

**Hamburg
Commercial
Bank**



Investor Presentation

**Preliminary IFRS Group Result
as at 31 December 2021**

10th February 2022

Agenda

1.

READY FOR THE FUTURE

BdB entrance achieved – profitable growth ahead

2.

FINANCIAL GROUP RESULTS

YE 2021

3.

CAPITAL AND LIQUIDITY

YE 2021

4.

SEGMENT OVERVIEW

YE 2021

5.

HCOB AT A GLANCE

A private commercial bank and specialist financier

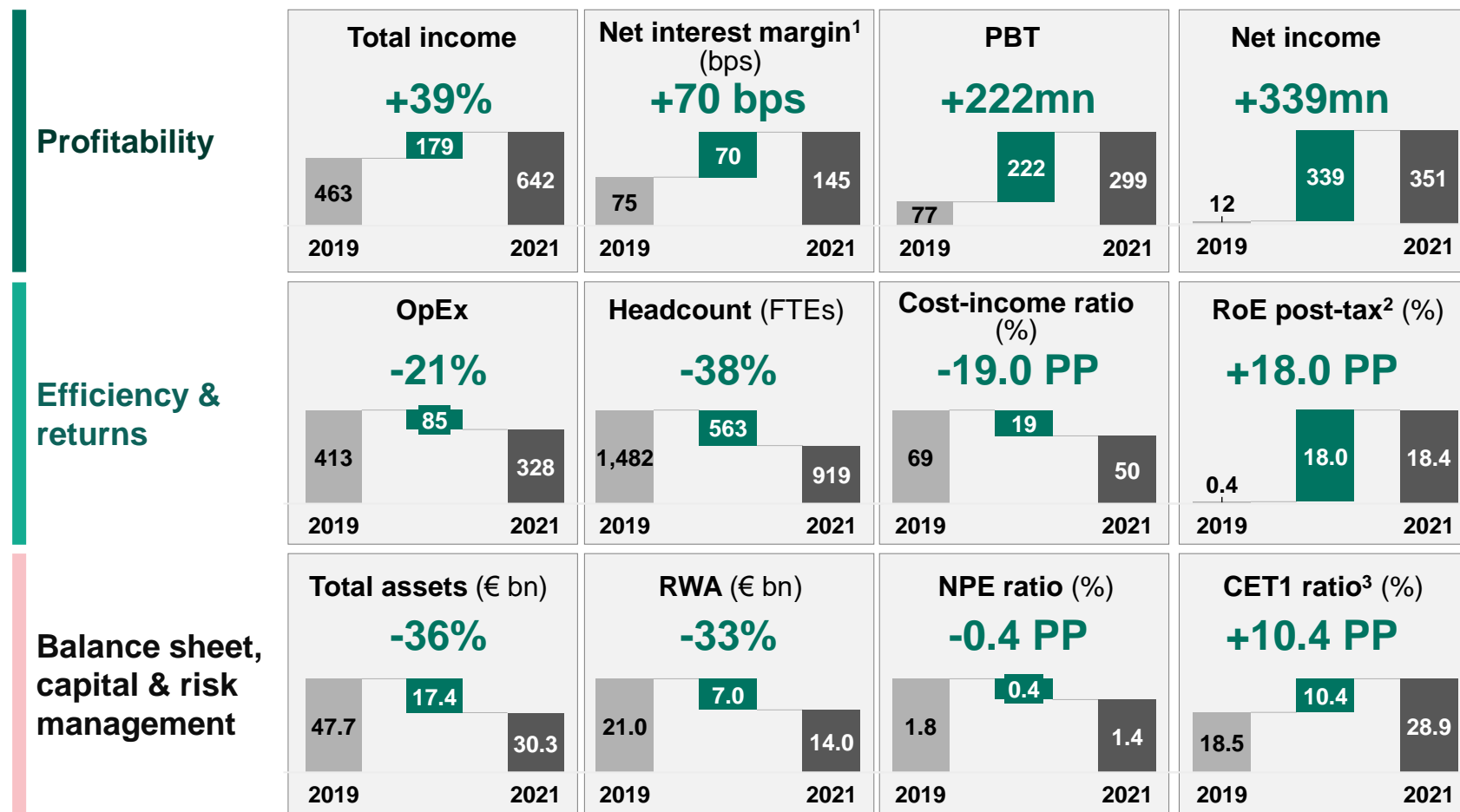
1. READY FOR THE FUTURE

BdB entrance achieved – profitable growth ahead

HCOB transformation delivers one of the top performing banks in Germany

Top KPIs 2021 vs. 2019

(Figures in € mn, unless stated)



All 2021 figures are preliminary | 1) Net interest margin equals core net interest income divided by avg balance sheet | 2) RoE before / after taxes based on CET1 ratio of 13% | 3) CET1 ratio 2021 reported as not in period, thus w/o FY 2021 net income (NI) in CET1 capital

Highlights YE 2021

Transformation

- ✓ Successful completion of **3-year transformation program**...ahead of schedule
- ✓ Comprehensive b/s and cost base restructuring...proving that **ambitious, far-reaching transformation is possible in Germany**
- ✓ Positioned as **one of Germany's most operationally efficient banks**...continuing to invest in IT for further efficiency/scale
- ✓ **Successful BdB entry** marks final milestone of the privatization process (effective 1 January 2022)

Financials

- ✓ **Earnings:** € 299mn profit before tax...€ 351mn net income in FY21. Well ahead of prior guidance
- ✓ **RoE:** 18.4% ROE based on 13% CET1 ratio...7.7% ROE on average IFRS capital
- ✓ **NIM:** NIM expansion continues through pricing discipline & asset allocation...145 bps b/s in FY21 (vs. 117 bps in FY20)
- ✓ **NPE:** Risk very well managed...NPE reduced to 1.4% at YE21 (vs. 1.8% at YE20)
- ✓ **Expenses:** Cost restructuring further reflected in 2021 results...€ 328mn OpEx in FY21 (down 10% vs. FY20)
- ✓ **Capital:** Capital at extraordinary levels...28.9% CET1 ratio (vs. 27.0% at YE20)

Outlook

- Following improvement of ratings profile in 2021, **further strengthening expected** based on trajectory of key financial metrics
- **Committed to moderate growth** in mid-term plan incl. our core franchises...CRE, Shipping, Project Finance & Corporates
- **Strong capital position** provides high level of **strategic flexibility**

All YE 2021 figures are preliminary

Guidance: Moderate growth, expanding track record of strong profitability while maintaining sound capital & asset quality

(Figures in € mn, unless stated)

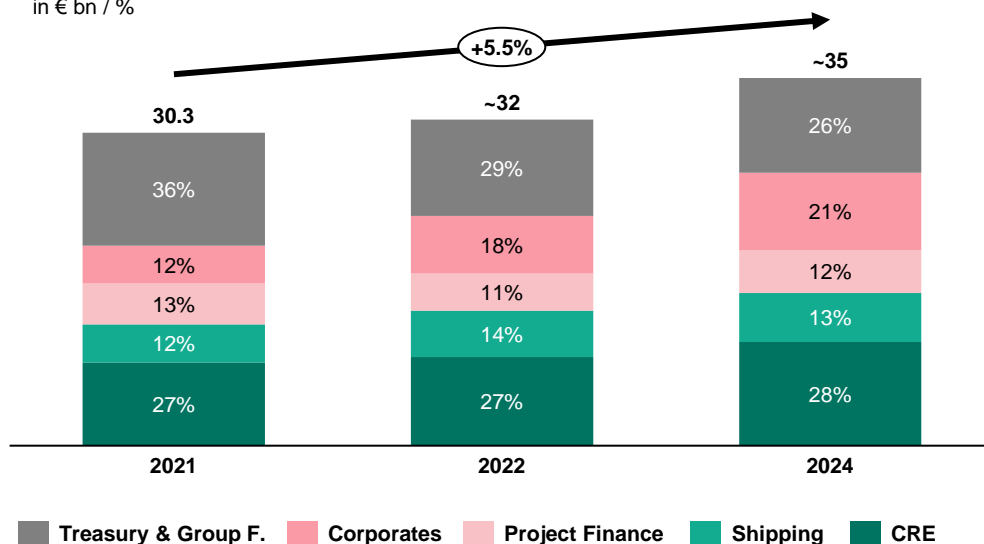
	2020	2021	2022	2023	2024	Key levers / highlights	
Increasing Revenues and Profitability	Total income	656	642	>600	>700	>800	<ul style="list-style-type: none"> Well positioned for revenue growth following repositioning
	Net interest margin¹ (bps)	117	145	~170	~190	~200	<ul style="list-style-type: none"> Improved asset allocation & b/s productivity with lower funding costs
	PBT	257	299	>280	>350	>400	<ul style="list-style-type: none"> Increasingly diversified earnings profile while maintaining core franchises
	Net income	102	351	>250	>250	>300	<ul style="list-style-type: none"> Net income in '21 benefitted from tax effects, normalized tax rate starting '23
	RoE post-tax² (%)	4.3	18.4	~11	~10	~11	<ul style="list-style-type: none"> Strong profitability metrics, covering cost of capital, underpin strengthening of ratings and funding franchise
Operating Efficiency	Cost-income ratio (%)	42	50	46	40-42	40-42	<ul style="list-style-type: none"> Strict cost management while investing in capabilities and people as growth enablers, continued investment in IT transformation in 2022/2023
Strong Balance Sheet & Risk Management	Total assets (€ bn)	33.8	30.3	~32	~34	~35	<ul style="list-style-type: none"> Shift towards selective growth
	NPE ratio (%)	1.8	1.4	1.8	1.6	1.6	<ul style="list-style-type: none"> Strong risk management reduced NPE volume in 2021, conservative projection
	CET1 ratio (%)	27.0	28.9	>20 ³	>20 ³	>20 ³	<ul style="list-style-type: none"> Capital usage from b/s growth & higher RWA from A-IRB to F-IRB models. F-IRB RWA uplift temporary, will be largely offset by B4. Pro-forma B4 impact at YE22 est. at + ~280 bps CET1

