

Helaba | 

# A New Chapter

The Helaba magazine



Values with impact.

## Would you like to read more?

You can also find additional stories, news and topics concerning Helaba online at [www.helaba.com](http://www.helaba.com) and on our social media channels:



Instagram



LinkedIn



XING



YouTube



*Ladies and gentlemen,*

Our role as S-Group bank for the Sparkassen and our standing as a strong partner for businesses, public authorities and institutions gives us the power to influence developments in our society and hence to help shape its future. This is a responsibility we take very seriously. Our stable position in the market and the relationships we enjoy with our customers, which are very much based on trust and often stretch back over a great many years, suggest that our approach in this area is a successful one.

The world has changed, however, and it continues to do so. The new coronavirus will have economic consequences the scale of which we cannot currently predict, while the universal challenge of sustainability, the European Central Bank's negative interest rates policy and the dramatic pace of innovation driven by digitalisation are keeping the financial sector in a constant state of flux.

If we are to continue making sound and timely decisions based on the requirements of tomorrow and beyond, we must ensure that we too never allow ourselves to stand still. We are moulding the future of our Helaba with vigour and foresight, guided by the leading light of our corporate values. This magazine will introduce you to Helaba customers and staff who are helping to shape this change – at the Bank, in our branches and in our wider society.

I hope you find it interesting reading.

*Your sincerely,*

Herbert Hans Grüntker

# Content



## 04 Green as can be

### 04 Green as can be

A residential street in the Fechenheim district of Frankfurt: Nassauische Heimstätte is carrying out extensive modernisation work on a verdant yet crumbling estate – funded with a green promissory note.

### 10 “To explore new ways, a stable partnership is essential”

EWE is one of Germany’s largest energy utilities and has been a customer of Helaba for many years. Dirk Eichholz, Head of Corporate Finance at EWE, on the subject of working together as equal partners.

### 14 Stability & flexibility

The world has changed – and Helaba needs to do the same if it is to maintain its stable footing. Interview with CEO Herbert Hans Grüntker and his successor Thomas Groß.

### 18 Um bom negócio – a good deal

Brazilian pharmaceutical company Vitamedic sets out to buy machinery from German SME Romaco. A transatlantic success story with a big supporting cast.

### 22 So much more than just Brexit

The financial centre Frankfurt is changing – and not only due to Brexit. Ulrike Bischoff analyses the current developments.

## 24 Win-win





# 38 Space for the future

## 24 Win-win

Arabesque S-Ray rates companies on their sustainability performance. Helaba Digital's investment in the start-up has created a partnership that benefits all sides.

## 28 Urban structures

More and more people are moving to the city. This trend poses countless challenges for our society – and yet there are benefits to be had for all of us too.

## 34 Long distance

Half a century, that's how long Helaba has been helping Lufthansa with financial transactions. Chronicle of a wide-ranging partnership founded on mutual trust.

## 38 Space for the future

Be flexible, work through the team, think innovatively: the people behind NewWork@Helaba shine a light on how the bank's working environment is evolving.

## 44 Role models

The story of Anas Darkoushy shows just what can be achieved with courage, commitment and openness.

## 46 What next?

Helaba Chief Economist Dr Gertrud R. Traud discusses the consequences of the coronavirus, Trump, Brexit and risks in the real estate market.

# 28 Urban structures



# Green as can be

Text: Marc-Stefan Andres

Photos: Angelika Stehle



The Nassauische Heimstätte | Wohnstadt group, which ranks as one of Germany's largest residential real estate companies, plans to invest around € 1.9 billion in residential building construction and renovation over the next few years. Part of the finance required will be covered by a green bond arranged for the group by Helaba. Born out of the close co-operative relationship established between the partners, the transaction demonstrates how major investments, sustainable business and flexible and efficient implementation can be combined to produce a successful project.



A leafy residential street in the Fechenheim district of Frankfurt, Bürgeler Strasse lies not far from the tree-lined, meadow-framed banks of the Main river. The location borders on the idyllic, but the estate, erected in the early 1960s, has definitely seen better days: facades are crumbling and plaster hangs down over the entrances to buildings whose residents pay relatively reasonable rents by Frankfurt standards but live in homes that have not been modernised in decades.

The owner, Nassauische Heimstätte | Wohnstadt, knows all about these problems – not just here but throughout its portfolio – and is steadily working its way through them. “We will have renovated 72 residential units here by the end of 2020, bringing them up the latest energy-efficiency standards in the process,” explains Gregor Steiger, the company’s sustainability manager. “We will be re-insulating the facades, basement ceilings and roofs, installing new bathrooms and kitchens and replacing the electricity and water systems.” The work is due to take place over the coming months.

# 1,260

**The number of residential units modernised by Nassauische Heimstätte in 2019 and 2020 with the aid of the green promissory note.**



**“We became one of the first German residential real estate companies to launch a green promissory note loan on the capital market.”**

Henning Löwer, Head of Corporate Finance, Nassauische Heimstätte

## What is a green promissory note?

A promissory note is a negotiable loan that is issued by a borrower through a bank as a way of borrowing from multiple lenders. These lenders are usually banks, Sparkassen and Volksbanken, although institutional investors such as pension funds and insurance companies do also take up promissory notes. Helaba developed the promissory note financing instrument for companies in the mid-1990s and has been steadily improving it ever since. More and more companies started using promissory notes to finance investments during the financial crisis in 2008 and 2009 as an alternative to the moribund market for new corporate bond issues. A green promissory note is one used to finance a sustainable project. Green promissory notes are examined by specialist rating agencies against a strict set of criteria prior to release.



The building structure will be equivalent to that of a new build once all of the improvements have been completed. Steiger has been joined on his visit to the estate this rainy morning by his colleague Henning Löwer, Head of Corporate Finance at Nassauische Heimstätte. “We will also be putting solar panels on many of the buildings to enhance their environmental performance, where the shape and orientation of the roof allow. We want to use solar thermal technology for heating too,” the sustainability expert adds. When the renovation work finishes this summer, the buildings’ primary energy consumption will amount to no more than about 40 percent of the upper limit mandated for new buildings in the German Energy Saving Ordinance (EnEV). The company’s plan will also cut annual CO<sub>2</sub> emissions from 69 kilograms of CO<sub>2</sub> per square metre to just 13. This represents a big gain for the environment because space heating and water heating together currently account for a quarter of total energy consumption in Hesse.

#### Renewable energy pilot project

The work in the Bürgeler Strasse is also something of a pilot project to explore how the use of renewable energy resources can be maximised for heat and power supplies. It actually forms part of a larger renovation programme through which Nassauische Heimstätte aims to make its entire building portfolio climate neutral by 2050. The first example of what could be achieved came with the modernisation of the 1950s Adolf-Miersch estate in Frankfurt, which earned a German Sustainable Building Council (DGNB) Gold Award.

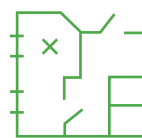


Ownership of the company is shared

between the state of Hesse **60%**

the city of Frankfurt **30%**

and a group of  
around 25 municipalities and  
residential real estate companies **10%**



The company manages a total of

**58,000** homes to let in

**128** cities, towns and  
municipalities.

The Nassauische Heimstätte | Wohnstadt group chose a novel way to finance the high costs involved. “We became one of the first German residential real estate companies to launch a green promissory note loan on the capital market,” explains Henning Löwer. Offering maturities of 10, 15 and 20 years, the group managed to raise €80 million. The green finance was augmented with registered bonds with maturities of up to 30 years, which brought the total volume up to €180 million. “The offer went down so well that we ended up several times oversubscribed,” recounts Klaus Peter Schommer, whose team at Helaba put the instrument together. He may be an expert in financing, but this was new ground even for him: “House-builders from the municipal segment use traditional financing methods like land charges. We handle this type of business through the real estate department.” Nassauische Heimstätte, however, chose the option of raising finance in the capital market in unsecured form. “That demands an altogether different sort of preparation.”

#### Part of the sustainability strategy

Nassauische Heimstätte found the concept a perfect fit. It slots seamlessly into the sustainability strategy that the company has drawn up over recent years. Since 2014, the group has defined eight action areas that are examined on the basis of environmental, social and economic principles. The construction, operation and financing angles are covered as well as issues like procurement, staff and mobility policies. “After intensive preparations, we requested a sustainability rating from the agency ISS-oekom. We then obtained a second-party opinion, which, like a credit rating for finance, presents an objective and independent assessment of ongoing creditworthiness,” explains Gregor Steiger. “This enabled us to demonstrate the sustainability of our investment, which in turn cleared us to create the green promissory note.” The evidence process was very simple: the energy certificates for the buildings before and after the work show the change at a glance.



**“Nassauische Heimstätte | Wohnstadt is ideally suited to issue green financing instruments. It is creating modern, affordable homes in Frankfurt as well as improving building energy efficiency, which represents a significant step towards achieving the climate-related objectives.”**

Klaus Peter Schommer, financing expert, Helaba

Its green background was not the only aspect of the financing instrument that caught Henning Löwer's eye: “We watch the market very closely and had identified the promissory note as a highly attractive model in and of itself. Thanks to our good credit rating we could be confident of strong demand.” Helaba's Klaus Peter Schommer concurs: “Nassauische Heimstätte's municipal status makes it a very safe bet and on top of that we were able to realise very attractive margins for investors as well as for the issuer.” The chance of a sustainable investment in Frankfurt's very overheated residential real estate market was another factor that attracted investors, as was the fact that in issuing the instrument, Helaba was latching onto a trend that is only going to accelerate: “Ever more investors have a requirement in their investment guidelines to ensure that a certain proportion of their investments are sustainable – and their sustainability must be provable to avoid any issues with greenwashing,” Schommer reports.



### Efficiency through digital processing

Another advantage of the promissory note model is that it takes advantage of fully digital processing using the platform created by fintech start-up vc trade, which manages the production and sales process from initial idea generation to the Bank's contacts with investors to the management of the order book. "Digital processing makes the whole process more efficient, more transparent and, ultimately, less expensive too for the issuer, the subscribers and us as the issuing bank," says Klaus Peter Schommer. The target group that can be reached with the promissory note via the digital platform is growing all the time as well. "The vc trade promissory note platform now has almost the whole of the Sparkasse sector on board and also quite a large number of institutional investors – there are more than 500 investors involved in total."

