

INVESTOR RELATIONS

IR Presentation as of June 30, 2018



Performance



Portfolio Quality



Funding



Outlook



Contact

PERFORMANCE FIGURES

IR Presentation as of June 30, 2018



Performance



Portfolio Quality



Funding



Outlook



Contact

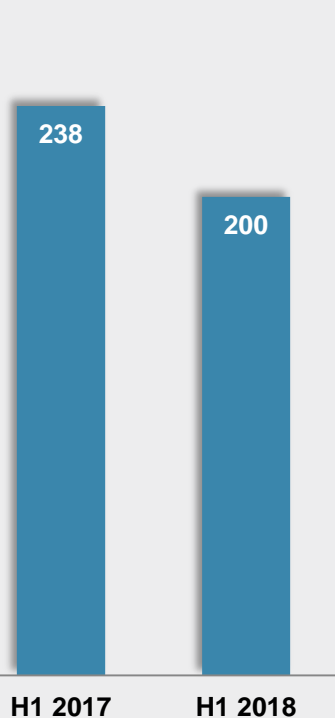


Start

- ▶ **Profit before tax** on target level
- ▶ Conditions continue to be challenging and weigh in particular on the net interest income. In this context, the **consolidated profit before tax** of € 200 m was € 38 m below H1 2017
- ▶ **Risk situation** remains **comfortable** and, as in the previous quarters, the risk provisioning requirement is low
- ▶ Second quarter saw a noticeable rise in the **volume of new business**
- ▶ Implementation of regulatory requirements weighing on **general and administration expenses**
- ▶ **CET1 ratio** (phased-in and fully-loaded) of **15.5 %** and **total capital ratio** of **21.5 %** both remain significantly above regulatory requirements

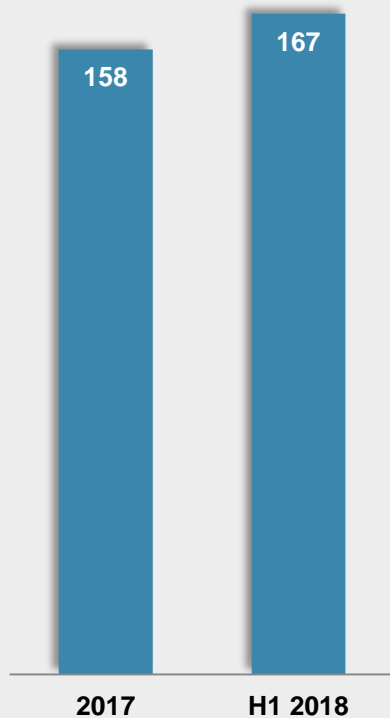
Profit before tax

in € m



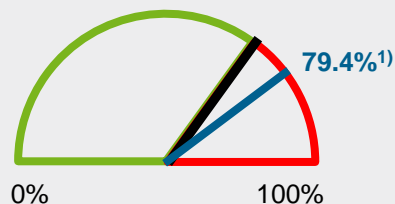
Total assets

in € bn



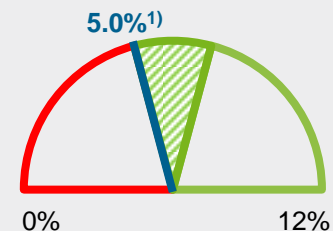
Cost-income ratio

Target ratio 2018
< 70%



Return on equity

Target range 2018
5.0–7.0%



1) Full consideration of bank levy and contributions paid into the guarantee schemes of the S-Finance Group already as of March 31, 2018

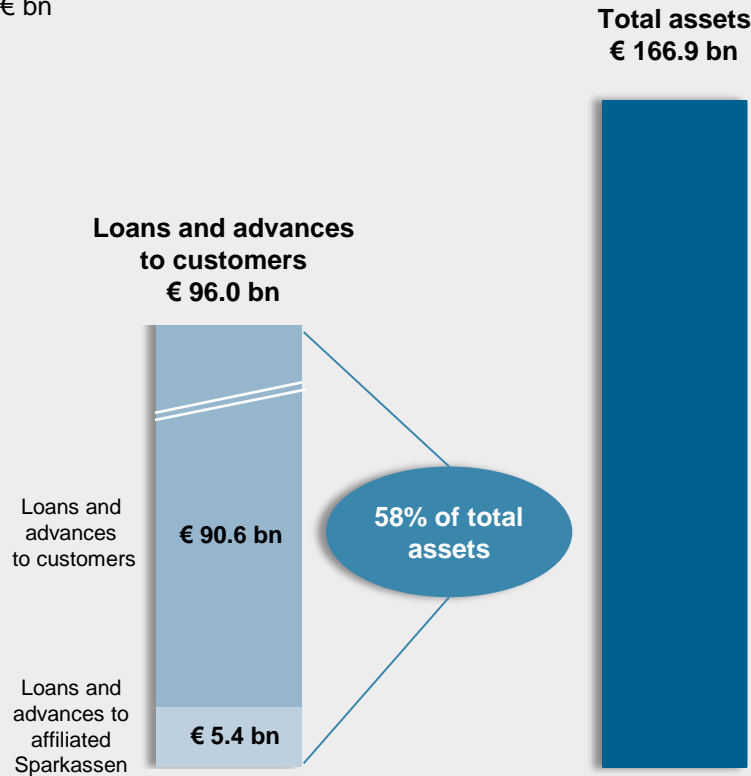
CET1 ratio (“fully-loaded”) and Liquidity Coverage Ratio

	Requirement 2018	Target ratio/ range	Ratio H1 2018
CET1 ratio (“fully-loaded”)	8.89% ²⁾	12%	15.5%
Liquidity Coverage Ratio	100%	>120%	141.9%

2) Derived from SREP requirement for 2017 taking capital buffers into account

Closely intertwined with the real economy

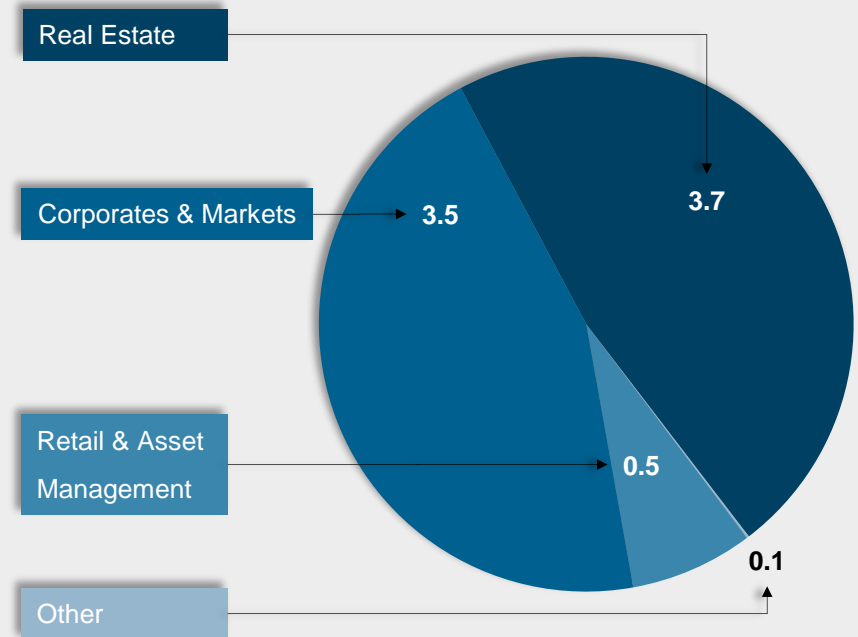
in € bn



- In H1 2018 degree of interconnectedness with real economy slightly decreased to 58 % due to an increase in total assets (2017: 60 %)
- Small increase in loans and advances to customers to € 96.0 bn (2017: € 95.3 bn)

