20 August 2026

Press release

Hamburg Commercial Bank on track with EUR 168 million pre-tax profit in first half of 2026

- Net income before taxes up 21% (H1 2025: EUR 139 million) – profit after taxes EUR 129 (46) million
- New franchise business up 20% to EUR 3.0 (2.5) billion
- Direct retail deposit business exceeded expectations
- Cost discipline: Administrative expenses reduced to EUR 149 (216) million – down 16% excluding one-off effects
- Portfolio quality improved: NPL volume reduced by 10% – NPL ratio fell to 3.0%
- CEO Luc Popelier: “Strategic focus is bearing fruit – successful launch for Hamburg Direct Bank – earnings forecast for 2026 confirmed”

HAMBURG/GERMANY – Hamburg Commercial Bank AG (HCOB) presented its financial results for the first half of 2026 on Thursday and reported an IFRS **net income before taxes** of EUR 168 (prior-year period: 139) million. Significant cost reductions, solid operating business development, and slightly positive loan loss provisions contributed to the increase in pre-tax profit. Capital and liquidity ratios were maintained at a high level.

“Our strategic focus is bearing fruit, and the first-half result underscores the strength of our sharpened business model. Thanks to the growth in profitable new business, sustained cost savings, and good operating performance, we are on track to meet our forecast of a pre-tax profit around EUR 300 million for the full year 2026,” said Luc Popelier, Chief Executive Officer of Hamburg Commercial Bank. “We are also pleased with the successful launch of Hamburg Direct Bank. The volume of deposits acquired from retail customers via our digital brand exceeded our expectations and makes an important contribution to the further diversification of our funding base.”

Hamburg Direct Bank launched successfully – funding mix further expanded

In March, HCOB successfully launched its digital brand, Hamburg Direct Bank, to enter the retail deposit market. By 30 June 2026, the online platform — a two-time German Brand Award recipient — had attracted deposits totalling approximately EUR 1.0 billion, thereby exceeding the target volume. In addition, HCOB placed a five-year senior preferred bond with a volume of EUR 500 million in January, which met with strong investor interest.

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Pre-tax profit up 21% – slightly positive loan loss provisions – administrative expenses reduced

Net income before taxes rose by just over a fifth to EUR 168 (139) million. A significant reduction in administrative expenses and slightly positive loan loss provisions more than offset the expected decline in revenues due to the strategic refocusing of the business, as well as a weaker FVPL result. Despite the higher pre-tax profit, **income tax expenses** fell to EUR 39 (93) million; in the first half of 2025, income tax expenses were significantly higher due to a one-off effect relating to the business realignment. **Group net result** rose accordingly to EUR 129 (46) million. **Return on equity (RoE) after taxes**[1] improved to 9.6% (31/12/2025: 4.5%).

Total income decreased to EUR 307 (397) million. This was primarily due to the decline in net interest income to EUR 289 (357) million, resulting from the significantly lower average balance sheet total in line with the bank's strategy to focus on core franchises. The **result from financial instruments categorised as FVPL** had a negative impact of EUR -9 (18) million, due to temporary valuation losses resulting from increased volatility on the capital market. The other items of total income had an opposite effect, totalling EUR 27 (22) million, including a slight improvement in net commission income.

Loan loss provisions were slightly positive at EUR 3 (-57) million, benefiting significantly from a recovery (EUR 47 million) on a legacy loan that had already been written off in full. This more than offset net additions of EUR 42 million.

At EUR 149 (216) million, **administrative expenses** were almost a third below the level of the same period last year. The main driver was the decline in personnel costs, which in the prior-year period included one-off restructuring expenses (EUR 45 million) for severance payments and early retirement schemes. Excluding this non-recurring effect and one-off charges in personnel costs in the first half of 2026 (EUR 6 million), administrative expenses decreased by 16%. Personnel expenses decreased to EUR 76 (129) million, reflecting sustainable savings resulting from the gradual reduction in headcount. The number of employees dropped to 827 FTE (31/12/2025: 868 FTE). By the end of 2027, the workforce is expected to be reduced to the target level of around 730 FTE; approximately 90% of the planned reductions have already been contracted. Operating (non-personnel) expenses also fell significantly to EUR 73 (87) million as a result of further efficiency measures. The **cost-income ratio** (CIR) was 47% (30/06/2025: 51%).

