

# Disclosure Report

As at **31 December 2025** according to part 8 CRR

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Due to rounding, numbers presented throughout this report may not add up precisely to the totals and percentages provided.  
This report is a non-binding translation of the original German version of the Disclosure Report (Offenlegungsbericht).

# A Introduction

## Scope of application

Hamburg Commercial Bank AG is classified as a significant credit institution under the Single Supervisory Mechanism (SSM) and is subject to direct supervision by the ECB. The Bank is not classified as another systemically important institution (O-SII) pursuant to Article 131(3) of Directive 2013/36/EU in conjunction with Section 10g(2) of the German Banking Act (KWG). As the consolidated total assets have fallen below €30 billion by the end of 2025, Hamburg Commercial Bank AG is no longer a large institution within the meaning of Article 4(1)(146) CRR. Accordingly, disclosure reports will only be published at the end of each half-year and at the end of each financial year in future.

Hamburg Commercial Bank AG is the parent credit institution within the Hamburg Commercial Bank Group. The disclosure pursuant to Part 8 CRR is made in accordance with Article 13(1) CRR for the Hamburg Commercial Bank Group (hereinafter referred to as Hamburg Commercial Bank). The companies that belong to the group within the meaning of Section 10a KWG in conjunction with Article 11 CRR (regulatory scope of consolidation) must be taken into account.

This is different to the scope of consolidation for accounting purposes in accordance with International Financial Reporting Standards (IFRS), which forms the basis for reporting on the IFRS Group financial statements of Hamburg Commercial Bank in the Annual Report. There are no capital shortfalls at subsidiaries within the meaning of Article 436(g) CRR. The following information is disclosed annually in accordance with Article 433a(1)(a) CRR.

Within Hamburg Commercial Bank, it is generally possible to transfer own funds/financial resources in accordance with Article 436(f) CRR. This option may, however, be limited due to existing regulatory requirements or also other legal obligations or restrictions. With regard to the capital resources of subsidiaries in which other shareholders besides Hamburg Commercial Bank hold a stake, the consent of the co-shareholders and their committees is generally required for any change in equity or own funds. In cases involving subsidiaries that are also institutions, changes in equity may have to be coordinated with the relevant supervisory authorities.

There are no capital shortfalls at subsidiaries within the meaning of Article 436(g) CRR.

## Other sources of disclosure

Where information is disclosed under other provisions, the disclosure requirements under Article 434(2) CRR can be considered met. Hamburg Commercial Bank uses this provision for the information set out below.

Pursuant to Article 435 (1) CRR, institutions are to disclose their risk management objectives and policies for each separate category of risk, including default risk, market risk incl. interest rate risk and operational risk.

Other significant types of risk for Hamburg Commercial Bank include transformation risk and reputation risk. These disclosures are made together with the information in the Group management report (Risk Report) within the Annual Report of Hamburg Commercial Bank. In accordance with Article 435(2)(e) CRR, the information flow on risk to the management body is also described therein.

The disclosure of the number of directorships held by members of the management body, as well as the strategy and policy on diversity with regard to selection of members of the management body pursuant to Article 435(2)(a) to (c) CRR is made together with the information in the Declaration of Conformity on the German Corporate Governance Code, in the Group management report (Management Declaration pursuant to Section 289f(4) of the German Commercial Code (HGB)), as well as in the Notes to the consolidated financial statements (Note 60 "Other disclosures in accordance with German commercial law" and Note 61 "Names of members of corporate bodies and directorships held") of the Annual Report of Hamburg Commercial Bank. Information on the Risk Committee pursuant to Article 435(2)(d) CRR can be found in the Report of the Supervisory Board of Hamburg Commercial Bank.

Pursuant to Article 438(a) CRR, an institution is to disclose, in qualitative terms, a summary of the approach to assessing the adequacy of its internal capital to support current and future activities. Consequently, the internal procedures used to assess the adequacy of capital resources available in relation to the risk profile are described, as is the strategy for maintaining the level of capital resources. These disclosures are made in the Group management report (Risk Report) within the Annual Report of Hamburg Commercial Bank.

A description of the approaches and methods adopted for determining specific and general credit risk adjustments in accordance with Article 442(b) CRR is provided with the disclosures in the Group management report (Risk Report) and in the Notes to the consolidated financial statements (Note 5 "Accounting and measurement principles") of the Annual Report of Hamburg Commercial Bank.

Hamburg Commercial Bank fulfils the requirements pursuant to Article 450 CRR in conjunction with Section 16 (1) of the German Ordinance on the Remuneration of Financial Institutions (*Institutsvergütungsverordnung*) by publishing a separate Remuneration Report. It is published in the same place as the Disclosure Report on the Hamburg Commercial Bank website.

## Material, proprietary or confidential information

Pursuant to Article 432(1) CRR, institutions may generally omit one or more of the disclosures listed in Part 8 Title II CRR where the information provided by those

disclosures is not regarded as material. Hamburg Commercial Bank complies with all disclosure requirements subject to no restrictions.

Institutions may, in accordance with Article 432(2) CRR, omit one or more items of information referred to in Part 8 Titles II and III CRR where those items include information that is regarded as proprietary or confidential. Hamburg Commercial Bank has not made use of this exception in this report.

#### **Additional disclosures pursuant to Section 26a KWG**

The legal and organisational structure, as well as the principles of due and proper management of the Group, are presented in the Group management report (Basis of the Group and Risk Report) within the Annual Report of Hamburg Commercial Bank in accordance with Section 26a (1) sentence 1 KWG.

The additional disclosure requirements for CRR institutions pursuant to Section 26a (1) sentence 2 KWG can be found as an annex to the Group financial statements ("Country by Country Reporting") in the Annual Report of Hamburg Commercial Bank.

#### **Non-applicability and negative pledges**

In principle, Hamburg Commercial Bank discloses all information in accordance with Part 8, Titles II and III CRR. Some of the requirements are not, however, relevant, meaning that they have not been disclosed. In the interests of ensuring clear disclosures, Hamburg Commercial Bank therefore explicitly makes a negative pledge for the information referred to below:

- Hamburg Commercial Bank does not avail itself of any derogation to the application of prudential requirements on an individual basis under Article 7 or the individual consolidation method under Article 9 CRR. Consequently, no information is provided in accordance with Article 436(h) CRR.
- The capital ratios are calculated exclusively using own funds components calculated on the basis of the CRR. Accordingly, no explanatory information is provided in accordance with Article 437(f) CRR.
- The transitional provisions for the introduction of IFRS 9 in accordance with Article 473a CRR are not applied. This means that no disclosure is made in accordance with EBA/GL/2020/12.
- As Hamburg Commercial Bank does not calculate exposure amounts in accordance with the provisions of Article 153(5) CRR, no disclosure is made for specialised lending pursuant to Article 438(e) CRR.
- Hamburg Commercial Bank uses the Standardised Approach in accordance with Article 274 CRR to determine counterparty credit risk. Accordingly, no information is disclosed under Article 439(c) and (k) CRR on correlation risk pursuant to Article 291 CRR or on the estimate for the  $\alpha$  value under Article 284 CRR and table EU CCR7 is not shown.

- The disclosures pursuant to Article 437a and Article 441 CRR are not made as Hamburg Commercial Bank has not been classified as a global systemically important institution.
- Hamburg Commercial Bank does not use its own estimates of LGD and conversion factors. Accordingly, no separate disclosure pursuant to Article 452(b) and (g)(v) CRR has been for exposures where the Bank's own estimates of the above parameters are used.
- Hamburg Commercial Bank does not use any Advanced Measurement Approaches to calculate capital requirements for operational risk. As a result, no disclosures pursuant to Article 454 CRR are made.
- Disclosures of the association of external credit ratings with credit quality steps in accordance with Article 444(d) CRR are omitted, as Hamburg Commercial Bank uses the standard mapping published by the EBA in accordance with Article 270 CRR.
- No disclosure is made pursuant to Article 455 CRR, as no Internal Market Risk Models is applied.
- Hamburg Commercial Bank does not hold any securitisations in its trading book. For this reason, no information is provided on specific interest rate risk in accordance with Article 445 CRR or on trading book securitisation positions in the context of Article 449 CRR.
- There are no re-securitisation receivables in Hamburg Commercial Bank's portfolio. Consequently, there is no disclosure on re-securitisation exposures within the scope of Article 449 CRR.
- Hamburg Commercial Bank does not use any Internal Assessment Approach for securitisations in accordance with Part 3 Title II Chapter 5 Section 3 CRR. Accordingly, no disclosures are made in accordance with Article 449(i) CRR.
- Hamburg Commercial Bank has not provided any support under Part 3 Title II Chapter 5 CRR. As a result, it does not make any disclosure pursuant to Article 449(e) CRR.
- As Hamburg Commercial uses the Reduced Basic Approach for CVA, tables EU CVAB, EU CVA2, EU CVA3 and EU CVA4 are not disclosed.
- As Hamburg Commercial Bank is not classified as a resolution institution, table EU KM2 is not disclosed.
- Hamburg Commercial Bank does not invest in crypto assets. Therefore, EU CAE1 is not reported.

## Risk management approach

The description of the risk management objectives and policy pursuant to Article 435(1) CRR is provided applying Article 434(2) CRR with the information in the Group management report (Risk Report) of the Annual Report of Hamburg Commercial Bank in accordance

with the references specified in Table EU OVA of Implementing Regulation (EU) 2024/3172. There are also supplementary descriptions for liquidity risk in Section G, default risk in Section H, counterparty credit risk in Section I, market risk in Section K, credit valuation adjustment in Section L and operational risk in Section M.

**TAB. 1: EU OVA: INSTITUTION'S RISK MANAGEMENT APPROACH**

Legal basis	Row number	Qualitative information	Reference to Annual Report of Hamburg Commercial Bank
Point (f) of Article 435(1) CRR	(a)	Disclosure of concise risk statement approved by the management body	Group management report (Basis of the Group), Page 44 - 48 Group management report (Risk Report), Page 83, 88 - 91, 96 -98, 103, 107 - 108 Notes to the consolidated financial statements, Page 379 - 381
Point (b) of Article 435(1) CRR	(b)	Information on the risk governance structure for each type of risk	Group management report (Risk Report), Page 83, 92 - 93, 101, 105, 109
Point (e) of Article 435(1) CRR	(c)	Declaration approved by the management body on the adequacy of the risk management arrangements	Group management report (Risk Report), Page 86
Point (c) of Article 435(1) CRR	(d)	Disclosure on the scope and nature of risk disclosure and/or measurement systems	Group management report (Risk Report), Page 83 - 86
Point (c) of Article 435(1) CRR	(e)	Disclose information on the main features of risk disclosure and measurement systems	Group management report (Risk Report), Page 83 - 86
Point (a) of Article 435(1) CRR	(f)	Strategies and processes to manage risks for each separate category of risk	Group management report (Risk Report), Page 93 - 95, 101 - 104, 105 - 108, 109 - 112
Points (a) and (d) of Article 435(1) CRR	(g)	Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants	Group management report (Risk Report), Page 104

## B Differences between accounting and regulation

Pursuant to Article 436(b) CRR, a reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated supervisory financial statements must be disclosed. This reconciliation shows the differences between the scope of consolidation for accounting purposes and the scope of consolidation for supervisory purposes.

### I Differences between accounting and regulatory consolidation

In EU LI1, the differences between the balance sheet items according to the commercial law consolidation scope and the regulatory consolidation scope, as well as the mapping of regulatory balance sheet items to regulatory risk categories, are presented. In accordance with Table EU LIA letter a of Implementing Regulation (EU) 2024/3172, the essential differences between columns a and b are explained below:

At Hamburg Commercial Bank, the commercial law and regulatory consolidation scopes differ with respect to the companies to be included. The differing treatment is documented in the consolidation matrix in accordance with Table EU LI3 of Implementing Regulation (EU) 2024/3172.

The disclosure in the rows of EU LI1 follows the structure and content of the balance sheet as of the reporting date. The carrying amounts of the balance sheet items in column a correspond to those of the commercial law consolidation scope. Column b presents the carrying amounts from the regulatory consolidation scope, which correspond to the respective balance sheet items.

Columns c to g show how the accounting amounts are allocated to the regulatory risk categories. The reference point is the balance sheet under the regulatory consolidation in column b. As a rule, the value in column b corresponds to the sum of the values in columns c, d, e and g, while market risks in column f are always reported in addition. Exceptions include derivatives and securities financing transactions, which in certain cases must be allocated to multiple risk categories. Securities from financial investments that are provided as collateral in a securities financing transaction originally contain credit risks. However, due to the repo transaction, counterparty credit risks (CCR) also exist. An additional disclosure may occur under market risk if the exposures are denominated in foreign currency or allocated to the trading book.

Derivatives and securities financing transactions are reported under counterparty credit risk.

### II Differences between accounting value and exposure value

In EU LI2, the main causes of the differences between the regulatory exposure value and the book value in the annual financial statements must be presented.

In accordance with Table EU LIA letter b of Implementing Regulation (EU) 2024/3172, the essential differences between carrying amounts and risk exposure amounts according to Table EU LI2 are explained below:

#### EU LI2 rows 1 to 3: Accounting value

In rows 1 and 2, columns b to e, the totals of assets and liabilities are taken from Table EU LI1, columns c to f. Column b comprises credit risk, securitisation risk, and counterparty credit risk. In column a, the values from FINREP are reported in the first two rows. The values in rows 4 to 12 correspond to the values in column b. Row 3 shows the difference between rows 1 and 2. The basis for the reconciliation to the regulatory relevant exposure values in row 12 is the difference shown in row 3.

#### EU LI2 row 4: Off-balance-sheet amounts

The off-balance-sheet items to be disclosed in row 4 of Table EU LI2 include, in columns a and b, the original off-balance-sheet exposures before applying the credit conversion factors, in accordance with the explanation in Implementing Regulation (EU) 2024/3172.

#### EU LI2 row 5: Differences in valuations

This row reflects valuation differences arising from regulatory requirements and accounting standards. These include additional valuation adjustments in accordance with Article 34 in conjunction with Article 105 CRR.

#### EU LI2 row 6: Differences due to different netting rules, other than those already included in row 2

The value for derivative netting under SA-CCR is reported in row 8 (CRM). Regulatory netting is not used for securities financing transactions. For the other risk categories, regulatory netting is not relevant. Therefore, no value is reported in this row.

#### EU LI2 row 7: Differences due to consideration of provisions

This section shows differences in the presentation of risk provisions between the balance-sheet-oriented view (FINREP) and the regulatory view (COREP), each based on the regulatory consolidation scope.

Rows 1 and 3 show only net carrying amounts after risk provisions. The risk exposure amounts in row 12, however, include both net values (CRSA) and gross values (IRBA).

**EU LI2 row 8: Differences due to the use of credit risk mitigation techniques (CRMs)**

In this section, financial collateral under the CRSA and credit risk mitigation for CCR are taken into account.

**EU LI2 row 9: Differences due to credit conversion factors**

In row 9, columns a and b, the differences arising from the application of the credit conversion factor are disclosed.

**EU LI2 row 10: Differences due to securitisation with risk transfer**

There are no differences due to securitisation with risk transfer.

**EU LI2 row 11: Other differences**

In this row, additional effects that cannot be allocated to the lines above are disclosed. These consist in particular of:

- Valuation adjustments and consolidation effects in accounting that are not used for regulatory purposes.
- Amounts that are relevant only from a regulatory perspective due to specific product treatments

**EU LI2 row 12: Exposure amounts considered for regulatory purposes**

The amounts in this row are calculated in columns b to d as the sum of rows 3 to 11.

**TAB. 2: EU LI1: DIFFERENCES BETWEEN THE ACCOUNTING SCOPE AND THE SCOPE OF PRUDENTIAL CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES (€M)**

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
<b>Breakdown by asset classes according to the balance sheet in the published financial statements</b>								
1	Cash, cash balances at central banks and other demand deposits	2,855	2,818	2,818	-	-	169	164
2	Cash on hand	0	0	-	-	-	-	-
3	Cash balances at central banks	2,492	2,455	2,455	-	-	-	-
4	Other demand deposits	363	363	363	-	-	169	164
5	Financial assets held for trading	151	151	140	140	-	41	11
6	Derivatives	151	151	140	140	-	42	11
7	Equity instruments	-	-	-	-	-	-	-
8	Debt securities	0	-	-	-	-	-	-
9	Loans and advances	0	0	-	-	-	-1	-
10	Trading financial assets	-	-	-	-	-	-	-
11	Derivatives	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-
13	Debt securities	-	-	-	-	-	-	-
14	Loans and advances	-	-	-	-	-	-	-
15	Non-trading financial assets mandatorily at fair value through profit or loss	345	1,314	1,313	-	75	1,152	1
16	Equity instruments	24	993	993	-	-	979	-
17	Debt securities	219	219	219	-	75	99	-
18	Loans and advances	103	103	102	-	-	74	1
19	Financial assets designated at fair value through profit or loss	39	39	39	-	-	-	-
20	Equity instruments	-	-	-	-	-	-	-
21	Debt securities	39	39	39	-	-	-	-
22	Loans and advances	-	-	-	-	-	-	-
23	Financial assets at fair value through other comprehensive income	7,816	7,854	7,854	-	739	2,038	-
24	Equity instruments	-	-	-	-	-	-	-
25	Debt securities	7,452	7,489	7,489	-	739	1,993	-
26	Loans and advances	365	365	365	-	-	45	-
27	Non-trading non-derivative financial assets measured at fair value through profit or loss	-	-	-	-	-	-	-
28	Equity instruments	-	-	-	-	-	-	-
29	Debt securities	-	-	-	-	-	-	-
30	Loans and advances	-	-	-	-	-	-	-
31	Non-trading non-derivative financial assets measured at fair value to equity	-	-	-	-	-	-	-
32	Equity instruments	-	-	-	-	-	-	-
33	Debt securities	-	-	-	-	-	-	-
34	Loans and advances	-	-	-	-	-	-	-
35	Financial assets at amortised cost	16,526	15,560	15,560	-	590	5,231	-

	a	b	c	d	e	f	g	
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items					
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds	
<b>Breakdown by asset classes according to the balance sheet in the published financial statements</b>								
36	Debt securities	114	114	114	-	44	73	-
37	Loans and advances	16,412	15,446	15,446	-	546	5,157	-
38	Non-trading non-derivative financial assets measured at a cost-based method	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-
40	Debt securities	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-
42	Other non-trading non-derivative financial assets	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-
44	Debt securities	-	-	-	-	-	-	-
45	Loans and advances	-	-	-	-	-	-	-
46	Derivatives – Hedge accounting	-	-	-	-	-	-	-
47	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-	-	-	-
48	Investments in subsidiaries, joint ventures and associates	8	8	-	-	-	-	-
49	Tangible assets	19	19	11	-	-	0	7
50	Property, plant and equipment	-	18	11	-	-	0	7
51	Investment property	-	1	-	-	-	-	-
52	Intangible assets	77	77	-	-	-	0	77
53	Goodwill	-	-	-	-	-	-	-
54	Other intangible assets	77	77	-	-	-	0	77
55	Tax assets	409	394	-	-	-	-3	394
56	Current tax assets	16	16	-	-	-	-3	16
57	Deferred tax assets	393	378	-	-	-	-	-
58	Other assets	314	314	164	-	-	9	67
59	Non-current assets and disposal groups classified as held for sale	47	47	47	-	-	-	-
60	(-) Haircuts for trading assets at fair value	-	-	-	-	-	-	-
61	<b>Total assets</b>	<b>28,608</b>	<b>28,596</b>	<b>27,947</b>	<b>140</b>	<b>1,405</b>	<b>8,637</b>	<b>721</b>

	a	b	c	d	e	f	g	
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items					
			Subject to the credit risk framework	Subject to the credit risk framework	Subject to the credit risk framework	Subject to the credit risk framework	Subject to the credit risk framework	
<b>Breakdown by liability classes according to the balance sheet in the published financial statements</b>								
1	Financial liabilities held for trading	102	99	60	60	-	96	39
2	Derivatives	99	97	60	60	-	97	37
3	Short positions	-	-	-	-	-	-	-
4	Deposits	-	-	-	-	-	-	-
5	Debt securities issued	-	-	-	-	-	-	-
6	Other financial liabilities	3	3	0	0	-	-1	2
7	Trading financial liabilities	-	-	-	-	-	-	-
8	Derivatives	-	-	-	-	-	-	-
9	Short positions	-	-	-	-	-	-	-
10	Deposits	-	-	-	-	-	-	-
11	Debt securities issued	-	-	-	-	-	-	-
12	Other financial liabilities	-	-	-	-	-	-	-
13	Financial liabilities designated at fair value through profit or loss	295	295	-	-	-	0	295
14	Deposits	197	197	-	-	-	0	197
15	Debt securities issued	97	97	-	-	-	-	97
16	Other financial liabilities	-	-	-	-	-	-	-
17	Financial liabilities measured at amortised cost	23,757	23,757	809	808	-	8,348	15,409
18	Deposits	15,701	15,701	809	808	-	8,348	7,353
19	Debt securities issued	8,048	8,048	-	-	-	-	8,048
20	Other financial liabilities	8	8	-	-	-	-	8
21	Non-trading non-derivative financial liabilities measured at a cost-based method	-	-	-	-	-	-	-
22	Deposits	-	-	-	-	-	-	-
23	Debt securities issued	-	-	-	-	-	-	-
24	Other financial liabilities	-	-	-	-	-	-	-
25	Derivatives – Hedge accounting	39	39	39	39	-	-	-
26	Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-	-	-	-
27	Provisions	328	327	11	-	0	2	295
28	Funds for general banking risks [if presented within liabilities]	-	-	-	-	-	-	-
29	Pension and other post employment defined benefit obligations	-	54	-	-	-	-	54
30	Other long term employee benefits	-	77	-	-	-	-	77
31	Restructuring	-	21	-	-	-	-	21
32	Pending legal issues and tax litigation	-	132	-	-	-	-	132
33	Commitments and guarantees given	-	24	11	-	0	2	12
34	Other provisions	-	20	-	-	-	-	-
35	Tax liabilities	5	5	-	-	-	-	-

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
				Subject to the credit risk framework	Subject to the credit risk framework	Subject to the credit risk framework	Subject to the credit risk framework	Subject to the credit risk framework
<b>Breakdown by liability classes according to the balance sheet in the published financial statements</b>								
36	Current tax liabilities	5	5	-	-	-	-	-
37	Deferred tax liabilities	0	0	-	-	-	-	-
38	Share capital repayable on demand	-	-	-	-	-	-	-
39	Other liabilities	125	119	-1	-	-	0	119
40	Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-	-
41	Haircuts for trading liabilities at fair value	-	-	-	-	-	-	-
42	Equity	3,957	3,954	-	-	-	-	-
43	<b>Total liabilities</b>	<b>28,608</b>	<b>28,596</b>	<b>917</b>	<b>907</b>	<b>0</b>	<b>8,447</b>	<b>16,157</b>

**TAB. 3: EU LI2: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS (€M)**

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	<b>Assets carrying value amount under the scope of prudential consolidation (as per template LI1)</b>	<b>28,596</b>	<b>27,947</b>	<b>1,405</b>	<b>140</b>	<b>8,637</b>
2	<b>Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)</b>	<b>28,596</b>	<b>917</b>	<b>0</b>	<b>907</b>	<b>8,447</b>
3	<b>Total net amount under the scope of prudential consolidation</b>	<b>-</b>	<b>27,030</b>	<b>1,405</b>	<b>-767</b>	<b>190</b>
4	Off-balance-sheet amounts	4,957	4,956	371	-	
5	Differences in valuations	-10	-10	-	-	
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	
7	Differences due to consideration of provisions	-68	-68	-1	-	
8	Differences due to the use of credit risk mitigation techniques (CRMs)	1,284	1,284	-	1,329	
9	Differences due to credit conversion factors	-2,984	-2,984	-	-	
10	Differences due to Securitisation with risk transfer	-	-	-	-	
11	Other differences	-42	-42	2	-	
12	<b>Exposure amounts considered for regulatory purposes</b>	<b>30,166</b>	<b>30,166</b>	<b>1,777</b>	<b>562</b>	<b>148</b>

**TAB. 4: EU LI3: OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY)**

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Apollo Alster Lending Fund (LUX) SCSp	Full consolidation				X		Specialised fund company (loan fund)
Bain Capital Credit Schanze Unlevered Direct Lending Fund, SCSp	Full consolidation				X		Specialised fund company (loan fund)
BINNENALSTER-Beteiligungsgesellschaft mbH	Full consolidation	X					Management/holding of shareholdings
BSP Michel Unlevered Direct Lending Fund SCSp	Full consolidation				X		Specialised fund company (loan fund)
ELBE CA Holdings, LLC	Full consolidation				X		Subsidiary of a specialised fund company (loan fund)
ELBE CA Subsidiary, SCSp	Full consolidation				X		Subsidiary of a specialised fund company (loan fund)
GmbH Altstadt Grundstücksgesellschaft	Full consolidation			X			Property company
HCOB Auffang- und Holdinggesellschaft mbH & Co. KG	Full consolidation	X					Holding and investment company
HCOB Finance (Guernsey) Limited	Full consolidation	X					Refinancing company
HCOB Residual Value Ltd.	Full consolidation			X			Management / maintenance of insurance policies
HCOB Securities S.A.	Full consolidation			X			In liquidation
HPS Elbe Unlevered Direct Lending Fund, SCSp	Full consolidation				X		Specialised fund company (loan fund)
Klarphos S.à r.l.	Full consolidation	X					Management of investments and asset management company
Pemberton Volkspark Unlevered Direct Lending Fund SCSp	Full consolidation				X		Specialised fund company (loan fund)

## C Own funds and capital requirements

### I Own funds structure and key metrics

For the disclosure of own funds pursuant to Article 437 points (a), (b), (d) and (e) CRR, Hamburg Commercial Bank follows the Implementing Regulation (EU) 2024/3172 laying down implementing technical standards for institutions' own funds disclosure obligations pursuant to CRR. Information on own funds and capital ratios is published in the following table EU KM1.

Rows 4a, 5b, 6b and 7b were to be reported for the first time as at 31 March 2025. According to Article

26(5) of Implementing Regulation (EU) 2024/3172, data for earlier reporting dates do not have to be disclosed when data is disclosed for the first time. Column e therefore remains empty for these rows.

The liquidity coverage ratio, LCR, is disclosed as an average value for the last 12 months. Details can be found in Section G.

