

# Annual Press Conference 2019

Frankfurt am Main, 21 March 2019



# Overview of 2018 financial year

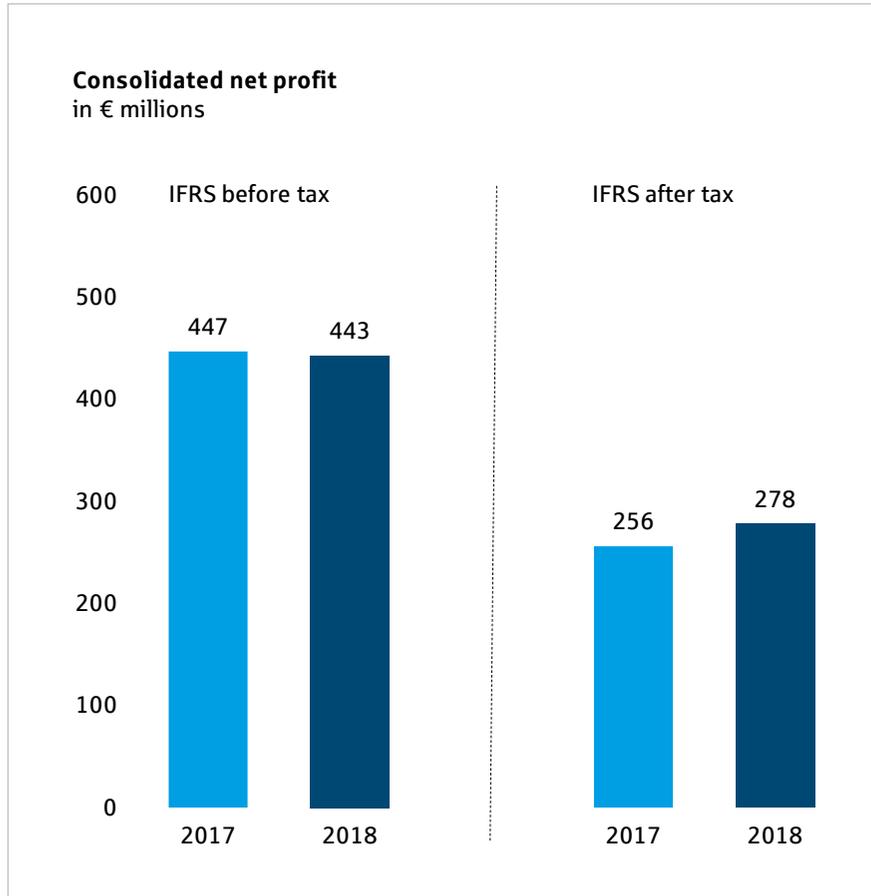
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## Herbert Hans Grüntker

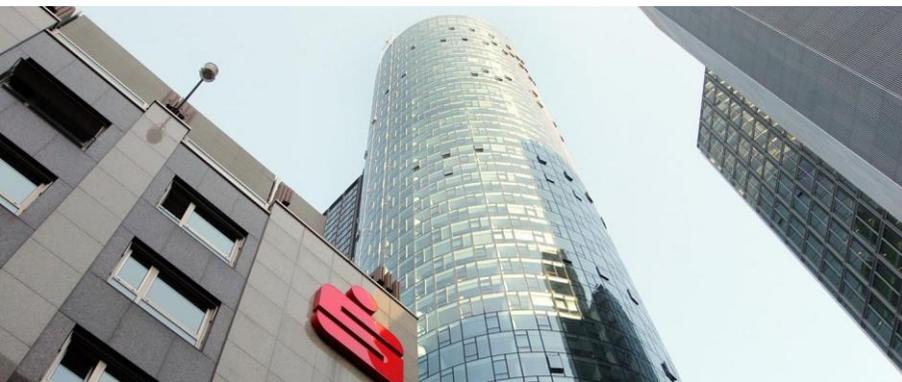
Chairman of the Board of Managing Directors



## Helaba pleased with overall result for 2018



- **Strong HY2 2018**
- **Consolidated net profit before tax of € 443 m**
- **Result on par with previous year despite challenging business environment**
- **Bank successfully upholds strong market positions in core business fields**



## Strong market positions in core business fields

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### Real Estate Lending

- One of the leading providers of commercial real estate finance
- Renewed expansion in lending volume

### Corporate Lending

- Growth in customer portfolios
- Selective growth by acquiring DVB's Land Transport Portfolio

### S-Group Business

- High level of recognition for partnership-based advisory approach confirmed in savings banks customer survey

### Public Development

- Establishment of HESSENKASSE within WIBank - Confidence of the State of Hesse in Helaba justified

