Hamburg Commercial Bank

Investor Presentation

HCOB Group
IFRS Results H1 2023

August 24th, 2023

Agenda

1 Group Results

H1 2023

H1 2023 results show HCOB is well on track for strong FY 2023

Track record of well-managed, profitable and focused bank continues to be lengthened amid challenging market

Strong and persistent profitability ✓	PbT 230mn €, trajectory of revenue expansion continues (NII up 12% yoy) Sound results across segments reflect focused new business approach Strong RoA of 1.1% underpins successful transformation of business model
Stringent strategy execution ✓	Diversification strategy successfully implemented (earnings, asset risk, funding) Operating platform strengthened by continued investments in IT and people Strong, resilient capital base post dividend payment in mid April (CET1 ratio 18.5%, LR 9.4%)
Strengthened Resilience ✓	Fortress b/s to weather adverse macro environment and market turbulences Robust LLP buffers (129mn € overlays) provide cushion against potential negative P/L effects Strong recurrent profitability & resilient portfolio underlined by ECB stress test
Franchise & Risk Management ✓	Prudent new business origination with focus on strong risk / return profile Sound NPE ratio (1.5%) despite challenging markets, robust LLP buffers in place Prudent risk management approach in managing challenging markets together with clients

H1 2023 results and outlook FY 2023

Key figures in %, unless stated		2021	2022	H1 2023	Guidance 2023
Profitability & Efficiency	**Profit before tax** (€mn)	299	363	**230**	**~350**
	RoE post tax[1]	18.4	20.8	**16.8**	**>11**
	CIR	50	44	**39**	**45**
Risk Management	**NPE ratio**	1.4	1.2	**1.5**	**~1.5**
	CET1 ratio	28.9	20.5	**18.5**	**>17**
Credit Profile	**Issuer Rating**	Baa1, pos.	Baa1, pos.	A3, sta.	**A3**

1) RoE after taxes based on 13% normalized CET1 ratio

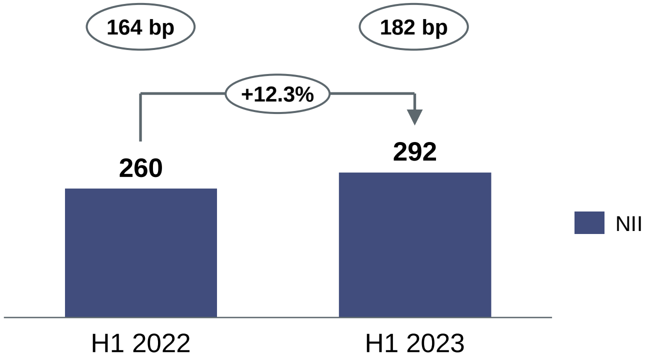
Perspectives 2023

- Leveraging successfully transformed business and operating model. Increasing operating leverage does provide for strong profitability metrics
- Solid revenue growth further supported by tailwind from interest rate environment, benefitting NIM and NII
- Stringent cost management resulting in sound efficiency ratio, despite material investment in IT and people, enabling growth
- Sound risk management, reflected in increasingly diversified and granular portfolio, sound asset quality and significant LLP overlays
- Fortress b/s and strong capital position, underlined by leverage ratio of 9.4%
- Steadily strengthening credit profile and lengthened track record support solid rating position

Revenues

Net Interest Income and NIM[1]

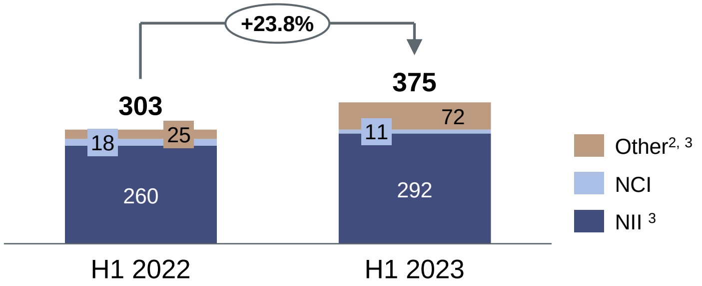
in € mn, in bp



- Strong increase in NII (+12%) highlights higher b/s productivity driven by ALM repositioning and disciplined approach to new business, supported by higher interest rate environment
- Further increase in NIM expected for H2 2023 benefiting from improved diversification and strict pricing on both sides of the b/s
- Interest rate sensitivity of NII is -5mn € for +100bp parallel shift of forwards in HY2 2023 (+6m € in FY2024 / +18m € in FY2025), with overall deposit beta assumed at 70%

Total income

in € mn



- Total income up by 24%, as NII expansion was supported by solid FVPL result
- Fee income moderately lower, in parts due to management fees for loan funds

1) NIM = Core NII divided by average balance sheet I 2) Other includes FVPL and other “Total income” line items not included in NII or NCI | 3)) H1 2022 incorporates reclassification of derivate effects from NII to FVPL result due to change of accounting policy

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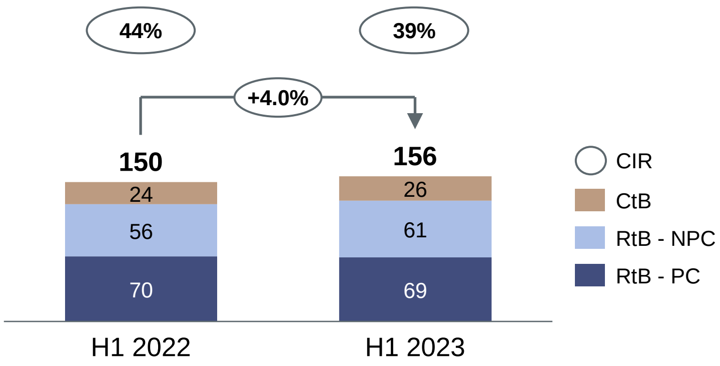
Operating expenses, Other income and Other expenses

Operating expenses

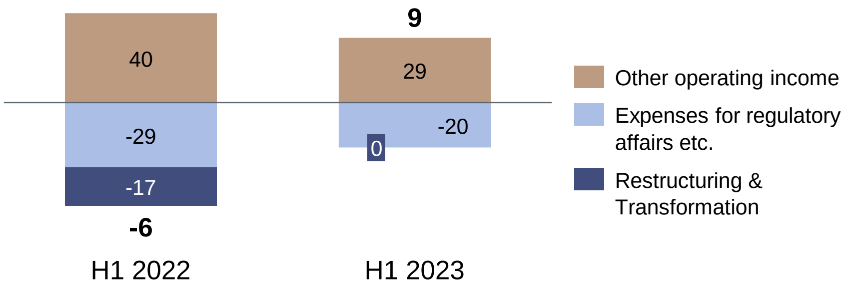
in € mn, in %



- Increase of Opex (+4%), reflects significant investments in IT and people as well as inflationary headwinds
- CIR reduced to 39% on back of higher revenues

Other operating income, Other expenses and Restructuring

in € mn

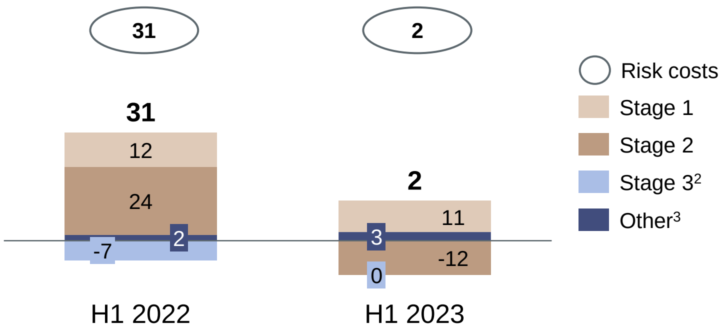


- Other operating income benefits from payouts from former participations and reversals of legal provisions
- Regulatory costs reduced compared to last year due to lower assessment basis
- No further expenses for Restructuring & Transformation planned