New medium and long-term business: € 7.8 bn *

in € bn

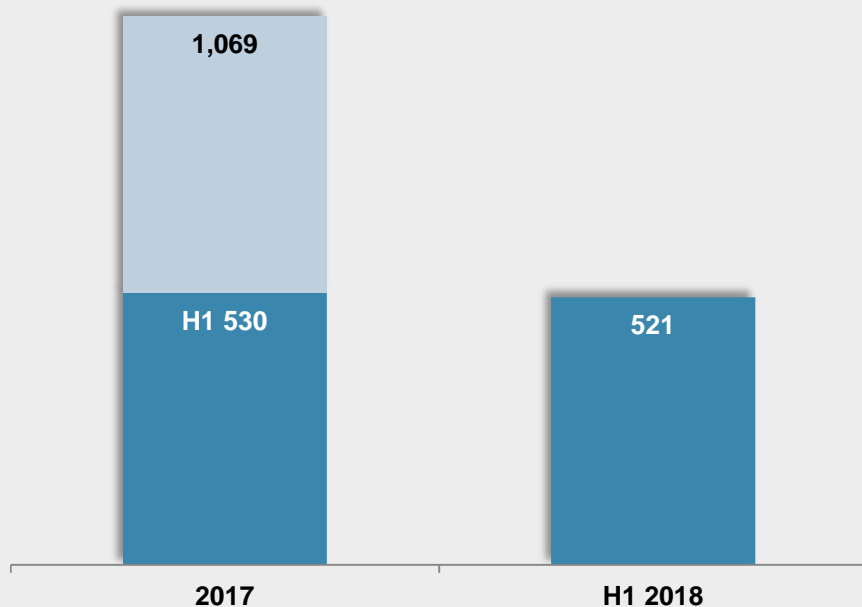


* New medium and long-term business excl. WIBank

- Recovery in new business volume in the second quarter; volume of new medium and long-term business (duration greater than one year) at € 7.8 bn, but still below volume in H1 2017 of € 9.1 bn

Net interest income

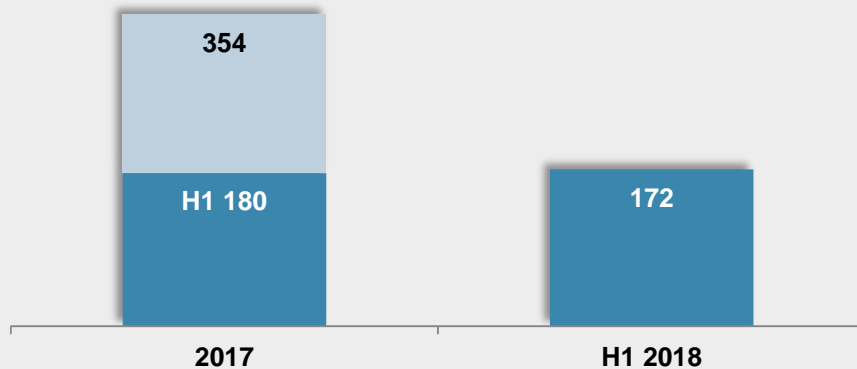
in € m



- Interest margin on new business stabilised on level of H1 2017, but net interest income still declines as a result of lower average portfolios

Net fee and commission income

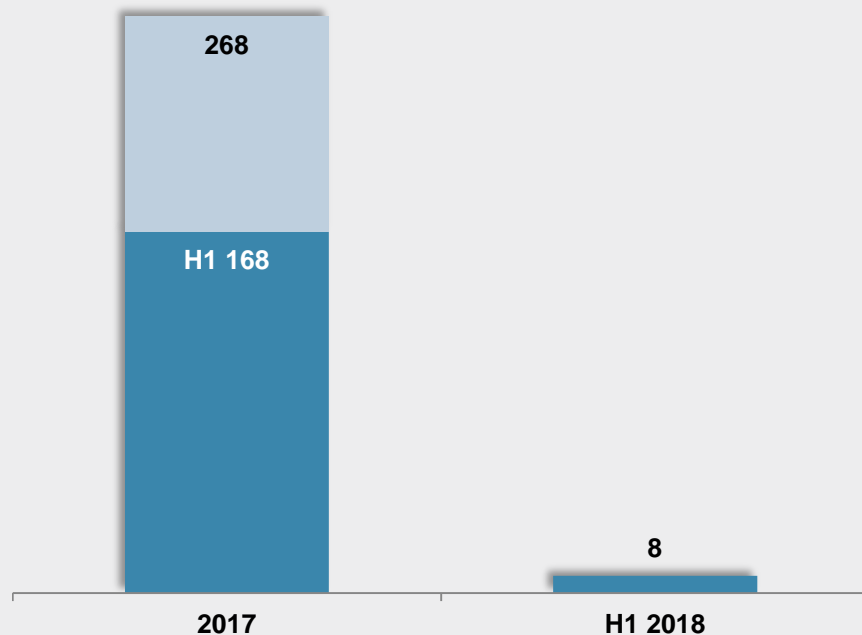
in € m



- The largest contribution to net fee and commission income was made by Helaba's payment transaction business and Helaba Invest's asset management activities
- Slight decrease in securities and securities deposit business as well as in lending and guarantee business

Net trading income

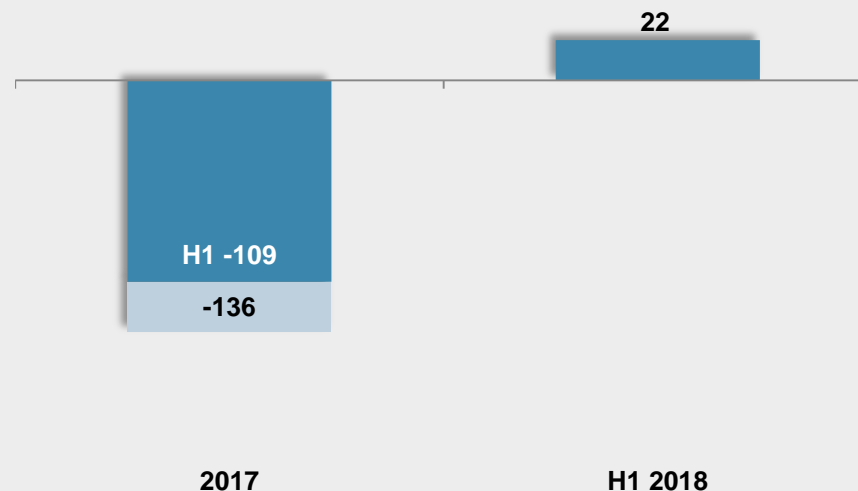
in € m



- Previous year strongly affected by positive remeasurement effects; in contrast, widening credit spreads had a negative impact in the first half of 2018
- Operating profit from customer-driven capital market business on a satisfactory level

Net income from hedge accounting and other financial instruments at fair value (non-trading)

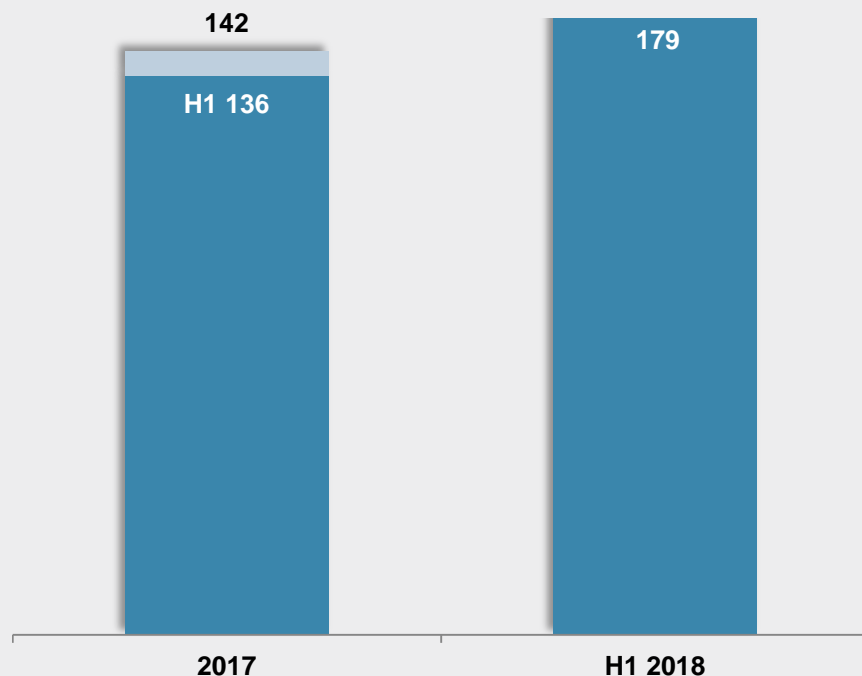
in € m



- Net income from hedge accounting and other financial instruments at fair value (non-trading)
- Negative impact in previous year due to temporary remeasurement effects, since 2018 recorded in equity with no effect on P&L

