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**Chairman of the Board of Managing Directors
of Helaba**

**Annual Press Conference
2020**

**Web Conference
Frankfurt am Main**

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The spoken word shall prevail.

Ladies and Gentlemen,

On behalf of my colleagues on the Board of Managing Directors, please allow me to warmly welcome you to our annual press conference which, in light of current events, is being held in the form of a web conference this year.

As you know, for my colleague Dr. Norbert Schraad and me, this will be our last annual press conference at Helaba. Upon reaching the age limit, as defined in the bank's statutes, on 31 May 2020 we will be retiring from our positions as a member and Chairman, respectively, of Helaba's Board of Managing Directors. My esteemed colleague and deputy Thomas Groß will be taking over as Chairman of the Board of Managing Directors of our bank on 1 June 2020. Dr. Schraad's responsibilities will be distributed among his colleagues Mr. Kemler, Mr. Nickel and Mr. Schmid.

In addition to these changes in the senior management team, this year will also see a change to the frequency of our financial reporting. Instead of issuing quarterly reports, with immediate effect we will be publishing our figures on a semi-annual basis. This decision is a direct consequence of our ongoing Scope efficiency programme, which I will be discussing in more detail later.

Ladies and gentlemen, after almost forty years in banking, I thought I had seen it all before. Unfortunately, this assumption has proven to be false. The notion that a virus from China could effectively paralyse the global economy was something beyond at least my imagination. But even here, the old adage still holds true: there's no point in complaining; in our business, reality is what counts.

And, currently, this reality is called "Corona" for the entire world. However, before I address this issue in more depth at the end of our annual press conference, I would like to focus on the purpose of today's event: a review of the 2019 financial

year which already feels like an eternity ago. Nevertheless, I think it is right to comment on the development and the figures of the past year.

After all, 2019 was an eventful and, on the whole, satisfactory year for our bank. In addition to our successful day-to-day business operations, there were a large number of extraordinary milestones that I would like to highlight in the following points.

- Dexia Kommunalbank Deutschland, which was previously the 41st largest bank in Germany, was fully integrated into Helaba within a very short time. Following its acquisition in December 2018, the deal was closed in May 2019, the legal consolidation took place in September and all balance sheet holdings were transferred to Helaba by December. This resulted in a significant expansion of our bank's total assets. These portfolios are already making a contribution to our net interest income, albeit a modest one. The transaction had a very positive impact on our earnings position for 2019, particularly due to the recognition of a so-called goodwill item. Dr. Hosemann will explain more about this to you when I have concluded my remarks.
- On 3 May 2019, we acquired a loan portfolio in an amount of 1.4 billion euros from DVB, including 18 employees from the Land Transport division. This enabled us to more than double our volume in the Land Transport business line - a segment of particular interest to us - overnight and thus achieve a sustainable improvement in our market position. The employees who were retained are already well integrated into their respective teams at Helaba's offices in Frankfurt, London and New York.

- We launched our efficiency programme entitled "Scope" in the spring of 2019. The aim of this project is to ensure the future viability of our bank even in difficult times. Scope involves the biggest organisational transformation the bank has undergone in 25 years. We have streamlined the organisational structure and reduced the number of managerial roles at all levels. As you can also see from our recent press release, as part of Project Scope we will be eliminating a total of 380-400 currently staffed positions by the end of 2022. The focus of all these changes is on achieving greater efficiency and thus providing additional scope for future growth.

- Since autumn last year a well-structured process of discussion has been underway on consolidation efforts among German Landesbanks. This discussion was put on ice last week due to the coronavirus crisis; more on this later.

- Finally, we have also been preoccupied with another issue not directly related to Helaba. We have been involved on a long-term basis in supporting NORD/LB and, in the 2019 financial year, made a commensurate financial contribution to its rescue. We will continue to make this contribution in the years to come as well. Once again, the institutional protection schemes operated by the Sparkassen-Finanzgruppe demonstrated their capacity to act, as was previously the case with HSH NORDBANK. This point deserves special mention and attention, especially in the extremely turbulent times we are currently going through.

Some of the points I have just mentioned are reflected in our 2019 financial statements. Above all, this applies in a positive sense to the integration of Dexia and, in a negative sense, to expenses in conjunction with Project Scope. Furthermore, we have made provisions for a potential economic downturn by means of a management adjustment to our loan portfolio. However, this does not yet take into account any potential effects that the coronavirus crisis might have on future economic activity. As yet, it is not possible to predict what the economic consequences of the global pandemic will be.

Ladies and Gentlemen,

In assessing our results for the 2019 financial year, the extraordinary factors I outlined earlier must be taken into account. In terms of a pure comparison of figures, Helaba recorded an increase in earnings of exactly 20 percent compared with our 2018 results. If non-recurring effects are excluded, which I regard as appropriate, we see an increase in earnings of around 10 percent. In this calculation, you can assume that we have adopted a conservative view, which is not unusual for us.

So, how can this result be assessed in its entirety?