Credit risk

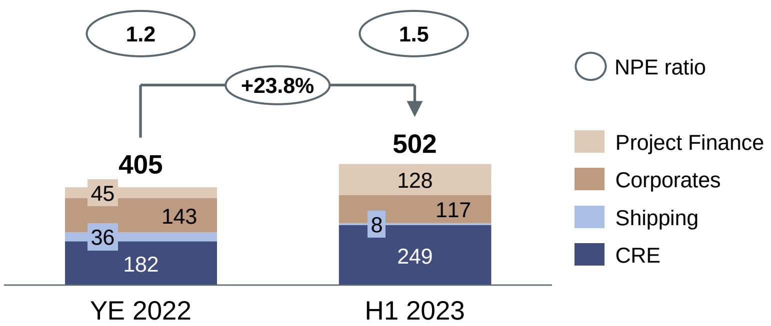
P&L view: credit loss expense & risk costs[1]

in € mn / bps



B/S view: NPE volume by asset class & NPE ratio

in € mn / %



1) Risk Costs (Loan loss provisions / avg. loans customers) I 2) incl. POCI I 3) Other incl. FX, Direct write-downs, non-substantial modifications, payments received on loans and advances previously written down

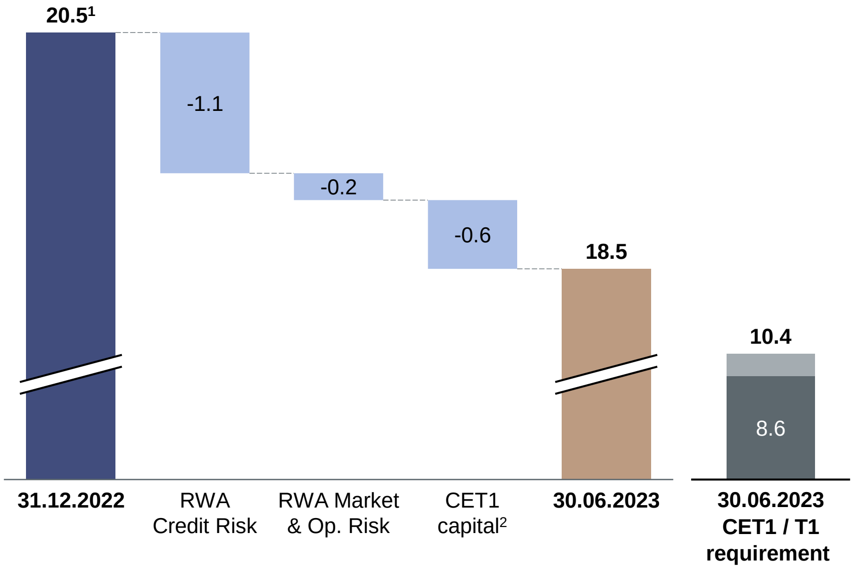
Key figures in %, unless stated	YE 2022	H1 2023
NPE (€ mn)	405	502
NPE coverage ratio (AC)	68.9	37.0
NPE ratio	1.2	1.5
Total LLP b/s (€ mn)	414	318
thereof Overlay	144	129
Total LLP coverage	2.1	1.7
Stage 1 LLP b/s (€ mn)	75	81
Stage 1 coverage	0.4	0.5
Stage 2 LLP b/s (€ mn)	101	84
Stage 2 coverage	6.4	4.9
Stage 3 SLLP[2] b/s (€ mn)	238	153

- Asset quality at solid level, despite increase in NPE ratio to 1.5% driven by larger renewable Energy case (windfarm) and CRE exposures
- Robust level of risk coverage as total LLP on b/s cover 1.7% of total loan book. Coverage ratio AC decreased to 37% (69% at YE 2022), due to NPE sale and new NPE which is largely ECA covered (windfarm)
- Strong overlays provide leeway to pro-actively manage loan portfolio

Capital

Drivers of CET1 ratio

in %



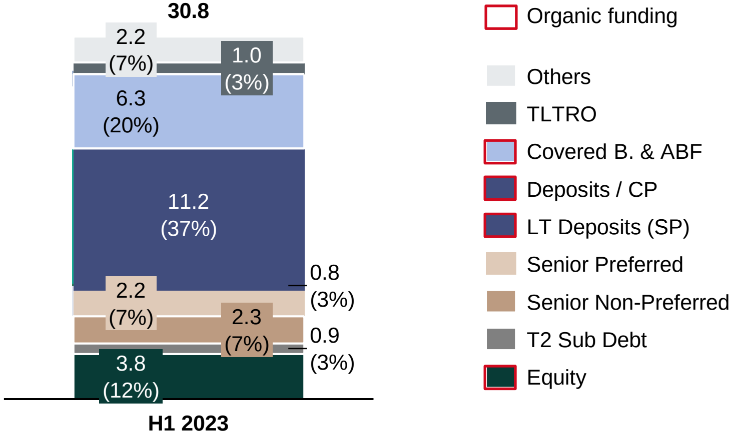
- Capital ratios well above regulatory requirements providing very robust capital buffer even under adverse circumstances (see page on SSM stress test)
- RWA increased from 15.4bn € to 16.5bn €, partly caused by one-off effect for recalibration of corporates rating model
- CET1 capital slightly reduced from 3.2bn € to 3.1bn € due to higher regulatory deductions for DTAs and H1-OCI result
- CET1 capital voluntarily shown without 2023-H1 net result in anticipation of potential dividend payment
- CET1 ratio including half-year net result of 178mn € amounts to 19.7% based on CET1 capital of 3.3bn €
- Strong capital position is further underlined by strong leverage ratio of 9.4%

1) Dividend payment of 1.5 bn € made in April 2023 already considered in CET1 capital as at 31 December 2022 I 2) CET1 change due to DTA and OCI effect

Balanced funding structure

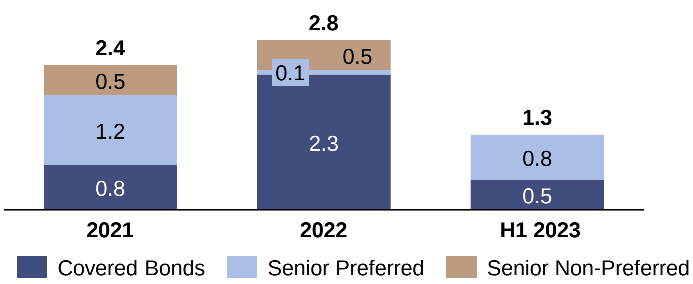
Balanced liability structure and organic funding [1]

in € bn



Long-term funding issuance

in € bn



Sound liquidity and funding ratios

in € bn

LCR vs. >140% target	**157%**
NSFR vs. >110% target	**113%**
AE ratio vs. <40% target	**36%**
MREL (TREA) vs. 11.6% requirement (incl. buffers)	**41%**

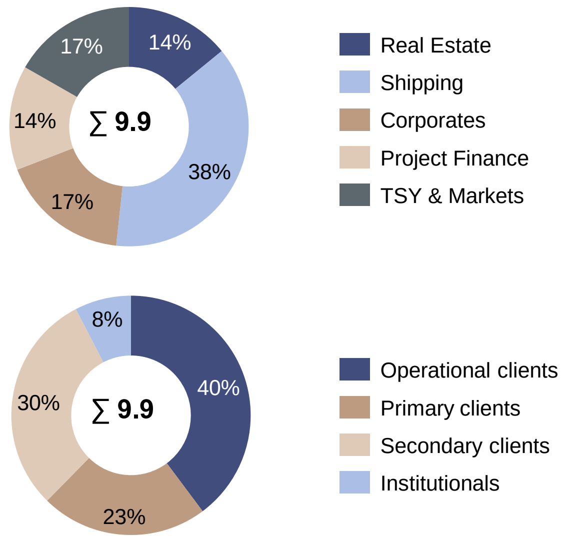
- Normalization of LCR post dividend payment, robust cash and HQLAs (~6bn €), covering sight deposits by >180%
- Matched funding as maturities of major parts of loan book (CRE avg. duration 2.5 yrs) and Shipping (3.2 yrs) correspond with key liability durations