Maintaining strong position in asset-based finance, growth and diversification through granular international corporate exposures



Asset allocation on b/s¹

in € bn / %



- Business model based on strong expertise being further enhanced by allowing for higher diversification while growing the b/s
- Constant share of asset-based finance CRE, Shipping and Project Finance at approx. 53%, each with mix of subsectors and moderate correlation
- Corporates driven by expansion of International Corporates exposures while maintaining strong position in Northern German home region
- Streamlined Treasury with high quality investment portfolio and liquidity buffer

Strong business model of enhanced sector specialist approach combining profitable niches with diversification

All 2021 figures are preliminary | 1) Rounding differences possible

Recent upgrade by Moody's to Baa1 reflects excellent capital position, de-risked portfolio and strong profitability trajectory

Key Credit Strengths

- ✓ Robust and resilient capitalization well above regulatory requirements and peers, with significantly increasing capital generation capacity
- ✓ Substantially de-risked and simplified asset portfolio underpinned by legacy disposals and conservative new business with prudent risk appetite and improving diversification, amid macroeconomic uncertainty
- ✓ Strong coverage of credit risks
- ✓ Significant progress towards diversifying the funding base, extending the maturity profile & maintaining substantial liquidity buffer
- ✓ Demonstrated expertise of owners drives best practices

Upside Drivers

- Demonstrating underlying franchise strength, while lengthening track record for risk-adjusted profitability
- Continued diversification by reducing concentration risks from cyclical assets
- Further maturity extension and diversified funding

Ratings Overview ¹	Moody's	S&P
Issuer Ratings		
Deposit Rating	Baa1	–
Issuer Credit Rating (Long-Term)	Baa1 / positive	BBB / developing
Short-term Debt	P-2	A-2
Stand-alone Rating	ba1	bbb-
Instrument Ratings (Unsecured Issuances)		
"Preferred" Senior Unsecured Debt	Baa1	–
"Non-Preferred" Senior Unsecured Debt	Baa2	–
Subordinated Debt (Tier 2)	Ba2	–
Instrument Ratings (Secured Issuances)		
Mortgage Covered Bonds	Aa1	–
Ship Covered Bonds	A2	–

1) Latest publications by rating agencies available on Hamburg Commercial Bank's website: <https://www.hcob-bank.de/en/investoren/rating/rating/>

Strong financials well above German peers – HCOB with excellent metrics for capital and profitability

in %

Key Metrics	Ratios (in %)	HCOB		GER	Deutsche Bank	Commerzbank	Aareal Bank	Deutsche Pfandbriefbank	IKB Deutsche Industriebank ³	BayernLB	EU
		YE 2021	Target 2024								
Capital	CET1 ratio	28.9 ⁴	> 20 ⁵	15.4	13.2	13.5	21.5	14.9	14.8	16.4	15.4
	Leverage ratio	12.7 ⁴	~10	5.5	4.9	4.6	5.7	5.7	7.5	4.9	5.7
Asset Quality	NPE / NPL ratio	1.4 ¹	1.6 ¹	1.0	2.7	0.8	4.9	1.0	1.8	0.5 ³	1.9
Liquidity	LCR	164	~140	162	133	148	>100	>150	205	240	175
Profitability	CIR	50	40-42	73	85	73	43	39	60	60	63
	RoE ²	18.4	~11	4.4	3.8	0.1	2.3	6.5	8.8	8.4	7.7
	NIM	1.4	~2.0	0.9	0.8	0.9	1.3	0.8	1.3	0.7	1.2
Long-Term Rating	Moody's / S&P	Baa1 / BBB	A3 / BBB+		A2 / A-	A1 / BBB+	A3 / -	- / BBB+	Baa1 / -	Aa3 / -	

Profitability	✓ Key profitability metrics (CIR, RoE, NIM) well above German peers, due to selective new business, NIM expansion, B/S optimization & decreasing funding costs – expanding successfully started track record will be major rating driver
Capital	✓ Excellent capitalization, well above average for higher-rated peers, excess capital will be managed over time
Asset Quality	✓ De-risked, sound, well-performing portfolio with manageable exposure in key Covid-19 impacted sectors & strong loss coverage
Liquidity	✓ Substantial liquidity buffer provide robust cushion for adverse scenarios, funding structure increasingly diversified

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All YE 2021 figures are preliminary | Source: Company reports/ presentations based on Q3 2021 and EBA Risk Dashboard, 2021-Q3 for GER and EU comparisons | 1) NPE for HCOB | 2) RoE after taxes based on a 13%-ratio of invested CET 1 capital as reported for HCOB (7.7% RoE after taxes based on reported average IFRS capital as of 31.12.2021) | 3) As of 30.06.2021 | 4) Capital ratios 2021 reported as not in period, thus w/o NI FY 2021 | 5) CET1 guidance without dividend assumptions and subject to development of dividend policy prior to YE22



Further operationalizing ESG in our commercial and risk management processes

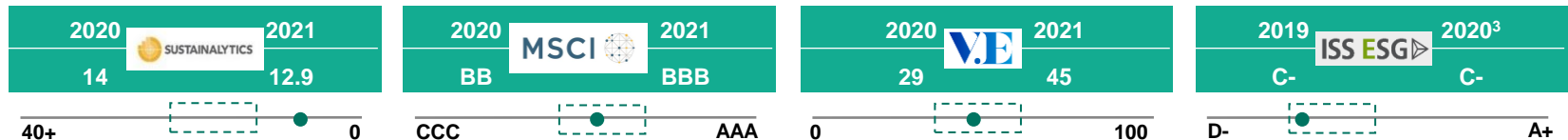
Key Achievements 2021

- ✓ **Industry black list and investment policy** in place
- ✓ **ESG Scoring for entire portfolio completed**, including transitions risks
- ✓ **Sustainability Governance & Roadmap** established
- ✓ **External reporting** improved e.g. CSR Report, ESG Factbook
- ✓ **Best in class in ECB's assessment** of bank's **adequacy of ESG plans vs. supervisory expectations**

Outlook on key milestones 2022+

- **Strategic ESG customer dialogue on transition financings** including **incentives** for meeting green standards
- Complete **ECB climate risk stress test**
- **Further embed ESG targets** in business planning
- **Collection of CO2 emissions data** for GHG accounting in accordance with PCAF
- New business mapping to **Sustainable Development Goals**

ESG Ratings



Legend: ● HCOB [dashed box] Average range of peers rating results

ESG Targets - 2025

Green new business production

> 10%
of net new business
(vs. 8% 2020¹)

- Reliable partner for our clients on their ESG transition path
- >10% of total new business production in green assets on a projected increasing b/s

GHG emissions of scope 1 & 2

> 20%
reduction
(vs. 683t CO2 emissions 2020)

- Relatively small footprint as a commercial bank
- Further reduction driver to come with move to new HQ building & smaller sqm footprint

Female share in Senior Positions & Management Level²

33%
(vs. 26% 2020)

- HCOB strongly promotes equality and diversity
- Target anchored in managers' goals and objectives

Transformation achievements have been widely recognized by external stakeholders and market participants

Best German bank in The Banker's "Top 1000 World Banks 2021"

"The best-performing bank out of Germany's largest 10 lenders, [...] is Hamburg Commercial Bank."



June 2021

Leading research analyst firm highlights HCOB's outstanding transformation

"We regard HCOB as proof that restructuring can work in German banking"

"[...] management is super focused on lending margins, indefatigable on costs and pro-active on risk"



AUTONOMOUS

Sept 2020 & May 2021

Rating agencies underline HCOB's solid profitability and excellent capitalization

"The positive outlook reflects Moody's expectation that HCOB will continue to fully execute its transformation plan, ultimately leading to a structurally improved efficiency, a sustainably raised profitability and an overall strengthened solvency"

MOODY'S

November 2021

Christian Sewing (President of the BdB) acknowledges HCOB's successful entry into BdB

"The admittance of Hamburg Commercial Bank to the private Deposit Protection Fund marks a special step for Germany as a financial centre. It's the first time we are admitting a former Landesbank. We are pleased that Hamburg Commercial Bank has successfully made the change."

bankenverband

November 2021

2. FINANCIAL GROUP RESULTS

YE 2021

Well positioned for profitable growth after establishing a solid foundation with strong metrics

Repositioned balance sheet for profitable growth	The balance sheet is well positioned for taking growth opportunities and responding favorably to an economic environment with higher interest rates. The asset duration profile delivers flexibility to manage asset allocation in an efficient way
Diversified business model	Diversified business model delivers valuable client franchise on both sides of the b/s. Lower cyclicity and higher granularity driven by an active diversification strategy especially in the Corporate business segment. Higher profitability is expected to continue for all business segments. Good new business production in Q4 2021 sets strong foundation for 2022+
Increased transparency & stability	Lower b/s and improved risk profile leads to lower FVPL volatility going forward. Tax result will normalize towards a 27% tax rate in 2023, benefitting from TLCF in Luxembourg. HCOB's overall P&L will reflect the simplified business model and clean b/s with a stable/foreseeable income stream and positive SVA
Efficient & scalable operating model	Investing in a modern company remains the highest priority to support the growth strategy and generate a competitive edge. Efficiency target (CIR) remains 40-42%, higher spend for people will be offset by earnings growth. Higher IT spend over the next 12 month due to weak vendor performance will be eliminated by 2H 2023
Maintaining a strong capital position	HCOB will maintain a strong CET1 ratio with sufficient buffer to SREP minimum requirements after model change to F-IRB approach and b/s development from moderate growth plan. The RWA uplift from switching to F-IRB is temporary and will be offset with Basel 4 implementation. Capital levels under review until YE22, with updated guidance to be provided prior to YE22

