Values with impact. Helaba

Investor Relations

Group results as of June 30, 2019

Performance Figures

Management Summary
Helaba achieves significant rise in half-year earnings

→ Helaba satisfied with growth in operating business; new business and net interest as well as net fee and commission income above previous year's level

→ Consolidated net profit before tax of € 325 m significantly higher than in the previous financial year; result marked by positive effects from the acquisition of KOFIBA (formerly DKD)

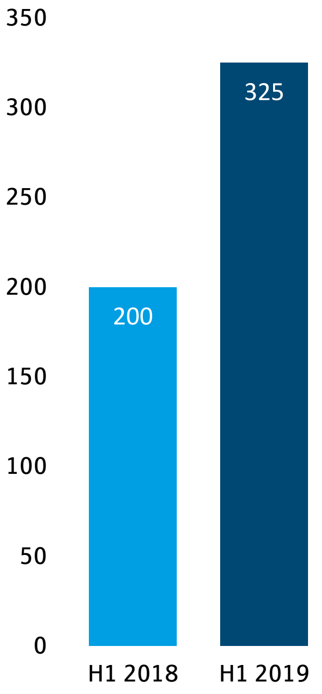
→ Risk situation remains favourable

→ Continued pressure from increase in general and administrative expenses

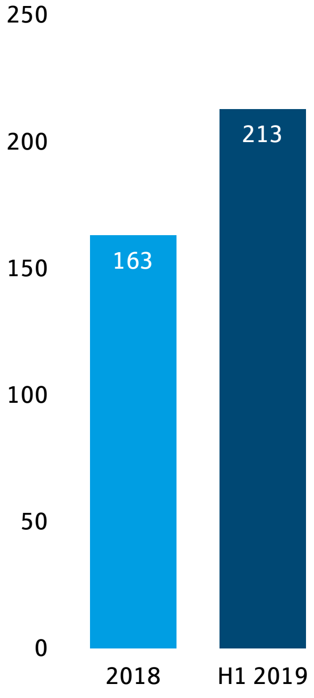
→ CET1 ratio (phased-in and fully-loaded) of 14.6%, total capital ratio of 19.7% still significantly above regulatory requirements

Development of key indicators reflects impact of KOFIBA acquisition

Profit before tax
in € m

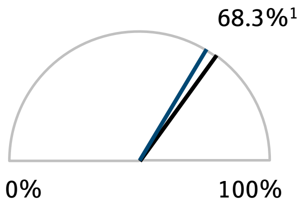


Total assets
in € bn



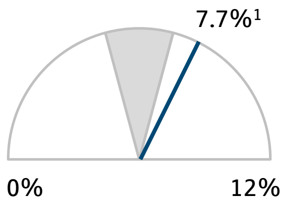
Cost-income ratio

Target ratio 2019
< 70%



Return on equity

Target range 2019
5.0–7.0%



1) Full consideration of bank levy and contributions paid into the guarantee schemes of the S-Finance Group

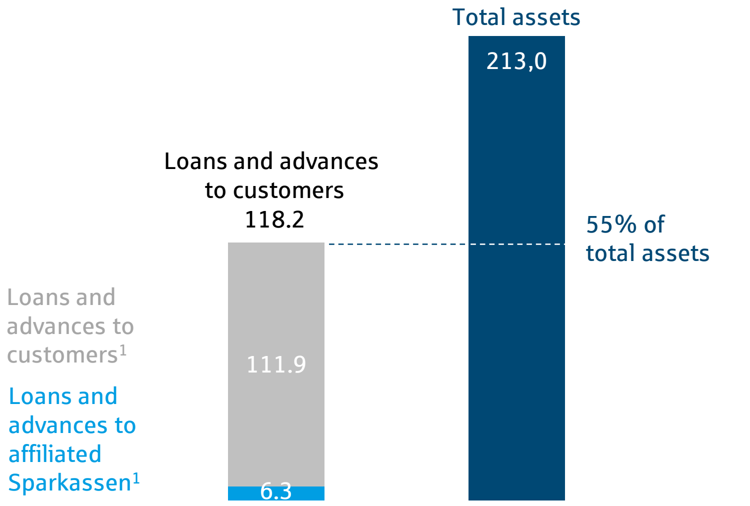
CET1 ratio (fully-loaded) and Liquidity Coverage Ratio

	Requirement 2019	Target ratio	Ratio H1 2019
CET1 ratio (fully-loaded)	9.85%[2]	12.5%	14.6%
Liquidity Coverage Ratio	100%	>125%	180%

2) Derived from SREP requirement for 2019 taking capital buffers into account

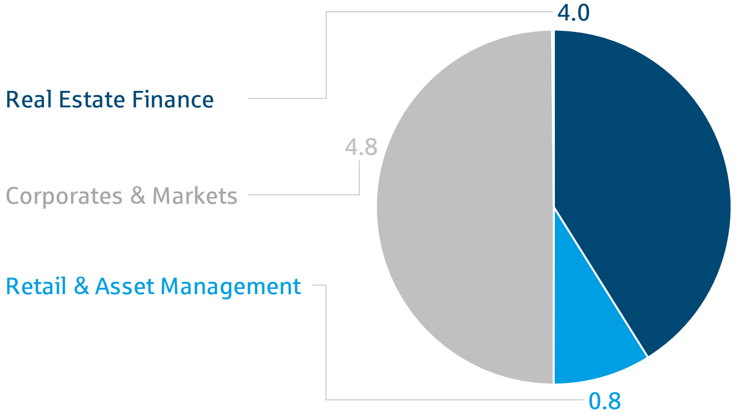
Customer business dominates balance sheet structure

Closely intertwined with the real economy
in € bn



1) Loans and advances in measurement category "at amortised cost"

New medium and long-term business: € 9.6 bn[3]
in € bn



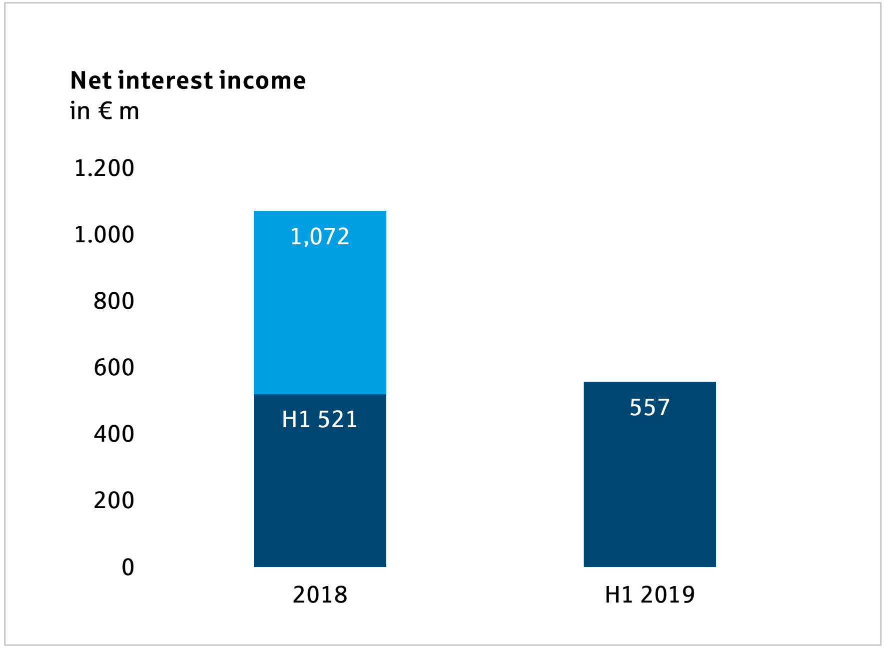
3) New medium and long-term business excl. WIBank