**TAB. 5: EU KM1: KEY METRICS**

		a	b	c	d	e
		31.12.25 <sup>1</sup>	30.09.25 <sup>2</sup>	30.06.25 <sup>2</sup>	31.03.25 <sup>2</sup>	31.12.24 <sup>3</sup>
<b>Available own funds (amounts) in €m</b>						
1	Common Equity Tier 1 (CET1) capital	2,156	3,283	3,265	3,184	3,152
2	Tier 1 capital	2,156	3,283	3,265	3,184	3,152
3	Total capital	2,764	3,870	3,857	4,132	4,083
<b>Risk-weighted exposure amounts in €m</b>						
4	Total risk-weighted exposure amount	13,054	13,968	14,739	15,817	18,213
4a	Total risk exposure pre-floor	13,054	13,968	14,739	15,817	
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	16.52	23.51	22.15	20.13	17.31
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	16.52	23.51	22.15	20.13	
6	Tier 1 ratio (%)	16.52	23.51	22.15	20.13	17.31
6b	Tier 1 ratio considering unfloored TREA (%)	16.52	23.51	22.15	20.13	
7	Total capital ratio (%)	21.17	27.71	26.17	26.13	22.42
7b	Total capital ratio considering unfloored TREA (%)	21.17	27.71	26.17	26.13	
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.060	2.060	2.060	2.060	1.800
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.159	1.159	1.159	1.159	1.013
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.545	1.545	1.545	1.545	1.350
EU 7g	Total SREP own funds requirements (%)	10.060	10.060	10.060	10.060	9.800
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>						
8	Capital conservation buffer (%)	2.500	2.500	2.500	2.500	2.500
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.804	0.816	0.790	0.657	0.737
EU 9a	Systemic risk buffer (%)	0.0123	0.0117	0.0105	0.0200	0.0441
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement (%)	3.317	3.328	3.301	3.177	3.281
EU 11a	Overall capital requirements (%)	13.38	13.39	13.36	13.24	13.08
12	CET1 available after meeting the total SREP own funds requirements (%)	8.97	15.96	14.60	12.59	9.96
<b>Leverage ratio</b>						
13	Total exposure measure	29,671	30,840	32,217	33,408	34,925
14	Leverage ratio (%)	7.268	10.647	10.133	9.532	9.025
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.000	3.000	3.000	3.000	3.000
<b>Requirements for own funds buffer to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU14e	Overall leverage ratio requirement (%)	3.000	3.000	3.000	3.000	3.000
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	8,407	8,175	7,855	7,809	7,560
EU 16a	Cash outflows - Total weighted value	4,247	4,274	4,333	4,449	4,455
EU 16b	Cash inflows - Total weighted value	361	405	473	502	510
16	Total net cash outflows (adjusted value)	3,886	3,869	3,860	3,947	3,944
17	Liquidity coverage ratio (%)	217.8	212.9	204.9	198.0	192.2
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	19,343	19,273	20,311	20,832	21,635
19	Total required stable funding	16,188	16,155	16,806	17,681	18,660
20	NSFR ratio (%)	119.5	119.3	120.9	117.8	115.9

<sup>1</sup> The intended dividend payment for the 2025 financial year, which is subject to approval by the Annual General Meeting, has been taken into account as a reduction in the Common Equity Tier 1 capital.

<sup>2</sup> Profits were not taken into account for the first three quarters in 2025.

<sup>3</sup> The dividend payment made in 2025 was reflected in the Common Equity Tier 1 capital in advance as a reduction.

### **Explanation of key changes**

Common Equity Tier 1 ratio decreases by 7.0 percentage points compared to the previous quarter and is at a high level of 16.5%. The intended dividend payment for the 2025 financial year, which is subject to approval by the Annual General Meeting, has been taken into account as a reduction in the Common Equity Tier 1 capital. The resulting decline in Common Equity Tier 1 capital led to a fall in the Common Equity Tier 1 ratio.

The leverage ratio decreases to 7.3%. The decline is due to the decrease in Tier 1 capital.

### **Disclosure of the nature and amounts of specific elements of own funds**

The information in accordance with Article 437(d) CRR is made in Table EU CC1 in the Annex.

### **Complete reconciliation of own funds components to the audited financial statements**

The full reconciliation of own funds components to the audited financial statements in accordance with Article 437(a) CRR is provided with the information in Table EU CC2 in the Annex.

The reconciliation is a three-step process. The first step is the reconciliation of the scope of consolidation under commercial law to the scope of consolidation under supervisory law as at 31 December 2025. The equity components of the scope of consolidation under commercial law correspond to the equity information published in the annual report of Hamburg Commercial Bank as at 31 December 2025. The second step involves expanding the own funds components and taking regulatory effects into account. Finally, the own funds components are allocated to the own funds items of the Group's regulatory report as at 31 December 2025.

### **Description of the main characteristics of own funds instruments issued**

The main characteristics of the Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments issued by Hamburg Commercial Bank are presented in Table EU CCA in the Annex in accordance with Article 437(b) CRR in conjunction with the Implementing Regulation (EU) 2024/3172.

## **II Own fund requirements**

Table EU OV1 shows the own funds requirements relevant for Hamburg Commercial Bank in accordance

with Article 438 point (d) CRR. The own funds requirements are explained below.

### **Credit risk and counterparty credit risk**

Following approval by the responsible authorities, Hamburg Commercial Bank determines the probability of default to determine the risk weight internally, while regulatory values are used for other risk parameters such as loss given default and conversion factors.

However, in the context of partial use, the standardised approach for credit risk in accordance with Part 3 Title II Chapter 2 CRR is applied for individual risk positions and for the companies to be consolidated. For this reason, information on the capital requirements for credit risk is presented in accordance with both the foundation IRB approach and the standardised approach for credit risk. In addition, the capital requirements for the risk arising from contributions to the default fund of a central counterparty are disclosed in accordance with Articles 307 to 309 CRR.

Hamburg Commercial Bank calculates the capital requirements for equity investments in accordance with the Credit Risk Standardised Approach (CRSA).

### **Exposure to market risk**

Hamburg Commercial Bank uses the standard procedures set out in Part 3 Title IV Chapters 2 to 4 CRR to determine capital requirements for market risks.

### **Exposure to operational risk**

Hamburg Commercial Bank determines the capital requirement for operational risks based on the business indicator component calculated in accordance with Article 313 CRR.

### **Further risks**

In addition to credit risk, market risk and operational risk, Hamburg Commercial Bank also considers the risk of an adjustment to credit valuation (CVA risk) with own funds in accordance with Part 3 Title VI CRR.

There are further capital requirements pursuant to Articles 48 and 60 CRR amounting to € 41 m, which mainly result from deferred taxes. Deferred taxes are included in Table EU OV1 in row 25.

**TAB. 6: EU OV1: OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS (€M)**

		a	b	c
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		31.12.2025	30.09.2025	31.12.2025
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>10,646</b>	<b>11,546</b>	<b>852</b>
2	Of which the standardised approach	5,206	5,659	416
3	Of which the foundation IRB (FIRB) approach	4,807	5,117	385
4	Of which: slotting approach	-	-	-
EU 4a	Of which: equities under the simple risk weighted approach	-	-	-
5	Of which the advanced IRB (AIRB) approach	-	-	-
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>132</b>	<b>162</b>	<b>11</b>
7	Of which the standardised approach	82	111	7
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	4	4	0
9	Of which other CCR	46	47	4
<b>10</b>	<b>Credit valuation adjustments risk - CVA risk</b>	<b>29</b>	<b>34</b>	<b>2</b>
EU 10a	Of which the standardised approach (SA)	-	-	-
EU 10b	Of which the basic approach (F-BA and R-BA)	29	34	2
EU 10c	Of which the simplified approach	-	-	-
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
<b>15</b>	<b>Settlement risk</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>821</b>	<b>888</b>	<b>66</b>
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	185	233	15
19	Of which SEC-SA approach	636	656	51
EU 19a	Of which 1250%/ deduction	-	-	-
<b>20</b>	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>154</b>	<b>59</b>	<b>12</b>
21	Of which the Alternative standardised approach (A-SA)	-	-	-
EU 21a	Of which the Simplified standardised approach (S-SA)	154	59	12
22	Of which Alternative Internal Model Approach (A-IMA)	-	-	-
<b>EU 22a</b>	<b>Large exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23</b>	<b>Reclassifications between the trading and non-trading books</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24</b>	<b>Operational risk</b>	<b>1,272</b>	<b>1,279</b>	<b>102</b>
<b>EU 24a</b>	<b>Exposures to crypto-assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25</b>	<b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b>	<b>516</b>	<b>645</b>	<b>41</b>
26	Output floor applied (%)	50	50	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	-	-	
<b>29</b>	<b>Total</b>	<b>13,054</b>	<b>13,968</b>	<b>1,044</b>

### III Modelled and standardised risk weighted exposure amounts

Tables EU CMS1 and EU CMS2 fulfil the requirements of Article 438 point (d) and (da) CRR.

The following table EU CMS1 compares the modelled and standardised risk weighted exposure amounts at risk level.

Column a shows the RWEAs for exposures under the foundation IRB approach and column b shows the RWEAs for exposures under the standardised approach for credit risks. In column c, the values from columns a and b are added together. The values in column c in rows 2 to 6 and 8 therefore correspond to values in EU OV1 in column a. In column c in EU CMS1, the sum of the values in rows 1 and 7 corresponds to the value in EU OV1 in column a in row 1.

In column d, the RWEAs are shown for all positions after application of the standardised approach without the transitional rules in accordance with Article 465 CRR, while in column EU d the transitional rules are applied. The total RWEAs in row 8 are the basis for calculating the output floor, in column d for the point in time after the transitional rules have expired and in column EU d for the current point in time with the transitional rules applied.

The output floor currently has no effect on the level of the RWEAs. Even the final output floor of 72.5% applicable from 2030 onwards would not lead to any addition RWEA based on the current portfolio.

**TAB. 7: EU CMS1: COMPARISON OF MODELLED AND STANDARDISED RISK WEIGHTED EXPOSURE AMOUNTS AT RISK LEVEL (€M)**

	a	b	c	d	EU d	
	RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor	
1	Credit risk (excluding counterparty credit risk)	5,440	5,206	10,646	15,764	15,102
2	Counterparty credit risk	43	89	132	230	230
3	Credit valuation adjustment		29	29	29	29
4	Securitisation exposures in the banking book	-	821	821	821	821
5	Market risk	-	154	154	154	154
6	Operational risk		1,272	1,272	1,272	1,272
7	Other risk weighted exposure amounts		-	-	-	-
<b>8</b>	<b>Total</b>	<b>5,483</b>	<b>7,571</b>	<b>13,054</b>	<b>18,270</b>	<b>17,608</b>

In EU CMS2, the modelled and standardised risk weighted exposure amounts for credit risk are compared at asset class level.

As in column a in EU CMS1, column a shows the RWEAs for positions in accordance with the foundation IRB approach. In column b, the values from column a are calculated using the standardised approach. Columns c, d and EU d correspond to the columns in EU CMS1.

**TAB. 8: EU CMS2: COMPARISON OF MODELLED AND STANDARDISED RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT RISK AT ASSET CLASS LEVEL (€M)**

		a	b	c	d	EU d
		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1	Central governments and central banks	119	38	121	40	40
EU 1a	Regional governments or local authorities	-	-	41	41	41
EU 1b	Public sector entities	9	7	57	56	56
EU 1c	Categorised as Multilateral Development Banks in SA	-	-	11	11	11
EU 1d	Categorised as International organisations in SA	-	-	-	-	-
2	Institutions	11	60	340	372	372
3	Equity	-	-	89	89	89
4	Not applicable					
5	Corporates	3,481	5,502	4,914	8,263	7,602
5.1	Of which: F-IRB is applied	3,481	5,502	4,914	8,263	7,602
5.2	Of which: A-IRB is applied	-	-	-	-	-
EU 5a	Of which: Corporates - General	1,330	1,902	3,310	4,663	4,002
EU 5b	Of which: Corporates - Specialised lending	2,151	3,600	1,604	3,600	3,600
EU 5c	Of which: Corporates - Purchased receivables	-	-	-	-	-
6	Retail	-	-	-	-	-
6.1	Of which: Retail - Qualifying revolving	-	-	-	-	-
EU 6.1a	Of which: Retail - Purchased receivables	-	-	-	-	-
EU 6.1b	Of which: Retail - Purchased receivables	-	-	-	-	-
6.2	Of which: Retail - Secured by residential real estate	-	-	-	-	-
7	Not applicable					
EU 7a	Categorised as secured by immovable properties and ADC exposures in SA	1,184	3,380	2,132	4,329	4,328
EU 7b	Collective investment undertakings (CIU)	-	-	1,105	1,105	1,105
EU 7c	Categorised as exposures in default in SA	-	273	94	366	366
EU 7d	Categorised as subordinated debt exposures in SA	2	2	193	193	193
EU 7e	Categorised as covered bonds in SA	-	-	265	265	265
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	-	-	-	-
8	Other non-credit obligation assets	634	634	634	634	634
<b>9</b>	<b>Total</b>	<b>5,440</b>	<b>9,896</b>	<b>9,996</b>	<b>15,764</b>	<b>15,102</b>

# D Countercyclical capital buffer

Disclosures are made on the amount of the institution-specific countercyclical capital buffer as well as the geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer pursuant to Article 440 CRR in conjunction with the Implementing Regulation (EU) 2024/3172.

Table EU CCyB2 discloses the amount of the institution-specific capital buffer in accordance with Article 440(b) CRR.

The disclosure of the geographical distribution of credit exposures in accordance with Article 440(a) CRR is made in EU CCyB1.

In columns a to e, the exposure values are shown separately according to general credit exposures, trading book exposures (i.e. specific market risk) and securitisation exposures. The corresponding own fund requirements are shown in columns g to j. Column l shows the weighting applied to the countercyclical capital buffer ratio for each country. This is calculated based on the sum of the own fund requirements per country divided by the sum of all own fund requirements for the major credit exposures. Column m shows the corresponding countercyclical capital buffer for the country concerned. This is to be published by the countries themselves.

**TAB. 9: EU CCYB2: AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER**

		a
1	<b>Total risk exposure amount (€m)</b>	<b>13,054</b>
2	Institution specific countercyclical capital buffer rate (%)	0.804
3	Institution specific countercyclical capital buffer requirement (€m)	105

**TAB. 10: EU CCYB1: GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER (€M)**

		a	b	c	d	e	f
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures – Exposure value for non-trading book	Total exposure value
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		
<b>010</b>	<b>Breakdown by country</b>						
	(AE) United Arab Emirates	0	-	-	-	-	0
	(AT) Austria	186	-	-	-	-	186
	(AU) Australia	7	-	-	-	-	7
	(BE) Belgium	155	376	-	-	-	531
	(BM) Bermuda	0	64	-	-	109	173
	(CA) Canada	11	17	-	-	-	28
	(CH) Switzerland	38	23	-	-	-	61
	(CY) Cyprus[b]	0	104	-	-	-	104
	(DE) Germany	830	4,491	-	-	-	5,321
	(DK) Denmark	111	146	-	-	-	258
	(EE) Estonia	0	-	-	-	-	0
	(ES) Spain	139	264	-	-	-	402
	(FI) Finland	202	83	-	-	-	285
	(FR) France	757	322	-	-	-	1,079
	(GB) Great Britain and Northern Ireland	639	1,025	-	-	202	1,866
	(GG) Guernsey	288	-	-	-	-	288
	(GR) Greece	0	327	-	-	-	327
	(HK) Hong Kong	0	12	-	-	-	12
	(HR) Croatia	0	-	-	-	-	0
	(IE) Ireland	89	286	-	-	702	1,077
	(IL) Israel	0	-	-	-	-	0
	(IM) Isle of Man	102	19	-	-	-	121
	(IT) Italy	154	54	-	-	-	208
	(JE) Jersey	247	26	-	-	17	290
	(KY) Cayman Islands	82	46	-	-	323	451
	(LI) Liechtenstein	-	21	-	-	-	21
	(LR) Liberia	0	278	-	-	-	278
	(LU) Luxembourg	541	2,260	-	-	249	3,050
	(MH) Marshall Islands	1	586	-	-	-	587
	(MT) Malta	0	95	-	-	-	95
	(NL) Netherlands, Kingdom of the	725	942	-	-	-	1,668
	(NO) Norway	278	170	-	-	-	447
	(NZ) New Zealand	1	-	-	-	-	1
	(PA) Panama	0	207	-	-	-	207
	(PL) Poland	0	-	-	-	-	0
	(PT) Portugal	3	63	-	-	-	66
	(RU) Russian Federation	-	0	-	-	-	0
	(SE) Sweden	208	359	-	-	-	567
	(SG) Singapore	0	11	-	-	-	11
	(TR) Türkiye	-	1	-	-	-	1
	(US) United States of America	1,363	233	-	-	174	1,771
	(VG) Virgin Islands (British)	-	27	-	-	-	27
<b>020</b>	<b>Total</b>	<b>7,157</b>	<b>12,936</b>	<b>-</b>	<b>-</b>	<b>1,777</b>	<b>21,871</b>

		g	h	i	j	k	l	m
		Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
<b>010</b>	<b>Breakdown by country</b>							
	(AE) United Arab Emirates	0	-	-	0	0	0.00	-
	(AT) Austria	4	-	-	4	47	0.45	-
	(AU) Australia	1	-	-	1	7	0.07	1.00
	(BE) Belgium	8	-	-	8	102	0.98	1.00
	(BM) Bermuda	2	-	6	8	104	1.00	-
	(CA) Canada	2	-	-	2	19	0.18	-
	(CH) Switzerland	5	-	-	5	66	0.63	-
	(CY) Cyprus[b]	2	-	-	2	28	0.27	1.00
	(DE) Germany	145	-	-	145	1,816	17.44	0.75
	(DK) Denmark	11	-	-	11	133	1.28	2.50
	(EE) Estonia	0	-	-	0	0	0.00	1.50
	(ES) Spain	16	-	-	16	200	1.92	0.50
	(FI) Finland	8	-	-	8	104	1.00	-
	(FR) France	36	-	-	36	454	4.36	1.00
	(GB) Great Britain and Northern Ireland	81	-	14	96	1,194	11.47	2.00
	(GG) Guernsey	23	-	-	23	285	2.74	-
	(GR) Greece	17	-	-	17	209	2.00	0.25
	(HK) Hong Kong	0	-	-	0	4	0.04	0.50
	(HR) Croatia	0	-	-	0	0	0.00	1.50
	(IE) Ireland	14	-	13	27	338	3.24	1.50
	(IL) Israel	0	-	-	0	0	0.00	-
	(IM) Isle of Man	6	-	-	6	80	0.77	-
	(IT) Italy	9	-	-	9	115	1.10	-
	(JE) Jersey	19	-	0	20	244	2.35	-
	(KY) Cayman Islands	8	-	17	25	314	3.01	-
	(LI) Liechtenstein	1	-	-	1	8	0.07	-
	(LR) Liberia	11	-	-	11	134	1.28	-
	(LU) Luxembourg	100	-	7	107	1,340	12.86	0.50
	(MH) Marshall Islands	22	-	-	22	280	2.69	-
	(MT) Malta	3	-	-	3	35	0.34	-
	(NL) Netherlands, Kingdom of the	64	-	-	64	804	7.72	2.00
	(NO) Norway	8	-	-	8	104	1.00	2.50
	(NZ) New Zealand	0	-	-	0	1	0.01	-
	(PA) Panama	6	-	-	6	72	0.69	-
	(PL) Poland	0	-	-	0	0	0.00	1.00
	(PT) Portugal	2	-	-	2	23	0.22	-
	(RU) Russian Federation	-	-	-	-	-	-	-
	(SE) Sweden	20	-	-	20	252	2.42	2.00
	(SG) Singapore	1	-	-	1	9	0.09	-
	(TR) Türkiye	-	-	-	-	-	-	-
	(US) United States of America	111	-	7	118	1,473	14.14	-
	(VG) Virgin Islands (British)	1	-	-	1	18	0.18	-
<b>020</b>	<b>Total</b>	<b>767</b>	<b>-</b>	<b>66</b>	<b>833</b>	<b>10,414</b>	<b>100.00</b>	

## E Leverage ratio

According to Article 451 CRR, information must be disclosed on the leverage ratio. The leverage ratio is calculated in accordance with Articles 429 and 429a to 429g CRR in conjunction with the Implementing Regulation (EU) 2024/3172.

The leverage ratio is the ratio of Tier 1 capital to the total exposure measure. The total exposure measure is composed of assets and off-balance sheet transactions, taking into account valuation approaches specifically relevant to the leverage ratio.

The leverage ratio supplements the risk-based own fund requirements as a leverage ratio that is independent of risk. The mandatory minimum ratio for Hamburg Commercial Bank is 3%.

Components of the leverage ratio are presented below.

**TAB. 11: EU LR1 – LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES (€M)**

		a
		Applicable amount
1	Total assets as per published financial statements	28,608
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-12
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	57
9	Adjustment for securities financing transactions (SFTs)	78
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2,016
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	-1,076
<b>13</b>	<b>Total exposure measure</b>	<b>29,671</b>

**TAB. 12: EU LR2 – LRCOM: LEVERAGE RATIO COMMON DISCLOSURE (€M)**

		CRR leverage ratio exposures	
		a	b
		31.12.2025	30.06.2025
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	27.706	29.801
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	-538	-468
<b>7</b>	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>27.168</b>	<b>29.333</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	258	347
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	151	174
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
<b>13</b>	<b>Total derivatives exposures</b>	<b>409</b>	<b>521</b>
<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	78	149
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
<b>18</b>	<b>Total securities financing transaction exposures</b>	<b>78</b>	<b>149</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	5,266	5,227
20	(Adjustments for conversion to credit equivalent amounts)	-3,250	-3,014
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
<b>22</b>	<b>Off-balance sheet exposures</b>	<b>2,016</b>	<b>2,214</b>
<b>Excluded exposures</b>			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) – Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) – Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-

		CRR leverage ratio exposures	
		a	b
		31.12.2025	30.06.2025
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)	-	-
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	-
<b>EU-22m</b>	<b>(Total exempted exposures)</b>	-	-
<b>Capital and total exposure measure</b>			
<b>23</b>	<b>Tier 1 capital</b>	<b>2,156</b>	<b>3,265</b>
<b>24</b>	<b>Total exposure measure</b>	<b>29,671</b>	<b>32,217</b>
<b>Leverage ratio</b>			
25	Leverage ratio (%)	7.268	10.133
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans (%)	7.268	10.133
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7.268	10.133
26	Regulatory minimum leverage ratio requirement (%)	3.000	3.000
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
<b>EU-27a</b>	<b>Overall leverage ratio requirement (%)</b>	<b>3.000</b>	<b>3.000</b>
<b>Choice on transitional arrangements and relevant exposures</b>			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
<b>Disclosure of mean values</b>			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	29,671	
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	29,671	
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.268%	
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.268%	

**TAB. 13: EU LR3 – LRSPL: SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES) (€M)**

		<b>CRR leverage ratio exposures</b>
<b>EU-1</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>27,707</b>
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which	27,707
EU-4	Covered bonds	2,012
EU-5	Exposures treated as sovereigns	6,416
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	555
EU-7	Institutions	1,136
EU-8	Secured by mortgages of immovable properties	5,409
EU-9	Retail exposures	-
EU-10	Corporates	9,057
EU-11	Exposures in default	363
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	2,759

**TAB. 14: LRA: DISCLOSURE OF QUALITATIVE INFORMATION ON THE LEVERAGE RATIO**

<b>1 Description of the procedures to monitor the risk of excessive leverage</b>	The risk of excessive leverage is taken into account by including the leverage ratio in the planning and control process. This ensures that all ICAAP requirements in the normative perspective, which, in addition to the regulatory capital ratios, also includes the leverage ratio, are met on the reporting date and in a multi-year planning period and that a limit system defined in the Strategic Risk Framework (SRF) is not exceeded at Group level. Compliance with the ICAAP requirements as at the reporting date is monitored and analysed on an ongoing basis as part of the Bank's reporting system. In addition to the plan/actual comparisons, the leverage ratio is controlled via the governance contained in the SRF in the event that a limit is exceeded.
<b>2 Description of the factors that had an impact on the leverage ratio disclosed during the relevant reporting period</b>	At 7.3%, the leverage ratio was 3.3 percentage point below the value as at 30 September 2025 (10.6%). For information on the change in the leverage ratio, see Section C I. There were no significant external factors related to the economic and financial environment that affected the leverage ratio.

## F Unencumbered assets

When it comes to disclosing unencumbered assets in accordance with Article 443 CRR, Hamburg Commercial Bank follows Delegated Regulation (EU) 2017/2295 with regard to regulatory technical standards and Guidelines EBA/GL/2014/03 on disclosure of encumbered and unencumbered assets.

### Information on the level of encumbrance

The encumbrance ratio in accordance with Article 100 CRR for the regulatory group comes to a median of around 23% for the financial year and decreased compared to the previous year.

The majority (approx. 80%) of the encumbered assets and collateral received results from Pfandbrief issues (cover pool), development bank business and the targeted longer-term refinancing transactions.

The other encumbered assets are distributed among the collateral provided for payment transaction lines and netting agreements from derivative transactions.

As at 31 December 2025, assets relating to derivatives are included taking balance sheet netting with the collateral into account.

At Group level, all encumbered assets relate to the transactions of Hamburg Commercial Bank AG.

There is significant over-collateralisation in the refinancing of Pfandbriefe and the targeted longer-term refinancing transactions.

The furnishing and acceptance of collateral is based primarily on standardised contracts for repurchase agreements and for the collateralisation of financial futures transactions. In addition, the Bank concludes individual contracts for the furnishing of collateral in the context of development bank transactions.

Hamburg Commercial Bank provides different types of collateral for several business purposes. As at 31 December 2025, the majority consists of cash collateral in the amount of approximately € 0.2 billion for the derivatives business. In addition, around € 0.1 billion in securities and promissory note loans are pledged as collateral for trading lines.

In the context of the Pfandbrief business (Public Pfandbrief Register, Mortgage Pfandbrief Register and Ship Pfandbrief Register), both the cover pools and the legally required over-collateralisation, are shown as encumbered assets.

In addition to unencumbered debt instruments and equity instruments, unencumbered other assets are also shown in the following table.

Of the median of around € 1.2 billion in unencumbered other assets, around 19% is attributable to derivatives and 34% to deferred tax assets.

**TAB. 15: EU AE1: ENCUMBERED AND UNENCUMBERED ASSETS (€M)**

		Carrying amount of encumbered assets	of which notionally eligible EHQLA and HQLA	Fair value of encumbered assets	of which notionally eligible EHQLA and HQLA
		010	030	040	050
<b>010</b>	<b>Assets of the reporting institution</b>	<b>6,886</b>	<b>360</b>		
030	Equity instruments	-	-	-	-
040	Debt securities	938	360	932	362
050	of which: covered bonds	25	25	25	25
060	of which: securitisations	584	164	583	164
070	of which: issued by general governments	143	142	144	144
080	of which: issued by financial corporations	801	240	795	240
090	of which: issued by non-financial corporations	-	-	-	-
120	Other assets	6,016	-		

		Carrying amount of encumbered assets	of which EHQLA and HQLA	Fair value of encumbered assets	of which EHQLA and HQLA
		060	080	090	100
<b>010</b>	<b>Assets of the reporting institution</b>	<b>23,395</b>	<b>8,526</b>		
030	Equity instruments	952	-	949	-
040	Debt securities	7,104	6,013	7,147	6,044
050	of which: covered bonds	2,450	2,445	2,464	2,459
060	of which: securitisations	1,941	1,394	1,940	1,393
070	of which: issued by general governments	1,478	1,461	1,487	1,470
080	of which: issued by financial corporations	5,513	4,528	5,546	4,547
090	of which: issued by non-financial corporations	179	44	184	48
120	Other assets	15,273	2,549		

**TAB. 16: EU AE2: COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED (€M)**

		Fair value of encumbered collateral received or own debt securities issued	of which notionally eligible EHQLA and HQLA	Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	of which EHQLA and HQLA
				010	030
<b>130</b>	<b>Collateral received by the reporting institution</b>	-	-	-	-
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	-	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	-	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
<b>240</b>	<b>Own debt securities issued other than own covered bonds or securitisations</b>	-	-	-	-
<b>241</b>	<b>Own covered bonds and asset-backed securities issued and not yet pledged</b>			<b>230</b>	-
<b>250</b>	<b>Total assets, collateral received and own debt securities issued</b>	<b>6,886</b>	<b>360</b>		

**TAB. 17: EU AE3: SOURCES OF ENCUMBRANCE (€M)**

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
		<b>010</b>	<b>Carrying amount of selected financial liabilities</b>

## G Liquidity risk

Hamburg Commercial Bank divides its liquidity risk into insolvency risk and liquidity maturity transformation risk.

