

INVESTOR RELATIONS

IR Presentation as of 31.03.2017



Performance



Portfolio Quality



Refinancing



Ratings



Contact

PERFORMANCEFIGURES

IR Presentation as of 31.03.2017



Performance



Portfolio Quality



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Start

- ▶ Consolidated net profit before taxes of 75 m € **considerably below last year's level**
- ▶ **Impact** of volatile income from **hedge accounting and derivatives negative**; net interest income below previous year due to negative interest environment; **risk situation eases**; **renewed rise** in **net fee and commission income**
- ▶ Development of customer business: **new business** reaches with 4.6 bn € the **previous year's high level**
- ▶ First quarter profit is burdened by **full provisioning for the annual bank levy** and the **deposit guarantee fund of the S-Finance Group**
- ▶ **CET 1- ratio** fully-loaded improves to 14.1%

Helaba | A universal Bank with strong regional focus

Wholesale Business



Business Division:

Real Estate
Corporate Finance
Financial Institutions
and Public Finance
Global Markets
Asset Management
Transaction Banking

S-Group Business, Private Customers and SME Business



Public Development and Infrastructure Business



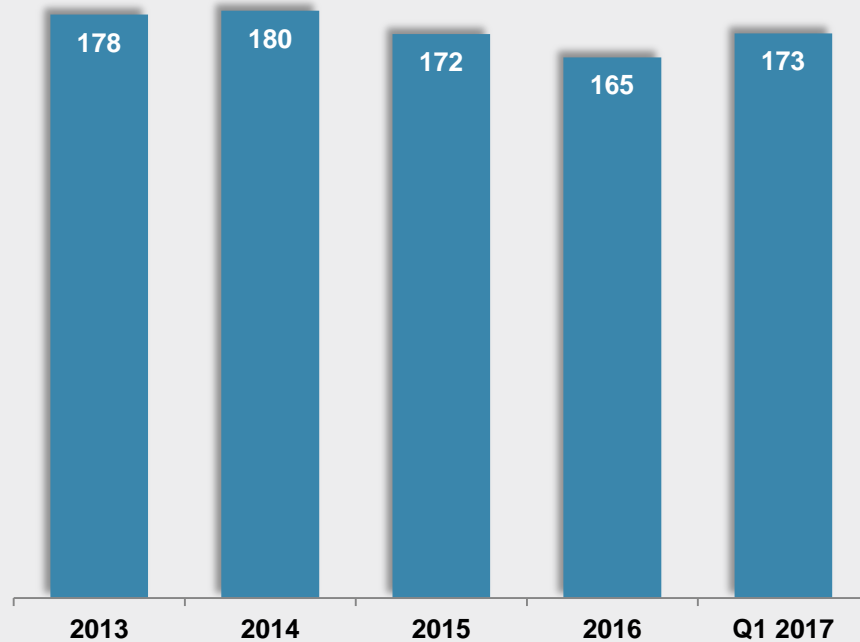
Wirtschafts- und Infrastrukturbank Hessen

Frankfurt am Main | Erfurt | Düsseldorf | Kassel | London | Paris | New York | Zürich | Madrid | Moskow | Shanghai | Singapore | Stockholm

Consolidated Balance Sheet Helaba Group (IFRS)	31.03.2017	31.12.2016	Change	
	bn €	bn €	bn €	%
Loans and advances to banks incl. cash reserves	28.3	18.3	10.0	54.6
Loans and advances to customers	92.4	93.1	-0.7	-0.8
Allowances for losses on loans and advances	-0.6	-0.8	0.2	25.0
Trading assets	18.9	20.5	-1.6	-7.8
Positive fair values of non-trading derivatives	3.6	4.0	-0.4	-10.0
Financial investments and shares in equity-accounted entities	25.8	25.8	0.0	0.0
Other Assets	4.2	4.3	-0.1	-2.3
Total assets	172.6	165.2	7.4	4.5
Liabilities due to banks	32.1	30.1	2.0	6.6
Liabilities due to customers	48.7	46.8	1.9	4.1
Securitised liabilities	56.7	50.9	5.8	11.4
Trading liabilities	16.6	18.7	-2.1	-11.2
Negative fair values of non-trading derivatives	3.4	3.9	-0.5	-12.8
Provisions, other liabilities	3.7	3.3	0.4	12.1
Subordinated capital	3.6	3.6	0.0	0.0
Equity	7.8	7.9	-0.1	-1.3
Total equity and liabilities	172.6	165.2	7.4	4.5

Total Assets

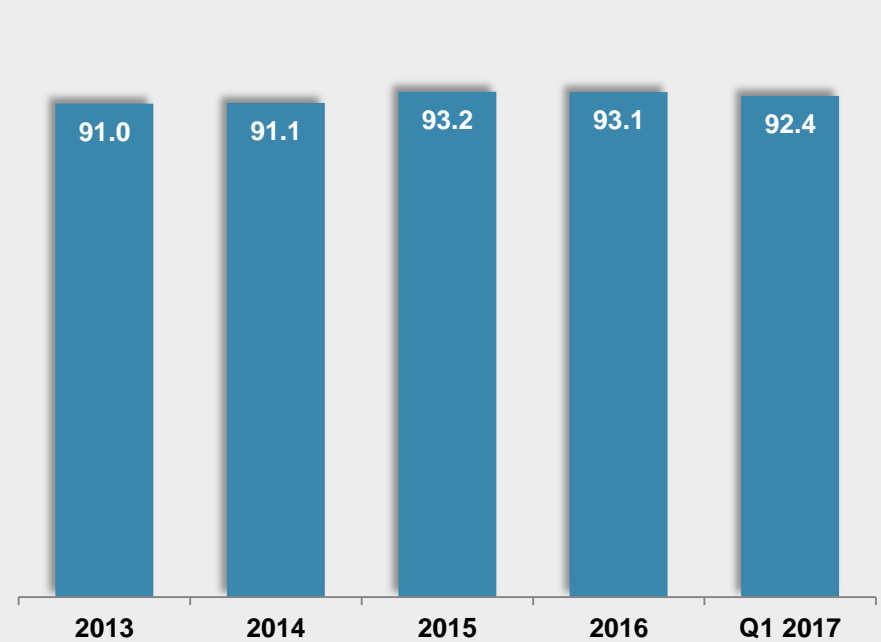
in bn €



■■■■ Increase in total assets by 4.5% or 7.4 bn € is related to the bank's funding strategy. The bank took advantage of the favourable market environment at the beginning of the year to issue a significant volume of debt.

Loans and advances to customers

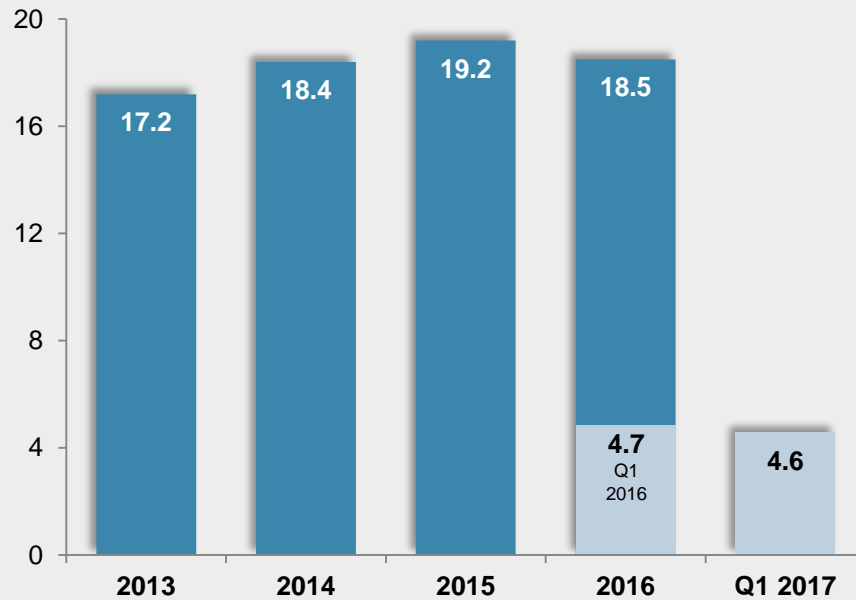
in bn €



■■■■ Loans and advances to customers remained almost unchanged. The main lending areas are corporate customers (67.4 bn. €) including commercial real estate and public sector (19.5 bn €)

