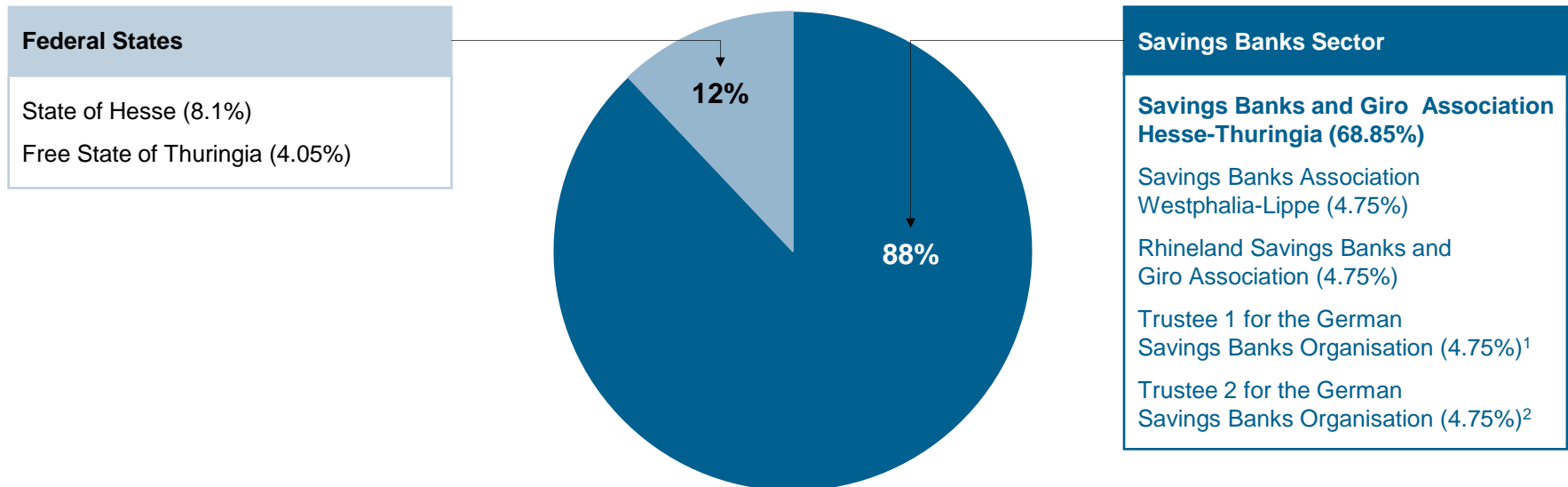


Helaba's Ownership Structure

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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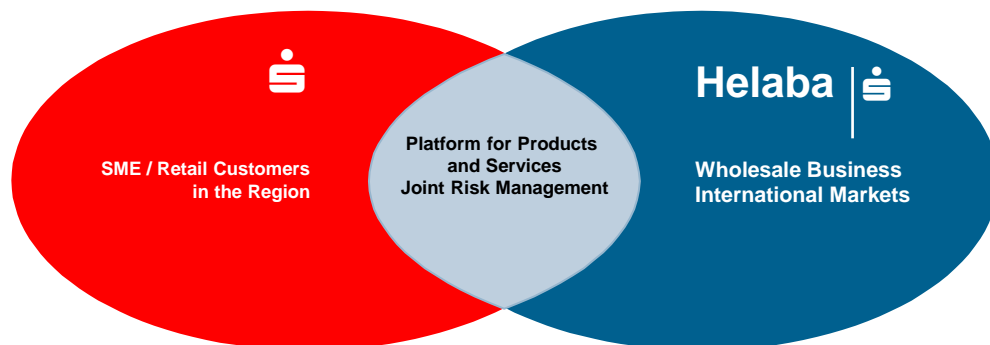


Helaba and Savings Banks in Hesse-Thuringia

A Single Economic Unit with a unique Franchise

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Group Hesse-Thuringia



Results 2016

- Total assets: € 257 bn
- Earnings before taxes (IFRS): € 1,596 mn
- Customers: 5 mn
- Employees: 25,700
- 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 mn 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 2016 (IFRS): € 1,596 mn
- Group rating from Fitch Ratings (A+) and Standard & Poor's (A)