Other net income

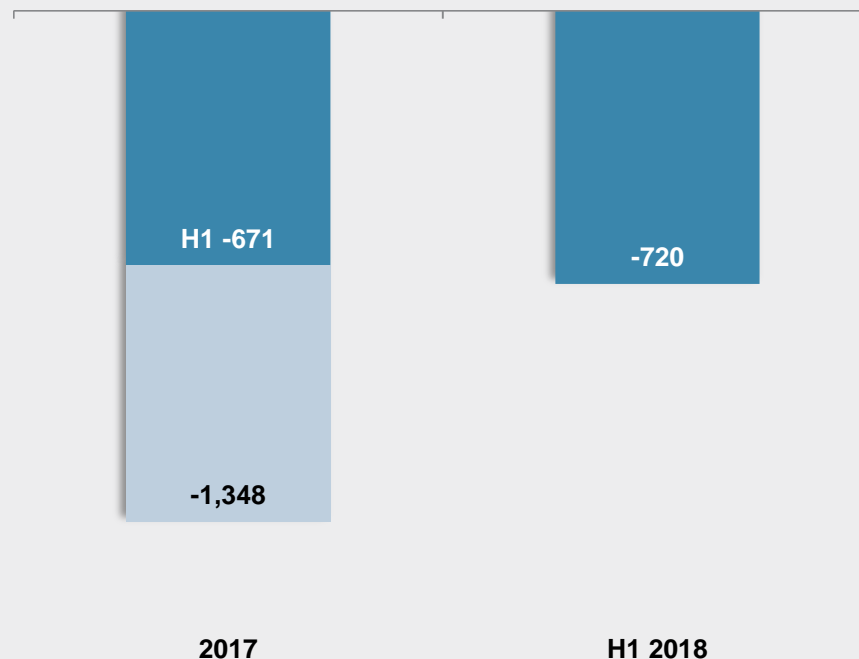
in € m



- Significant increase due to elimination of non-recurring effects that had negative impact last year as well as to proceeds from sale of LB(Swiss) Investment AG
- Stable net income from real estate portfolio (mainly GWH)
- Scheduled depreciation on these property portfolios from 2018 recorded in general and administrative expenses (previous year's figure adjusted accordingly)

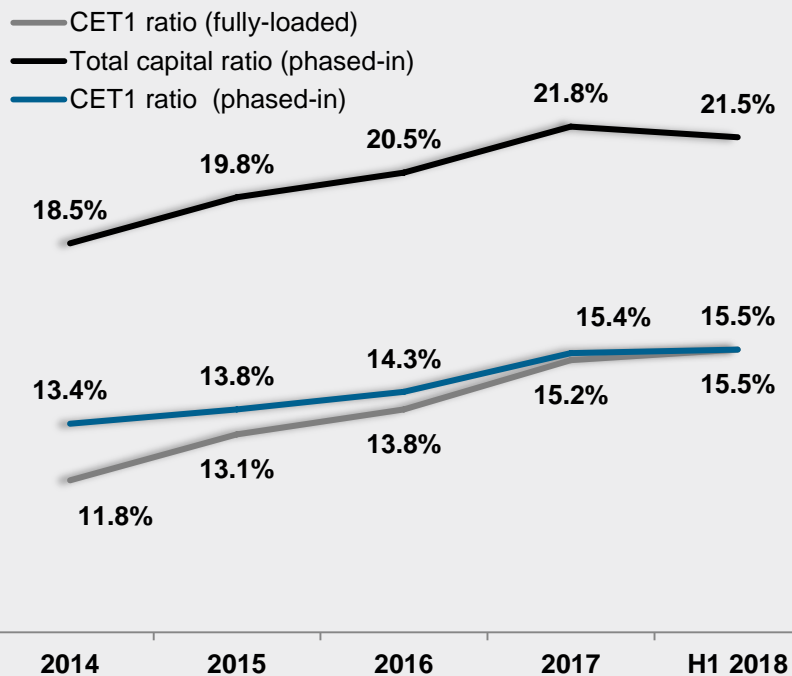
General and administrative expenses

in € m



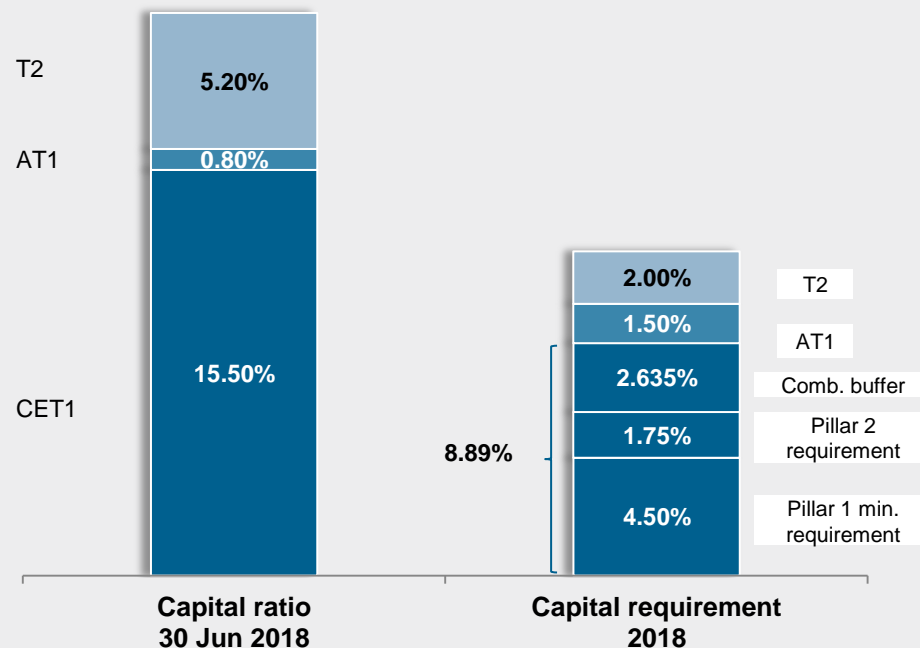
- Increase in general and administrative expenses resulted from, among others, higher costs for IT investment and consultancy fees in connection with the implementation of regulatory and business-driven requirements
- Annual bank levy of € 40 m (H1 2017: € 38 m) as well as contributions to guarantee schemes of S-Finance Group in an amount of € 29 m (H1 2017: € 29 m) taken fully into account