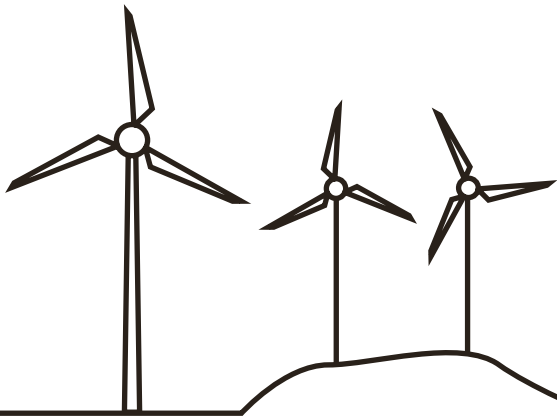
This access to investors is just one of the reasons Nassauische Heimstätte would gladly consider similar financing models in future. "We invest heavily in modernising buildings, buying buildings and even putting up completely new residential complexes," says Henning Löwer. Spending on this scale means there is a regular need for external finance. "Another attractive feature of the green promissory note is that it has long maturities and does not require security. Not only that, but we have also now invested a very considerable amount of work preparing our entire company and the project for the rating process," the financing expert continues. "Now that we have done all the groundwork, returning to the green promissory note model for upcoming investments would be an obvious move."

**~ €1.9 billion**  
is to be invested by the group  
in new residential construction  
projects and modernising the  
building portfolio by 2023.

**"We proved that our investment was sustainable and were therefore able to place the green promissory note successfully."**

Gregor Steiger, Sustainability Manager  
at Nassauische Heimstätte





# “To explore new ways, a stable partnership is essential.”

**Text:** Yvonne Straessner

**Photos:** Matthias Haslauer

The partnership between Helaba and EWE, one of Germany's largest energy utilities, stretches back over many years. We spoke to Dirk Eichholz, EWE's Head of Corporate Finance and Risk Management, about why the relationship with Helaba, which is based on working together as equal partners, has proved so successful.





Dirk Eichholz, Head of Corporate Finance and Risk Management at EWE, in conversation with Michael Längler, his key account manager at Helaba.



**“What is it that really sets Helaba apart from all the others in practice? I would have to say continuity in customer support.”**

Dirk Eichholz, Head of Corporate Finance and Risk Management, EWE

**Mr Eichholz, what would you say are the key features of your partnership with Helaba?**

To appreciate the significance of this partnership, you have to understand that EWE sees itself very much as a pioneering force for modern energy markets. We have a wealth of ideas about how to shape the transition to renewable energy sources and incorporate innovative approaches into our day-to-day business. This prominence of innovation in our corporate culture makes it all the more important to have a reliable partner at our side.

But what is it that really sets Helaba apart from all the others in practice? I would have to say continuity in customer support. We have had a permanent contact assigned to us since 2008. Working on our behalf, he coordinates a team of highly committed special-ists focused on creating the solutions we need.

This goes a long way to explaining why Helaba remains on our list of preferred core banks – a list we have pared down from 21 institutions to just 12 over recent years.

**How active a role does Helaba assume in the partnership?**

All I can say here is: proactive! The foresight demonstrated by our team of advisors at Helaba is quite remarkable. We communicate regularly and openly too: a high level of transparency makes co-operation so much easier.

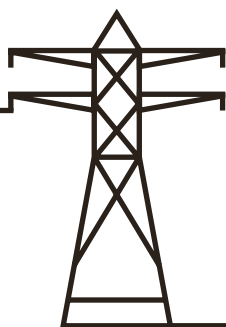
**Which shared values underpin the relationship?**

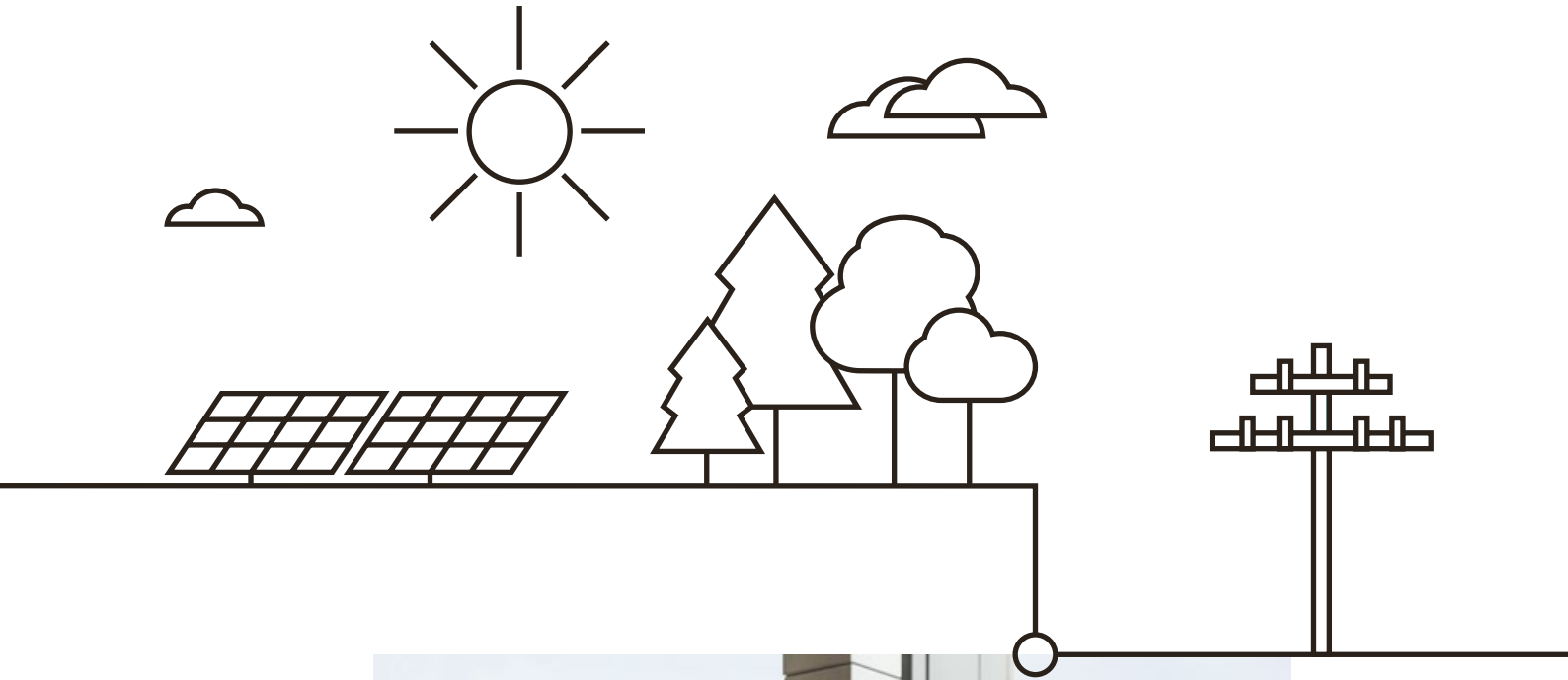
Both organisations are very much customer led, focused on results and good at getting things done. These shared values make us stronger, especially when we are blazing new trails – for example with innovative technologies for renewable energy. We particularly value Helaba’s ability to manage uncertainty and keep a cool head in the context of large, long-term project finance arrangements.

**Are you planning new projects together?**

I will be very interested to see how both organisations develop. Four years ago, it would never have occurred to me to consider Helaba when looking to place bonds, but it now has a good presence in this market as well; in fact today Helaba is able to offer us access to the full range of capital market services.

**Thank you for speaking with us, Mr Eichholz.**





# Stability & flexi- bility



**Text:** Silke Steffes  
**Photos:** Frank Hüter



The financial sector has changed. And so has Helaba: the Bank has modified how it goes about its business in very tangible ways over the past year to make sure it is able to continue building on its stable position in the market. Herbert Hans Grüntker, Chairman of the Board of Managing Directors, and his deputy and successor Thomas Groß, explain how the changes made at Helaba will enable it to remain the strong partner it has always been even in unsettled times.

Helaba finds itself in a comparatively healthy position. Its business model, total capital ratios and reputation are all in good shape, so why the need for change?

**Hans Herbert Grüntker:** The action being taken is intended to safeguard the Bank's long-term future, no more and no less. The backdrop against which we are doing this is growing more complex all the time. Banking business continues to be shaped by the European Central Bank's ongoing zero or negative interest rates policy and we also face a steady stream of new legislation and regulatory measures. And then there is the whole issue of digitalisation, which demands innovation at a rapid pace but also offers real opportunity, especially for a Sparkasse central bank like Helaba. Financial institutions across the board are having to invest significantly to master these challenges and make the opportunities work for them. We are no exception. We know that we, too, need to become more efficient in our operations to create scope for future growth. This will be no mean feat at a time when the whole world is feeling the impact of the new coronavirus. The economic consequences of the pandemic will be serious, clearly, but we are not yet in a position to predict exactly how serious. Thankfully, although the environment is full of uncertainty, we still act from a position of strength. Our income from operations shows that we have found a way to manage the difficult interest rates situation. Our costs are moving in the wrong direction, however, so Helaba cannot help but make changes if it intends to carry on doing what it does best: simply being a good bank.

**“It is very important in times of change to have a clear focus internally.”**

Herbert Hans Grüntker, Chairman of the Board of Managing Directors

The most far-reaching changes in 2019 were probably the measures implemented under the “Scope – Growth through Efficiency” project. What did this involve?

**Thomas Groß:** The Scope project needs to be viewed in the context of our broader strategic agenda, which focuses on four aspects: growth initiatives, IT and digitalisation, corporate culture, and improving efficiency. Scope touches on elements of all four. The most noticeable effects at the moment stem from the comprehensive overhaul of our long-standing organisational structure that we completed in 2019 as part of the project. We determined that we could make ourselves significantly more efficient and effective by reorganising our divisions and streamlining Helaba at all levels. We decided to implement the necessary changes promptly, without interrupting our demanding day-to-day operations, and have been operating under the new structure since 16 March 2020.

A step like this is as much a cultural challenge as an organisational challenge.

**Grüntker:** Quite right. It is very important in times of change to have a clear focus internally. We have always taken great care to nurture an open corporate culture founded on shared values at Helaba and this is certainly proving to be a great asset at the moment. Establishing the new organisational structure will require us to reduce staff numbers significantly at the management level and we have announced that between 380 and 400 posts will have to go over the next few years. It hurts us to have to do this and we know it will be very taxing for the Bank and our people. We are quite convinced, however, that Scope will have a positive impact on our corporate culture along with the modernisation of our IT and the NewWork@Helaba initiative that is paving our way – in cultural terms – to a more agile mode of working. The new structure adopted at Helaba involves us working less and less in silos, which will allow us to unleash the individual potential of our employees to much greater effect across unit boundaries. Each of us will also be taking on greater responsibility as part of the same process.