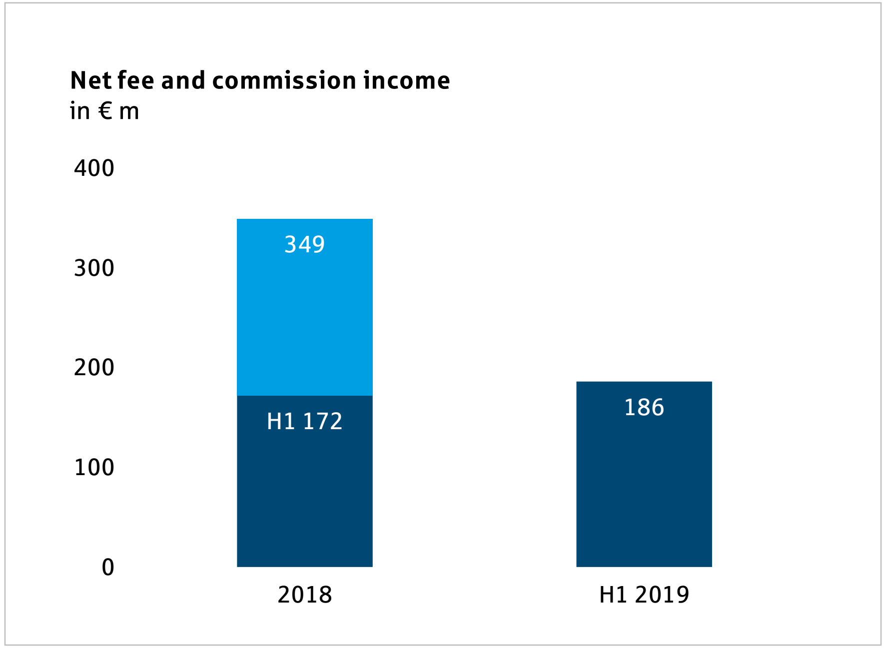
- Increase in balance sheet total to € 213.0 bn (2018: € 163.0 bn) primarily a result of the addition of KOFIBA and increased volume of deposits and loans from customers
- Share of loans and advances to customers at 55% of total assets following significant increase in balance sheet total (2018: 63%[2])

2) Previous year's figure adjusted

- At € 9.6 bn, volume of new medium and long-term business considerably above previous year's level of € 7.8 bn
- Includes acquisition of DVB's land transport finance portfolio (approx. € 1.0 bn in new medium/long-term business)

Net interest and net fee and commission income above previous year

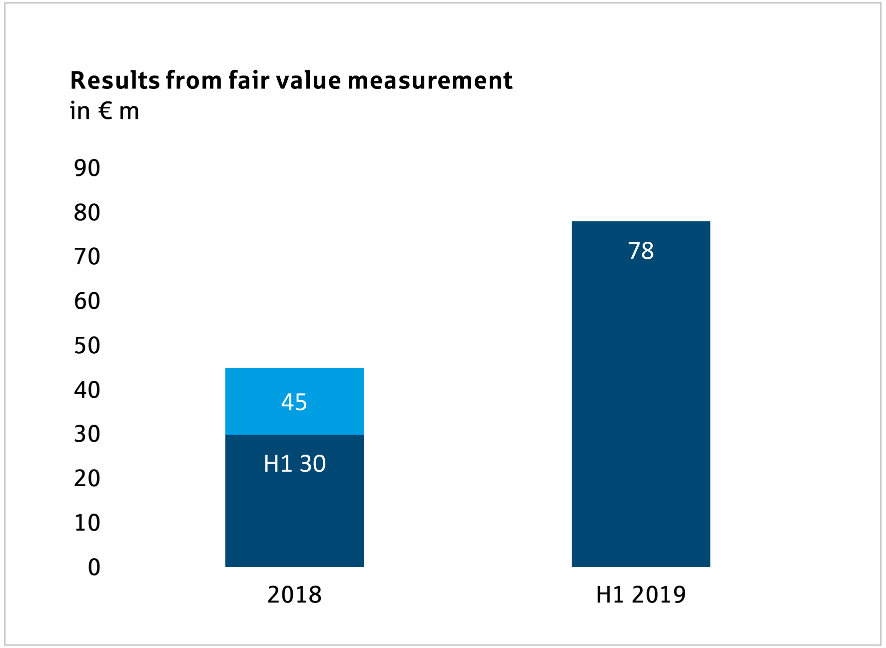




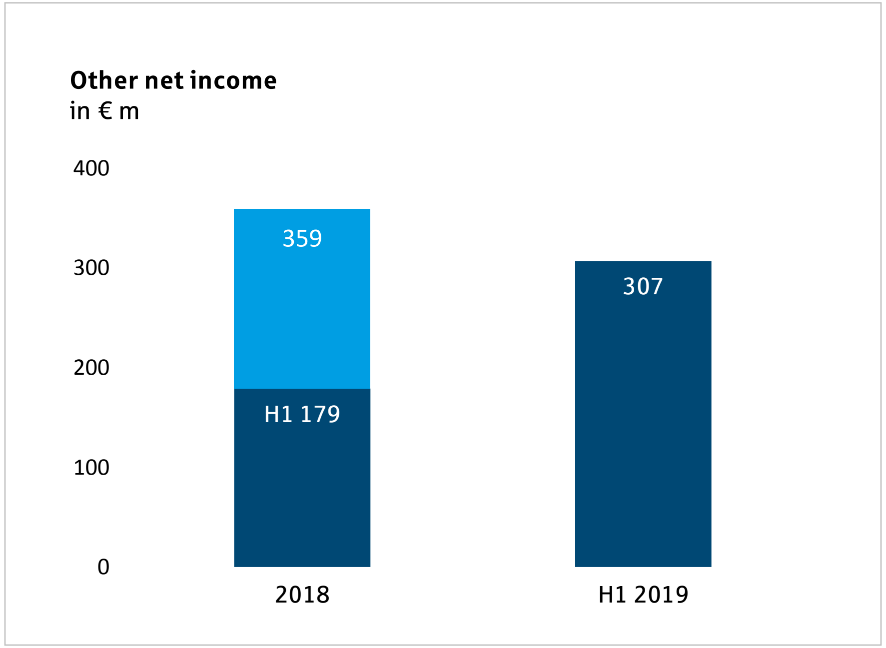
- Net interest income above previous year's level, in part due to larger average portfolios

- Largest contributions to net fee and commission income from payment transactions and asset management (Helaba Invest)
- Positive development, particularly in terms of fees and commission for lending and guarantee business and from asset management at Helaba Invest; in contrast, decline in fees and commission for brokerage of building savings contracts at LBS

Net operating income from trading activities rises while other net income reflects KOFIBA effect



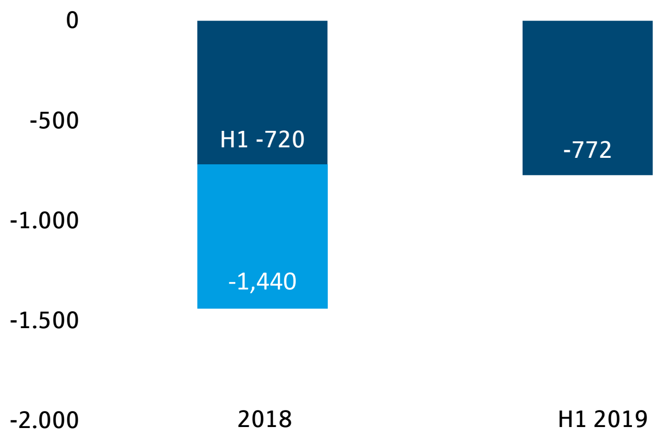
- Net operating income from customer-driven capital market business significantly higher than in previous year



