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The spoken word shall prevail.

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Hello everyone and a very good morning from me as well.

Following on from Thomas Groß, who has outlined our Group results and put them into perspective, I would now like to take a deeper dive into our credit portfolio and risk provisioning.

The Helaba Group's **total lending volume**, which consists of loan drawdowns and committed credit lines, rose from € 221 billion in the previous year and now stands at € 233 billion.

At the same time, there has been no significant change in the **portfolio structure**. The public sector remains our largest customer group with a lending volume of € 71 billion. That is followed by our most important customer groups of corporates, with a share of 26 percent, and commercial real estate at 19 percent.

In terms of the regional breakdown of our business, the German market remains our primary focus. At 69 percent, its share has not changed compared to the previous year.

Consequently, Helaba enjoys a broadly diversified credit portfolio with a clear focus on our domestic market of Germany.

The quality of the portfolio is clearly noticeable in a breakdown of our **total lending by default rating class**.

Indeed, 95 percent of our total lending volume consists of exposures with excellent to satisfactory credit ratings. Compared to the previous year, our **ratio of non-performing loans (NPLs)** fell to as low as 0.6 percent. Despite an extremely challenging market environment in 2022, credit defaults remained once again at a low level. This is yet further evidence for the consistently solid quality of Helaba's portfolio. Given these strong fundamentals, we are confident about our prospects for 2023.

Ladies and Gentlemen,

As Thomas Groß explained before, the beginning of 2022 initially gave us reason to be very upbeat as the COVID-19 pandemic was abating. But Russia's invasion of Ukraine jolted us and sent shockwaves through the market. The energy crisis, which dominated the second half of the year in particular, along with rising inflation, put additional pressure on our borrowers. These factors, coupled with ongoing supply chain bottlenecks and a shortage of skilled labour, together created an exceptionally difficult market environment. However, the market responded to this situation and companies took precautionary measures and adapted to the new circumstances.

We have been closely monitoring energy-intensive sectors and portfolios. However, thanks to the high quality of our portfolio, we have so far only incurred a limited number of credit defaults. Indeed, the rise in defaults in 2022 was below what we had previously forecast. In 2022, we also allocated an adequate level of risk provisioning. Following a level of € 207 million in 2021, we have set aside € 162 million in total provisions for losses on loans and advances for 2022.

As in previous years, we allocated significant risk provisions at portfolio level, which include a top level adjustment of € 137 million. In this way, we have taken account of the continued high level of geopolitical uncertainty and challenging macroeconomic conditions. The renewed addition to stage 3 expected credit losses amounts to € 48 million. This is a netted figure as we also reversed a significant amount of loan loss provisions that we had allocated in previous years.

Looking at our business segments, it is clear that net allocations to risk provisioning are primarily attributable to the Real Estate and Other segments. By allocating higher provisions to the Real Estate segment, we responded to the increased costs of construction, energy and interest rates in the industry. In the same way as in previous years, we have allocated the top level adjustment to the Other segment.

Overall, the decline in net allocations to risk provisioning is also reflected in the cost of risk. In relation to RWAs for counterparty credit risks, **risk provisioning expenses** fell from 40 to 31 basis points. This corresponds to a cost of risk of 13 basis points in respect of exposures to non-financial corporations. In 2021, the cost of risk was 15 basis points.
We have therefore made ample provision for losses on loans and advances.
I would now like to examine two of our portfolios in more detail.

Our **Real Estate Finance portfolio**, the volume of which stood at € 38.8 billion at the end of 2022 (previous year: € 36.5 billion), is well-balanced and of a high quality, both in terms of types of use and property locations. These factors are especially important given that real estate finance faces challenges due to rising costs for construction, energy and interest rates. As expected, we have observed falling prices in markets with low initial yields and a sharp decline in transaction volumes. For this reason, aspects such as attractive locations, how modern a property is and its high quality, particularly with respect to sustainability standards, are becoming increasingly important. We do not expect to see any significant drop in prices of state-of-the-art properties in prime micro locations of Germany's top 7 cities as rental demand, and therefore rent

increases, remain high. This applies equally to office and residential properties.
When originating new business, we have responded to rising interest rates by focusing on the structuring and risk assessment process when hedging interest rate risks over the term of the transaction. Consequently, today only a very minor share of our portfolio consists of loans with an elevated refinancing risk. Currently, we do not yet see any immediate risk of default for these transactions.

With a total volume of around € 55 billion, the **Corporate Banking & Asset Finance portfolio** grew by 10 percent compared to the previous year (€ 50 billion). This growth was generated by all principal sub-portfolios:

With a share of 38 percent, or € 20.9 billion (2021: € 18.4 billion), Corporate Loans & Lease Finance remains the largest sub-portfolio. It is followed by Project Finance with a 19 percent share, or € 10.7 billion (2021: € 8.4 billion) and Asset Backed Finance with 18 percent, or € 10.3 billion (2021: € 8.5 billion). The main focus of our project finance activities is on supporting our customers in the development and expansion of renewable energy infrastructure. In asset-backed finance, we underwrite trade receivables on behalf of our corporate customers as part of our factoring business.

In 2022, attention was focused on the risk of a severe gas shortage in the wake of Russia's invasion of Ukraine and a considerable rise in energy prices. Companies affected by this took initial steps to find alternative supply channels and to accelerate efforts to identify potential for saving energy or to substitute gas for other energy sources, thereby mitigating the risks of a potential shortage. Nevertheless, energy prices remain high and this threatens to undermine the competitiveness of German manufacturers, especially in terms of global trade.

In a two-stage process, we analysed the ensuing risks for our corporate customers by identifying and assessing risks for specific companies following an evaluation of the extent to which certain sectors with a high level of direct or indirect dependency on energy are affected. This involved conducting detailed surveys and discussions with customers. As a result, we do not currently see any unmanageable risks for our customers. Our customers are in a position to pass on higher energy prices to a large extent, have been able to hedge them in some cases and benefit from government support schemes.

As of the reporting date, the net exposure of sub-portfolios affected by the energy crisis amounted to € 28 billion, of which just under € 5

billion are deemed to be potentially more severely affected based on customer analyses. It is important to note, however, that this level of impact does not correspond to an immediate risk of default.
Risks arising from this sector and company-specific analysis are being closely monitored in the course of the bank's standard risk management practices using management and monitoring processes. Currently, we have not yet identified any significant increase in default risks within these portfolios.

In contrast, some sectors, such as aircraft and transport finance, which we had previously subjected to enhanced monitoring measures and exhibited an elevated risk of default, have meanwhile developed very favourably.

Ladies and Gentlemen,
In 2022, Helaba successfully addressed the challenges that arose in the course of the year. The encouraging trend over the year as a whole was based on the consistently high and predominantly stable quality of our portfolio. The level of actual defaults in our credit portfolio was considerably lower than expected. With an overall decline in net allocations to loan loss provisions, the top level

adjustment of € 137 million accounts for the majority of total risk provisioning for 2022.

Due to ongoing uncertainties, conditions in 2023 will remain difficult. The war in Ukraine, volatile energy prices, the vulnerability of supply chains, a continued shortage of skilled workers and persistently high inflation driving up interest rates will together create a very challenging business environment. However, we are prepared for this and are actively managing the risks associated with sectors impacted by these factors. As a result, we are in a position to react effectively to further developments as they arise.

The substantial allocation of top level adjustments to total risk provisioning will provide Helaba with a high level of resilience in the face of the aforementioned geopolitical and macroeconomic uncertainties.

That concludes my remarks, so I will now hand the floor back to Thomas Groß.