Solid revenues and decisively managed costs drive profitability – overhaul of b/s increasingly bearing fruit

in € mn	YE 2021	YE 2020	Δ		YE 2021	YE 2020	Δ
Net interest income	526	629	-16				
Net commission income	38	48	-21				
Result from hedging	1	5	-80				
Result from financial instruments categorised as FVPL	37	-93	>100				
Net income from financial investments	3	7	-57				
Result from the disposal of financial assets classified as AC	37	60	-38				
Total Income	642	656	-2				
Loan loss provisions	32	-188	>-100				
Total income after loan loss provisions	674	468	44				
Administrative expenses	-328	-365	-10				
Other operating result	14	205	-93				
Expenses for regulatory affairs, deposit guarantee fund and banking associations	-32	-32	0				
Net income before restructuring and transformation	328	276	19				
Result from restructuring and transformation	-29	-19	-53				
Net income before taxes	299	257	16				
Income tax expense	52	-155	>-100				
Group net result	351	102	>100				
				RoE before taxes ¹	15.7%	10.9%	5pts
				RoE after taxes ¹	18.4%	4.3%	14pts
				NIM ²	145	117	28bps
				CIR	50%	42%	8pts
				Risk Costs ³	-14	64	-78bps
				NPE Coverage Ratio AC	56%	48%	8pts

- Total income (€ 642mn) driven by solid recurring earnings, in particular sound trend in NII and NIM, and positive FVPL result
- Better than expected LLP (€ 32mn net reversal) due to sound risk development. LLP buffers remain available to help mitigate potential ongoing Covid-19 driven risks
- OpEx decline by 10%, reflecting decisive cost management
- Other operating result significantly lower, reflecting nearly neutral impact of one-off effects (e.g. building sales dominated last year)
- Overall, strong financial metrics from increasingly strong NIM, downward trend for CIR and strong RoE reflect upward profitability trend

Increasingly productive balance sheet built on strong capital and liquidity position – risks are well covered

in € mn

	YE 2021	YE 2020	Δ%
Cash reserve	3,261	1,741	87
Loans and advances to banks	1,236	1,558	-21
Loans and advances to customers	20,198	22,478	-10
Loan loss provisions	-446	-569	-22
Trading assets	689	1,544	-55
Financial investments	4,524	5,459	-17
Non-current assets held for sale and disposal groups	10	634	-98
Other assets	799	970	-18
Total assets	30,271	33,815	-10
Liabilities to banks	5,504	7,478	-26
Liabilities to customers	11,141	13,104	-15
Securitised liabilities	6,704	5,670	18
Trading liabilities	289	686	-58
Provisions	454	634	-28
Subordinated capital	921	940	-2
Equity	4,717	4,344	9
Other liabilities	541	959	-44
Total equity and liabilities	30,271	33,815	-10

	YE 2021	YE 2020	Δ
CET1 capital ¹	4.1	4.2	-3%
RWA	14.0	15.5	-10%
CET1 Ratio ¹	28.9%	27.0%	1.9pts
Leverage Ratio ¹	12.7%	12.2%	0.5pts
NPE Ratio	1.4%	1.8%	-0.4pts
NPE Coverage Ratio ^{AC}	56%	48%	8pts
LCR	164%	171%	-7pts
NSFR	114%	111%	3pts

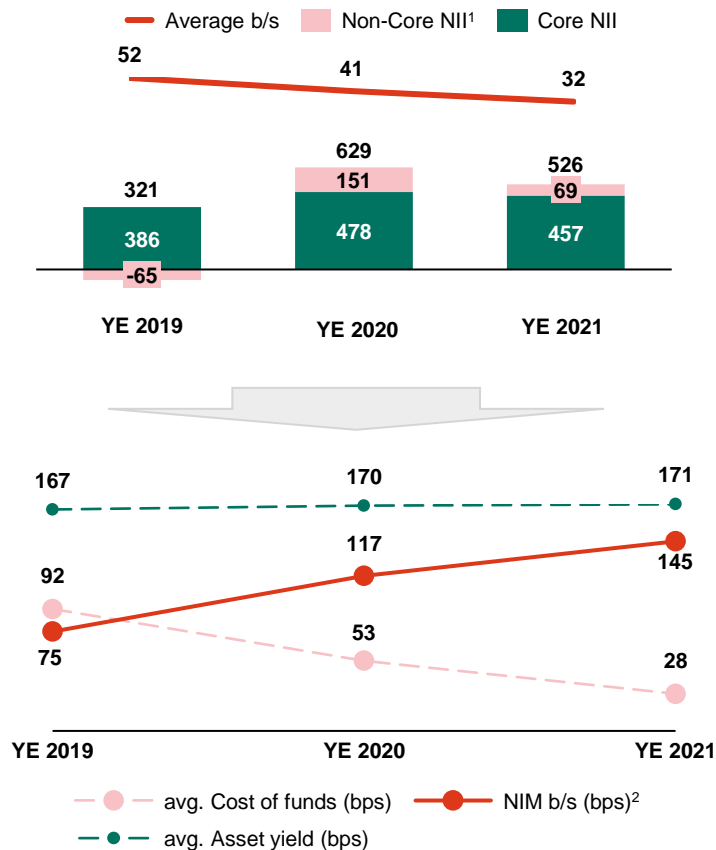
- Strategic target of ~ € 30bn b/s achieved, structure has been significantly improved and is set for moderate growth
- Moderate decrease in total assets is attributable in particular to loans & advances to customers and trading assets, the latter reflecting reduced derivatives exposure
- Excellent capital position reflected in strong CET1 ratio and leverage ratio
- Potential portfolio risks are well covered by total LLPs amounting to 2.2% of customer loan book
- Sound liquidity ratios (LCR, NSFR) reflect prudent liquidity steering

All YE 2021 figures are preliminary | 1) Capital ratios 2021 reported as not in period, thus w/o NI FY 2021

P&L driver: Net interest income driven by reduced cost of funds and selective business – fee income to be developed

NII & NIM

in € mn / bps



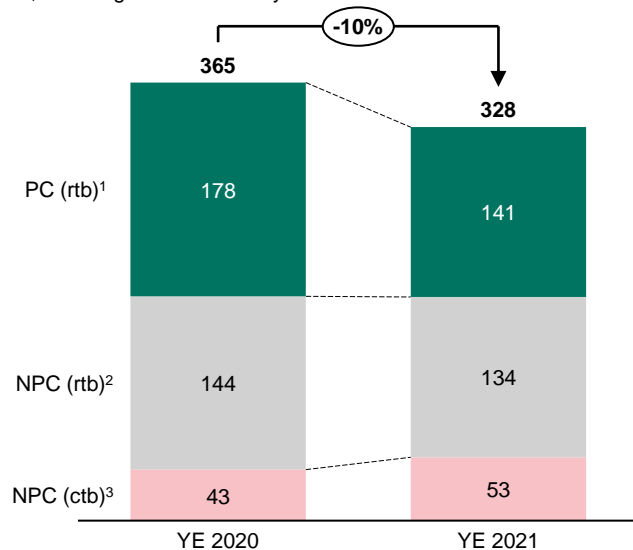
- Productivity of balance sheet increased as Core NII decreased by less than 5% versus FY 2020, while average balance sheet was reduced by more than 22%
- This resulted in a further increase of NIM b/s to 145 bps, up 70 bps versus FY 2019
- Strategy to buy-back high-priced legacy instruments and focus on organic funding led to significant decrease of average cost of funds
- Although interest rates declined, average asset yield remained relatively stable reflecting the bank's pricing discipline in new business
- Fee income decreased in 2021 due to lower loan structuring and guarantee fees. Payment /documentary fees flat despite reduced b/s

By business type in € mn	YE 2021	YE 2020	Δ
Fee income	38	48	-21
Lending business	17	22	-23
Payment business / documentary business	14	15	-7
Guarantee business	6	8	-25
Securities business	2	1	100
Other	-1	2	>-100

Operating expenses: Significantly reduced rtb costs and temporarily elevated ctb costs due to IT transformation

OpEx

in € mn, rounding differences may occur



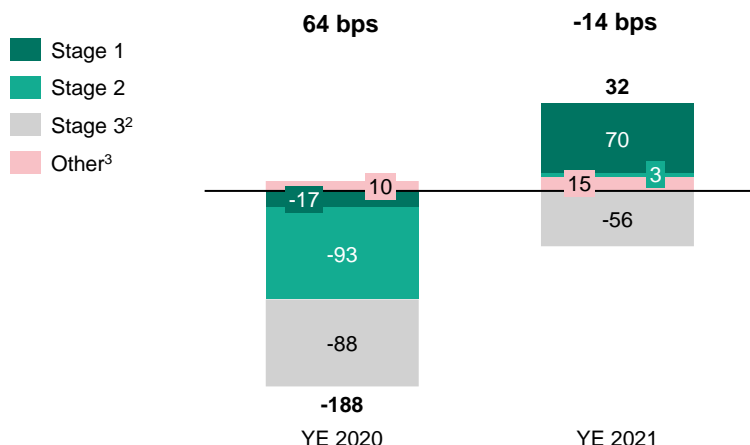
Restruc/Transf.	19	29
Regulatory costs	32	32
CapEx	15	22
CIR	42%	50%
FTE	1,122	919

