

# Helaba

Landesbank  
Hessen-Thüringen



## Investor Presentation

● April 2012





## 1. Strategic Business Model

## 2. Key Financials

## 3. Asset Quality

## 4. Funding



## Key Elements of the Business Model

- **Universal bank: i.e. with wholesale and retail portfolios and an integrated public development bank with statutory guarantee**
- **Frankfurter Savings Bank (#4 in Germany) as 100% subsidiary, including direct banking activities**
- **Finance Group Hesse-Thuringia: a single economic entity combining Helaba and the 50 savings banks in Hesse & Thuringia – a unique business model with a joint group rating**
- **Strong roots into core business regions with significant future growth potential**
- **Ratings in the top league of German banks (A1 under review for possible downgrade, A stable, A+ stable)**

©Helaba Grafik



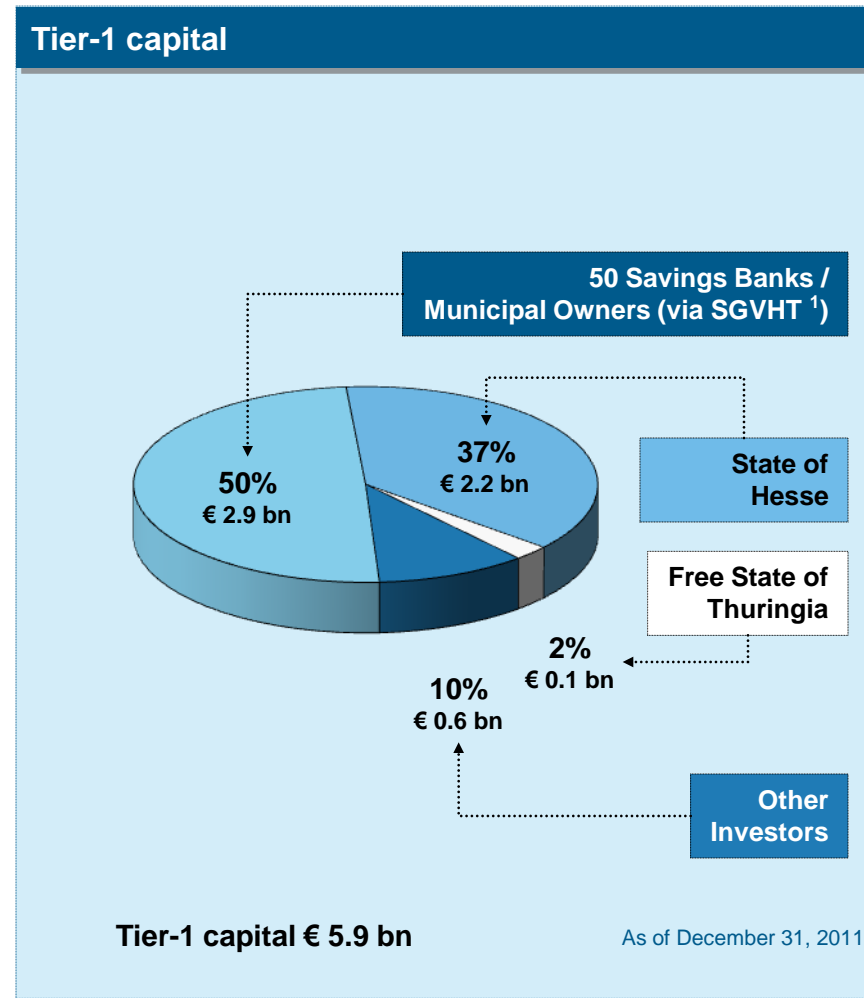
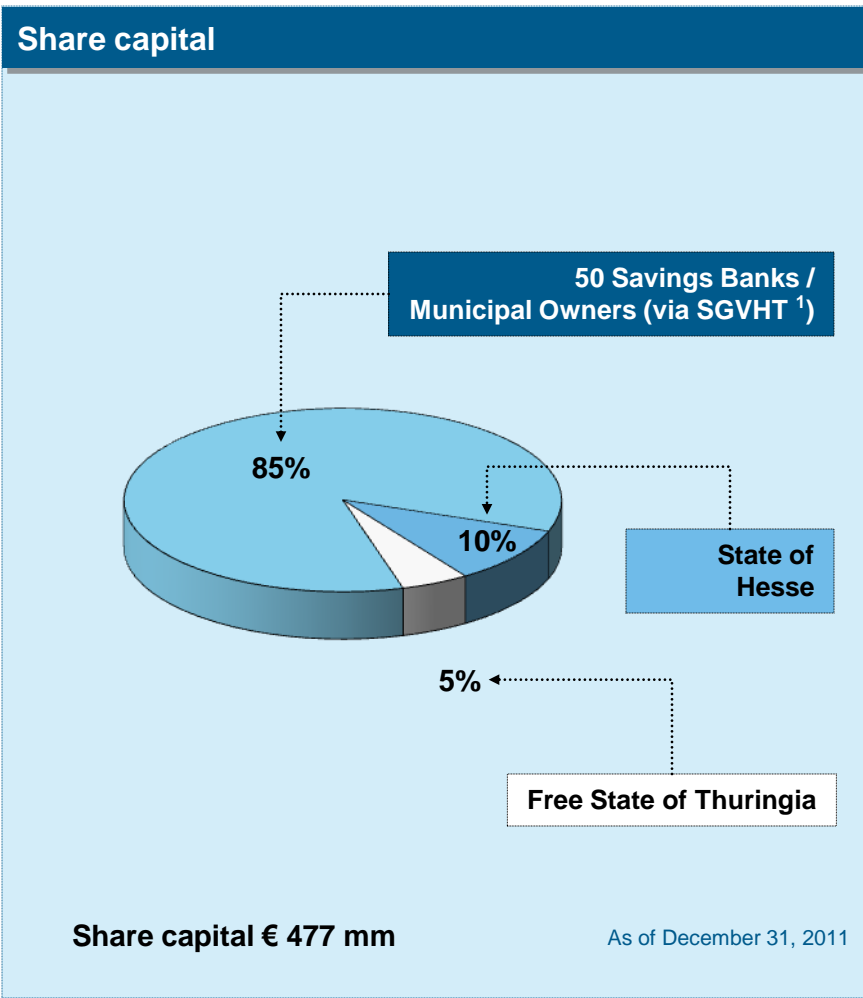
## European Regional Bank with International Reach:

<b>Total Assets:</b>	<b>€ 164 bn</b>
<b>Tier 1 capital ratio:</b>	<b>10.3</b>
<b>Total capital ratio:</b>	<b>15.3%</b>
<b>Employees:</b>	<b>5,888</b>
<b>Retail Customer:</b>	<b>&gt; 1.8 mm</b>
<b>Owner:</b>	<b>85% SGVHT (Savings Banks Hesse Thuringia Association)</b>
	<b>10% State of Hesse</b>
	<b>5% Free State of Thuringia</b>
<b>Results for 2011:</b>	<b>€ 492 mm (pre-tax, IFRS)</b>

©Helaba Grafik

As of December 31, 2011

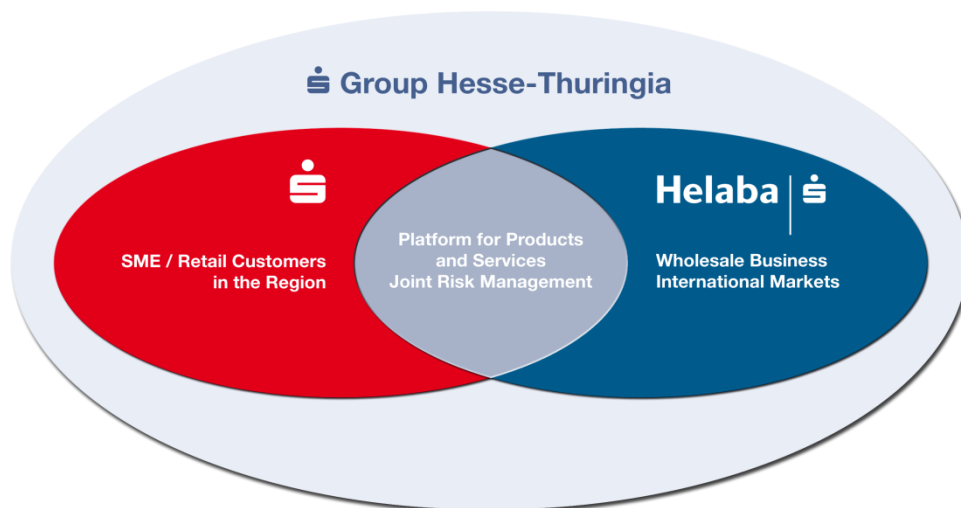




(1): SGVHT: Savings Banks and Giro Association Hesse-Thuringia







## Finance Group Hesse & Thuringia

### Business development 2010

- Total assets: € 251.6 bn
- Net profit before taxes: € 1,269 mm
- Capital ratio: 10.7%
- Return on capital (pre tax): 9.1%
- Cost-income ratio: 62.4%

### Joint Market Presence

- Joint business strategy
- Wholesale & retail market coverage with defined customer responsibility
- Coordinated product range