### Are any of the effects likely to be noticeable to the Bank's customers?

**Groß:** Faster decision-making, digital solutions and clear processes optimise business procedures for the Bank and its customers alike. We are seeing increased use of our portals for this reason. We are the leading arranger of promissory notes on "vc trade" and were involved with the platform's largest ticket of the year in 2019 in the form of an issue for Lufthansa, one of our oldest customers. We continued to expand our real estate lending business in 2019 too, bringing a number of different competencies within the Group together under one roof for the purpose: working with Helaba Invest, we have created a real estate loan fund exclusively for Sparkassen, many of which have been asking us for an opportunity to become involved with Helaba's loan portfolio. The real estate loan fund simultaneously opens up an additional funding channel for Helaba.

## The importance of the sustainability of our internal value chain and product range, which is already central to our business strategy, is only going to increase.

### What are the implications of Scope for the product level?

**Grüntker:** We always aim to find a good solution for all of the parties involved and this is the approach we apply as we review our products. Take lending, one of our core processes, for example. The lending process at Helaba has sprawled out over the years as the many individuals working away in different departments – with at times very different objectives – have left their mark until it has almost as many versions as we have customers. One of the questions we are asking in the context of Scope is: how can we digitalise our products, either to a greater degree than at present or even completely? What are the key modules of the process, so that we can standardise it as far as possible without sacrificing the flexibility we need if we are to carry on meeting specific customer requirements? And, of course, we are thinking about how we can make the product even more sustainable along the way.

### Sustainability is a most fitting keyword. The EU Green Deal was finalised in December 2019: how can Helaba support its customers on the way to a climate-neutral economy by 2050?

**Groß:** The importance of the sustainability of our internal value chain and product range, which is already central to our business strategy, is only going to increase. Our transformation process harbours a wealth of opportunities to enhance our performance in this area. The digital green promissory note, for example, has only been available for a short time and yet we have already placed a number of issues. We acquired a stake in Arabesque S-Ray, one of the world's leading providers of sustainability ratings, through Helaba Digital at the end of 2019 too. We expect sustainability assessments to become a critical criterion for investment and lending decisions in the future and S-Ray makes the information needed for these assessments available faster and in a more transparent form.

**Grüntker:** We have toughened up our already restrictive policy on dealings in the coal-based energy segment and now explicitly rule out financing projects directly linked to the extraction of power station coal. This prohibition also extends to process chains directly and exclusively tied to power station coal extraction, such as conveyor technology intended predominantly for use with power station coal. Compliance with the OECD recommendations on environmental and social due diligence is generally a mandatory requirement for all export finance transactions. We implement these and similar measures not simply to comply with regulatory requirements but because we owe it to our customers and our society to demonstrate a responsible approach in these areas.

**“We intend to stand by our responsibilities at this difficult time and customers contacting us over the next few months can expect to find us the same reliable partner as ever.”**

Thomas Groß, Vice-Chairman of the Board of Managing Directors

**We cannot discuss Helaba's responsibilities to customers and society in the present climate without mentioning the new coronavirus and its consequences. What does the pandemic mean for Helaba?**

**Groß:** We intend to stand by our responsibilities at this difficult time and customers contacting us over the next few months can expect to find us the same reliable partner as ever. It is still much too early to say how significant the impact of the coronavirus crisis will be, but clearly the global economy has already slowed dramatically. We have a particular role to play in our capacity as a Landesbank and the S-Group bank for the Sparkassen, who count a large number of SMEs among their customers. We are distributing the resources associated with

**Faster decision-making, digital solutions and clear processes optimise business procedures for the Bank and its customers alike.**

the KfW programmes approved by the German federal government to our S-Group Sparkassen in Hesse and Thuringia for them to make available to their customers and the development programmes introduced by the state government in Hesse to support SMEs and the self-employed are being rolled out through WIBank. Rapid disbursement of these funds is a matter of existential importance for many companies. Our key accounts are going to face financial challenges too and it is essential that we – with the support of the politicians – develop effective ideas quickly about how we can help those affected. The current situation also requires us to revise our priorities in relation to our internal projects. We have decided to pause certain elements of the Scope project for the time being, for example, so that project work can concentrate on consolidating the progress already made and realising objectives that can be achieved in the short term. Every decision we take during this time of crisis will be made with the well-being of our staff as the number one priority. That way we can help them to stay healthy and minimise the disruption to our business procedures.

**Mr Grüntker, one final question to you as you enter your last few months before retirement after 27 years with the Helaba Group. You have been a member of the Group's Board of Managing Directors for more than half of your time here and chairman for the last five years: what are your thoughts as your service comes to an end?**

**Grüntker:** I am leaving the Bank at a time of great uncertainty – the transformation process, persistently low interest rates, the coronavirus and its consequences ... But we need to remember that Helaba coped well with the financial and economic crisis in 2008/2009, relying just on its own resources, and that we have good risk management inscribed in our DNA. This gives me confidence that Helaba has what it takes to weather the challenges ahead too. Helaba has demonstrated that even in times of crisis, it stands by its customers and carries on simply being a good bank. I'm proud to have had the opportunity to help shape Helaba's course for a bright future. Thomas Groß and I have been working together side by side for some years now and I have no doubt that with him as chairman of the Board of Managing Directors, Helaba is in the best of hands.

**Mr Grüntker, Mr Groß, thank you very much for your time.**

# Um bom negócio – a good deal

Text: Peter Gaide

Photos: Vitamedic

Brazilian generic pharmaceutical producer Vitamedic has been able to increase output dramatically thanks to new machinery from Germany and export finance from Helaba. Setting up the transaction required close collaboration between a number of parties on two different continents – an object lesson in successful globalisation at the SME level.

## 11.1 %

The share of generics in the Brazilian pharmaceutical market grew by 11.1 percent in 2018 – considerably stronger than the market as a whole.

The physical distance between Karlsruhe, home to German mechanical engineering company Romaco, and Brazilian pharmaceutical company Vitamedic's base in Anápolis, is considerable by any measure: 10,000 kilometres (most of it the open Atlantic) on the map or a flight of 15 hours or so by plane. Numbers like these soon cease to have any relevance in the 21st century though if – as in this case – there is a good deal in the offing.

Vitamedic produces generic pharmaceuticals for the Brazilian market, the world's sixth largest, which is already worth approximately US\$ 22 billion and continues to grow at a significant pace. Brazil's economic engine may have been stuttering over recent years, but that has not prevented more than 40 million Brazilians moving up into the middle class – and demand for pharmaceutical products has increased as a result. Generic medicines, whose active ingredients, like ibuprofen and cetirizine, match those of pharmaceutical products that have already gained regulatory approval, are effective, thoroughly proven, relatively inexpensive and, therefore, very popular. Vitamedic's share of the Brazilian market rose by 11.1 percent in 2018, well ahead of the market as a whole, and with this trend expected to continue, the company has a compelling case for investment and expansion.

### Understanding the country and people

"It sounds trite, but proper planning and realisation are absolutely essential," observes Gabriel Steiner as he watches the rain falling over São Paulo from the window of his office. "And there's nothing simple about proper planning and realisation." Steiner, a joint national of Germany and Brazil who leads Helaba's local representative office, played a central role in the Romaco-Vitamedic deal. Vitamedic had decided that mechanical engineering company Romaco was the ideal choice to supply the automated packaging lines for tablet blister packs (including cartoning systems, scales and palletisers), the packaging line for liquid products and everything else it needed for its new production facility. The order ran to over € 10 million in total.

"We were very impressed with the performance and operational reliability of Romaco's equipment and by the technical support they were able to offer us in Brazil," explains Milton Penna, CFO of Vitamedic's parent company Grupo José Alves. "The loan from Helaba was extremely important for us," he continues, "mainly because of the long payment terms and the interest rate, which was much more attractive than the options offered by our local banks." Vitamedic's financial resources would not have stretched



to the advanced German technology without the relatively long repayment period of nine years, meaning that it would have had to satisfy itself with less innovative and efficient machinery from local suppliers.

Vitamedic was reluctant to compromise – and once it had Helaba on its side there was no reason for it to do so. "We took on the role of advisor and bridge-builder to secure the export finance," Gabriel Steiner recalls. "Our understanding of the Brazilian market and our knowledge of the local structures and mentality proved invaluable." The questions that had to be asked in connection with the structuring of an export finance deal backed by the German government's Hermes programme (an export credit



**“Our understanding of the Brazilian market and our knowledge of the local structures and mentality proved invaluable in arranging the export finance.”**

Gabriel Steiner, Head of the Helaba representative office in São Paulo



## Helaba in Brazil

Helaba helps German and European companies, especially those that bank with the Sparkassen, to break into the Latin American market and expand their local business from its base in São Paulo. It offers attractive borrowing options plus advice on the local business culture too and can assist with introductions to other companies, public authorities, law firms and accountants if necessary. Helaba is also developing its business with Latin American financial institutions wishing to expand their product range or gain better access to Europe.

- **Opened:** 2018
- **Location:** São Paulo
- **Number of staff:** 3

São Paulo is Latin America's main financial hub and one of the most important foreign locations for German industry. The German-Brazilian Chamber of Commerce and Industry, which links the Brazilian and German markets, has 1,200 members.

guarantee system for exporters and banks) were many and detailed and required a huge amount of discussion and analysis: How are Vitamedic and Grupo José Alves organised, financially and structurally? How good is the company's credit standing and what are its future prospects? How might the credit risk be adequately assessed and how can transparency and legal certainty be established for all of the parties involved?

### Finding specific solutions

Every one of these questions needed an absolutely watertight answer too, because the deal could not proceed without the Hermes guarantee. The fact that Grupo José Alves had never arranged a Hermes-backed buyer's credit before meant that it was all hands on deck back in Germany as well and while Gabriel Steiner was assisting his new customer on the ground in Brazil, Diana Häring and her team at the head office in Frankfurt continued to puzzle over the contract. "We spent the best part of a year working out how to structure the transaction. And it certainly paid off," declares the head of Helaba's Structured Trade & Commodity Finance department. "We always welcome good, sustainable business of course," she adds, "and we are keen to pursue more of this type of deal in Brazil with our representative office in São Paulo in the future."