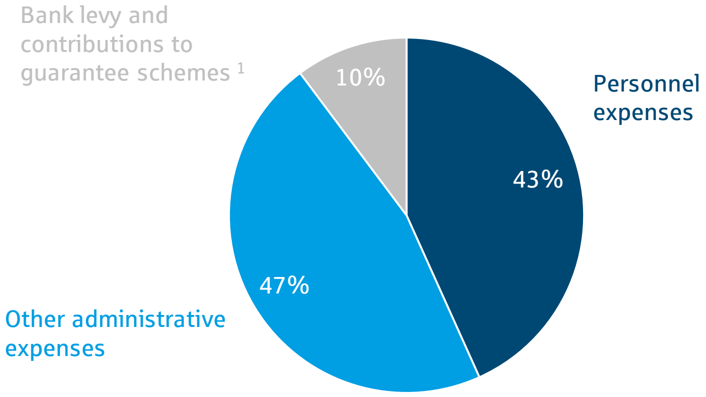
- Increase primarily due to special effects from first-time consolidation of KOFIBA (approx. € 125 m)
- Further growth mainly due to higher net income from GWH's real estate portfolios

General and administrative expenses dominated by project and IT costs

General and administrative expenses
in € m



Composition of general and administrative expenses



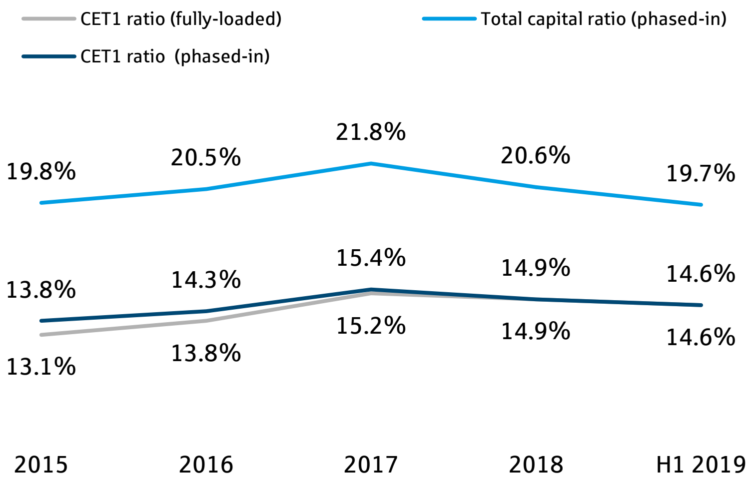
1) Full consideration in first quarter 2019

- Higher costs due in particular to rise in other administrative expenses

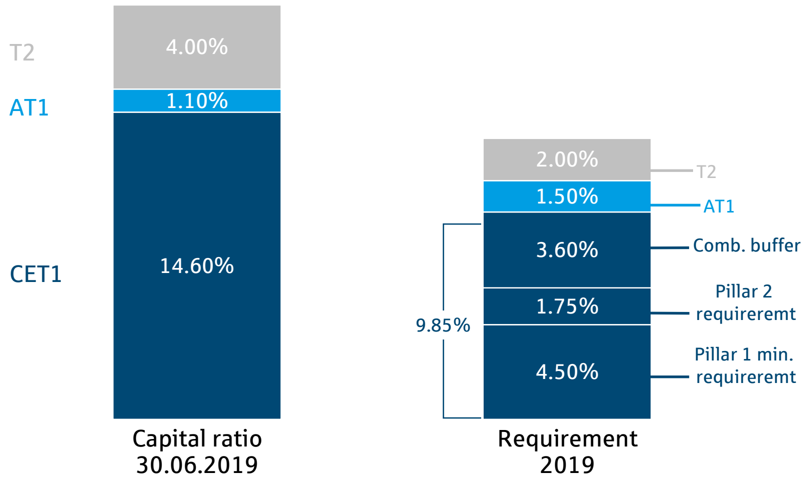
- Higher project costs for investments in IT as well as audit and consulting expenses in connection with implementation of regulatory requirements and business-driven demands in other administrative expenses
- Full consideration of annual bank levy and contributions to guarantee schemes of S-Finanzgruppe totaling around € 79 m (H1 2018: € 69 m)

Capital ratios significantly exceed regulatory capital requirements

Development of capital ratios



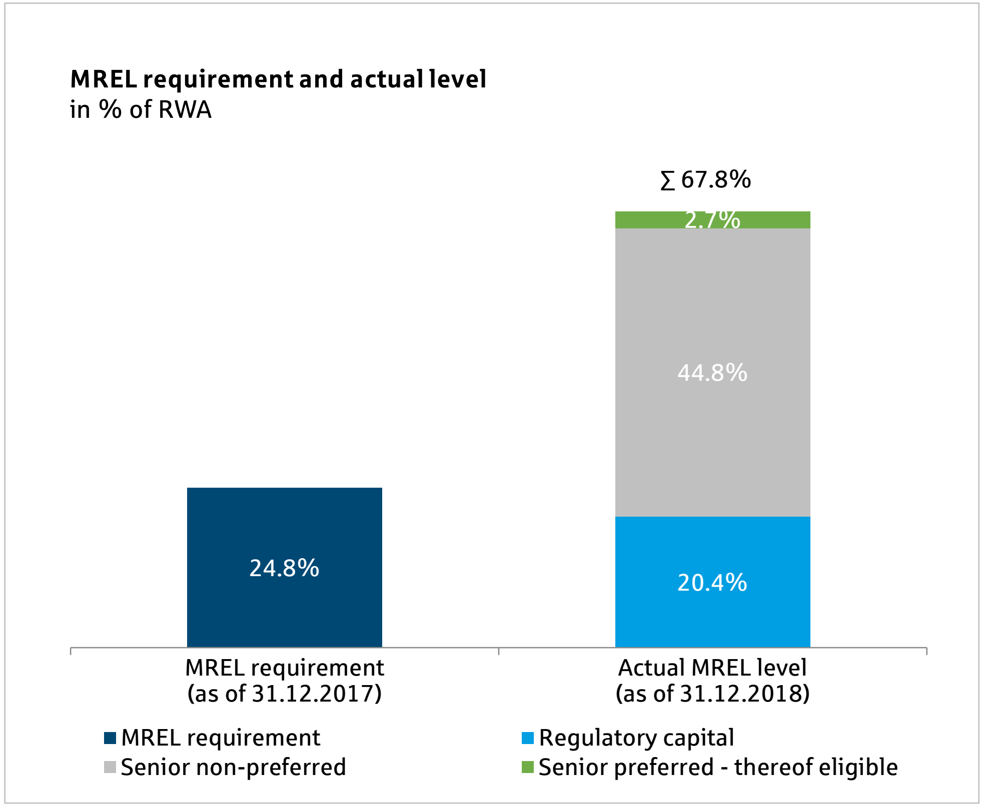
Capital requirements and components



- CET1 ratios at very good level
- CRD IV / CRR transitional arrangements have no impact on CET1 ratio since 2018
- Leverage ratio at 4.3% (phased-in) and 4.1% (fully-loaded)
- Risk-weighted assets amount to € 58.2 bn

- Helaba enjoys comfortable capital backing, significantly exceeding all currently known regulatory requirements:
  - CET1 ratio of 14.6% after Q1 2019 well above derived regulatory CET1 requirement of 9.85% for 2019
  - Total capital ratio of 19.7% after H1 2019 also considerably higher than 13.35% required for 2019