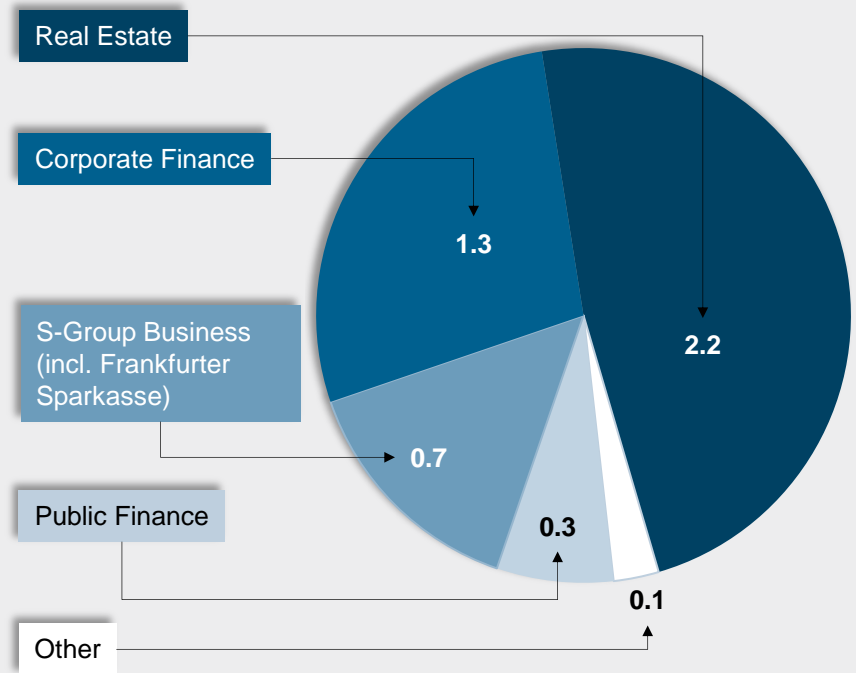
Development of medium- and long-term new business volume

in bn €



Medium- and long-term new business volume: 4.6* bn €

in bn €



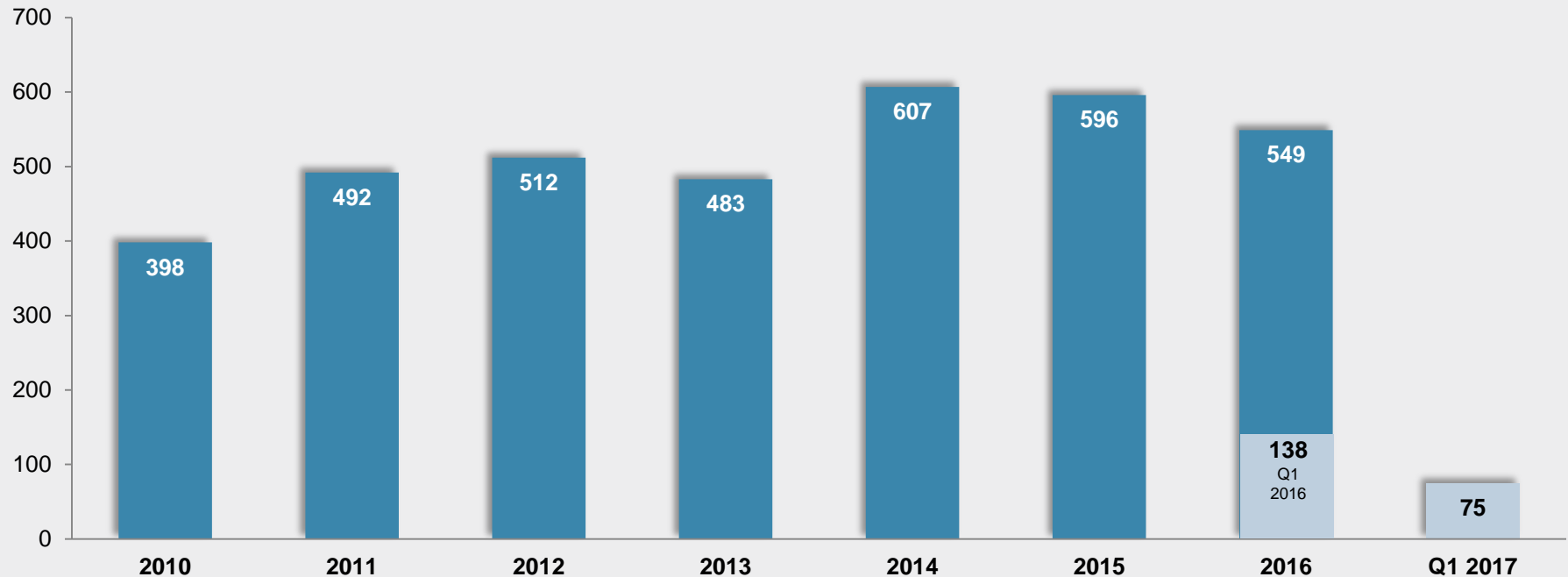
*without medium- and long-term new business of WIBank)

■■■■ New medium- and long-term business (with a term of greater than one year, excluding the WIBank development business) is with 4.6 bn € at the previous year's level and in line with budget.

P&L for Helaba Group (IFRS)	Q1 2017	Q1 2016	Change	
	m €	m €	m €	%
Net interest income	277	301	-24	-8.0
Provisions for losses on loans and advances	5	-39	44	-
Net interest income after provisions for losses on loans and advances	282	262	20	7.6
Net fee and commission income	91	85	6	7.1
Net trading income	72	26	46	> 100.0
Net income from hedge accounting/ non-trading derivatives and financial instruments to which the fair value option is applied	-68	67	-135	-
Net income or expenses from financial investments and share of profit or loss of equity-accounted entities	1	8	-7	-87.5
Other net operating income	59	42	17	40.5
General and administrative expenses	-362	-352	-10	-2.8
Profit before taxes	75	138	-63	-45.7
Taxes on income	-28	-47	19	40.4
Consolidated net profit	47	91	-44	-48.4

Profit before tax

in m €

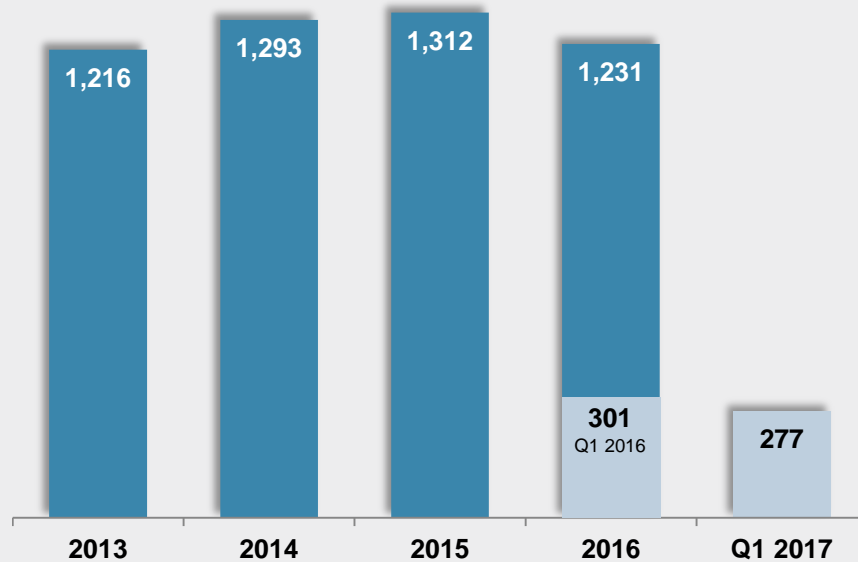


Consolidated net profit before taxes is with 75 m € considerably below the previous year's figure (- 63 bn €). The main reason for this adverse development are negative valuation effects of non-trading derivatives and financial instruments to which the fair value option is applied and which are reflected in a negative net income from hedge accounting

Given the challenging environment the growth in customer business is satisfactory.