Providing the best possible support for SMEs like Romaco is a particular priority for Helaba in its capacity as the S-Group bank for the Sparkassen. New business in this area often begins with an inquiry to the Sparkassen thanks to the close contacts they maintain with SMEs in their district – and so it was with the Vitamedic deal. Kreissparkasse Biberach is one of several Sparkassen that work with Romaco alongside Sparkasse Pforzheim Calw. "There's a strong foundation of trust in our relationship with Romaco," reports Tobias Rommel, Head of Kreissparkasse Biberach's International Business department. He and his team consider it perfectly normal to support their SME customers in all aspects of their international business – after all, inquiries about structured finance of anything from €30 million to €100 million are not uncommon in the small- and mid-cap area and there are corporate finance specialists ready in-house to respond. Once Romaco had explained to him what it wanted, Rommel wasted no time in bringing Helaba on board to help with the loan. "A standard loan contract wouldn't have been much use," he says. "Everyone involved put enormous time and creativity into the project and Helaba was very prudent in its management, all of which was essential to achieving the successful deal we delivered."

**"The loan from Helaba was extremely important for us, mainly because of the long payment terms and the interest rate, which was much more attractive than the options offered by our local banks."**

Milton Penna, CFO of Vitamedic's parent company  
Grupo José Alves



# So much more than just Brexit






**None of Europe's other banking centres is doing as well out of Brexit as Frankfurt at the moment. But what are the implications of this and what does the future hold for Germany's leading financial centre? Answers from Ulrike Bischoff, financial centre expert at Helaba Research.**

Protocol: Peter Gaide

Photo: Matthias Haslauer

 I have been studying Frankfurt as a financial centre closely for a good 14 years. Helaba's presence in Frankfurt is self-explanatory: we are the regional bank for the area and our roots here run deep. Observing, promoting and supporting the city's development is in our DNA. Attached as we are to our home region, we have to make sure we remain objective: the facts are what matters and we make a priority of maintaining an accurate picture of the situation and ensuring that our statements on the subject are reliable. This is a prerequisite for the balanced dialogue across society that Helaba aims to nurture and is particularly important in the context of Brexit, a complex and emotional subject that provokes strong and wildly differing responses in many people.

Frankfurt is benefiting from Brexit, but Frankfurt is so much more than just Brexit. This, in summary, was the main finding of our 2019 study. More than 30 international banks that are relocating business in response to Brexit have chosen to make Frankfurt a new key location for their operations and the city on the Main river remains Europe's number two financial centre behind the British capital.

## Ulrike Bischoff

is an expert in the Frankfurt financial centre and a country analyst at Helaba's Economics/Research department. Although born in the neighbouring Rhineland region, she has lived in Frankfurt for over 20 years and has a particular affection for the Bornheim district, where she enjoys bumping into friends at the beautiful weekly market or reading the newspaper at a cosy café. What would make the city even better in her opinion? "More and better cycle paths!"

The total number of foreign banks settled in Frankfurt has now reached 200. Part of the attraction of Frankfurt stems from its position as a business hub from which institutions can easily and effectively manage their regional activities in Germany and neighbouring countries. It boasts a high density of experts and institutions and of course the European Central Bank, Deutsche Bundesbank and Deutsche Börse all also call the city home.

This concentration of expertise and decision-makers in a comparatively small space is one of Frankfurt's greatest strengths. Everything is close at hand and conditions for dialogue and networking could hardly be more favourable. Meeting up to discuss trends and deals in person is quick and straightforward. Although it remains compact in geographic terms, the city is very much open to the world and it is hard to believe people once used to think of it as provincial in outlook (they used to say you'll never get far with English in Frankfurt – not any more).

### **“This concentration of expertise and decision-makers in a comparatively small space is one of Frankfurt's greatest strengths.”**

The banking sector currently employs around 64,000 people here. Our forecasts suggest Brexit will result in a further 3,500 or so jobs being created by the end of 2021. Not all of the trends are positive though: virtually all banks are consolidating their business in the face of low interest rates, rapid digitalisation and an ever-tougher regulatory environment. These developments are costing jobs. Brexit will more than offset these losses in Frankfurt through to the end of 2021, but what happens after that?

One thing is clear: the city cannot afford to rest on its laurels. If Frankfurt am Main is to retain its position as the leading financial centre in continental Europe, politicians, the business community and researchers like us need to carry on the work we have been doing together to help it grow and develop. One priority should be to strengthen Frankfurt's standing as an important centre of banking regulation in Europe. The decision to site the new headquarters of the European Banking Authority in Paris should serve as a wake-up call in this regard. It will also be important to play an active role in shaping the global movement towards greater sustainability – including looking to lead the way where appropriate. I have no doubt that Frankfurt will chart a successful course on both counts. 

# Win- win

Text: Florian Lehmann

Photos: Angelika Stehle



**“Our investment enables us to help shape the development of Arabesque S-Ray to our mutual benefit.”**

Lucie Haß, Managing Director, Helaba Digital

# 126

**The number of start-ups examined by Helaba Digital in 2019.**

**Frankfurt-based Arabesque S-Ray is building a business focused purely on the sustainability performance of companies and how to rate it. Helaba's equity investment entity Helaba Digital decided to invest in this particular start-up at the end of 2019 for a whole host of compelling reasons and has been promoting the co-operative relationship ever since in concert with the relevant product units at the Bank. We met the partners on a rain-streaked day in Frankfurt.**

The elegant yet substantial late 19th century building is just about the exact opposite of what a recent start-up might be expected to call home. Located directly across from the botanic gardens in Frankfurt's diplomatic quarter, it blends in seamlessly with the surrounding consular offices. Step inside, however, and the first sight to unfold is not flags and diplomatic formality but the colourful tableau of Arabesque S-Ray's developer team working away in a bright and airy office that might perhaps once have been someone's (large) living room. Some are deep in conversation, a few have paired off to examine a printout and others are poised in front of the screen, headphones on, typing away intently. We carry on up to the first floor, where we have arranged to meet S-Ray CEO Andreas Feiner, Lucie Haß and Philipp Kaiser from Helaba Digital and Stephan Kloock, Head of Helaba's Credit Risk Management department and one of the functional sponsors of the equity investment.



### Unique combination of ratings

Arabesque S-Ray specialises in preparing multidimensional corporate sustainability ratings, which are coming to play an ever more important role for investors. “What we are interested in is analysing companies’ sustainability performance comprehensively and making it more of a focal point,” emphasises Andreas Feiner. “S-Ray does this by combining different ratings and criteria and merging them in a company-specific matrix that can be accessed online at any time.”

As well as looking at ESG scores (environmental, social and governance), S-Ray examines the customer’s ethical preferences and calculates a GC Score, which is derived from the UN Global Compact (GC) and indicates how a company conducts itself in the areas of human and workers’ rights, environmental protection and the avoidance of corruption.

The start-up has developed a unique rating all its own – the Temperature Score – and integrated it into S-Ray as well. Based on a company’s CO<sub>2</sub> emissions, the temperature score shows at a glance how a company’s activities impact on the climate. “We rate companies on a scale of 1.5 to 3°C in line with the Paris climate objectives to provide easy access to a transparent metric for a large target group,” the CEO explains.

### Valuable knowledge-sharing

The deceptively simple S-Ray interface conceals a sophisticated system capable of supplying the very latest sustainability ratings at any time. “The algorithm we have developed analyses huge volumes of data automatically in real time from over 30,000 sources: the companies themselves, NGOs and relevant service providers,” reports Andreas Feiner. “We are refining the underlying processes continuously through a combination of machine learning and human controls.”

The start-up’s activities contribute valuable expertise to the co-operative relationship with Helaba in three key areas: big data, sustainability and artificial intelligence. “All three of these domains are vitally important for the future and of great interest to us, so when I heard what S-Ray was up to, I knew straight away that I had to find out more,” recalls Stephan Kloock, “and it wasn’t long before I started asking colleagues at Helaba Digital to explore the possibility of investing.”

### A highly promising partnership

Once the initial step had been taken, things began to move very quickly: “The possibility of us investing in Arabesque S-Ray made quite a splash at the Bank last spring. The prospect sparked interest from all manner of different units right across Helaba,” recalls Philipp Kaiser. This proved a decisive factor, because the Board of Managing Directors also had to be convinced of the benefits of investing. “The widespread enthusiasm among colleagues strengthened our case enormously. Their inspiration and the ideas they had about how we might make use of the ratings in practice were very important,” confirms Stephan Kloock. “The expertise in these areas, to which we gain access through the relationship with Arabesque S-Ray, complements our own strengths in banking, regulation and product structuring. And reliable, data-driven sustainability ratings are an important issue for many of our customers.”



Stephan Kloock, Head of the Credit Risk Management department and functional sponsor of the equity investment, in conversation with Helaba Digital Managing Director Lucie Haß, S-Ray CEO Andreas Feiner and Helaba Digital Managing Director Philipp Kaiser.

**“We are interested in analysing companies’ sustainability performance and making it more of a focal point.”**

Andreas Feiner, CEO of Arabesque S-Ray

Turning to his partners, Andreas Feiner adds, “The joint development work and two-way knowledge-sharing are obviously important factors in our co-operation and of course in Helaba we have gained not just a partner, but also a big and very interesting customer.” Lucie Haß nods in agreement: “S-Ray is useful for a number of different Helaba units and subsidiaries. Helaba Invest is looking into using it directly, for example, and we have already started discussions with other potential users.”

#### **Ambitious plans**

The co-operative relationship between Helaba and its start-up partner will continue to grow and spread to more and more of the Bank’s operating divisions. It is no wonder Andreas Feiner has big plans. S-Ray rates around 7,000 of the world’s biggest companies at the moment and intends to increase this to 100,000 companies over the next few years. The actual rating is still evolving too: “We are currently working on a platform to enable companies to publish their own sustainability data, which will further enhance our data sources. We are also developing a sustainability rating specifically for real estate in collaboration with Helaba and other partners,” concludes Andreas Feiner, whose plans to advance these developments and keep Arabesque S-Ray in the ascendant include spending a couple of months in Silicon Valley as soon as possible this year to discover what inspiration the epicentre of the start-up scene can provide.

## **Arabesque S-Ray**

rates companies’ sustainability performance. The start-up, in which Helaba Digital took a stake in December 2019, uses an algorithm of its own creation to analyse the underlying data.