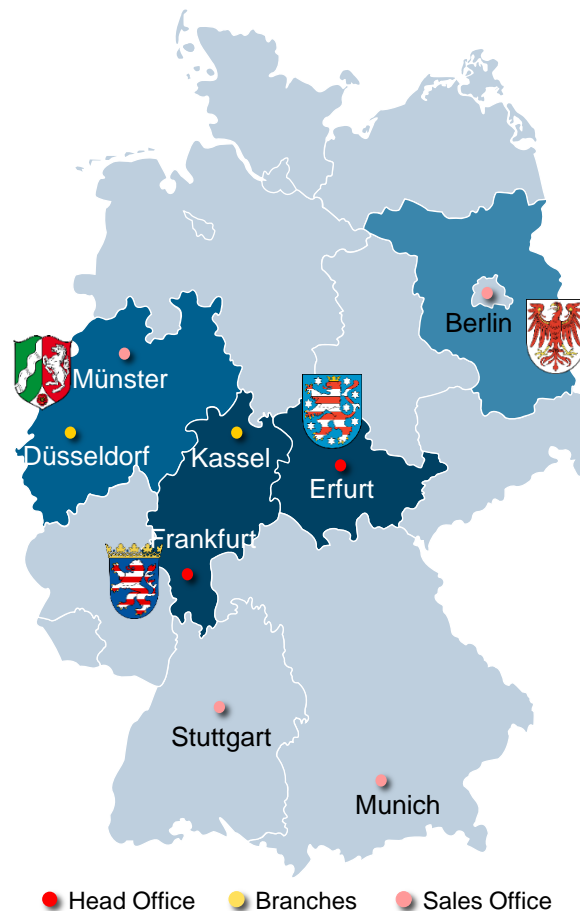
S-Group Business, Private Customers and SME Business

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 generates pre-tax profit of € 381 mn in third quarter

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In persistent challenging market environment Helaba achieves good performance



Significant growth in net trading income and low level of provisions for losses on loans and advances had positive impact



Encouraging growth in new business with customers



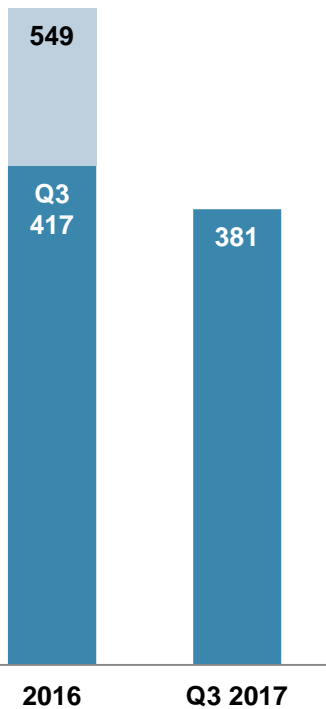
Further improvement of regulatory ratios: CET1-ratio phased-in of 15.3% and fully-loaded of 15.1%; total capital ratio increases to 21.9%



Satisfactory development of key financial ratios in challenging market environment

Profit before tax

in € mn



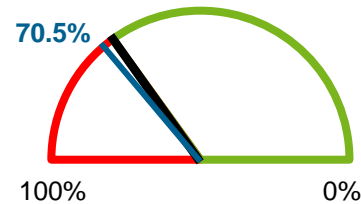
Total assets

In € bn



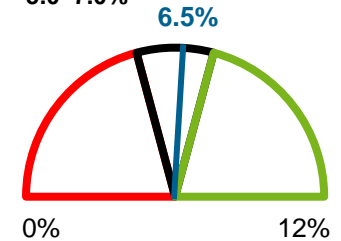
Cost-Income-Ratio

Target ratio 2017 < 70%



Return on Equity

Target range 2017 5.0–7.0%



CET1-ratio (“fully loaded“) and Liquidity Coverage Ratio

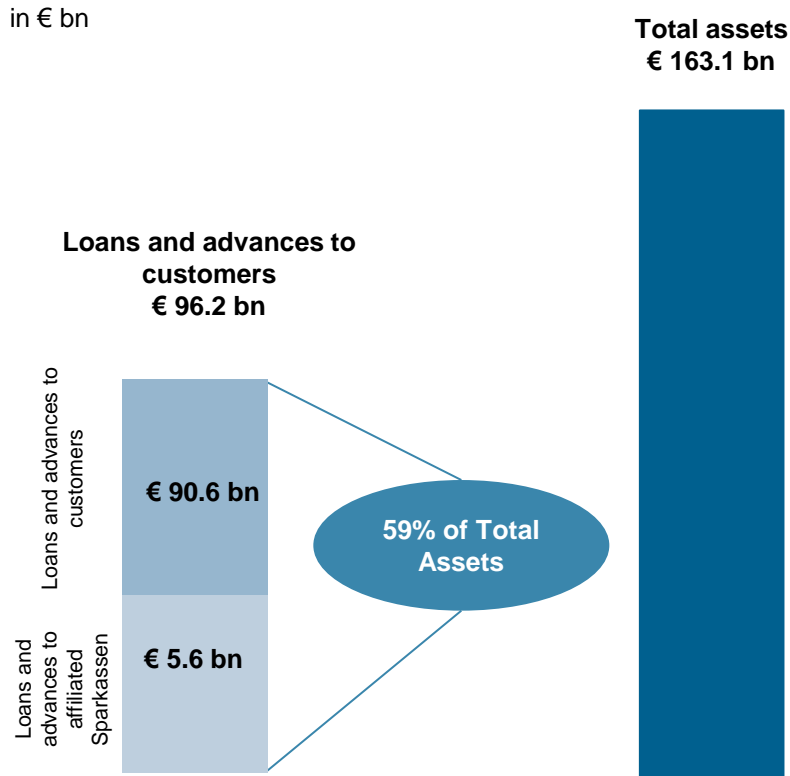
	Requirements 2017	Target ratio/ - range	Ratio Q3 2017
CET1-ratio (“fully loaded“)	7.43% ¹⁾	12%	15.1%
Liquidity Coverage Ratio	80%	110-130%	166%