Development of capital ratios

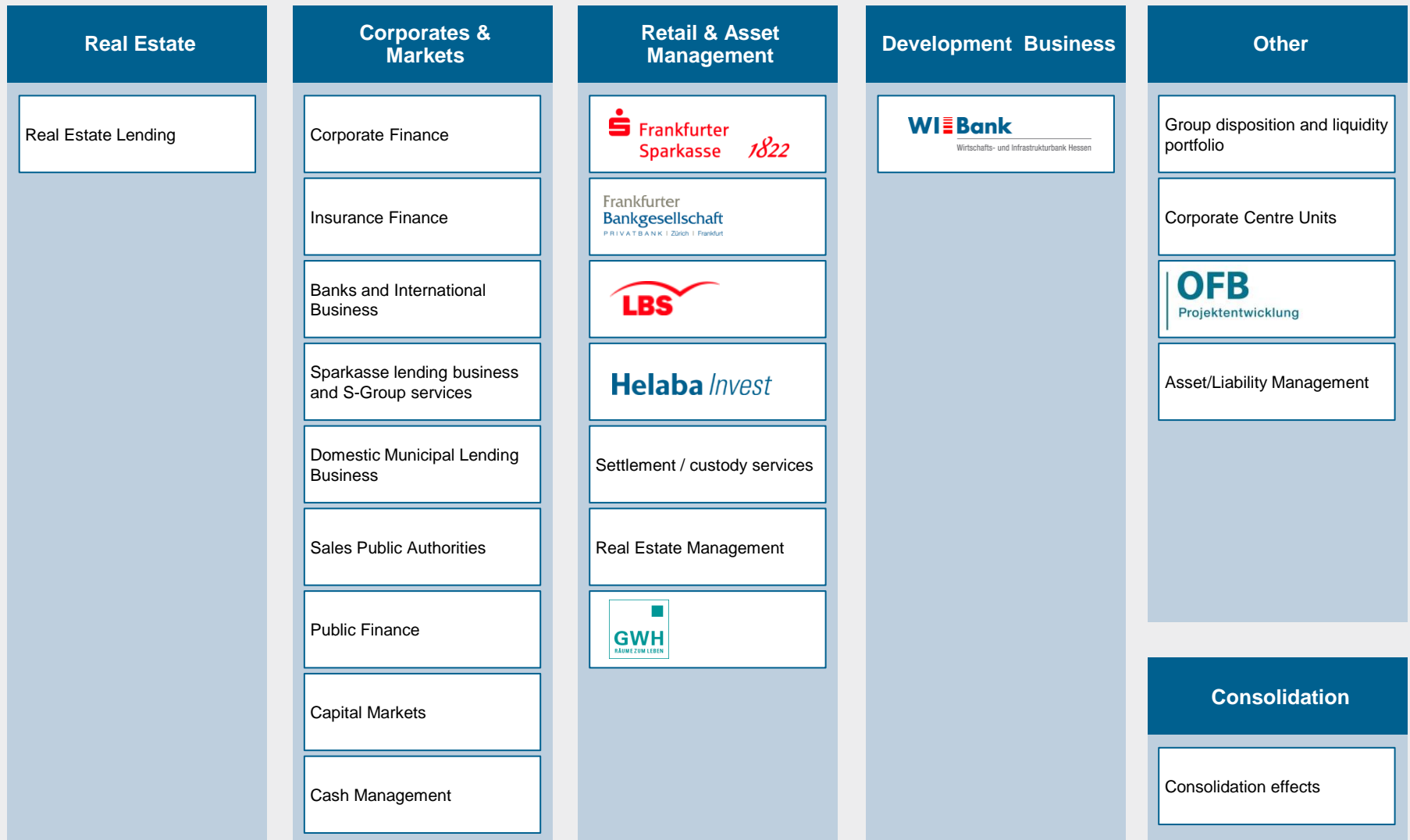


- Continuous improvement in capital ratios to a very high level
- There will be no further differences in 2018 for Helaba's CET1 ratio as a result of CRD IV / CRR transitional arrangements
- Leverage ratio at 4.8% (phased-in) and 4.5% (fully-loaded)
- Risk-weighted assets of € 51.9 bn

Capital requirements and components

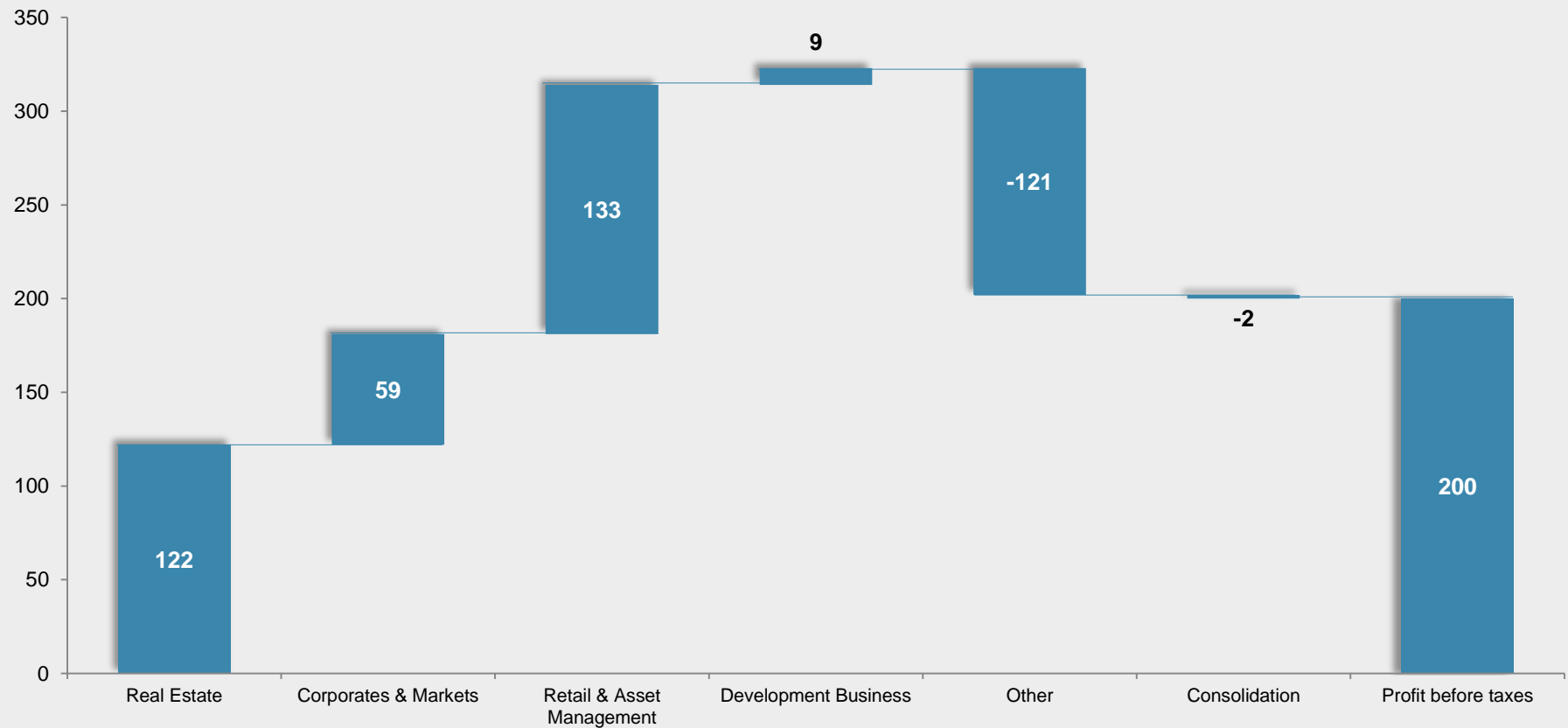


- Derived CET1 capital requirement 2018 consists of following components:
 - Pillar 1: minimum capital requirement of 4.50%
 - Pillar 2: capital requirement of 1.75%
 - Total capital buffer of 2.64%



Profit before taxes as of 30 June 2018

in € m



Real Estate	H1 2018	H1 2017	Change
	€ m	€ m	%
Total income before loan loss provisions	193	199	-3.0
Provisions for losses on loans and advances	2	3	-33.3
General and administration expenses	-73	-68	-7.4
Segment result	122	134	-9.0
	30 Jun 2018	30 Jun 2017	
	€ bn	€ bn	
Assets	29.0	30.3	
Risk-weighted assets	14.9	14.3	

- Represents commercial portfolio and project financing for real estate
- As main earnings component, net interest income slightly below level in same period last year due to subdued development in new business, especially in first quarter, resulting in lower average portfolios
- Contribution to income from risk provisioning continues to be slightly positive
- Higher general and administrative expenses due to increased allocation to overheads



Corporates & Markets	H1 2018	H1 2017	Change
	€ m	€ m	%
Total income before loan loss provisions	296	408	-27.5
Provisions for losses on loans and advances	-6	-27	77.8
General and administration expenses	-231	-222	-4.1
Segment result	59	159	-62.9
	30 Jun 2018	30 Jun 2017	
	€ bn	€ bn	
Assets	79.8	73.5	
Risk-weighted assets	20.3	20.1	

- Represents customer-driven business; in addition to credit products, also comprises trading and sales activities as well as payment transactions
- Both net interest income and net fee and commission income remain on same level as last year; net trading income impacted by credit spread widening while the previous year's result was marked by positive measurement effects
- Risk provisioning requirement again reduced compared to previous year
- Higher general and administrative expenses due to increased allocation to overheads
- With around € 78 m, Corporate Finance unit makes largest contribution to segment result