### I Liquidity risk management

In this Section, the risk management objectives and policies for liquidity risk are disclosed in continuous text in accordance with Article 435(1) CRR in conjunction with the Table EU LIQA of Implementing Regulation (EU) 2024/3172.

#### I.1 Strategies and processes in liquidity risk management

Hamburg Commercial Bank's business strategy and the associated risk appetite is taken as a basis in order to develop an appropriate risk strategy focus and risk management system (overall risk strategy), which together form the foundation for the Bank's risk culture. The liquidity risk strategy and liquidity risk tolerance are embedded in the overall risk strategy and take appropriate account of the liquidity risks associated with the business model.

The liquidity risk strategy forms part of the Strategic Risk Framework (SRF), which describes the risk strategy focus/overall risk strategy. Together with the Liquidity Management Policy (part of the Asset Liability Management Policy document), this liquidity risk strategy defines the Hamburg Commercial Bank Group's framework for handling liquidity and the associated risks. These overall conditions resulting from the abovementioned strategies/policies are summarized in the ILAAP Framework document and set out in greater detail.

The corresponding risk appetite/risk tolerance are defined by the Overall Management Board. Liquidity risk management is the responsibility of the Finance & Bank Steering, Treasury & Markets and Asset & Liability Risk Control business units.

The liquidity risk strategy sets out the details of Hamburg Commercial Bank's risk strategy in respect of the question as to how the Group would like to structure its risk appetite with regard to liquidity risk, i.e. under which conditions and to which extent the Group is prepared to enter into liquidity risk positions within the context of the regulatory and owner-imposed requirements. In each case, the focus is on how to reconcile the Bank's earnings expectations and risk appetite.

In addition to risk-bearing capacity, assurance of the ability to meet Group payment obligations at all times is of primary importance to Hamburg Commercial Bank and is therefore the most important objective in managing liquidity risk. The principles underlying the risk controlling of liquidity as a resource are set out in detail in the Strategic Risk Framework. In particular, it refers to the liquidity management sub-processes of liquidity risk measurement, monitoring, limiting, stress testing and reporting.

In contrast to this, the Liquidity Management Policy, as part of the Asset Liability Management Policy, sets out the principles for the management of liquidity as a resource. The main objectives of liquidity management are to ensure liquidity at all times and manage liquidity subject to the proviso that the relevant regulatory and internal figures are complied with.

A distinction is to be made between the following processes in the context of liquidity risk management:

- **Risk identification:** A risk inventory is carried out at least once a year, during which risk is identified and defined. The main liquidity risks and their drivers are identified as part of the risk identification process. Based on this, the Management Board determines risk tolerance levels for the main liquidity risks and also defines Hamburg Commercial Bank's liquidity risk strategy in the process.
- **Risk measurement:** Risk measurement focuses on the adequate measurement of the main liquidity risks based on conservative assumptions (risk perspective). The main tools used as part of this process are liquidity maturity statements including stress scenarios, which indicate the potential liquidity gaps over time. This includes, among other things, the verification of ad hoc risks and regular inverse deposit stress tests. Furthermore, risk measurement also includes stress testing, the measurement of intraday liquidity risk and risk concentrations and the calculation of regulatory figures. The models used are also backtested on a regular basis.
- **Risk limitation and monitoring:** The relevant limits are derived directly from the risk tolerance (internal limits) or are set by regulatory figures (external limits). Limit monitoring including escalation is also part of this process step.
- **Risk management:** The main task of risk management lies in the implementation of the liquidity risk strategy and the management of compliance with the internal and external (regulatory) limits. The main instruments for managing the liquidity position are funding planning and the liquidity transfer pricing system. Securing solvency at all times is also a key task of risk management. The main instruments used for this are the liquidity maturity statements of the liquidity buffer and the measures of the liquidity contingency plan.
- **Reporting:** Liquidity risk reporting involves making important internal and external key figures and their limit compliance transparent.

#### I.2 Structure and organisation of the liquidity risk management function

Overall responsibility for measuring, monitoring and managing the main risks lies with the Overall Management Board. Within the context of the operationalisation of this risk management process within Hamburg

Commercial Bank, tasks are allocated to downstream committees and organisational units with a clear separation of duties between liquidity management and risk monitoring. The organisational units and committees have the following tasks and responsibilities with regard to liquidity as a resource:

#### Organisational units

**Asset & Liability Risk Control (RC):** Within the context of risk measurement and monitoring, RC is responsible for all methods, procedures and technical implementation in liquidity risk controlling, meaning that it is also the central point of contact for internals and externals (e.g. supervisory authorities, auditors, rating agencies) who have any questions in this regard. When designing the risk measurement systems, the unit takes into account the economic and normative requirements for liquidity management as comprehensively as possible, thereby supporting efficient liquidity management. It proposes the methods for the liquidity measurement system and the limits for the liquidity risk limit system – also for stress scenarios –, determines the amount of the liquidity buffer and coordinates the committee resolutions in this regard. It is responsible for the regular monitoring and reporting of liquidity risks. It is also tasked with the monitoring of upcoming changes in supervisory law and the identification of necessary measures, as well as the implementation of supervisory law requirements.

**Finance & Bank Steering:** The Finance & Bank Steering business unit acts as the Global Head for liquidity and, within the context of the risk limits/specifications set by the Management Board, is responsible for the strategic management of liquidity. This involves balancing the liquidity position in order to adhere to the liquidity risk limits (risk of insolvency and liquidity maturity transformation risk) on the one hand, and on the other responsibility for adhering to the supervisory requirements with regard to liquidity management. Moreover, Bank Steering has ultimate authority over the funding strategy and the funding plan, the liquidity transfer pricing system, the liquidity contingency plan, as well as the composition of the liquidity buffer within the defined rules.

**Treasury & Markets:** Treasury & Markets is responsible for the operational implementation of the framework defined in connection with strategic liquidity management and liquidity risk measurement. As well as the role of acting within the Bank as an internal pool of liquidity for reducing and increasing liquidity internally, this includes access to central bank liquidity through open market transactions, daily dispositive management of liquidity and ensuring solvency with relation to the limits defined in liquidity risk measurement.

#### Committees

**Overall Management Board:** The Overall Management Board makes the decisions on the Bank's business and risk strategy. As part of the risk strategy, it is also responsible for measuring and managing liquidity risks. This responsibility is reflected in the adoption of the Liquidity Risk Strategy as part of the Strategic Risk Framework and, as a result, the determination of the

risk tolerance and/or risk appetite appropriate to Hamburg Commercial Bank concerning liquidity risks. The Management Board is also responsible for approving the liquidity and funding planning, the liquidity contingency planning and other overarching documents.

**Risk Committee of the Supervisory Board:** The Risk Committee is provided with information on the liquidity risk situation, among other things, by the Chief Risk Officer on a quarterly basis.

**Asset Liability Committee (ALCO):** The ALCO is the body responsible for financial resource management and allocation within the context of risk limits and plan targets. The main objective of the ALCO is to monitor and manage the scarce resources of liquidity/funding, capital and the risks associated with these bottleneck factors (incl. risk concentration, credit spread, liquidity, FX and interest rate risks). The Committee also prepares and pre-structures Management Board resolutions on the aforementioned topics. The ALCO performs its activities on the basis of the ALCO Rules of Procedure. With regard to liquidity risks, it assesses, among other things, the liquidity risk situation and prepares decisions on methodological changes in liquidity risk controlling as well as limit changes and recommends these to the Overall Management Board for a decision. In addition, limit or guideline breaches are discussed and options for action are prepared for the Management Board and decisions are made on measures for the strategic management of liquidity and the strategic liquidity maturity transformation (e.g. strategic adjustments to the liquidity cost calculation, definition of funding targets and strategy).

**Franchise Committee (FRC):** The FRC is responsible for the operational management of the use of resources in the lending business at the level of material individual transactions. It decides independently on the allocation of these resources. It manages new business and prolongations. The aim is to approve transactions in line with the strategy with refinancable liquidity outflows as part of liquidity planning.

### 1.3 Scope and nature of liquidity risk reporting and measurement systems

Liquidity risk is measured on the basis of liquidity maturity profiles (LMPs) and via Liquidity Value at Risk (LVaR). An LMP shows the liquidity position of the Hamburg Commercial Bank over time. The balances arising in the individual maturity bands through the aggregation of on-balance-sheet and off-balance-sheet inflows and outflows are referred to as liquidity gaps. The liquidity inflows and outflows from the assets and liabilities and from off-balance-sheet positions are calculated using corresponding assumptions and models, taking into account the underlying scenarios. The assumptions made, models and model parameters are validated on a regular basis depending on the estimated model risk content.

The LMPs take certain cash flows into account (e.g. contractual principal repayments) and uncertain cash flows (e.g. early terminations) together with existing

and planned transactions. The classification of cash flows into the categories "certain" and "uncertain" is based on whether the timing and amount of the cash flow are known. If one of the two aspects is unknown, it is modelled.

In addition to the above-described liquidity maturity profile, which is prepared from a risk perspective (stress case) for the purposes of measuring risk for a period of up to 12 months, there is a projection of the liquidity maturity profile for planning purposes (forecast).

In accordance with the requirements set out in the German Minimum Requirements for Risk Management (MaRisk), risk measurement under more severe and extreme market conditions is an important component of risk management for the Bank. The risk measurement for more severe and extreme market conditions is performed for the intraday and the short-term and structural risk of insolvency, as well as for the liquidity maturity transformation risk.

The intraday insolvency risk is measured on the basis of the internal "adjusted account balance" indicator of the consolidated payment transaction accounts at the Deutsche Bundesbank and the regulatory figures according to BCBS 248. Hamburg Commercial Bank carries out the majority of its interbank payment transactions via the payment transaction accounts at the Deutsche Bundesbank, which is why the main intraday liquidity risks can arise in these accounts.

Hamburg Commercial Bank measures its liquidity maturity transformation risk by means of a value at risk approach and calculates what is known as the liquidity value at risk (LVaR). The LVaR is calculated through historical simulation (confidence level of 99.9%) of the present value effects of the liquidity spreads on the transactions which would theoretically be necessary in order to immediately close the current maturity transformation position, without taking new business into account. This entails including in the risk measurement the Base Case LMP without new business, available refinancing channels (e.g. deposits bases, covered and uncovered refinancing) to close the LMP gaps and the change in the Bank's own refinancing curves. It is assumed that these hypothetical close-out transactions could actually be effected in the market and that full funding would therefore be possible.

In addition, a funding ratio – 'structural liquidity' – is prepared for the multi-year segment, which takes risk aspects of the maturity profiles into account.

As a matter of principle, the liquidity risk strategy aims to avoid risk concentrations as far as possible in the context of the business model. Concentration risks that arise on the asset and liability side are quantified regularly and monitored continuously using key figures (e.g. investor, sector and maturity concentration for depositors) and inverse stress tests (e.g. for deposit withdrawals). In addition, concentration risks are taken into account in the various LMP scenarios on a conservative basis by way of specially focused cash flow models, as well as by way of risk premiums/haircuts.

A separate USD-LMP (only USD-denominated assets/liabilities and off-balance sheet items) is also calculated.

A limit is set for intraday, short-term and structural insolvency risk as well as for liquidity maturity transformation risk, reflecting the Management Board's risk tolerance.

In accordance with the CRR, Hamburg Commercial Bank is subject to reporting requirements with regard to the LCR (in conjunction with Delegated Regulation (EU) 2015/61), the NSFR and the AMM. This means that the required positions are reported to the competent authorities on a monthly basis for LCR (EUR and USD) and AMM and on a quarterly basis for NSFR. The Management Board is also provided with monthly information on the amount and development of these values reported under supervisory law.

#### **I.4 Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants**

The hedging and mitigation of the liquidity risk is generally part of risk limitation, monitoring and liquidity management.

The risk limit is largely derived from the risk tolerance levels and the regulatory requirements. A distinction is made between the risk tolerance levels for insolvency risk and for the liquidity maturity transformation risk.

Monitoring is carried out for intraday, short-term and structural insolvency risk as well as for liquidity maturity transformation risk.

The main task of liquidity management lies in the implementation of the liquidity risk strategy and the management of compliance with the internal and external (regulatory) limits. This is achieved primarily using the following instruments:

- The intraday liquidity risk is managed on the basis of intraday liquidity available for payment transactions at Group level. This involves managing the available liquidity, which comprises collateral deposited at central banks (separate intraday liquidity buffer) and balances at central banks, as well as in nostro accounts at correspondent banks.
- The instruments for securing short-term solvency (hedging against the short-term insolvency risk) are the overnight liquidity buffer according to MaRisk BTR 3 and the requirements set out in the liquidity contingency plan.
- The short-term risk of insolvency is managed, among other things, by defining management limits. The aim is to comply with liquidity limits. The main tools used for management purposes are the funding plan and the liquidity transfer pricing system.
- The risk of falling short of the regulatory minimum liquidity in the future is quantified by forecasting

the most severe stress scenario over a time horizon that matches the Bank's medium-term planning (36 months) on a monthly basis. The net liquidity position (NLP) is the parameter used. As part of the bank planning process, the future liquidity surplus is forecast both for the expected business development and under adverse planning assumptions (downside and downside with downgrade planning). In addition, this tool is used for the inverse stress tests across risk types, which involve checking future compliance with the regulatory minimum liquidity in various stress scenarios.

- The LVaR, as a measure of risk for the liquidity maturity transformation risk, is an observation parameter for management purposes, albeit one that is not managed actively, but rather implicitly via the funding plan, the liquidity transfer pricing system and adherence to the short-term limits.
- Compliance with regulatory limits forms a key basis of risk management. Measures must be taken to ensure that the regulatory requirements are met at all times. This involves defining management guidelines.

Strategies to hedge and mitigate liquidity risk include the use of a transfer pricing approach. If a transaction relevant to liquidity is concluded, this transaction generates a corresponding liquidity flow in LMP. Subsequently, an offsetting position is entered into to avoid breaching liquidity risk limits, which reduces the corresponding liquidity position. This counter-transaction, when concluded, results in either costs or income for the Bank, which are offset accordingly against the party that caused the counter-transaction. In the consistent transfer of liquidity cash flows from liquidity risk measurement to internal liquidity transfer pricing, all costs and income incurred by the Bank due to liquidity flows can be allocated in full to the responsible party. Hamburg Commercial Bank's liquidity transfer pricing system is based on the liquidity risk modelling of the Risk Control BU. The aim is to transfer the LMP values (or impacts) to a transfer pricing system in order to ensure consistent management.

Another aspect of hedging and mitigating liquidity risk is liquidity contingency planning. This takes the form of the 'liquidity contingency plan'. In addition to defining and reviewing early warning indicators, the plan includes measures to mitigate liquidity bottlenecks at an early stage or to initiate countermeasures in the event of a crisis.

#### **I.5 A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy**

The Management Board of Hamburg Commercial Bank declares the Bank's liquidity adequacy (LAS declaration) as part of the annual submission of ILAAP information to the ECB. The Management Board believes

that adequate liquidity resources are underpinned in particular by the following aspects:

- Viable governance for assessing and monitoring adequacy
- Compliance with the SRF limit in the actual figures, in base case planning and in downside planning
- Compliance with supervisory requirements
- Compliance with the liquidity risk indicators for the recovery plan
- Consideration of business strategy risks

#### **I.6 A concise liquidity statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy**

According to point i of Table EU LIQA of Implementing Regulation (EU) 2024/3172, a concise liquidity risk statement, approved by the management body and describing briefly the liquidity risk profile of the institution associated with the business strategy, is to be provided. Hamburg Commercial Bank comments on this as follows:

Hamburg Commercial Bank's liquidity risk profile includes short-term and long-term risks. The short-term liquidity risk for up to one year essentially includes the intraday and the short-term insolvency risk, as well as concentration risks. The long-term liquidity risk for Hamburg Commercial Bank is primarily the risk from liquidity maturity transformation, or the risk of insolvency over a period of more than one year. Further details are presented in the Group management report (Risk Report) of Hamburg Commercial Bank.

Based on Hamburg Commercial Bank's risk appetite, the Strategic Risk Framework describes the risk strategy orientation and risk management, meaning that it makes up the foundation of the Bank's risk culture. The SRF is approved by the Management Board. What is more, all risk limits derived from the risk appetite are incorporated in the SRF.

## **II Liquidity risk indicators**

Regulation (EU) 2019/876 contains the disclosure on liquidity ratios in Part 8 of the CRR specified under Implementing Regulation (EU) 2024/3172.

### **II.1 Liquidity coverage ratio (LCR)**

The LCR is intended to support the short-term resilience of a bank's liquidity risk profile over a 30-day period in stress scenarios. The ratio is defined as the amount of High Quality Liquid Assets (HQLA) that could be used to provide liquidity in a stress scenario, measured against the total volume of net cash outflows.

The presentation of the liquidity coverage ratio of Hamburg Commercial Bank is based on the Implementing Regulation (EU) 2024/3172. According to this, the liquidity coverage ratio is disclosed quarterly at consolidated level. The disclosed positions are determined as an average of the previous 12 end-of-month values.

The average LCR determined according to this methodology as at 31 December 2025 is 204%.

The reduction in the ratio compared to the previous quarter is due to an increase in net liquidity outflows with virtually no change in the liquidity buffer.

With liquidity remaining very adequate, the LCR remains at a relatively high level in relation to the regulatory minimum size requirement of 100%.

Table EU LIQ1 discloses quantitative information on the LCR. The table includes the values for the fourth calendar quarter of 2025 and the three preceding calendar quarters. The values are calculated as a simple average of the twelve month-end values before the respective quarter-end.

#### **Change compared with the end of the previous year**

The reduction in the LCR in the past 12 months is mainly due to the decreased liquidity buffer and the slightly increased total net cash outflows.

#### **Main drivers of LCR results and development of the contribution of inputs to the LCR calculation over time**

The main driver of LCR development is the net reduction in the liquidity buffer. The main drivers of total net cash outflows were outflows from maturing bonds in the 30-day period.

#### **Concentration of funding sources**

Hamburg Commercial Bank has established a monitoring system for managing concentrations of both asset and liability instruments. Special emphasis is placed on deposits that are analysed and reported on regarding the depositor structure (investor, sectors) and maturities (original and residual maturities).

Hamburg Commercial Bank obtains both unsecured and secured (Pfandbriefe) funding with financial and non-financial customers.

Deposits from customers, in particular, make up another part of the refinancing.

The volume of deposits increased in 2025. At the end of the previous year 2024, the total volume of deposits still amounted to € 10.9 billion and increased to € 11.5 billion in the course of 2025.

Address concentrations decrease in this yearly comparison. At the end of 2025, the ten largest depositors account for around 17% of total deposits (31 December 2024: 18%).

#### **Composition of the liquidity buffer**

The Bank's liquidity buffer according to the LCR is made up of balances at central banks and the unrestricted portfolio of government and federal state bonds, as well as covered bonds.

#### **Derivative risk positions and potential collateral requirements**

Hamburg Commercial Bank enters into various derivative transactions in the course of its ordinary business activities. These derivatives are used to manage and hedge the Bank's own risk position and mainly comprise interest rate and cross-currency swaps, as well as FX derivatives. Both over-the-counter (OTC) derivative transactions and transactions via central counterparties are concluded. As the amount of contractual inflows and outflows from derivatives in the LCR is almost identical, their contribution to net cash outflows is marginal.

During the term of the derivatives, depending on their market value development, Hamburg Commercial Bank has to provide regular initial (clearing; bilateral initial margin) and/or variation margins as is standard practice on the market, or Hamburg Commercial Bank receives corresponding collateral which is intended to limit the counterparty credit risk (CCR) and the fluctuations in market value. Margins are currently exchanged as cash in practice. The furnishing of collateral has a negative impact on the liquidity position or increases the funding requirements.

#### **Currency mismatch in the LCR**

Currency mismatches in the LCR occur when cash outflows exceed inflows in a foreign currency and these net cash outflows are not matched by an equivalent highly liquid security buffer in the same currency. Such mismatches were reduced in the USD LCR in 2025. This is mainly due to the increase in the maturity of the USD refinancing of USD assets.

#### **Other items in the LCR calculation that are not captured in EU LIQ1 but are considered relevant to the liquidity profile**

Outside of the LCR table included in this report, there are no items in the LCR calculation that are relevant to Hamburg Commercial Bank's liquidity profile.

## **II.2 Net stable funding ratio (NSFR)**

The NSFR as at 31 December 2025, calculated in accordance with Article 451a(3) CRR, amounts to 119% and is thus above the regulatory minimum requirement of 100%.

Table EU LIQ2 shows the assets, liabilities and off-balance sheet items in relation to the net stable funding ratio as at 31 December 2025 and as at 30 September 2025.

**TAB. 18: EU LIQ1: QUANTITATIVE INFORMATION OF LCR (€M)**

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYYY)	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>High-Quality Liquid Assets</b>									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					8,407	8,175	7,855	7,809
<b>Cash outflows</b>									
2	retail deposits and deposits from small business customers, of which:	145	143	138	133	16	16	15	14
3	<i>Stable deposits</i>	18	19	20	20	1	1	1	1
4	<i>Less stable deposits</i>	92	92	89	83	15	15	14	13
5	Unsecured wholesale funding	6,857	7,006	7,184	7,270	3,040	3,054	3,135	3,139
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	926	1,030	1,119	1,132	224	250	272	274
7	<i>Non-operational deposits (all counterparties)</i>	5,650	5,747	5,806	5,925	2,534	2,575	2,605	2,651
8	<i>Unsecured debt</i>	281	229	259	214	281	229	259	214
9	Secured wholesale funding					47	47	26	60
10	Additional requirements	3,714	3,737	3,714	3,758	1,008	1,011	1,007	1,085
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	287	273	268	286	275	262	257	275
12	<i>Outflows related to loss of funding on debt products</i>	13	6	6	5	13	6	6	5
13	<i>Credit and liquidity facilities</i>	3,414	3,458	3,439	3,467	721	743	744	806
14	Other contractual funding obligations	89	98	101	103	58	67	71	74
15	Other contingent funding obligations	1,820	1,815	1,791	1,803	79	80	79	77
16	<b>Total cash outflows</b>					<b>4,247</b>	<b>4,274</b>	<b>4,333</b>	<b>4,449</b>
<b>Cash inflows</b>									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	468	524	639	684	306	347	418	441
19	Other cash inflows	55	58	54	61	55	58	54	61
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	<b>Total cash inflows</b>	<b>523</b>	<b>581</b>	<b>693</b>	<b>745</b>	<b>361</b>	<b>405</b>	<b>473</b>	<b>502</b>
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	523	581	693	745	361	405	473	502
<b>Total adjusted value</b>									
EU-21	<b>Liquidity buffer</b>					<b>8,407</b>	<b>8,175</b>	<b>7,855</b>	<b>7,809</b>
22	<b>Total net cash outflows</b>					<b>3,886</b>	<b>3,869</b>	<b>3,860</b>	<b>3,947</b>
23	<b>Liquidity coverage ratio (%)</b>					<b>217.8</b>	<b>212.9</b>	<b>204.9</b>	<b>198.0</b>

**TAB. 19: EU LIQ2: NET STABLE FUNDING RATIO (€M)**

31.12.2025		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
(in currency amount)		No maturity	< 6 months	6 months to < 1year	≥ 1year	
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	3,785	-	-	574	4,359
2	<i>Own funds</i>	3,785	-	-	574	4,359
3	<i>Other capital instruments</i>		-	-	-	-
4	Retail deposits		141	2	1	131
5	<i>Stable deposits</i>		21	0	1	21
6	<i>Less stable deposits</i>		120	2	0	110
7	Wholesale funding:		11,982	1,247	8,812	14,411
8	<i>Operational deposits</i>		925	-	-	69
9	<i>Other wholesale funding</i>		11,057	1,247	8,812	14,342
10	Interdependent liabilities		43	158	1,098	-
11	Other liabilities:	-	153	-	442	442
12	<i>NSFR derivative liabilities</i>	-				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		153	-	442	442
<b>14</b>	<b>Total available stable funding (ASF)</b>					<b>19,343</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					451
EU-15a	Assets encumbered for more than 12m in cover pool		23	75	2,326	2,060
16	Deposits held at other financial institutions for operational purposes		154	-	-	77
17	Performing loans and securities:		1,607	2,362	10,449	10,887
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		-	-	-	-
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		468	405	1,171	1,420
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		868	1,855	6,584	7,451
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		13	6	347	607
22	<i>Performing residential mortgages, of which:</i>		191	81	409	-
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		137	23	264	-
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		80	20	2,286	2,016
25	Interdependent assets		43	158	1,094	-
26	Other assets:		431	24	2,130	2,466
27	<i>Physical traded commodities</i>				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		98	-	-	83
29	<i>NSFR derivative assets</i>		101			101
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		111			6
31	<i>All other assets not included in the above categories</i>		121	24	2,130	2,276
32	Off-balance sheet items		1,253	369	3,759	248
<b>33</b>	<b>Total RSF</b>					<b>16,188</b>
<b>34</b>	<b>Stable Funding Ratio (%)</b>					<b>119.5</b>

30.09.2025		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
(in currency amount)		No maturity	< 6 months	6 months to < 1year	≥ 1year	
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	3,756	-	-	587	4,343
2	<i>Own funds</i>	3,756	-	-	587	4,343
3	<i>Other capital instruments</i>		-	-	-	-
4	Retail deposits		142	1	1	131
5	<i>Stable deposits</i>		17	1	1	17
6	<i>Less stable deposits</i>		125	0	0	113
7	Wholesale funding:		12,780	1,550	8,804	14,320
8	<i>Operational deposits</i>		911	-	-	72
9	<i>Other wholesale funding</i>		11,869	1,550	8,804	14,248
10	Interdependent liabilities		88	43	1,233	-
11	Other liabilities:	-	265	-	479	479
12	<i>NSFR derivative liabilities</i>	-				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		265	-	479	479
<b>14</b>	<b>Total available stable funding (ASF)</b>					<b>19,273</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					581
EU-15a	Assets encumbered for more than 12m in cover pool		27	63	2,546	2,240
16	Deposits held at other financial institutions for operational purposes		116	-	-	58
17	Performing loans and securities:		1,585	1,824	11,624	11,667
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		-	-	-	-
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		370	404	1,695	1,934
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		854	1,373	7,038	7,703
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		6	7	375	743
22	<i>Performing residential mortgages, of which:</i>		238	39	579	-
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		195	16	409	-
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		122	7	2,312	2,030
25	Interdependent assets		88	43	1,222	-
26	Other assets:		460	80	902	1,318
27	<i>Physical traded commodities</i>				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		95	-	-	80
29	<i>NSFR derivative assets</i>		147			147
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		115			6
31	<i>All other assets not included in the above categories</i>		103	80	902	1,084
32	Off-balance sheet items		1,271	74	4,475	291
<b>33</b>	<b>Total RSF</b>					<b>16,155</b>
<b>34</b>	<b>Stable Funding Ratio (%)</b>					<b>119.3</b>

## H Default risk

Hamburg Commercial Bank breaks down its default risk into credit, settlement, country and equity holding risk.