**7,000** companies

**70** countries

**200** ESG criteria

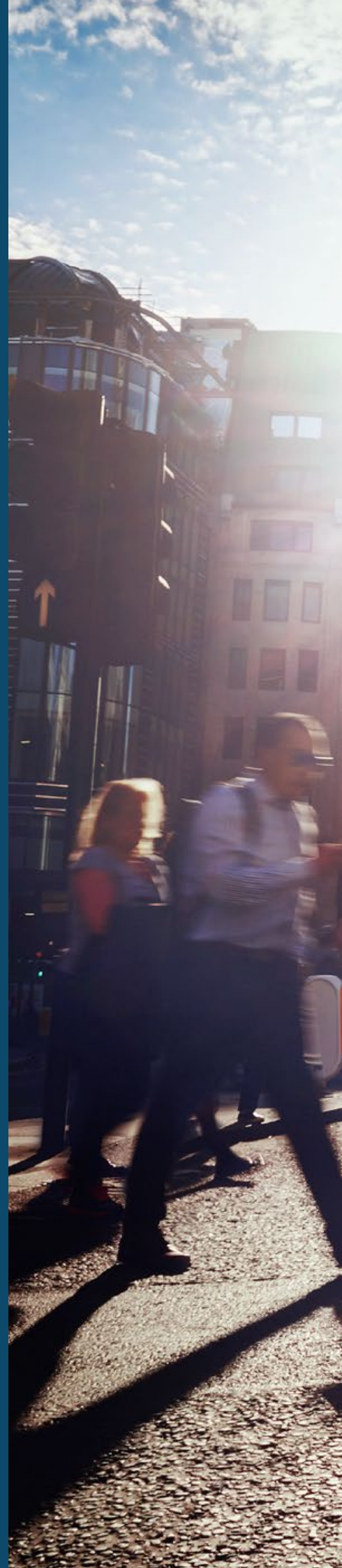
**30,000** news sources

# U

**“People are seeking urban structures, but not necessarily the city itself.”**

Text: Dirk Böttcher

Photos: getty images, Matthias Haslauer

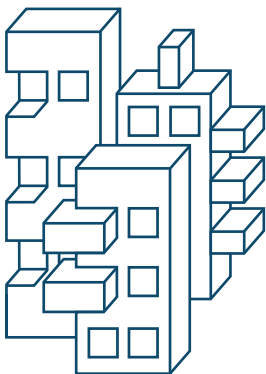




The influx into urban areas shows no sign of abating. According to United Nations estimates, eight Germans in ten could be living in cities as early as 2030. The question is what all these people will be living in: a study produced by the Hans Böckler Foundation found that the country's 77 major cities already have a combined deficit of an estimated 1.9 million homes. The seemingly inexorable rise in the cost of renting and buying is putting a reasonable place to live beyond the means of an ever-larger proportion of the population. This unmet demand at the same time represents a huge reservoir of untapped potential for the residential real estate sector, although the extent to which this potential can be realised is often limited by factors such as the length of time required to obtain approval for new builds.

We talk with Stefan Bürger, CEO of Helaba subsidiary GWH Wohnungsgesellschaft Hessen mbH, about the opportunities and challenges thrown up by the urbanisation megatrend and how a response driven by entrepreneurial thinking and effective partnerships can benefit us all.

Helaba is actively involved in a wide range of efforts and initiatives not just to utilise the commercial opportunities harboured by urbanisation for itself but also to help ensure that people's needs are met and that as many options as possible for urban living are developed. It has created efficient special loan funds for this purpose that make capital available for residential construction while simultaneously enabling investors to share in the returns thus generated and is also directly involved in the construction of new homes and the development of new urban ideas through its Frankfurt-based subsidiary GWH. Stefan Bürger joined the senior management team at GWH in January 2014 and has been CEO since January 2020. While he personally takes a particular interest in the urbanisation megatrend for a number of reasons, he feels that the public at large often have only a very limited grasp of what this development means.



**“Demand clearly outstrips supply in urban areas of course – and by urban areas I mean not just the big cities, but also all those other places that have the urban infrastructures required to live a city life. We need to realise that some small towns meet this criterion as well as the established metropolitan regions.”**

Stefan Bürger's responsibilities at GWH include the areas of corporate strategy and real estate development, trading and management, so the matter of GWH's response to urbanisation occupies a large proportion of his working life. What is clear right from the outset is that there are no easy answers, first and foremost because, Bürger explains, the reality of what we refer to as urbanisation is far more complex than a straightforward linear movement of people from the country to the city:

**Proportion of the total population living in cities**

**in 1990: 73.1 %**

**in 2050: 84.3 % (estimated)**

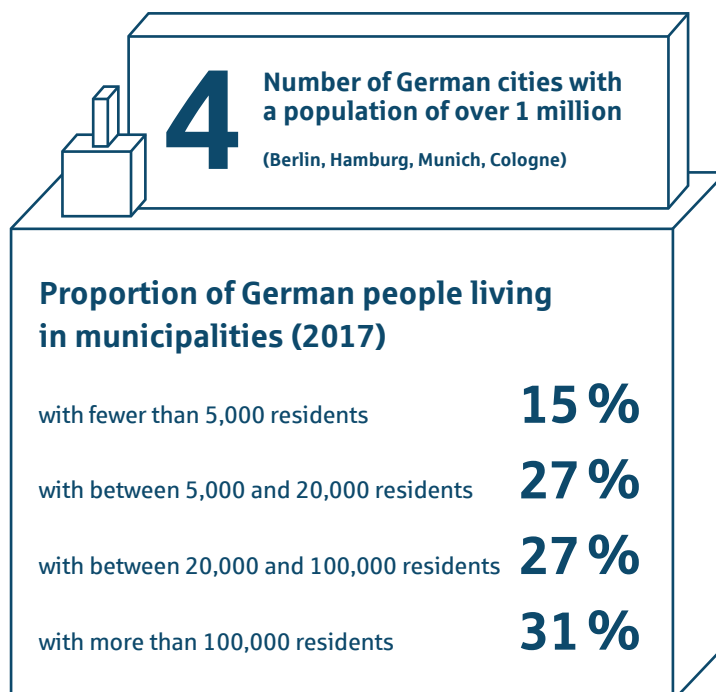


**“This not a case of there being one consistent pattern of migration from rural areas to the city. The groups of people making this move vary enormously in their background, their motivation and their objectives in life.”**

Germany’s “Big 8” cities (Berlin, Hamburg, Munich, Cologne, Frankfurt, Düsseldorf, Stuttgart and Leipzig), in which these different groups often merge to the extent that it becomes difficult to pick them out, have recently been joined by numerous booming smaller cities on the periphery of the main centres. These smaller cities have become the target of clearly distinguishable groups of internal migrants.

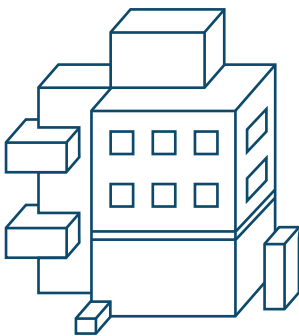
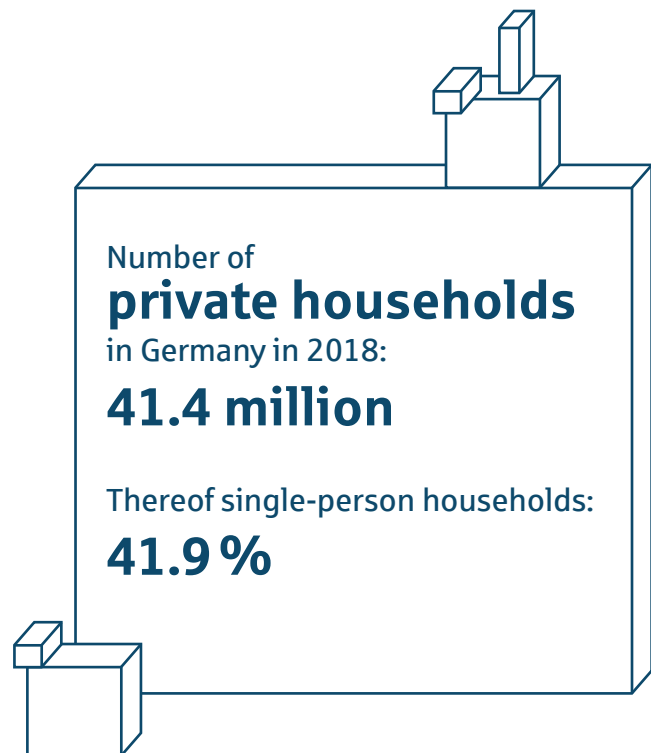
**“The resort of Garmisch-Partenkirchen, for example, has become a popular place to move to for people in the 70 and older age bracket, while Kassel has become especially popular with young people just starting out on their career. And we still have the traditional student towns and urban concentrations of public officials to consider too.”**

Stefan Bürger, CEO of Helaba subsidiary GWH  
Wohnungsgesellschaft Hessen mbH



## GWH Wohnungsgesellschaft mbH Hessen

Real estate company GWH has been developing, building and managing innovative, affordable and profitable homes since 1924. A wholly owned subsidiary of Helaba, it currently has around 50,000 homes under management.



Number of new  
housing completions

in 2008: 175,927

in 2018: 287,352

The differentiated migration Bürger describes can even be observed at the level of individual city districts, reinforcing the scale of the challenge posed by urbanisation for companies like GWH:

**“It is not a matter of simply building more homes in the cities. We need to be creating options on a strategic basis for specific peripheral cities or even specific districts of our cities. Students, for example, don’t have much need of luxury facilities, but these can be important for older sections of the population, which also require particular services such as social care.”**

# 3

Number of German  
cities in the global top  
10 for quality of life

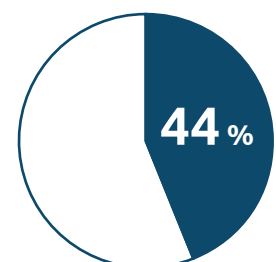
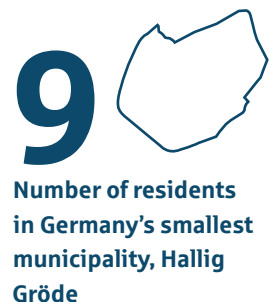
(Munich 3rd, Düsseldorf 6th,  
Frankfurt 7th)

GWH is already building homes designed specifically with older people in mind in areas that have become popular with this demographic. Developed in close consultation with partners from the social care sector, such as the Johanniter, the new buildings have large doorways to accommodate nursing care beds and come with emergency call systems and stair lifts already installed. The Johanniter also provide the social care service for these properties, creating a single-source solution that older residents can find very valuable. The high level of demand demonstrates the attractiveness of the proposition.