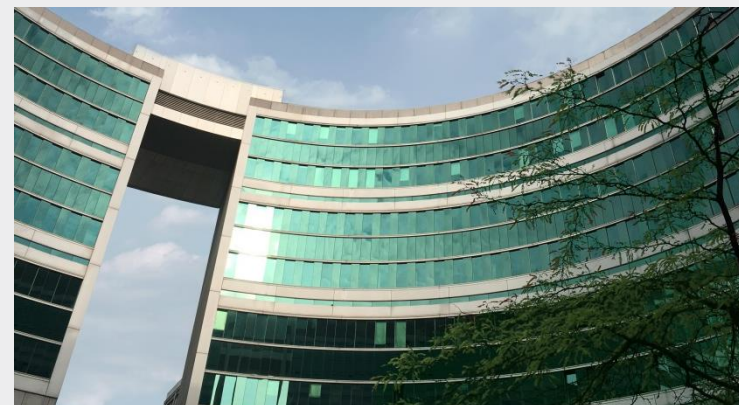
Retail & Asset Management	H1 2018	H1 2017	Change
	€ m	€ m	%
Total income before loan loss provisions	396	371	6.7
Provisions for losses on loans and advances	0	0	-
General and administration expenses	-263	-245	-7.3
Segment result	133	126	5.6
	30 Jun 2018	30 Jun 2017	
	€ bn	€ bn	
Assets	30.0	29.2	
Risk-weighted assets	6.6	6.0	

- Segment comprises retail banking, private banking, LBS as well as asset management activities (especially GWH, Helaba Invest)
- The increased administrative expenses could be compensated by higher segment income, inter alia by the sale of LB(Swiss) Investment AG; segment result therefore slightly higher than in the previous year
- Significant easing of risk situation, as in the previous year



Development Business	H1 2018	H1 2017	Change
	€ m	€ m	%
Total income before loan loss provisions	44	44	0.0
Provisions for losses on loans and advances	0	0	-
General and administration expenses	-35	-35	0.0
Segment result	9	9	0.0
	30 Jun 2018	30 Jun 2017	
	€ bn	€ bn	
Assets	18.5	16.6	
Risk-weighted assets	1.2	1.1	

- Presentation of WIBank’s public development business
- Segment revenues unchanged in comparison to previous year
- Additional growth in portfolios in the first half of the year



Other	H1 2018	H1 2017	Change
	€ m	€ m	%
Total income before loan loss provisions	23	-58	n. a.
Provisions for losses on loans and advances	17	21	-19.0
General and administration expenses	-161	-141	-14.2
Segment result	-121	-178	32.0

	30 Jun 2018	30 Jun 2017
	€ bn	€ bn
Assets	22.4	23.8
Risk-weighted assets	9.0	8.6

- This segment contains profit contributions and expenses that cannot be allocated to other business segments, especially earnings from treasury activities, OFB as well as costs of central corporate units
- Previous year weighed down by temporary remeasurement effects; recorded in equity with no effect on P&L since 2018
- Reversals of portfolio impairments on credit exposures with no significant risk of default
- General and administrative expenses mainly includes the costs of bank-wide projects as well as annual contributions to bank levy and guarantee schemes that have been fully accounted for



PORTFOLIO QUALITY

IR Presentation as of June 30, 2018



Performance



Portfolio Quality



Funding



Outlook

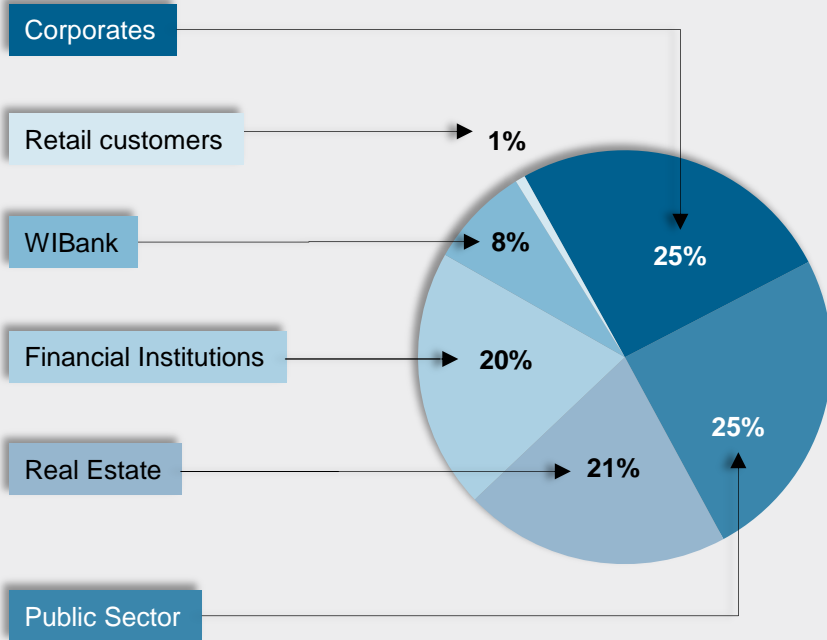


Contact

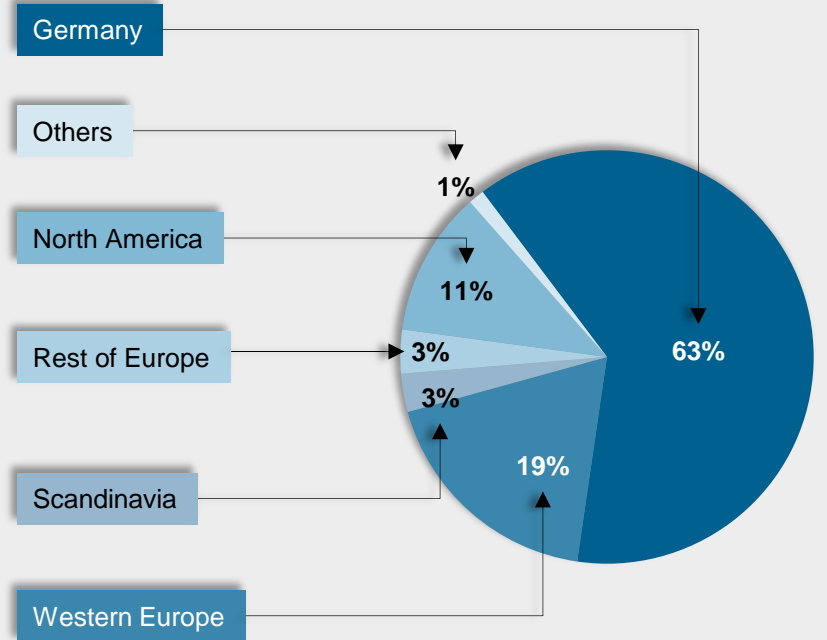


Start

Breakdown by customers

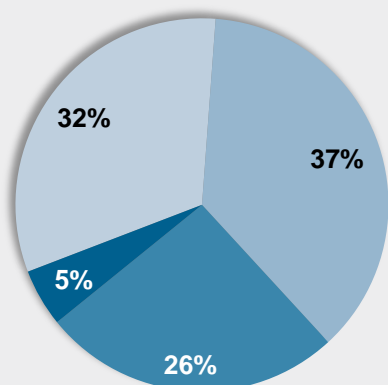


Breakdown by region



As of June 30, 2018

Total volume of lending by default rating category (RC)



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

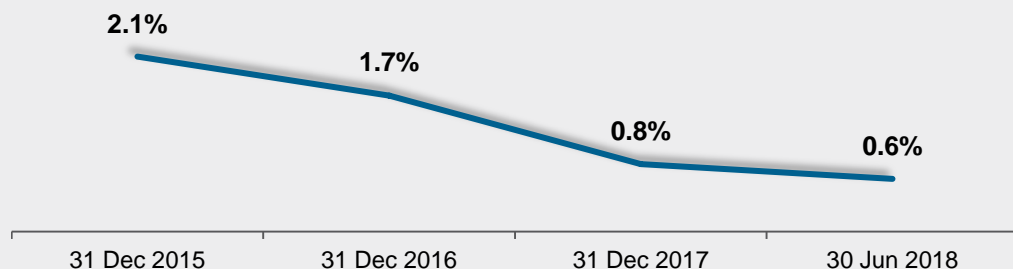
RC 2-7: Exceptionally high to outstanding financial performance; corresponding S&P Rating: AA to A-