1) Derived from SREP requirement for 2017 considering capital buffers



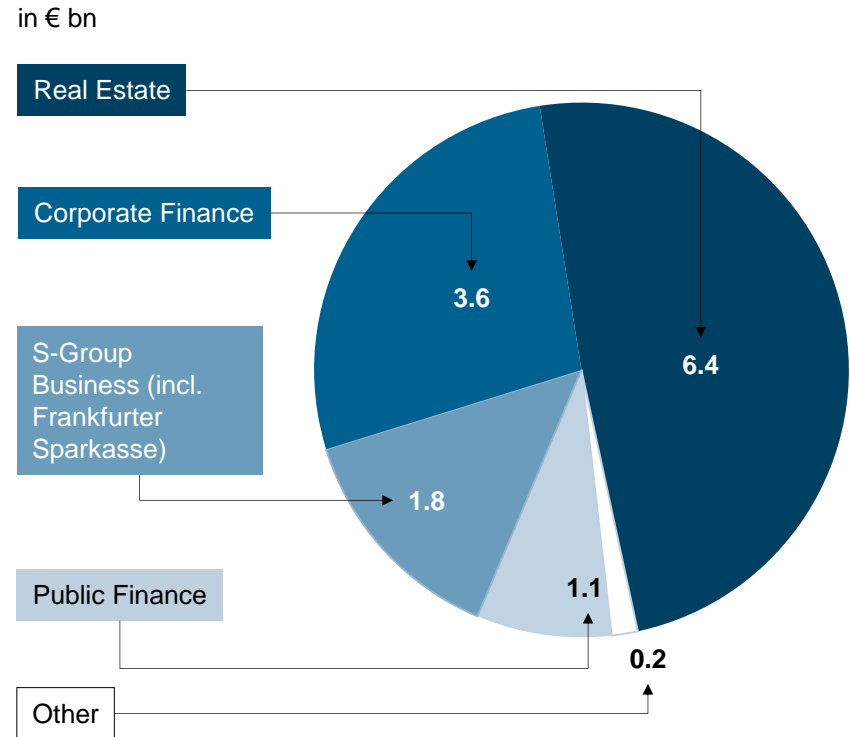
Customer business dominates balance sheet structure

Tightly interconnected with the real economy



- Despite decline in loans and advances to customers (€ -2.5 bn €) and to affiliated Sparkassen (€ -0.8 bn) in the first nine months of 2017, degree of interconnectedness with real economy stable at 59 %

Medium- and long-term new business volume: € 13.2 bn *



*Medium- and long-term new business volume without WIBank

- Positive development in amount of new medium and long-term business (duration of more than one year) compared to same period last year (Q3 2016: € 12.5 bn)
- Despite this, portfolio volume declines due to higher-than-anticipated repayments as well as currency effects



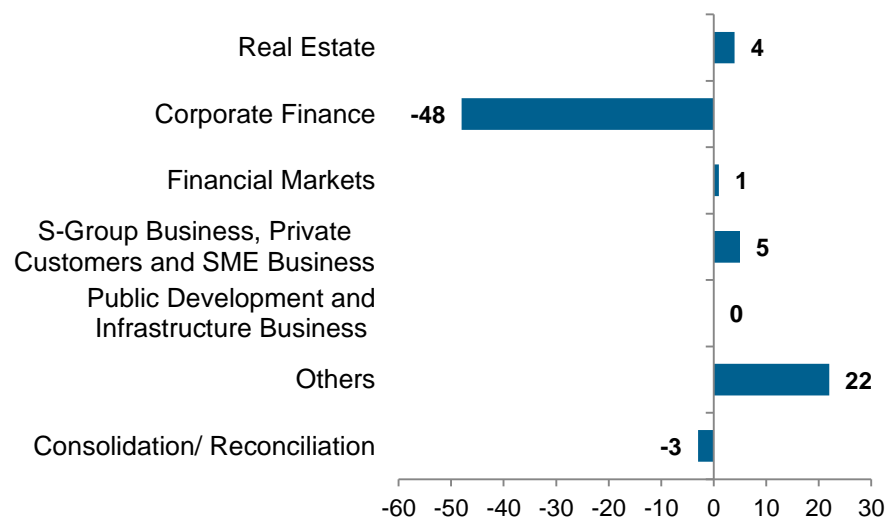
Provisions for losses on loans and advances significantly lower than previous year

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

01.01.- 30.09.2016		01.01.- 30.09.2017	
Net-risk provision	-140	Net-risk provision	-19
		Individual allowances	-71
		Portfolio allowances	25
		Provisions	10
		Direct impairments on receivables / reversals	17

- Significantly lower requirement for provisions for losses on loans and advances compared to the same period last year thanks to the high quality of the portfolio and the extensive risk provisions for the shipping portfolio recognised in 2016