**“This example, which is one of many, illustrates how more than anything, the multifaceted urbanisation trend presents a real commercial opportunity. We are ramping up our construction activities and are able to support higher rents in some cases too, but this can only work if we have something suitable and innovative for each of the different target groups. If we just blindly build and build, we will soon run out of customers for whatever generic home it is that we are building. Our objective must always be to develop successful economic models that offer people precisely the home they need at a price they can afford.”**

Urbanisation is being driven by perfectly pragmatic decisions on the part of the people involved: they want work, good schools, services and healthcare and leisure facilities and if that means moving to a new area, they move. Although they clearly want access to these urban structures, it is not at all clear that they necessarily want the city itself. Surveys investigating urban population growth indicate that families in particular would actually prefer to live in a more rural setting or on the edge of the city. The lack of affordable living space, especially in the big cities, also stems in part from a shortage of available building plots and the fact that the local planning authorities are understaffed and it often takes too long to obtain building permits. GWH is responding to these limiting factors with a number of different approaches including concepts for increasing the density of existing properties, which has the added benefit of helping to conserve resources.

**“It is generally the case these days that cities have most success dealing with the situation when the public sector works together with the banks and residential real estate companies and when the whole process is managed with commitment and a social conscience so that homes are not just created but also maintained and so that no part of the population is excluded. Partnerships of this type are exactly what we are all about at GWH.”**



Proportion of German people who would prefer to live in the countryside

# Long distance

Text: Michael Brüggemann

Photos: Matthias Schmiedel

**Reliability, trust, continuity: Helaba has been assisting Lufthansa with financial transactions for many decades. A conversation about a shared philosophy for collaboration, the art of recognising the right price and what Iceland's Eyjafjallajökull volcano has to do with liquidity.**

In the foyer of the Lufthansa Aviation Center at Frankfurt Airport stands a model of one of the longest passenger aircraft in the world, the Boeing 747-8 "Brandenburg". The tradition of naming Lufthansa aircraft after German states and cities goes back to 1960, when the company's first long-haul jet (a Boeing 707) was officially christened "Berlin" by Willy Brandt, the then Mayor of West Berlin. Links between Helaba and Lufthansa go back almost as far.

High time then that we talk about values and waypoints on the two organisations' shared flightpath. Markus Ott, Head of Corporate Capital Markets Lufthansa Group, and Markus Wüstenhöfer, Key Account Manager at Helaba, have known each other since 2003. Christian Rasim, Director Corporate Capital Markets Lufthansa Group, has been with the company since 2004. "Change has been one of the few constants over recent decades, but essentially we are still doing what we have always done: moving people comfortably, safely and reliably from one place to another," says Markus Ott. "The same can be said of banking: the cornerstones of our partnership with Helaba have remained constant for decades."

**“The chemistry with business partners has to be right. The relationship between Lufthansa and Helaba just works – and always has done.”**

Markus Wüstenhöfer, Key Account Manager at Helaba





## “The cornerstones of our partnership have remained constant for decades.”

Markus Ott, Head of Corporate Capital Markets  
Lufthansa Group

**Lufthansa and Helaba have been working together for half a century. How broad a range of products does the relationship span?**

**Wüstenhöfer:** Finance, for example for aircraft, terminals and hangars for Lufthansa and its subsidiaries, bonds and promissory notes, guarantee business, joint venture financing deals and currency and interest rate hedging products – foreign exchange, derivatives and swaps. Our subsidiary Helaba Invest also manages a share of Lufthansa’s strategic liquidity and a share of the Lufthansa pension fund, alongside other asset managers.

**How does Lufthansa benefit from the expertise available at Helaba?**

**Ott:** We particularly appreciate Helaba’s thorough understanding of the market and our company in the context of promissory notes. We can never tell until the end of the placement round whether the price set is correct, so it is important for us to have a partner skilled in pricing. We know that we can trust Helaba to get it right. The same applies for bonds and especially difficult hedges. Ultimately, Helaba’s strengths come to the fore whenever the bank’s understanding of its customer is key. Any bank can cope with a standard foreign exchange deal, but something like a seven-year currency swap, for example, can easily create

problems due to a lack of the trust required for a long-term arrangement, perhaps, or because an institution’s business model focuses on bringing in the money as quickly as possible. Helaba thinks differently. It knows how to take a long view, which not only sets it apart from many other banks but also makes it more like us.

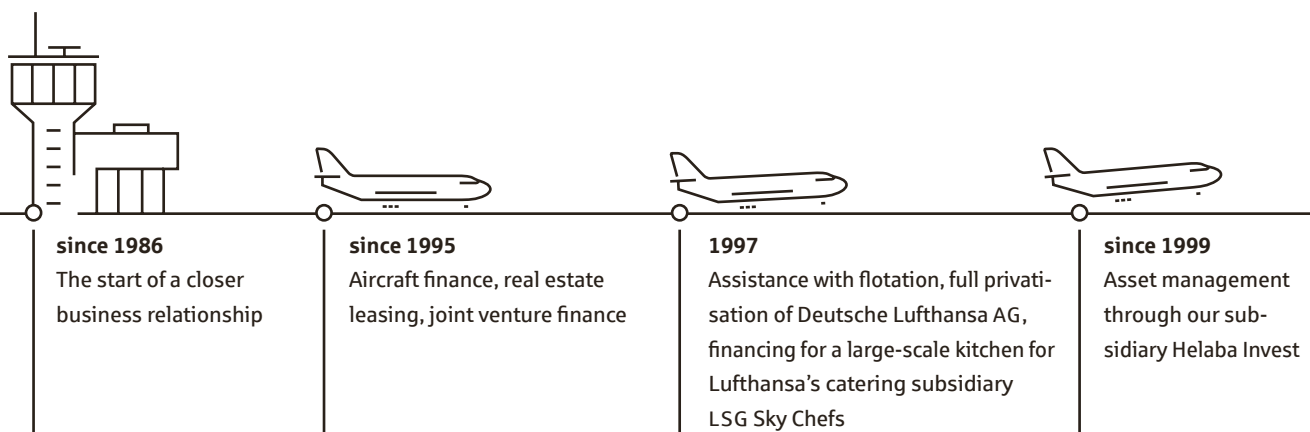
**What are the key values underpinning your partnership?**

**Ott:** Reliability and openness. Helaba always demonstrates a willingness to take things on and make things happen. It covers a huge range of transaction types.

**Rasim:** Banking is still as much of a people business as it has always been. Good business relationships develop when people share a mutual understanding. That is what makes working with Helaba such a pleasant experience: we know each other, we value each other, and we trust each other. This trust has grown stronger and deeper as the years have passed.

**Why is continuity so important?**

**Ott:** Because trust only develops once people know each other and can be confident of each other’s reactions. It is just much easier to talk to someone if you know them, they know you and there’s no need to explain your whole corporate philosophy all over again every time.



**Rasim:** Every finance deal has a price tag. Life is far simpler with a partner that takes a reasonable approach to pricing and has no interest in gambling.

**Ott:** This trust we share stems primarily from the success of past business. If our promissory note transactions regularly went belly up, our partnership would not have endured in the way it has.

**You feel you can comfortably rely on each other ...**

**Wüstenhöfer:** Exactly. And it works both ways of course. If I put in an offer and Lufthansa comes back saying we're too expensive, I know that we really are too expensive and let it go. That way we're still good to go when the next transaction comes around. There's no manoeuvring, no trying to squeeze our margin all the time. The trust is there on both sides.

**Mr Wüstenhöfer, how well do you need to understand Lufthansa and the aviation business in order to develop optimal financing solutions?**

**Wüstenhöfer:** When I joined Helaba in 2003 and took on Lufthansa as a customer, I had no particular expertise in the aviation sector. We talk to customers all the time though and the knowledge accumulates pretty fast. Supporting companies in the transport, logistics and aviation sectors is now my speciality and I also assist a large number of airports that have Lufthansa as their biggest customer. Spending 17 years in the business turns out to be a most effective way of learning about it!

**How does Lufthansa protect itself and minimise the potential financial risks at a time of fluctuating customer numbers and instability in the financial markets?**

**Ott:** We have a whole package of safeguards. We maintain a minimum level of liquidity, first of all, and we own three quarters of our aircraft fleet outright with no financial liabilities. We can borrow against our aircraft if necessary, just as home-owners can

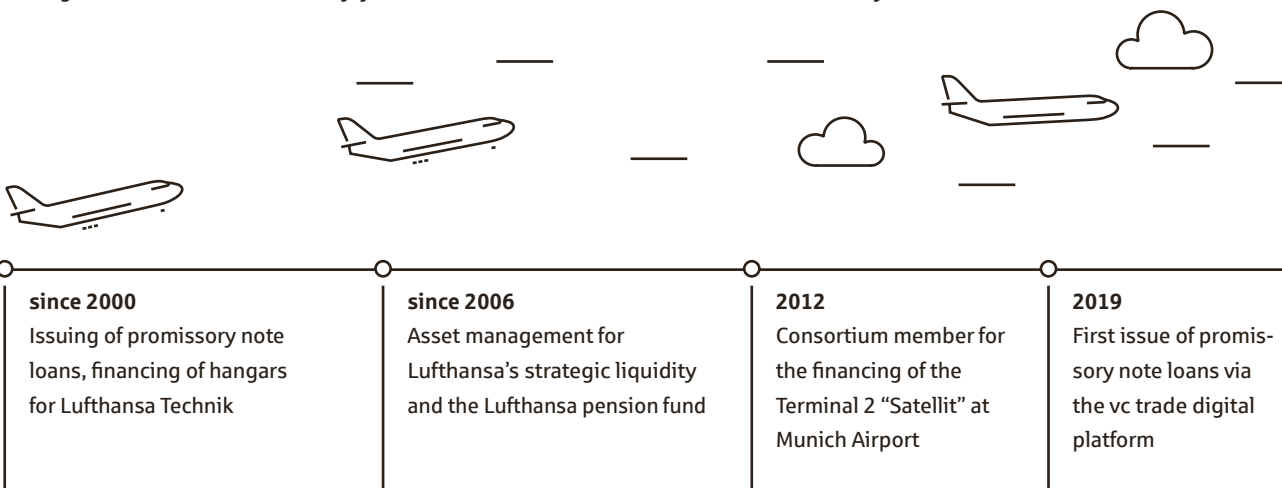
borrow against the value of their house. We also take advantage of a variety of risk management concepts to hedge against changes in variables like exchange rates and fuel prices. We are well diversified in terms of funding sources too, making use of a range of very different products including bonds, promissory notes, loans and many other options. All of these factors help to keep Lufthansa financially stable.