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

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

- Total lending volume of € 186.5 bn
- 95% of total lending volume with excellent to satisfactory creditworthiness

Development of NPL¹ ratio



- As of June 30, 2018, NPL ratio had fallen further to 0.6%
- Of “total loans and advances” of € 121.0 bn, € 0.8 bn were classified as non-performing exposures

1) The NPL ratio is the share of non-performing exposures according to the EBA definition in relation to loans and advances to customers/banks. Based on Finrep data

Composition of loan loss provisions

in € m

01 Jan – 30 Jun 2017

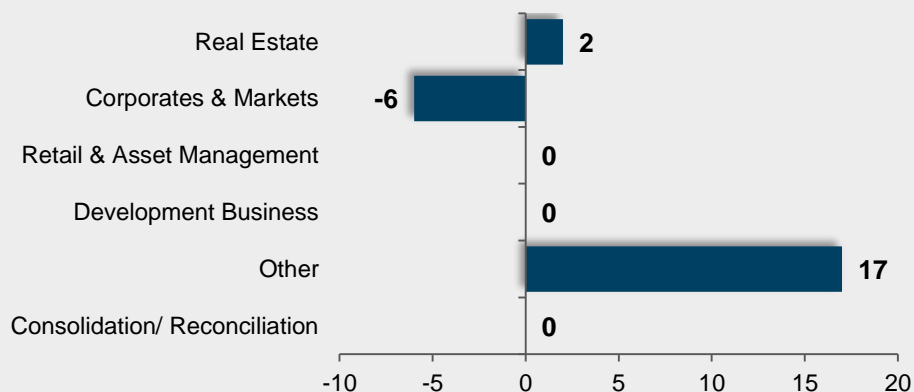
01 Jan – 30 Jun 2018

Net risk provisioning	-2	Net risk provisioning	13
		Risk provisioning on loans and advances	16
		Risk provisioning on liquidity securities	0
		Provisions for off-balance lending business	-3

- Thanks to the high quality of the credit portfolio and the good economic environment, small increases were overcompensated by reversals and recoveries on loans and advances previously written off

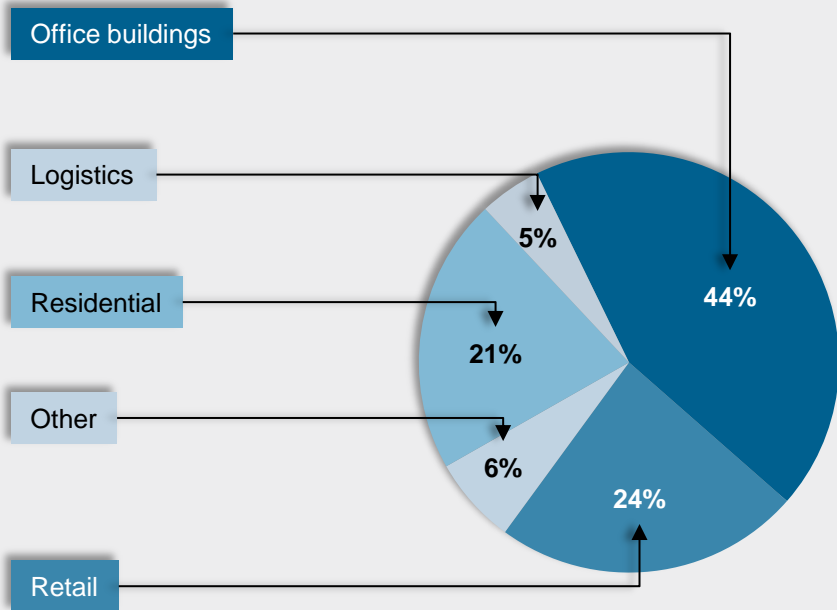
Breakdown by segment

in € m

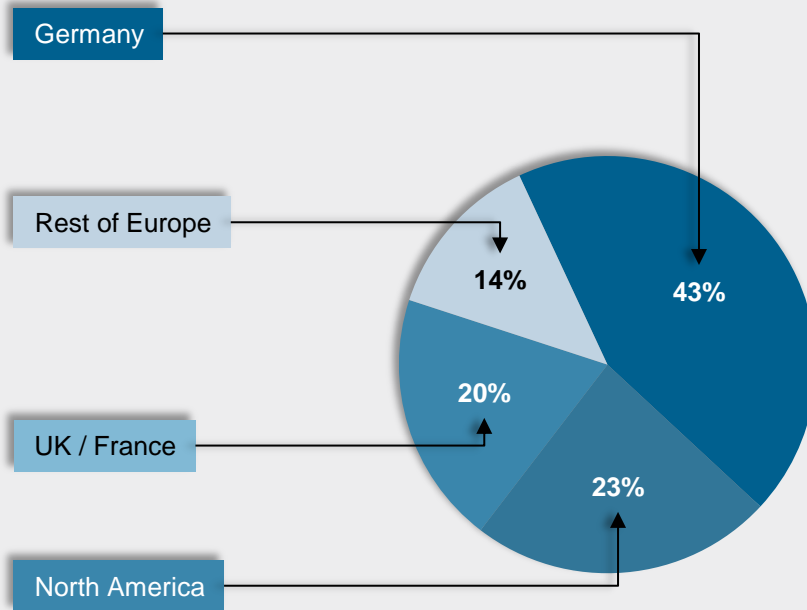


- Low level of net additions to impairments in segment of Corporates & Markets mainly from Corporate Finance activities
- “Other” segment includes reversals of portfolio impairments on credit exposures with no significant risk of default

Breakdown by type of use



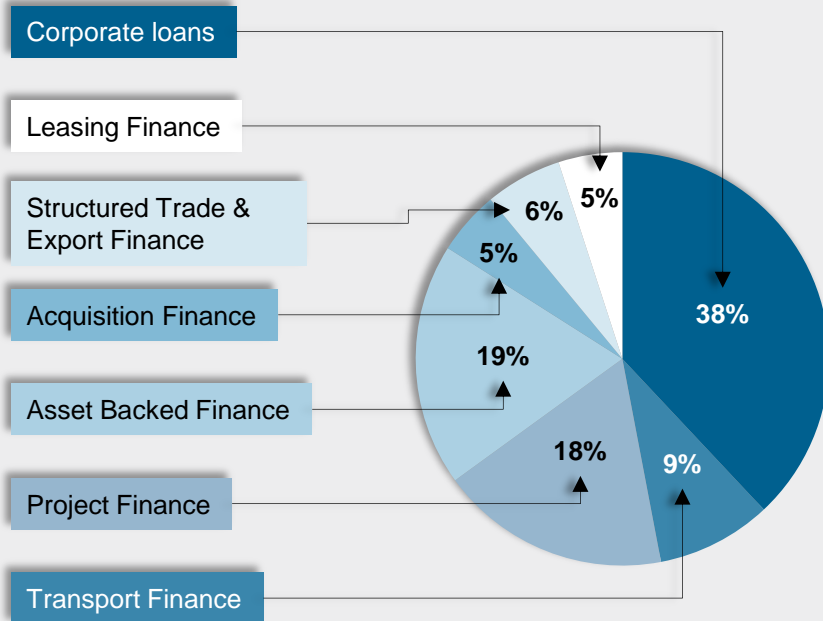
Breakdown by region



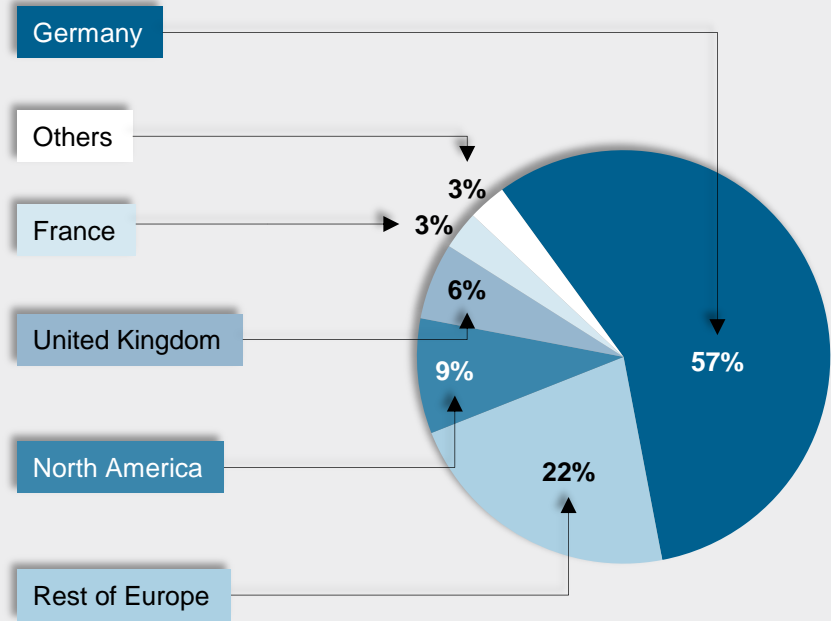
► Balanced portfolio by regions and type of use