Other operating result amounted to EUR 9 (23) million. As in the same period of the previous year, this included income from the reversal of provisions as well as one-off effects in the form of non-period related VAT refunds, which exceeded other operating expenses in both reporting periods.

Expenses for regulatory affairs, deposit guarantee fund and banking associations fell to EUR 2 (8) million, since – as in the previous year – no annual contribution to the BdB's voluntary deposit protection fund was required. At the half-year mark in 2025, the bank had still assumed that an annual contribution to the deposit guarantee fund would be levied and had accordingly recognised expenses of EUR 5 million.

Portfolio quality improved – total assets down as expected

Despite the still challenging macroeconomic environment, the **NPL volume** fell by 10% to EUR 484 (31/12/2025: 540) million as at the half-year reporting date. The reduction in non-performing exposures, particularly in the Real Estate segment, more than offset new defaults that occurred in the first half of 2026, which were below the level of the corresponding period both in number and volume. The **NPL ratio** improved to 3.0% (31/12/2025: 3.3%).

The **stock of loan loss provisions** stood at EUR 248 (31/12/2025: 275) million at the half-year end, as utilisations in the course of active NPL reductions exceeded net additions. The bank continues to hold a comfortable level of loan loss provisions to cushion potential adverse economic developments.

As expected, **total assets** decreased to EUR 26.6 (31/12/2025: 28.6) billion. The decline was primarily attributable to the dividend payment in March 2026 for the 2025 financial year, as well as to the value-preserving wind-down of the non-strategic international real estate portfolio, which progressed faster than initially envisaged.

The **CET1 ratio** rose to 17.6% (16.5%), driven primarily by the decline in RWA to EUR 12.3 (31/12/ 2025: 13.1) billion as a result of the lower business volume. The **leverage ratio** rose to 7.8% (7.3%).

Lending units: Franchise new business grows by 20% – RoE rises to 13.0%

Strategic new franchise business across the four lending units increased by 20% in the first half of 2026, reaching EUR 3.0 (H1 2025: 2.5; incl. the divested aviation business: 2.6) billion. As at 30 June 2026, segment assets stood at EUR 16.5 (31/12/2025: 16.9) billion, approximately on par with the year-end figure for 2025. The slight decline was attributable to the continued run-down of non-strategic portfolios, while segment assets in the strategic businesses increased slightly. Average segment assets, however, still stood at EUR 19.7 billion in the first half of 2025, 15% higher than in the first half of 2026 (EUR 16.7 billion); the decline reflected the strategic realignment decided upon in the previous year. This was reflected in lower net interest income in the half-year comparison, which declined by only 14%. Accordingly, the net interest margin expanded slightly to 3.33% (H1 2025: 3.27%) in a highly competitive environment. Additionally, the FVPL result was lower – in the prior-year period, this had included positive effects from hedging currency risks – meaning total income stood at EUR 288 (386) million. However, overall positive loan loss provisions and lower administrative expenses almost offset this decline, meaning that the lending units achieved a profit after taxes of EUR 112 (115) million. Operating profitability, measured in terms of RoE after taxes, improved to 13.0% (H1 2025: 9.8%) due to a decline in average RWA.

The **Real Estate segment** generated a profit after taxes of EUR 5 (16) million in the first half of 2026. Total income, which declined to EUR 67 (109) million whilst margins remained solid, reflected noticeably lower average segment assets, attributable to the reduction of the international portfolio and of NPL exposures. Segment assets declined to EUR 5.4 (31/12/2025: 5.9) billion at the end of the first half of the year, with expanded yet selective new business contributing EUR 0.4 (0.2) billion to this figure.