**Rasim:** We live by the rule that cash is king. We keep liquidity available just in case – even at times when it costs us money to do so. Experience has taught us that this is the way. Everything changed with 9/11. The terrorist attack on the World Trade Center in 2001 shook the aviation industry to its roots. One day it was business as usual, the next day nobody wanted to go anywhere near an aeroplane. Lufthansa decided after that to maintain a minimum reserve of liquidity at all times. There will always be unwelcome surprises. Do you remember Eyjafjallajökull, the volcano that erupted in Iceland in 2010? The cloud of ash it released paralysed air traffic over Europe almost completely for the best part of a week and left most flights, ours included, stuck on the ground. It is essential to have a cushion for such situations.

**Has the aviation business changed much over time?**

**Ott:** In essence it is the same as it has always been. Obviously we use electronic ticketing now, for example, but moving people comfortably, safely and reliably from one place to another is still what it is all about. The same applies to banking. The sums involved have grown bigger, new financial instruments have been introduced and others have fallen by the wayside, but the principles for effective collaboration are unchanged: reliability, trust and continuity remain the cornerstones of our partnership. We would not have been business partners for a such a long time otherwise.

**Wüstenhöfer:** I feel exactly the same. The chemistry has to be right. The relationship between Lufthansa and Helaba just works – as it has always done.






The title 'Space for the future' is rendered in a large, bold, black sans-serif font. The word 'Space' is on the top line, 'for the' is on the second line, and 'future' is on the third line. The text is surrounded by several teal-colored line-art icons: a cloud above the 'S', a clock face on the 'p', a building above the 'a', two speech bubbles above the 'e', a document icon above the 'f', a stylized eye above the 'u', a network diagram above the 't', a tablet with a pen above the 'f', and a vertical line with dots on the left side of the 'f'.

**Text:** Yvonne Straessner  
**Photos:** Angelika Stehle,  
Quadro Office, Helaba

**Our world of work is changing – and fast. New Work is not a place but rather a new way of working: Helaba is creating the space and the modern working environment to put New Work into practice at the MAIN PARK site in Offenbach. The future of work will more than ever revolve around flexibility, team working and innovation. We spoke with the people behind NewWork@Helaba to find out more.**



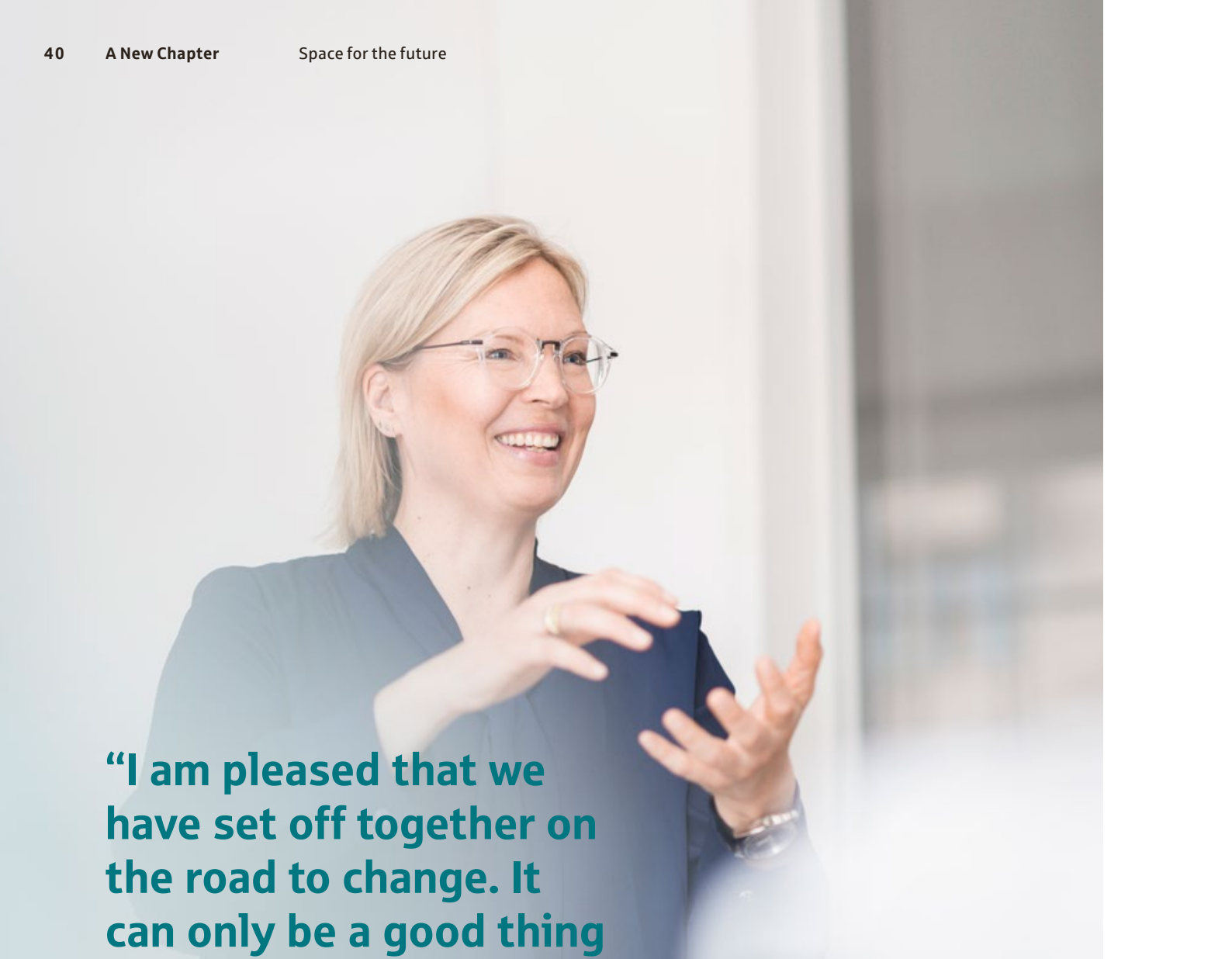


**“If we launch a project on an agile basis, we have to carry on adhering to agile methods consistently all the way through with no parallel working in old-style structures. There is simply no alternative if we want to achieve what we set out to achieve.”**

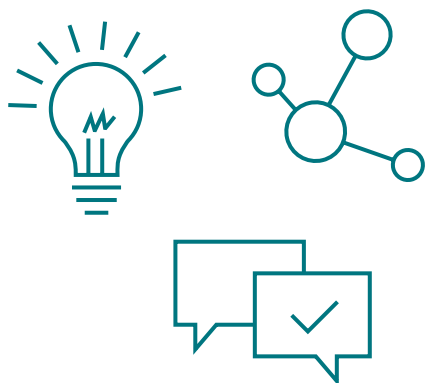


**Jana Schönenberger**  
**Strategy Project Digitalisation**

Jana Schönenberger is right in the thick of New Work with her Strategy Project Digitalisation. Her work is project-based, her interdisciplinary team moves quickly (with prompt decision making) and there are no hierarchies. The agile methods employed enable the team to put new tools on the road at an early stage and test them under real-world conditions – not just within the organisation but externally as well. Some Helaba customers are already enjoying the benefits of a digital platform that is still undergoing active and continuous development. The platform, in fact, is being developed exactly to their requirements: every enhancement is based on the practical user feedback they provide.



**“I am pleased that we have set off together on the road to change. It can only be a good thing for all of us. The MAIN PARK will undoubtedly help us to set even more in motion. Standing still is not an option!”**



**Eva Zöllner**

Head of the NewWork@Helaba working group

The MAIN PARK complex can in itself be viewed as a giant symbol for New Work, but behind it all stands an even bigger picture. This picture, which encompasses more than just space and technology, was developed for the Bank as a whole by Eva Zöllner's NewWork@Helaba working group as an initial framework of principles. The group gathered and integrated ideas from across the various units and disciplines – after all, New Work is supposed to be shaped and guided by all rather than imposed from above. This change process poses challenges for all too, so Helaba is deploying change agents to show the way and smooth the transition with advice and assistance.

**Dr Udo Plawky**

Vice President Savings Banks and SME Sales North

Udo Plawky knows first-hand about the real changes – a genuine paradigm shift, as he sees it – that New Work signifies: a member of the first movers group testing the new tools for Helaba in a pilot project, he has been living in the new world of work for some time. Polishing that presentation one last time on the way to the meeting, integrating videos, working on the laptop from his home office and interacting with customers via touch screen are all part of a “standard workflow” for him already. His enthusiasm remains undimmed, however, not just for the technology, but primarily for the flexibility it offers him every day.



**“Values – responsibility, trust and reliability – remain as vital as ever for successful co-operation despite all the technology.”**





**“We will still have fixed targets, but my staff are able to decide for themselves how to achieve them. My job is to ensure they are up to the task and to be there for them when they need advice.”**



**Dr Johannes Loheide**

Vice President, General Policy Matters at WIBank

In an ever more complex world, Dr Loheide knows very well that he cannot hope to keep track of all the details himself. His role as manager is to empower his team of experts to assume responsibility themselves, be it by giving them the freedom to make decisions or by giving them advice and access to training and generally fighting their corner. Sometimes he sets up his laptop at Frankfurt's TechQuartier fintech hub to keep abreast of the mood among customers, especially the start-up scene. His colleagues at the MAIN PARK's Offenbach office soon notice when he's away: it's nothing personal, they just know that his empty office is available for anyone in need of a bolthole or meeting space. This is one of the little extra freedoms that comes with New Work. There are many – and staff are positively encouraged to make the most of them.

FFM

# All change in Offenbach

OF

Helaba's new MAIN PARK site has been designed from the ground up for New Work. Not only does it embody the physical model for Helaba's new working world, but it also has the mindset to go with it. Christiane Lückel, Change Management Helaba, shares insights into the major project.

The benchmarks against which the new MAIN PARK site has been designed are precisely aligned with the objectives of NewWork@Helaba: to be more flexible and agile and develop solutions to customer requirements faster and more efficiently. The central element in this is dialogue: dialogue between teams and operating divisions, dialogue with the subsidiary companies, dialogue in every dimension. The Offenbach site accordingly provides for colleagues from Helaba, WIBank and LBS to operate side by side at their new workstations.