1) Organic funding includes funding instruments linked to HCOB's business model (Ship and Mortgage covered bonds, franchise customer deposits, and equity on b/s), but excludes unsecured issuances (SP or SNP), non-core deposits like interbank accounts, Commercial Paper (CP) and other liabilities as public financing or derivatives, repos, provisions or TLTRO

Diversified and expanding deposit base

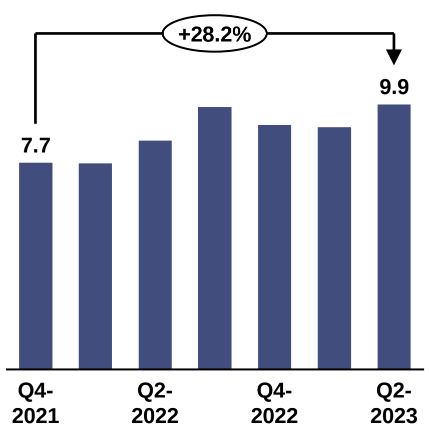
Franchise deposits by business unit [1]

in € bn / %



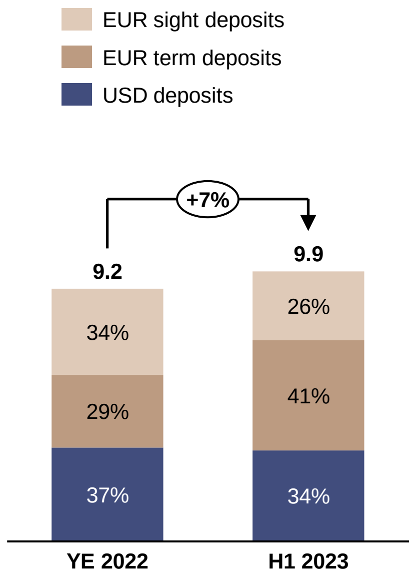
Growing deposit base

in € bn



Franchise deposits by product

in € bn



- Solid deposit expansion in challenging market environment
- Diversified short-term deposit portfolio of 9.9bn €, thereof large share of operational clients (3.9bn €)
- High share of deposits covered by ESF (>80%)

1) Deposit client cluster classification: Operational clients based on payments transactions and loan-linked accounts; Primary clients are based on stable deposit behavior over last 12 months; Secondary clients show less stable behavior; Institutionals are Financials and deposits clients only

Rating position

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 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

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

Credit ratings: Moody's[1]

Issuer ratings

Deposit rating	A3
Issuer credit rating (Long-term)	A3 / stable
Short-term debt	P-2
Stand-alone rating	baa3

Instrument ratings (Unsecured issuances)

"Preferred" senior unsecured debt	A3
"Non-preferred" senior unsecured debt	Baa2
Subordinated debt (Tier 2)	Ba1

Instrument ratings (Secured issuances)

Mortgage covered bonds	Aaa
Ship covered bonds	Aa3

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

Sustainability

HCOB Sustainability Guiding Principles

1. **Taking on responsibility**
   Carry out sustainable business activities as a lasting investment
2. **ESG is part of the HCOB DNA**
   Stringent & independent governance of ESG aspects, reflected in our business orientation
3. **Financing sustainable activities**
   Aim to increase financing of sustainable projects in accordance with UN SDG
4. **Supporting sustainable transformation**
   Support transformation of client's business model towards greater sustainability
5. **Committed to climate protection**
   Signatory of United Nations Principles for Responsible Banking (PRB)
6. **Employees are key**
   Motivated and qualified employees as key to achieve sustainability
7. **Innovating sustainably**
   Combine sustainability in operating business with technology, digitalization and innovation

Environmental targets 2025 and achievements 2022

Internal Green NB Production[1]	GHG emissions of scope 1 & 2
2025 target: **>10%** of net new business	2025 target: **>20%** reduction

- New loans & loan portfolio consistently evaluated based on internal ESG Scoring Tool
- ECB's 2022 Climate & Environmental (C&E) assessment with very good results
- Corporate footprint – further reduction of GHG emissions to come with new HQ building
- ESG-specific market and all-employee trainings – employee awareness increased

Diversity targets 2025

Female share in senior positions[2]	Female share bank-wide
2025 target: **33%**	2025 targets: **40%**

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

Outlook and key topics 2023

- Development of a Sustainable Finance Framework and segment specific climate strategies to support our clients' energy transition in the Bank's core franchises
- PCAF – first GHG emission reporting for entire portfolio to be completed
- Roadmap for Corporate Sustainability Reporting Directive (CSRD)
- IT Infrastructure for ESG data & coverage to be enhanced and continuously adapted

Sustainability ratings

Sustainalytics	MSCI	Moody's	ISS ESG
13	**BBB**	**56**	**C-**

1) Indicative internal validation in accordance with economic criteria of EU Taxonomy on best effort basis, with calculations irrespective of clients' NFRD obligation; definitions are subject to change as industry and regulatory standards are further developed | 2) Senior experts and above

2 Results Business Segments

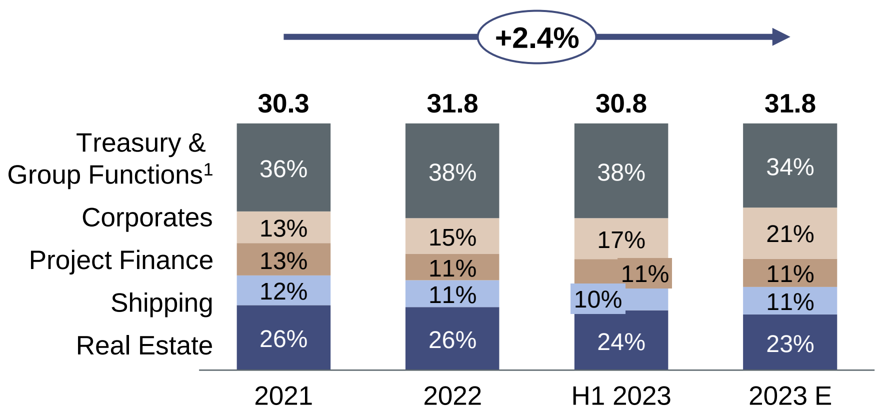
H1 2023

Segment overview H1 2023

Focus on franchise business and diversifying investments, cautious approach in cyclical asset classes (CRE, Shipping), expansion of International Corporates business

Real Estate		Shipping		Project Finance		Corporates		Treasury & Group Functions	
Assets:	**€ 7.5bn**	**Assets:**	**€ 2.9bn**	**Assets:**	**€ 3.5bn**	**Assets:**	**€ 5.1bn**	**Assets:**	**€ 11.8bn**
Net Income:	**€ 34mn**	**Net Income:**	**€ 32mn**	**Net Income:**	**€ 14mn**	**Net Income:**	**€ 39mn**	**Net Income:**	**€ 9mn**

Asset allocation on B/S[1], in EUR bn / in %



- Prudent expansion of overall portfolio in current uncertain environment while increasing diversification
- Diversified Asset based Finance: CRE, Shipping and Project Finance each with mix of different sub-sectors and moderate correlation
- CRE portfolio proactively reduced since 2020 (9.5bn €, 28%), expected to decrease to 23% of b/s by end 2023
- Corporates driven by expansion of granular International Corporates exposures while maintaining focus on Northern German home region for domestic portfolio
- Streamlined Treasury with high quality investment portfolio and strong liquidity buffer