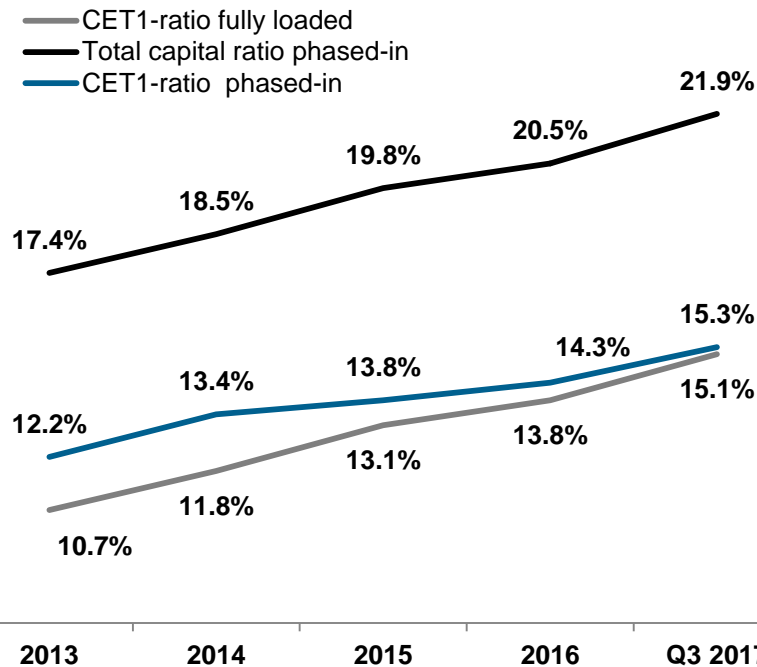
Break down on Segments (in € mn)



- Additions to allowances only in Corporate Finance segment mainly related to the shipping portfolio
- Reversal of portfolio allowances for loans not acutely at risk of default in segment of "Others"

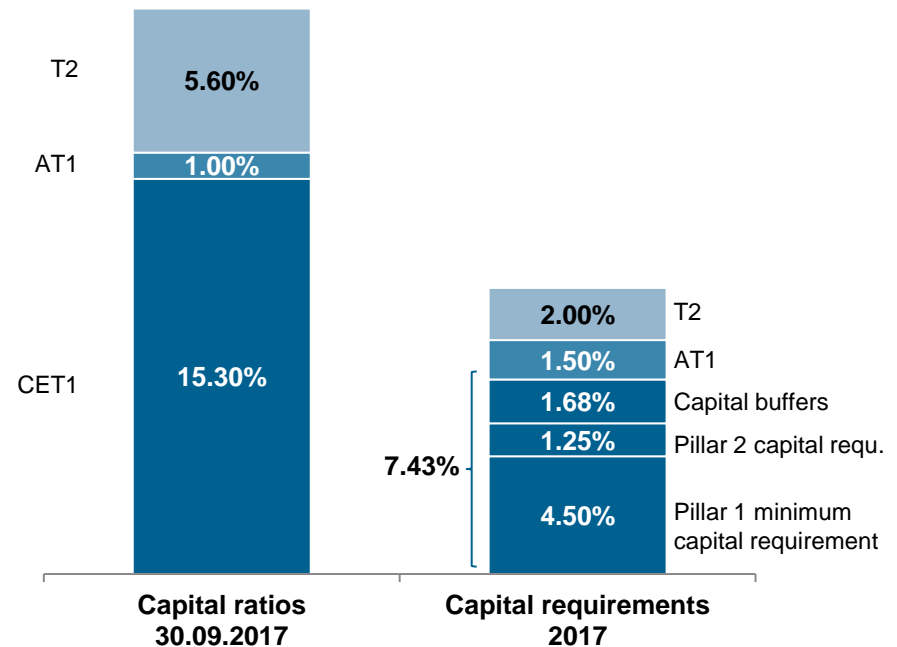
CET1-ratio significantly exceeds regulatory capital

Development of capital ratios



- Continuous improvement in capital ratios to a very high level of 15.1% (fully loaded) and 15.3% (phased-in), respectively
- Leverage ratio at 4.7% (phased-in) and 4.3% (fully loaded)
- Risk-weighted assets of € 49.2 bn

Capital requirements and components



- Capital requirement consists of following components:
 - Pillar 1: minimum capital requirement of 4.50%
 - Pillar 2: capital requirement of 1.25%
 - Total capital buffer of 1.68%



