12 August 2021 Press release Investors

Helaba reports strong performance in first half of 2021

- Net profit before tax of EUR 293 million reflects positive development in all business segments
- Further growth in operating activities, with particular rise in net fee and commission in-come of 6 %
- Risk provisioning of EUR 141 million remains adequate - still no significant defaults reported
- Solid capitalisation: CET1 ratio at 14 percent
- Implementation of strategic agenda making good progress and on schedule
- Forecast: Group expects positive trend to continue in second half of 2021 and result for year as a whole significantly above previous year

Helaba Landesbank Hessen-Thüringen posted a consolidated net profit before tax under IFRS of EUR 293 million in the first half of 2021, a result that is significantly higher than in the same period of the previous year (EUR -274 million) and almost in line with the normal pre-pandemic level. After tax, the consolidated net profit amounted to EUR 201 million (previous year: EUR -185 million). The H1 2020 result was dominated by negative valuation effects in the wake of market distortions arising from the Covid-19 pandemic. The healthy performance in the first six months of 2021 was driven by strong growth in all of the Group's business segments.

"We are satisfied with how the first half of 2021 has turned out. Our operating activities continue to grow and we are particularly pleased to see yet another rise in net fee and commission income of six percent," emphasises Thomas Groß, Helaba's CEO. "Our diversified business model provides us with the necessary stability and enables us to achieve further growth. At the same time, in adhering to our cautious approach we have once again allocated an extremely ample level of risk provisioning."

Commenting on developments over the further course of the year, Thomas Groß adds: "We shall continue to focus on implementing our strategic agenda, which is progressing well and on schedule. For example, we are further diversifying our business model, modernising our IT infrastructure and expanding the range of sustainable financial solutions that we offer our customers. As far as the second half of 2021 is concerned, we anticipate that the positive trend will continue and therefore expect a result for the year as a whole that is significantly above the previous year's level."

The figures for the first half of 2021 at a glance

Net fee and commission income rose by a considerable 6 percent to EUR 223 million (previous year: EUR 211 million). **Net interest income** grew by EUR 45 million to EUR 643 million (previous year: EUR 598 million), which was also attributable to measures taken by the ECB to support liquidity. **Income from rented properties**, predominantly from GWH, increased in the period under review by EUR 13 million to EUR 118 million (previous year: EUR 105 million).

Thanks to the timely implementation of the transformation programme, it was possible to further reduce the trend of rapidly rising costs at the stand-alone Helaba bank. Investments in strategic growth initiatives at subsidiaries, on the other hand, resulted in higher total personnel expenses. Overall, on top of an additional increase in the bank levy, **general and administrative expenses** remained stable at EUR -782 million (previous year: EUR -778 million).

In line with Helaba's conservative risk policy, **provisions for losses on loans and advances** of EUR -141 million were maintained at approximately the same level as the previous year (EUR -151 million) due to the Covid-19 pandemic. The overall quality of Helaba's portfolio remains high, which is reflected in the fact that there have been hardly any credit defaults to date.

As expected, the negative valuation effects in the first half of 2020 did not persist and continued to recede in the first six months of 2021 as well. This led to a substantial increase in **net income from fair value measurement** to EUR 185 million (previous year: EUR -303 million). At EUR 41 million, the **Other result** was more or less the same as in the previous year (EUR 42 million).

Helaba's capitalisation remains very solid, resulting in a CET1 ratio of 14 percent. The Group's **balance sheet total** decreased slightly by EUR 2.1 billion in the first half of 2021 to EUR 217.2 billion.

Segment report

The pre-tax result in the **Real Estate** segment of EUR 123 million was on a par with the previous year (EUR 121 million). Increased risk provisioning was compensated for by a rise in new business and better margins.

In the **Corporates & Markets** segment, with credit spreads returning to normal levels, there was a significant improvement in the net income from fair value measurement. Net earnings were also boosted by strong operating activities. The net income before tax in this segment increased significantly to EUR 133 million (previous year: EUR -166 million).

The pre-tax result in the **Retail & Asset Management** segment also saw a sharp rise to EUR 133 million (previous year: EUR 65 million). On the one hand, this was attributable to substantial growth in net fee and commission income, in particular from Frankfurter Bankgesellschaft, Helaba Invest, Frankfurter Sparkasse and LBS. On the other hand, rental income from GWH's residential portfolio once again made a stable contribution to earnings.

At **WIBank**, earnings before tax of EUR 14 million were at a similar level to the previous year (EUR 15 million). As a result of the Covid-19 pandemic, WIBank has been fulfilling a key role in disbursing promotional loans on behalf of the German state of Hesse. In this way, it has made a positive contribution to addressing the impact of the pandemic.

Total income in the **Other** segment (incl. consolidation) was significantly higher than in the previous year at EUR -90 million (previous year: EUR -309 million). The valuation reversal also had a positive effect on net income from fair value measurement in this segment. This segment also includes the management adjustment to risk provisioning.

find the financial data here

Contact



Marco Pfohl

Real Estate Commnications

+49 69 / 91 32 - 41 62

LinkedIn

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