Net interest income

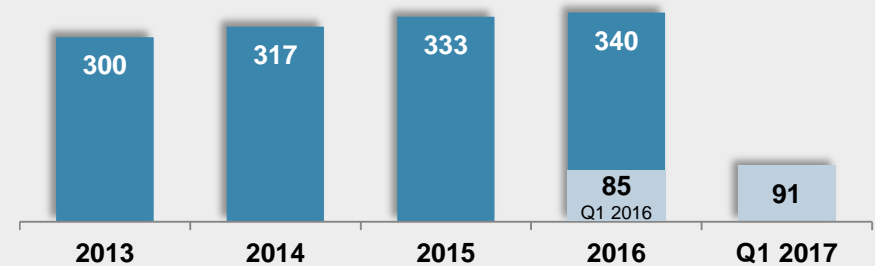
in m €



Against a backdrop of ongoing zero and negative interest rates, the net interest income fell by 8% despite a sustained satisfactory lending performance.

Net commission income

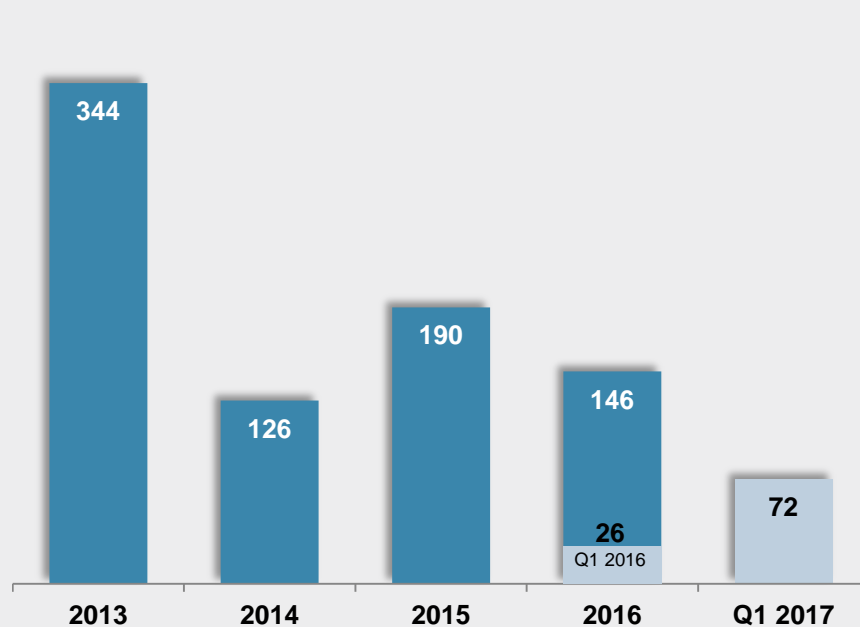
in m €



Positive increase in fees and commissions by around 7% especially from Cash Management

Net trading income

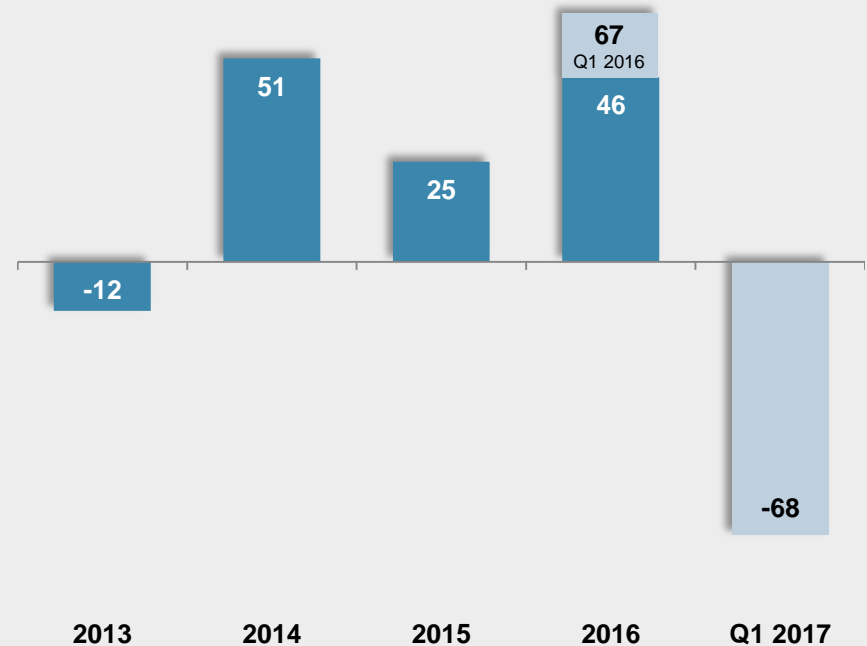
in m €



- Net trading income derives mainly from interest-rate-related, customer-driven capital market activities,
- Strong increase (+46 m €) to 72 m € resulting inter alia from valuation effects

Result from hedges / non trading derivatives

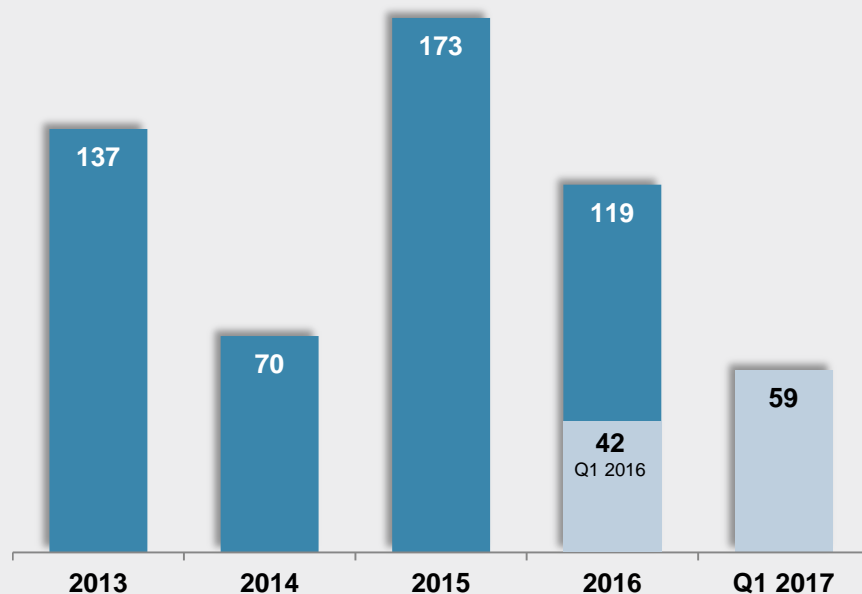
in m €



- Decrease of net income from hedges and non-trading derivatives (to which FVO is applied) to -68 m € (PY 69 m €) which was largely a result of the absence of the positive base effect of the previous year as well as the negative impact of taking this year's liquidity components of foreign currencies (cross-currency basis spread) into account.
- Net income from hedge accounting: 0 m € (PY -2 m €)

Other net operating income

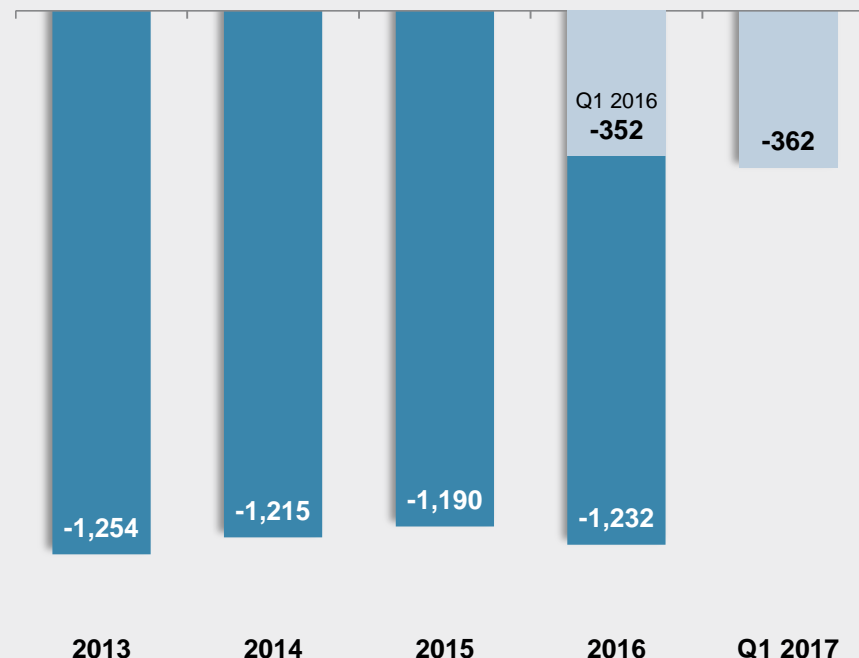
in m €



■■■■ Increase by 17 m € mainly stems from gains of investment property which grew to 45 m € (PY 37 m €) and is primarily generated by GWH-Group