1) Including Reconciliation

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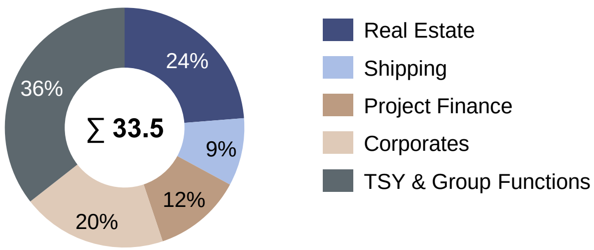
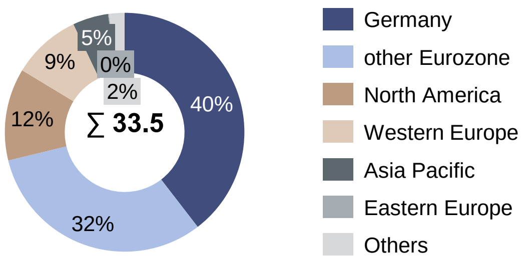
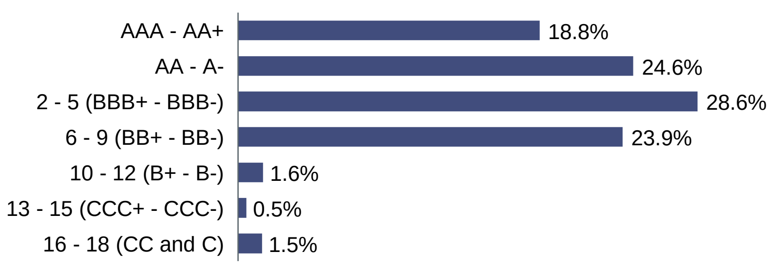
Business model and portfolio overview

Portfolio by asset-class, region and rating[1]

EAD in € bn / %







1) Total exposure includes also 0.6% other unrated exposure such as receivables from third parties of the Bank's equity holdings

- In the Corporate segment, HCOB covers Northern German Corporates with a large portion of family-owned companies with typically long-standing HCOB relationships
- In European and North American markets, HCOB is an active lending partner to enablers of the energy transition, i.e. European companies that produce or operate technical solutions which enable end-users to reduce their carbon footprint
- Highly recognized German real estate specialist with strong market and client coverage, including both German and international clients. Prudent international expansion, given relatively low share of international market
- Leading player in global ship financing focused on second-hand ships with superior risk/return dynamics, with a focus on Greek & German markets, selectively in Asia
- In Project finance, HCOB is a leader in digital infrastructure with strong, early-mover track record. Strong ESG footprint with renewable energy portfolio & capabilities
- Treasury & Group functions is providing client facing units and the bank with liquidity and capital market products and is managing the bank's central investment positions

Real Estate

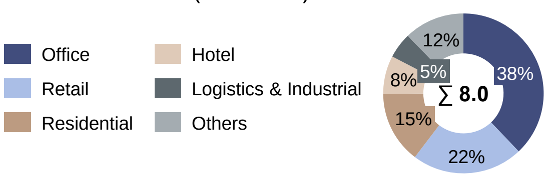
Financials[1]

in € mn

	H1 2023	H1 2022
Total Income	94	90
Risk costs (expected loss)[2]	-5	-4
OpEx & regulatory costs	-46	-39
Net income after taxes	34	37
NIM in bps	227	225
Risk costs (expected loss – %)[3]	-0.14	-0.10
CIR in %	43	38
RoE[4] *in %*	11.0	11.8
Gross new business, *in bn €*	0.7	0.7

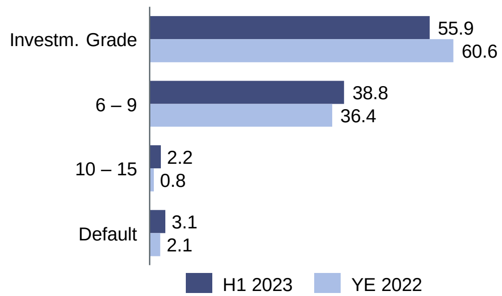
Portfolio by segment and region

in € bn EAD / % (H1 2023)



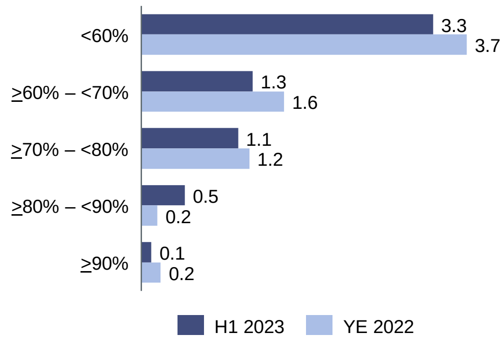
Rating

distribution in %



LTV [5]

in € bn EAD



Strategic positioning

- Challenging market environment due to high interest rate environment is proactively managed through selective approach to new business, intensive monitoring and revaluations
- Solid risk metrics characterize overall portfolio (avg. stable LTV 59%; DSCR 227%, Debt Yield 8.9%, with 3.9bn € > 7%)
- Portfolio quality benefits from focus on family-owned corporate sponsors rather than CRE funds as counterparties, as the former have higher willingness to support their investment
- German portfolio (6.2 bn €) dominated by A-Cities (Top 7: 3.3 bn €) with objects in sound locations
- US CRE portfolio of 0.3 bn € (50% office, 50 % retail & industrial), with origination focused on strong US sponsors and excellent US lending partners (no US regional banks)
- US portfolio origination with strict focus on strong property cash flow (Ø Debt Yield 10%, Ø DSCR 216%) and moderate leverage (Ø LTV 60%)

1) For further details on P&L please refer to the Segment Reporting on page 27 | 2) Expected loss based on PD/LGD approach, for loan loss provisions according to IFRS (P&L, B/S) please refer to the Segment Reporting on page 22 | 3) Risk Costs (expected loss / b/s) | 4) RoE after taxes based on a 13%-ratio of invested CET1 capital as reported I 5) Investment loans only, thus excluding 1.3 bn € property developments with sound average LTC (loan-to-cost) of 61% and 0.4 bn € other financings

Shipping

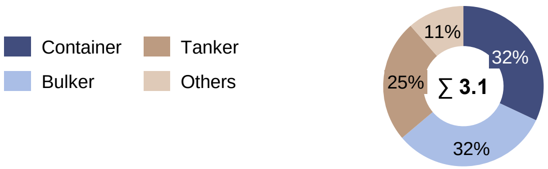
Financials[1]

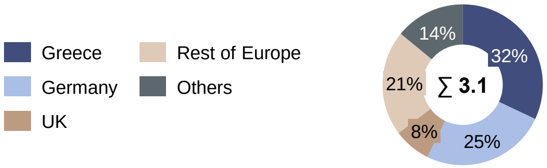
in € mn

	H1 2023	H1 2022
Total Income	87	82
Risk costs (expected loss)[2]	-2	-3
OpEx & regulatory costs	-44	-35
Net income after taxes	32	35
NIM in bps	499	349
Risk costs (expected loss – %)[3]	-0.15	-0.16
CIR in %	48	39
RoE[4] in %	17.2	18.2
Gross new business, *in bn €*	0.7	0.6

Portfolio by segment and region

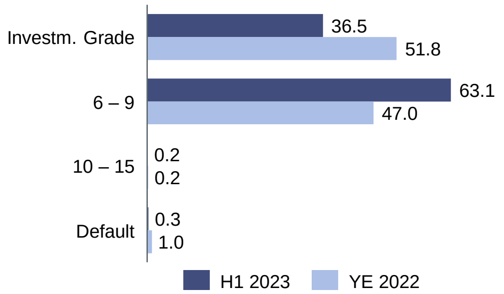
in € bn EAD / % (H1 2023)