- OpEx reduced by 10% to € 328mn, thereof reduction run the bank (rtb) costs by -15% (€ 275mn)
 - PC (rtb)¹ reduction 2021 due to staff downsizing linked to reduction in balance sheet volume, simplification of processes and outsourcing. Investments in the workforce are planned in line with the bank's growth.
 - NPC (rtb)² initial reductions especially due to lower building costs and payment provider costs. Further savings planned in following years after completion of IT transformation
 - NPC (ctb)³ temporary additional requirements due to IT transformation projects
- Moderate temporary Restructuring/Transformation costs for e.g. decommissioning of legacy IT
- Stable regulatory costs essentially determined by bank levy
- Limited use of CapEx especially for IT transformation
- Temporary increase to CIR 50% - prospective reduction planned

Moderate LLP reversals in 2021 – strong coverage of portfolio risks by total LLP amounting to 2.2% of loan book

Credit loss expense & risk costs¹

in € mn / bps



Balance sheet view and coverage ratios

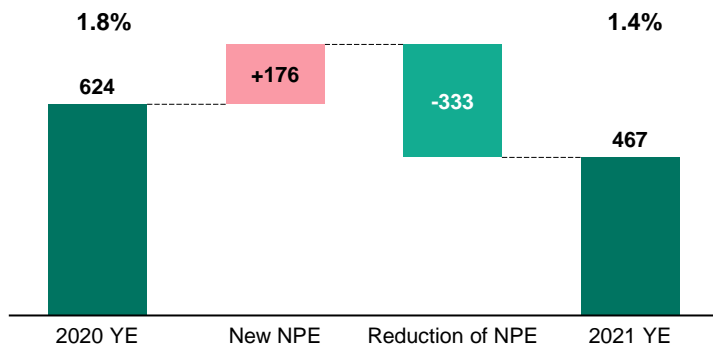
KPIs	YE 2021	YE 2020
NPE	467	624
NPE coverage ratio (AC) in %	55.8	47.9
NPE ratio in %	1.4	1.8
Total LLP b/s	446	569
Total LLP coverage in %	2.2	2.5
Stage 1 LLP b/s	68	91
Stage 1 coverage in %	0.4	0.5
Stage 2 LLP b/s	169	216
Stage 2 coverage in %	7.8	7.9
Stage 3 SLLP ³ b/s	209	262

- Portfolio quality was further improved, risk are well covered
- Solid level of risk coverage as total LLP on b/s cover 2.2% of total loan book. Coverage ratio_{AC} is sound 56%
- Currently prudent view on 2022, however sound NPE development in 2021 and high coverage of portfolio risks provides upside potential for 2022

Solid NPE coverage based on SLLP – collateral and overlays with comfortable buffer for potential implications from Covid-19

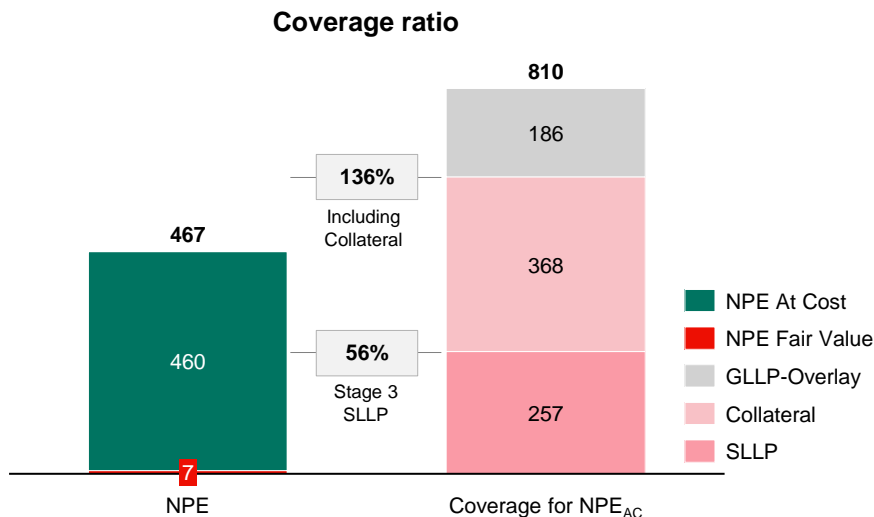
NPE volume and ratio

in € mn / %



Portfolio covered by SLLP, collateral & overlays¹

in € mn



- Stringent risk management reduced NPE volume by 25% to 467mn€, NPE ratio down to 1.4% despite lower b/s
- NPE of € 460mn NPE_{AC} and € 7mn NPE_{FV}
- Solid NPE_{AC} coverage of:
 - **SLLP** (stage 3) with a coverage ratio of 56%
 - **Incl. collateral** the coverage ratio amounts to 136%

All YE 2021 figures are preliminary I 1) Incl. off-b/s LLP, but on AC assets only

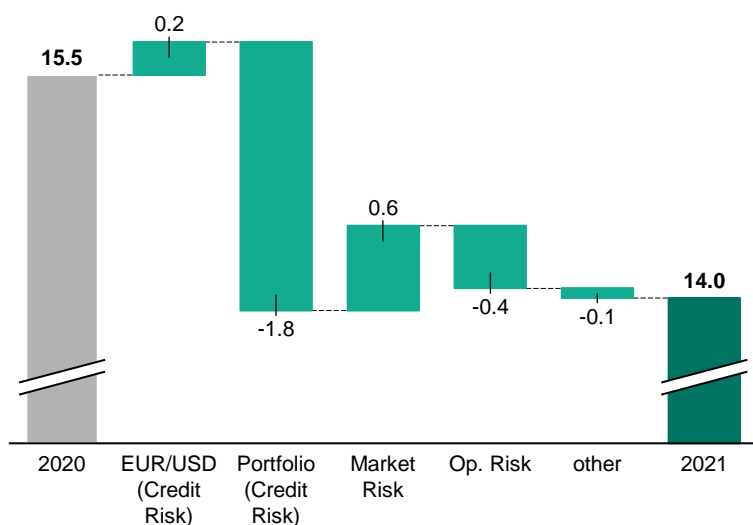
3. CAPITAL AND LIQUIDITY

YE 2021

Capital position further strengthened by rigorous de-risking and de-leveraging activities

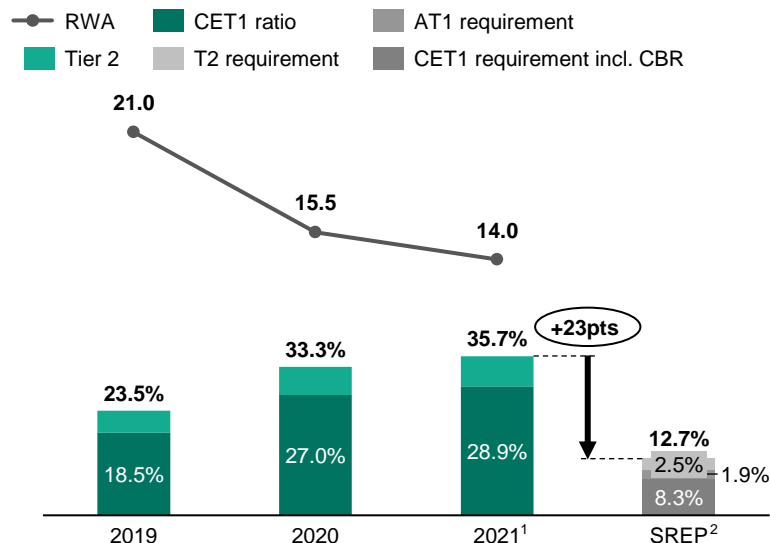
Drivers of RWA development

in € bn



Development of RWA / capital ratios

in € bn



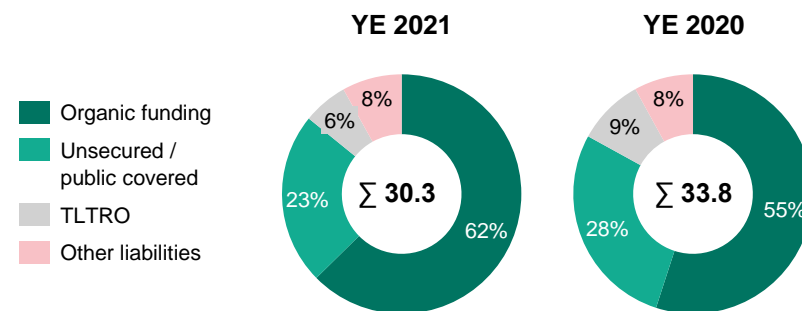
- Further increased CET1 ratio of rd. 29% underlines strong capital position with capital surplus well above regulatory requirements
- Leverage ratio further strengthened to very strong 12.7% (12.2%)
- RWA significantly reduced by de-risking and de-leveraging started in 2019 and careful new business selection

Liability strategy linked to core business – 62% of funding sources are organic funding from clients & deliver franchise value

in € bn	YE 2021	YE 2020	Δ
Capital	4.7	4.4	+0.3
Development Banks	2.6	3.8	-1.2
Mortgage covered bonds	2.9	2.9	-
Shipping covered bonds	0.3	0.1	+0.2
Franchise deposits	8.4	7.3	+1.1
Organic funding	18.9	18.4	+0.5
Other deposits ¹	0.2	1.9	-1.7
Public covered bonds ²	0.9	1.2	-0.3
Unsecured Funding (SP/SNP)	5.2	5.4	-0.2
Tier 2	0.9	0.9	-
Unsecured / public covered	7.1	9.5	-2.4
TLTRO	1.8	3.0	-1.2
Other liabilities ³	2.5	2.9	-0.4
HCOB Group	30.3	33.8	-3.5

