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Helaba achieves sharp rise in net earnings in 2024 to € 767 million before tax - new all-time high

- Pre-tax profit increases by a substantial 6.3 percent to € 767 million (FY 2023: € 722 million)
- Further growth in operating income to € 2,916 million (+1.2 percent), net fee and commission income rises by a disproportionately strong 7.9 percent to € 578 million
- Net interest income declines slightly by 2.4 percent to € 1,797 million
- General and administrative expenses up 5.1 percent to € 1,798 million due to investments in modernising IT infrastructure and in growth initiatives
- Cost of risk provisioning falls to € -351 million (FY 2023: € -448 million) - Loan loss provisions in Real Estate below previous year
- CET1 ratio at 14.2 percent (FY 2023: 14.7 percent) following changes to Group's capital composition
- Return on equity of 7.3 percent slightly improved (FY 2023: 7.2 percent), cost/income ratio at 61.7 percent (FY 2023: 59.4 percent)
- Despite challenging business environment, Helaba expects to generate a net profit in 2025 only marginally lower than in 2024 and reaffirms its medium-term goal of achieving a sustained pre-tax profit of over € 1 billion

For the third year in a row, Helaba Landesbank Hessen-Thüringen has achieved a new best-ever result. In the 2024 financial year, the consolidated profit before tax rose by 6.3 percent to € 767 million (FY 2023: € 722 million). Both significant growth in net fee and commission income as well as a reduced burden from loan loss provisions in the real estate activities were the principal factors behind this success.

"This is now the third consecutive year in which we have recorded our best-ever results, to which all business segments have made a positive contribution. The significant rise in net fee and commission income is very encouraging. Our strategy of focusing more closely on non-interest bearing activities has proven to be successful. In addition, we were able to reduce loan loss provisions in our real estate business. We continue to invest in our future, our IT infrastructure, AI projects and other growth initiatives", says Thomas Groß, Helaba's CEO.

»The significant rise in net fee and commission income is very encouraging. Our strategy of focusing more closely on non-interest bearing activities has proven to be successful.«

Thomas Groß
CEO

Helaba once again posted an increase in operating income. **Net fee and commission income** rose by a significant 7.9 percent to € 578 million (FY 2023: € 536 million). As part of the non-interest-bearing activities, the **result from investment property** grew to a welcome € 289 million (FY 2023: € 207 million). In part, this was due to the absence of depreciation that was a burden on the previous year's result. Among other things, recoveries in portfolio property values were responsible for the significant increase in this item's net earnings. In contrast, the result from **fair value measurement** fell due to negative valuation effects to € 96 million (FY 2023: € 207 million). **Net interest income** declined slightly to € 1,797 million (FY 2023: € 1,840 million), which is also a reflection of changes in the monetary policy environment.

Helaba continues to invest in growth. For this reason, **general and administrative expenses** increased to € 1,798 million in 2024 (FY 2023: € 1,711 million). This rise was mainly related to modernising the IT infrastructure and investments in growth initiatives. Higher personnel expenses reflect a further expansion in the headcount as well as recent adjustments to the collective bargaining agreement. The absence of the bank levy, however, had a positive impact.

Net additions to **loan loss provisions** fell by 21.8 percent to € -351 million (FY 2023: € -448 million). Lower risk provisioning was driven by a stabilisation in the real estate market, especially in commercial segments. At the same time, higher loan loss provisions in the Corporates & Markets segment were attributable to a small number of isolated exposures involving challenges for specific companies.

Thomas Groß is confident that Helaba is well prepared for the future: "We continue to live in challenging times due to ongoing geopolitical conflicts, heightening uncertainty arising from the new US administration and the weakness of the German economy. This contrasts with the fact that inflation has meanwhile fallen, and that the ECB has recently made several adjustments to its key interest rates. We are also registering a stabilisation on the real estate market, especially in commercial segments of importance to us. With our diversified business model geared towards long-term sustainable growth, we are ideally positioned for 2025. Despite formidable economic and geopolitical challenges, we expect to generate a pre-tax profit only marginally lower than in the previous financial year. In the medium term, we still anticipate a sustained net profit before taxes of over € 1 billion."

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Thomas Groß
CEO

Summary of key figures for FY 2024

As a result of the change to Helaba's capital composition, the **CET1 ratio** stood at 14.2 percent at the end of 2024 (FY 2023: 14.7 percent), which was still considerably above regulatory minimum requirements.

At 7.3 percent, **return on equity** slightly improved in 2024 (FY 2023: 7.2 percent).

The **cost/income ratio** was 61.7 percent (FY 2023: 59.4 percent).

Other comprehensive income rose significantly to € 152 million after a previous year dominated by impairment losses (FY 2023: € 103 million).

Consolidated net profit after tax rose to € 526 million (FY 2023: € 466 million).

The **Group's total assets** fell slightly to € 200.6 billion (FY 2023: € 202.1 billion).

Segment report

The **Real Estate** segment returned to making a positive contribution to net profit of € 93 million before tax (FY 2023: € -241 million). The additions to loan loss provisions stood at € -158 million (FY 2023: € -556 million). There was a marginal, volume-related fall in net interest income compared to the previous year, which amounted to € 429 million (FY 2023: € 442 million). New medium and long-term business fell by a substantial 9.2 % year-on-year to € 3.9 billion. This was principally a result of more selective origination and a generally lower level of activity on real estate markets.

The result before tax in the **Corporates & Markets** segment declined to € 142 million (FY 2023: € 409 million). Due to a small number of isolated exposures involving challenges for specific companies, additions to loan loss provisions rose to € -123 million (FY 2023: € 13 million). At € 571 million, net interest income was below the previous year's figure (FY 2023: € 632 million), which was mainly driven by changes in the interest rate environment. The result from fair value measurement of € 31 million (FY 2023: € 83 million) was also down on the prior period.

In the segment of **Retail & Asset Management**, the net profit before tax stood at € 447 million and was thus 21.4 percent above the preceding financial year (FY 2023: € 368 million). In particular, this segment benefited from growth in the result from investment property to € 289 million (FY 2023: € 207 million), which was primarily generated by the GWH subsidiary. Net interest income rose to €

421 million (FY 2023: € 410 million), while net fee and commission income was higher at € 313 million (FY 2023: € 294 million), the main drivers of which were Frankfurter Sparkasse and Frankfurter Bankgesellschaft (FBG).

WIBank achieved a result before tax of € 62 million (FY2023: € 57 million). WIBank performs essential development funding activities for the German state of Hesse. In addition to the promotional loan business, which generates a corresponding net interest income, as a service provider WIBank is also responsible for fulfilling additional tasks mandated by the State of Hesse and other public sector authorities.

Pre-tax earnings in the **Other** segment (incl. consolidation) amounted declined markedly to € 24 million (FY 2023: € 129 million). Among other things, this was due to a lower result from fair value measurement and a post-model adjustment for geopolitical risks.

Financial Data

find the financial data here

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