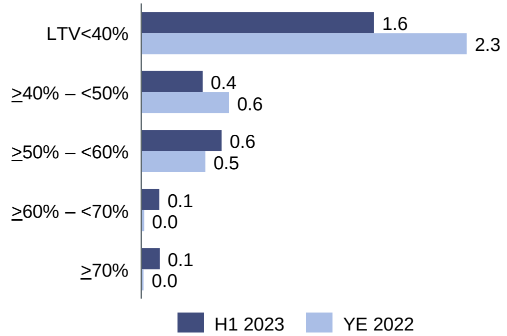
Rating

distribution in %



LTV [5]

in € bn EAD



Strategic positioning

- HCOB is a leading player in global ship financing with a focus on second-hand ships with superior risk/return dynamics
- Mix of asset-backed and corporate financings with a well-diversified portfolio of containers, bulkers and tankers
- Participating in ESG transition financing to achieve net-zero requirements
- Long relationships with high quality clients in Germany and Greece deliver privileged access to consistent deal flow
- Well-established business model focused on short durations (avg. maturity 3.2 years) & high collateral ship financings (avg. LTV 41% vs. 35% YE 2022) to reduce risks and quickly react to changing markets
- Risk metrics (ratings, LTV) are currently moderating on back of normalization of shipping markets following boom of 2020 – 2022, but are still at very strong levels

1) For further details on P&L please refer to the Segment Reporting on page 27 | 2) Expected loss based on PD/LGD approach, for loan loss provisions according to IFRS (P&L, B/S) please refer to the Segment Reporting on page 22 | 3) Risk Costs (expected loss / b/s) | 4) RoE after taxes based on a 13%-ratio of invested CET1 capital as reported | 5) excluding 0.2 bn € other financing

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Project Finance

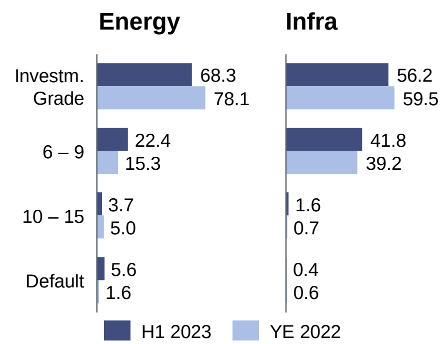
Financials[1]

in € mn

	H1 2023	H1 2022
Total Income	45	30
Risk costs (expected loss)[2]	-4	-3
OpEx & regulatory costs	-23	-15
Net income after taxes	14	9
NIM in bps	237	160
Risk costs (expected loss – %)[3]	-0.22	-0.17
CIR in %	48	42
RoE[4] in %	9.4	6.4
Gross new business, *in bn €*	0.6	0.5

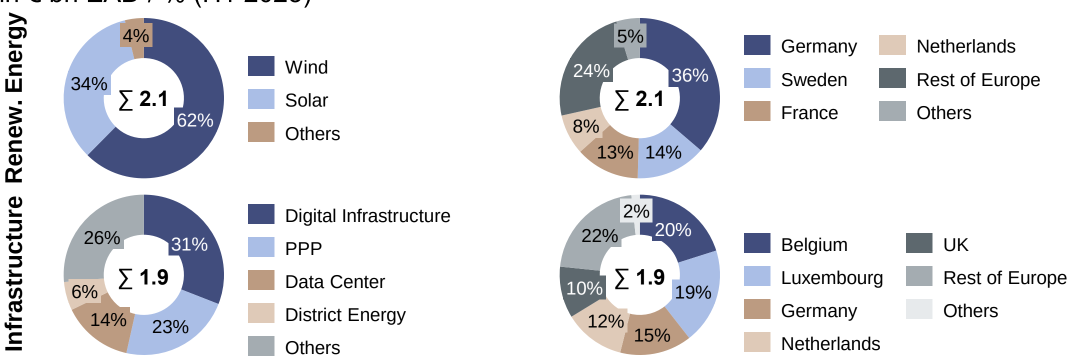
Rating

distribution in %



Portfolio by segment and region

in € bn EAD / % (H1 2023)



Strategic positioning

- Focused on financing attractive infrastructure and renewables projects in Western, Northern and Southern Europe
- Leader in digital infrastructure with strong, early-mover track record
- Strong ESG footprint with renewable energy portfolio & capabilities
- Relative portfolio share driven by new business dynamics has shifted from renewables towards infrastructure assets
- Broad client base in chosen segments with proprietary access to deal flow (developers, PE/ infrastructure funds, manufacturers, contractors, utilities & independent power producers)
- Increase in NPE ratio for Energy portfolio (5.6%) predominantly driven by windfarm project in Sweden with strong ECA coverage

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Corporates

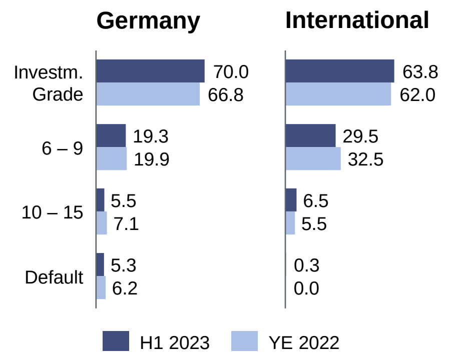
Financials[1]

in € mn

	H1 2023	H1 2022
Total Income	96	46
Risk costs (expected loss)[2]	-6	-11
OpEx & regulatory costs	-41	-24
Net income after taxes	39	9
NIM in bps	324	303
Risk costs (expected loss – %)[3]	-0.25	-0.54
CIR in %	39	46
RoE[4] in %	13.3	3.6
Gross new business, *in bn €*	0.9	1.0

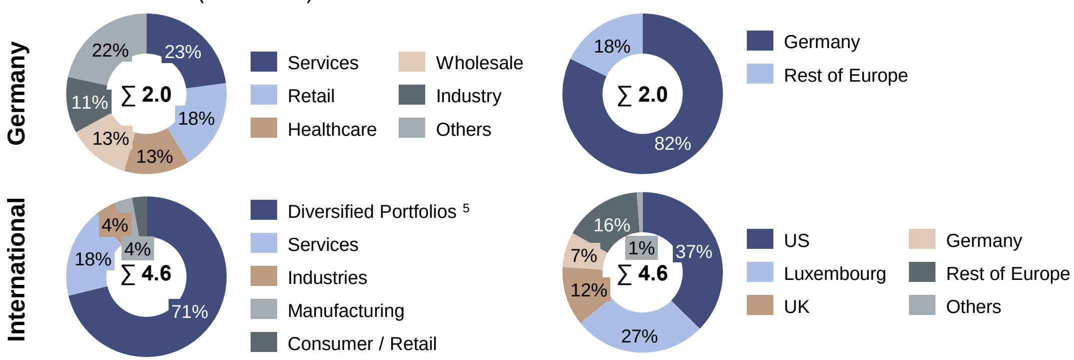
Rating

distribution in %



Portfolio by segment and region

in € bn EAD / % (H1 2023)



Strategic positioning

- Diversifying corporate strategies by German and International Corporates, which are meanwhile contributing significantly to earnings diversification
- Focus of domestic portfolio on lending clients in Northern German region with service & expertise approach
- Large portion of clients in Germany are family-owned companies with typically long-standing HCOB relationships
- Diversified international approach with wide range of credit products, countries & sectors
- Highly skilled, lean and transaction-focused team with broad network to identify and capture market opportunities quickly in International Corporates
- Active lending partner to enablers of the energy transition, i.e. European companies that produce or operate technical solutions which enable end-users to reduce their carbon footprint