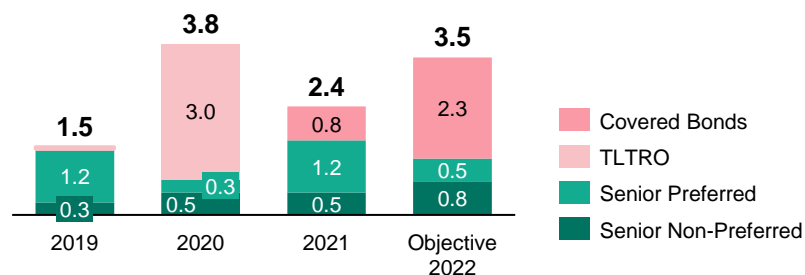
Funding Composition HCOB

in € bn



Long-term funding issuance

in € bn

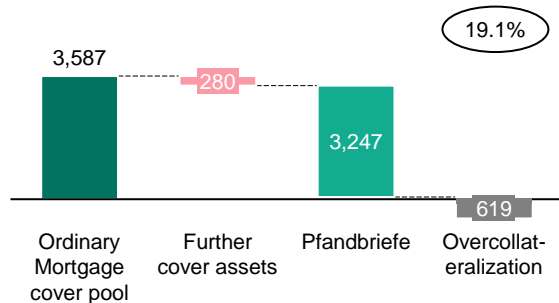


- Funding strategy of HCOB focusses on increasing the organic funding as it leverages on banks core business and leads to increased franchise value
- TLTRO has been actively reduced by €1.25bn and replaced by organic funding (deposits and covered bonds). As a result of this strategy, organic funding significantly increased from 55% to 62% during 2021
- Going forward, share of organically sourced liabilities will be expanded further (e.g. by lower TLTRO, further leveraging of covered bond franchise and increase of deposits)

Mortgage Pfandbrief Cover Pool – Aa1 Rating by Moody's

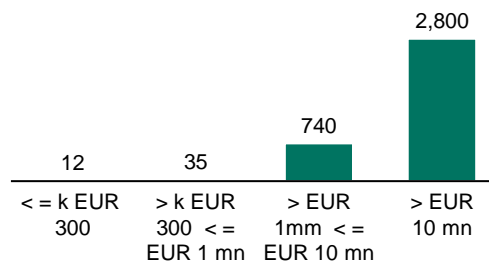
Cover pool – nominal value

in € mn



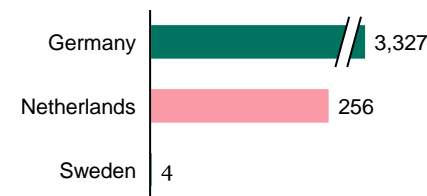
Breakdown by average loan size

in € mn



Cover pool by region

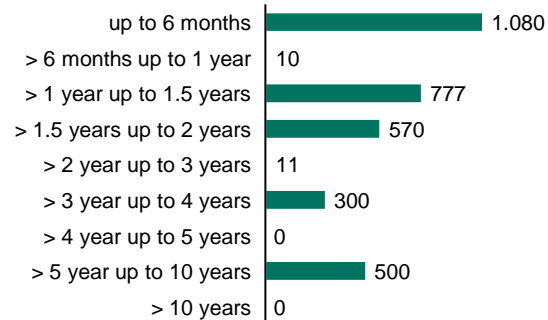
in € mn



Maturity structure

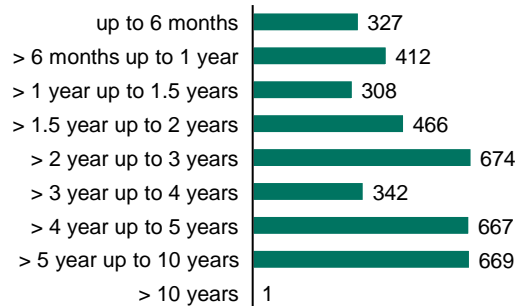
Pfandbriefe outstanding

in € mn; total: € 3,247.3mn



Cover pool volume

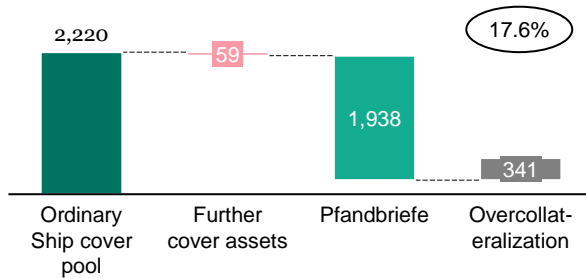
in € mn; total: € 3,866.2mn



Ship Pfandbrief Cover Pool – A2 Rating by Moody's

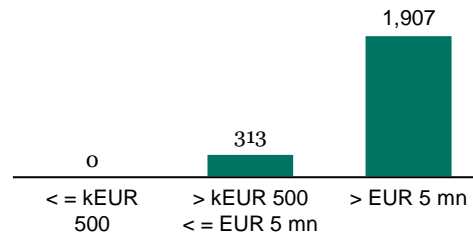
Cover pool – nominal value

in € mn



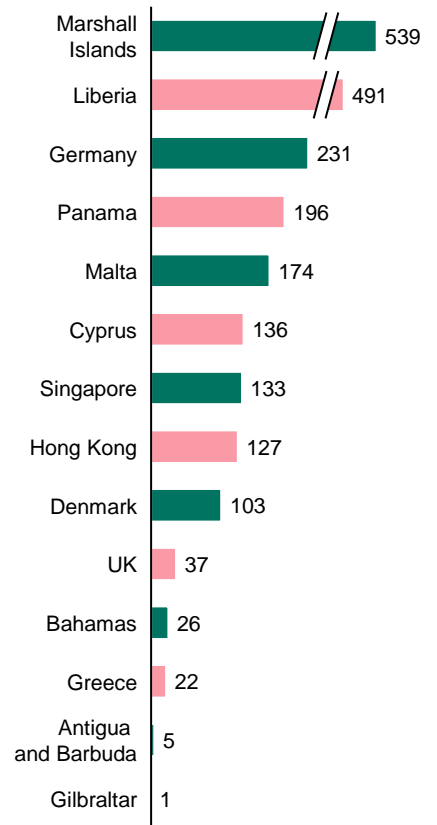
Breakdown by average loan size

in € mn



Cover pool by region

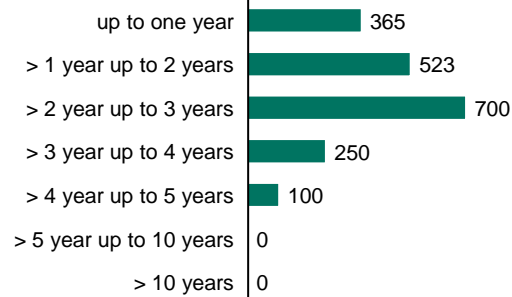
in € mn



Maturity structure

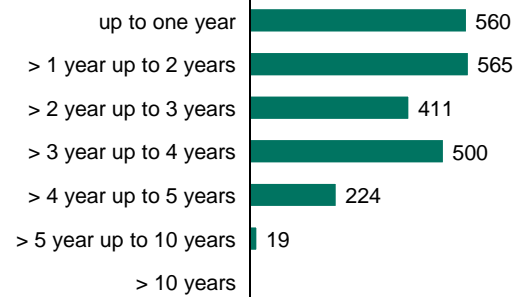
Pfandbriefe outstanding

in € mn; total: € 1,938mn



Cover pool volume

in € mn; total: € 2,079.4mn



4. SEGMENT OVERVIEW

YE 2021

Pure-play commercial bank with clearly defined strategies in all core businesses

Lending Functions				Investment Functions
Real Estate	Shipping	Project Finance	Corporates	Treasury & Group Functions
<ul style="list-style-type: none"> Core and well-known franchise in the sizeable German CRE market Expanding new business with appropriate risk-return requirements Substantial structuring expertise for tailor-made financing Selective expansion of international business in neighbouring European countries 	<ul style="list-style-type: none"> High quality new business origination within a strict margin and risk framework Advanced underwriting standards Portfolio diversification through domestic and international counterparties with good credit ratings Structural tailwinds, with increasing demand following years of consolidation and discipline on supply 	<ul style="list-style-type: none"> Sustainability-anchored corporate vision Key focus sectors digital infrastructure, renewables, and power & energy – playing into growing ESG-related demand Leveraging strong market position and growing further within greenfield projects Domestic & international project focus 	<ul style="list-style-type: none"> Focused sales approach with mid-sized to large corporates Leading expertise in working capital, factoring and cash & trade finance Growing scale in Smart platforms via enhanced partnership approach Selective international diversification across European and North-American markets underpinned by attractive risk-return profiles 	<ul style="list-style-type: none"> Treasury and active liability management focused on providing stable liquidity and funding structure at competitive costs Liquidity buffer forms major part of asset base, supplemented by strategic investment portfolio Group functions include all other central functions such as risk control, legal etc.
<ul style="list-style-type: none"> Payment services for all client segments, leveraging new technology platform 				
➔ Segment assets: € 8.0bn	➔ Segment assets: € 3.7bn	➔ Segment assets: € 3.9bn	➔ Segment assets: € 3.7bn	➔ Segment assets: € 10.9bn
➔ RWA: € 2.9bn	➔ RWA: € 1.7bn	➔ RWA: € 2.1bn	➔ RWA: € 3.3bn	➔ RWA: € 4.1bn
➔ Net Income: € 85mn	➔ Net Income: € 62mn	➔ Net Income: € 27mn	➔ Net Income: € 21mn	➔ Net Income: € 7mn
➔ RoE ¹ : 20%	➔ RoE ¹ : 25%	➔ RoE ¹ : 10%	➔ RoE ¹ : 5%	➔ RoE ¹ : 1%

HCOB is a specialized lender with balanced asset allocation focused on attractive risk-return assets, backed by strong and risk-controlled underwriting and well-positioned to grow in selected asset classes where we have expertise

All figures are as at YE21 and are YE 2021 preliminary results 1) RoE after taxes based on CET1 ratio of 13%