### Joint Risk Management

- Standard risk management strategy
- Risk monitoring system with early warning indicator
- Risk-adjusted contributions to the group's reserve fund

### Group Reserve Fund

- Direct legal investor protection in addition to institutional support
- Universal joint risk management system
- € 530 mm addition to existing nationwide voluntary support mechanisms

### Consolidated Accounts

- Audited consolidated group accounts since 2003
- Group rating from Fitch Ratings (A+ and a+) and Standard & Poor's (A)





## 1. Strategic Business Model

## 2. Key Financials

## 3. Asset Quality

## 4. Funding



## Profit and loss for Helaba Group 2011 (IFRS)

	31.12.2011	31.12.2010	Change	
	in € mm	in € mm	in € mm	in %
Net interest income	1,067	1,017	50	4.9
Provisions for losses on loans and advances	-273	-285	12	4.2
<b>Net interest income after provisions for losses on loans and advances</b>	<b>794</b>	<b>732</b>	<b>62</b>	<b>8.5</b>
Net commission income	254	249	5	2.0
Net trading income	-44	148	-192	>-100.0
Result of hedges / derivatives	292	5	287	>100.0
Results from financial investments (incl. result from companies accounted for using the equity method)	-16	-25	9	36.0
Other operating result	209	357	-148	-41.5
General administrative expenses	-997	-1,068	71	6.6
<b>Earnings before taxes</b>	<b>492</b>	<b>398</b>	<b>94</b>	<b>23.6</b>
Taxes on income	-95	-100	5	5,0
<b>Consolidated net income</b>	<b>397</b>	<b>298</b>	<b>99</b>	<b>33.2</b>