In addition to conventional credit risk, credit risk also includes counterparty credit risk (see Section I) and issuer risk. Conventional credit risk is the risk of complete or partial loss in the lending business as a result of deterioration in the counterparty's credit standing. Issuer risk denotes the risk that a loss is incurred on a financial transaction as a result of the default or deterioration in the creditworthiness of the issuer.

Settlement risk consists of clearing risk and advance performance risk. Clearing risk arises in the case of possible loss of value if delivery or acceptance claims pertaining to a transaction that is already due have not been met by both parties. Advance performance risk arises where Hamburg Commercial Bank has performed its contractual obligations but consideration from the contracting party is still outstanding.

Hamburg Commercial Bank understands country risk as the risk that agreed payments are not made or only made in part or delayed due to government-imposed restrictions on cross-border payments (transfer risk). The risk is not related to the creditworthiness of the debtor.

Equity holding risk is the risk of a financial loss due to impairments of the equity holding.

All of the above-mentioned components of default risk are taken into account in the framework of equity management. Additional management measures are in place for risk concentrations and equity holding risks.

Hamburg Commercial Bank follows the requirements for the disclosure of the default risk and the requirements for the disclosure of non-performing and forborne positions set out in Implementing Regulation (EU) 2024/3172. In the tables in the default risk section, counterparty credit risk and securitisations are generally not taken into account, as they are presented separately. Exceptions are described explicitly. The "Other non-credit obligation assets" are shown in this Section without the values for deferred taxes.

### Risk management objectives and policy

The description of the risk management objectives and policy for default risk pursuant to Article 435(1) CRR is provided applying Article 434(2) CRR with the information in the Group management report (Risk Report) of the Annual Report of Hamburg Commercial Bank in accordance with the references provided in Table EU CRA of Implementing Regulation (EU) 2024/3172.

**TAB. 20: EU CRA: GENERAL QUALITATIVE INFORMATION ABOUT CREDIT RISK**

Qualitative disclosures		CRR reference	Reference to Annual Report of Hamburg Commercial Bank
a	Relationship between business model and credit risk profile	Article 435(1)(f)	Group management report (Basis of the Group), Page 41 - 48 Group management report (Risk Report), Page 83
b	Criteria and approach used for defining the credit risk management policy and for setting credit risk	Article 435(1)(a) and (d)	Group management report (Risk Report), Page 83, 92 - 93
c	Structure and organisation of the credit risk management and control function	Article 435(1)(b)	Group management report (Risk Report), Page 83 - 85, 92 - 93
d	Relationships between credit risk management, risk control, compliance and internal audit functions	Article 435(1)(b)	Group management report (Risk Report), Page 83 - 85

## I Credit risk adjustments

In accordance with Article 442(c) and (e) CRR in conjunction with the Implementing Regulation (EU) 2024/3172, table EU CR1 shows performing and non-

performing exposures and related provisions per exposure class.

**TAB. 21: EU CR1: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (€M)**

		a	b	c	d	e	f
		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
			of which stage 1	of which stage 2		of which stage 2	of which stage 3
005	Cash balances at central banks and other demand deposits	2,818	2,818	-	-	-	-
010	<i>Loans and advances</i>	15,603	13,449	2,053	540	-	538
020	<i>Central banks</i>	-	-	-	-	-	-
030	<i>General governments</i>	446	446	-	-	-	-
040	<i>Credit institutions</i>	52	52	-	-	-	-
050	<i>Other financial corporations</i>	3,656	3,319	237	129	-	129
060	<i>Non-financial corporations</i>	11,399	9,583	1,815	411	-	409
070	<i>Of which SMEs</i>	6,343	5,092	1,249	259	-	257
080	<i>Households</i>	49	49	1	0	-	0
090	Debt securities	7,854	7,604	-	9	-	-
100	<i>Central banks</i>	-	-	-	-	-	-
110	<i>General governments</i>	1,758	1,727	-	-	-	-
120	<i>Credit institutions</i>	3,349	3,291	-	0	-	-
130	<i>Other financial corporations</i>	2,576	2,432	-	9	-	-
140	<i>Non-financial corporations</i>	172	155	-	-	-	-
150	Off-balance sheet exposures	5,270	4,887	285	44	-	44
160	<i>Central banks</i>	-	-	-	-	-	-
170	<i>General governments</i>	33	33	0	-	-	-
180	<i>Credit institutions</i>	24	24	-	-	-	-
190	<i>Other financial corporations</i>	1,771	1,730	41	-	-	-
200	<i>Non-financial corporations</i>	3,437	3,095	243	44	-	44
210	<i>Households</i>	5	5	-	-	-	-
<b>220</b>	<b>Total</b>	<b>31,544</b>	<b>28,758</b>	<b>2,338</b>	<b>593</b>	<b>-</b>	<b>581</b>

		g	h	i	j	k	l	m	n	o
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures – Accumulated impairment and provisions			Non-performing exposures – Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			of which stage 1	of which stage 2		of which stage 2	of which stage 3			
005	Cash balances at central banks and other demand deposits	0	0	-	-	-	-	-	-	-
010	Loans and advances	-89	-24	-65	-140	-	-140	-16	7,938	272
020	<i>Central banks</i>	-	-	-	-	-	-	-	-	-
030	<i>General governments</i>	0	0	-	-	-	-	-	21	-
040	<i>Credit institutions</i>	0	0	-	-	-	-	-	-	-
050	<i>Other financial corporations</i>	-20	-7	-13	-38	-	-38	-	1,029	24
060	<i>Non-financial corporations</i>	-69	-16	-52	-103	-	-103	-16	6,852	248
070	<i>Of which SMEs</i>	-37	-8	-29	-60	-	-60	-10	4,194	160
080	<i>Households</i>	0	0	0	0	-	0	-	36	0
090	Debt securities	-1	-1	-	-	-	-	-	-	-
100	<i>Central banks</i>	-	-	-	-	-	-	-	-	-
110	<i>General governments</i>	0	0	-	-	-	-	-	-	-
120	<i>Credit institutions</i>	0	0	-	-	-	-	-	-	-
130	<i>Other financial corporations</i>	0	0	-	-	-	-	-	-	-
140	<i>Non-financial corporations</i>	0	0	-	-	-	-	-	-	-
150	Off-balance sheet exposures	9	3	5	15	-	15		655	22
160	<i>Central banks</i>	-	-	-	-	-	-		-	-
170	<i>General governments</i>	0	0	0	-	-	-		-	-
180	<i>Credit institutions</i>	0	0	-	-	-	-		-	-
190	<i>Other financial corporations</i>	2	1	1	-	-	-		97	-
200	<i>Non-financial corporations</i>	7	2	4	15	-	15		558	22
210	<i>Households</i>	0	0	-	-	-	-		-	-
<b>220</b>	<b>Total</b>	<b>-99</b>	<b>-28</b>	<b>-70</b>	<b>-155</b>	<b>-</b>	<b>-155</b>	<b>-16</b>	<b>8,593</b>	<b>293</b>

Table EU CR2 shows the changes in the in the stock of non-performing loans and advances in accordance with Article 442(f) CRR in conjunction with Implementing Regulation (EU) 2024/3172.

All defaulted loans and debt instruments are reported, regardless of whether impairments have been recognised or not.

**TAB. 22: EU CR2: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES (€M)**

		a
		Gross carrying amount
<b>010</b>	<b>Initial stock (30.06.2025)</b>	<b>580</b>
020	Inflows to non-performing portfolios	36
030	Outflows from non-performing portfolios	-77
040	Outflows due to write-offs	-83
050	Outflows due to other situations	6
<b>060</b>	<b>Final stock (31.12.2025)</b>	<b>540</b>

**I.1 Definition of "past due" and "non-performing" for accounting purposes in accordance with Article 442(a) CRR**

A receivable is past due if a counterparty has not made a payment in accordance with the contract. The past due period begins on the first calendar day on which an overdraft in a material amount occurred for the first time. All calendar days are taken into account when determining the number of days past due.

The Bank's definition of non-performing exposures is consistent with its default definition under Article 178 CRR. A default has occurred if the criterion "past due more than 90 days" and/or the "unlikeliness to pay" criterion applies to the debtor. Purely technical overdrafts that are not related to creditworthiness do not constitute a default. All transactions in default that are not measured at fair value are considered impaired and are allocated to Stage 3 of the IFRS 9 impairment model. In the loan loss provisions process, non-defaulted recovery cases and relevant intensive management cases are also examined to identify any objective impairment trigger and, as a result, a need for specific loan loss provisions. The establishment of a specific loan loss provision in turn leads to the default of the business partner.

**I.2 Description of the approaches and methods adopted for determining specific and general credit risk adjustments**

With the exception of transactions measured at fair value, there are generally no receivables overdue for more than 90 days that are not considered impaired.

As foreign original exposures across all countries and exposure classes amount to 10% or more of total (domestic and foreign) original exposures as at the reporting date, the quality of non-performing exposures by geography is disclosed in Table EU CQ4 in accordance with Article 442(c) and (e) CCR.

Table EU CQ5 discloses the credit quality of loans and advances to non-financial corporations by industry in accordance with Article 442(c) and (e) CRR.

The classification of a counterparty is based exclusively on the direct counterparty. The rows are used to disclose the main economic sectors or types of counterparties to which institutions have risk exposures. Materiality is assessed in accordance with Article 432 CRR and non-material economic sectors or types of counterparties are reported aggregated in the 'Other services' row.



**TAB. 23: EU CQ4: QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY (€M)**

		a	b	c	d	e	f	g
		Gross carrying amount/nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which: non-performing		of which: subject to impairment				
			of which: defaulted					
<b>010</b>	<b>On balance sheet exposures</b>	<b>24,006</b>	<b>549</b>	<b>549</b>	<b>23,606</b>	<b>-230</b>		<b>-1</b>
020	AT	228	-	-	226	0		-
030	BE	681	-	-	650	0		-
040	BM	83	-	-	83	0		-
050	CA	537	-	-	520	0		-
060	CH	75	4	4	49	0		-1
070	CY	32	-	-	32	0		-
080	DE	6,879	125	125	6,845	-65		0
090	DK	263	-	-	263	0		-
100	EE	20	-	-	20	0		-
110	ES	389	14	14	387	-3		-
120	FI	375	-	-	362	-2		-
130	FR	1,220	-	-	1,192	-1		-
140	GB	1,626	0	0	1,580	-10		0
150	GG	243	-	-	243	0		-
160	HU	3	-	-	3	0		-
170	IE	1,008	8	8	963	-1		-
180	IM	121	-	-	121	0		-
190	IS	40	-	-	40	0		-
200	IT	239	0	0	216	0		-
210	JE	243	-	-	243	-2		-
220	KY	206	-	-	206	0		-
230	LI	19	-	-	19	0		-
240	LR	451	-	-	451	-2		-
250	LU	2,648	287	287	2,645	-109		-
260	LV	12	-	-	12	0		-
270	MH	789	-	-	789	-3		-
280	MT	86	-	-	86	0		-
290	NL	1,587	-	-	1,587	-10		-
300	NO	457	-	-	457	0		-
310	PA	260	-	-	260	0		-
320	PL	40	-	-	40	0		-
330	PT	50	-	-	50	0		-
340	SE	497	66	66	497	-13		-
350	SG	11	0	0	11	0		-
360	TR	1	1	1	1	-1		-
370	US	2,567	43	43	2,435	-6		0
380	VG	19	-	-	19	0		-
390	Other countries	0	-	-	0	0		-
<b>400</b>	<b>Off-balance sheet exposures</b>	<b>5,314</b>	<b>44</b>	<b>44</b>			<b>24</b>	
410	BE	4	-	-			0	
420	BM	90	-	-			0	
430	CH	43	0	0			0	
440	CY	38	-	-			0	
450	DE	2,088	14	14			10	
460	DK	141	-	-			0	
470	ES	108	-	-			1	
480	FI	3	-	-			0	
490	FR	113	-	-			0	
500	GB	593	-	-			1	
510	GG	95	-	-			0	

520	IE	197	-	-			0	
530	IL	0	-	-			0	
540	IN	2	-	-			0	
550	IT	15	1	1			1	
560	JE	85	-	-			0	
570	KY	248	-	-			0	
580	LI	4	-	-			0	
590	LR	34	-	-			1	
600	LU	1,016	29	29			9	
610	MH	8	-	-			0	
620	MT	21	-	-			0	
630	NL	112	-	-			0	
640	NO	72	-	-			0	
650	SE	176	-	-			0	
660	US	7	-	-			0	
670	Other countries	-	-	-			-	
<b>680</b>	<b>Total</b>	<b>29,319</b>	<b>593</b>	<b>593</b>	<b>23,606</b>	<b>-230</b>	<b>24</b>	<b>-1</b>

**TAB. 24: EU CQ5: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY (€M)**

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which: non-performing		of which: loans and advances subject to impairment			
			of which: defaulted				
010	Agriculture, forestry and fishing	-	-	-	-	-	-
020	Mining and quarrying	90	-	-	90	0	-
030	Manufacturing	363	6	6	363	-5	-
040	Electricity, gas, steam and air conditioning supply	1,304	81	81	1,303	-17	-
050	Water supply	155	-	-	155	0	-
060	Construction	427	85	85	427	-22	-
070	Wholesale and retail trade	157	15	15	157	-3	-
080	Transport and storage	2,549	3	3	2,549	-7	-
090	Accommodation and food service activities	104	0	0	104	0	-
100	Information and communication	574	-	-	574	-4	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	4,391	181	181	4,390	-80	-
130	Professional, scientific and technical activities	1,452	40	40	1,452	-28	-
140	Administrative and support service activities	101	-	-	101	-1	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	53	-	-	53	-2	-
170	Human health services and social work activities	51	-	-	51	0	-
180	Arts, entertainment and recreation	10	-	-	10	0	-
190	Other services	28	-	-	28	0	-
<b>200</b>	<b>Total</b>	<b>11,810</b>	<b>411</b>	<b>411</b>	<b>11,807</b>	<b>-171</b>	<b>-</b>

Table EU CR1-A shows the net carrying amounts by residual maturity bands in accordance with Article

442(g) CRR in conjunction with Implementing Regulation (EU) 2024/3172.

**TAB. 25: EU CR1-A: MATURITY OF EXPOSURES (€M)**

		a	b	c	d	e	f
		Net exposure value					
		On demand	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	366	3,710	8,398	3,365	74	15,913
2	Debt securities	-	850	2,190	4,823	-	7,862
3	<b>Total</b>	<b>366</b>	<b>4,560</b>	<b>10,588</b>	<b>8,188</b>	<b>74</b>	<b>23,776</b>

## II Non-performing and forborne exposures

Hamburg Commercial Bank takes into account the requirements of Implementing Regulation (EU) 2024/3172 when disclosing non-performing and forborne exposures. Since the NPL ratio (FINREP) was 3,3%, which is below the threshold of 5%, in accordance with Article 11(g)(ii) of Implementing Regulation (EU) 2024/3117, tables EU CQ2, EU CQ6, EU CQ8 and EU CR2a do not have to be disclosed.

Table EU CQ7 is not disclosed because, due to the Bank's customary approach to collateral realisation, no collateral is generally taken possession as part of a "taking possession and execution" process, meaning that the table would always remain empty.

The following tables EU CQ1 and EU CQ3 are populated from the FINREP. This means that the data is not comparable with the tables based on the COREP report due to the different presentation of, for example, securitised positions and different consideration of loan loss provisions.

Table EU CQ1 shows the credit quality of forborne exposures in accordance with Article 442(c) CRR. Forborne exposures may be designated as performing or non-performing depending on whether they meet the conditions of Article 47a and Article 47b CRR.

Table EU CQ3 discloses the credit quality of performing and non-performing exposures by past due days in accordance with Article 442(d) CRR.

**TAB. 26: EU CQ1: CREDIT QUALITY OF FORBORNE EXPOSURES (€M)**

		a	b	c	d	e	f	g	h
		Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne		Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted						
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	587	450	450	449	-26	-116	607	196
020	<i>Central banks</i>	-	-	-	-	-	-	-	-
030	<i>General governments</i>	-	-	-	-	-	-	-	-
040	<i>Credit institutions</i>	-	-	-	-	-	-	-	-
050	<i>Other financial corporations</i>	95	97	97	97	-7	-30	48	-
060	<i>Non-financial corporations</i>	492	354	354	352	-19	-86	559	196
070	<i>Households</i>	-	-	-	-	-	-	-	-
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	38	32	32	32	-1	-11	41	17
<b>100</b>	<b>Total</b>	<b>626</b>	<b>482</b>	<b>482</b>	<b>480</b>	<b>-27</b>	<b>-127</b>	<b>648</b>	<b>213</b>

**TAB. 27: EU CQ3: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS (€M)**

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount of performing and non-performing exposures											
		Performing exposures			Non-performing exposures								
		Not past due or Past due < 30 days	Past due > 30 days < 90 days	Unlikely to pay that are not past-due or past-due < = 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted		
005	Cash balances at central banks and other demand deposits	2,818	2,818	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	15,603	15,583	20	540	488	0	1	7	43	0	1	540
020	<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
030	<i>General governments</i>	446	446	-	-	-	-	-	-	-	-	-	-
040	<i>Credit institutions</i>	52	52	-	-	-	-	-	-	-	-	-	-
050	<i>Other financial corporations</i>	3,656	3,656	-	129	129	-	-	-	-	-	-	129
060	<i>Non-financial corporations</i>	11,399	11,379	20	411	359	0	0	7	43	0	1	411
070	<i>Of which SMEs</i>	6,343	6,323	20	259	254	-	-	5	-	0	-	259
080	<i>Households</i>	49	49	-	0	0	-	0	-	0	0	0	0
090	Debt securities	7,854	7,854	-	9	9	-	-	-	-	-	-	9
100	<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
110	<i>General governments</i>	1,758	1,758	-	-	-	-	-	-	-	-	-	-
120	<i>Credit institutions</i>	3,349	3,349	-	0	0	-	-	-	-	-	-	0
130	<i>Other financial corporations</i>	2,576	2,576	-	9	9	-	-	-	-	-	-	9
140	<i>Non-financial corporations</i>	172	172	-	-	-	-	-	-	-	-	-	-
150	Loan commitments given	5,270	-	-	44	-	-	-	-	-	-	-	44
160	<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
170	<i>General governments</i>	33	-	-	-	-	-	-	-	-	-	-	-
180	<i>Credit institutions</i>	24	-	-	-	-	-	-	-	-	-	-	-
190	<i>Other financial corporations</i>	1,771	-	-	-	-	-	-	-	-	-	-	-
200	<i>Non-financial corporations</i>	3,437	-	-	44	-	-	-	-	-	-	-	44
210	<i>Households</i>	5	-	-	-	-	-	-	-	-	-	-	-
<b>220</b>	<b>Total</b>	<b>31,544</b>	<b>26,254</b>	<b>20</b>	<b>593</b>	<b>497</b>	<b>0</b>	<b>1</b>	<b>7</b>	<b>43</b>	<b>0</b>	<b>1</b>	<b>593</b>

### III Use of credit risk mitigation techniques

Qualitative information on credit risk mitigation techniques is disclosed in accordance with Article 453(a) to e CRR.

#### III.1 Policies and processes for, and an indication of the extent to which the entity makes use of, on- and off-balance sheet netting

Institutions have the option of using netting agreements when determining their own fund requirements. These lead to a reduction in the assessment basis and, as a result, in the capital to be backed. Pursuant to Article 453(a) CRR, the policies and processes for, and an indication of the extent to which the entity makes use of, on- and off-balance sheet netting, must be disclosed.

In contrast to balance sheet netting, which is not used by Hamburg Commercial Bank, off-balance sheet netting is applied in the context of netting agreements for derivatives (see Section I I.2). The standardized approach for counterparty credit risk (SA-CCR) in accordance with Article 274 et seq. CRR is applied. Only standard framework agreements are used. The conclusion of new agreements for Hamburg Commercial Bank is carried out by the legal department. The legal enforceability of the netting agreement in the various legal systems is checked by regularly obtaining legal opinions. The contract data can be stored in the specialized standard application LeDIS. This data management system enables an automated review of individual derivative transactions. At present, only cash collateral is accepted as collateral for derivatives transactions. Standard master agreements are also used here.

The risk mitigation or netting agreement results from the offsetting of opposing risk positions through netting agreements. Hamburg Commercial Bank uses close-out netting, which is usually applied in the event of a deterioration in the creditworthiness of a counterparty, up to and including insolvency. In this process, receivables and liabilities are offset against each other. As a result, the resulting claims are determined by an equalization claim in the amount of the net market value of these transactions or the resulting unrealized gain or loss for both parties and the amounts are netted. In addition, individual collateral agreements may be concluded for securities lending and repo transactions. As at the reporting date, there is a counterparty credit risk position in the amount of € 193 million (see Table CCR4 in Section I II).

#### III.2 Policies and processes for collateral valuation and management

The process for the management and recognition of credit risk mitigation techniques also includes the valuation and management of collateral in accordance with Article 453(b) CRR. As the CRR forms the basis for the Collateral Guideline, collateral is only counted as reducing risk for the purposes of calculating own fund requirements if all requirements of the CRR are met.

An objective market value is calculated for each item collateral that is to be counted as reducing risk. The relevant market value of collateral is determined on the basis of Hamburg Commercial Bank's valuation guidelines by appraisers independent of the Bank's market units, or is reviewed and determined by a body independent of the market units. The legal effectiveness and enforceability of the relevant collateral is ensured in the context of the loan and collateral agreements. There is a uniform instruction on the regular monitoring and remeasurement of collateral: in principle, collateral is monitored annually and the market value of the individual collateral is reassessed every three years. The result of the annual monitoring process can prompt the immediate remeasurement of the individual collateral item in individual cases or on a segment basis. For individual assets, the collateral value is generally monitored and remeasured every year (e.g. ships). The collateral recognised is recorded and maintained in a central collateral system. This system enables regular reporting for collateral monitoring and evaluation. The recoverability and realisation options for collateral are reviewed on a regular basis as part of the standard credit monitoring process and more frequently in the event of marked fluctuations in market value.

In the event of permanent impairment of the security interests, e.g. due to a drop in value or a change in the legal situation, efforts are made to achieve the furnishing of additional collateral and/or a monitoring template is prepared, if necessary, in accordance with the standards set out in the Exposure Monitoring Guideline in order to initiate any necessary measures. In the event that a borrower defaults, all collateral and, if applicable, further collateral of an affected group of connected clients is remeasured. All relevant information on collateral is always documented and updated in the IT systems. Only collateral that is recognised as compliant and is maintained accordingly is used in Hamburg Commercial Bank's management systems.

Back office specialists are available for the prompt and competent realisation of collateral in the event of a borrower default. Insights gained from the realisation of collateral are incorporated into the optimisation of collateral management.

#### III.3 Main types of collateral and information about market or credit risk concentrations within the credit mitigation taken

The value of guarantees and sureties is based on the exposure amount of the receivable and the probability of default of the guarantor. The physical collateral is recognized and valued on the basis of fixed criteria.

The options for taking collateral into account in the CRSA in relation to the FIRB approach are significantly limited. Accordingly, the portfolio segments treated by Hamburg Commercial Bank as CRSA positions under the partial use approach have disadvantages in terms of risk mitigation compared with the portfolio segments managed under the FIRB approach. For regulatory reporting in accordance with the CRR, partial-use

positions are shown as CRSA positions, with the result that only collateral eligible for inclusion in the CRSA leads to a reduction in weighting.

While only real estate, financial collateral, life insurance policies, guarantees and netting agreements are taken into account in the CRSA, the FIRB approach also takes other IRB collateral into account in addition to receivables when calculating the risk-weighted exposure amount.

When considering financial collateral as a credit risk mitigation tool, Hamburg Commercial Bank uses the comprehensive method in accordance with Articles 223 to 228 CRR. The risk exposure value of the counterparty risk position is reduced by the value of the financial collateral. Haircuts due to currency and maturity mismatches and volatility fluctuations are taken into account for the collateral.

For the recognition of real estate, compliance with Articles 124 to 126 CRR (CRSA) and Article 199 CRR (FIRB) is regularly reviewed and, if recognized, applied accordingly as a credit risk mitigation instrument. The regulatory LGD in accordance with Article 230 CRR is used in the FIRB.

In compliance with Article 199(5)(d) CRR, ship mortgages are recognised under other IRB collateral with a segment-specific haircut.

Within the aforementioned collateral types, there are the concentrations within credit risk mitigation described below in accordance with Article 453 subparagraph (e) CRR, as well as instruments to manage these risks.

Real estate collateral accounts for approximately 68% of the total collateral portfolio. Of this, just under 81% is commercial real estate. The share of ships in the total collateral portfolio is approximately 15%. Container ships and bulkers account for just under 44% of this, while tankers account for 37% of ship collateral. The remaining collateral consists mainly of cash collateral and guarantees and accounts for approximately 16%.

Concentration risks arising from eligible collateral are managed on a portfolio basis at the level of the Bank as a whole, e.g. by monitoring and reporting these risks in management reports to the Risk Committee. In addition, it is integrated into the strategic planning and limit-setting process in that, for typical business area-related collateral (in particular project collateral such as ships), business area-related planning and limit-setting also has the effect of limiting the collateral typically associated with the respective business areas. These key figures are managed using internal models to determine key figures such as EAD, PD and LGD.

### III.4 Guarantors and credit derivative counterparties and their creditworthiness

The CRSA provides for the substitution principle for the recognition of warranties. This means that the risk weight of the debtor is replaced by that of the guarantor. This results in a transfer of the guaranteed amount from the debtor's exposure class to that of the guarantor. However, a transfer only takes place if the risk weight of the guarantor is lower than that of the debtor.

For a surety/guarantee to be considered as risk-mitigating collateral in the FIRB approach, a current recognized internal rating of the guarantor must be available, which must be better than master scale, MSK 10. In FIRB, substitution is understood to mean that the guarantor's probability of default is assigned to the guaranteed part of the risk position. MSK 10 is comparable to a rating of at least BB- from Fitch or S&P or Ba3 from Moody's, which is used for guarantees in CRSA. If two or more external credit assessments are available for a position, the assignment is made in accordance with the requirements of Article 138 CRR.