Real Estate – Operating business characterized by risk-conscious & earnings-optimizing development of the portfolio

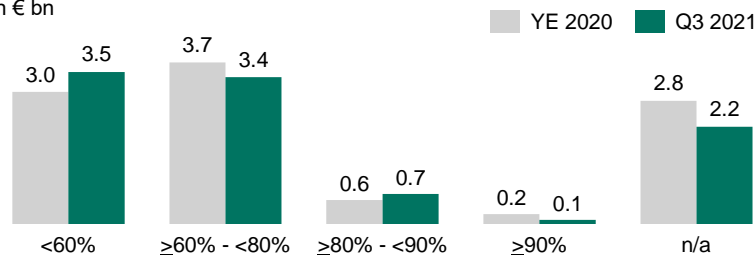
Financials

in € mn

	YE 2021	YE 2020
Net interest income	188	218
Net commission income	7	12
Other income ¹⁾	8	0
Total income	203	230
Risk costs (expected loss)	(13)	(18)
Administrative expenses	(93)	(110)
Net income before taxes	97	102
Net income after taxes	85	89
RoE after taxes (%) ²⁾	20	15
Net Interest Margin (bps) ³⁾	135	125
Cost-Income-Ratio (CIR in %)	40	41
Risk costs (expected loss - bps) ⁴⁾	14	17
Gross new business (bn)	1.6	0.8

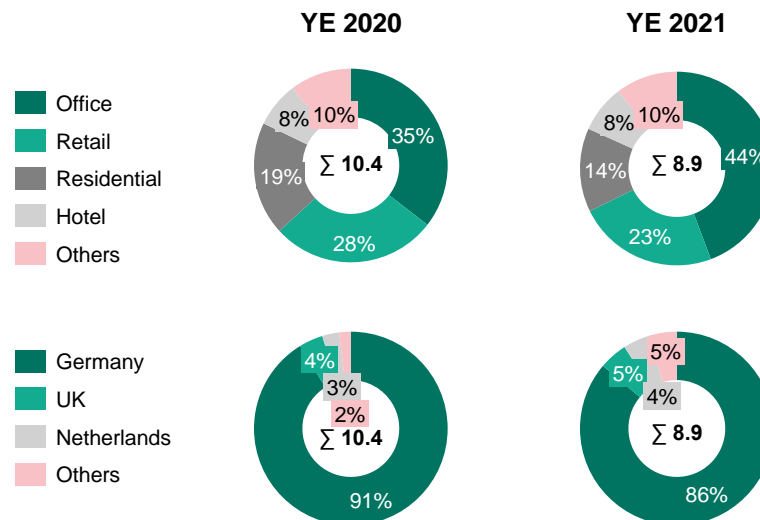
Portfolio LTV

in € bn



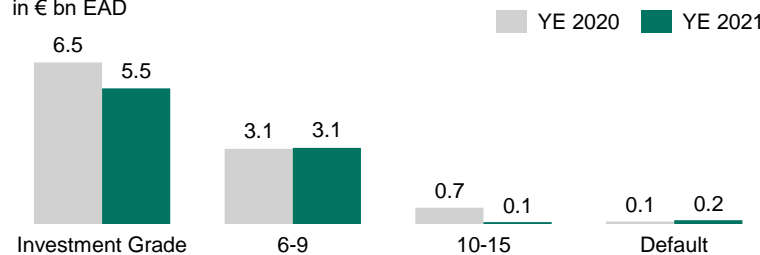
Portfolio by segment and region

in € bn EAD / %



Rating

in € bn EAD



Shipping – Strong improvement of results due to significant increase in total income and lower risk costs

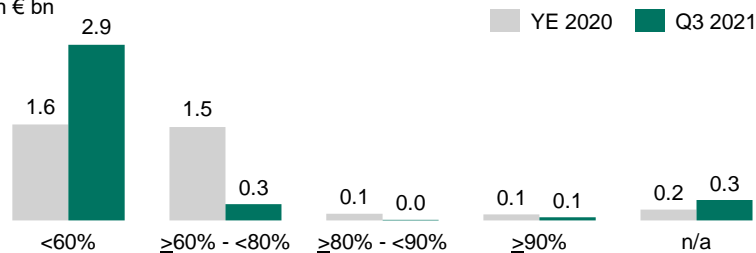
Financials

in € mn

	YE 2021	YE 2020
Net interest income	102	112
Net commission income	11	12
Other income ¹⁾	29	(23)
Total income	142	101
Risk costs (expected loss)	(12)	(25)
Administrative expenses	(59)	(57)
Net income before taxes	71	19
Net income after taxes	62	17
RoE after taxes (%) ²⁾	25	4
Net Interest Margin (bps) ³⁾	196	177
Cost-Income-Ratio (CIR in %)	38	50
Risk costs (expected loss - bps) ⁴⁾	35	59
Gross new business (bn)	1.9	0.9

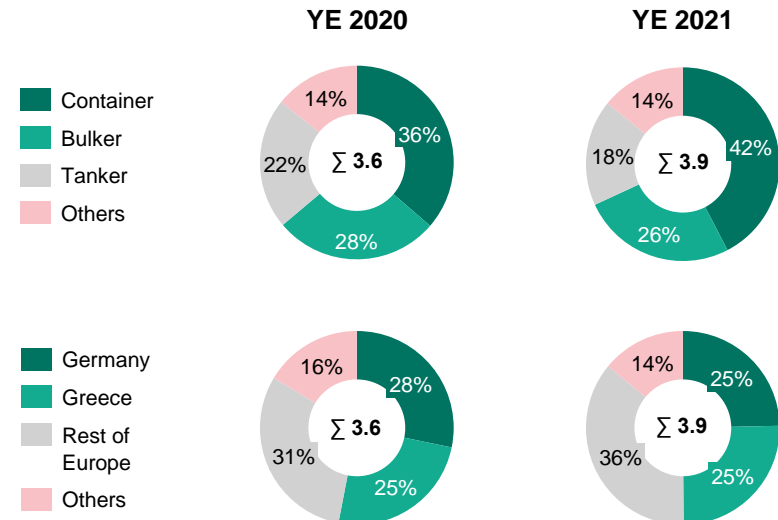
Portfolio LTV

in € bn



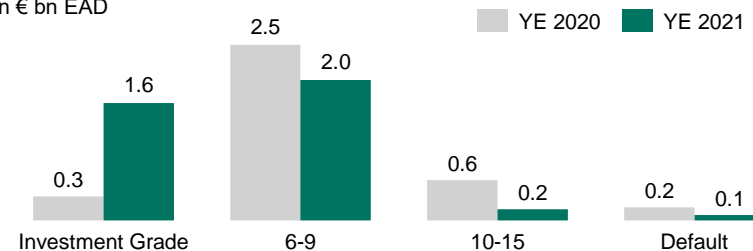
Portfolio by segment and region

in € bn EAD / %



Rating

in € bn EAD



Project Finance – Domestic and international project focus contributes strongly to income and portfolio risk diversification

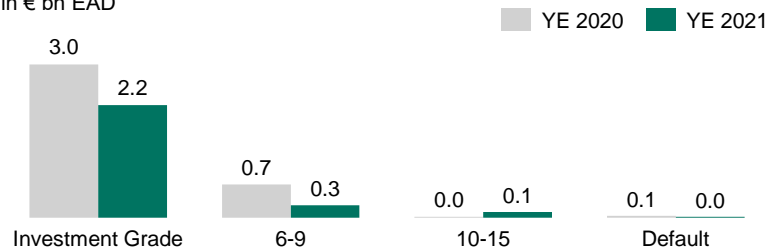
Financials

in € mn

	YE 2021	YE 2020
Net interest income	61	66
Net commission income	8	9
Other income ¹⁾	5	3
Total income	74	78
Risk costs (expected loss)	(5)	(6)
Administrative expenses	(38)	(40)
Net income before taxes	31	32
Net income after taxes	27	28
RoE after taxes (%) ²⁾	10	9
Net Interest Margin (bps) ³⁾	111	108
Cost-Income-Ratio (CIR in %)	45	43
Risk costs (expected loss - bps) ⁴⁾	12	12
Gross new business (bn)	0.7	0.3

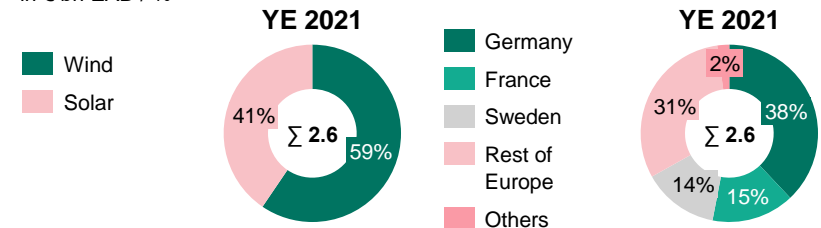
Rating – Renewable Energy

in € bn EAD



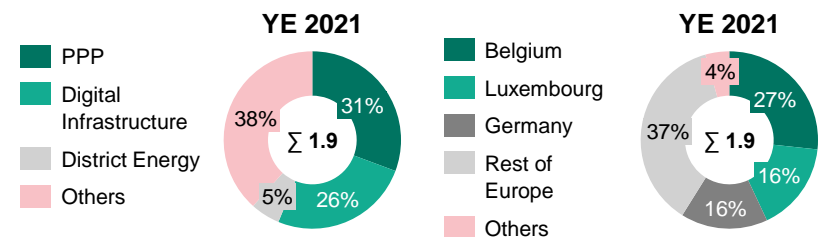
Portfolio by asset class and region – Renewable Energy

in € bn EAD / %



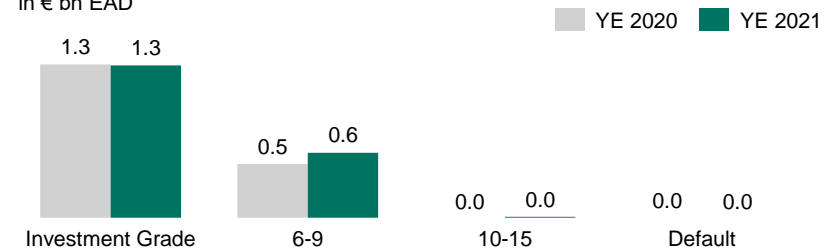
Portfolio by asset class and region – Infrastructure

in € bn EAD / %



Rating – Infrastructure

in € bn EAD



Corporates – Ongoing de-risking with simultaneous development of Corporates International as strong new segment