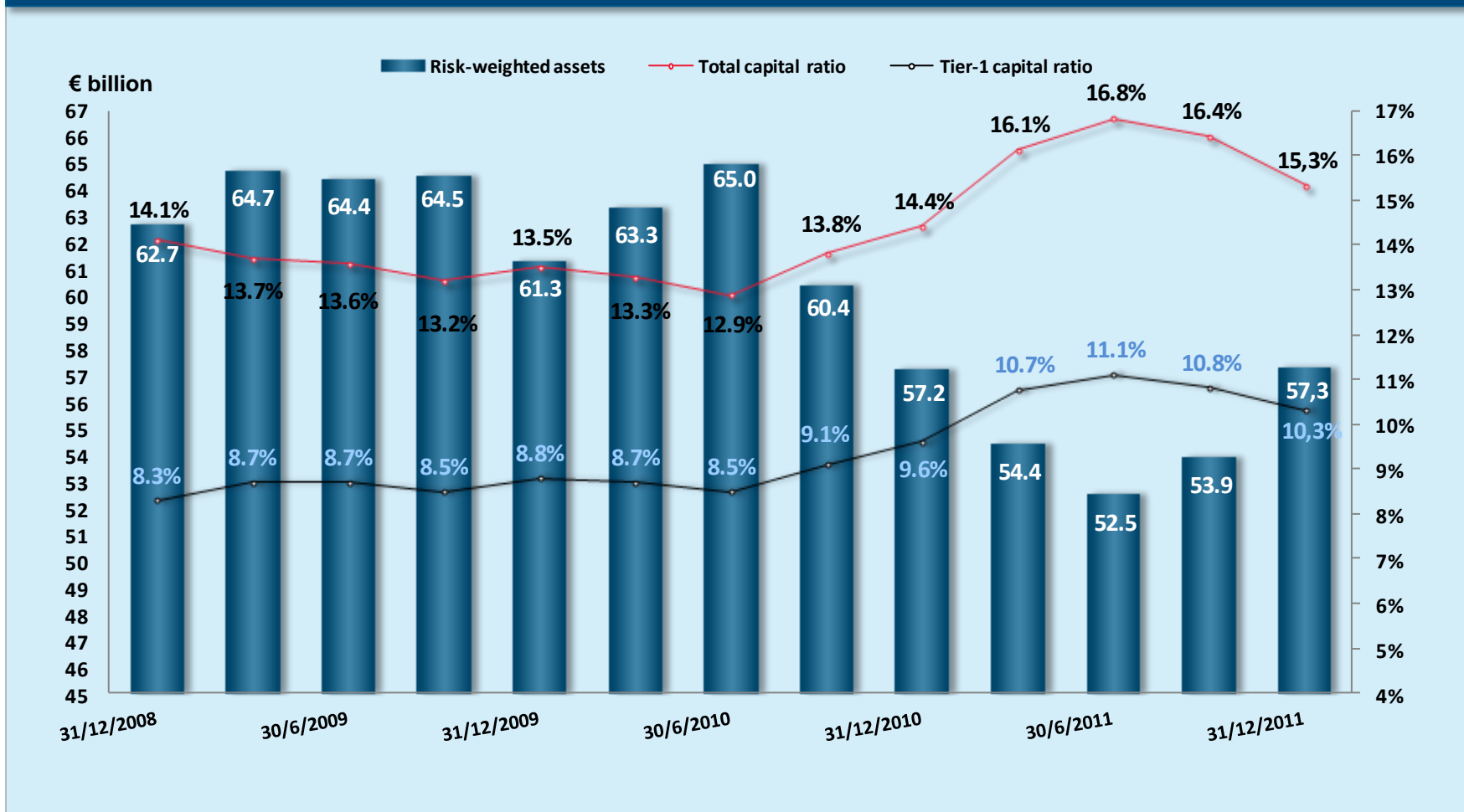


# Consolidated balance sheet Helaba Group 2011 (IFRS)

	31.12.2011	31.12.2010	Change	
	in € bn	in € bn	in € bn	%
Loans and advances to banks incl. cash reserves	15.6	14.8	0.8	5.4
Loans and advances to customers	84.0	87.7	-3.7	-4.2
Impairments on receivables	-1.3	-1.3	0	-0.2
Assets held for trading	38.0	39.2	-1.2	-3.1
Positive market value of derivatives not held for trading	4.3	3.7	0.6	15.7
Financial assets, incl. companies accounted for using the equity method	18.8	17.8	1	5.9
Investment property; property, plant and equipment, intangible assets	2.9	2.9	0	-0.1
Income tax assets	0.6	0.5	0.1	40.7
other assets	1.0	0.9	0.1	0.1
<b>Total assets</b>	<b>164.0</b>	<b>166.2</b>	<b>-2.2</b>	<b>-1.4</b>
Liabilities due to banks	31.6	31.7	-0.1	-0.5
Liabilities due to customers	41.9	40.9	1	2.5
Securitised liabilities	37.2	40.4	-3.2	-7.8
Liabilities held for trading	37.2	38.5	-1.3	-3.5
Negative market value of derivatives not held for trading	3.9	3.1	0.8	24.4
Provisions	1.3	1.2	0.1	7.5
Income tax liabilities	0.4	0.2	0.2	50.0
Other liabilities	0.6	0.5	0.1	22.3
Subordinated capital	4.5	4.5	0	-0.5
Shareholders' equity	5.5	5.2	0.3	5.6
<b>Total liabilities</b>	<b>164.0</b>	<b>166.2</b>	<b>-2.2</b>	<b>-1.4</b>



## Development of quarterly capital ratio<sup>1</sup>



<sup>1</sup> Calculated on the basis of the Solvency Regulation (German Commercial Code - "HGB")





**1. Strategic Business Model**

**2. Key Financials**

**3. Asset Quality**

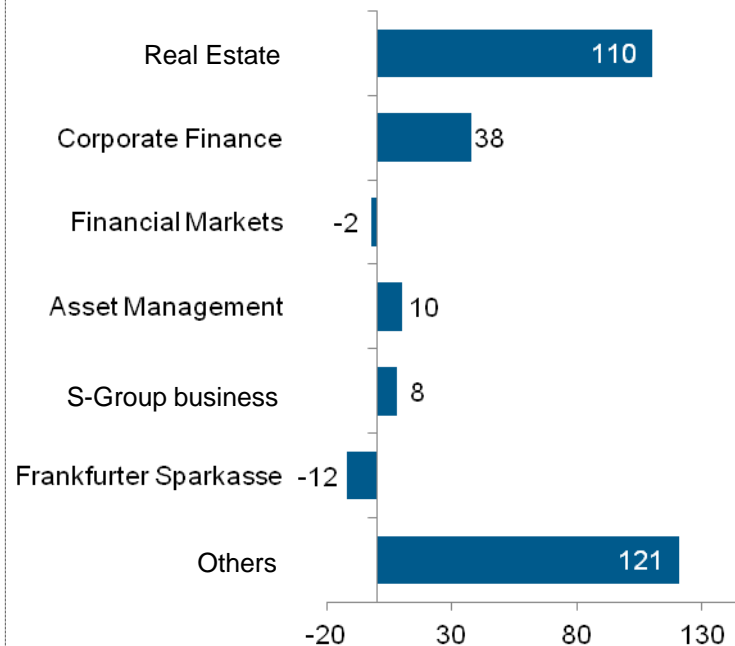
**4. Funding**



## Risk provisioning in the lending business € mm

1/1- 31/12/2010		1/1- 31/12/2011	
Net risk provisioning	285	<b>Net risk provisioning</b>	<b>273</b>
Individual loan loss provisions	229	<b>Individual loan loss provisions</b>	<b>182</b>
Compounded individual value adjustments	12	<b>Compounded individual value adjustments</b>	<b>-3</b>
Portfolio value adjustments	0	<b>Portfolio value adjustments</b>	<b>78</b>
Provisions	7	<b>Provisions</b>	<b>14</b>
Direct write-offs on loans and advances	37	<b>Direct write-offs on loans and advances</b>	<b>2</b>