Pursuant to Article 453(d) CRR, the most important types of guarantors, based on Hamburg Commercial Bank's internal requirements, are in particular guarantees from central governments, domestic regional and local authorities, institutions as well as companies with good credit ratings.

Collateral can only be taken into account if its risk-reducing effect has not been taken into account as part of the rating determination (PD). This means, for example, that a surety/guarantee or an assignment of receivables that has already been taken into account via a rating tool or via the rating of the guarantor, surety or third-party debtor as a support provider is no longer taken into account as risk-reducing collateral.

There are no credit derivatives used for credit protection.

### III.5 Secured exposures

In accordance with Article 453(f) CRR, the following table EU CR3 shows the scope of the credit risk mitigation techniques used for loans and advances and debt securities.

This reporting form covers all credit risk mitigation techniques recognised under the applicable accounting framework, regardless of whether these techniques are recognised under the CRR, including, but not limited to, all types of collateral, financial guarantees and credit derivatives used for all secured exposures, regardless of whether the risk-weighted exposure amount (RWEA) is calculated using the Standardised Approach or the IRB Approach.

**TAB. 28: EU CR3: CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES (€M)**

		a	b	c	d	e
		Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees		
				Of which secured by credit derivatives		
1	Loans and advances	10,521	8,210	7,914	296	-
2	Debt securities	7,863	-	-	-	-
3	Total	<b>18,384</b>	<b>8,210</b>	<b>7,914</b>	<b>296</b>	-
4	<i>Of which non-performing exposures</i>	277	272	270	1	-
5	<i>Of which defaulted</i>	172	272			

#### IV Use of external ratings and Standardised Approach

##### IV.1 Names of the designated ECAIs and ECAs

In the Credit Risk Standardised Approach, the risk weights required for the calculation of regulatory capital requirements are specified by the supervisory authorities. The amount of the risk weights generally depends on the type of receivable, the relevant external rating and any existing collateral. In accordance with Articles 138 and 269 CRR, Hamburg Commercial Bank uses external credit assessments from rating agencies recognised under supervisory law to determine risk weights. Different external credit assessment institutions (ECAIs) or export credit agencies (ECAs) can be specified for each category of receivables. For the securitisations CRSA or IRBA exposure class, the rating agencies can be nominated at transaction level; for all other CRSA exposures, they are nominated per credit assessment-related exposure category/ segment.

If an external credit assessment from a recognised rating agency is used, it must be converted into a credit assessment according to the rating master scale. A check has to be performed for each of the recognised credit rating agencies to determine whether an external credit assessment is available. If more than one external rating is available, then, out of the two ratings

leading to the lowest CRSA risk weights, the rating leading to the higher CRSA risk weight prevails. Hamburg Commercial Bank generally uses the issuer rating for positions that are not part of the trading book, but the external rating of the transaction for ABS transactions.

Hamburg Commercial Bank has, with regard to Article 444(a) CRR in conjunction with Table EU CRD of Implementing Regulation (EU) 2024/3172, exclusively nominated the credit rating agencies listed in the following table for use and makes use of them for the exposure classes listed in accordance with Article 444(b) CRR in conjunction with Table EU CRD of Implementing Regulation (EU) 2024/3172. Export credit agencies are not used in this context. External ratings are used for securitisations in both the CRSA and the IRB approach. For relevant transactions under Articles 115 and 116 CRR, the external rating of the central government concerned is relevant and is used to determine the risk weight. This affects transactions from the exposure classes regional or local authorities and public-sector entities. Since the introduction of CRR III, institutions have been treated in accordance with Article 120 CRR. The disclosure is still made in the aforementioned exposure classes.

**TAB. 29: RATING AGENCIES BY RECEIVABLES CATEGORY**

Receivables category/segment	Exposure class	Rating agency
States	Central governments or central banks	Fitch, Moody's, S&P
Securitisations	CRSA securitization exposures IRBA securitization exposures	Fitch, Moody's, S&P
Non-Bank Financial Institutions	CRSA Corporate	Fitch
Insurance	CRSA Corporate	S&P
Structured Finance	CRSA Corporate	ARC, Egan Jones, Fitch
Institutions	CRSA Institutions CRSA Covered Bonds CRSA Corporate	Fitch, Moody's, S&P
Funds	CRSA Corporate	KBRA

## IV.2 Transfer of issuer and issue credit assessments

The following section describes the procedures used by Hamburg Commercial Bank to transfer issuer and issue credit assessments in accordance with Article 444(c) CRR in conjunction with Table EU CRD of Implementing Regulation (EU) 2024/3172.

Issue ratings are required to determine the CRSA and IRBA risk weights of securitisations as well as the eligibility of eligible collateral for CRSA and IRBA exposures. Hamburg Commercial Bank uses issue ratings from the rating agencies Fitch, Moody's and S&P. Hamburg Commercial Bank has provided the banking supervisory authority with the names of the aforementioned rating agencies.

Hamburg Commercial Bank uses confirmed issue ratings for securities. Once linked to the relevant financial instrument, the confirmed issue ratings are used in the calculations under Part 3 CRR (Capital requirements), Part 4 CRR (Large exposures) and Part 6 CRR (Liquidity). Steps are taken to ensure that the technical requirements for external ratings for securitisations pursuant to Article 268 CRR are met. As part of the credit risk calculation, a check is performed to determine whether the conditions for the eligibility of eligible collateral are met. Depending on the type of bond, the CRR specifies minimum credit quality levels for eligibility.

Issuer ratings are required to determine the risk weights of central governments in the Standardised Approach. Hamburg Commercial Bank uses issuer ratings from the rating agencies Fitch, Moody's and S&P. In addition, issuer ratings from the Institutions (Fitch, Moody's and S&P), Non Bank Financial Institutions (Fitch), Insurance (S&P), Structured Finance (ARC, Egan Jones, Fitch) and Funds (KBRA) rating categories are

used to determine the risk weights for companies in the standardised approach.

Processes ensure that, on the one hand, only confirmed issuer ratings are used and, on the other hand, external ratings are only used for those central governments, Institutions and Corporates that are also internally rated at Hamburg Commercial Bank. The confirmed issuer ratings are used in the calculations under Part 3 CRR (Capital requirements) and Part 4 CRR (Large exposures).

## IV.3 Association of external credit ratings with credit quality steps

Disclosures of the association of external credit ratings with credit quality steps in accordance with Article 444(d) CRR are omitted, as Hamburg Commercial Bank uses the standard mapping published by the EBA in accordance with Article 270 CRR.

## IV.4 CRSA exposure values when applying regulatory risk weights

In order to determine the capital requirements, risk-weighted exposure amounts (product of risk weight and exposure value) have to be determined in the Credit Risk Standardised Approach. Risk weights are to be used depending on the exposure class and the standard mapping of external ratings published in accordance with Article 270 CRR.

Table EU CR4 shows, in accordance with Article 453(g) to (i) CRR in conjunction with Artikel 444(e) CRR the effect of credit risk mitigation techniques on the calculation of capital requirements using the Standardised Approach per exposure class.

**TAB. 30: EU CR4: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS (€M)**

	Exposure classes	a	b	c	d	e	f
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEAs	RWEAs density (%)
1	Central governments or central banks	1,565	-	1,584	-	2	0.0997
2	Non-central government public sector entities	938	49	928	19	90	9.528
EU 2a	Regional governments or local authorities	238	-	238	-	41	17.38
EU 2b	Public sector entities	701	49	691	19	49	6.896
3	Multilateral development banks	65	-	65	-	11	16.57
EU 3a	International organisations	175	-	175	-	-	-
4	Institutions	1,025	68	1,026	1	312	30.39
5	Covered bonds	2,012	-	2,012	-	265	13.18
6	Corporates	1,990	927	2,124	320	2,100	85.90
6,1	Of which: Specialised Lending	-	-	-	-	-	-
7	Subordinated debt exposures and equity	163	-	163	-	280	171.91
EU 7a	Subordinated debt exposures	127	-	127	-	191	150.00
EU 7b	Equity	36	-	36	-	89	250.29
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property and ADC exposures	1,276	7	1,270	3	948	74.46
9,1	Secured by mortgages on residential immovable property - non IPRE	3	-	3	-	1	24.91
9,2	Secured by mortgages on residential immovable property - IPRE	137	-	137	-	57	41.39
9,3	Secured by mortgages on commercial immovable property - non IPRE	35	0	29	0	6	22.44
9,4	Secured by mortgages on commercial immovable property - IPRE	1,065	2	1,065	1	827	77.59
9,5	Acquisition, Development and Construction (ADC)	36	5	36	2	56	150.00
10	Exposures in default	90	0	89	0	94	105.39
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	1,006	361	1,006	144	1,105	96.10
EU 10c	Other items	0	-	0	-	0	100.00
11	not applicable						
12	<b>TOTAL</b>	<b>10,303</b>	<b>1,412</b>	<b>10,442</b>	<b>487</b>	<b>5,206</b>	<b>47.63</b>

Table EU CR5 shows exposure values under the Standardised Approach for each exposure class and risk weight in accordance with Article 444(e) CRR as required by Implementing Regulation (EU) 2024/3172. Substitution effects lead to originally higher risk weights being replaced by lower risk weights. CR5 only implements the part of the requirement from Article 444(e) CRR that relates to

the exposure values after credit risk mitigation. The disclosure of the exposure values by credit rating step before credit risk mitigation is omitted for reasons of materiality.

The exposures are allocated to the risk weights without taking into account the deduction pursuant to Article 501(1) CRR.

**TAB. 31: EU CR5: STANDARDISED APPROACH – EXPOSURE VALUES (€M)**

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Risk weight																
Exposure classes		0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%	105%
1	Central governments or central banks	1,581	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-
2	Non-central government public sector entities	600	-	-	-	278	-	-	-	-	69	-	-	-	-	-	-	-
EU 2a	Regional governments or local authorities	31	-	-	-	207	-	-	-	-	-	-	-	-	-	-	-	-
EU 2b	Public sector entities	569	-	-	-	72	-	-	-	-	69	-	-	-	-	-	-	-
3	Multilateral development banks	43	-	-	-	-	-	-	-	-	21	-	-	-	-	-	-	-
EU 3a	International organisations	175	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	-	0	-	-	277	549	-	167	-	25	-	-	-	-	-	1	-
5	Covered bonds	-	-	-	898	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	213	-	-	-	-	234	-	-	86	-	-	1,912	-
6,1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	133	-	-	-	-	-	622	-	-	-	51	0	-
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	0	-
9.1.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	106	-	-	-	-	-	-	-	-	-	-	-	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	25	-	-	-	-	-	4	-	-	-	-	0	-
9.3.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	-	25	-	-	-	-	-	-	-	-	-	-	0	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	618	-	-	-	51	0	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	93	-	-	-	-	-	-	-	-	-	913	-
EU 10c	Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-
11	not applicable																	
EU 11c	<b>TOTAL</b>	<b>2,400</b>	<b>0</b>	<b>-</b>	<b>898</b>	<b>901</b>	<b>642</b>	<b>-</b>	<b>167</b>	<b>-</b>	<b>352</b>	<b>622</b>	<b>-</b>	<b>86</b>	<b>-</b>	<b>51</b>	<b>2,905</b>	<b>-</b>

		r	s	t	u	v	w	x	y	z	aa
		Risk weight								Total	Of which unrated
Exposure classes		110%	130%	150%	250%	370%	400%	1250%	Others		
1	Central governments or central banks	-	-	-	-	-	-	-	-	1,584	1,584
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	948	948
EU 2a	Regional governments or local authorities	-	-	-	-	-	-	-	-	238	238
EU 2b	Public sector entities	-	-	-	-	-	-	-	-	710	710
3	Multilateral development banks	-	-	-	-	-	-	-	-	65	65
EU 3a	International organisations	-	-	-	-	-	-	-	-	175	175
4	Institutions	-	-	8	-	-	-	-	-	1,027	1,027
5	Covered bonds	-	-	-	-	-	-	-	1,114	2,012	2,012
6	Corporates	-	-	-	-	-	-	-	-	2,444	2,210
6,1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	127	35	-	0	-	-	163	163
EU 7a	Subordinated debt exposures	-	-	127	-	-	-	-	-	127	127
EU 7b	Equity	-	-	-	35	-	0	-	-	36	36
8	Retail exposures	-	-	-	-	-	-	-	-	-	-
9	Secured by mortgages on immovable property and ADC exposures	-	-	229	-	-	-	-	237	1,273	1,273
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	-	-	-	-	3	3
9.1.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	3	3
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	0	0
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	31	-	-	-	-	-	137	137
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	29	29
9.3.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	4	4
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	25	25
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	161	-	-	-	-	237	1,066	1,066
9.5	Acquisition, Development and Construction (ADC)	-	-	38	-	-	-	-	-	38	38
10	Exposures in default	-	-	10	-	-	-	-	-	89	89
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	41	-	-	-	-	104	1,150	1,150
EU 10c	Other items	-	-	-	-	-	-	-	-	0	0
11	not applicable										
<b>EU 11c</b>	<b>TOTAL</b>	-	-	<b>415</b>	<b>35</b>	-	<b>0</b>	-	<b>1,455</b>	<b>10,929</b>	<b>10,695</b>

## V IRB approach

In the following four subsections, the requirements under Article 452 (a) to (f) CRR are met.

### V.1 Competent authority's permission of the IRB Approach or approved transition

Hamburg Commercial Bank uses the foundation IRB approach (FIRB). It thus calculates the probability of default (PD) internally to determine the risk-weighted position amount. All other required parameters are specified by the supervisor. These are loss given default – LGD, exposure at default – EAD, credit conversion factor – CCF and maturity – M. The Bank received the necessary permission from the competent authority to use the IRB-approach in accordance with Article 452(a) CRR in conjunction with Table EU CRE of Implementing Regulation (EU) 2024/3172. The implementation phase ended as at 31 December 2012 when the regulatory benchmark figure in accordance with Section 10 (3) of the German Solvency Regulation (SolvV) was met.

The Bank does not apply any transitional arrangements regarding the use of the IRB Approach. The exposure classes to which the Credit Risk Standardised Approach is permanently applied, as well as possible relevant exemption or transitional arrangements for these exposure classes, are presented in the appropriate places in the chapters below.

As at the reporting date, a regulatory benchmark figure of more than 50% is reached at the group and institution level.

### V.2 Description of the internal ratings process and breakdown by exposure class

Positions for which there is no supervisory approval to use the internal rating procedure are treated under the standardized approach for credit risks (see section H IV). For the exposure classes in the IRB Approach, the internal ratings process is as described below in accordance with Article 452(f) CRR in conjunction with Table EU CRE of Implementing Regulation (EU) 2024/3172. The scope of application of an IRBA rating module usually covers several exposure classes. Table 41 shows the IRBA rating modules applied in the individual exposure classes. The positions are allocated to the exposure classes independently of the IRBA rating module used on the basis of business partner information, such as the type of business partner, the industry and the country of domicile.

The following table shows the exposure values per IRBA exposure class and per IRBA rating module. The data taken as a basis for this table differs from the other tables in the default risk section for methodological reasons, as counterparty credit risks are also included in the data in addition to credit risks. This is because the application of the rating procedures is independent of the type of business, meaning that a restriction to credit risk only is not appropriate.

**TAB. 32: EXPOSURE VALUES PER IRBA EXPOSURE CLASS AND IRBA RATING MODULE (€M)**

Risk position class	Rating module	Risk position value
Central governments and central banks	Project financing	53
	Corporates	63
	Savings Banks Real Estate Rating (SIR)	96
	Countries and transfer risk	3,965
	<b>Total</b>	<b>4,178</b>
Institute	Corporates	40
	Savings Banks Real Estate Rating (SIR)	103
	<b>Total</b>	<b>143</b>
Corporate	Ship financing	1,951
	Corporates	2,951
	Savings Banks Real Estate Rating (SIR)	4,904
	Project financing	2,821
	<b>Total</b>	<b>12,626</b>

### **IRBA “Corporates” module**

The Corporates rating module is suitable for rating corporate clients and can generally be used across all sectors for corporate clients worldwide. The basic requirements for using the Corporates module are commercial management of the company and commercial accounting with annual financial statements.

The model was developed at pool level by RSU, mainly using a statistical approach, but also taking into account expert assessments to ensure the economic plausibility of the results.

### **IRBA “Country and transfer risk” module**

The “Country and transfer risk” rating module is used to determine both the default probabilities of sovereign states, broken down by local or foreign currency, and the probability of a transfer event occurring, i.e. the probability that a non-sovereign debtor abroad will not be able to service its debt (payable in a foreign currency) due to government-imposed restrictions.

The model was developed at pool level by RSU, mainly using a statistical approach, but also taking into account expert assessments based on the statistical results to ensure the economic plausibility of the results.

### **IRBA “Project financing” module**

The “Project financing” module is generally applicable to all types of project finance. Project finance refers to the financing of projects that are generally distinct in legal terms, usually with a limited life span, based on the expected cash flow from the project.

The model was developed at pool level by RSU and is based on a simulation approach. Cash flow figures, project values and transaction characteristics are the main risk drivers used in the simulation.

### **IRBA “Ship financing” module**

The “Ship financing” module is used to calculate the probabilities of default (PD) of object financing in the ship financing portfolio. The definition of object financing is based on the specifications of the Basel Committee on Banking Supervision for specialist financing (which were addressed in the CRR).

The model was developed at pool level by RSU and is based on a simulation approach. Cash flow figures, property values and transaction characteristics are the main risk drivers used in the simulation.

### **IRBA “Sparkassen Real Estate Business Rating (SIR)” module**

The “Sparkassen Real Estate Business Rating (SIR)” rating module is used for commercial real estate lending transactions. A property is considered a commercial property if income in the form of rents, leases or sales proceeds can be directly allocated to it. Only properties in Germany can be adequately rated in the portfolio evaluation. If a customer has both domestic and foreign properties, foreign properties are only taken into account in the customer review if the SIR is applicable.

The model developed by SR is based on a scorecard approach. Cash flow figures, property values and transaction characteristics, along with qualitative factors (determined by experts), are the main risk drivers to which various scores are assigned. The scorecard results are finally transformed and calibrated.

### **Other business and retail**

Hamburg Commercial Bank treats risk positions in retail business and outside the above-mentioned rating modules in the Credit Risk Standardised Approach.

### **Equity exposures**

All equity exposure items are treated under the Credit Risk Standardised Approach in accordance with Article 133 CRR.

### **Definition of default**

Hamburg Commercial Bank does not deviate from the definition of default set out in Article 178 CRR in conjunction with EBA GL DoD.

## **V.3 Role of the functions involved in the development, approval and subsequent changes of the credit risk models and structure of internal rating systems and relation between internal and external ratings**

The following section describes the role of the functions involved in the development, approval and subsequent changes of the credit risk models in accordance with Article 452(d) CRR.

The rating systems for the individual portfolio segments were developed in cooperation with nine Landesbanken (Landesbank project) on the basis of scorecard and simulation approaches and using a common data pool. In 2003, the Landesbank cooperation led to the establishment of RSU Rating Service Unit GmbH & Co. KG (RSU). Since 2004, the latter has assumed responsibility for the methodological maintenance and further development of the rating systems. The individual partner banks provide their expertise as competence or support centres. At present, Hamburg Commercial Bank uses eleven RSU rating modules in its RSU Rating. In addition, RSU incorporated two rating modules of S Rating und Risikosysteme GmbH (SR), a subsidiary of the German Savings Banks Association (DSGV), into the central RSU Rating application software.

Five of these rating modules are rating systems recognised for the purposes of reporting in accordance with the CRR at Hamburg Commercial Bank.

The structure of the internal rating systems and relation between internal and external ratings in accordance with Article 452(f)(i) CRR are explained below.

### **Rating methodology**

With regard to the rating systems, a distinction is made between scorecard and cash flow approaches. Scorecard approaches identify characteristics and factors that have the ability to differentiate between good and bad borrowers. Their explanatory value is first of

all tested in a single-factor model. Several characteristics, each of which has a high explanatory value in the single-factor model, are then combined to form a multi-factor model. Finally, the scores determined in the multi-factor model are converted into probabilities of default. One prerequisite for the application of a scorecard approach is that there is a sufficient number of relatively similar borrowers.

Cash flow approaches involve simulating cash flows associated with a property in various scenarios. These vary in terms of macroeconomic and sector-specific conditions. The "SimEngine" is used to generate a variety of scenarios that differ in terms of the macroeconomic conditions. In addition, industry-specific models calculate scenarios for the future development of industry-specific factors, such as rents, vacancies or charter rates. The values calculated are ultimately used as input in the calculation of the scenarios for the cash flow associated with the property in question. Among the multitude of scenarios, those in which the borrower has to be considered to have defaulted can then be identified. The probability of default is calculated as the ratio of the number of scenarios in which default occurred to the total number of scenarios.

Both the scorecard and cash flow approaches incorporate qualitative factors in addition to quantitative ones. The consideration of these factors is usually followed by the consideration of warning signals and the group background. The rating systems also provide for override options, limited options for rating improvements and unlimited options for rating deteriorations. It is only when all aspects are taken into account that the final rating result, the local currency rating, emerges.

The result is an individual probability of default for each borrower and, as a result, allocation to a specific rating category. In addition to the borrower's default risks, risks from currency transfer restrictions also have to be taken into account when measuring credit risk.

The rating result is calibrated to a uniform rating master scale. This master scale is the DSGV master scale, of which 24 performing and three default categories are used at Hamburg Commercial Bank. Each rating category in the rating master scale is assigned a 1-year probability of default. The uniform rating scale enables the direct comparability of existing ratings, irrespective of the portfolio segment.

The internally observed default history is generally used to identify the probabilities of default in the corresponding rating procedures. Additional information from external ratings released by the recognised rating agencies is also used for those segments and sub-portfolios for which there is a sufficient amount of external data available (shadow rating method). This process examines the extent to which the ranking of external ratings can be replicated for a benchmarking portfolio (as a "good-bad analysis"). In addition to this, an additional comparative variable for setting the average rating level is calculated based on these external ratings (calibration).

The rating modules and methods used within Hamburg Commercial Bank as at the reporting date for the purposes of reporting in accordance with the CRR are shown in the following table. Capital requirements are calculated using the foundation IRB approach.

**TAB. 33: RATING MODULES OF HAMBURG COMMERCIAL BANK APPROVED BY THE SUPERVISORY AUTHORITIES**

Borrower, bearer of economic risk, asset or project	Rating module	Rating method
Corporates	Corporates	Scorecard
Real estate	Savings Banks Real Estate Rating (SIR)	scorecard
Ships	Ship financing	Cash flow
Projects	Project financing	Cash flow
States, National Authorities	Country and transfer risk	Scorecard

The banks participating in the validation and further development of the RSU rating systems are divided into competence and support centres. The competence centre bank plays a leading role in the development and maintenance of those modules in which it has particular expertise. It is supported in these efforts by experts from the support banks.

Hamburg Commercial Bank has the competence centre role for the module ship finance. The validation and further development of the rating procedures are checked by the internal audit department, as an independent body both at RSU and SR, as well as at Hamburg Commercial Bank.

## LGD

Hamburg Commercial Bank uses the foundation IRB approach, thus the regulatory LGDs are used for capital requirement.

## CCF methodology

In contrast to balance sheet assets, where the future exposure can be derived from loan agreements, in the case of receivables from classic transactions not included in the balance sheet, the EaD has to be determined using a credit conversion factor (CCF). The regulatory CCFs are used for capital requirement.

The CCF indicates which portion of the outstanding line or of the amount of the credit by way of bank guarantees or letter of credit that can be drawn down

in principle is likely to be drawn down by the borrower up to or after the default date.

#### **CCF model assignment**

The assignment of a transaction to a CCF model is a two-step process. The first step involves identifying all transactions that are not CCF-relevant or that are not used directly for the CCF calculation. These transactions are not allocated to any CCF model. All other transactions are assigned to a CCF model in the second step based on the credit type of the transactions.

### **V.4 Control mechanisms for rating systems**

In accordance with Article 452(c) CRR in conjunction with Table EU CRE of Implementing Regulation (EU) 2024/3172, the control mechanisms for the rating systems are presented below.

#### **Description of the rating process**

The rating process is divided into the preparation and determination process and is subject to the dual control principle. The rating is determined by 2nd line business units.

The Rating Guideline contained in the Credit Manual states, for all exposure classes, that – except for the risks with a total credit volume for the group of connected clients of below € 750,000 or below € 75,000 at business partner level – internal rating systems are to be applied as a matter of principle. An individual rating is to be prepared:

- for borrowers, rating agencies (this also applies to non-recourse purchases of receivables);
- for persons acting exclusively as providers of support;
- as a prerequisite for taking certain collateral furnished in favour of Hamburg Commercial Bank (e.g. personnel collateral) into account with the effect of reducing risk.

Each person to be assessed is assigned a local currency rating and, in the case of a currency transfer risk, a foreign currency rating.

The exact rating scenarios are also set out in the Credit Manual. Each rating has to be updated and reviewed by credit analysts and determined by 2nd line staff, taking into account risk aspects that require a re-rating – but at the latest before the expiry of a twelve-month period after the last rating. Special risk aspects that require an update before the 12-month period expires are, in particular:

- significant expansion of counterparty credit risk,
- knowledge of material new information relevant to risk,
- exposures for which there is a currency transfer risk if the risk country migrates to rating category 9 or worse,
- default and recovery according to the Default Policy.

As soon as a default has been identified in accordance with the definition of default, the reason for default must also be recorded and categorised in one of the default classes (rating classes 16, 17 or 18) when a new rating is prepared without delay. The reasons for default must in principle be updated in the rating if there is a change in default rating classes due to new information and confirmed after 12 months at the latest.

The guidelines set out in Credit Manual explain the requirements for the deduction of a rating. The conditions under which the rating of the legal borrower may be derived from a rating agency are outlined.

Provisions on the rating process are set out in the Credit Manual. In addition, with regard to the specific module characteristics, the corresponding technical rating manuals have to be observed.

In order to ensure a comprehensive rating for the exposure for which the risk has to be classified in accordance with the CRR, the Bank has a process quality controlling system in place.

#### **Review of the rating systems**

The validation of the supervisory-approved rating modules are validated annually as required under Article 144(1)(e) CRR and Article 185 CRR. The management is provided with information on the validation results of the rating modules and their effects on an annual basis.

Validation generally includes the following aspects:

- Analysis of portfolio and market development (e.g. description of the portfolio by region and relevant client type)
- Analysis of rating distribution
- Backtesting (comparison with actual default rates) and/or benchmarking (comparison with external ratings)
- Calibration (verification of the level of assigned probabilities of default)
- Investigation of degree of precision (ability of the rating module to distinguish good from bad borrowers)
- Review of model structure and design (e.g. informational value and weighting of individual factors and sub-models, consideration of support providers, analysis of overrides to determine frequency and reasons, consideration of transfer risk)
- Review of the rating application (e.g. analysis of data quality, verification of the consistent and appropriate use of overrides and warning signals).