Helaba subject to binding MREL requirement for first time, level comfortably met



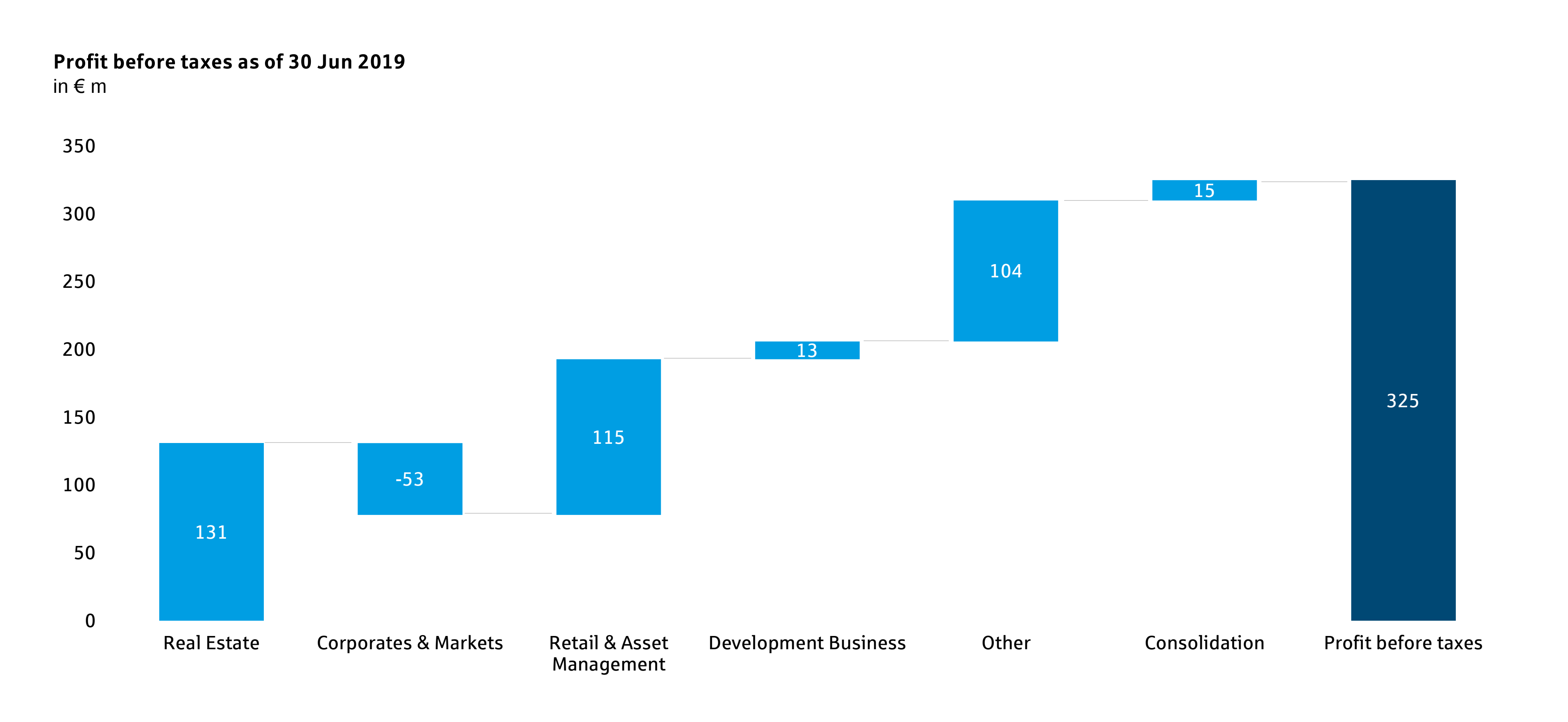
- Requirement based on data as of 31 December 2017 set at 8.46% in respect of TLOF[1], equivalent to 24.8% in respect of RWA
- Actual MREL level as of 31 December 2018 of 24.4% in respect of TLOF (equivalent to 67.8% in respect of RWA) significantly above regulatory requirements
- Helaba able to meet the required ratio almost completely with its own funds
- High level of subordinated eligible liabilities (senior non-preferred) not only effectively protects higher-ranking senior preferred class against losses, but also provides extensive protection within senior non-preferred class itself

1) MREL requirement initially communicated as a binding ratio by resolution authorities in July 2019 based on total liabilities and own funds (TLOF)

Segments aligned to customer and risk structure

Real Estate	Corporates & Markets	Retail & Asset Management	Development Business	Other
Real Estate Finance	Corporate Finance	Frankfurter Sparkasse 1822	WIBank Wirtschafts- und Infrastrukturbank Hessen	Group disposition and liquidity portfolio
	Insurance Finance	Frankfurter Bankgesellschaft PRIVATBANK | Zürich | Frankfurt		Corporate Centre Units
	Banks and International Business	LBS		OFB Projektentwicklung
	Sparkasse lending business and S-Group services	Helaba Invest		Asset/Liability Management
	Domestic Municipal Lending Business	Settlement/Custody Services		KOFIBA-Kommunal-finanzierungsbank GmbH
	Sales Public Authorities	Portfolio and Real Estate Management		
	Public Finance	GWH		
	Capital Markets			**Consolidation**
	Cash Management			Consolidation effects

Group profit before taxes by business segment



Real Estate
New business volume above previous year

Real Estate	H1 2019	H1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	198	193	2.6
Provisions for losses on loans and advances	12	2	>100.0
General and administration expenses	-79	-73	-8.2
Segment result	**131**	**122**	7.4

	30 Jun 2019	30 Jun 2018
	€ bn	€ bn
Assets	31.0	29.0
Risk-weighted assets	16.9	14.9

- Represents commercial portfolio and project financing for real estate
- Increase in volume of new business by 8% to € 4.0 bn (H1 2018: € 3.7 bn)
- Net interest income - a key earnings component - slightly higher than in the previous year due to higher average business volume
- Favourable risk situation once again leads to reversal of loan loss provisions in amount of € 12 m (H1 2018: € 2 m)
- Higher general and administrative expenses due to increase in overhead costs

Helaba

Corporates & Markets
Result strongly impacted by measurement effects

Corporates & Markets	H1 2019	H1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	239	292	-18.2
Provisions for losses on loans and advances	-47	-6	>-100.0
General and administration expenses	-245	-231	-6.1
Segment result	**-53**	**55**	n.a.

	30 Jun 2019	30 Jun 2018
	€ bn	€ bn
Assets[1]	70.1	79.8
Risk-weighted assets	23.2	20.3

1) Decrease in balance sheet assets i.a. as result of reporting ECB and Bundesbank accounts in Other segment since beginning of 2019

- In addition to credit products, segment also includes trading and sales activities as well as payment transactions business
- New business volume grows by 37% to € 4.8 bn (H1 2018: € 3.5 bn), including the acquisition of DVB's land transport finance portfolio (approx. € 1.0 bn)
- Decline in the result from fair value measurement, which was driven by lower interest rates; net interest income below previous year's level, but significant rise in net fee and commission income
- Additions to loan loss provisions of € 46 m noticeably above very low previous year's figure of € -6 m
- Higher general and administrative expenses due to rise in overhead costs
- Largest earnings contribution of around € 31 m from Corporate Finance business unit

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Retail & Asset Management
Absence of one-off, lower interest income weigh on result

Retail & Asset Management	H1 2019	H1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	388	396	-2.0
Provisions for losses on loans and advances	-1	0	n.a.
General and administration expenses	-272	-263	-3.4
Segment result	**115**	**133**	-13.5

	30 Jun 2019	30 Jun 2018
	€ bn	€ bn
Assets	31.9	30.1
Risk-weighted assets	7.4	6.6

- Segment comprises retail banking, private banking, LBS as well as asset management activities (especially GWH, Helaba Invest)
- Overall decline in earnings mainly due to lower net interest income as well as absence of a positive one-off effect in the other result of the previous year; positive development of GWH's income from real estate as well as slight increase in net fee and commission income
- Low level of additions to risk provisioning of € -1 m
- Slight increase in administrative expenses mainly due to business initiatives at Helaba Invest and GWH
- Largest contributions to segment result from GWH (approx. € 60 m) and Frankfurter Sparkasse (approx. € 53 m)

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Development Business
Income rises due to expansion of promotional lending

Development Business	H1 2019	H1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	49	44	11.4
Provisions for losses on loans and advances	0	0	n.a.
General and administration expenses	-36	-35	-2.9
Segment result	**13**	**9**	44.4

	30 Jun 2019	30 Jun 2018
	€ bn	€ bn
Assets	24.1	18.5
Risk-weighted assets	1.2	1.2

- Presentation of WIBank’s public development business
- Increase in segment income due to expansion of promotional lending activities, segment result of € 5 m thereby above previous year's level
- Significant increase in portfolio mainly from Hessenkasse development programme

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Other
Positive impact from first-time consolidation of KOFIBA

Other	H1 2019	H1 2018	Change
	€ m	€ m	%
Total income before loan loss provisions	283	37	>100.0
Provisions for losses on loans and advances	2	17	-88.2
General and administration expenses	-181	-161	-12.4
Segment result	**104**	**-107**	n.a.