## Net risk provisioning by segment\*



\*Negative values: Net liquidations

As of December 31, 2011

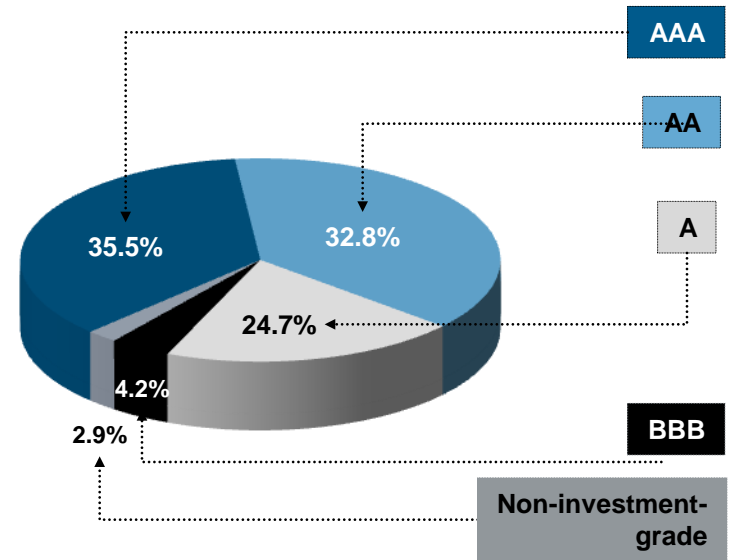
Portfolio value adjustments for engagements with no specific default criteria were increased in 2011 by € 78 mm as a purely preventative measure (total: € 326 mm)



# Securities portfolio (1): High quality and short terms

Breakdown of Helaba's € 43.9 bn securities portfolio by maturity bands and rating categories

	0-2 years	2-5 years	5-10 years	> 10 years	Total
	in € bn	in € bn	in € bn	in € bn	In € bn
<b>ABS</b>	0.7	0.3	0.1	0.0	1.1
<b>Corporates</b>	0.0	0.1	0.2	0.0	0.3
<b>Financials</b>	14.0	13.1	1.9	0.1	29.1
<b>Government</b>	2.1	6.9	1.5	0.1	10.6
<b>Total</b>	<b>16.8</b>	<b>20.4</b>	<b>3.7</b>	<b>0.2</b>	<b>41.1</b>



As of December 31, 2011

- 94% of the securities portfolio is rated AAA to A
- 41% of the securities portfolio matures within two years
- Financials make up 71% of the portfolio
- The ABS portfolio accounts for just 2.7% of Helaba's securities portfolio



## Securities portfolio (2): ABS – limited exposure and high rating profile

15

### Rating distribution of the ABS portfolio

2011	Risk position	Volume by rating category				
		AAA	AA	A	BBB	BB and lower
	in € mm	in %	in %	in %	in %	in %
<b>RMBS</b>	403	31.8	34.1	29.1	2.5	2.5
<b>CMBS</b>	288	-	49.4	30.8	19.8	-
<b>CLO</b>	345	10.0	23.4	40.1	13.2	13.3
<b>Other ABS</b>	62	36.2	11.4	34.9	7.1	10.4
<b>ABS total</b>	<b>1,092</b>	<b>16.9</b>	<b>33.5</b>	<b>33.3</b>	<b>10.6</b>	<b>5.7</b>

As of December 31, 2011

- 84% of the ABS portfolio currently has a rating of “A” or better
- ABS portfolio reduced by 53% since the end of 2008 through scheduled redemptions (deleveraging)





**1. Strategic Business Model**

**2. Key Financials**

**3. Asset Quality**

**4. Funding**



Agency	Helaba Ratings		
	Moody's	Fitch Ratings	Standard & Poor's
Short-term rating	P-1	F1+	A-1
Long-term rating	A1 (under review for possible downgrade)	A+ (stable)	A (stable)
Public sector mortgage bonds	Aaa	AAA	AAA
Real estate mortgage bonds	-	AAA	-