Let me first make a qualitative assessment: I explained at the beginning of my presentation that 2019 was an eventful year. This placed a heavy burden on our management capacities, as we had to maintain and further expand our core business and our customer relationships at the same time. Our volume of medium- and long-term lending proves that we succeeded in doing just that. Our lending volume in 2019 amounted to 21.5 billion euros, thus exceeding the already high level of the previous year (19 billion euros).

Therefore, in qualitative terms, we have good reason to be satisfied with our performance in 2019. We have shown that we are capable of handling projects while simultaneously achieving success in our day-to-day business.

That brings me to the quantitative assessment of our annual results. At 533 million euros, our pre-tax profit represents an adjusted increase in earnings of some 10 percent.

In this respect, the growth in our customer-related earnings figures is particularly encouraging. I have already touched upon the volume of new medium and long-term business. Both net interest income and net fee and commission income developed very positively. Net interest income rose by more than 10 percent and net fee and commission income by 13 percent. This reflects the very welcome development of our customer-related activities. In terms of net interest income, we reached a turning point after years of decline, while the positive trend with regard to net fee and commission income of the past few years continued at an even stronger pace.

Although higher than in 2018, net trading income was nevertheless below our expectations. This was a result of valuation effects due to the fall in interest rates, particularly at the long end of the market.

One aspect that was less than satisfactory was the development of our general and administrative expenses. IT project-related costs were a major contributory factor here, as were costs resulting from Project Scope as well as from support provided to NORD/LB. In addition to these items, which are of a rather more extraordinary nature, our general and administrative expenses are also too high from a structural perspective. This is one of the main reasons for initiating Project Scope. We must become more efficient and leaner. This is the only way we can

create the leeway we need in order to generate continued future growth. After all, only companies that lay the foundations for long-term growth will have a viable future.

At this juncture, let me just draw an interim conclusion by saying that 2019 was an eventful year. We have grounds to be satisfied with both the results of projects as well as with the results of our business activities.

I would now like to hand over to my colleague, Dr. Hosemann, who will present the 2019 consolidated financial statements.

Ladies and Gentlemen,

In a normal annual press conference, I would now have explained to you how Helaba tackled the challenges of the new reality of banking resulting from negative interest rates, regulation and digitisation and what answers we found to these challenges. This explanation would have remained emphatically objective, as complaining is not a currency in our business. Our currency is reality, and the exchange rate is determined by our actions.

I would have explained to you that for Helaba the 2010s - that is to say, the period from 2010 to 2019 - were not a lost decade for our industry, in contrast to many people's assessments. It is true that, viewed over a 10-year horizon, net interest income grew at a rather modest rate of 1.8 percent per annum. On the other hand, growth in net fee and commission income of an annual 5.3 percent is more impressive. Also worth mentioning is the fact that Helaba earned an average of around 500 million euros before tax per year over the past ten years. This

corresponds to a respective ROE of about 7 percent. We distributed a cumulative total of almost 1 billion euros to our owners and improved our CET-1 ratio from 9.6 percent to 14.2 percent. The fact that the tax authorities also got their money's worth - with our tax payments amounting to a cumulative EUR 1.5 billion - completes the picture.

Furthermore, we were able to refine our business model over the past decade. Now, we are more closely integrated in the Sparkassen-Finanzgruppe than ever before, we have disposed of certain activities and we have strengthened our core business lines.

I would have told you that we are entering the 2020s from a position of strength and I would have described the goals of our Scope efficiency project - Growth through Efficiency - which is, after all, the biggest internal reorganisation of the last 25 years. By launching this programme, we aim to make all divisions of Helaba more efficient in order to channel this greater efficiency into growth. To achieve this, we intend to freeze our administrative expenses at their 2018 level while simultaneously growing faster than the market. This is because only companies that create the right conditions for growth will have a viable future.

However, all this has faded sharply into the background over the past few days. The coronavirus pandemic has got the world, and with it Helaba, firmly in its grip. Against this backdrop, I would now like to explain how the situation is unfolding for Helaba.

Like all companies, the health of employees - more than 6,000 in the Group as a whole - is absolutely paramount for Helaba in all the measures we are taking. So far, eight employees within the group, six of them in the bank, have been infected with the virus. All of them are doing well and we wish them a speedy recovery.

In the last few days, we have greatly expanded the technical possibilities for our staff to access the bank's systems remotely, in other words from workstations or mobile devices at home. This means that Helaba is able to continue working even in very difficult circumstances. Helaba, and with it all the institutions in the Sparkassen-Finanzgruppe, currently perform several critical functions without which life in Germany would come to an even greater standstill.

The first critical function is payment transaction services. We are the second-largest payment transaction processor in Germany. Our systems process around 30.5 million transactions every day. So, if you happen to use your debit or credit card at the supermarket checkout - and this form of payment is set to increase - the likelihood that this transaction will be processed through Helaba is high.