General and administrative expenses

in m €

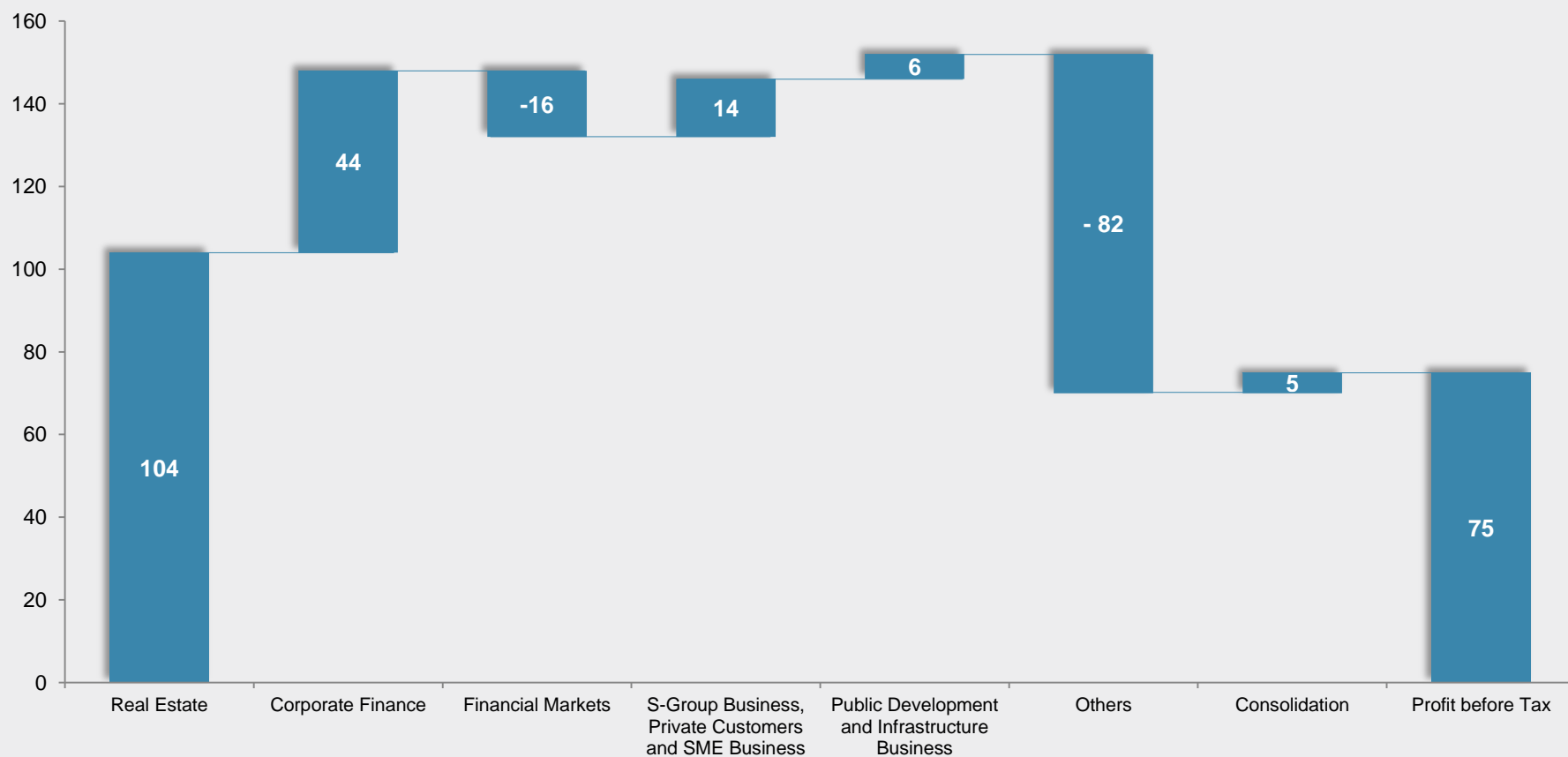








■■■■ Factors contributing to the increase in non-personnel related administrative expenses include rising IT and consultancy expenses in connection with implementation of regulatory and operating requirements

Full provisioning for the 2017 annual bank levy and deposit guarantee fund of the S-Finance Group

Profit before taxes as of 31.03.2017

in m €



Real Estate	Corporate Finance	Financial Markets	S-Group Business, Priv. Customers & SME	Public Development and Infrastructure Business	Others
Real Estate Lending	Corporate Finance	Capital Markets	S- Group Bank	WIBank	Settlement / custody services
Real Estate Management		Asset/Liability Management			Cash Management
		Sales Public Authorities			CRM Units
		Financial Institutions and Public Finance			Other Corporate Center-Units
	Hannover Leasing ¹				
					
					Consolidation
					Consolidation effects

1) On 16 December 2016 Helaba reached an agreement with CORESTATE Capital Holding S.A. regarding the sale of its 44.2 % stake in HANNOVER LEASING GmbH & Co. KG. The deal is subject to approval by the banking supervisor and is expected to be completed in the first half of 2017.

Segment results

Real Estate

	Q1 2017	Q1 2016
	m €	m €
Net interest income	87	89
Provisions for losses on loans and advances	3	7
Net commission income	5	5
Net trading income	-	-
Net income from hedge accounting/ non-trading derivatives and financial instruments (fair value option)	2	1
Other net operating income	65	51
General administrative expenses	-56	-57
Group net profit before taxes	104	98

- Stable net interest income with new business below last year's level but in line with budget and with improving margins
- Provisions for losses on loans and advances remain at a very low level
- Increase of other net operating income resulting from rising rental income and property sales (project development business)

Corporate Finance

	Q1 2017	Q1 2016
	m €	m €
Net interest income	74	79
Provisions for losses on loans and advances	3	-20
Net commission income	2	4
Net trading income	-	-
Net income from hedge accounting/ non-trading derivatives and financial instruments (fair value option)	-	-5
Other net operating income	1	1
General administrative expenses	-36	-32
Group net profit before taxes	44	26

- Surge of net profit (+70%) mainly due to a reversal of provisions for losses on loans and advances amounting to 3 m € while in 2016 provisions of 154 m € have been recognised
- Very satisfactory development of new business

Segment results

Financial Markets

	Q1 2017	Q1 2016
	m €	m €
Net interest income	19	15
Provisions for losses on loans and advances	-1	0
Net commission income	23	22
Net trading income	60	19
Net income from hedge accounting/ non-trading derivatives and financial instruments (fair value option)	-64	63
Other net operating income	1	1
General administrative expenses	-54	-49
Group net profit before taxes	-16	71

- Rise of net interest income resulting primarily from municipal lending and business with domestic and foreign regional authorities
- Increase of net trading income mainly due to CVA/ DVA effects
- Decrease of net income of hedges and non-trading derivatives (to which FVO is applied) is largely a result of the absence of the positive base effect of the previous year as well as the negative impact of taking this year's liquidity components of foreign currencies (cross-currency basis spread) into account.