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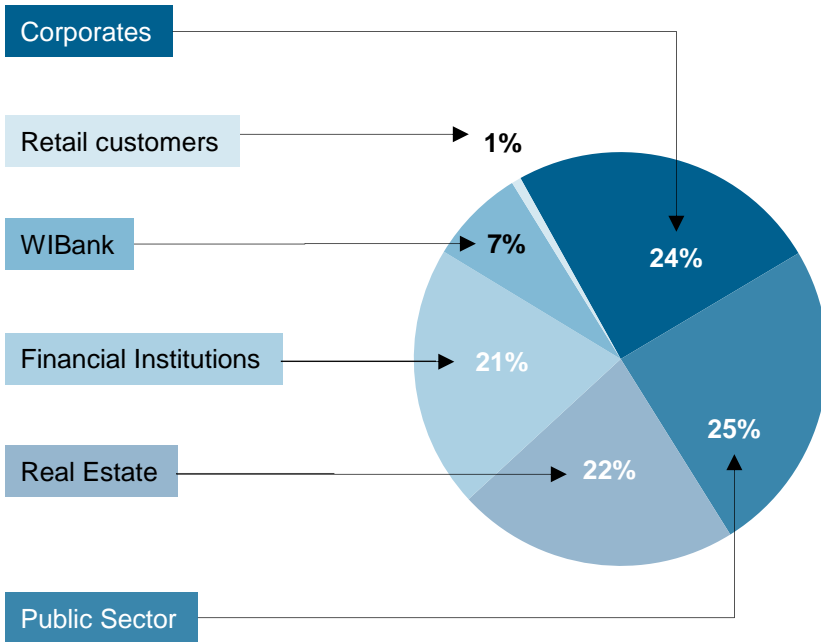
5 Funding



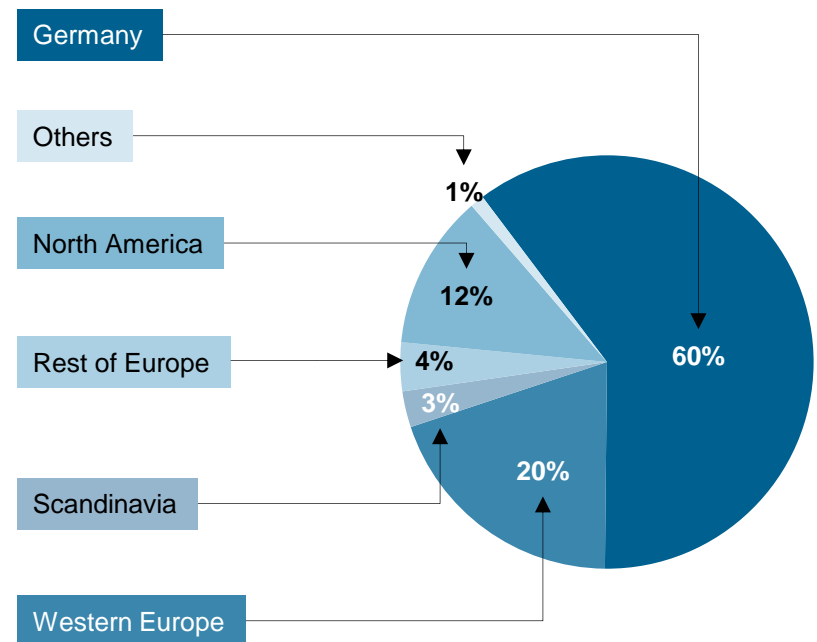
Helaba risk profile – Total volume of lending (€ 181.9 bn)