As of June 30, 2018

Breakdown by product area



Breakdown by region









► Broadly diversified portfolio with focus on Europe

As of June 30, 2018

HELABA FUNDING

IR Presentation as of June 30, 2018

-  Performance
-  Portfolio Quality
-  **Funding**
-  Outlook
-  Contact
-  Start

MOODY'S	Rating	FitchRatings	Rating	S&P Global ¹	Rating
Outlook	Stable	Outlook	Stable	Outlook	Positive
Issuer Rating	Aa3	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-		
Long-Term Senior Unsecured ³⁾	Aa3			Long-term Senior Unsecured ³⁾	A
Long-Term Junior Senior Unsecured ⁴⁾	A2	Senior Unsecured ^{1), 4)}	A+	Long-term Senior Subordinated ⁴⁾	A-
Subordinate Rating ⁵⁾	Baa2	Subordinated debt ^{1), 5)}	A		

Ratings for Helaba's liabilities covered by statutory guarantee ⁶

Long-term Rating

Moody's	Fitch Ratings	S&P Global
Aaa	AAA	AA-

Sources: Standard & Poor's, Moody's Investors Service, Fitch Ratings

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 Sec. 46f (5 & 7) KWG ("with preferential right to payment")

4) Corresponds in principle to long-term senior unsecured debt according to Sec. 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)

Funding Strategy

- ▶ Continued matched funding of new business
- ▶ Further expansion in strong position among German investors and targeted growth in international investor base
- ▶ Focus on marketing Helaba's sound "credit story" in and outside Germany
- ▶ Further development of product and structuring capacity using issuance programmes

Funding Programmes

Medium Term Note Programm	€ 35 bn
Inlandsemissionen (Basisprospekt)	
Euro-CP/CD Programm	€ 10 bn
NEU CP (ehem. French CD) Programm	€ 6 bn
USCP Programm	\$ 5 bn

Broad Access to Liquidity

Helaba Group

- ▶ € 34 bn cover pool for covered bonds
- ▶ € 32 bn securities eligible for ECB/ central bank funding
- ▶ € 19 bn retail deposits within Helaba Group

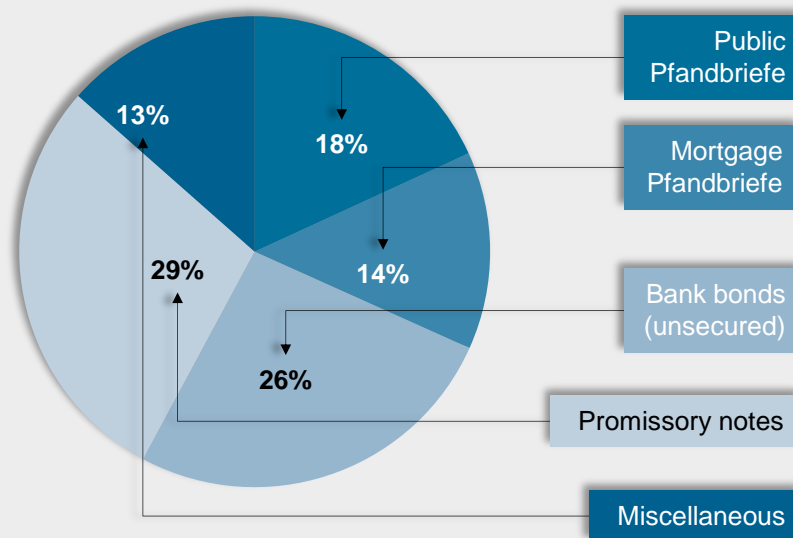
-Finance Group Hesse-Thuringia

- ▶ € 97 bn deposits within -Finance Group Hesse-Thuringia
(consolidated accounts as of 31.12.2017)

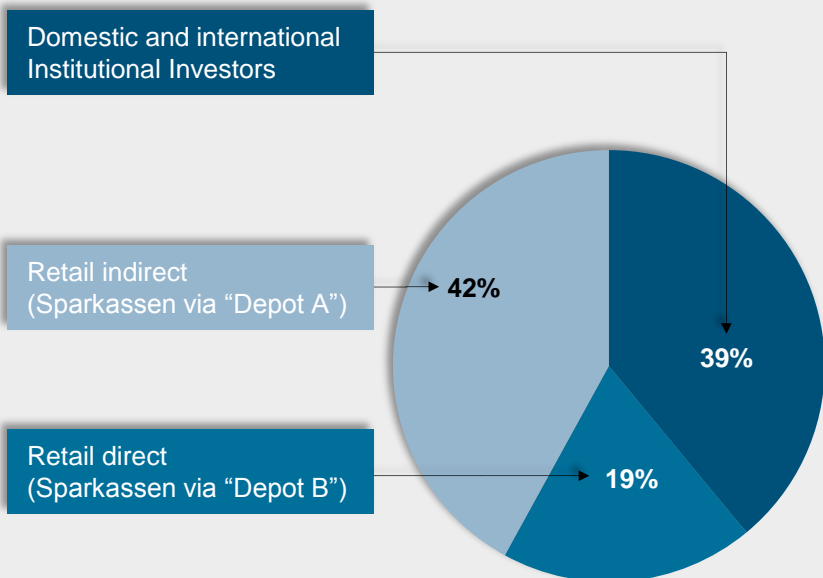
Outstanding medium and long-term funding (≥ 1 year): € 84.1 bn

Year-on-year comparison	H1 2018	2017	2016
	€ m	€ m	€ m
Covered bonds ("Pfandbriefe")	26,666	26,334	27,477
thereof public sector	15,253	16,482	17,605
thereof mortgage backed	11,413	9,852	9,872
Senior unsecured bonds	21,976	20,906	20,113
Promissory notes	24,096	23,197	21,050
Miscellaneous*	11,342	12,283	12,852
Total	84,080	82,720	81,492

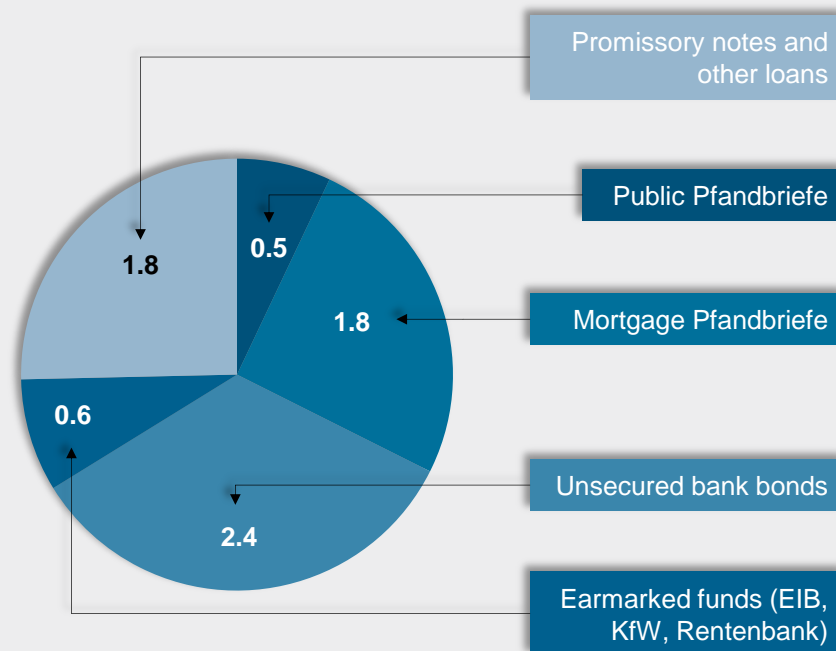
* Subordinated bonds/ participation certificates/ silent partnership contributions/ earmarked funds