S-Group Business, Private Customers and SME Business

	Q1 2017	Q1 2016
	m €	m €
Net interest income	88	91
provisions for losses on loans and advances	-1	3
Net commission income	45	38
Net trading income	9	7
Net income from hedge accounting/ non-trading derivatives and financial instruments (fair value option)	-4	4
Other net operating income	0	1
General administrative expenses	-124	-125
Group net profit before taxes	14	19

- Net interest income is with 88 m € slightly below the previous year's level, zero and negative interest rates are adversely affecting net interest income of Frankfurter Sparkasse and LBS
- Higher net commission income is sufficient to outweigh the burden resulting from decreasing net interest income
- Valuation effects of hedges and non-trading derivatives are also reflected in this segment

Segment results

Public Development and Infrastructure Business

	Q1 2017	Q1 2016
	m €	m €
Net interest income	12	12
provisions for losses on loans and advances	0	0
Net commission income	9	9
Net trading income	-	-
Net income from hedge accounting/ non-trading derivatives and financial instruments (fair value option)	-	-
Other net operating income	-0	0
General administrative expenses	-15	-15
Group net profit before taxes	6	6

- All main components are unchanged and in line with budget

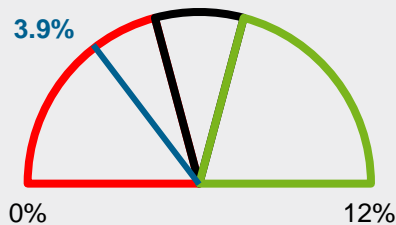
Other

	Q1 2017	Q1 2016
	m €	m €
Net interest income	-8	-13
Provisions for losses on loans and advances	2	-28
Net commission income	7	6
Net trading income	-0	-
Net income from hedge accounting/ non-trading derivatives and financial instruments (fair value option)	0	10
Other net operating income	2	2
General administrative expenses	-85	-84
Group net profit before taxes	-82	-107

- Segment contains contributions to income and expenses that cannot be attributed to operating segments; In particular, this segment includes net income from transaction banking business as well as costs of central units
- Reversal of provisions for losses on loans and advances of 2 m € after recognition of an adjustment in the previous year

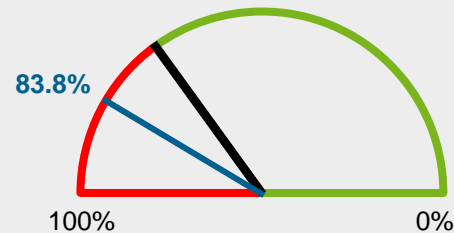
Return on equity

Target range 2017
5.0–7.0%



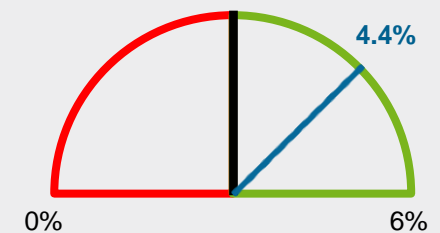
Cost-income-ratio

Target ratio 2017
< 70%



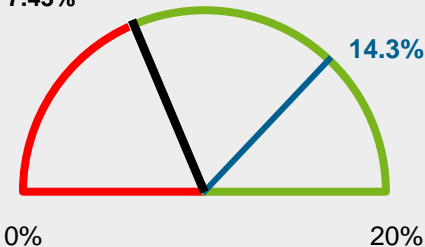
Leverage Ratio

Minimum ratio¹⁾
3.0%



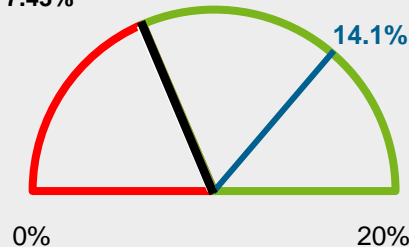
CET1- Ratio („phased-in“)

Requirement 2017²⁾
7.43%



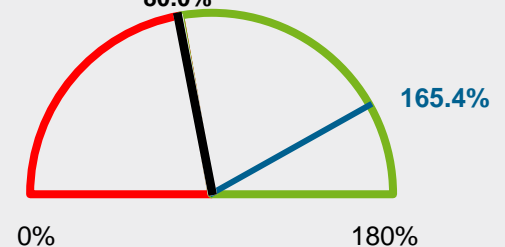
CET1- Ratio („fully-loaded“)

Requirement 2017²⁾
7.43%



Liquidity Coverage Ratio

Requirement 2017
80.0%



— relevant target ratio — ratio 2017

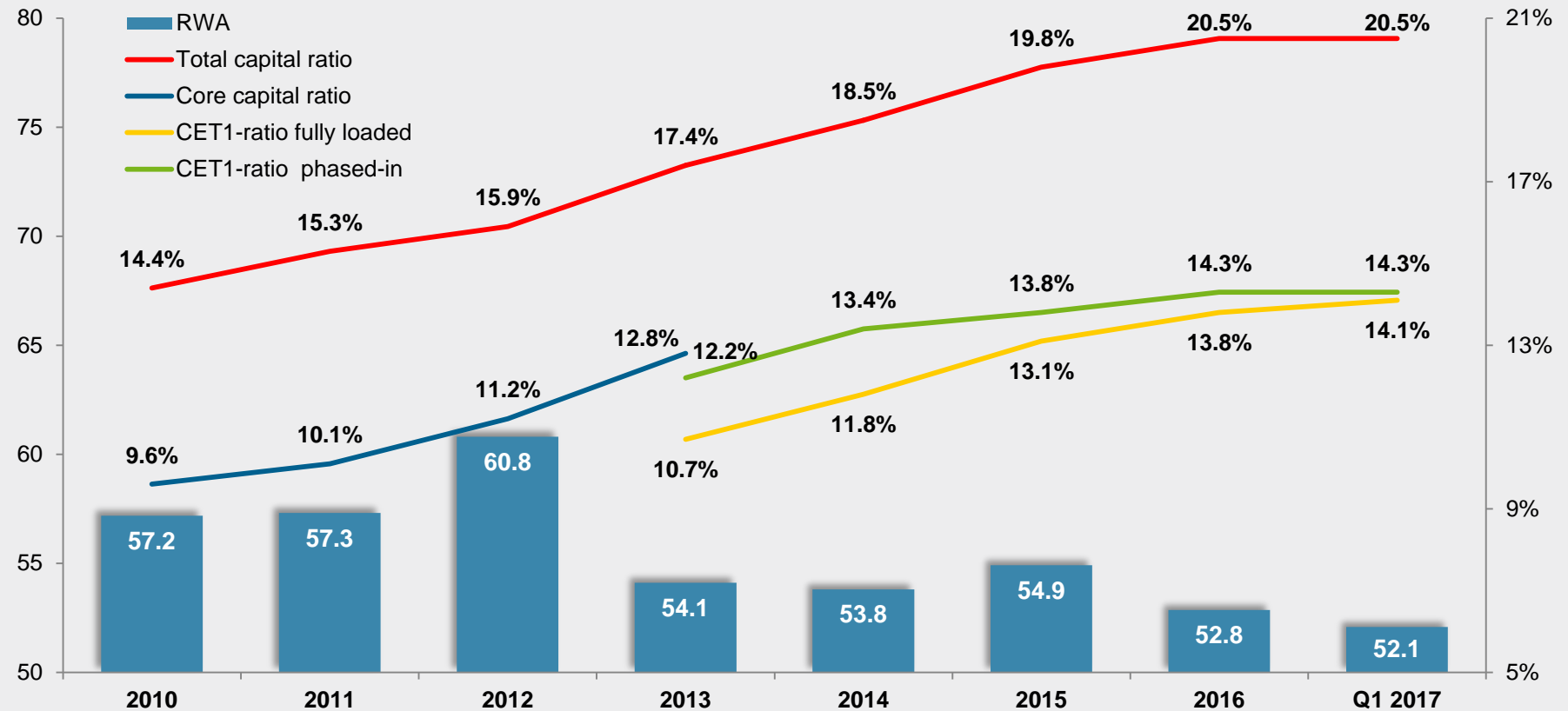
1) A mandatory minimum ratio of 3.0 % is expected to apply from 1 January 2019

2) Derived from SREP requirement for 2017 considering capital buffers

- ▶ Key regulatory requirements are more than fulfilled
- ▶ Contribution payments to annual bank levy and deposit guarantee fund of the S-Finance Group totaled 68 m € and have a disproportionally high impact on the first quarter's cost income ratio and return on equity

Development of capital ratios (Helaba Group)

in bn. €



► As of 31.03.2017 **CET1 ratio** „fully loaded“ at **14.1%**, **CET1 requirement** for 2017¹⁾ at **7.43%**.