Helaba's second critical function is gaining in importance with each day of the crisis that passes. Programmes managed by Germany's federal development bank KfW, which have been approved by the federal government, as well as the associated funds will be channelled via the Landesbanks and pass-through institutions to the approximately 380 German Sparkassen, where they will be made available to customers. It was a wise decision by all those involved to distribute these funds to a large extent through existing programmes. The necessary technology is already in place to process these funds and they can therefore be distributed swiftly.

The Sparkassen and, in our case, Frankfurter Sparkasse play a very important role here. Since Monday, they have been able to talk to their customers about the KfW programmes, submit applications and also disburse the urgently needed funds. Here, the employees of the Sparkassen are available to our customers as their first points of contact and carry out vital work to provide information about these programmes.

Unfortunately, however, the KfW programmes will not be able to help everyone whose professional livelihoods have been put at risk by the consequences of the coronavirus crisis. This is where the state governments come in with their promotional programmes. In Hesse, the programmes are being rolled out through WIBank. New programmes that meet the needs of Hessian companies are on the verge of being launched.

As you know, WIBank is part of Helaba. WIBank's management is in extremely close contact with the state government. Together, they are working flat out to design and implement the programmes so that the funds can be disbursed. At www.wibank.de/corona, WIBank provides up-to-date information on all forms of assistance available to businesses in Hesse.

The local institutions on the ground are responsible for the final step. Frankfurter Sparkasse is one such institution and part of the Helaba Group. While there has been a noticeable decline in the provision of advice to private customers or a shift towards advisory services using online chat or over the telephone, the need for advice among our commercial customers is growing almost exponentially. Frankfurter Sparkasse alone has been contacted by around 15,000 business customers in the last 4 weeks on the issue of the coronavirus pandemic, its possible impact and available financial support.

But Helaba has also registered a large number of such conversations. Needless to say, our corporate customers are also feeling the effects of the coronavirus crisis and are approaching us about the government support programmes. And they want to know from us how we can support them with liquidity and credit lines. Each individual case is different. However, one thing is universal: Helaba stands for long-term customer relationships built on trust. Even in difficult times.

In difficult times such as these, the enormous value of local savings banks and companies within the Sparkassen-Finanzgruppe, as well as the important role they play, once again becomes clear. In good economic times this is unfortunately often forgotten.

In this respect, allow me to say a few words about our discussions with Deka on closer collaboration, which are also affected by the impact of the coronavirus pandemic.

Last Wednesday, the President of the German Savings Banks Association (DSGV) stated that, in the current situation, the Group has other priorities to deal with. And as far as I am concerned, there is nothing more to add to that.

Nevertheless, I would like to make a few fundamental remarks on the subject, which will still be relevant even after the coronavirus pandemic has subsided: consolidation within a sector is often seen as a panacea for increasing efficiency and stabilising earnings, the magic words being economies of scale.

However, there is no intrinsic value in consolidation; rather, it has to deliver added value for the respective companies and their owners. And in the case of Deka/Helaba, it should also provide advantages for the Sparkassen-Finanzgruppe. I am convinced that bringing Deka and Helaba closer together can create such added value for all parties involved, especially for the Sparkassen-Finanzgruppe.

This is because it is about nothing more, and indeed nothing less, than the formation of a central institution for our organisation. DZ Bank, the central institution for the German cooperative banking sector, is often cited as an example in this respect. Yes, the example of DZ Bank is a good one because it generates added value for the organisation of the German Volksbanks and Raiffeisenbanks and has a successful track record.

The basic prerequisite for this - and this is something we have to be honest about - is that any central institution must have a certain minimum size in order to be competitive in all relevant business fields, too. And since the Sparkassen-Finanzgruppe has a significantly higher market share than the organisation of cooperative banks, this also implies a minimum size requirement for a central institution. Shrinking our organisation would certainly not be helpful here.

In spite of all government relief measures, once the battle against the coronavirus has been won the German economy will look different than it does today. Even the German banking industry will feel the consequences. I am confident that the strength of the Sparkassen-Finanzgruppe puts our organisation in a good position and that we will be able to successfully overcome the challenges that lie ahead.

This brings me to the outlook for 2020: Helaba is moving from a strong position into the difficult period that now lies ahead of us all. It is not yet possible to forecast the repercussions of the coronavirus crisis. So far, the virus is mainly spreading in strong industrial nations. We have not yet experienced the consequences in less developed countries and in those with weak healthcare systems. In view of this, we are going to see a noticeable economic downturn. In addition, there are trade conflicts that have almost been forgotten and the UK's withdrawal from the EU, which has yet to be regulated.

At the moment, there is no way to reliably estimate the impact that all these factors will have on Helaba. However, there is no question that they will have an impact. For this reason, I would ask for your understanding that I am not able to provide a forecast of our results for the current financial year.

Thank you very much for your attention as well as for the ever critical albeit fair way in which you have accompanied me during my time working at Frankfurter Sparkasse and Helaba over the years. I now look forward to your questions.