Validation is a two-step process:

- The first step involves a validation on the basis of the pooled data of all partner banks and savings banks under the auspices of the RSU or SR. The pooling of data serves in particular to create the largest possible and, as a result, statistically meaningful database. In cooperation with the relevant competence and support centre, RSU carries out

the validation process and, if necessary, assumes responsibility for the recalibration and further development of the modules on the basis of the pooled data, ensuring the independence of validation and development. For the SR modules, pooling is based on the data of the participating savings banks and banks; maintenance, validation and development are the responsibility of SR.

- As the validation process is based on the pooled data, evidence then has to be furnished showing that the results can also be transferred to Hamburg Commercial Bank. This is done in a second step in cooperation with RSU or SR.

The rating, LGD and CCF models that are not subject to supervisory approval from Hamburg Commercial Bank's perspective and are used for risk management purposes are also subject to regular validation. In addition, validity is also established for RSU and SR independently of maintenance and development.

Independence between model development and validation is ensured within Hamburg Commercial Bank by organizational separation of the units.

In addition to the cross-risk-type validation of all models for which the Risk Control business units are responsible within the model inventory, the technical consistency of the risk modelling is also ensured. Uniform and transparent model risk governance has been introduced for the model risk management process.

### **IRBA risk model reporting (Article 452(e) CRR)**

Reporting on Hamburg Commercial Bank's IRBA risk models includes the presentation of credit risk concentrations, changes in exposure at default, probabilities of default, regulatory capital and expected loss in various dimensions in a management report and, on the other hand, reporting to the full Board of Managing Directors at least quarterly as part of model topics, which include the validation results of the IRBA rating procedures.

In addition, a Model Steering Committee (MSK), which meets every two months with the participation of the Chief Risk Officer and other members of Risk Management, is informed about key risk indicators and relevant methodological developments as well as the validation results of rating procedures and makes the necessary decisions. The MSK serves as an interface between the Executive Board and the units responsible for the development, operation and validation of models used in risk management. The MSK prepares decisions for the Executive Board (or designated committee, Article 189 CRR) where this is required for regulatory or economic reasons.

Taking into account the principle of proportionality, this process ensures both a sufficient depth of expertise in dealing with the issues and a timely decision-making process.

## V.5 Quantitative information on the use of the IRB approach

Table EU CR6 shows exposure values taking credit risk mitigation techniques into account in accordance with Article 452(g) CRR as required by Implementing Regulation (EU) 2024/3172. In addition to the exposure values, parameters for calculating the capital require-

ments using IRBA models are disclosed for each exposure class and rating grade band. As Hamburg Commercial Bank does not calculate the retail business according to the IRB Approach and does not use internal models according to Article 155(4) CRR either, these rows remain empty. The Bank uses the Foundation IRB Approach (FIRB). This is why no separate table is shown for the advanced IRB approach (AIRB).

**TAB. 34: EU CR6: IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (€M)**

F-IRB	Exposure class	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
			a	b	c	d	e	f	g	h	i	j	k	l
<b>Central governments and central banks</b>														
		0.00 to < 0.15	4,077	5	0.9151	4,104	0.0089	75	45.00	2.50	114	0.0277	0	0
		0.00 to < 0.10	3,915	5	0.9151	3,943	0.0040	71	45.00	2.50	59	0.0149	0	0
		0.10 to < 0.15	161	-	-	161	0.1280	4	45.00	2.50	55	0.3420	0	0
		0.15 to < 0.25	12	-	-	12	0.2108	1	45.00	2.50	5	0.4516	0	0
		0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
		0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
		1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
		2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
		2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
		5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
		10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
		10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
		20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
		30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
		100.00 (default)	-	-	-	54	-	-	40.00	2.50	-	-	-	-
		<b>Subtotal</b>	<b>4,088</b>	<b>5</b>	<b>0.9151</b>	<b>4,170</b>	<b>0.0095</b>	<b>76</b>	<b>45.00</b>	<b>2.50</b>	<b>119</b>	<b>0.0285</b>	<b>0</b>	<b>0</b>
<b>Public sector entities</b>														
		0.00 to < 0.15	139	126	0.1391	133	0.0439	17	26.75	2.50	15	0.1107	0	0
		0.00 to < 0.10	138	123	0.1419	132	0.0435	15	26.80	2.50	15	0.1105	0	0
		0.10 to < 0.15	1	3	0.0008	1	0.1008	2	20.05	2.50	0	0.1328	0	0
		0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
		0.25 to < 0.50	1	-	-	1	0.2708	1	20.00	2.50	0	0.2293	0	0
		0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
		1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
		2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
		2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
		5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
		10.00 to < 100.00	0	-	-	0	45.0000	1	45.00	2.50	1	2.3020	0	0
		10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
		20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
		30.00 to < 100.00	0	-	-	0	45.0000	1	45.00	2.50	1	2.3020	0	0
		100.00 (default)	-	-	-	-	-	-	-	-	-	-	-	-
		<b>Subtotal</b>	<b>141</b>	<b>126</b>	<b>0.1391</b>	<b>135</b>	<b>0.0457</b>	<b>19</b>	<b>26.62</b>	<b>2.50</b>	<b>16</b>	<b>0.1180</b>	<b>0</b>	<b>0</b>
<b>Institutions</b>														
		0,00 bis < 0,15	103	100	0.4000	143	0.1303	3	27.01	2.50	28	0.1973	0	0
		0.00 to < 0.10	0	100	0.4000	40	0.0937	1	44.98	2.50	11	0.2855	0	0
		0.10 to < 0.15	103	-	-	103	0.1445	2	20.00	2.50	17	0.1629	0	0
		0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
		0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
		0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-

F-IRB Exposure class	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions												
														a	b	c	d	e	f	g	h	i	j	k	l
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-												
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-												
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-												
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-												
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-												
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-												
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-												
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-												
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-												
	100.00 (default)	-	-	-	-	-	-	-	-	-	-	-	-												
	<b>Subtotal</b>	<b>103</b>	<b>100</b>	<b>0.4000</b>	<b>143</b>	<b>0.1445</b>	<b>3</b>	<b>20.01</b>	<b>2.50</b>	<b>28</b>	<b>0.1973</b>	<b>0</b>	<b>0</b>												
<b>Corporates – Specialised lending</b>																									
	0.00 bis < 0.15	1,005	103	0.3372	1,024	0.0961	91	36.11	2.50	150	0.1464	0	-2												
	0.00 to < 0.10	486	34	0.2714	495	0.0645	35	38.14	2.50	59	0.1201	0	0												
	0.10 to < 0.15	520	69	0.3700	529	0.1256	56	34.22	2.50	91	0.1710	0	-2												
	0.15 to < 0.25	684	99	0.3894	705	0.1961	51	31.66	2.50	154	0.2185	0	0												
	0.25 to < 0.50	1,966	370	0.3914	2,098	0.3805	89	28.34	2.50	619	0.2953	2	-2												
	0.50 to < 0.75	1,139	98	0.3896	1,169	0.6499	42	29.75	2.50	444	0.3796	2	-2												
	0.75 to < 2.50	2,225	418	0.3301	2,363	1.5256	108	30.18	2.50	1,217	0.5148	11	-18												
	0.75 to < 1.75	1,382	231	0.2916	1,450	1.1000	54	29.39	2.50	681	0.4697	5	-5												
	1.75 to < 2.5	843	187	0.3777	913	2.2010	54	31.43	2.50	536	0.5864	6	-14												
	2.50 to < 10.00	429	75	0.3536	456	4.6290	29	30.95	2.50	355	0.7783	6	-13												
	2.5 to < 5	291	66	0.3472	314	3.8051	17	31.94	2.50	246	0.7816	4	-6												
	5 to < 10	138	9	0.4000	141	6.4614	12	28.73	2.50	109	0.7709	3	-7												
	10.00 to < 100.00	45	2	0.3910	45	11.8270	4	40.66	2.50	54	1.1877	2	-4												
	10 to < 20	45	2	0.3910	45	11.8270	4	40.66	2.50	54	1.1877	2	-4												
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-												
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-												
	100.00 (default)	354	37	0.3844	315	100.0000	19	29.71	2.50	-	-	95	-106												
	<b>Subtotal</b>	<b>7,847</b>	<b>1,202</b>	<b>0.3626</b>	<b>8,176</b>	<b>5.4847</b>	<b>433</b>	<b>30.62</b>	<b>2.50</b>	<b>2,993</b>	<b>0.3660</b>	<b>120</b>	<b>-149</b>												
<b>Corporates – other</b>																									
	0.00 bis < 0.15	961	783	0.2599	1,152	0.1029	46	25.63	2.50	183	0.1592	0	0												
	0.00 to < 0.10	452	399	0.2390	537	0.0829	28	25.98	2.50	77	0.1431	0	0												
	0.10 to < 0.15	509	383	0.2817	615	0.1205	18	25.32	2.50	107	0.1732	0	0												
	0.15 to < 0.25	554	268	0.3644	652	0.1865	32	33.99	2.50	195	0.2986	0	0												
	0.25 to < 0.50	1,182	806	0.2521	1,352	0.3546	92	34.80	2.50	541	0.4004	2	-2												
	0.50 to < 0.75	408	118	0.2350	444	0.6123	25	33.86	2.50	236	0.5322	1	-1												
	0.75 to < 2.50	396	280	0.2720	382	1.0900	17	33.92	2.50	250	0.6544	1	-3												
	0.75 to < 1.75	393	222	0.2444	358	1.0195	15	33.78	2.50	227	0.6352	1	-2												
	1.75 to < 2.5	3	58	0.3785	25	2.1128	2	35.97	2.50	23	0.9323	0	0												
	2.50 to < 10.00	231	29	0.2172	235	5.6917	9	26.22	2.50	194	0.8242	3	-10												
	2.5 to < 5	123	13	0.2921	125	4.2284	5	29.22	2.50	113	0.9016	1	-5												
	5 to < 10	108	15	0.1520	110	7.3518	4	22.81	2.50	81	0.7364	2	-5												
	10.00 to < 100.00	29	10	0.2365	28	28.9916	14	37.32	2.50	51	1.8181	3	-2												
	10 to < 20	7	4	0.0153	7	12.6400	8	30.88	2.50	9	1.1628	0	0												
	20 to < 30	12	-	-	9	20.7240	1	39.18	2.50	18	2.0804	1	-1												
	30.00 to < 100.00	10	6	0.3996	12	45.0000	5	39.99	2.50	25	2.0376	2	-1												
	100.00 (default)	27	14	0.1542	27	100.0000	13	39.99	2.50	-	-	11	-15												
	<b>Subtotal</b>	<b>3,789</b>	<b>2,307</b>	<b>0.2682</b>	<b>4,273</b>	<b>1.4983</b>	<b>248</b>	<b>31.58</b>	<b>2.50</b>	<b>1,651</b>	<b>0.3863</b>	<b>22</b>	<b>-34</b>												
<b>Corporate – large corporates</b>																									
	0.00 bis < 0.15	202	257	0.1489	240	0.0800	12	24.93	2.50	35	0.1456	0	0												
	0.00 to < 0.10	186	257	0.1489	224	0.0767	11	23.84	2.50	30	0.1344	0	0												
	0.10 to < 0.15	16	-	-	16	0.1254	1	40.00	2.50	5	0.3005	0	0												
	0.15 to < 0.25	186	72	0.3895	214	0.1822	9	40.00	2.50	77	0.3603	0	0												
	0.25 to < 0.50	173	479	0.1908	264	0.3182	21	34.10	2.50	111	0.4185	0	0												
	0.50 to < 0.75	274	32	0.3810	286	0.6105	9	32.96	2.50	150	0.5240	1	-1												
	0.75 to < 2.50	105	165	0.2233	142	1.2084	4	39.38	2.50	120	0.8434	1	-1												
	0.75 to < 1.75	102	112	0.1378	117	1.0203	3	40.00	2.50	97	0.8227	0	-1												

Exposure class	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
F-IRB	1.75 to < 2.5	3	54	0.4000	24	2.1136	1	36.38	2.50	23	0.9429	0	0
	2.50 to < 10.00	38	11	0.2000	40	3.4498	2	37.91	2.50	45	1.1075	0	-1
	2.5 to < 5	38	-	-	38	3.2593	1	40.00	2.50	45	1.1685	0	-1
	5 to < 10	0	11	0.2000	2	6.9080	1	-	2.50	-	-	-	0
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	<b>979</b>	<b>1,015</b>	<b>0.2055</b>	<b>1,187</b>	<b>0.5189</b>	<b>57</b>	<b>33.90</b>	<b>2.50</b>	<b>537</b>	<b>0.4525</b>	<b>2</b>	<b>-4</b>
<b>Corporates - SMEs</b>													
F-IRB	0,00 bis < 0,15	922	68	0.3573	930	0.1031	99	30.77	2.50	110	0.1187	0	0
	0.00 to < 0.10	403	43	0.4240	422	0.0804	42	30.62	2.50	43	0.1015	0	0
	0.10 to < 0.15	518	25	0.2428	509	0.1220	57	30.89	2.50	68	0.1330	0	0
	0.15 to < 0.25	642	24	0.2381	630	0.1960	47	29.91	2.50	121	0.1927	0	0
	0.25 to < 0.50	1,475	184	0.3537	1,540	0.3760	86	27.76	2.50	373	0.2423	2	-2
	0.50 to < 0.75	715	42	0.3119	721	0.6508	33	28.02	2.50	231	0.3203	1	-2
	0.75 to < 2.50	1,527	185	0.3472	1,591	1.5533	72	29.39	2.50	695	0.4371	7	-15
	0.75 to < 1.75	917	68	0.3265	940	1.1039	36	27.86	2.50	364	0.3875	3	-3
	1.75 to < 2.5	610	116	0.3594	652	2.2014	36	31.60	2.50	331	0.5086	5	-12
	2.50 to < 10.00	307	28	0.2770	314	5.1293	20	29.84	2.50	204	0.6502	5	-8
	2.5 to < 5	166	28	0.2729	174	3.6433	10	32.94	2.50	114	0.6565	2	-2
	5 to < 10	140	0	0.5360	140	6.9702	10	26.00	2.50	90	0.6425	3	-6
	10.00 to < 100.00	49	2	0.3910	50	11.8682	7	40.49	2.50	60	1.1988	2	-4
	10 to < 20	49	2	0.3910	50	11.7535	6	40.50	2.50	59	1.1979	2	-4
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	0	-	-	0	45.0000	1	40.00	2.50	0	1.4667	0	0
100.00 (default)	207	13	0.3950	161	100.0000	10	29.70	2.50	-	-	48	-60	
<b>Subtotal</b>	<b>5,844</b>	<b>545</b>	<b>0.3409</b>	<b>5,938</b>	<b>4.5322</b>	<b>374</b>	<b>29.20</b>	<b>2.50</b>	<b>1,796</b>	<b>0.3024</b>	<b>66</b>	<b>-90</b>	
<b>Total</b>	<b>15,967</b>	<b>3,740</b>	<b>0.2986</b>	<b>16,897</b>		<b>779</b>		<b>2.50</b>	<b>4,807</b>	<b>0.2845</b>	<b>142</b>	<b>-183</b>	

Table EU CR6-A presents information on the extent of use of the IRB approach and the standardized approach per exposure class in accordance with Article

452 (b) CRR. This table also includes counterparty credit risk exposures.

**TAB. 35: EU CR6-A – SCOPE OF THE USE OF IRB AND SA APPROACHES (€M)**

		a	b	c	d	e
		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
1	Central governments or central banks	4,173	5,996	30.42	69.58	-
2	Regional governments and local authorities	-	238	100.00	-	-
3	Public sector entities	136	846	83.91	16.09	-
4	Institutions		3,662	96.10	3.896	-
5	Corporates	12,456	16,276	23.47	76.53	-
5,1	Of which Corporates – General	4,290	8,039	46.63	53.37	-
5,2	Of which Corporates – Specialised lending		8,199	-	100.00	-
5,2,1	Of which Corporates – Specialised lending, excluding slotting approach		8,199	-	100.00	-
5,2,2	Of which Corporates – Specialised lending under slotting approach		-	-	-	-
5,3	Of which Corporates – Purchased Receivables	-	38	100.00	-	-
6	Retail	-	-	-	-	-
6.1	of which Retail – Qualifying revolving		-	-	-	-
6.2	of which Retail – Secured by residential immovable property		-	-	-	-
6.3	Of which Retail – Purchased Receivables		-	-	-	-
6.4	Of which Retail – Other retail exposures		-	-	-	-
7	Equity	-	36	100.00	-	-
EU-7a	Collective investment undertakings (CIU)	-	1,150	100.00	-	-
8	Other non-credit obligation assets	117	117	0.00	100.00	-
<b>9</b>	<b>Total</b>	<b>17,024</b>	<b>28,322</b>	<b>35.70</b>	<b>60.11</b>	<b>-</b>

In accordance with Article 453(g) CRR, the table EU CR7-A below presents information on the extent of the use of credit risk mitigation techniques according to the FIRB for each exposure class. In this presentation, the restrictions specified for EU CR3 by Implementing Regulation (EU) 2024/3172 do not apply, so

this presentation also includes positions subject to counterparty credit risk. Securitisations are not taken into account. The Bank uses the FIRB exclusively. This is why no separate table is shown for the AIRB.

**TAB. 36: EU CR7-A: IRB APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES**

		Credit risk mitigation techniques										
		Total exposures (€m)	Funded credit Protection (FCP)									
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)			Part of exposures covered by Other funded credit protection (%)			Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)
				Part of exposures covered by Im-movable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)			
a	b	c	d	e	f	g	h	i	j			
1	Central governments and central banks	4,170	-	-	-	-	-	-	-	-	-	
2	Regional governments and local authorities	-	-	-	-	-	-	-	-	-	-	
3	Public sector entities	135	-	86.05	86.05	-	-	-	-	-	-	
4	Institutions	143	-	71.95	71.95	-	-	-	-	-	-	
5	Corporates	12,449	3.459	46.45	35.72	0.3521	10.38	-	-	-	-	
5,1	Corporates – General	4,273	8.568	40.26	31.86	1.0259	7.38	-	-	-	-	
5,2	Corporates – Specialised lending	8,176	0.789	49.69	37.74	-	11.95	-	-	-	-	
5,3	Corporates – Purchased Receivables	-	-	-	-	-	-	-	-	-	-	
<b>6</b>	<b>Total</b>	<b>16,897</b>	<b>2.549</b>	<b>35.52</b>	<b>27.61</b>	<b>0.2595</b>	<b>7.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

		Credit risk mitigation techniques		Credit risk Mitigation methods in the calculation of RWEAs	
		Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only, €m)	RWEA with substitution effects (both reduction and substitution effects, €m)
		Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
		k	l	m	n
1	Central governments and central banks	-	-	119	119
2	Regional governments and local authorities	-	-	-	-
3	Public sector entities	17.1983	-	16	16
4	Institutions	-	-	28	28
5	Corporates	2.1055	-	4,643	4,643
5,1	Corporates – General	3.6457	-	1,651	1,651
5,2	Corporates – Specialised lending	3.6457	-	2,993	2,993
5,3	Corporates – Purchased Receivables	-	-	-	-
<b>6</b>	<b>Total</b>	<b>1.6886</b>	<b>-</b>	<b>4,807</b>	<b>4,807</b>

### Credit derivatives

In accordance with the requirements set out in Implementing Regulation (EU) 2024/3172, the effect of credit derivatives used to hedge the loan portfolio on capital requirements is to be shown in Table EU CR7.

Hamburg Commercial Bank currently does not hedge credit derivatives in order to reduce credit risk. As a result, credit derivatives currently have no impact on the capital requirements and the Bank does not disclose Table EU CR7.

### RWEA flow statement

In Table EU CR8, in accordance with Article 438(h) CRR, a flow statement is shown showing the changes in risk weighted exposure amounts (RWEAs) calculated under the IRB Approach. Shown are the total risk weighted exposure amount for credit risk calculated under the IRB Approach, taking into account support factors under Articles 501 and 501a CRR. Positions subject to counter-party credit risk (CCR positions) (Part 3 Title II Chapter 6 CRR) are not to be shown in this reporting sheet.

**TAB. 37: EU CR8: RWEA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH (€M)**

		a
		Risk weighted exposure amount
<b>1</b>	<b>Risk weighted exposure amount as at the end of the previous reporting period (30.09.2025)</b>	<b>5,117</b>
2	Asset size	-120
3	Asset quality	-189
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	-1
8	Other	-
<b>9</b>	<b>Risk weighted exposure amount as at the end of the disclosure period (31.12.2025)</b>	<b>4,807</b>

Asset quality includes the effects of all parameter changes that lead to a change in the risk weight of a transaction.

Other includes in particular changes in exposure from the standard approach to the IRB approach and vice versa due to changed rating conditions.

### Specialised lending and equity exposures

Table EU CR10 presents quantitative information on specialised lending and equity exposure positions in accordance with Article 438(e) CRR. However, as Hamburg Commercial Bank does not determine risk weights in accordance with Article 153(5) CRR, the

parts of Table EU CR10 relating to specialised lending are not presented.

Table EU CR10.5 discloses equity exposures in accordance with Article 133(3) to (6) and Article 495a(3) CRR, whereby Hamburg Commercial Bank does not make use of the transitional provisions under Article 495a(3) CRR.

**TAB. 38: EU CR10.5: EQUITY EXPOSURES UNDER ARTICLES 133(3) TO (6) AND 495A(3) CRR (€M)**

	a	b	e
Equity exposures	On-balance-sheet exposure	Off-balance sheet exposure	Risk weighted exposure amount
Total	36	-	89

## V.6 IRB Approach – PD backtesting

Information on the backtesting of IRB model parameters is disclosed in accordance with Article 452h CRR. The probability of default (PD) is shown in Table EU CR9 in accordance with Implementation Regulation (EU) 2024/3172.

The data taken as a basis for the tables in this section differs from the other tables in the default risk section for methodological reasons. In addition to credit risks,

counterparty credit risks and fully or partially securitised transactions are also included. This is because the backtesting of the IRB model parameters on a client basis is independent of the type of business, meaning that a restriction to credit risk only is not appropriate.

**PD and default rates**

The rating modules show a good alignment between the long-term levels of forecasts and default rates. This is analysed regularly on an intra-year basis, and any abnormalities trigger ad-hoc measures or model adjustments.

In addition, crisis years are taken into account in the historical data of the rating modules. Whether and to

what extent emerging crises (such as the war in Ukraine or U.S. tariff policies) lead to effects that deviate from the crisis experiences already incorporated is analysed on a regular basis.

Due to the economic environment and challenging market conditions in the commercial real estate sector, measures were initiated at an early stage on the model-forecasting side to ensure an appropriate level of long-term projected default rates.

**TAB. 39: EU CR9: IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS**

a	b	c		d	e	f	g	h
Exposure class	PD scale	Number of obligors at the end of the year		Of which: number of obligors which defaulted during the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Central governments and central banks	0.00 to < 0.15	10		-	-	0.0089	0.0433	-
	0.00 to < 0.10	9		-	-	0.0040	0.0366	-
	0.10 to < 0.15	1		-	-	0.1280	0.1031	-
	0.15 to < 0.25	1		-	-	0.2108	0.1971	-
	0.25 to < 0.50	-		-	-	-	-	-
	0.50 to < 0.75	-		-	-	-	-	-
	0.75 to < 2.50	-		-	-	-	-	-
	0.75 to < 1.75	-		-	-	-	-	-
	1.75 to < 2.50	-		-	-	-	-	-
	2.50 to < 10.00	-		-	-	-	-	-
	2.50 to < 5.00	-		-	-	-	-	-
	5.00 to < 10.00	-		-	-	-	-	-
	10.00 to < 100.00	-		-	-	-	-	-
	10.00 to < 20.00	-		-	-	-	-	-
20.00 to < 30.00	-		-	-	-	-	-	
30.00 to < 100.00	-		-	-	-	-	-	
100.00 (default)	-		-	-	-	-	-	-
Regional governments and local authorities	0.00 to < 0.15	-		-	-	-	-	-
	0.00 to < 0.10	-		-	-	-	-	-
	0.10 to < 0.15	-		-	-	-	-	-
	0.15 to < 0.25	-		-	-	-	-	-
	0.25 to < 0.50	-		-	-	-	-	-
	0.50 to < 0.75	-		-	-	-	-	-
	0.75 to < 2.50	-		-	-	-	-	-
	0.75 to < 1.75	-		-	-	-	-	-
	1.75 to < 2.50	-		-	-	-	-	-
	2.50 to < 10.00	-		-	-	-	-	-
	2.50 to < 5.00	-		-	-	-	-	-
	5.00 to < 10.00	-		-	-	-	-	-
	10.00 to < 100.00	-		-	-	-	-	-
	10.00 to < 20.00	-		-	-	-	-	-
20.00 to < 30.00	-		-	-	-	-	-	
30.00 to < 100.00	-		-	-	-	-	-	
100.00 (default)	-		-	-	-	-	-	-
Public sector entities	0.00 to < 0.15	2		-	-	0.0439	0.0300	-
	0.00 to < 0.10	2		-	-	0.0435	0.0300	-
	0.10 to < 0.15	-		-	-	0.1008	-	-
	0.15 to < 0.25	-		-	-	-	-	-
	0.25 to < 0.50	-		-	-	0.2708	-	-
	0.50 to < 0.75	-		-	-	-	-	-
	0.75 to < 2.50	-		-	-	-	-	-
	0.75 to < 1.75	-		-	-	-	-	-
	1.75 to < 2.50	-		-	-	-	-	-
	2.50 to < 10.00	-		-	-	-	-	-
	2.50 to < 5.00	-		-	-	-	-	-
	5.00 to < 10.00	-		-	-	-	-	-
	10.00 to < 100.00	-		-	-	45.0000	-	-
	10.00 to < 20.00	-		-	-	-	-	-
20.00 to < 30.00	-		-	-	-	-	-	
30.00 to < 100.00	-		-	-	45.0000	-	-	
100.00 (default)	-		-	-	-	-	-	

a	b	c	d	e	f	g	h
Exposure class	PD scale	Number of obligors at the end of the year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which: number of obligors which defaulted during the year				
Institutions	0.00 to < 0.15	4	-	-	0.1303	0.0954	-
	0.00 to < 0.10	2	-	-	0.0937	0.0674	-
	0.10 to < 0.15	2	-	-	0.1445	0.1234	-
	0.15 to < 0.25	2	-	-	-	0.1814	-
	0.25 to < 0.50	2	-	-	-	0.3423	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.50 to < 5.00	-	-	-	-	-	-
	5.00 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10.00 to < 20.00	-	-	-	-	-	-
20.00 to < 30.00	-	-	-	-	-	-	
30.00 to < 100.00	-	-	-	-	-	-	
100.00 (default)	-	-	-	-	-	-	-
Corporates Specialised lending	0.00 to < 0.15	117	-	-	0.0961	0.1019	0.1159
	0.00 to < 0.10	39	-	-	0.0645	0.0677	0.1631
	0.10 to < 0.15	78	-	-	0.1256	0.1190	-
	0.15 to < 0.25	66	-	-	0.1961	0.1891	-
	0.25 to < 0.50	98	-	-	0.3805	0.3573	0.9023
	0.50 to < 0.75	33	-	-	0.6499	0.6207	0.3509
	0.75 to < 2.50	144	2	1.3889	1.5256	1.4302	0.9390
	0.75 to < 1.75	96	-	-	1.1000	1.1084	0.9132
	1.75 to < 2.50	48	2	4.1667	2.2010	2.0737	0.9950
	2.50 to < 10.00	16	-	-	4.6290	4.1966	4.7244
	2.50 to < 5.00	12	-	-	3.8051	3.3085	2.4096
	5.00 to < 10.00	4	-	-	6.4614	6.8611	4.5455
	10.00 to < 100.00	9	4	44.4444	11.8270	18.1810	22.2222
	10.00 to < 20.00	7	2	28.5714	11.8270	12.7774	17.6471
20.00 to < 30.00	1	1	100.0000	-	23.6610	50.0000	
30.00 to < 100.00	1	1	100.0000	-	50.5260	-	
100.00 (default)	18	-	-	100.0000	100.0000	-	
Corporates other	0.00 to < 0.15	78	-	-	0.1029	0.0618	-
	0.00 to < 0.10	62	-	-	0.0829	0.0462	-
	0.10 to < 0.15	16	-	-	0.1205	0.1223	-
	0.15 to < 0.25	19	-	-	0.1865	0.1858	0.3876
	0.25 to < 0.50	72	-	-	0.3546	0.3548	0.1972
	0.50 to < 0.75	18	-	-	0.6123	0.6412	-
	0.75 to < 2.50	40	-	-	1.0900	1.2747	1.3661
	0.75 to < 1.75	33	-	-	1.0195	1.0904	1.1278
	1.75 to < 2.50	7	-	-	2.1128	2.1435	2.0000
	2.50 to < 10.00	9	-	-	5.6917	5.4356	2.5000
	2.50 to < 5.00	4	-	-	4.2284	3.5552	3.7037
	5.00 to < 10.00	5	-	-	7.3518	6.9400	-
	10.00 to < 100.00	10	2	20.0000	28.9916	18.4034	6.7568
	10.00 to < 20.00	8	2	25.0000	12.6400	11.7543	10.5263
20.00 to < 30.00	-	-	-	20.7240	-	6.2500	
30.00 to < 100.00	2	-	-	45.0000	45.0000	-	
100.00 (default)	21	-	-	100.0000	100.0000	-	

# I Exposure to counterparty credit risk

Hamburg Commercial Bank applies the requirements of Implementing Regulation (EU) 2024/3172 when disclosing counterparty credit risk.