1) Derived from SREP requirement for 2017 considering capital buffers

- ▶ **Political and economic conditions continue to be challenging**
- ▶ **Negative ECB's deposit rate and its Corporate Sector Purchase Programme have a negative impact on retail and cash management activities that are particularly sensitive to changes in interest rates as well as on investments of Helaba's own account**
- ▶ **Overall, satisfactory growth in customer business**
- ▶ **Board of Managing Directors confirms previous forecast of a significant decline in the net profit in 2017**

PORTFOLIOQUALITY

IR Presentation as of 31.03.2017



Performance



Portfolio Quality



Refinancing



Ratings



Contact



Start

Composition of the provision for losses on loans (in m €)

in m €

01.01.- 31.03.2016

Net-risk provision -39

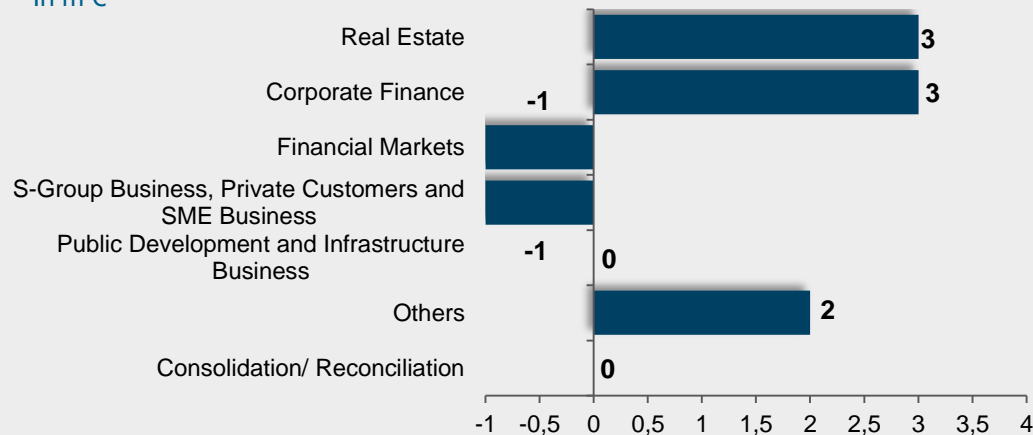
01.01.- 31.03.2017

Net-risk provision	5
Individual allowances	-2
Global allowances	-
Portfolio allowances	1
Provisions	4
Direct impairments on receivables / reversals	2

- Significantly lower requirement for provisions for losses on loans and advances given the high quality of the business portfolio and the extensive risk provisions for the shipping portfolio recognized in 2016

Break down on Segments

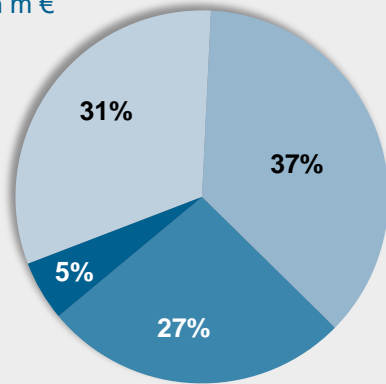
In m €



- Marginal provisions for losses on loans and advances only in segments Financial Markets and S-Business, Private Customers and SME Business

Total volume of lending by default rating category

In m €



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-

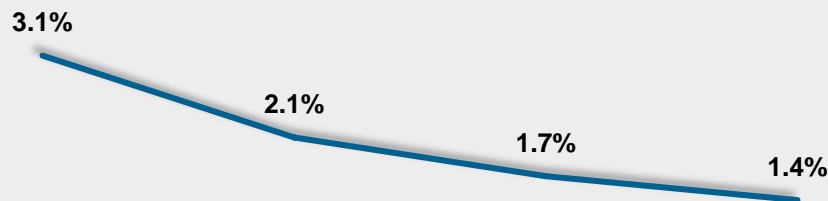
RC 8-13: Very good to satisfactory financial performance; corresponding S&P Rating: BBB+ to BB

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

- Total volume of lending of 190.2 bn € for narrow Group companies (Helaba Bank with the subsidiaries Frankfurter Sparkasse, Frankfurter Bankgesellschaft (Schweiz) AG and Helaba Asset Services)
- 95% of total volume of lending with excellent to satisfactory creditworthiness

Development NPL¹- Ratio

in m €



- NPL-ratio of 1.36 % as of 31.03.2017. Total Loans and advances of 120.7 bn €, thereof Non-Performing Exposures of 1.6 bn. €

31.12.2014 31.12.2015 31.12.2016 31.03.2017

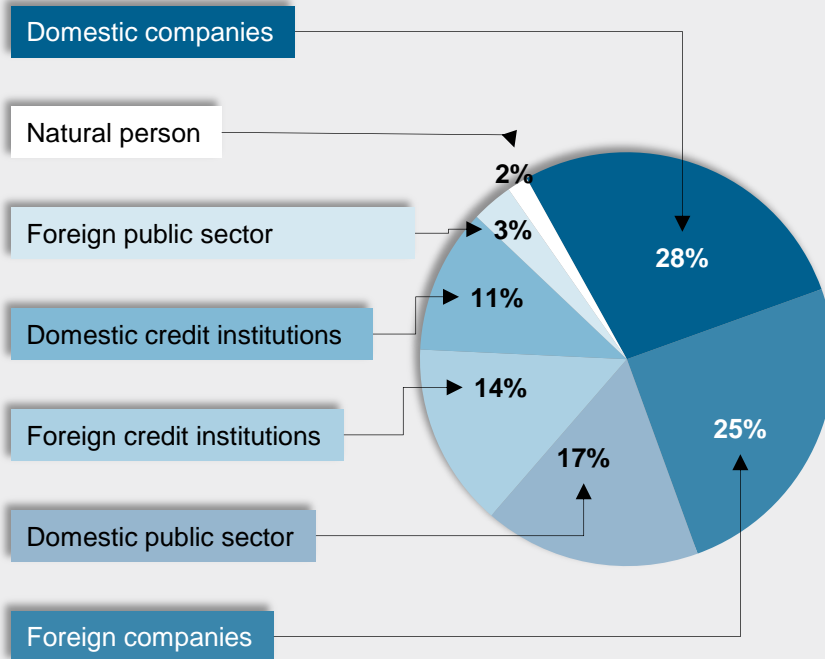
1) The NPL-ratio is the share of non-performing exposures as of the EBA definition in relation to loans and advances

Helaba risk profile – Total volume of lending (190.2 bn €)

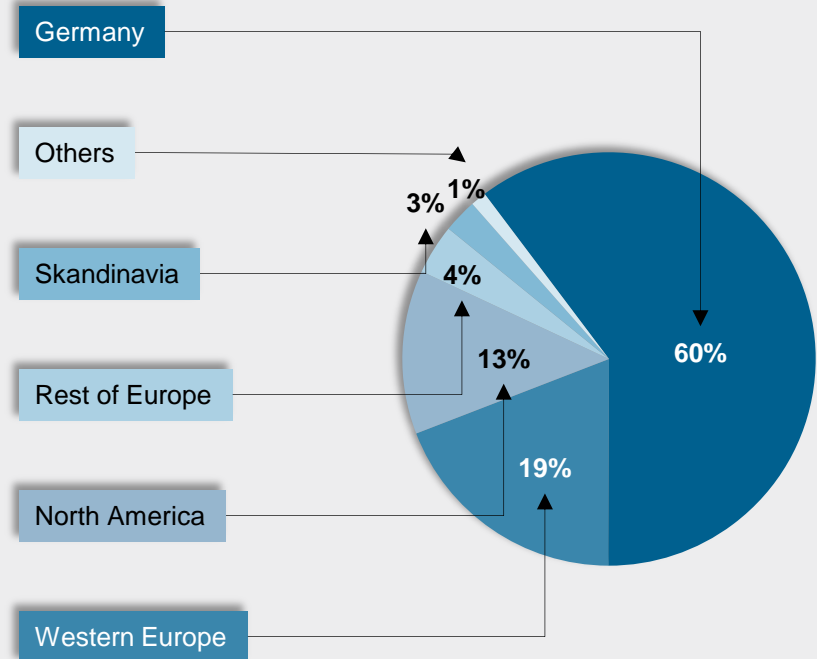
Diversified Portfolio with focus on Germany