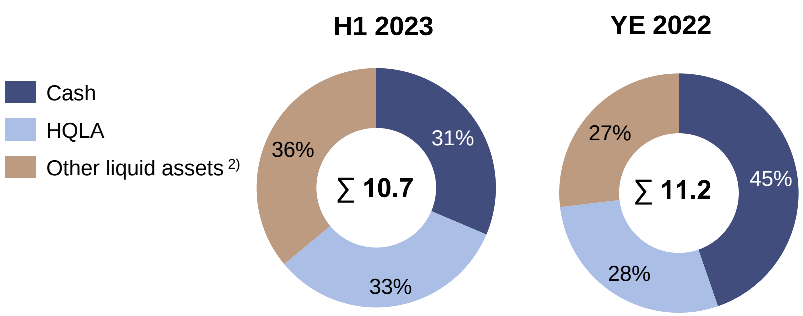
1) For further details on P&L please refer to the Segment Reporting on page 27 | 2) Expected loss based on PD/LGD approach, for loan loss provisions according to IFRS (P&L, B/S) please refer to the Segment Reporting on page 22 | 3) Risk Costs (expected loss / b/s) | 4) RoE after taxes based on a 13%-ratio of invested CET1 capital as reported 5) thereof 2.8bn € granular loan portfolios (in managed funds and highly rated CLO / CLO-likes)

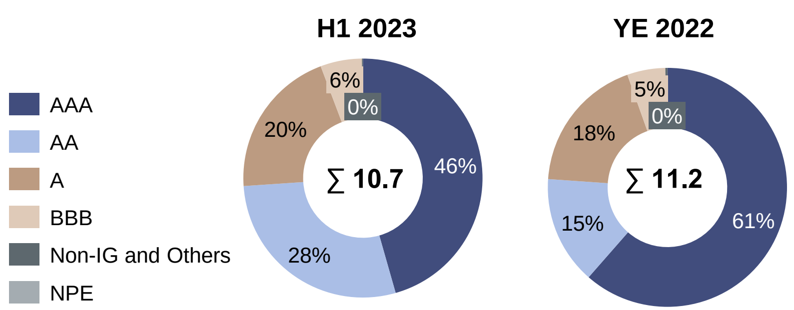
Hamburg Commercial Bank

Treasury & Markets [1]

Assets by instrument class and rating

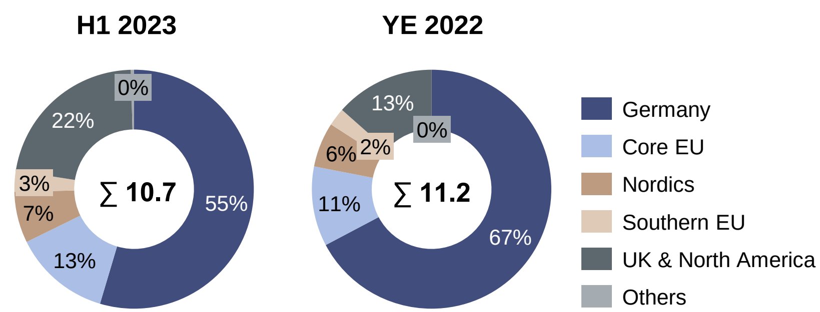
in € bn / %





Assets by region

in € bn / %



Investment & ALM book mainly focused on liquidity management and assets of high credit quality

- Lower b/s in T&M driven by dividend payment in April 2023, which reduced cash position (impacting Germany and AAA shares)
- Comfortable buffer of highly liquid assets (HQLA € 3.4bn and, in particular, Fed-eligible ~1.6 bn € US Agency RMBS, mainly in line items financial investments and loans and advances (e.g. Public cover pool); very solid cash position (€ 3.4bn)
- Excellent credit quality: 75% are rated AAA / AA, 95% are A and better. High share of assets are ECB eligible HQLAs (€ 3.5bn, 33%)
- Financial investments almost fully (99%) categorized as FVOCI / PL

1) Excluding i.a. tax effects & CTA overfunding (1.1 € bn included in Segment T&M and Group Functions)
2) Includes further financial investments (i.e., government-backed US Agency RMBS), cash collaterals & collaterals for cover pools

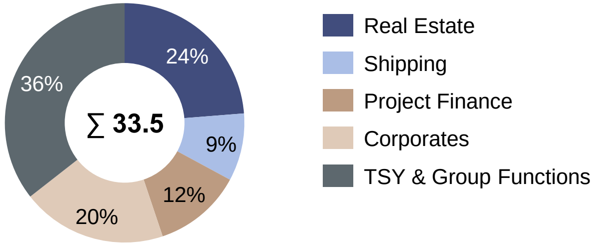
3 Supplemental Financials

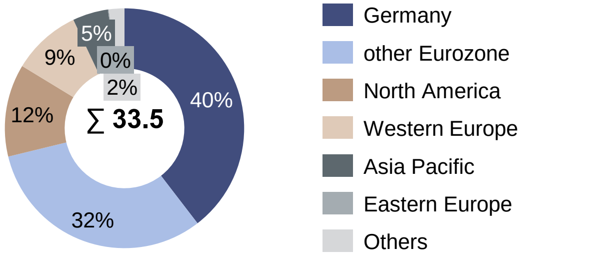
H1 2023

Resilient business model

Well diversified portfolio

EAD in € bn / %

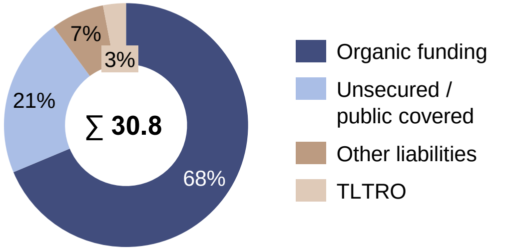


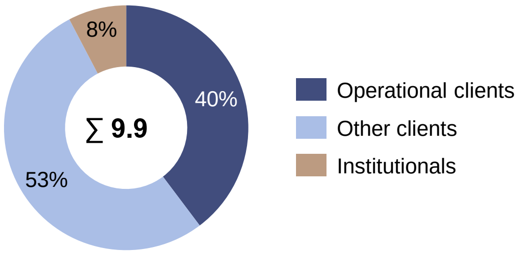


- **Diversified loan book** with strong expertise in Corporates and Project Finance (digital infrastructure, renewables), and asset-based finance Shipping and CRE
- **Focus on Germany**, and core European markets, prudent expansion in North America as diversifier

High share of organic funding[1]

in € bn





- **Liabilities (overall)**: High share of stable organic funding linked to customer franchise and HCOB's key asset classes
- **Franchise deposits (< 1.5 Years)**: Large share of operational deposits providing stable funding base
- Large share of **deposits ESF** covered (>80%)

Strong capital and liquidity

in € bn

CET1 ratio:	**18.5%**
vs. 10.4% SREP T1 requirement	
Leverage ratio	**9.4%**
vs. 3% requirement	
LCR	**157%**
vs. >140% target	
NSFR	**113%**
vs. >110% target	

- Resilient capital position with large buffer to requirements
- Solid liquidity metrics reflect prudent steering

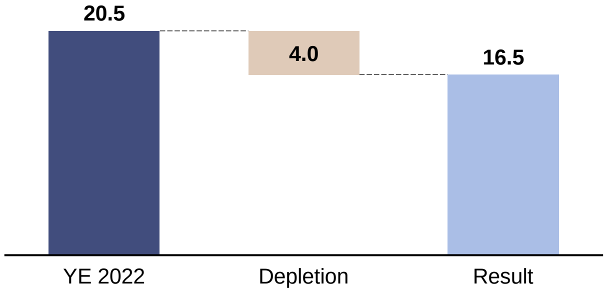
1) Organic funding includes funding instruments linked to HCOB's business model (Ship and Mortgage covered bonds, franchise customer deposits, and equity on b/s), but excludes unsecured issuances (SP or SNP), non-core deposits like interbank accounts, Commercial Paper (CP) and other liabilities as public financing or derivatives, repos and provisions or TLTRO