Diversified Portfolio focusing on Germany

Breakdown by customer



Breakdown by region



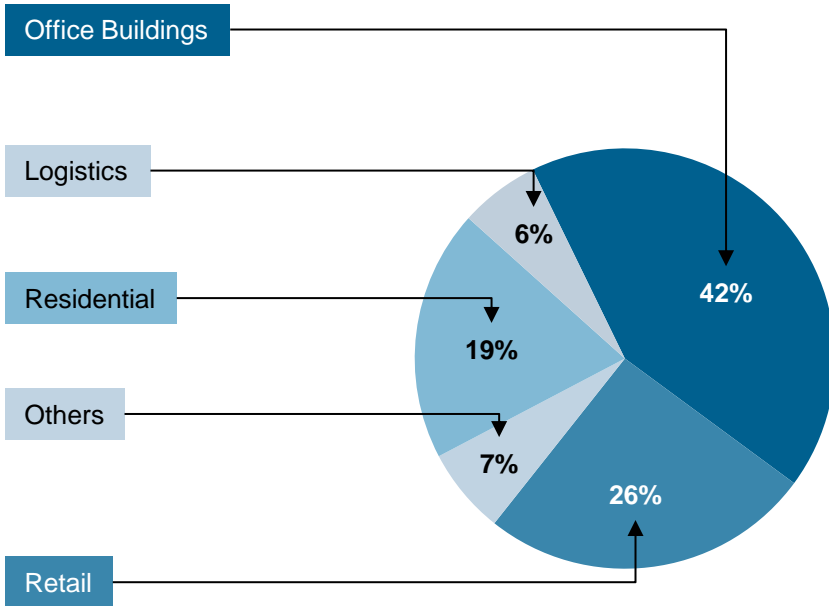
As of Sept. 30, 2017



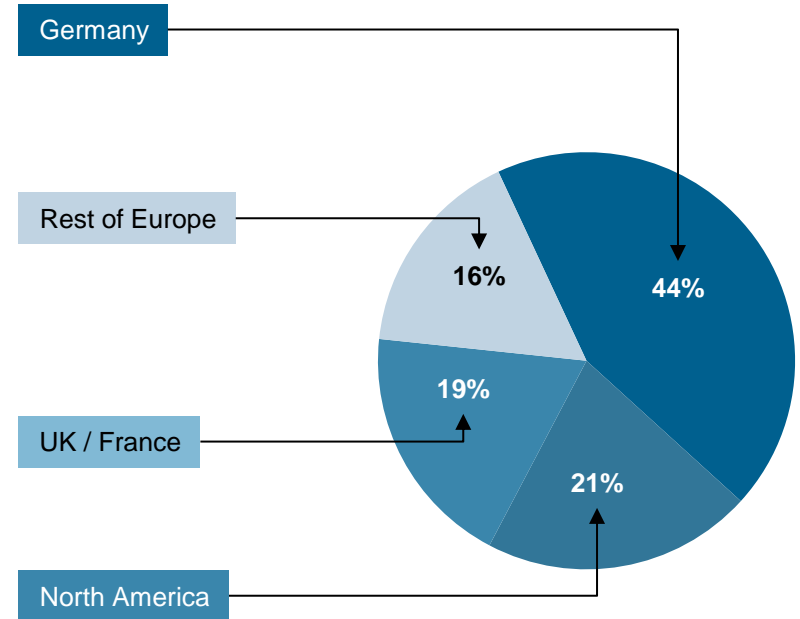
Real Estate

Lending volume 34.8 bn €

Breakdown by types of use



Breakdown by location of the property



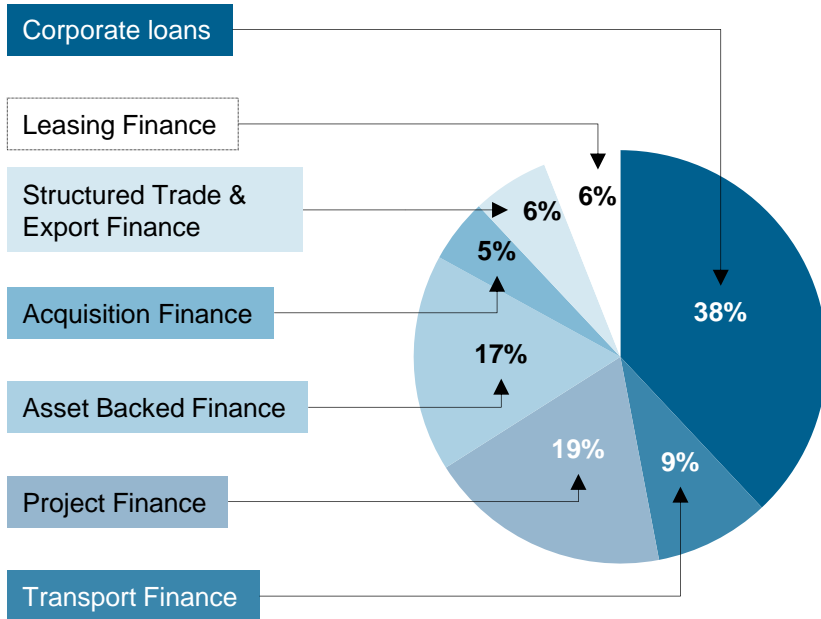
➔ Being among the market leaders in Germany Helaba has an acknowledged expertise in real estate credit business



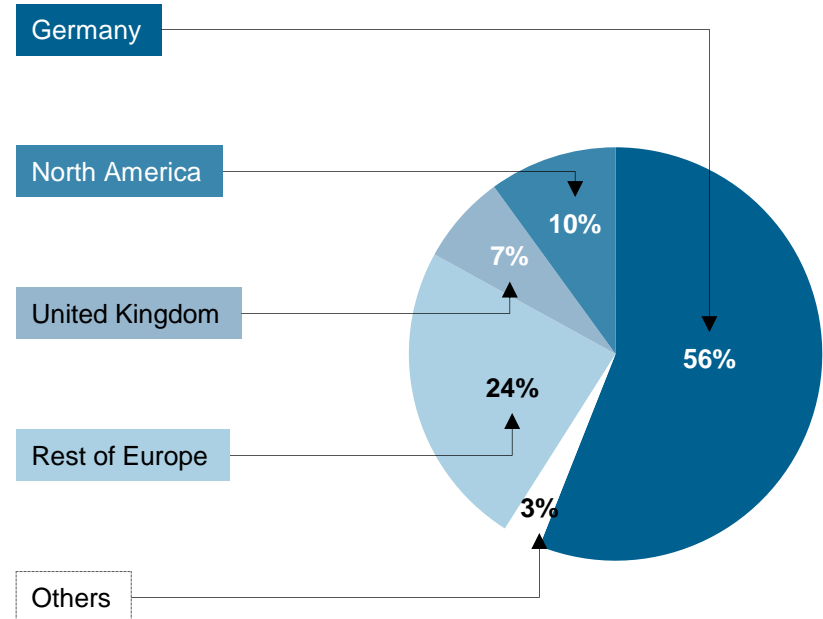
Corporate Finance Portfolio

Lending volume 37.3 bn €

Product areas and portfolio



Breakdown by region

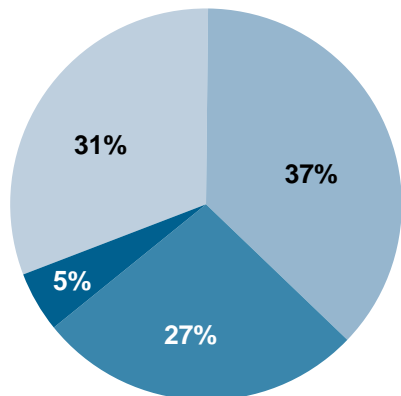


→ Corporate Finance supports target customers with customized classical and capital market oriented financing structures.