	30 Jun 2019	30 Jun 2018
	€ bn	€ bn
Assets[1]	68.4	22.4
Risk-weighted assets	9.5	9.0

1) Increase in balance sheet assets i.a. as result of reporting ECB and Bundesbank accounts in Other segment since beginning of 2019 (previously reported in Corporates & Markets segment)

- Segment contains profit contributions and expenses that cannot be allocated to other business segments, especially earnings from treasury activities, OFB as well as costs of central corporate units; KOFIBA-Kommunalfinanzierungsbank consolidated since May 2019
- Siginificant increase in total income primarily due to positive effects from the addition of KOFIBA, net income from proprietary investments and contribution from treasury
- Administrative expenses include, in particular, central projects as well as contributions already made to bank levy and guarantee schemes at their full annual amount and KOFIBA's administrative expenses

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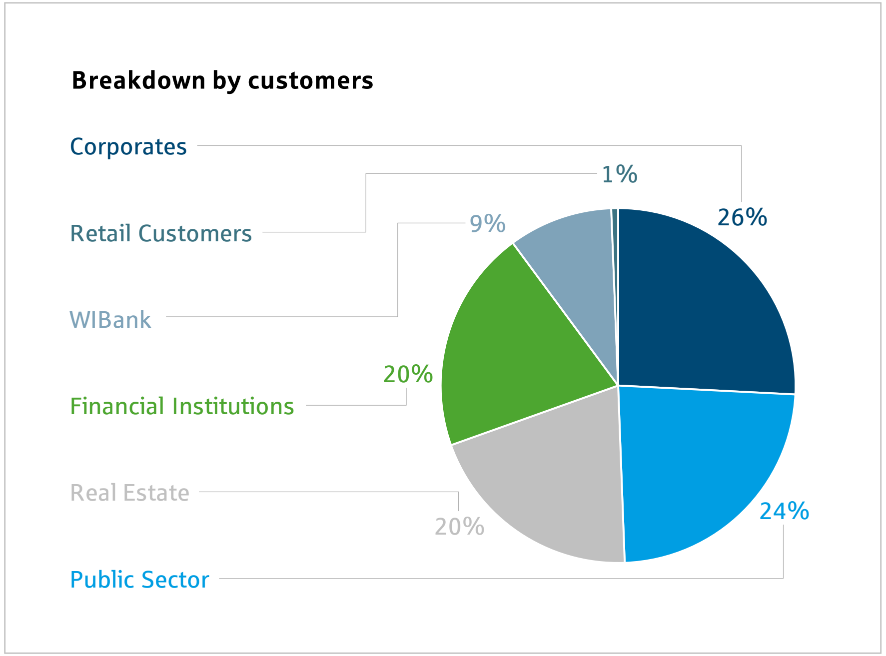
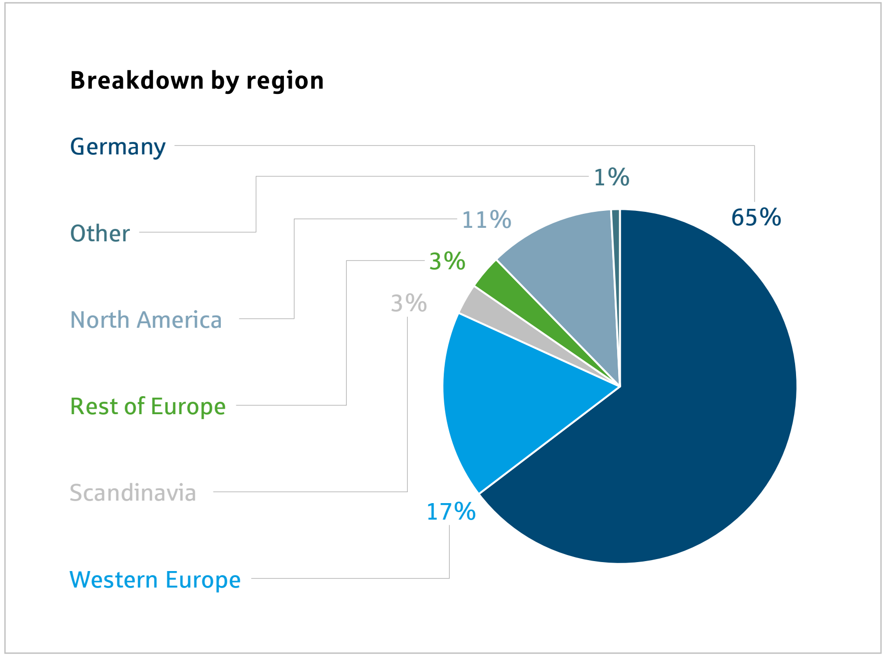
Portfolio Quality

Diversified credit portfolio with focus on Germany

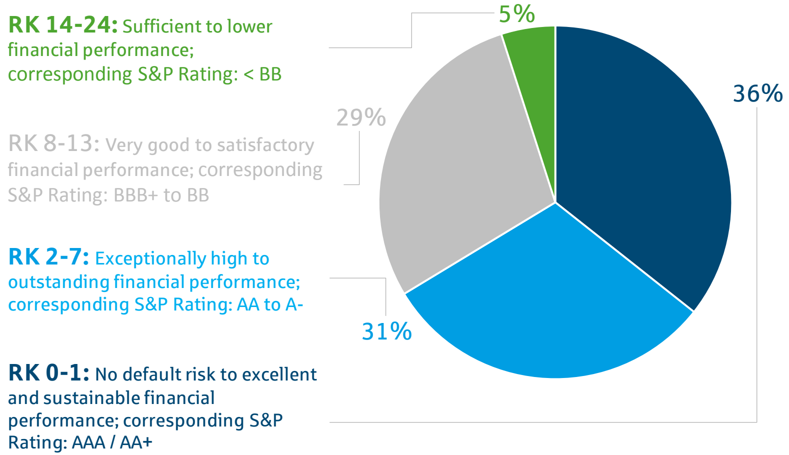




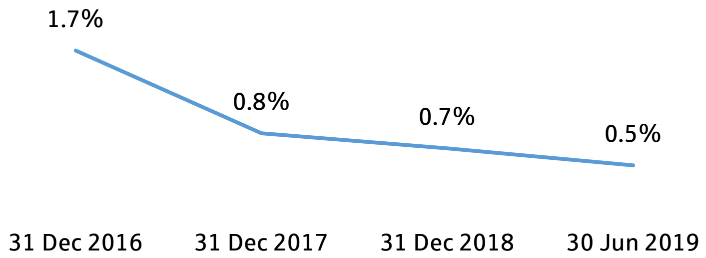
▶ **Total volume of lending € 204.9 bn**

Further decline in NPL ratio while rating structure remains stable

Total volume of lending
by default rating category (RC)