Hamburg Commercial Bank

ECB stress test shows sound results

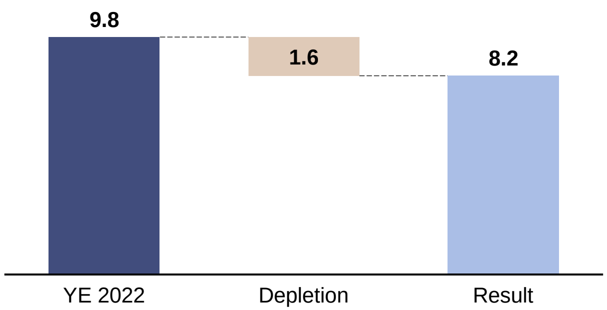
CET1 ratio resilient in adverse case [1]

CET1 ratio and cumulative depletion, in %



Leverage ratio remains at strong level

Leverage ratio and cumulative depletion, in %



- On July 28th, ECB, alongside EBA, disclosed the results for the SSM stress test for 57 major European banks (also in the EBA sample) and furthermore for 41 banks participating only in the SSM stress test for smaller institutions supervised by the ECB
- HCOB participated in the SSM sample, showing robust and above average results. In the adverse case, which resulted in a cumulative depletion of the CET1 ratio by 4.0%-points, HCOB's capital ratio was still a solid 16.5%, above the average of the SSM sample (10.5%, 4.8%-points depletion) [2]
- The robust leverage ratio remained at a high level, posting a robust 8.2% after 1.6%-points depletion in stress, compared to an average Leverage ratio of 4.4% post 1.1%-points depletion in the SSM sample [3]

- The results underline HCOB's strengthened capital generation capacity based on strong recurrent earnings and its sound asset quality, in addition to its shift to a conservative capital consumption function in 2022
- The stress test, which modelled a severe recession and a significant drop in CRE valuations (-29%), underlines also HCOB's diversification efforts, which reduced its CRE share from 28 to 26% between 2020 and end 2022

1) Cumulative depletion over the period 2022 – 2025 I 2) For the 70 larger banks participating in the EBA sample, the average CET depletion ratio was 4.6%, resulting in a CET ratio of 10.4% I 3) In the EBA sample the depletion of the leverage ratio was 1.1%, resulting in an average ratio of 4.3%

P&L

Profit & loss (in € mn)	H1 2023	H1 2022	Δ%
Net interest income	292	260	12
Net commission income	11	18	-39
Result from hedging	6	7	-14
Result from financial instruments categorised as FVPL	73	16	>100
Net income from financial investments	-	-	-
Result from the disposal of financial assets classified as AC	-7	2	>-100
Total Income	**375**	**303**	24
Loan loss provisions	2	31	94
Total income after loan loss provisions	**377**	**334**	13
Administrative expenses	-156	-150	4
Other operating result	29	40	-28
Exp. for reg. affairs, deposit guarantee fund, banking assoc.	-20	-29	-31
Net income before restructuring and transformation	**230**	**195**	18
Result from restructuring and transformation	-	-17	100
Net income before taxes	**230**	**178**	29
Income tax expense	-52	29	>100
Group net result	**178**	**207**	14

Key ratios	H1 2023	H1 2022	Δ
RoE before taxes[1]	21.7%	17.6%	4pts
RoE after taxes[1]	16.8%	20.5%	-4pts
NIM[2] (in bps)	182	164	18bp
CIR	39%	44%	-5pts
Risk Costs[3] (in bps)	2	31	-29bp
NPE Coverage Ratio AC	37%	64%	-27pts

- Total income (€ 375mn) driven by solid recurring earnings, in particular sound trend in NII and NIM; higher FVPL result, which benefited from positive valuation effects
- Neutral LLP position (€ 2mn net) due to sound risk development. Solid LLP buffers remain (129mn € overlays) available to help mitigate potential ongoing challenging market environment
- OpEx increase (156mn €) reflects decisive cost management, mitigating investments in IT and people amid inflationary headwinds
- Other operating result driven by payouts from legacy equity participation and reversals of legal provisions
- Overall, financial metrics include increasingly strong NIM, downward trend for CIR and sound RoE providing lengthening track record for strong profitability metrics

1) RoE before / after taxes based on a 13%-ratio of invested CET1 capital as reported; 9.5% RoE after taxes based on reported average IFRS capital as of 30.06.2023 I 2) NIM: Core NII / avg. B/S I 3) Risk Costs: LLP/ avg. loans to customers

Overview on Non-recurring items (Net Income)

in € mn	Client Business		Treasury & Group Functions		Reconciliation		Group	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Other operating income								
Tax audit				8				8
Earn-out agreements			18				18	
Release of legal provisions			11	14			11	14
Restructuring & Transformation				-17				-17
Taxes (tax audit)						29		29
Non-recurring items	**0**	**0**	**29**	**5**	**0**	**29**	**29**	**34**

Segment reporting

in € mn / %	Real Estate		Shipping		Project Finance		Corporates		Treasury & Group Functions		Reconciliation		Group	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Net interest income	89	89	75	67	40	29	81	61	6	13	1	1	292	260
Net commission income	2	3	5	6	2	4	2	5	1	0	-1	0	11	18
Other income[1]	3	-2	7	9	3	-3	13	-20	0	164	46	-123	72	25
Total income	**94**	**90**	**87**	**82**	**45**	**30**	**96**	**46**	**7**	**177**	**46**	**-122**	**375**	**303**
Risk costs (expected loss)	-5	-4	-2	-3	-4	-3	-6	-11	-0	-0	19	52	2	31
Administrative expenses (OpEx) & regulatory costs	-46	-39	-44	-35	-23	-15	-41	-24	-24	-66	2	0	-176	-179
Other operating result	0	0	0	0	0	0	0	0	29	40	0	0	29	40
Result from restructuring & transformation	0	0	0	0	0	0	0	0	0	-17	0	0	0	-17
Net income before taxes	43	47	41	44	18	12	49	11	12	134	67	-70	230	178
Income tax expense	-9	-10	-9	-9	-4	-3	-10	-2	-3	-28	-17	81	-52	29
Net income after taxes	34	37	32	35	14	9	39	9	9	106	50	11	178	207
Cost/income ratio (CIR – %)	43	38	48	39	48	42	39	46	44	23	n.a.	n.a.	39	44
NIM (bps)	227	225	499	349	237	160	324	303	5	9	n.a.	n.a.	182	164
RoE after taxes (%)[2]	11.0	11.8	17.2	18.2	9.4	6.4	13.3	3.6	8.3	101.1	n.a.	n.a.	16.8	20.5
Risk costs (expected loss – %)[3]	-0.14	-0.10	-0.15	-0.16	-0.22	-0.17	-0.25	-0.54	0.00	0.00	n.a.	n.a.	0.01	0.20
Average segment assets – € bn	7.8	7.9	3.0	3.8	3.4	3.7	4.8	4.0	12.2	11.2	0.0	0.0	31.2	30.6
Average RWA – € bn	4.8	4.8	2.9	3.0	2.3	2.3	4.5	3.8	1.8	1.6	0.0	0.0	16.3	15.5
Loan loss provisions (income statement)	-41	43	8	4	25	-15	9	-3	1	1	0	1	2	31
in € bn / %	**H1 2023**	**YE 2022**	**H1 2023**	**YE 2022**	**H1 2023**	**YE 2022**	**H1 2023**	**YE 2022**	**H1 2023**	**YE 2022**	**H1 2023**	**YE 2022**	**H1 2023**	**YE 2022**
Segment assets	7.5	8.1	2.9	3.5	3.5	3.4	5.1	4.6	11.8	12.2	0.0	0.0	30.8	31.8
EAD	8.0	8.7	3.1	3.5	4.0	3.9	6.5	6.1	12.0	12.2	0.0	0.0	33.5	34.4
Risk Weighted Assets (RWA)	4.9	4.8	2.8	2.9	2.5	2.1	4.6	4.0	1.7	1.6	0.0	0.0	16.5	15.4
Loan loss provisions (balance sheet)	0.1	0.2	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.4
NPE Ratio (%)	3.1	2.1	0.3	1.0	3.2	1.2	1.8	2.3	0.0	0.0	n.a.	n.a.	1.5	1.2