Further reduction of NPL-ratio and stable rating structure

Total volume of lending by default rating category



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

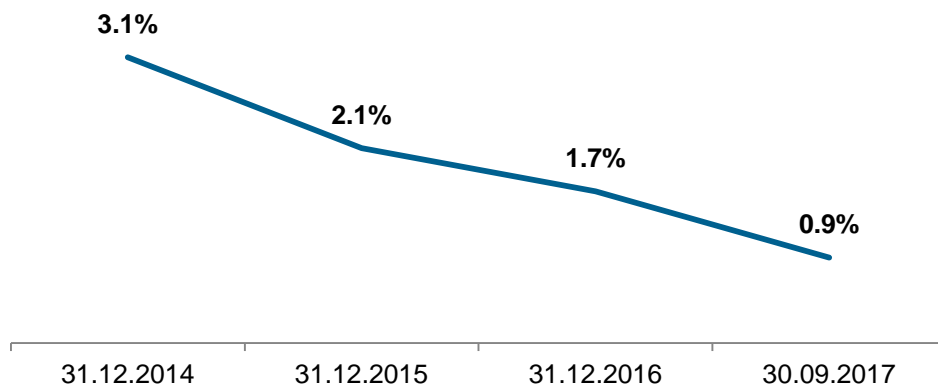
RC 2-7: Exceptionally high to outstanding financial security; corresponding S&P Rating: AA to A-

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

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

- Total lending volume of € 181.9 bn
- 95% of total lending volume with excellent to satisfactory creditworthiness

Development NPL¹-ratio



- As of 30.09.2017, NPL ratio had fallen further to 0.9%.
- Of total loans and advances of € 115.3 bn, € 1.1 bn were classified as non-performing exposures

1.) 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
2017	€ 4.8 bn	€ 12.7 bn	€ 17.5 bn
2018 planned	€ 5.0 bn	€ 8.0 bn	€ 13.0 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 32 bn securities eligible for ECB / central bank funding
- EUR 17 bn retail deposits within Helaba Group
- EUR 94 bn deposits within the  Finance Group Hesse-Thuringia (as of Dec. 31, 2016)



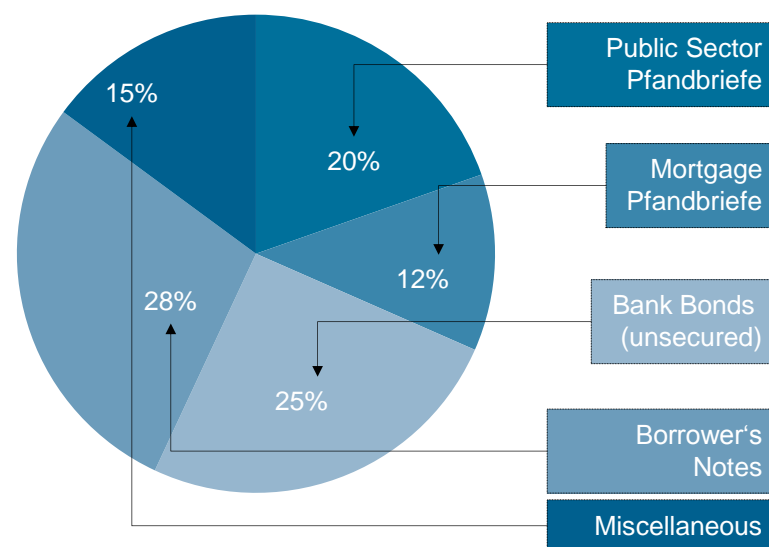
Funding

Sustainable liquidity management and high level of acceptance in the market

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Outstanding medium and long-term funding (≥ 1 year): € 82.7 bn

	2017	2016	2015
	in mn €	in mn €	in mn €
Covered securities (“Pfandbriefe”)	26,334	27,477	29,406
- Public sector	16,482	17,605	20,642
- Mortgage backed	9,852	9,872	8,764
Senior, unsecured bonds	20,906	20,113	17,087
Borrower's notes	23,197	21,050	21,417
Miscellaneous*	12,283	12,852	13,700
Summe	82,720	81,492	81,610