Development of NPL[1] ratio



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

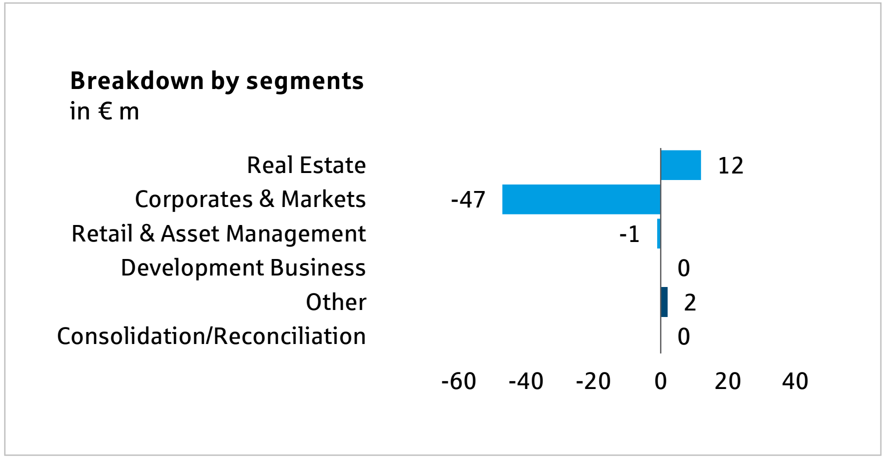
- Total lending volume of € 204.9 bn
- 95% of total lending volume with excellent to satisfactory creditworthiness

- As of June 30, 2019, NPL ratio had fallen further to 0.50%
- Of “total loans and advances” of € 157.0 bn, € 0.8 bn were classified as non-performing exposures

High portfolio quality reflected in low net additions to loan loss provisions

Composition of loan loss provisions	H1 2019	H1 2018
	€ m	€ m
Risk provisioning on financial assets	-29	16
Provisions for off-balance lending business	-5	-3
Net risk provisioning	**-34**	**13**

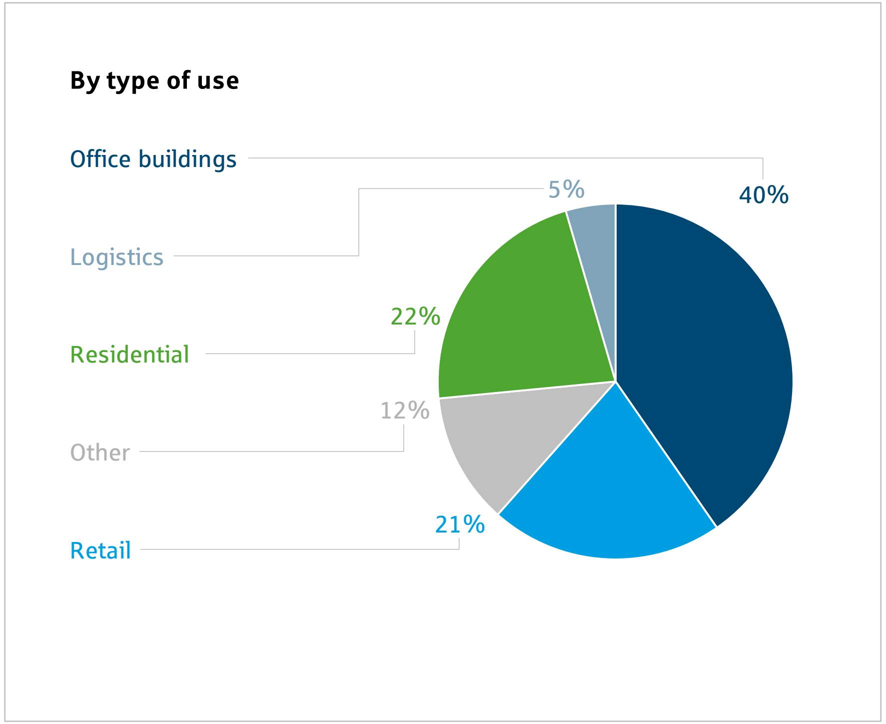
- Risk situation remains favourable, but expectation that loan loss provisions have bottomed out
- Continued high quality of business portfolio, additions to loan loss provisions higher than in previous year but still at low level

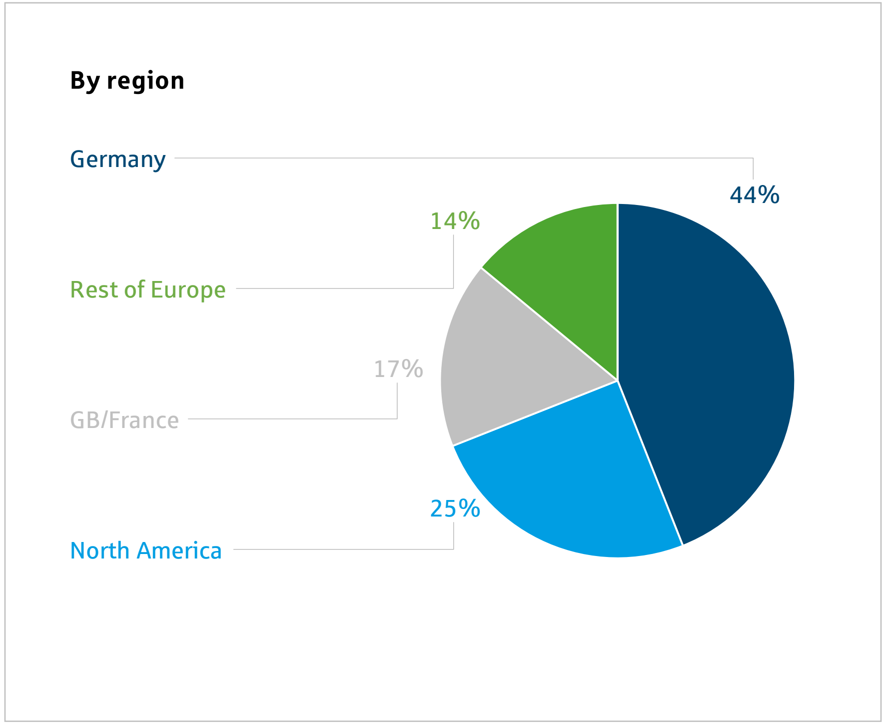


- Net additions to impairments mainly in segment Corporates & Markets

Helaba

Real Estate Finance Portfolio
Business volume of € 35.3 bn



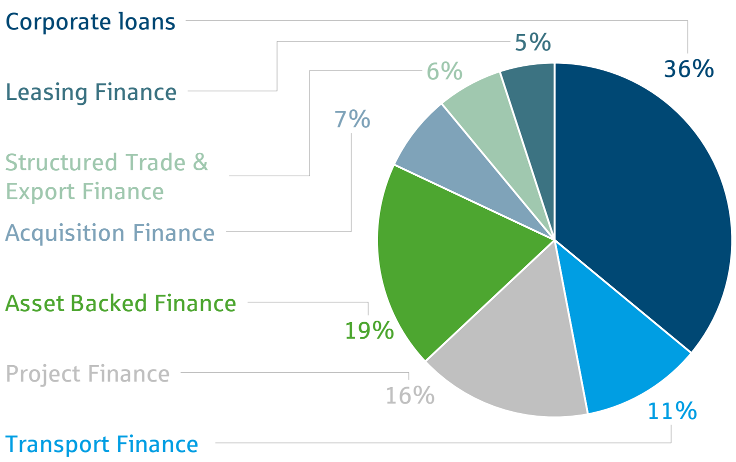


▶ **Balanced portfolio by regions and type of use**

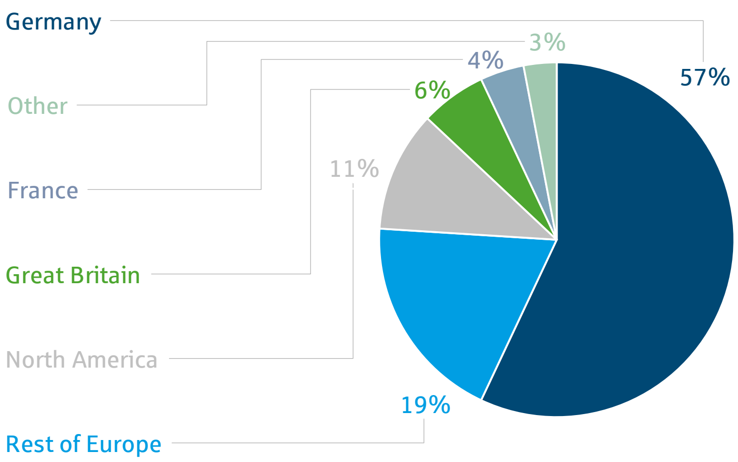
As of June 30st , 2019

Corporate Finance Portfolio
Business volume of € 47.3 bn

By product area



By region



▶ **Broadly diversified portfolio with focus on Europe**

As of June 30st, 2019

Helaba

Funding

Helaba Ratings on a high level

Insolvency hierarchy in Germany

	Moody's	FitchRatings	S&P Global[1]
	Issuer Rating Aa3	L/t Issuer Default Rating[1] A+	L/t Issuer Credit Rating A