Open room structures that support multifunctional use are a basic prerequisite for agile working. Most managers sit with their teams, which helps to break down hierarchical barriers and facilitate a more uninhibited feedback culture. Venues like the 24/7 café-bar in the entrance hall and the new forum in the covered inner courtyard also encourage conversation and discussion away from the office atmosphere. A digital infrastructure providing the necessary

flexibility and mobility is also essential if staff are to be able to make the most of the new office landscape.

Ultimately though, the transition to the working world of the future is not so much a matter of new premises, but of a move to a new culture. This new culture – and the process of creating it – requires a different approach to management and co-operation, which is why we are training not only existing managers, but also dedicated change agents who will be able to spread the mindset behind New Work not just within the MAIN PARK, but right across Helaba. Intended to serve as a permanent point of contact, our change agents can clarify queries about New Work, remove related uncertainties and continuously support the implementation of the new tools and methods.

**1,500** workstations for staff

**330** project workstations

**1,000 m<sup>2</sup>** of office space

**30** childcare places



**The good life Anas Darkoushy enjoyed was suddenly interrupted in 2015 when he had to flee Syria for Germany. Today he combines his duties as a parent with a job at Helaba and a place on the MBA course at the Frankfurt School of Finance & Management. His journey from then to now has been greatly aided by his remarkable drive – and by people he met along the way who recognised his potential, among them Sonja Nink and Mike Schipper from Helaba and Thomas Görge of WIBank. We met up with all four in Frankfurt to discuss the extraordinary story and hear what an enriching experience it has been for everyone involved.**

There is no mistaking the pride in Anas Darkoushy's voice as he talks about winning the "Outstanding Personalities with a Migration Background" award 2019, which was presented to him by the city in the Kaisersaal, the elegant centrepiece of Frankfurt's Römer city hall building. "I just wish people could hear more positive stories about immigrants," says Anas Darkoushy at the beginning of our conversation. Everything about him speaks of a man who pursues his objectives with real gusto. The skill he has developed with German since arriving here only reinforces the impression: he isn't just on the right track, he's in the fast lane.

"When I arrived at the German Red Cross (DRK) reception centre in Mannheim in 2015, I didn't belong anywhere any more. My old life was gone; I had to leave my wife and two daughters behind in Aleppo," he recalls. Despite being parted from everything he had known, Anas Darkoushy, who studied business administration

# Role models

**Text:** Yvonne Straessner

**Photos:** Matthias Haslauer



**"I have always been convinced that integration needn't be a difficult process. Mr Darkoushy has given us emphatic confirmation of that."**

Thomas Görge, Vice President IT and Organisation at WIBank

**“I saw the great potential in Mr Darkoushy and am glad that we could win him as an employee. He has been a real asset for Helaba right from day one.”**

Sonja Nink, Group Manager CRM REF  
Nordwest/München at Helaba



in Syria and had worked as a key account manager in the telecommunications sector for many years, immediately found his professional feet again as an IT coordinator and English-Arabic translator for DRK. He attended German lessons in the evenings. He still does too, because for him it's quite clear that "language is the key for my new life."

Anas Darkoushy first came to know Sonja Nink in 2018 when pursuing his application for a place on the master's course at the Frankfurt School of Finance & Management and a scholarship to help fund it. Ms Nink, who was helping to support the selection process as an alumna, soon spotted his potential – not just as a scholarship student, but also as an employee for Helaba. "He mentioned in the interview that he would like to start working in the banking sector again. His outstanding motivation and collaborative outlook impressed me greatly, as of course did his very moving story," reveals the Group Manager Credit Risk Management Real Estate Finance Nordwest/München. "I am still as pleased and proud as ever that we were able to bring him aboard with us at Helaba. It was wonderful to meet him again in 2019 at the award ceremony at city hall and see that his wife and daughters are now also completely integrated into their new life here."

Mike Schipper, Head of the Processing of Collateral group and Mr Darkoushy's line manager, remembers his new report taking his first steps with the organisation: "Mr Darkoushy initially helped us with a project as a temporary student employee. He contributed so much and proved such a good fit with our team that we had to take him on. It may be that integrating staff from other backgrounds initially takes a certain amount of effort up front for smaller companies, but that was never the case for us: for us, hiring Mr Darkoushy paid off from the very outset. He's not exactly an oddity here at Helaba either, as almost all our teams have an international line-up."

His master's thesis on the highly topical subject of "Robotics/ digitalisation in the financial sector", which he is writing in co-operation with WIBank, also promises to pay dividends for Helaba. Thomas Görge, Vice President IT and Organisation at WIBank, who is assisting him with the work, welcomes its highly practical nature: "Mr Darkoushy's master's thesis is laying foundations that will enable us to complete several important steps in the digitalisation process with even greater precision." Thomas Görge remembers their initial encounter well: "When we met for the first time to discuss robotics, he already knew exactly what technology WIBank had in place. He had even done an online training course to familiarise himself with the specific material concerned. His preparation was absolutely first class!"

His ability to absorb knowledge and drive himself and each new project forwards has certainly impressed all three colleagues. Anas Darkoushy, for his part, is grateful to have hit upon people and a job that give him stability – and the feeling that he has found somewhere to belong again.

**“Digitalisation is a highly topical subject. My master's thesis enables me to draw on my expertise in IT and finance simultaneously.”**

Anas Darkoushy, member of the Credit Operations  
Processing of Collateral team



Interview: Cornelia Theisen

Illustration: Uli Knörzer

**Chief Economist Dr Gertrud R. Traud discusses COVID-19, Trump, Brexit and risks in the residential real estate market.**

**What consequences can we expect from the global spread of coronavirus?**

The coronavirus outbreak has developed into a pandemic. Drastic steps such as movement restrictions and lockdowns have been implemented to reduce the risk of transmission, but economic life has largely stalled as a result. Global recession seems inevitable for 2020. Packages of monetary and fiscal policy measures on an undreamt-of scale are intended in particular to limit the number of company failures and jobs lost. We have to have confidence that our medical researchers will find a way to control COVID-19 in the medium term, but by then the world will be a rather different place. National debt is going to increase significantly. National governments may choose to exert greater control over economic affairs and suppress market forces, depending on the length of the crisis and the time for which the measures implemented in response remain in force.

**What will happen if the US re-elects the incumbent president?**

The world is going to have to adapt to a much more inclement climate in international trade even after the restrictions on trade introduced on medical grounds due to coronavirus are lifted, which we have to hope will happen sooner rather than later. The effects of the pandemic in the US are most likely to have



the greatest negative impact in the second quarter. Donald Trump, who aims to win re-election in November, will have to decide whether he wants to present himself as a protectionist or as the great man of business. He has shown a preference for the former in the past, suggesting that other countries were threatening American jobs. More than once recently he has used the phrase “Chinese virus” to underline the perceived external threat. He has also made a point in the past of using economic growth and the state of the stock market as a barometer of his success, however, so his re-election campaign needs a strong economy – and hence also dynamic global trade. This indicates that he is probably more likely to adopt an open stance to the world, at least until the votes have been cast. If he wins though, it is perfectly possible he might then return to his old protectionist approach. It should not be overlooked, moreover, that the Democrats too are no great enthusiasts for free trade.

#### **What will happen to the residential real estate market if Germany falls into recession?**

We expect German aggregate output to shrink by at least 3 percent in 2020, bringing to an end what has been a very long recovery. Residential real estate prices will stop rising for the time being and will probably begin to fall in a few particularly highly valued segments. Key interest rates are going to remain extremely low for even longer because of the pandemic, but the sharp increase in government spending will tend to push up the cost of borrowing in the capital market. Bond purchasing by the ECB could ameliorate this effect somewhat, but it is to be expected that Germany too will have to pay a risk premium. If short-time working arrangements prevent any dramatic increase in unemployment and if the number of insolvencies can be kept within limits, demand for real estate will not remain subdued for long. Here too, however, it has to be said that our politicians are increasingly looking to regulation rather than competition – although the action taken to date has not succeeded in closing the gap between supply and demand.

#### **What happens if no agreement is reached on the future relationship between the UK and the EU after Brexit?**

The risk exists that border controls could be introduced abruptly at the end of 2020 if, despite expectations to the contrary, the British are unable to reach agreement with the EU. The organisational and legal difficulties this would create seem almost bound to throw foreign trade into turmoil at first. The British economy would suffer and the EU too, especially Germany, would be faced with a downturn in exports. A no-deal Brexit could therefore have a noticeable impact on the economy, especially if the world is fighting to recover from the coronavirus recession at the same time.

## **Dr Gertrud R. Traud**

Dr Gertrud R. Traud has been Helaba’s Chief Economist for 15 years – and until October 2019 was the only woman to hold such a post in Germany. Dr Traud and her research team produce numerous publications every year including the Markets and Trends report, which presents the annual economic and capital market outlook based on a variety of global economic scenarios developed for the purpose. Published every autumn, Markets and Trends always has a subtitle appropriate to the report’s predictions. The primary scenario for 2020, for example, is “Curtain up! Melodrama – next act.” The forecasts thus far have proven to be extremely accurate.

# Imprint

## Published by

### Landesbank Hessen-Thüringen Girozentrale

Neue Mainzer Strasse 52–58

60311 Frankfurt am Main

Germany

T +49 69/91 32-01

Bonifaciusstrasse 16

99084 Erfurt

Germany

T +49 3 61/2 17-71 00

[www.helaba.com](http://www.helaba.com)

## Photographs and image source

Angelika Stehle: cover, pp. 2, 4–9, 24–27, 39–42

Frank Hüter: p. 14

getty images: pp. 18–19, 28–29

Helaba: p. 43

Matthias Haslauer: pp. 10–13, 22, 31, 44–45

Matthias Schmiedel: pp. 34–36

Quadro Office: p. 43

Uli Knörzer: pp. 1, 46

Vitamedic: pp. 19–21

## Concept, editing and design

3st kommunikation, Mainz

## Printed by

Druckerei Braun & Sohn, Maintal

## Copyright

© Landesbank Hessen-Thüringen Girozentrale, 2020

All rights reserved including, in particular, the right to copy this document (in whole or in part).

The magazine may not be reproduced by any means or duplicated using electronic systems without the written consent of Landesbank Hessen-Thüringen Girozentrale.

This English translation is provided solely for convenience. The translation is not binding.

The original German text is the sole authoritative version and shall prevail in case of any conflict.



