3 March 2022 Press release Banks Investors

Helaba on track with very encouraging result in 2021

- Consolidated net profit before tax of EUR 569 million returns to pre-pandemic level
- Strategic agenda paying off – consistent progress in driving it forward to continue
- Growth in operating activities continues – net fee and commission income sees significant rise of just over 11 percent
- Modest increase in general and administrative expenses (+3.1 percent) – despite higher bank levy
- Risk provisioning falls by 32.3 percent to EUR 207 million, but remains adequate
- Comfortable CET1 ratio of 14.3 percent (2020: 14.7 percent)
- Helaba only has very small direct exposure to Russia and Ukraine

Helaba has posted a consolidated net profit before tax under IFRS of EUR 569 million for the 2021 financial year. This result is substantially above the previous year's figure of EUR 223 million (2020). After tax, the consolidated net profit amounted to EUR 501 million (2020: EUR 177 million).

"We are extremely pleased with this result, which demonstrates that we are on track. On the one hand, we are back on course to reaching our pre-Covid earnings; on the other hand, we are still on track to achieving the strategic goals we have set ourselves," said Thomas Groß, Helaba's CEO, in his assessment of the Group’s 2021 results, adding: "The figures also prove that our strategic agenda is paying off. We have managed to expand our operating activities, which is primarily reflected in our positive net fee and commission income. Thanks to strict cost management, we have been able to stabilise our cost base in the bank. That has enabled us to curb the rise in general and administrative expenses, which only increased modestly despite a higher bank levy. The modernisation of our IT infrastructure is progressing on schedule and we have expanded our range of ESG-related products as well as our Sustainable Finance Advisory service."

»The figures also prove that our strategic agenda is paying off. We have managed to expand our operating activities, which is primarily reflected in our positive net fee and commission income.«

Thomas Groß
CEO

Commenting on the ongoing conflict in Ukraine, Thomas Groß stresses: "I would not have dared to imagine that we would experience a war like this in the 21st century and it goes without saying that we also condemn Russia's attack on Ukraine in the strongest possible terms. We share the view that this is a blatant violation of international law and a serious breach of human rights and of all the values that are important to us. For our objective as committed Europeans and democrats is the peaceful coexistence of people, the reconciliation of conflicting interests through an equitable dialogue and respect for differing opinions."

Accordingly, the outlook for 2022 is currently influenced by recent developments in Ukraine: "In respect of our exposure to Russia and Ukraine, Helaba is only affected by the conflict to a very limited extent. Thanks to our broadly diversified business model and the consistent implementation of our strategic agenda, we are well prepared for the challenges of 2022. The bank's earnings target for 2022 is in line with our medium-term objectives. However, given the war in Ukraine and the current very high level of uncertainty in respect of possible second and third-round effects, we have decided not to issue a specific earnings forecast."

»Thanks to our broadly diversified business model and the consistent implementation of our strategic agenda, we are well prepared for the challenges of 2022.«

Thomas Groß
CEO

The figures for the 2021 financial year at a glance

Growth in Helaba's non-interest activities is reflected in the **net fee and commission income**, which increased by a significant EUR 50 million (+11 percent) to EUR 485 million (2020: EUR 435 million). Almost all segments contributed to this result.

Net interest income rose by EUR 153 million (+ 13 percent) to EUR 1,326 million (2020: EUR 1,172 million). This growth was largely due to long-term refinancing transactions with the ECB (TLTRO) and is also clearly reflected in the consolidated net earnings.

At EUR 218 million, **net income from rented properties** remained virtually unchanged from the previous year (2020: EUR 215 million). Once again, this item proved itself to be a stable and reliable source of earnings.

Thanks to strict cost management, **general and administrative expenses** only saw a modest rise of EUR 46 million (+ 3 percent) to EUR -1,515 million (2020: EUR -1,468 million). A higher bank levy of EUR 73 million (2020: EUR 51 million) accounted for a substantial part of this increase. Furthermore, a planned strategic expansion in the headcount of selected units within the Group resulted in additional expenses.

Risk provisioning of EUR -207 million compared with EUR -305 million in the previous year remains adequate. The overall quality of Helaba's portfolio is high.
Net income from fair value measurement was dominated by earnings contributions from the bank's customer-related business as well as catch-up effects from the previous year and amounted to EUR 183 million (2020: EUR 4 million).

Net income from other activities declined to EUR 57 million (2020: EUR 166 million). This was principally due to the absence of non-recurring effects that boosted net earnings in the previous year.

Helaba continues to be extremely well capitalised, which is reflected in a **CET1 ratio** of 14.3 percent.

The **balance sheet total** of the Helaba Group decreased by EUR 7 billion to EUR 212.3 billion.

Segment report

The **Real Estate** segment generated a pre-tax result of EUR 224 million, which was below the previous year's earnings of EUR 252 million. An increase in net interest income was offset by higher allowances for credit losses. Margins on new business increased significantly while the average business volume remained stable.

The pre-tax result in the **Corporates & Markets** segment rose sharply from EUR 5 million to EUR 238 million. This very strong performance was mainly attributable to portfolio valuation reversals, higher margins and premiums from TLTRO transactions. In addition, higher net interest income from lending activities made a positive contribution and there was further growth in earnings from cash management activities.

Earnings before tax in the **Retail & Asset Management** segment also showed a marked improvement, rising to EUR 245 million (2020: EUR 202 million). This particularly reflects the higher net fee and commission income generated by Frankfurter Bankgesellschaft and Helaba Invest, in addition to Frankfurter Sparkasse and Landesbausparkasse Hessen-Thüringen.

At EUR 33 million, net income from **WIBank's** activities was on a par with the previous financial year. In 2021, WIBank continued to provide reliable support to the local economy in the form of targeted subsidised loans on behalf of the Hessian state government.

In the **Other** segment (incl. consolidation), pre-tax earnings rose from EUR -268 million to EUR -171 million. This improvement was chiefly driven by a lower management adjustment.

Financial Data

find the financial data here

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