Insolvency / liability cascade

Insolvency hierarchy	Moody's	FitchRatings	S&P Global
Covered bonds	Aaa Public sector CB	AAA Covered bonds	
Deposits in protection scheme (< € 100,000) (covered deposits pursuant to deposit guarantee scheme)			
Deposits from private customers and SMEs (> € 100,000) (eligible deposits pursuant to deposit guarantee scheme)			
Senior Preferred: Derivates; Structured Notes; Other Deposits; Senior Preferred Notes	Aa3	AA-	A
Senior Non-Preferred: Senior Non-Preferred Notes (statutory); Senior Non-Preferred Notes (contractual)	A2	A+	A-
Tier 2	Baa2	A	
AT1			
CET1			

1) Joint group rating for the S-Group Hesse-Thuringia

As of August 14th, 2019

Strong regional business as factor for success

Funding Strategy

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

Funding Programmes

- € 35 bn Medium Term Note-Programme
- Domestic issues (base prospectus)
- € 10 bn Euro-CP/CD-Programme
- € 6 bn NEU CP- (former French CD) Programme
- $ 5 bn USCP-Programme

Broad Access to Liquidity

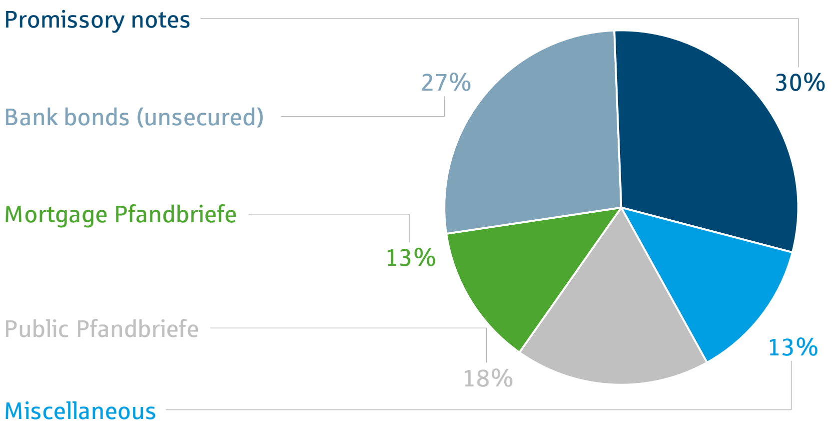
- € 38 bn cover pool for covered bonds
- € 28 bn securities eligible for ECB/ central bank funding
- € 20 bn retail deposits within Helaba Group

Long-term liquidity management and high degree of market acceptance

Outstanding medium and long-term funding (≥ 1 year): € 88.0 bn

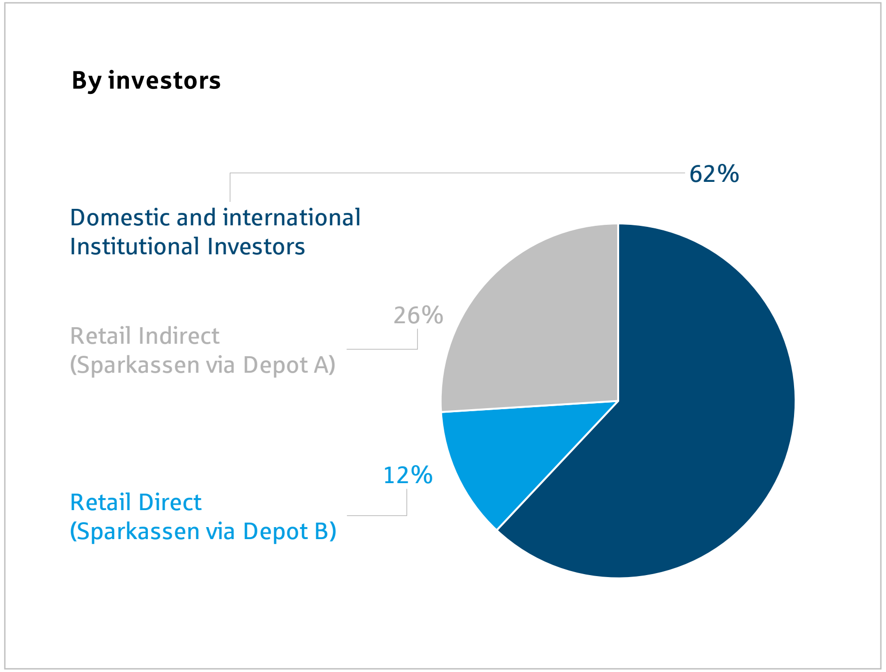
Year-on-year comparison	H1 2019	2018	2017
	€ m	€ m	€ m
Covered bonds (“Pfandbriefe”)	27,208	26,851	26,334
thereof public sector	15,690	15,263	16,482
thereof mortgage backed	11,518	11,588	9,852
Senior unsecured bonds	23,379	22,891	20,906
Promissory notes	26,175	24,421	23,197
Miscellaneous*	11,204	10,874	12,283
Total	**87,966**	**85,037**	**82,720**

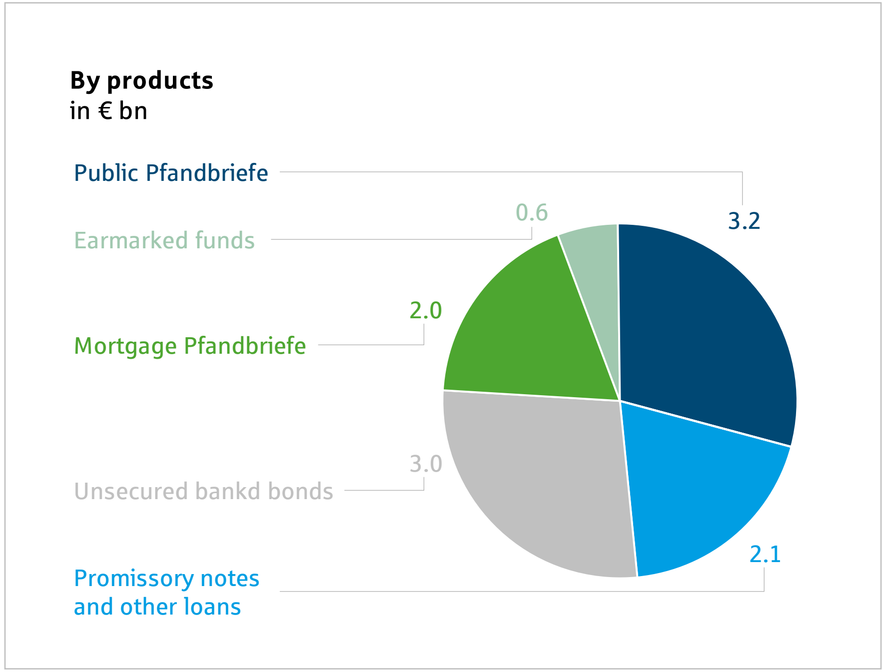
* Subordinated bonds/ participation certificates/ silent partnership contributions/earmarked funds