24

Breakdown by customers

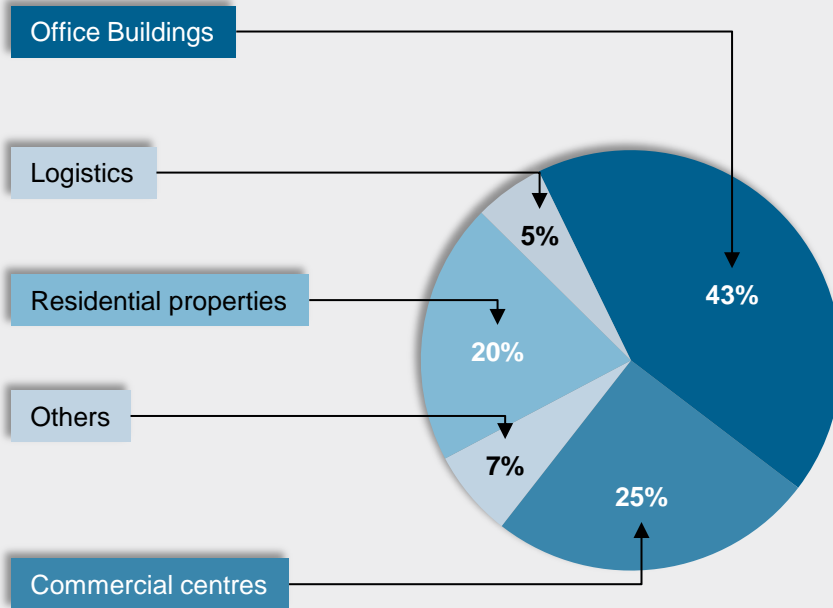


Breakdown by region

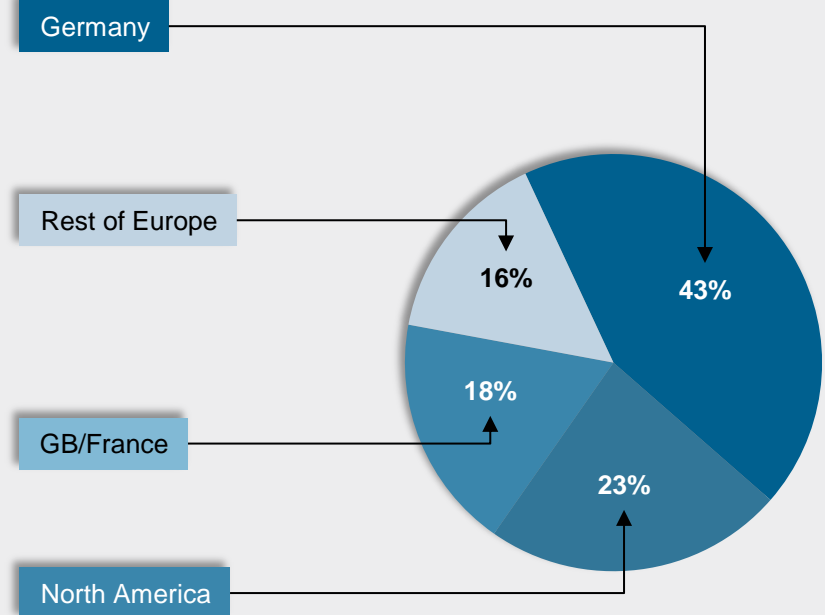


As of March 31, 2017

Breakdown by types of use



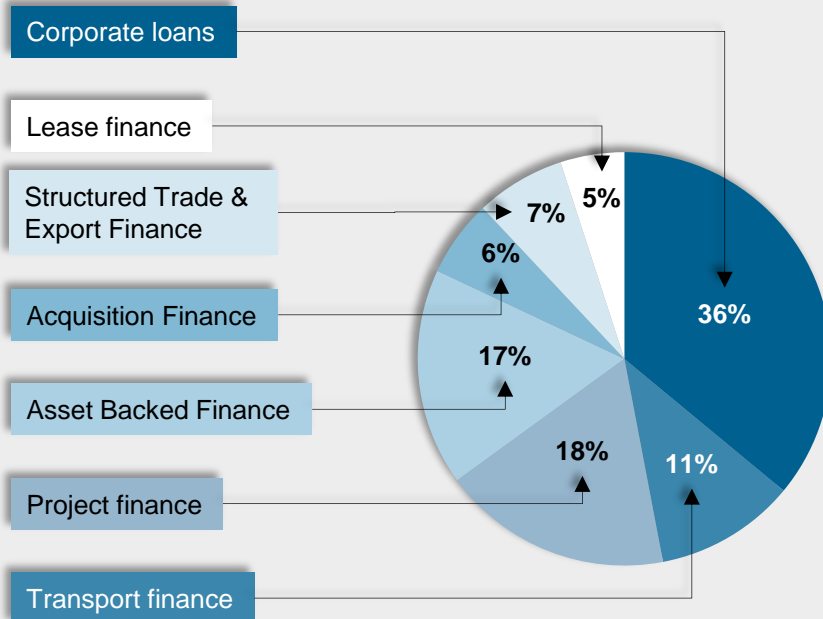
Breakdown by region



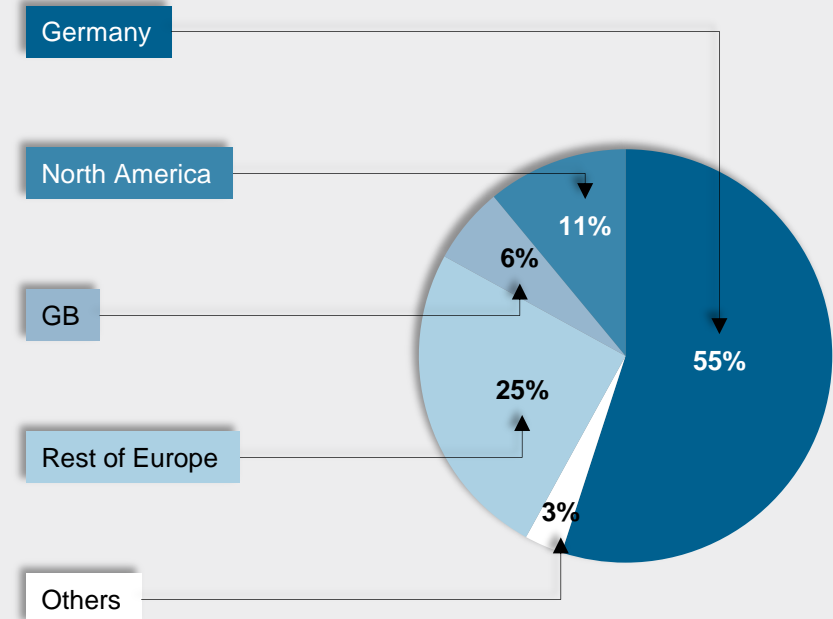
► Being among the market leaders in Germany Helaba has an acknowledged expertise in real estate credit business

As of March 31, 2017

Product areas and Portfolio



Breakdown by region



► Market leader in selected segments

As of March 31, 2017

HELABA REFINANCING

IR Presentation as of 31.03.2017



Performance



Portfolio Quality



Refinancing



Ratings



Contact



Start

Funding Strategy

- ▶ Continued matched funding of new business
- ▶ Expand the already strong position within the German investor base and further develop the international investor base
- ▶ Intensive marketing of Helaba's solid "Credit Story" in and outside Germany
- ▶ Further develop the product and structuring capacity through the issuance programmes