### Capital Markets

- Acquisition of Dexia Kommunalbank Deutschland demonstrates capacity to act

# Consolidated results 2018

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## Dr. Detlef Hosemann

Member of the Board of Managing Directors



## Statement of financial position of Helaba Group

	31 Dec 2018	31 Dec 2017	Change	
	€ bn	€ bn	€ bn	%
Cash, cash balances at central banks and other demand deposits	7.3	10.5	-3.2	-30.5
Financial assets at amortised cost	106.8	99.4	7.4	7.4
Loans and advances to credit institutions	11.2	10.7	0.5	4.7
Loans and advances to customers	95.6	88.7	6.9	7.8
Financial assets held for trading	17.0	16.1	0.9	5.6
Financial assets at fair value (non-trading)	27.4	28.0	-0.6	-2.1
Investment property, deferred tax assets, other assets	4.5	4.2	0.3	7.1
<b>Total assets</b>	<b>163.0</b>	<b>158.2</b>	<b>4.8</b>	<b>3.0</b>
Financial liabilities measured at amortised cost	125.2	122.5	2.7	2.2
Deposits and loans from credit institutions	32.1	31.2	0.9	2.9
Deposits and loans from customers	47.4	47.6	-0.2	-0.4
Securitised liabilities	45.5	43.5	2.0	4.6
Other financial liabilities	0,2	0,2	-	-
Financial liabilities held for trading	12.8	12.3	0.5	4.1
Financial liabilities at fair value (non-trading)	13.8	12.6	1.2	9.5
Provisions, deferred tax liabilities, other liabilities	2.7	2.8	-0.1	-3.6
Total equity	8.5	8.0	0.5	6.3
<b>Total equity and total liabilities</b>	<b>163.0</b>	<b>158.2</b>	<b>4.8</b>	<b>3.0</b>

## Income statement of Helaba Group

	2018	2017	Change	
	€ m	€ m	€ m	%
Net interest income	1,072	1,069	3	0,3
Provisions for losses on loans and advances	45	56	-11	-19.6
Net interest income after provisions for losses on loans and advances	1,117	1,125	-8	-0.7
Net fee and commission income	349	354	-5	-1.4
Net trading income	32	268	-236	-88.1
Net income from hedge accounting and other financial instruments at fair value (non-trading)	13	-136	149	n/a
Share of the profit or loss of equity-accounted entities	13	19	-6	-31.6
Other net income	359	165	194	>100.0
General and administrative expenses	-1,440	-1,348	-92	-6.8
<b>Consolidated net profit before tax</b>	<b>443</b>	<b>447</b>	<b>-4</b>	<b>-0.9</b>
Tax on income	-165	-191	26	13.6
<b>Consolidated net profit</b>	<b>278</b>	<b>256</b>	<b>22</b>	<b>8.6</b>

## Financial performance by segment

	2018	2017
	€ m	€ m
 Real Estate	242	254
 Corporates & Markets	119	261
 Retail & Asset Management	205	220
 Development Business	19	19
 Other	-117	-316
Consolidation	-25	9
<b>Group</b>	<b>443</b>	<b>447</b>

# Review of 2018 and outlook

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## Herbert Hans Grüntker

Chairman of the Board of Managing Directors



# Review of 2018

## Projects and initiatives launched

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### Helaba's Strategic Agenda

focused growth, long-term performance and a responsible approach to business



Refining the  
business model



Modern infrastructure  
and digitalisation



Responsibility and  
values



## Refining the strategic business model

### Focused growth

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#### Real Estate

- Syndication business expanded and savings banks selectively involved in lending business
- Real estate credit fund launched jointly with Helaba Invest
- GWH WertInvest established - open-ended special real estate fund for residential real estate

#### Corporate Finance

- Range of structured factoring products (Supply Chain Finance) expanded
- Inorganic growth by acquiring DVB's Land Transport portfolio

#### Helaba abroad

- Growth acknowledged by conversion of Stockholm representative office into branch





## Digitalisation as a growth driver Interface to customer defined

### Digitalisation project

- Successful implementation of client portals for real estate and corporate customers