1) HCOB considers in the internal management accounting OCI results in other income. As OCI results are not shown in P/L, segment results are reconciled in "Reconciliation". OCI result of segments leads to 22mn€ recon effect. I 2) RoE after taxes based on a 13%-ratio of invested CET1 capital as reported | 3) Risk Costs (expected loss / avg. b/s)

KPI overview 2019 – H1 2023

Capital	2019	2020	2021	2022	H1 23
IFRS Equity (in €bn)	4.4	4.3	4.7	5.2	3.8
Tangible Equity (in €bn)	3.7	3.8	4.1	4.4	3.1
CET1[1] (in €bn)	3.9	4.2	4.1	3.2	3.1
RWA (in €bn)	21.0	15.5	14.0	15.4	16.5
CET1 Ratio[1] (in %)	18.5	27.0	28.9	20.5	18.5
Total Capital Ratio[1] (in %)	23.5	33.3	35.7	26.8	24.4
Leverage Ratio[1,2] (in %)	8.2	12.2	12.7	9.5	9.4
MREL (TREA) (in %)	54.7	56.7	70.5	46.5	41.1

Asset Quality / Liquidity	2019	2020	2021	2022	H1 23
NPE (in €bn)	0.9	0.6	0.5	0.4	0.5
NPE Ratio (in %)	1.8	1.8	1.4	1.2	1.5
LLP (in €bn)	0.7	0.6	0.4	0.4	0.3
NPE Coverage Ratio (in %)	57.1	47.9	55.8	68.9	37.0
LLP / Loan Book (in %)	2.3	2.5	2.2	2.1	1.7
LCR (in %)	165	171	164	197	157
NSFR (in %)	114	111	114	113	113
AE (in %)	38	42	37	34	36

Profitability / Efficiency	2019	2020	2021	2022	H1 23
Profit before tax (in €mn)	77	257	299	363	230
Net Income (in €mn)	12	102	351	425	178
OpEx (in €mn)	-413	-365	-328	-332	-156
RoE post tax @13% (in %)	0.4	4.3	18.4	20.8	16.8
RoA (in %)	0.0	0.3	1.1	1.4	1.1
CIR (in %)	69	42	50	44	39
NIM (in bps)	75	117	145	168	182
FTE	1,482	1,122	919	868	863

Asset Allocation	2019	2020	2021	2022	H1 23
CRE (in €bn)	12.5	9.5	8.0	8.1	7.5
Shipping (in €bn)	4.6	3.3	3.7	3.5	2.9
Project Finance (in €bn)	5.7	5.1	3.9	3.4	3.5
Energy (in €bn)	3.8	3.5	2.4	2.0	1.9
Infrastructure (in €bn)	1.8	1.6	1.6	1.4	1.5
Corporates (in €bn)	4.8	3.7	3.9	4.6	5.1
TSY & Group Functions (€bn)	20.2	12.2	10.8	12.2	11.8
Total Balance Sheet (in €bn)	47.7	33.8	30.3	31.8	30.8

1) YE 2021 excludes results from FY 2021; YE 2022 post dividend, H1 2023 excl. HY net result I 2) Technical correction of Leverage ratio for FY 2022

4 Appendix & Contact

Management board and shareholder structure

Ian Banwell
CEO

- Born 1963 in Uganda (US-citizen)
- Chief Executive Officer (CEO) since October 2022
- Previously, since September 2020, Ian Banwell was Chief Financial Officer (CFO) and before (since April 2019) Chief Operating Officer (COO) of the bank

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

Marc Ziegner
CFO

- Born 1975 in Germany
- Chief Financial Officer (CFO) since October 2022
- Prior to this, Marc Ziegner was Managing Director Bank Steering at HCOB. He has held various positions of responsibility in the areas of bank management, finance and group controlling

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[1]

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.** *(inkl. P.S.K. Beteiligungs-verwaltung GmbH)* *Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft*	**HCOB** Members of the board and senior management of the Bank (since Nov. 2018, active and inactive members)
Promontoria Holding 221 B.V. 9.59%	Promontoria Holding 231 B.V. 13.47%	Promontoria Holding 233 B.V. 18.18%	JCF IV Neptun Holdings S.à r.l.	GoldenTree Asset Management Lux S.à r.l.	Chi Centauri LLC		
41.25%			**33.97%**	**12.22%**	**7.27%**	**2.42%**	**2.87%**

[1] Percentages include rounding differences

Glossary – key ratios

Key ratio	Abbreviation	Numerator	Denominator
Return on Equity before taxes	**RoE before taxes**	Net income before taxes	Average CET1 capital (based on a 13%-ratio of invested CET1 capital)
Return on Equity after taxes	**RoE after taxes**	Net income after taxes (Group net result)	Average CET1 capital (based on a 13%-ratio of invested CET1 capital)
Return on Assets	**RoA**	Net income after taxes (Group net result)	Average total assets
Net Interest Margin	**NIM**	Core net interest income	Average balance sheet volume
Cost Income Ratio	**CIR**	Administrative expenses	Total income + other operating result
Risk Costs	**RC**	Loan loss provisions in P/L	Average loan volume
Risk Costs (Expected Loss)	**Risk Cost$_{EL}$**	Standard risk costs based on annualized expected loss	Average loan volume
Total risk coverage of loan book	**–**	Total stock of loan loss provisions	Total loans and advances
Non-Performing Exposure ratio	**NPE ratio**	Total non-performing exposure (EAD)	Total exposure (EAD)
Non-Performing Exposure (at cost) Coverage ratio	**NPE Coverage Ratio $_{AC}$**	Loan loss provisions (stage 3) recognized on Non-performing exposure categorized AC	Non-performing exposure (EAD) categorized AC
Debt Yield	**DY**	Net operating income	Total loan amount
Loan-To-Value Ratio	**LTV Ratio**	Credit volume	Value of loan collaterals

List of acronyms

Acronyms	Long term
ABF	Asset Based Finance
AC	At Cost
ALM	Asset Liability Management
AT1	Additional Tier 1
Avg. or ∅	Average
b/s	balance sheet
bps	basis points
CET1	Common Equity Tier 1 (IFRS)
CIR	Cost-Income-Ratio
CRE	Commercial Real Estate
CRR	Capital Requirements Regulation
CRSA	Credit Risk Standard Approach
ctb	change-the-bank
Δ	Delta
EAD	Exposure at Default
ESG	Environmental, Social, Governance
FVPL	Fair Value Through Profit or Loss
FY	Full Year
H1	First Half Year
H2	Second Half Year
IRB-A	Advanced internal-rating-based approach
IRB-F	Foundation Internal Rating Based Approach
LGD	Loss Given Default
LCR	Liquidity Coverage Ratio
LLP	Loan Loss Provisions
LTV	Loan to Value

Acronyms	Long term
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NI	Net Income
NII	Net Interest Income
NCI	Net Commission Income
NIM	Net Interest Margin
NPE	Non-Performing Exposure
NSFR	Net Stable Funding Ratio
NTI	Net Trading Income
OCI	Other Comprehensive Income
OpEx	Operating Expenses / Administrative Expenses
PBT	Profit Before Taxes
PD	Probability of Default
P&L	Profit & Loss
POCI	Purchased or Originated Credit Impaired
RoA	Return on Assets
RoE	Return on Equity
rtb	run-the-bank
RWA	Risk-Weighted Assets
SLLP	Single Loan Loss Provision
SNP	Senior-Non-Preferred
SP	Senior-Preferred
SREP	Supervisory Review and Evaluation Process
TLTRO	Targeted Longer-Term Refinancing Operations
TREA	Total Risk Exposure Amount
TSY	Treasury
YE	Year End
YoY	Year-on-year

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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 up 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 combined management report within the Annual Report 2022 contains further information on the management system and defined management parameters of the Hamburg Commercial Bank Group as well as disclosures.