Breakdown by Investor

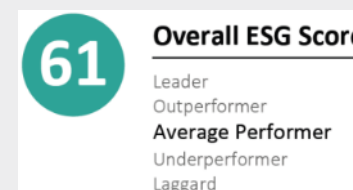
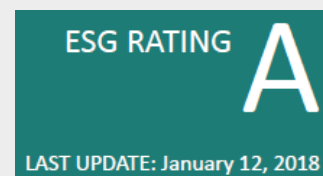


Breakdown by Product (in € bn)



Medium and long-term funding volume in H1 2018: **€ 7.1 bn**

- ▶ Helaba took advantage of favourable market environment, especially in first quarter of 2018, and successfully placed benchmark issues in the Pfandbrief segment



- Rating score: **C (Prime)**
- Rating scale: from D- to A+
- Ranked in the top third in the peer group of 89 banks
- Rating score **B-** for partial rating “Social & Governance”

- Rating score: **B (Positive)**
- Rating scale: from D to AAA
- Among the top 5 in the peer group of 32 banks
- Rating score **BBB (Positive)** for partial rating “Mortgage bonds”







- Rating score: **A**
- Rating scale: from CCC to AAA
- Ranked in the upper midfield in the peer group
- **Top-Score** for partial rating “Financial Product Safety”

- Rating score: **61 points**
- Rating scale: from 1 to 100 points
- Ranked in the upper midfield in the peer group of 343 banks
- **71 points** for partial rating “Social”

As of August 2018



OUTLOOK

IR Presentation as of June 30, 2018

-  Performance
-  Portfolio Quality
-  Funding
-  **Outlook**
-  Contact
-  Start

Instant Payments



- ▶ Successful start of the real-time payment process Instant Payments in July
- ▶ Helaba enables the -Finance Group to participate in important future technology at an early stage and strengthens its strategic position as the most important payment transaction provider in the -Finance Group

Helaba

D I G I T A L

- ▶ Helaba Digital launches the "Komuno" joint venture in cooperation with Lucht Probst Associates
- ▶ Digital platform connects local authorities and banks in the arrangement of municipal loans and considerably facilitates the tendering process
- ▶ New platform will be available from 3rd September

Representative office Sao Paulo









- ▶ Representative office was opened in Sao Paulo on June 25th
- ▶ Helaba's presence in Brazil represents a further milestone in the expansion of Helaba's international lending and financial services to meet the growing needs of its own corporate clients and those of the Sparkassen

- ▶ **Forecast confirmed: Profit before tax in 2018 in the mid-triple-digit million range expected**

- ▶ **Strategic agenda of sharpening the business model, modernizing and digitizing the infrastructure are on track**

YOURCONTACT

IR Presentation as of June 30, 2018

-  Performance
-  Portfolio Quality
-  Funding
-  Outlook
-  **Contact**
-  Start



Nicole Heenen

Group Strategy – Investor Relations
Tel (+49) 69/91 32 – 39 82
nicole.heenen@helaba.de



Sabrina Nickel

Group Strategy – Investor Relations
Tel (+49) 69/91 32 – 4935
sabrina.nickel@helaba.de



Nadia Landmann






Debt Investor Relations
Tel (+49) 69/91 32 – 23 61
nadia.landmann@helaba.de




Landesbank Hessen-Thüringen
Neue Mainzer Strasse 52-58
60311 Frankfurt am Main

APPENDIX

IR Presentation as of June 30, 2018

-  Performance
-  Portfolio Quality
-  Funding
-  Outlook
-  Contact

-  Start

Statement of Financial Position of Helaba Group (IFRS)	30 Jun 2018	31 Dec 2017	Change	
	€ bn	€ bn	€ bn	%
Cash, cash balances at central banks and other demand deposits	18.6	10.5	8.1	77.1
Financial assets at amortised cost	100.4	99.4	1.0	1.0
Loans and advances to credit institutions	10.9	10.7	0.2	1.9
Loans and advances to customers	89.5	88.7	0.8	0.9
Financial assets held for trading	16.0	16.1	-0.1	-0.6
Financial assets at fair value (non-trading)	27.6	28.0	-0.4	-1.4
Investment property, deferred tax assets, other assets	4.3	4.2	0.1	2.4
Total assets	166.9	158.2	8.7	5.5
Financial liabilities measured at amortised cost	130.7	122.5	8.2	6.7
Deposits and loans from credit institutions	32.3	31.2	1.1	3.5
Deposits and loans from customers	53.6	47.6	6.0	12.6
Securitised liabilities	44.5	43.5	1.0	2.3
Other financial liabilities	0.3	0.2	0.1	50.0
Financial liabilities held for trading	12.0	12.3	-0.3	-2.4
Financial liabilities at fair value (non-trading)	13.5	12.6	0.9	7.1
Provisions, deferred tax liabilities, other liabilities	2.7	2.8	-0.1	-3.6
Total equity	8.0	8.0	0.0	0.0
Total equity and total liabilities	166.9	158.2	8.7	5.5

Income Statement of Helaba Group (IFRS)	H1 2018	H1 2017	Change	
	€ m	€ m	€ m	%
Net interest income	521	530	-9	-1.7
Provisions for losses on loans and advances	13	-2	15	-
Net interest income after provisions for losses on loans and advances	534	528	6	1.1
Net fee and commission income	172	180	-8	-4.4
Net trading income	8	168	-160	-95.2
Net income from hedge accounting and other financial instruments at fair value (non-trading)	22	-109	131	-
Share of the profit or loss of equity-accounted entities	5	2	3	> 100.0
Other net income	179	140	39	27.9
General and administrative expenses	-720	-671	-49	-7.3
Profit before tax	200	238	-38	-16.0
Tax on income	-60	-88	28	31.8
Profit	140	150	-10	-6.7

- Material provided has been prepared for information purposes only. Prices and rates mentioned are of indicative and non-binding nature.
- The material and any information contained herein do not constitute an invitation to buy, hold or sell securities or any other instrument. The material does not constitute an investment consultancy and does not substitute an individual analysis. Opinions expressed are today's views and may change without prior notice. Transactions entered into by the user are at the user's risk!
- The material is based upon information and processes we consider reliable. However, we do not represent that the information, results and conclusions are accurate or complete, and they should not be relied upon as such. Past performance, previous simulations or forecasts provided in the past do not represent a reliable indicator of future performance.
- Certain transactions, including those involving derivatives such as interest rate swaps, futures, options and high-yield securities, give rise to substantial risk and are not suitable for all borrowers and investors.
- Helaba and persons involved with the preparation of this publication may from time to time have long or short positions in, or buy and sell derivatives such as interest rate swaps, securities, futures or options identical to or related to those instruments mentioned herein.
- No strategy implemented based on the publication is or will be without risk, and detrimental interest-rate and/or price moves can not be ruled out; these could, depending on size and timing, result in severe economic loss. The occurrence of exchange rate fluctuations may, over the course of time, have a positive or negative impact on the return to be expected.
- Due to the personal situation of the relevant customer, this information cannot replace tax consulting in the individual case. It is therefore recommended that potential purchasers of the financial instrument seek advice from their tax and legal consultants as regards the tax consequences of purchasing, holding and selling the financial instruments. Tax treatment may be subject to changes in the future.
- Helaba does not provide any accounting, tax or legal advice; such matters should be discussed with independent advisors and counsel before entering into transactions.
- Any third party use of this publication is prohibited without prior written authorization by Helaba.

© Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main and Erfurt