Financials

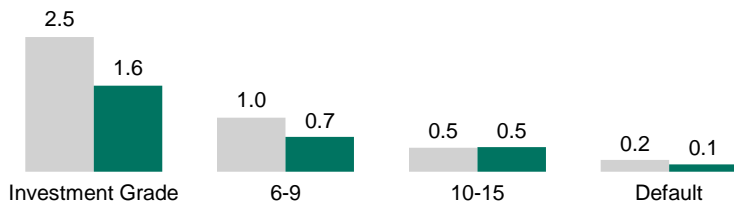
in € mn

	YE 2021	YE 2020
Net interest income	90	80
Net commission income	13	17
Other income ¹⁾	1	7
Total income	104	104
Risk costs (expected loss)	(23)	(24)
Administrative expenses	(57)	(56)
Net income before taxes	24	24
Net income after taxes	21	21
RoE after taxes (%) ²⁾	5	4
Net Interest Margin (bps) ³⁾	131	116
Cost-Income-Ratio (CIR in %)	50	48
Risk costs (expected loss - bps) ⁴⁾	65	56
Gross new business (bn)	1.2	1.0

Rating – Corporates

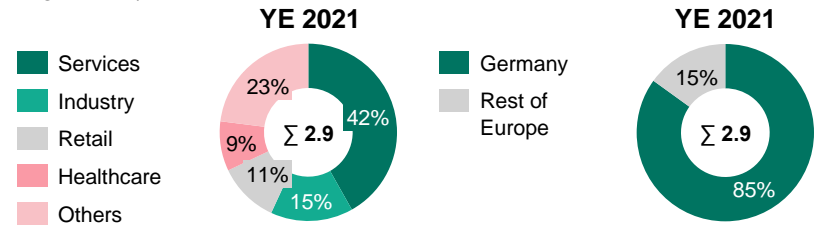
in € bn EAD

YE 2020 YE 2021



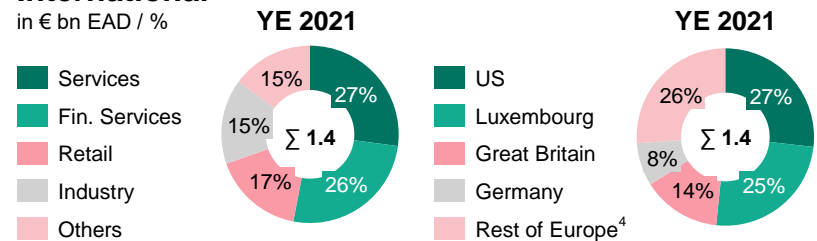
Portfolio by asset class and region – Corporates

in € bn EAD / %



Portfolio by asset class and region – Corporates International

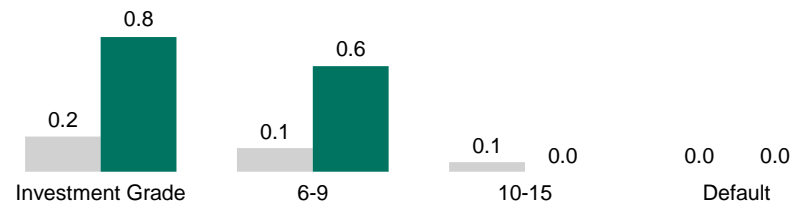
in € bn EAD / %



Rating – Corporates International

in € bn EAD

YE 2020 YE 2021



Treasury & Group Functions – Sound and efficient liquidity management

Financials

in € mn

	YE 2021	YE 2020
Net interest income	23	79
Net commission income	(0)	1
Other income ¹⁾	114	(49)
Total income	137	31
Risk costs (expected loss)	(2)	(4)
Administrative expenses	(113)	(134)
Other operating result	14	205
Net income before taxes	8	79
Net income after taxes	7	69
RoE after taxes (%) ²⁾	1	12
Risk costs (expected loss - bps) ³⁾	2	3

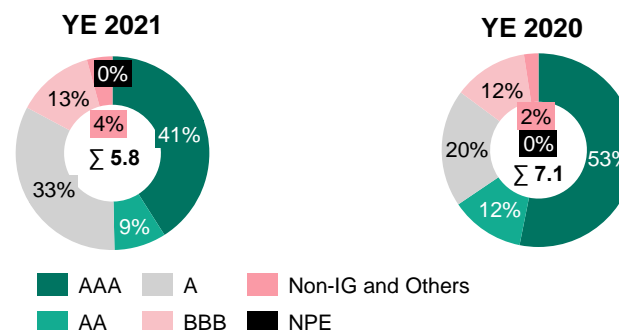
Financial instruments by instrument class

in € bn

	YE 2021	YE 2020
Covered Bonds	2.2	2.3
Promissory Notes	1.1	1.3
German Treasury Bonds	1.0	1.6
Bonds	1.0	1.7
Others	0.5	0.1

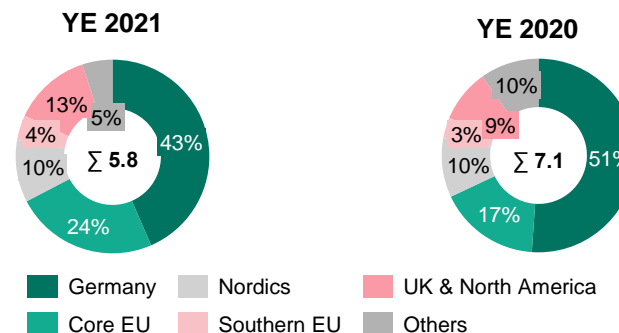
Financial investment book by rating

in € bn



Financial investment book by region

in € bn



Investment & ALM Book mainly focused on liquidity management, being of high credit quality

- Comfortable buffer of highly liquid assets (5.8bn €), mainly in line items financial investments and loans and advances (e.g. Public cover pool) and very solid cash position (3.3bn €)
- Excellent credit quality: 50% are rated AAA /AA, 83% of A and better. High share of assets is ECB eligible (4.6bn EUR, 78%), gradual shift towards more diversification and profitable assets

Segment reporting – New segment structure starting YE 2021 reporting

in € mn / %	Real Estate		Shipping		Project Finance		Corporates		Treasury & Group Functions		Reconciliation		Group	
	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020
Net interest income	188	218	102	112	61	66	90	80	23	79	62	74	526	629
Net commission income	7	12	11	12	8	9	13	17	(0)	1	(1)	(3)	38	48
Other income ¹	8	0	29	(23)	5	3	1	7	114	(49)	(79)	41	78	(21)
Total income	203	230	142	101	74	78	104	104	137	31	(18)	112	642	656
Risk costs (expected loss)	(13)	(18)	(12)	(25)	(5)	(6)	(23)	(24)	(2)	(4)	87	(111)	32	(188)
Administrative expenses & regulatory costs	(93)	(110)	(59)	(57)	(38)	(40)	(57)	(56)	(113)	(134)	0	0	(360)	(397)
Other operating result	0	0	0	0	0	0	0	0	14	205	0	0	14	205
Result from restructuring & transformation	0	0	0	0	0	0	0	0	(29)	(19)	0	0	(29)	(19)
Net income before taxes	97	102	71	19	31	32	24	24	8	79	68	1	299	257
Income tax expense	(12)	(13)	(9)	(2)	(4)	(4)	(3)	(3)	(1)	(10)	81	(123)	52	(155)
Net income after taxes	85	89	62	17	27	28	21	21	7	69	149	(122)	351	102
Cost/income ratio (CIR - %)	40	41	38	50	45	43	50	48	70	57	n.a.	n.a.	50	42
RoE after taxes (%) ²	20.3	15.1	24.5	4.3	9.7	8.8	5.3	4.3	1.2	11.9	n.a.	n.a.	18.4	4.3
Risk costs (expected loss - %) ³	0.14	0.17	0.35	0.59	0.12	0.12	0.65	0.56	0.02	0.03	n.a.	n.a.	(0.10)	0.46
Average segment assets - € bn	9.1	11.2	3.4	4.2	4.5	5.4	3.6	4.3	11.0	15.7	0.0	0.0	31.6	40.8
Loan loss provisions (income statement)	(43)	(151)	72	124	(7)	(15)	6	(151)	3	4	1	1	32	(188)
€ bn / %	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020
Segment assets – € bn	8.0	9.5	3.7	3.3	3.9	5.1	3.7	3.7	10.9	12.1	0.1	0.1	30.3	33.8
Risk Weighted Assets (RWA)	2.9	3.6	1.7	2.2	2.1	2.2	3.3	3.2	4.1	4.2	(0.1)	0.1	14.0	15.5
Loan loss provisions (balance sheet)	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.4	0.6
NPE Ratio (%)	2.2	1.3	2.2	5.4	0.8	1.1	3.5	5.0	0.0	0.0	n.a.	n.a.	1.4	1.8

- **Lending units** with improved profitability metrics (RoE) due to more selective business approach and lower funding costs
- Net income in **Treasury & Group** functions lower vs. prior year, which benefited from building sales and hybrid valuation effect

Overview on non-recurring items

in € mn	Client Business		Treasury & Group Functions		Reconciliation		Group	
	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020	YE 2021	YE 2020
Sale of assets (e.g. buildings - other results)			0	150			0	150
Valuation effect hybrids			0	72	4	20	4	92
Reimbursement tax-related			14	0			14	0
Deconsolidation			(16)	(1)			(16)	(1)
Litigation effects			5	9			5	9
Provisions change IPS - DPS			34	0			34	0
Restructuring			(29)	(19)			(29)	(19)
Non-recurring items	0	0	8	211	4	20	12	230

5. HCOB AT A GLANCE

A private commercial bank and specialist financier

HCOB – Our strategy and value proposition



Growth in our core markets

We leverage our deep asset expertise and strong market knowledge for profitable growth in Germany, selected European and international markets that provide sufficient room to grow. Our focus is on attractive niche segments and client situations that play to our strengths and expertise.