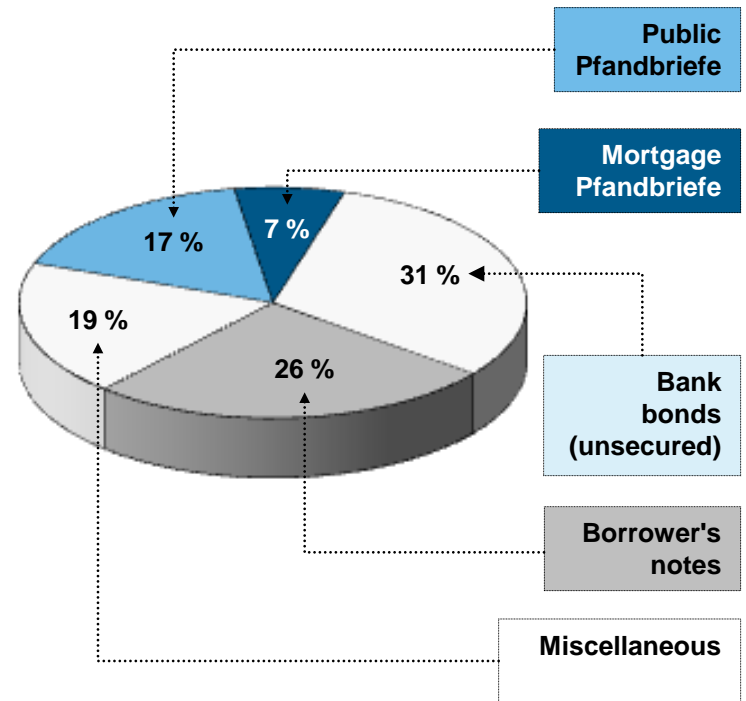
Rating for the S-Group Hesse-Thuringia		
	Fitch Ratings	Standard & Poor's
Short-term rating	F1+	A-1
Long-term rating	A+	A
Financial strength / Viability rating	a+	-

Source: Standard & Poor's, Moody's Investor Service, Fitch Ratings – as of February 15, 2012



## Outstanding medium- and long-term funding (≥ 1 year): € 87.5 bn

	2011	2010	2009
	in € mm	in € mm	in € mm
<b>Pfandbriefe</b>	20,435	21,113	19,904
- thereof public	14,611	15,138	14,170
- thereof mortgage	5,824	5,975	5,734
<b>Bank bonds<sup>1</sup></b>	27,537	29,888	30,578
<b>Borrower's notes<sup>1</sup></b>	23,008	21,787	21,447
<b>Miscellaneous<sup>2</sup></b>	16,550	16,643	16,153
<b>Total</b>	<b>87,530</b>	<b>89,433</b>	<b>88,082</b>



1) Includes liabilities callable in less than 12 months

2) Subordinated bonds/participation rights certificates/silent deposits/earmarked funds

As of December 31, 2011

• Additional stability provided by approx. € 24 bn of customer deposits



## Funding Strategy

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

## Funding Volume

	Covered	Unsecured	Total
<b>2011</b>	3 bn €	9 bn €	12 bn €
<b>2012 planned</b>	7 bn €	6 bn €	13 bn €

## Funding Programmes

- EUR 35 bn Euro Medium Term Note Programme
- Domestic issuance (Basisprospekt)
- EUR 10 bn Euro-CP/CD Programme
- EUR 6 bn French CD Programme
- USD 5 bn USCP Programme

## Broad Liquidity Access

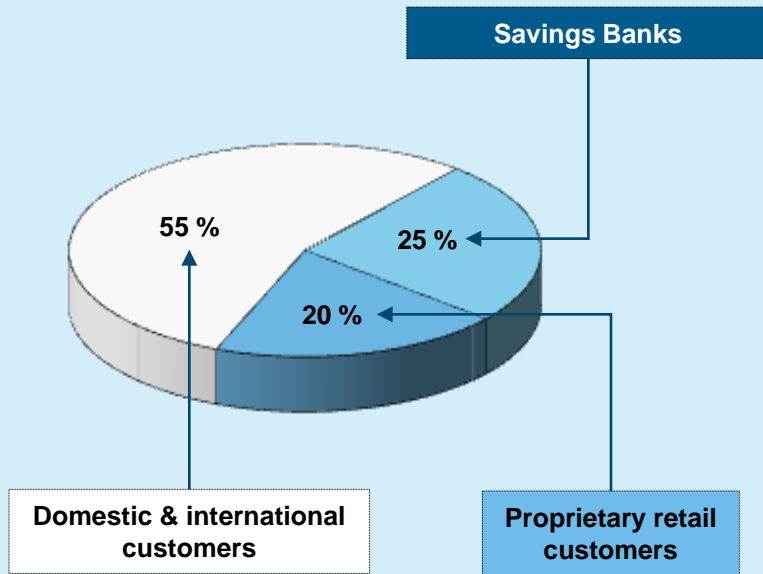
- EUR 29 bn collateral pool for German covered bonds ("*Pfandbriefe*")
- EUR 35 bn securities eligible for ECB / Fed funding
- EUR 15 bn retail deposits within Helaba Group
- EUR 76 bn deposits within the -Finance Group Hesse-Thuringia (as at Dec. 31, 2010)