The **Global Transportation segment** reported a profit after taxes of EUR 20 (29) million. Its earnings situation was also characterised by significantly lower average segment assets. This was mainly due to the sale of the entire aviation loan portfolio, completed at the end of 2025, and the decline in the shipping loan book in the previous year due to high repayments and a weakening of the US dollar. Consequently, net interest income decreased, resulting in a reduction in total income to EUR 54 (90) million. New business performed well at EUR 1.0 (0.9 incl. 0.1 aviation) billion and led to a slight increase in segment assets to EUR 2.6 (31/12/2025: 2.5) billion as at the half-year reporting date.

In the **Project Finance segment**, profit after taxes increased significantly to EUR 48 (24) million. Higher net interest and commission income, largely offsetting a lower FVPL result, was driven by positive operating performance and a marked widening of net interest margins. Total income remained virtually unchanged at EUR 63 (65) million. A key driver of the profit was a recovery on a legacy loan that had already been fully written off as part of the loan loss provisions. New business rose once again to EUR 0.8 (0.6) billion, offsetting extraordinary repayments and meaning that segment assets remained stable at EUR 3.9 (31/12/2025: 3.9) billion.

The **Corporates segment** generated a profit after taxes of EUR 39 (46) million. Despite wider net interest margins, total income declined to EUR 104 (122) million due to lower average segment assets and moderate valuation losses in the FVPL result. New business, totalling EUR 0.8 (0.9) billion, was generated roughly equally in the domestic and international areas. As at 30 June 2026, segment assets amounted to EUR 4.6 billion (31/12/2025: EUR 4.6 billion) and remained unchanged compared with year-end 2025.

Outlook

Based on its first-half results and solid operational performance, Hamburg Commercial Bank continues to expect to achieve an IFRS net income before taxes of around EUR 300 million in the 2026 financial year.

This earnings forecast is based on the assumption that there will be no significant deterioration in external conditions or any unforeseeable developments, especially in connection with geopolitical events.

Hamburg Commercial Bank

Group statement of income (IFRS) for the first half of 2026

(€ million)	January - June 2026	January - June 2025	Change in %
Net interest income	**289**	**357**	**-19**
Net commission income	15	14	7
Result from hedging	-1	-1	-
Result from financial instruments categorised as FVPL	-9	18	>-100
Net income from financial investments	10	6	67
Result from the disposal of financial assets categorised as AC	3	3	-
Total income	**307**	**397**	**-23**
Loan loss provisions	3	-57	>-100
Total income after loan loss provisions	**310**	**340**	**-9**
Administrative expenses	-149	-216	-31
Other operating result	9	23	-61
Expenses for regulatory affairs, deposit guarantee fund and banking associations	-2	-8	-75
Net income before taxes	**168**	**139**	**21**
Income tax expenses	-39	-93	-58
Group net result	**129**	**46**	**>100**
Group net result attributable to HCOB shareholders	129	46	>100

Further key figures of the Group	**30/06/2026**	**31/12/2025**
Total assets (€ billion)	26.6	28.6
RWA (€ billion)	12.3	13.1
CET1 capital ratio (%)	17.6[2]	16.5[3]
Overall capital ratio (%)	22.0[2]	21.2[3]
Return on equity (RoE) after taxes[1] (%)	9.6	4.5
Leverage ratio (%)	7.8[2]	7.3[3]
Liquidity coverage ratio (%)	186	204
Net stable funding ratio (%)	128	119
Employees (FTE)	827	868

1) RoE after taxes based on balance sheet equity at the beginning of the year less proposed dividend. Adjusted for one-off effects and based on a 16% CET1 level, the RoE as of 31/12/2025 was 8.5%. | 2) Profits for the first half of 2026 have not been taken into account. | 3) The dividend payment made in 2026 was taken into account in advance as a reduction in CET1 capital.

For more information, please visit the Investor Relations section of our website.