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

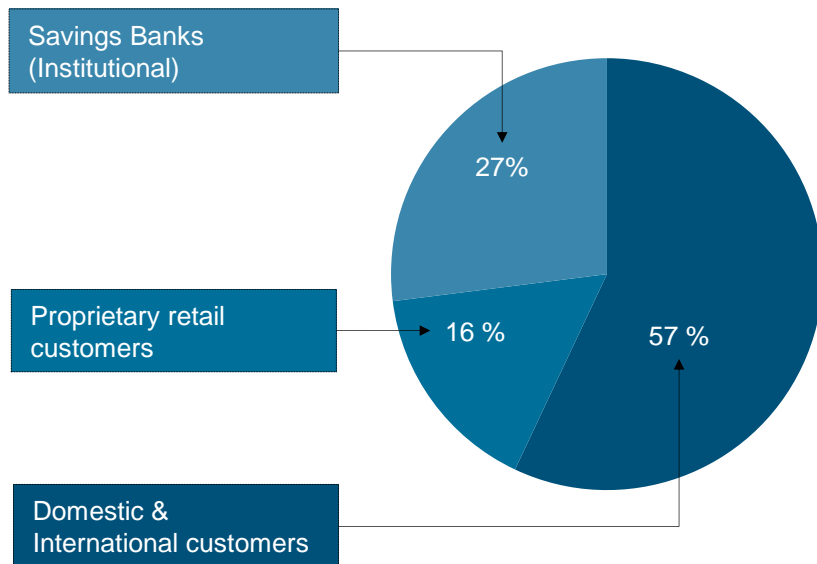
As of December 31, 2017



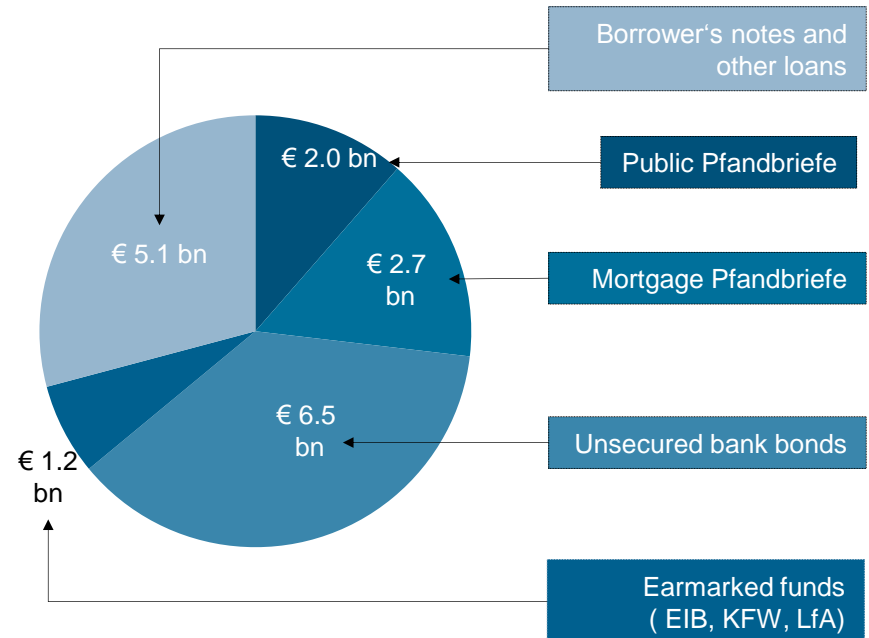
Medium- and long-term funding (≥ 1 year) in 2017

Diversified funding mix

Breakdown by Investor



Breakdown by Product



Medium- and long-term funding volume in 2017 : € 17.5 bn

As of December 31, 2017



Helaba Ratings on a high level

Moody's		Fitch		Standard & Poor's ¹⁾	
Outlook	Stable	Outlook	Stable	Outlook	Stable
Issuer Rating	A1	Long-term Issuer Default Rating ¹⁾	A+	Long-term Issuer Credit Rating	A
Baseline Credit Assessment	baa2	Viability-Rating ¹⁾	a+	Standalone Credit Profile	A
Short-term Deposit Rating ²⁾	P-1	Short-term Issuer Default Rating ^{1), 2)}	F1+	Short-term Issuer Credit Rating ²⁾	A-1
Public-Sector Covered Bonds	Aaa	Public Sector Pfandbriefe	AAA		
		Mortgage Pfandbriefe	AAA		
Counterparty Risk Assessment ³⁾	Aa3(cr)	Derivative Counterparty Rating ^{1), 3)}	AA- (dcr)		
Long-term Deposit Rating ³⁾	Aa3	Long-term Deposit Rating ^{1), 3)}	AA-		
Senior senior unsecured bank debt ³⁾	Aa3			Long-term Senior Unsecured ³⁾	A
Senior Unsecured ⁴⁾	A1	Senior Unsecured ^{1), 4)}	A+	Long-term Senior Subordinated ⁴⁾	A-
Subordinate Rating ⁵⁾	Baa2	Subordinated debt ^{1), 5)}	A		

Ratings für Verbindlichkeiten der Helaba, die der Gewährträgerhaftung unterliegen ⁶⁾

	Moody's	Fitch	Standard & Poor's
Long-term ratings	Aaa	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)





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The Q3/2017 group financial information are based on the audited, non-attested IFRS group accounts. Therefore, all calculations based upon these figures are preliminary and should be regarded as informative only.

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