### Meta Plus Digital

- Syndicated loan application for savings banks integrated into OSPlus

### Helaba Digital

- Investment company for digital start-ups

### Komuno

- Digital platform for municipal loans extended to all banks

### Cooperation

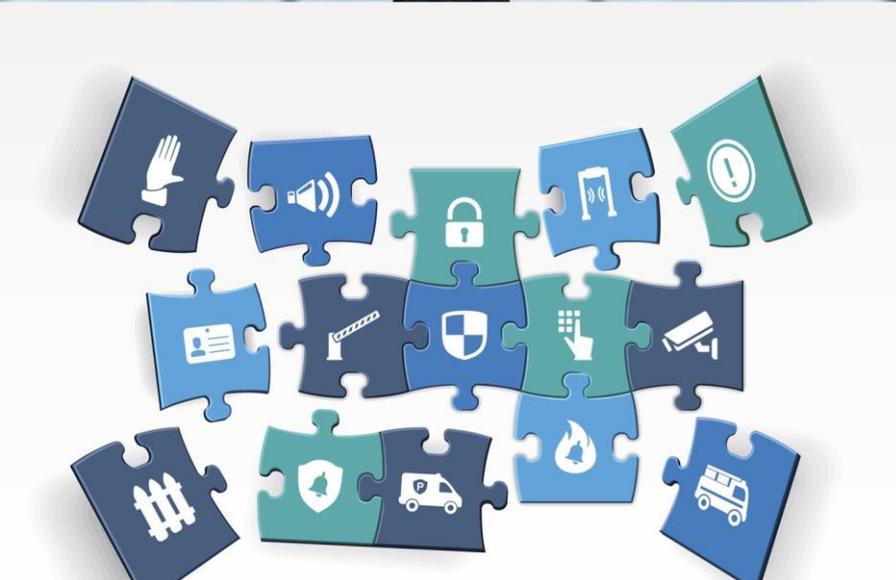
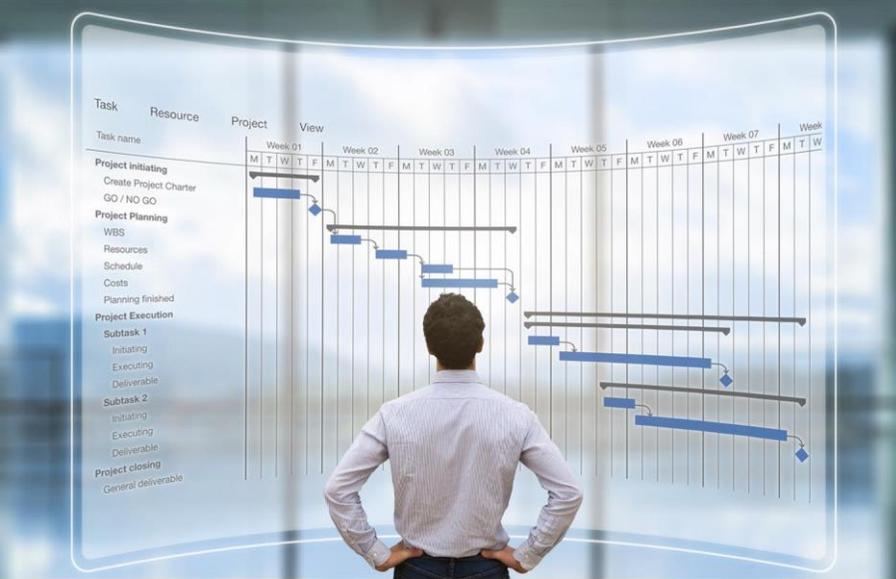
- "vc trade": digital platform for issuing Schuldschein loans



## Modern infrastructure IT and organisation

### Alpha Programme

- Securing future viability and efficiency in the long term
- Transformation programme for IT organisation on schedule
- High cost of resources reflected in administration costs



# Responsibility and values

## Values-based approach as distinguishing characteristic

### Culture and values

- Mission Statement updated together with employees
- Helaba's values-based approach accentuated as a distinguishing characteristic
- Helaba's core values: **"reliability"**, **"focusing on the customer"** and **"enthusiasm"**.
- Customer survey confirms high level of satisfaction with Helaba's products and services



#### Was Sie voranbringt? Partnerschaft.

Wer partnerschaftlich orientiert ist, kann Projekten einen kräftigen Extraschub verleihen. Das bedeutet, Ihre Ziele und Anforderungen, die wir mit gebündelter Expertise und hochwertigen Finanzprodukten unterstützen, stehen für uns jederzeit im Fokus. So lässt sich das Erreichen, was wirklich zählt: In jedem Fahrwasser auf Erfolgskurs zu bleiben. Unsere Kunden und Partner dauerhaft voranzubringen, dafür stehen wir mit unseren Werten – regional verwurzelt und international verankert.

Werte, die bewegen.

Werte, die bewegen.



## 2018: the bottom line

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- *Customer business developed positively after initial muted activity - risk situation remains positive*
- *Excellent portfolio quality selectively expanded with acquisitions*
- *Despite demanding structural challenges, net profit on par with previous year*
- *Initiatives launched create basis for future growth*

# Review of 2018

## Projects and initiatives launched

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### Helaba's Strategic Agenda

focused growth, long-term performance, a responsible approach to business and increased efficiency



Refining the  
business model



Modern infrastructure  
and digitalisation



Responsibility and  
values



Growth through  
efficiency



## Outlook for 2019

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- *We have created a sound basis for future growth with strong market positions in our core business fields.*
- *By increasing efficiency, we aim to stem rising costs and exploit the resulting scope to implement our growth initiatives in a targeted manner.*
- *In view of initiatives we have launched, we expect to achieve a net profit on a par with the previous year despite the negative impact of the interest rate environment and regulatory requirements.*

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