## I Qualitative disclosure on counterparty credit risk

Qualitative information on counterparty credit risk is disclosed in accordance with Article 435(1)(a) and Article 439(a) to (d) CRR in conjunction with Implementing Regulation (EU) 2024/3172. Hamburg Commercial Bank discloses the items a, b, d and e described in Table EU CCRA of Implementing Regulation (EU) 2024/3172 in continuous text below. Item c is not relevant as no methods based on internal models are used (see in Section A "Non-applicability and negative pledges").

### I.1 Methodology used to assign internal capital and credit limits for counterparty credit risk exposures (item a of EU-CCRA)

Compliance with the usual loan approval procedures applies to the establishment of counterparty credit risk exposures within the meaning of Part 3 Title II Chapter 6 CRR. The risk classification, limitation and monitoring procedures used in the conventional lending business apply accordingly. Information that meets the requirements of Article 435(1) CRR is included in the Management Report (Risk Report) of the Annual Report of Hamburg Commercial Bank, supplemented by the daily monitoring of the derivative/issuer exposure in accordance with the MaRisk requirements. In addition, as part of the trading line monitoring, the potential future exposure on derivatives is recalculated daily for each client on the basis of a 95% quantile and compared to the relevant trading limit. The actual utilisation of the granted trading limit is determined daily as the sum of the market value and a regulatory add-on, the latter varying depending on the product category. The amounts allocated to counterparty credit risk exposures are included in the Overall Bank economic management, capital allocation and limitation process together with the other exposures subject to credit risk.

For central counterparties, see the explanations in the following section.

### I.2 Policies for securing collateral and establishing credit reserves (item b of EU-CCRA)

In connection with counterparty credit risk positions, Hamburg Commercial Bank uses the policies described below for securing collateral and establishing credit reserves in accordance with Article 439(b) CRR.

#### Policies for securing collateral

Derivative transactions to hedge interest rate, exchange rate and other price risks are concluded under

OTC master agreements with individual counterparties. In addition, master agreements for the collateralisation of repo transactions are concluded with individual counterparties. EUR and USD cash is agreed as collateral for OTC derivatives and repos.

Since 1 March 2017, financial counterparties and non-financial counterparties above the clearing threshold have been obliged to collateralise new business in accordance with the EMIR regulatory requirements. Hamburg Commercial Bank has concluded collateral contracts with all financial counterparties and non-financial counterparties relevant for trading above the clearing threshold.

The master agreements and the collateral agreements are recorded in a system that is used to check the regulatory netting, inclusion in a collateral agreement and the legal eligibility for collateralisation for each individual derivative transaction on a daily basis.

For the central clearing of OTC derivatives, Hamburg Commercial Bank is connected to the London Clearing House (LCH as well as SA) and EUREX. The client clearing procedure is used via three renowned clearing brokers. The initial margin (IM) requirement under EMIR came into effect for Hamburg Commercial Bank in September 2022. The bank has opted for the IM monitoring variant. Corresponding agreements were made with counterparties.

#### Policies for establishing credit reserves

Information on recognition and measurement, including value adjustments for counterparty credit risks associated with derivatives, can be found in the Notes to the Group financial statements, Note 5 "Accounting and measurement principles" of the Hamburg Commercial Bank Annual Report.

### I.3 Any other risk management objectives and relevant policies related to CCR (item d of EU-CCRA)

The procedure described under I.1 is intended to identify counterparty credit risks at an early stage, manage them appropriately, and monitor them on an ongoing basis.

### I.4 Amount of collateral amount in the event of a credit rating downgrade (item e of EU-CCRA)

The collateral agreements for the master agreements contain individual clauses that can lead to additional collateral being furnished or to Hamburg Commercial Bank furnishing collateral for the first time in the event of a downgrade of Hamburg Commercial Bank's external credit quality assessments. However, as at the reporting date, a rating downgrade of two notches by the rating agency Moody's would not result in any provision of additional collateral to be disclosed in accordance with Article 439(d) CRR.

## II Quantitative disclosure on counterparty credit risk

Table EU CCR1 shows information on the measures for the exposure value of counterparty credit risk by the method used in accordance with Article 439(f), (g) and (k) CRR as required by Implementing Regulation (EU) 2024/3172. Hamburg Commercial Bank exclusively uses the Standardised Approach for Counterparty

Credit Risk (SA-CCR) in accordance with Articles 274 et seq. CRR and, for securities financing transactions, the Financial Collateral Comprehensive Method in accordance with Article 223 CRR. As a result, rows 2 to 3 and 5 in Table EU CCR1 remain empty. In accordance with the Implementing Regulation, positions vis-à-vis central counterparties are not to be taken into account.

**TAB. 40: EU CCR1: ANALYSIS OF CCR EXPOSURE BY APPROACH (€M)**

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	115	93		1.4	291	291	289	84
2	IMM (for derivatives and SFTs)			-	1.4	-	-	-	-
2a	<i>Of which: securities financing transactions netting sets</i>			-		-	-	-	-
2b	<i>Of which: derivatives and long settlement transactions netting sets</i>			-		-	-	-	-
2c	<i>Of which: from contractual cross-product netting sets</i>			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					956	155	155	44
5	VaR for SFTs					-	-	-	-
<b>6</b>	<b>Total</b>					<b>1,247</b>	<b>446</b>	<b>445</b>	<b>127</b>

Table EU CCR3 shows exposure values for the counterparty credit risk calculated using the Standardised Approach in accordance with Article 444(e) CRR as required by Implementing Regulation (EU) 2024/3172. The same information for credit risk is shown in Table EU CR5.

The EU CCR3 guidelines do not provide for the risk weight of 30% to be taken into account. As a result, EU CCR3 does not show the full value of the risk positions.

**TAB. 41: EU CCR3: STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS (€M)**

Exposure class		Risk weight										Total exposure value		
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%		Others	
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	0	-	-	-	0	-	-	-	-	-	-	-	0
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	117	-	-	36	-	-	-	-	3	-	-	156
7	Corporates	-	-	-	-	-	1	-	-	12	-	-	-	13
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	2	-	-	-	2
11	<b>Total</b>	<b>0</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>171</b>

Table EU CCR4 shows information on the counterparty credit risk calculated based on the IRB Approach, ex-

cluding exposures to central counterparties, in accordance with Article 439(I) CRR as required by Implementing Regulation (EU) 2024/3172.

**TAB. 42: EU CCR4: IRB APPROACH – CCR EXPOSURES BY EXPOSURE CLASS AND PD SCALE (€M)**

Exposure class	PD scale	a Exposure value	b Exposure weighted average PD (%)	c Number of obligors	d Exposure weighted average LGD (%)	e Exposure weighted average maturity (years)	f RWEA	g Density of risk weighted exposure amounts (%)
<b>Central governments and central banks</b>								
	0.00 to < 0.15	3	-	2	45.00	2.50	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	<b>Subtotal</b>	<b>3</b>	<b>-</b>	<b>2</b>	<b>45.00</b>	<b>2.50</b>	<b>-</b>	<b>-</b>
<b>Public sector entities</b>								
	0.00 to < 0.15	1	0.1	2	45.00	2.50	0	28.47
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	<b>Subtotal</b>	<b>1</b>	<b>0.1</b>	<b>2</b>	<b>45.00</b>	<b>2.50</b>	<b>0</b>	<b>28.47</b>
<b>Institutions</b>								
	0.00 to < 0.15	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corporates – Specialised lending</b>								
	0.00 to < 0.15	135	0.1	36	40.00	2.50	18	13.40
	0.15 to < 0.25	7	0.2	14	40.00	2.50	2	26.57
	0.25 to < 0.50	20	0.4	19	40.00	2.50	9	43.56
	0.50 to < 0.75	1	0.6	5	40.00	2.50	1	45.44
	0.75 to < 2.50	7	1.8	13	40.00	2.50	4	66.98
	2.50 to < 10.00	1	5.0	1	40.00	2.50	0	67.31
	10.00 to <100.00	1	13.5	3	40.00	2.50	2	122.55
	100.00 (default)	1	100.0	2	40.00	2.50	-	-
	<b>Subtotal</b>	<b>172</b>	<b>0.7</b>	<b>93</b>	<b>40.00</b>	<b>2.50</b>	<b>35</b>	<b>20.62</b>
<b>Corporates – other</b>								
	0.00 to < 0.15	5	0.1	7	40.00	2.50	1	21.53
	0.15 to < 0.25	2	0.2	3	40.00	2.50	1	37.97
	0.25 to < 0.50	7	0.4	12	40.00	2.50	4	48.57
	0.50 to < 0.75	1	0.6	5	40.00	2.50	1	50.62
	0.75 to < 2.50	2	1.0	4	40.00	2.50	1	80.63
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to <100.00	0	10.4	1	40.00	2.50	0	173.89
	100.00 (default)	-	-	-	-	-	-	-
	<b>Subtotal</b>	<b>17</b>	<b>0.3</b>	<b>32</b>	<b>40.00</b>	<b>2.50</b>	<b>7</b>	<b>42.95</b>
<b>Retail</b>								
	0.00 to < 0.15	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>193</b>	<b>0.63</b>	<b>129</b>	<b>40.11</b>	<b>2.50</b>	<b>43</b>	<b>22.38</b>

### Gross positive fair value and net default risk exposures

In accordance with Article 439(e) CRR and as required under Implementing Regulation (EU) 2024/3172, Table EU CCR5 shows the extent of Hamburg Commercial Bank's exposure to derivatives and securities financing

transactions and the extent to which netting is used. The collateral netting as well as the net default risk exposures are also reported. Only the collateral eligible under the Credit Risk Standardised Approach directly reduces the default exposures. In the FIRB, the regulatory LGDs are assigned to the collateral.

**TAB. 43: EU CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURES (€M)**

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	108	21	89	78	-	512	-	-
2	Cash – other currencies	1	-	6	-	-	288	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	676
7	Equity securities	-	-	-	-	-	-	-	157
8	Other collateral	-	-	-	-	-	-	-	-
9	<b>Total</b>	<b>108</b>	<b>21</b>	<b>95</b>	<b>78</b>	<b>-</b>	<b>801</b>	<b>-</b>	<b>832</b>

### Credit derivatives

In Table EU CCR6, Hamburg Commercial Bank discloses the use of credit derivatives in accordance with

Article 439(j) CRR in conjunction with the Implementing Regulation (EU) 2024/3172.

As at the reporting date, there are no transactions.

**TAB. 44: EU CCR6: CREDIT DERIVATIVES EXPOSURES (€M)**

		a	B
		Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	-	-
2	Index credit default swaps	-	-
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	<b>Total notionals</b>	<b>-</b>	<b>-</b>
Fair values			
7	Positive fair value (asset)	-	-
8	Negative fair value (liability)	-	-

### Central counterparties

In addition to the disclosure of counterparty credit risk in Tables EU CCR1 and EU CCR2, information on business with central counterparties pursuant to Article 439(i) CRR in connection with Implementing Regulation (EU) 2024/3172 is disclosed in Table EU CCR8.

This table shows both the direct exposure to central counterparties and the business concluded via clearing members.

**TAB. 45: EU CCR8: EXPOSURES TO CCPS (€M)**

		a	b
		Exposure value	RWEA
1	<b>Exposures to QCCPs (total)</b>		<b>4</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	117	2
3	(i) OTC derivatives	117	2
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	89	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	9	2
10	Unfunded default fund contributions	18	-
11	<b>Exposures to non-QCCPs (total)</b>		<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

# J Securitisations

## I Nature and scope of securitisation activities and associated risks

### I.1 Objectives, roles and scope of securitisation activities

Securitisation is an important instrument for refinancing, equity relief and risk management for banks. Financial sector entities can play different roles in a securitisation transaction. They can themselves provide credit risk as originators, they can manage the portfolio to be securitised as sponsors in the capacity of servicer or manager, or they can acquire securities in the securitisation arrangement as investors, for example.

Hamburg Commercial Bank is involved in various business activities that have securitisation structures and assumes the role of sponsor.

Hamburg Commercial Bank takes on the role of sponsor to meet the need for financing alternatives for the SME client segment.

Hamburg Commercial Bank assumes advisory and administrative activities for the special-purpose entity Smartfact S.A., Luxembourg, and acts as an intermediary for the receivables purchased by the special-purpose entity Smartfact. In addition, Hamburg Commercial Bank supports the special-purpose entity with the refinancing needed for the purchase by means of a credit line or bearer debenture. The Bank also acts as an investor in CLO- and to a limited amount in NPE-securitisation.

All in all, the CRSA exposure value of all securitisation positions retained or purchased by Hamburg Commercial Bank amounts to € 1,778 m as at the reporting date.

As at the reporting date, Hamburg Commercial Bank does not act as an originator and does not hold any securitisations in the trading book.

### I.2 Nature and extent of risks

#### Credit risk

Hamburg Commercial Bank's securitisation transactions are subject to credit monitoring processes (in addition to market risk monitoring by the Risk Control business unit) with regard to their credit risks (changes in the performance and composition of the underlying transactions). The credit analysis of the positions is carried out by the responsible business units. Decisions on monitoring applications are made in line with the dual-control principle in accordance with defined lending competences published in the Bank's Credit Manual.

To determine the intrinsic values, the cash flow structure of the underlying assets is modelled first and then applied to the contractual payment system of the securitisation transactions. The values are calculated on a quarterly basis. The regular cash flow updates and ongoing credit monitoring mean that the performance of

the underlying exposures is usually reflected directly in the recoverability of the securitisation positions.

#### Market risk

Hamburg Commercial Bank's securitisation transactions are subject to market risk monitoring processes with regard to their interest rate risks (changes in interest rates and credit spreads) and foreign exchange risks. To determine the market risks, the repayment structure of the securitisation transactions is modelled first, taking termination rights into account. Interest rate and foreign exchange risks are then calculated, taking into account hedging transactions, using the same methods that are applied to all trading transactions. Credit spread risks are determined using credit spread curves that are acquired from market data suppliers and that differ depending on asset class, rating category and country.

The market risk management process described is equally suitable for re-securitisations and securitisations, which is why no further differentiation is made. The regular repayment cash flow and credit spread curve updates mean that the performance of the underlying exposures is usually reflected directly in the recoverability of the securitisation positions provided that there are no further hedging relationships.

#### Liquidity risk

The following distinction is made in the context of liquidity risk monitoring for securitisations:

Balance sheet liquidity risks can occur in the form of temporal mismatches between incoming and outgoing payment flows.

Market-related liquidity risks can arise because, for example, issued bonds cannot be fully placed on the market or price losses occur when assets are liquidated.

Balance sheet liquidity risks are avoided by matching the fixed/deterministic payments over the term of the transactions. If this cannot be achieved (e.g. through short-term refinancing using asset-backed commercial paper programmes), the market-related liquidity risks are hedged using liquidity facilities.

## II Risk weighting and accounting of securitisations

### Determination of risk-weighted exposure amounts for securitisation exposures

The methods to be used to calculate the regulatory capital requirement for securitisation exposures and the names of the credit rating agencies are disclosed in accordance with Article 449(h). As there are no securitisations issued by Hamburg Commercial Bank on the market, the rating agency information is only relevant for investments in third-party securitisation transactions.

The risk weight calculation in the Standardised Approach is carried out in accordance with Article 261 of Regulation (EU) 2017/2401. Hamburg Commercial Bank takes the external ratings of the nominated rating agencies (ECAIs) Fitch, Moody's and S&P as well as other ECAI rating agencies as a basis. In addition, the SEC-ERBA (Securitisation – External Ratings Based Approach) is applied in accordance with Article 263 of Regulation (EU) 2017/2401.

In accordance with Article 266(3) CRR, a capital deduction can be made for CRSA and IRBA securitisation exposures for which a risk weight of 1.250% has been determined – in addition to using this risk weight to determine the total capital charge for counterparty risk.

## II.1 Accounting policies for securitisation activities

### Accounting methods

For purchased securitisation positions that fall under the definition of securities within the meaning of the Regulation on the Accounting of Credit Institutions (Kreditinstituts-Rechnungslegungsverordnung), the general accounting and measurement principles for securities are applied.

Hamburg Commercial Bank's primary receivables that the Bank contributes to securitisations without any significant transfer of risk or that are transferred to special-purpose entities that are still included in the Group financial statements are still reported in the original risk exposure classes. The assumption of risks by third parties is taken into account as collateral as part of the impairment process. An impairment loss is recognised if the risk has not been transferred as part of the securitisation or if the guarantee loses value. Receivables that are transferred in economic terms, including their risks, as part of securitisation arrangements are derecognised from the balance sheet.

Sales proceeds from reference assets (e.g. loans, promissory notes, securities) that form part of a securitisation arrangement are reported in the same way as the balance sheet item for the reference asset. This means that sales proceeds are reported irrespective of whether or not they belong to a securitisation arrangement.

If financial support for securitisation transactions is provided in the form of liquidity facilities or guarantees and a drawdown is likely, the risk is covered by setting up a provision for contingent losses.

### Valuation methods

The fair value of securitisation transactions is generally determined on the basis of market prices.

Various market data providers and quotations from other market participants are used as data sources. Models are used in those cases where no valid market data is available. If price information is available from several providers, a procedure is used to select a valid market price. All of the valuations are validated by experts before they are used.

## III Securitisation exposure value and capital requirements

### Exposure values of securitised exposures

Securitisation transactions are generally divided into securitisation transactions that include the transfer of receivables (conventional securitisation or true sale securitisation) and securitisation transactions that do not involve the transfer of receivables (synthetic securitisation). In addition, securitisation transactions are assigned to different product categories according to the type of securitised exposures, each of which has exposure-specific characteristics.

In accordance with Article 449(j) CRR, Table EU SEC1 shows the risk exposure value of the receivables securitised in the banking book at Hamburg Commercial Bank as at the reporting date, broken down by securitisation transactions with and without the transfer of receivables and by the role played by the institution.

The Bank currently holds securitisations in the banking book in which it assumes the role of sponsor and also investor. The securitisation pool contains loans to companies. These securitisations are not classified as STS.

The sponsor position of € 241 m is composed of a € 201 m on-balance sheet and a € 40 m off-balance sheet exposure to the special-purpose entity Smartfact S.A. in accordance with Article 449(j) CRR.

Table EU SEC3 shows the Bank's individual securitisation exposures, with the institution acting as originator or sponsor, in risk weighting bands and the resulting capital requirements, in accordance with Article 449(k)(ii) CRR.

There were no securitisation positions with a deduction from own funds or a risk weight of 1,250% as of the reporting date.

The securitisation where the Bank acts as sponsor has a wholesale pool and the risk weight is determined in line with the SEC-SA (Securitisation – Standardised Approach) approach.

Table EU SEC4 shows the Bank's individual securitisation exposures, with the institution acting as investor, in risk weighting bands and the resulting capital requirements, in accordance with Article 449(k)(ii) CRR.

The securitisation where the Bank acts as investor has a wholesale pool and the risk weight is determined using the SEC-ERBA approach for securitisation transactions that have an external rating and using the SEC-SA for others.

As at the reporting date, Hamburg Commercial Bank has no securitisations in the trading book pursuant to Article 449(j) CRR and no securitised risk exposures in default or with specific credit risk adjustments pursuant to Article 449(l) CRR, which is why tables EU SEC2 and EU SEC5 are not reported.

#### IV Securitisation activities in the reporting year and plan for 2026

##### Securitisation activities in the reporting year

In the year under review, the Bank acquired CLO- and to a small amount NPE-securitisations as an investor.

##### Significant changes to quantitative disclosures

The changes in the securitisation positions in the amount of € -1,217 m are mainly due to the sale of CLOs.

##### Planned securitisation activities

In the business plan for 2026, the Bank is planning to invest in a senior securitisation tranche. No securitisation transactions are planned to reduce capital requirements.

**TAB. 46: EU SEC1: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK (€M)**

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Institution acts as originator						Institution acts as sponsor				Institution acts as investor				
	Traditional			Synthetic			Sub-to- total	Traditional		Syn- thetic	Sub-to- total	Traditional		Syn- thetic	Sub- total
	STS		Non-STS	of which SRT	of which SRT	STS		Non-STS	STS			Non- STS	Syn- thetic		
	of which SRT	of which SRT	of which SRT				of which SRT		of which SRT	of which SRT	of which SRT			of which SRT	of which SRT
1	<b>Total expo- sures</b>	-	-	-	-	-	-	-	241	-	-	-	1,537	-	-
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Re-securiti- sation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	241	-	-	-	1,537	-	-
8	Loans to cor- porates	-	-	-	-	-	-	-	241	-	-	-	1,537	-	-
9	Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Re-securiti- sation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**TAB. 47: EU SEC3: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS - INSTITUTION ACTING AS ORIGINATOR OR AS SPONSOR (€M)**

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA approach	SEC-ERBA (including IAA)	SEC-SA approach	1250% RW/ deductions	SEC-IRBA approach	SEC-ERBA (including IAA)	SEC-SA approach	1250% RW/ deductions	SEC-IRBA approach	SEC-ERBA (including IAA)	SEC-SA approach	1250% RW/ deductions
1	<b>Total exposures</b>	-	241	-	-	-	-	241	-	-	-	84	-	-	-	7	-
2	Traditional transactions	-	241	-	-	-	-	241	-	-	-	84	-	-	-	7	-
3	Securitisation	-	241	-	-	-	-	241	-	-	-	84	-	-	-	7	-
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	241	-	-	-	-	241	-	-	-	84	-	-	-	7	-
7	of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**TAB. 48: EU SEC4: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS - INSTITUTION ACTING AS INVESTOR (€M)**

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA approach	SEC-ERBA (including IAA)	SEC-SA approach	1250% RW/ deductions	SEC-IRBA approach	SEC-ERBA (including IAA)	SEC-SA approach	1250% RW/ deductions	SEC-IRBA approach	SEC-ERBA (including IAA)	SEC-SA approach	1250% RW/ deductions
1	<b>Total exposures</b>	816	44	677	-	-	860	677	-	-	185	677	-	-	15	44	-
2	Traditional transactions	816	44	677	-	-	860	677	-	-	185	677	-	-	15	44	-
3	Securitisation	816	44	677	-	-	860	677	-	-	185	677	-	-	15	44	-
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	816	44	677	-	-	860	677	-	-	185	677	-	-	15	44	-
7	of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# K Market risk

## I Market risk

Market risk represents the potential loss arising as a result of adverse changes in market values on positions held in the trading and banking book. Market movements relevant to the Hamburg Commercial Bank are changes in interest rates and credit spreads (interest rate risk), exchange rates (foreign exchange risk) as well as share prices, indices and fund prices (equity risk) including their volatilities.

## Risk management objectives and policy

The description of the risk management objectives and policy for market risk pursuant to Article 435(1) CRR is provided applying Article 434(2) CRR with the information in the Group management report (Risk Report) of the Annual Report of Hamburg Commercial Bank in accordance with the references provided in Table EU MRA.

**TAB. 49: EU MRA: QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO MARKET RISK**

Requirement from Table EU MRA of Implementing Regulation (EU) 2021/637	CRR reference	Reference to Annual Report of Hamburg Commercial Bank
a) Strategies and processes to manage market risk	Article 435(1)(a) and (d)	Group management report (Risk Report), Page 101 – 102
b) Structure and organisation of the market risk management function	Article 435(1)(b)	Group management report (Risk Report), Page 83 – 85, 101 – 102
c) Scope and nature of risk reporting and measurement systems	Article 435(1)(c)	Group management report (Risk Report), Page 86, 101 – 102

## Own fund requirements

Hamburg Commercial Bank uses the prescribed/optional Standardised Approach in accordance with Part 3, Title IV, Chapters 2 to 4 CRR to determine the own fund requirements for market risks under supervisory law. A separate risk model in accordance with Part 3, Title IV, Chapter 5 CRR is not used and there is no correlation trading portfolio.

As the new FRTB rules have not yet come into force, the EU MR1 table is still be disclosed. Table EU MR1 shows the capital requirements for market risk in accordance with Article 445 CRR.

The foreign exchange risk is above the threshold value in accordance with Article 351 CRR and is therefore reported.

**TAB. 50: EU MR1: MARKET RISK UNDER THE STANDARDISED APPROACH (€M)**

		a
		RWEAs
<b>Outright products</b>		
1	Interest rate risk (general and specific)	7
2	Equity risk (general and specific)	-
3	Foreign exchange risk	147
4	Commodity risk	-
<b>Options</b>		
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
<b>9</b>	<b>Total</b>	<b>154</b>

## II Interest rate risk in the banking book

The management of interest rate risk in the banking book forms part of market risk management. Interest rate risk refers to the potential loss associated with an open interest rate position that occurs as a result of a possible change in the market value or present value of a payment series due to a potential change in yields or discount factors. Discount factors are derived from the corresponding yield curve.