As of June 30st, 2019

Medium and long-term funding (≥ 1 year) 2019





Medium/long-term funding volume H1 2019: **€ 10.9 bn**

▶ Around 68% of planned funding volume for 2019 thus already achieved in first quarter

As of June 30st, 2019

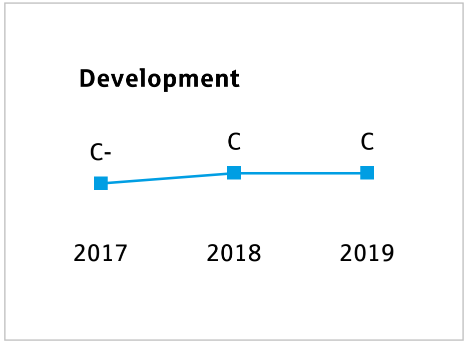
Helaba

Helaba's sustainable business orientation reflected in sustainability ratings

ISS-oekom

Corporate Responsibility Prime
rated by ISS-oekom

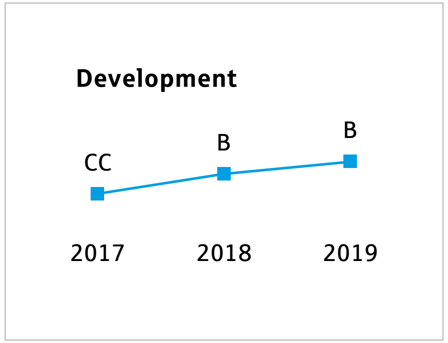
- Rating score: C (Prime)
- Rating scale: from D- to A+
- Among the top 20 % in the peer group of 138 banks
- Rating score B- for partial rating "Social & Governance"



imug

imug
SUSTAINABILITY RATING
RATING 2017
POSITIVE B

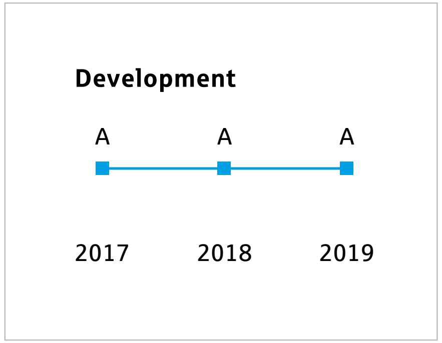
- Rating score: B (Positive)
- Rating scale: from D to AAA
- Among the top 5 in the peer group of 25 banks
- Rating score BBB (Positive) for partial rating "Mortgage bonds"



MSCI ESG Research

ESG RATING A
LAST UPDATE: October 04, 2018

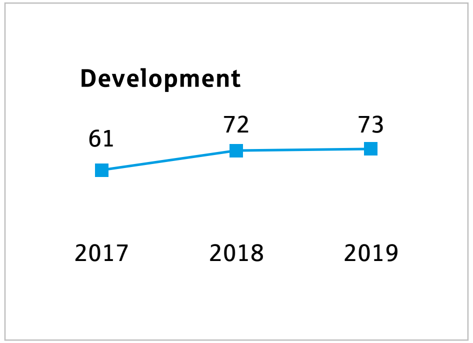
- Rating score: A
- Rating scale: from CCC to AAA
- Ranked in the upper midfield in the peer group
- Top-Score for partial rating "Financial Product Safety"



SUSTAINALYTICS

73 Overall ESG Score
Leader
Outperformer
Average Performer
Underperformer
Laggard

- Rating score: 73 points
- Rating scale: 1 to 100 points
- Among the top 15% in the peer group of 345 banks
- 81 points for partial rating "Environment"



As of May 2019

Outlook

Helaba’s Strategic Agenda

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

Refining the business model

Modern infrastructure and digitalisation

Responsibility and values

Growth through efficency

Current issues (1/2)

KOFIBA-Kommunalfinanzierungsbank (formerly DKD - Dexia Kommunalbank Deutschland)

- Following the successful completion of the acquisition of KOFIBA, it was recognised for the first time in the consolidated financial statements as of 1 May 2019.
- The aim is to fully integrate KOFIBA's portfolios into Helaba
- Legal integration planned for early September through accrual of KOFIBA by changing legal status
- Thereafter, commencement of technical integration of all assets and liabilities into Helaba's IT environment
- Full integration expected to be completed by the end of the first quarter of 2020

Helaba

Current issues (2/2)

Helaba a leading arranger of corporate SSDs (promissory notes)

- Helaba boasted 23 deals and a market share of 16 percent in the first half of the year, making it the leading arranger of corporate SSDs
- Helaba was also involved as one of two arranging banks in the largest ticket of the first half of 2019, an issue by Lufthansa in an amount of € 800 m

Helaba among "Germany's Customer Champions 2019"

- Having been awarded the distinction of being one of "Germany's Customer Champions" by the F.A.Z. Institute in 2018, Helaba repeats success in 2019 as well
- The current award was based on a representative customer survey conducted in 2018
- Customers were particularly impressed by Helaba's trustworthiness, reliability, security and partnership

Outlook

- *Thanks to the acquisition of KOFIBA, Helaba expects to generate a net profit before tax for the year as a whole exceeding the previous year's level*
- *By increasing efficiency, we aim to stem rising costs and exploit the resulting scope to implement our growth initiatives in a targeted manner*

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Values with impact.

Appendix

Statement of Financial Position of Helaba Group

Statement of Financial Position of Helaba Group (IFRS)	30 Jun 2019	31 Dec 2018	Change	
	€ bn	€ bn	€ bn	%
Cash, cash balances at central banks and other demand deposits	23.0	7.3	15.7	>100.0
Financial assets at amortised cost	128.2	106.8	21.4	20.0
Loans and advances to credit institutions	16.3	11.2	5.1	45.5
Loans and advances to customers	111.9	95.6	16.4	17.2
Financial assets held for trading	18.3	17.0	1.3	7.6
Financial assets at fair value (non-trading)	38.4	27.4	11.0	40.1
Investment property, deferred tax assets, other assets	5.1	4.5	0.6	13.3
Total assets	**213.0**	**163.0**	50.0	30.7
Financial liabilities measured at amortised cost	158.7	125.2	33.5	26.8
Deposits and loans from credit institutions	36.5	32.1	4.4	13.7
Deposits and loans from customers	67.9	47.4	20.5	43.2
Securitised liabilities	54.0	45.5	8.5	18.7
Other financial liabilities	0.3	0.2	0.1	50.0
Financial liabilities held for trading	20.5	12.8	7.7	60.2
Financial liabilities at fair value (non-trading)	22.2	13.8	8.4	60.9
Provisions, deferred tax liabilities, other liabilities	3.0	2.7	0.3	11.1
Total equity	8.6	8.5	0.1	1.2
Total equity and total liabilities	**213.0**	**163.0**	50.0	30.7

* Figures according to opening balance sheet prepared in compliance with IFRS 9

Income Statement of Helaba Group

Income Statement of Helaba Group (IFRS)	H1 2019	H1 2018	Change	
	€ m	€ m	€ m	%
Net interest income	557	521	36	6.9
Provisions for losses on loans and advances	-34	13	-47	n.a.
Net interest income after provisions for losses on loans and advances	523	534	-11	-2.1
Net fee and commission income	186	172	14	8.1
Gains or losses on fair value measurement	78	30	48	>100.0
Share of the profit or loss of equity-accounted entities	3	5	-2	-40.0
Other net income	307	179	128	71.5
General and administrative expenses	-772	-720	-52	-7.2
Consolidated net profit before tax	325	**200**	125	62.5
Tax on income	-70	-60	-10	-16.7
Consolidated net profit	**255**	**140**	115	82.1

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