As of December 31, 2011



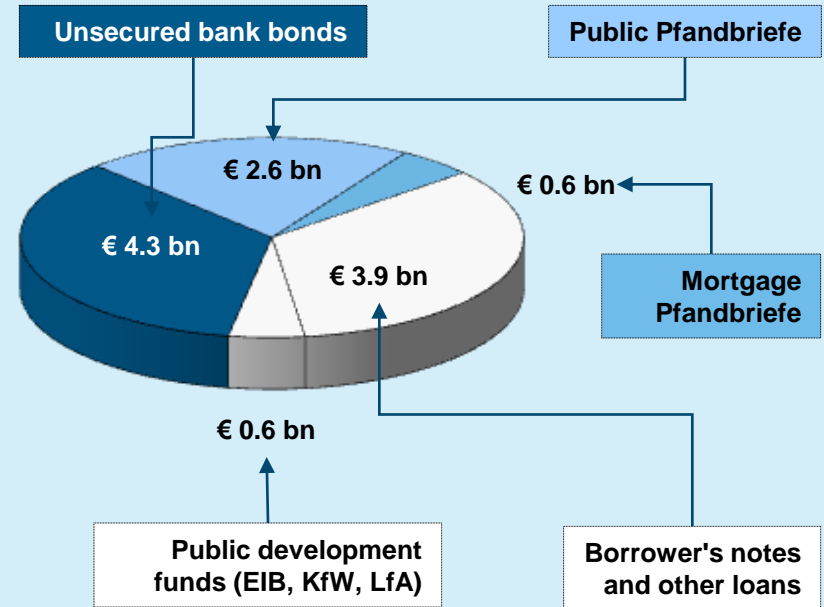
# Medium- and long-term funding (≥ 1 year) 2011: Diversified funding mix