Funding Volume

in bn €	Covered	Unsecured	Total
2016	3.0	14.2	17.2
2017 planned	6.0	9.0	15.0

Funding Programmes


- ▶ 35 bn € Euro Medium Term Note Programme
- ▶ Domestic issuance (Basisprospekt)
- ▶ 10 bn € Euro-CP/CD Programme
- ▶ 6 bn € French CD Programme
- ▶ 5 bn \$ USCP Programme

Broad Liquidity Access

Helaba Group

- ▶ 34 bn € collateral pool for German covered bonds ("Pfandbriefe")
- ▶ 30 bn € securities eligible for ECB / central bank funding
- ▶ 17 bn € retail deposits within Helaba Group

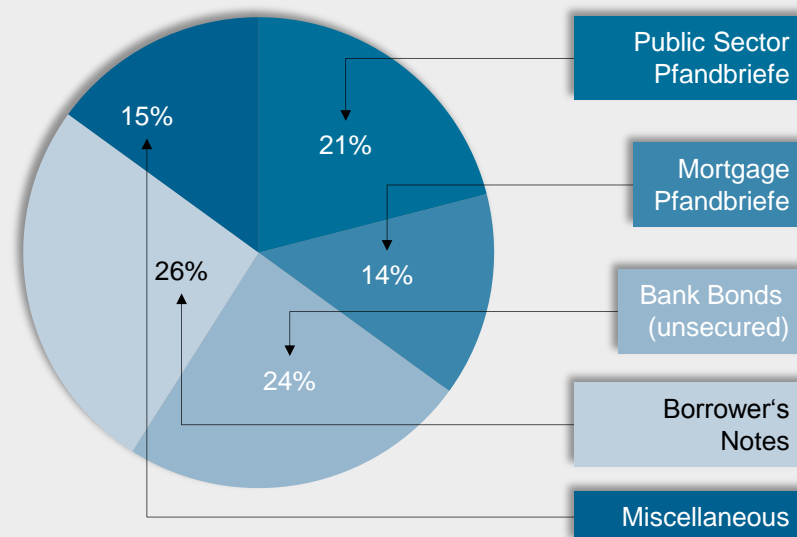
-Finanzgruppe Hessen-Thüringen

- ▶ 92 bn € deposits within -Finance Group Hesse-Thuringia (Consolidated accounts S-Finance Group Hesse- Thuringia as of 31.12.2015)

Outstanding medium and long-term funding (≥ 1 year): 88.5 bn €

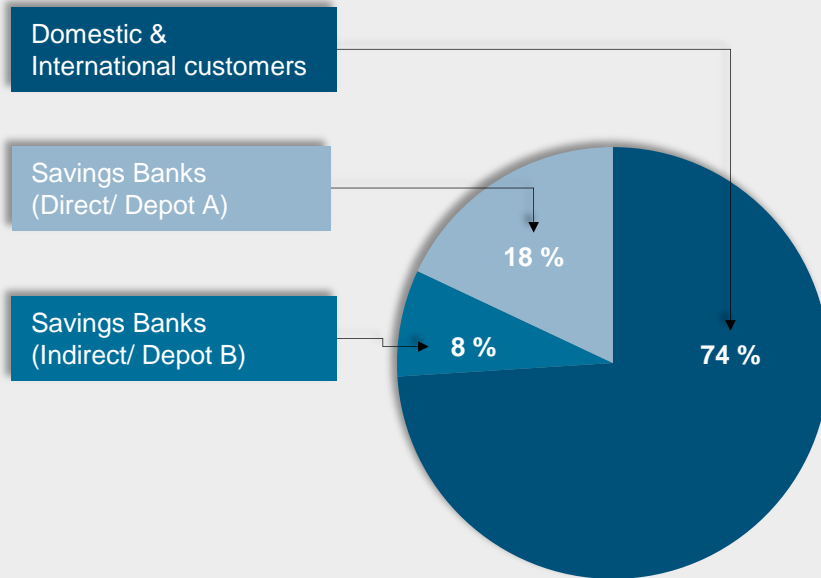
Annual comparison	Q1 2017	2016	2015
in bn €	in m €	in m €	in m €
Covered securities ("Pfandbriefe")	31,106	27,477	29,406
thereof Public sector	18,970	17,605	20,642
thereof Mortgage backed	12,136	9,872	8,764
Senior, unsecured bonds	21,243	20,113	17,087
Borrower's notes	23,039	21,050	21,417
Miscellaneous*	13,154	12,852	13,700
Sum	88,542	81,492	81,610

** Subordinated bonds / participation rights certificates / silent deposits / earmarked funds

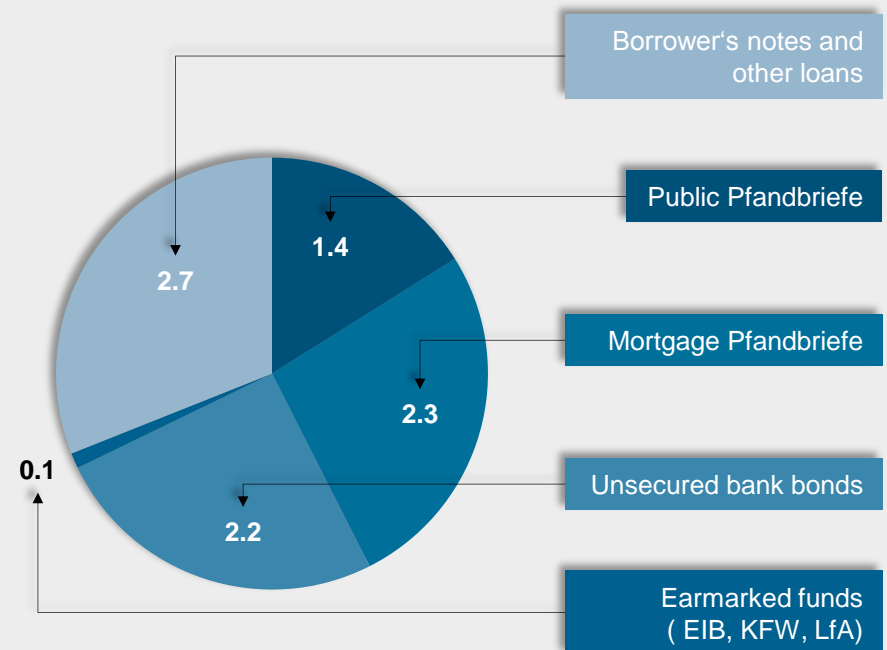


As of March 31, 2017

Breakdown by Investor



Breakdown by Product (in bn €)



► Medium- and long-term funding volume in Q1 2017: € 8.7 bn

As of March 31, 2017

CURRENT RATINGS

IR Presentation as of 31.03.2017



Performance



Portfolio Quality



Refinancing



Ratings



Contact



Start

MOODY'S

Rating

Outlook	Stable
Counterparty Risk Assessment	Aa3(cr)
Long-term Deposit Rating	Aa3
Public-Sector Covered Bonds	Aaa
Short-term Deposit Rating ²	P-1
Senior senior unsecured bank debt ³	Aa3
Senior Unsecured ⁴	A1
Subordinate Rating ⁵	Baa2
Baseline Credit Assessment	baa3

FitchRatings

Rating

Outlook	Stable
Long-term Issuer Default Rating ¹	A+
Public Sector Pfandbriefe	AAA
Mortgage Pfandbriefe	AAA
Short-term Issuer Default Rating ^{1, 2}	F1+
Derivative Counterparty Rating ¹	AA-(dcr)
Long-term Deposit Rating ^{1,3}	AA-
Senior Unsecured ^{1,4}	A+
Subordinated debt ^{1,5}	A
Viability-Rating ¹	a+

S&P Global

Rating

Outlook	Stable
Long-term Issuer Credit Rating	A
Short-term Issuer Credit Rating ²	A-1
Long-term Senior Unsecured ³	A
Long-term Senior Subordinated ⁴	A-
Standalone Credit Profile	a

Ratings for Helaba liabilities covered by statutory guarantee ⁶

Long-term Rating

Moody's Fitch Ratings S&P Global

Aa1 AAA AA-

Quellen: 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 §46f (5 u.7) KWG ("with preferential right to payment")

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

YOURCONTACT

IR Presentation as of 31.03.2017



Performance



Portfolio Quality



Refinancing



Ratings



Contact



Start



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