

Press release

Hamburg Commercial Bank ends financial year 2025 with net income before taxes of EUR 289 million

- Preliminary business figures from February confirmed

HAMBURG/GERMANY – Hamburg Commercial Bank AG (HCOB) confirmed its preliminary IFRS net income before taxes of EUR 289 (previous year: 248) million, as well as the other consolidated figures for the 2025 financial year on Thursday. The improved pre-tax result was achieved despite the deliberately reduced balance sheet as part of a strategic business focus and a significant negative one-off effect in personnel expenses. Solid operating performance, stringent cost discipline, and one-off income in other operating result contributed to the positive result. The bank successfully implemented its strategic realignment at the end of the year and strengthened its customer-centric core franchise businesses to ensure sustainable and robust earnings growth. At the same time, HCOB reduced portfolios no longer considered core in a value-preserving manner and ahead of schedule.

Pre-tax profit up 17% and above target – despite negative one-off effect

Net income before taxes improved significantly to EUR 289 (248) million, despite a substantial negative one-off effect from staff reductions. This was primarily due to solid operating performance and a positive other operating result, which was significantly negative in the previous year due to one-off effects. Excluding one-off effects in personnel expenses and other operating result, pre-tax profit fell by 11% year-on-year to EUR 314 (354) million, with the decline in 2025 attributable essentially to the deliberate reduction in lending volume. The **group net result after taxes** of EUR 165 (228) million was burdened by **income taxes** of EUR 124 (20) million, in particular deferred tax expenses (EUR 104 million). Current tax expenses amounted to EUR 20 million.

NPL volume down 17% – declining total assets due to business focusing

Despite the ongoing challenging conditions in the real estate markets, HCOB successfully reduced its **non-performing loan (NPL) volume** by 17% to EUR 540 (31/12/2024: 650) million by consistently offloading non-performing loans. With a simultaneous reduction in loan volume, the **NPL ratio** remained at 3.3% (31/12/2024: 3.3%). With EUR 275 (31/12/2024: 347) million, the bank continues to have a comfortable **stock of loan loss provisions**, providing a buffer against potential adverse economic developments.

The group's **total assets** decreased in line with expectations and totalled EUR 28.6 (33.6) billion at year-end. This decline was due to the discontinuation of new business in non-strategic business areas, the reduction of the corresponding portfolios, the devaluation of the US dollar, and a high repayment level.

HAMBURG COMMERCIAL BANK AG

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Chairman of the Supervisory Board: Paulus de Wilt

Management Board: Luc Popelier (Chairman), Marc Ziegner (Deputy Chairman), Jens Thiele, Reinout van Riel

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In line with HCOB's distribution policy, which provides for a CET1 ratio target of at least 16%, the Annual General Meeting approved a dividend payment of EUR 4.16 per share. Taking this distribution into account, the **CET1 ratio**² as of 31 December 2025 was 16.5% (31/12/2024: 17.3%), which is still well above the regulatory requirements.

Lending units: Total income almost at previous year's level – franchise new business stable

New business in the four lending units amounted to EUR 5.0 (6.1) billion in total, entirely due to the discontinued activities in non-strategic business areas. The new business in core franchise areas remained stable at EUR 4.9 (4.9) billion, despite deliberately restrained new business in the Real Estate Germany segment and volume-reducing currency effects resulting from a weaker US dollar. Average assets in the loan segments decreased to EUR 18.7 (31/12/2024: 19.3) billion. Nevertheless, at EUR 701 (714) million, total income was maintained at approximately the previous year's level. Earnings after taxes totalled EUR 210 (235) million.

Outlook

Based on our solid earnings and clear focus on cost efficiency, we forecast IFRS net income before taxes of around EUR 300 million for the financial year 2026. This outlook assumes that the Middle East conflict does not escalate further or extend beyond a few months.

Further information on the 2025 financial year can be found in our [press release](#) on the preliminary financial results dated 12 February 2026 and on our [website](#).

Group statement of income (IFRS) 2025

(€ mn)	2025	2024	Change (in %)
Net interest income	672	752	-11
Net commission income	28	26	8
Result from hedging	-3	2	>-100
Result from financial instruments categorized as FVPL	26	-7	>100
Net income from financial investments	7	7	-
Result from the disposal of financial assets classified as AC	13	3	>100
Total income	743	783	-5
Loan loss provisions	-109	-95	15
Total income after loan loss provisions	634	688	-8
Administrative expenses	-378	-350	8
Other operating result	37	-81	>100
Expenses for regulatory affairs, the Deposit Protection Fund, and banking associations	-4	-9	-56
Net income before taxes	289	248	17
Income tax expense	-124	-20	>100
Group net result	165	228	-28
Group net result attributable to Hamburg Commercial Bank shareholders	165	228	-28

Further key figures of the Group	31/12/2025	31/12/2024
Total assets (€ bn)	28.6	33.6
RWA (€ bn)	13.1	18.2
CET1 capital ratio ² (%)	16.5	17.3
Overall capital ratio ² (%)	21.2	22.4
Return on equity (RoE) after taxes ¹ (%)	4.5	6.2
Leverage ratio ² (%)	7.3	9.0
Liquidity coverage ratio (%)	204	216
Net stable funding ratio (%)	119	116
Employees (FTE)	868	934

1) RoE after taxes is based on balance sheet equity at the beginning of the year less dividend | 2) The dividend payment for the financial year 2025 to be paid out in 2026 was already taken into account as a reduction in the Common Equity Tier 1 capital.