## Funding break-down by customers



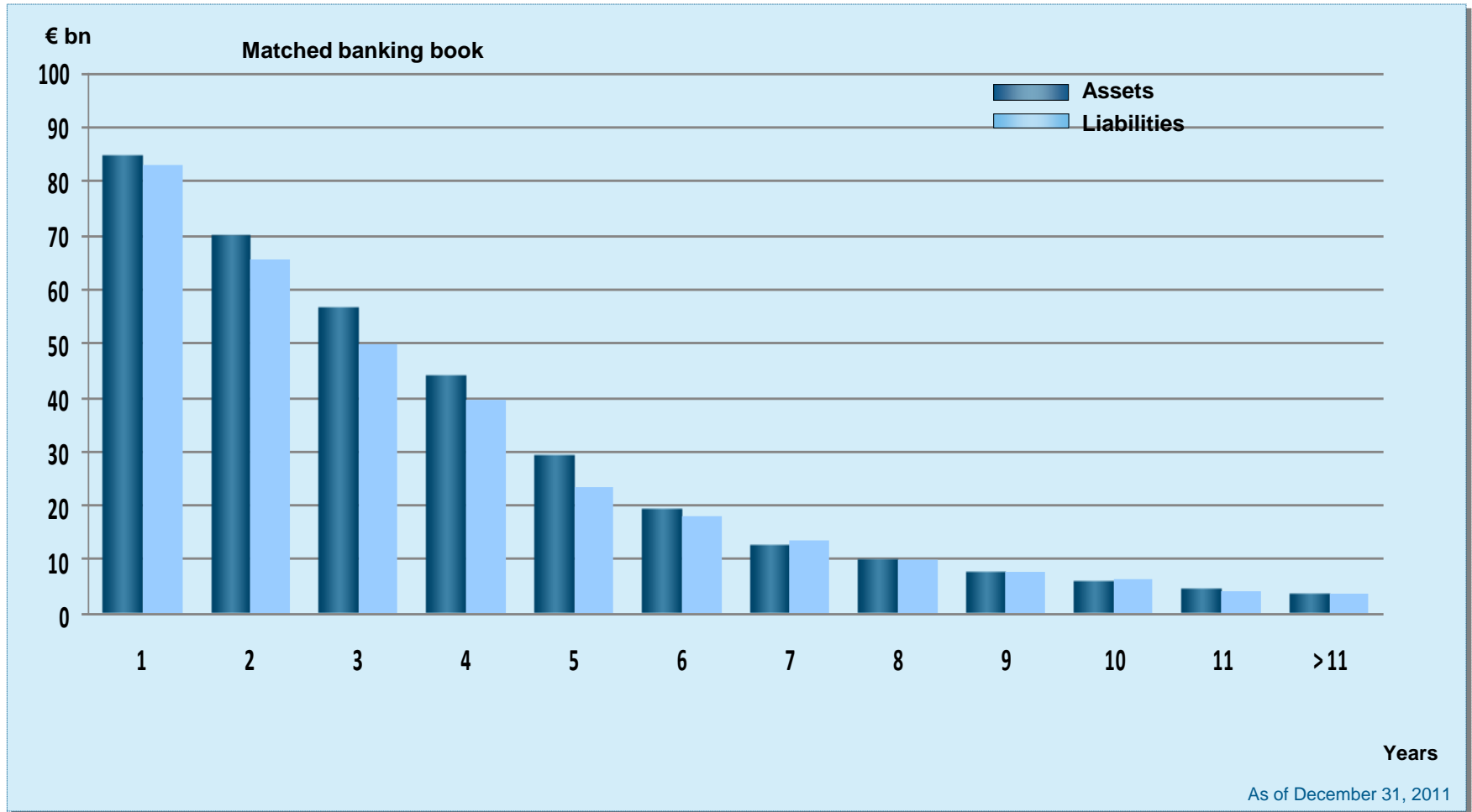
As of December 31, 2011

## Funding break-down by products



As of December 31, 2011





## ■ General Manager Treasury

Dirk Mewesen

Tel: +(49-69) 9132-4693

E-mail: [Dirk.Mewesen@helaba.de](mailto:Dirk.Mewesen@helaba.de)

## ■ Head of Funding

Martin Gipp, VP

Tel: +(49-69) 9132-1181

E-mail: [Martin.Gipp@helaba.de](mailto:Martin.Gipp@helaba.de)

## ■ Head of Debt Investor Relations

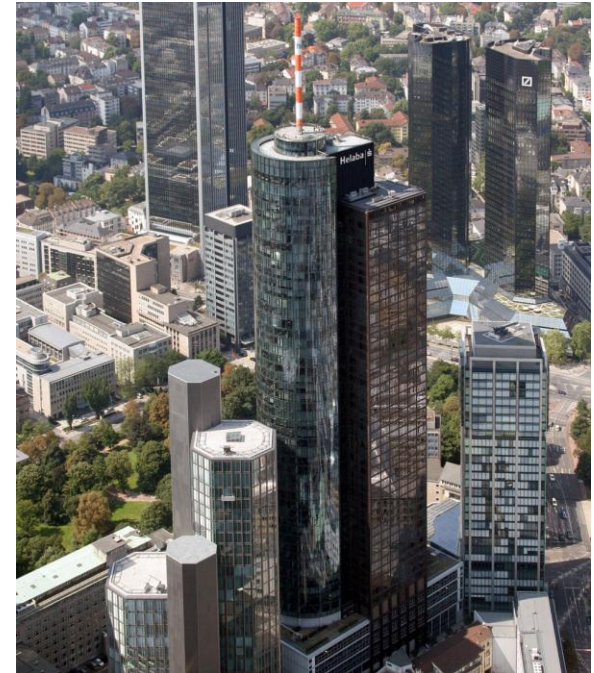
Alan J. Noble, VP

Tel: +(49-69) 9132-4104

E-mail: [Alan-James.Noble@helaba.de](mailto:Alan-James.Noble@helaba.de)

## ■ Helaba Web-Site

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



Landesbank Hessen-Thüringen  
Girozentrale  
Neue Mainzer Strasse. 52-58  
60311 Frankfurt/Main



This presentation and the information contained herein do not constitute or form part of a prospectus or other offering document in whole or in part and should not be construed as an offer or solicitation to buy or sell any securities or any related financial instruments and should be regarded as informative only. All information is as of the date of publication and can change without any further notice. Whilst every effort has been taken to ensure the accuracy of the presentation material, no guarantee is given nor liability assumed for the information contained herein.

Helaba does not offer any advice as regards to taxation and accounting or legal matters. From the past result, performance or achievements no conclusions as to the future results, performance or achievements can be drawn.

The 2011 group financial information are based on the attested annual IFRS group accounts but still need approval by the owners of the bank. Therefore, all calculations based upon these figures are preliminary and should be regarded as informative only.

All forms of distribution of this document require the prior written approval by Helaba.

© Landesbank Hessen-Thüringen Girozentrale,

Frankfurt am Main / Erfurt