Focus on delivering customer solutions

We provide tailored solutions to our clients and apply an entrepreneurial view on transactions throughout the value chain. As a result, we strengthen long term and reliable client relationships and accompany our clients on their evolving needs (e.g. ESG). We are active in key trending areas and meet our client's requirements.



Efficiency in everything we do

We are committed to continuously optimize our processes, technology, and organization to increase customer satisfaction and to ensure our organization's competitiveness in a challenging banking environment. We aim to leverage data and speed as a differentiator to serve our customers and for own operational excellence.



Safe and well-balanced risk profile

Our strong capital position provides strategic flexibility. A balanced risk profile, selective portfolio growth and high degree of diversification within and across asset classes ensures high resilience and is the basis for our risk-adjusted business strategy.

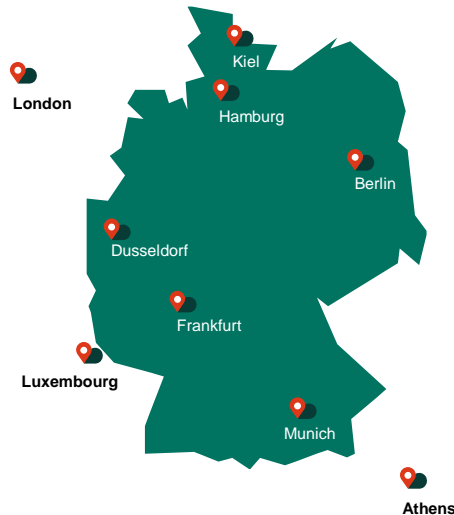
Keys to executing our strategy

- **Growth following b/s repositioning:** Strengthening core franchises in Commercial Real Estate, Shipping, Project Finance & Corporates by investing in the quality of our teams and the efficiency of our processes
- **Recurring profitability:** Continuous pricing discipline & competitive funding costs to increase net interest margins without increasing risk
- **Income diversification:** Expand complementary offerings (working capital solutions, payment services, etc.)
- **HR & culture:** Investing and developing capabilities and people as growth enablers
- **Cost management:** Disciplined cost management while continuing to invest in IT transformation & process efficiency in line with growth and CIR targets

Providing specialized financial solutions in selected segments to our clients

What we offer

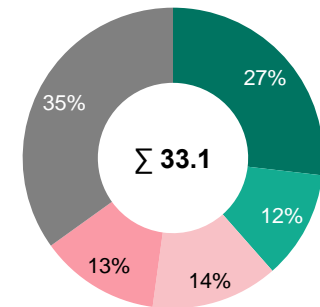
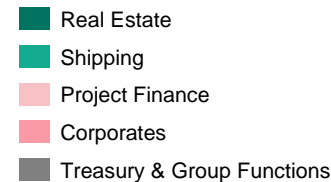
- HCOB is a private commercial bank that works with and supports its clients at eye level while offering efficient solutions to complex challenges
- We are characterized by our experience and sector knowledge in our client businesses, which is supported by our focused capital markets products and services
- Business areas: Commercial project finance in the real estate, renewable energies and infrastructure segments; Shipping; Tailored finance for medium-sized businesses; Structured Finance, including syndications; Payment services and transaction banking products as well as expert advice in corporate finance



HCOB is engaged in & across various segments & countries

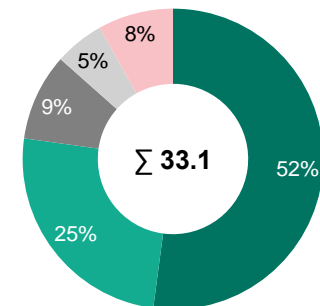
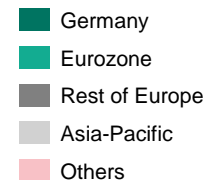
EAD by Asset Classes

in € bn



EAD by Region

in € bn



Management Board and Shareholder Structure – Experienced international management team & strong ownership



Stefan Ermisch
CEO

- Born in 1966 in Bonn, Germany
- Chief Executive Officer (CEO) since June 2016
- More than eighteen years of leading management board positions as CEO, CFO and COO at private commercial banks and in the public sector, in Germany, Austria and Italy



Ulrik Lackschewitz
CRO and Deputy CEO

- Born in 1968 in Bro, Sweden
- Chief Risk Officer (CRO) since October 2015 and deputy CEO since December 2018
- Before that, Ulrik Lackschewitz was Group Head of Financial and Risk Control at NordLB (2011) and reported directly to the Management Board



Ian Banwell
CFO

- Born 1963 in Uganda
- Chief Financial Officer (CFO) since September 2020, before (since April 2019) Chief Operating (COO)
- Earlier, Ian Banwell was Senior Managing Director at Cerberus and is currently Chief Executive Officer (CEO) and owner of Round Table Investment Management Company, LP.



Christopher Brody
CIO

- Born 1968 in the US
- Chief Investment Officer (CIO) since July 2019
- From 2012 to June 2019 Christopher Brody was President and Chief Investment Officer of a US family office and from 2008 to 2011, he held the position of Chief Investment Officer at the Austrian bank BAWAG P.S.K.

Ownership Structure

Several funds initiated by Cerberus Capital Management, L.P.			One fund advised by J.C. Flowers & Co. LLC	One fund initiated by GoldenTree Asset Management LP	Centaurus Capital LP	BAWAG P.S.K.	HCOB
Promontoria Holding 221 B.V. 9.87%	Promontoria Holding 231 B.V. 13.87%	Promontoria Holding 233 B.V. 18.71%	JCV IV Neptun Holdings S.à r.l.	Golden Tree Asset Management Lux S.à r.l.	Chi Centauri LLC		
42.45%			34.96%	12.49%	7.49%	2.50%	0.11%

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List of acronyms

Acronyms	Long term	Acronyms	Long term
AC	At Cost	H2	Second Half Year
A-IRB	Advanced Internal Rating Based Approach	KPI	Key Performance Indicator
ALCO	Assets and Liabilities Committee	LCR	Liquidity Coverage Ratio
ALM	Asset Liability Management	LTV	Loan to Value
AQR	Asset Quality Review	NI	Net Income
Avg. or Ø	Average	NIM	Net Interest Margin
B4	Basel IV	NPC	Non-Personnel Costs
BdB	Bundesverband deutscher Banken (Association of German Banks)	NPE	Non-Performing Exposure
b/s	Balance Sheet	NPL	Non-Performing Loan
BPS	Basis Points	NSFR	Net Stable Funding Ratio
BU	Business Unit	OCI	Other Comprehensive Income
CapEx	Capital expenditures	OpEx	Operating Expenses / Administrative Expenses
CB	Covered Bond	PBT	Profit Before Taxes
CoF	Cost of Funds	PCAF	Partnership for Carbon Accounting Financials
CET1	Common Equity Tier 1	PC	Personnel Costs
CIR	Cost-Income-Ratio	PF	Project Finance
CRE	Commercial Real Estate	P&L	Profit & Loss
CRM	Credit Risk Management	POCI	Purchased or Originated Credit Impaired
CRR	Capital Requirements Regulation	PP	Percent Point
CSR	Corporate Social Responsibility	RoE	Return on Equity
ctb	Change-the-Bank	rtb	Run-the-Bank
Δ	Delta	RWA	Risk-Weighted Assets
EAD	Exposure at Default	SB	Supervisory Board
ESG	Environmental, Social, Governance	SLLP	Single Loan Loss Provision
F-IRB	Foundation Internal Rating Based Approach	SREP	Supervisory Review and Evaluation Process
FTE	Full Time Employees	SVA	Shareholder Value Added
FVPL	Fair Value Through Profit or Loss	TCF	Trade and Commodity Finance
FY	Full Year	TLTRO	Targeted Longer-Term Refinancing Operations
GDP	Gross Domestic Product	TSY	Treasury
GHG	Greenhouse Gas	UNEP FI	United Nations Environment Programme Finance Initiative
H1	First Half Year	YE	Year End

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Management system and defined management indicators of the IFRS Group

The Bank's integrated management system is aimed at the management of key value drivers on a targeted basis. The Bank (which was operating under the name HSH Nordbank AG until February 4, 2019) uses a risk-adjusted key indicator and ratio system for this purpose that ensures that the Overall Bank are managed in a uniform and effective manner. The Hamburg Commercial Bank Group is managed mainly on the basis of figures for the Group prepared in accordance with the International Financial Reporting Standards (IFRS) and/or the relevant prudential rules.

Within the management reporting framework, the Bank focuses on the most important management indicators for the individual value drivers of the IFRS Group. On the one hand, the focus is on how these key indicators changed compared to the previous year and, on the other, on how they are expected to change in the future. The Group management report for the 2021 financial year will contain further information on the management system and defined management parameters of the Hamburg Commercial Bank Group as well as disclosures.