The interest rate risk in the banking book emerges from the strategic holdings in Hamburg Commercial Bank's banking book. Risk measurement and stress testing are carried out by the Risk Control business on the basis of the transactions recorded in the trading and portfolio management systems. The risk measurement referred to the investor behaviour with regard to customer deposits is modelled in the present value and the income-oriented approach.

The Asset Liability Committee manages the interest rate risk in the banking book within the framework of the market price risk limits and guidelines set by the Management Board in the Strategic Risk Framework. The implementation takes place in the Treasury & Markets business unit. Interest rate risks in the banking book are measured daily. A confidence level of 99%, a holding period of one day and a data history of 250 trading days are used to determine the VaR. In addition to the daily determination of interest rate risk as part of the VaR calculation, Hamburg Commercial

Bank also measures the interest rate risk in the event of different interest rate shock. For this special analysis of the interest rate risks associated with banking book positions, the Bank primarily uses a present value analysis, i.e. it evaluates what change in present value would result due to defined changes in interest rates, provided that all financial instruments are valued using risk-free yield curves (i.e. without any spreads).

The values determined on a monthly basis showed that Hamburg Commercial Bank would lose much less than 20% of its regulatory capital in the event of an interest rate shock of +200 and -200 basis points for the year under review, meaning that it complies with the requirements set out in BaFin Circular 06/2019 (BA). The value of the additional early warning indicator of 15% of the Tier 1 capital is also not reached in any of the six interest rate shock scenarios considered in accordance with the Implementing Regulation (EU) 2024/3172.

In addition, Hamburg Commercial Bank measures the interest income risks of the banking book positions on a quarterly basis by simulating the net interest income for different interest rate scenarios. Referring to the Implementing Regulation (EU) 2024/3172, the early warning indicator of 5% is not reached in either of the two considered interest rate shock scenarios.

The quantitative information in accordance with reporting template EU IRRBB1 pursuant to Implementing Regulation (EU) 2024/3172 can be found in the following table.

**TAB. 51: EU IRRBB1: INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES (€M)**

Supervisory shock scenarios	a	b	c	d
	Changes of the economic value of equity		Changes of the net interest income	
	31.12.2025	30.06.2025	31.12.2025	30.06.2025
Parallel up	-281	-285	-48	-39
Parallel down	51	136	23	19
Steeper	32	14		
Flattener	-154	-127		
Short rates up	-205	-208		
Short rates down	111	114		

The values for the changes in the economic value of equity show the changes in present value aggregated across the essential currencies (EUR, USD). The contributions of the currencies with a positive value are counted at 50% and the contributions of the currencies with a negative value are counted at 100% in the aggregated change in present value.

The analogous quarterly values determined for the changes in net interest income indicate the difference between the net interest income assuming a development in interest rates according to forwards and the net interest income in the event of a parallel upward or downward shock in accordance with the regulatory requirements, i.e. taking into account an interest rate floor.

## L Credit Valuation Adjustment

### Qualitative disclosure requirements related to credit valuation adjustment risk (EU CVAA)

#### Article 445a(1)(a) CRR

The identification and measurement of credit valuation adjustment (CVA) risks is carried out using the Reduced Basis Approach in accordance with Article 384(3) CRR. The CVA weights of individual counterparties are determined based on their industry sector and external ratings. For the calculation of the CVA capital charge, the exemption criteria set out in Article 382 CRR are taken into account. In particular, exposures to non-financial counterparties and centrally cleared derivatives are therefore not part of the CVA risk.

The CVAs for the client derivatives portfolio are calculated monthly at month-end centrally within the FSDP. The results are subject to plausibility checks and ongoing monitoring to ensure continuous oversight of the

risk positions. Only after successful approval are they integrated into subsequent processes.

In line with the trading strategy, the client derivatives portfolio is not an actively growing portfolio. Instead, it is continuously decreasing due to maturing transactions, and the current CVA exposure is below €1.5 million. Due to this immateriality, no micro-hedges are envisaged. If required, however, the portfolio can be macro-hedged at any time through CDS positions.

#### Article 445a(1)(b) CRR

As the conditions specified in Article 273a(2) CRR are not met, the CVA risk is not calculated in accordance with Article 385 CRR.

#### Own funds requirements

Hamburg Commercial Bank applies the Reduced Basis Approach. Therefore, only EU CVA 1 has to be disclosed.

**TAB. 52: EU CVA 1: CREDIT VALUATION ADJUSTMENT RISK UNDER THE REDUCED BASIC APPROACH (R-BA) (€M)**

		a	b
		Components of Own Funds Requirements	Own funds requirements
1	Aggregation of systematic components of CVA risk	6	
2	Aggregation of idiosyncratic components of CVA risk	2	
3	Total		2

## M Operational risk

The contents of EU ORA are presented below in textual form.

### **Risk management objectives and policies**

Hamburg Commercial Bank manages operational risks on the basis of the institution-wide Non-Financial Risk Framework (NFR Framework) and the OpRisk Policy, which set out the objectives, principles and methods for identifying, assessing, managing and monitoring these risks.

The objective is to maintain operational risks within the defined risk appetite, avoid potential losses, protect capital and safeguard the bank's reputation. The strategies aim to identify risks at an early stage, initiate preventive measures, and take on only those risks that are strategically justified and can be adequately controlled.

### **Structure and organisation of the operational risk management function**

The operational responsibility for identifying, assessing, managing and monitoring operational and other non-financial risks lies with the operational organisational units (First Line). They ensure the establishment, documentation and effectiveness of adequate controls and address deviations or events in a timely manner.

The central Non-Financial Risk Control unit and other specialised control functions (in particular Compliance) constitute the Second Line. Within the Second Line, the Non-Financial Risk Control unit carries out the functions for operational risk, information security, data protection, business continuity management and outsourcing risks.

The Non-Financial Risk Control unit sets the overarching framework for non-financial risk management, including institution-wide methodologies, management principles and minimum standards. Within this framework, the specialised control functions define risk-type-specific requirements and controls.

All Second-Line functions monitor the implementation of their requirements, assess the adequacy of the risk management processes and support the First Line in ensuring a consistent and effective management of non-financial risks.

### **Description of the scope and nature of the measurement system**

To quantify operational risk, the Bank applies a scenario-based assessment that combines historical loss data with forward-looking scenarios. Potential losses are aggregated using a Monte Carlo simulation over a one-year horizon and with a confidence level of 99.9% to determine the Operational Value at Risk (OpVaR) for risk-bearing capacity (ICAAP). In addition, risk indicators with defined thresholds are used for the ongoing monitoring of the risk profile and for identifying

the need for action. Operational risk events are recorded in a structured manner above defined thresholds, analysed with regard to their causes, and addressed with appropriate measures.

### **Description of the scope and nature of the operational risk reporting framework**

Reporting on operational risks is carried out on a quarterly basis as part of the internal risk reporting to the Management Board and the Risk Committee. The report is based on collected loss data, risk scenarios and continuously monitored risk indicators.

The reporting framework ensures regular monitoring of thresholds and limits. In the event of breaches, defined escalation processes apply; material threshold or limit breaches as well as significant risk events are reported to the Management Board without delay, depending on their magnitude and significance.

The consolidated information enables the early identification of relevant developments and risk drivers and supports the initiation of preventive measures to ensure effective management and monitoring of non-financial risks.

### **Description of the policies and strategies of the risk mitigation and risk hedge**

Non-financial risks are managed through institution-wide policies as well as established control processes, contingency plans and security standards. These include, in particular, Second-Line policies (e.g. for information security, business continuity management and outsourcing) as well as compliance-related policies (e.g. on anti-money laundering, the observance of financial sanctions and the avoidance of conflicts of interest).

Selected risks are additionally mitigated through economically appropriate insurance coverage, including cyber, D&O and property insurance.

Furthermore, the new product approval process ensures that all relevant non-financial risks are systematically identified, assessed and adequately addressed prior to introduction.

Risk mitigation through divestments from high-risk business activities would in principle be possible, but was not applied during the reporting year.

Risks that cannot be mitigated by policies, controls or insurance are borne by the institution and reflected in the economic capital requirement.

## Own fund requirements

To determine the own funds requirement for operational risk, Hamburg Commercial Bank applies the approach based on the business indicator component calculated in accordance with Article 313 CRR.

As of the reporting date, this results in an own funds requirement of € 102 m.

**TAB. 53: EU OR1: OPERATIONAL RISK LOSSES (€M)**

	a	b	c	d	e	f	g	h	i	j	k	
	T	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	Ten-year average	
<b>Using €20,000 threshold</b>												
1	Total amount of operational risk losses net of recoveries (no exclusions)	-14	110	-52	-7	3	9	-75	161	83	44	26
2	Total number of operational risk losses	14	10	12	14	15	14	16	17	40	44	20
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded losses	-14	110	-52	-7	3	9	-75	161	83	44	26
<b>Using €100,000 threshold</b>												
6	Total amount of operational risk losses net of recoveries (no exclusions)	-14	110	-51	-5	3	9	-74	162	82	40	26
7	Total number of operational risk losses	9	7	9	9	13	12	10	10	26	27	13
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
9	Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational risk losses net of recoveries and net of excluded losses	-14	110	-51	-5	3	9	-74	162	82	40	26
<b>Details of operational risk capital calculation</b>												
11	not applicable											
12	not applicable											
13	not applicable											

**TAB. 54: EU OR2: BUSINESS INDICATOR, COMPONENTS AND SUBCOMPONENTS (€M)**

		a	b	c	d
	BI and its subcomponents	T	T-1	T-2	Average value
1	Interest, lease and dividend component (ILDC)				678
EU 1	ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))				678
1a	Interest and lease income	1,490	1,805	1,533	1,609
1b	Interest and lease expense	841	1,073	879	931
1c	Total assets/Asset component	26,982	32,169	31,095	30,082
1d	Dividend income/ dividend component	0	2	0	1
2	Services component (SC)				103
2a	Fee and commission income	47	42	41	43
2b	Fee and commission expense	56	56	54	55
2c	Other operating income	29	45	68	47
2d	Other operating expense	17	138	-32	41
3	Financial component (FC)				68
3a	Net profit or loss applicable to trading book (TB)	-25	-12	56	31
3b	Net profit or loss applicable to banking book (BB)	55	26	29	37
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				accounting approach
4	Business Indicator (BI)				848
5	Business indicator component (BIC)				102

**Disclosure on the BI:**

	a	
6a	BI gross of excluded divested activities	848
6b	Reduction in BI due to excluded divested activities	-
EU 6c	Impact in BI of mergers/acquisitions	8

**TAB. 55: EU OR3: OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK EXPOSURE AMOUNTS (€M)**

	a	
1	Business Indicator Component (BIC)	102
EU 1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
2	Not applicable	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	102
4	Operational Risk Exposure Amounts (REA)	1,272

## N ESG risks

As of December 31, 2022, the ESG disclosure requirements under Art. 449a of the Regulation (EU) 575/2013 (CRR) in conjunction with the Implementing Regulation (EU) 2022/2453 (hereinafter DVO 2022/2453) have entered into force.

The European Banking Authority (EBA) published an opinion in the form of a no-action letter on 5 August 2025 (EBA/Op/2025/11). Considering the uncertainties surrounding the implementation timeline of the revised ESG disclosure requirements under the CRR, and in light of the Omnibus proposal package, with the objective of alleviating operational burden for institutions, the EBA recommends that certain issues do not have to be published for the period starting from the reference date of 30 June 2025 until the amendments to the EBA disclosure ITS are adopted and enter into force. For large institutions like the Hamburg Commercial Bank which have issued securities that are admitted to trading in a regulated market of any Member State, competent authorities do not prioritise the enforcement of:

- the disclosure of templates EU 6 to EU 10; Template 1 column c; and Template 4 column c of Commission Implementing Regulation (EU) 2024/3172;
- the collection of templates EU 6 to EU 10; Template 1 column c; and Template 4 column c of EBA Decision EBA/DC/498 of 6 July 2023.

The ECB confirmed the no-action letter with a FAQ „FAQs on the application of ESG disclosure requirements following the issuance of the EBAs no-action letter”.<sup>4</sup>

Hamburg Commercial Bank is fully implementing these EBA and ECB recommendations.

Hamburg Commercial Bank (HCOB) is fully aware of its responsibility to create transparency about its ESG risk exposure. It will therefore find an adequate balance between regulatory requirements, voluntary disclosure and necessarily internal steering instruments used in the management-oriented dialogue.

### I Qualitative ESG risks

The regulation (EU) 2022/2453 in conjunction with Art. 435 CRR requires institutions to deliver qualitative information on Environmental (E), Social (S) and Governance (G) issues along the dimensions “Business strategy and processes”, “Governance” and “Risk Management”. Those dimensions are chosen to structure the subsequent qualitative information whereby E, S and G aspects are subsumed under those dimensions to assure reading fluency and avoid redundancies. The

line information (a–r) refers to the specifications in the DVO 2022/2453.

The present reporting on qualitative information with respect to E, S and G is based on the Sustainability Statement in HCOB’s Combined Management Report and supplemented with additional information where necessary. Furthermore, the focus here is on the portfolio level with some additional information regarding HCOB’s corporate level (in the sense of HCOB’s own operations). The Sustainability Statement fulfils the requirements of the German Commercial Code (HGB) and is based on the specifications of the CSRD and ESRS. The Sustainability Statement was subject to limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. In general, the semi-annual Disclosure Reports take into account when there have been significant changes regarding E, S or G aspects since publication of the last Sustainability Statement.

### I.1 Business Strategy and Processes

#### Consideration of environmental and social risks in the business strategy (Art. 449a table 1 line a and table 2 line row a)

For HCOB, sustainability means future viability. The Bank acknowledges that aligning its business model and processes to sustainability requirements is one of the critical success factors for the future – considering both the opportunities and the risks related to environmental, social and governance factors. The Bank’s internal Guiding Principles (e.g. considering ESG as part of HCOB’s DNA, extension of the Bank’s financing activities in sustainable business activities to promote the transformation of the economy) serve as orientation for HCOB’s sustainable business conduct and as guidance for internal decisions processes to contribute to the sustainable transformation.

HCOB is a specialised commercial lender operating in four lending-oriented segments Real Estate, Global Transportation (with the Shipping and Aviation business areas), Project Finance (including renewable energies and digital infrastructure) as well as Corporates (national and international corporate clients) with locations mostly in German metropolitan regions and selected markets across Europe. As part of the strategic focusing of its business model, the bank will withdraw from future non-core business areas, including International Real Estate, Aviation, and large parts of Structured Portfolio Finance assigned to the Corporates segment.<sup>5</sup> HCOB’s core focus is on asset-based lending and project and corporate financings, with a clear view of its markets and close proximity to its clients. The Bank provides its clients with commercial loans, bonds and trade and payment management solutions, as well as with capital market products. The largest

<sup>4</sup> Retrieved on February 3rd, 2026 on [https://www.bankingsupervision.europa.eu/press/other-publications/publications/html/ssm.faq\\_esg-0fb3019e1e.en.html](https://www.bankingsupervision.europa.eu/press/other-publications/publications/html/ssm.faq_esg-0fb3019e1e.en.html)

<sup>5</sup> Detailed information on the strategic realignment can be found in the half-year financial report as of 30 June 2025.

share of HCOB's loan book is based in the eurozone and other developed markets with high legal and social standards and strong transparency indicators which is likely to be further strengthened by the strategic realignment of the business model. These markets are also influenced by the various international initiatives relating to ESG, making the Bank confident in its ability to successfully implement ESG standards.

Since 2024, HCOB's ESG strategy has been further operationalized through the Sustainable & Transformational Finance Framework (STFF; see below for details) and is embedded in the Bank's overall strategy.

As part of its strategic positioning in the context of ESG, HCOB established a transition plan for the first time in the reporting year, outlining the Bank's pathway towards net zero. The plan includes short-, medium and long-term decarbonization targets for the Shipping, Real Estate and Energy (Power generation) portfolios. In addition, it describes the respective ESG approaches for each of its business segments, which take into account the risk and impact dimensions. HCOB actively supports Real Estate clients with their ESG transformation. In particular, the Bank provides its expertise in the financing of existing commercial properties, revitalisation and project developments in the commercial sector. As part of the credit analysis, an individual assessment is carried out using the CRREM (Carbon Risk Real Estate Monitor) tool to evaluate the risks of stranded assets. In addition, ESG aspects play a decisive role in the property valuation itself, whereby investments to increase energy efficiency are also taken into account.

In the shipping sector, HCOB supports its clients with the transformation towards more sustainable business practices. The financing of medium-aged ships with a medium credit period offers flexibility to respond to new carbon-free technologies due to the high turnover frequency of the portfolio. However, the short-term focus is on efficiency enhancements for ships that are already in operation. Risks such as stranded assets are minimised by monitoring energy efficiency and respective steering. HCOB focuses on making the impact of business activities measurable and creating transparency through appropriate KPIs in order to minimise the transition risks.

The financing activities in the Project Finance segment have a positive impact on the Bank's commitment to sustainability, among others by focusing on the areas of energy transition and therefore the decarbonisation of the economy as well as digital infrastructure, which have a strong, positive ESG footprint with correspondingly low absolute financed emissions.

In strategic dialogue with Corporate clients, HCOB supports their transformation to more sustainable production processes and business models. In particular with companies in Europe that produce or operate technical solutions related to the energy transition by providing appropriate financing solutions. CO<sub>2</sub>-intensive sectors make up only a small part of HCOB's portfolio. Specialised segments such as the financing of

leasing companies, including for e-bikes, also help to limit the climate risks in the portfolio.

Sustainability issues present systemic challenges to which HCOB is responding by mitigating, minimising and removing potential flaws likely to act as obstacles to business success over the long term. HCOB's critical challenges lie in understanding sustainability as a transformational driver rather than an operational obstacle, and in communicating the financial implications of its sustainable behaviour to investors and markets. Through the Sustainability Framework, HCOB has added a sustainability aspect to its strategic approaches and goals. The Sustainability Framework has therefore been implemented on a high level of the Strategy Architecture to ensure a holistic integration of all the Bank's subordinate strategies (namely Business Strategy, Risk Strategy, Funding Strategy, Credit Standards, and Functional Strategies).

Every disruptive market environment – in this case caused by the mega trend ESG – offers a broad range of market related-business opportunities. The Bank wants to safeguard its earning capacity by establishing a future-oriented, stable cash flow generating portfolio within an adequate risk/return profile, that is in line with the changing market environment and therefore avoids "stranded assets" at the same time.

The Bank's Strategic Risk Framework (SRF) states that HCOB increasingly takes advantage of ESG-linked business opportunities resulting from sustainable and transformational finance in accordance with the criteria laid down in the STFF and actively manages resulting ESG risks in accordance with self-commitments and regulatory initiatives. All employees are jointly responsible for an effective risk management according to the three lines of defense. Climate and environment-related opportunities and risks have been analysed in particular.

HCOB's STFF is a classification system designed to categorise the Bank's financings as 'sustainable' or 'transformational' with respect to climate change and thereby reduce transformation risk. The assessment process, in place since January 2024, which focuses on loan origination, includes considerations such as the requirements of the EU Taxonomy, creating transparency through a comprehensive and consistent approach across the Bank and towards external stakeholders. The development and publication of the STFF in 2023 as well as its full implementation in 2024 have anchored ESG more deeply in the strategy and planning process. HCOB's strong commitment is confirmed by specific target quotas for new business aligned with the Framework.

In accordance with its commitment to the PCAF (Partnership for Carbon Accounting Financials) standard, as at reference date December 31, 2023, HCOB has disclosed financed emissions for the first time. The most recent recalculation on the current reference date is shown respectively in Template 1 and 3 of this report. In addition, we refer to the Sustainability Statement in

HCOB's Combined Management Report 2025 which is also published on the Bank's website.

HCOB takes comprehensive account of ESG risks, meaning that risks arising from climate, environmental, social, and governance factors are considered in the Bank's business model, strategy, processes, and financial planning. The Bank also addresses changes in these risks, which may occur over time given changing technology, policy framework, business environment and stakeholder groups' preferences. With regard to integration into strategy and planning, special attention is given to the subchapter "Stress testing and scenario analysis". Integration into procedures and processes is a part of all subsequent chapters, such as loan origination, target setting, risk management instruments, and remuneration.

#### **Objectives, targets and limits for the assessment and management of environmental and social risks (Article 449a CRR table 1 line b and table 2 line b)**

The Bank's SRF, which serves as the foundation of HCOB's risk culture, sets out the focus of the Bank's risk management activities and defines the objectives of risk management based on the planned development of key business activities and measures taken to achieve these objectives. The focus lies on securing and allocating the scarce resources of capital and liquidity to the requirements arising from the existing and targeted new business and on optimizing earnings in the long term, considering the risk appetite, business strategy objectives, sustainability goals, the market environment and both the existing and planned portfolios. In accordance with the character of being a driver for the respective risk types, ESG aspects have been fully integrated in the SRF, e.g. in the risk-strategic principles, the risk strategies and the governance.

HCOB takes adequate measures to actively manage and reduce ESG risks in accordance with the spirit of relevant sustainability and regulatory initiatives, e.g. the Paris Climate Agreement, the PCAF standard, the "Guide on climate-related and environmental risks" issued by the ECB, BaFin "Guidance notice on dealing with sustainability risks" or "Minimum Requirements for Risk Management (MaRisk)", as well as the "EBA Guidelines" on the management of environmental, social and governance risks (ESG risks). To this end, HCOB has developed a comprehensive evaluation system based on the core elements risk inventory process, Compliance and Sector Restrictions Check, ESG Scoring, STFF Classification, calculation of the carbon footprint, the assessment of physical risk, Key Performance and Key Risk Indicators (KPI/ KRI), internal stress testing/ scenario analysis as well as comprehensive management reporting and disclosure. The Compliance and Sector Restrictions Check as well as the ESG Scor-

ing aim at excluding or restricting environmental, social, and governance risks, respectively defining additional mitigating measures. With respect to scenario analysis and stress testing, HCOB has two explicit ESG scenarios.<sup>6</sup>

For 2026, HCOB has again defined targets and measures which are communicated comprehensively via the Sustainability Statement 2025:

- Decarbonisation targets (CO2 emission targets) for the Real Estate, the Shipping and the Energy portfolio for 2030 and 2050 (see also the disclosures in Template 3 of this report)
- Classification of new business as part of the lending process according to the STFF and achieving STFF-compliant new business of at least 20% in 2026 in relation to total net new business
- Achieve a proportion of 33 % for the underrepresented gender (currently women) in management functions / at senior expert level by the end of 2027<sup>7</sup>
- Achieve a proportion of 33 % for the underrepresented gender (currently women) at BU head level by the end of 2027.<sup>8</sup>

#### **Current investment activities and (future) investment targets towards EU taxonomy-aligned activities (Art. 449a CRR table 1 line c)**

In addition to its lending business, HCOB is also an active investor in Capital Markets. The Bank distinguishes between three different product classes in its investment portfolio:

##### 1. Active investments

Bonds from well-known issuers like supranationals, governments, state agencies and major banks from developed countries are referred to as active investments, as such security investments are actively managed by HCOB. They constitute the largest part of the Bank's investment portfolio.

##### 2. Passive investments

With so-called passive investments HCOB also invests in securities and other structured financial instruments to build up diversified portfolios of loans or similar financial instruments, for example SME corporate loans. Such portfolios are actively managed by independent third-party portfolio managers.

##### 3. Semi-passive investments

In addition, HCOB also strategically invests in so-called semi-passive products. These are investment vehicles set up exclusively for HCOB by an independent external portfolio manager, investing in diversified portfolios of corporate loans and bonds.

<sup>6</sup> See section "Instruments and processes for the identification, measurement and monitoring of business activities exposed to environmental and social risks as well as limits and escalation processes" regarding a description of details, application and limits of all mentioned elements of the evaluation process.

<sup>7</sup> Management functions below BU head level; based on the number of employees (excluding permanently inactive employees).

<sup>8</sup> Based on the number of employees (excluding permanently inactive employees).

Details regarding the treatment of ESG issues with respect to the different asset classes can be derived from the section "Instruments and processes for the identification, measurement and monitoring of business activities exposed to environmental and social risks as well as limits and escalation processes".

### EU Taxonomy-aligned activities

EU Taxonomy provides a methodology to identify "green" assets. As required, HCOB used to publish information on Taxonomy-eligibility, Taxonomy-alignment as well as other indicators within the disclosure report as well as in the yearly Sustainability Statement. Starting with the reporting date of June 30, 2025, this information no longer needs to be disclosed in the disclosure report in accordance with a statement by the EBA in the form of a no-action letter published on August 5, 2025 (EBA/Op/2025/11).

### Policies and procedures for the involvement of counterparties in relation to their management of environmental and social risks (Article 449a CRR table 1 line d and table 2 line c)

The Bank has a transparent and documented decision-making process and a clear allocation of responsibilities and authority within the internal control framework, including business lines, internal units and internal control functions that promote informed decision-making by the management body.

Here, we refer to selected overall internal guidelines; specific policies and procedures, especially those regarding the loan origination process, can be found in the respective sections.<sup>9</sup>

#### (1) Code of conduct

The Code of Conduct creates a reliable framework for responsible action by all employees that meets both legal requirements and ethical and social standards. It primarily covers the classic compliance rules, along with the requirements for HCOB's conduct in the areas of tax, finance, risk management, data privacy, information security and communications. It also contains the standards of conduct employees apply in their day-to-day collaboration with colleagues, in their dealings with customers and in fulfilling HCOB's environmental, social and governance responsibility. Compliance with these standards enhances the Bank's reputation among customers, investors, regulators, rating agencies, the public, employees and shareholders.

#### (2) Policies and general guidelines for business relationships and transactions

Several policies are in place to guide employees' behaviour and to successfully control reputation risk, including the Reputational Risk Policy, as well as aspects of the Conflict of Interest Policy and the Approach to Responsible Marketing & Sales Practices, all of which complement the HCOB Code of Conduct.

The general guidelines for the Bank's business activities and interactions are based on the requirements that apply to the Bank from its environment and take into account e.g., the 10 principles of the UN Global Compact and include the following aspects:

- Human Rights and Labour Standards
- Environmental Protection
- Anti-Corruption and Criminal/Illegal activities
- Violent Groups
- Arms and Weapons Industry
- Speculation on the Agricultural Commodities/Food Markets and Tax compliance

Exclusion criteria and requirements, which are to be complied with by the initiating units as part of the know-your-customer process, have been defined for these aspects.

## 1.2 Governance

### Responsibilities of the management body for the management of environmental and social risks, its integration of risk effects, organizational structure and internal control functions as well as measures (Article 449a CRR table 1 line e, f, g and table 2 line d, e)

The assignment of roles and responsibilities is an issue common to all three spheres, i.e. environmental, social and governance. Comprehensive and structured sustainability governance forms the basis for good sustainability work. At HCOB, the Management Board is responsible for the topic of sustainability. To empower sustainable action as a formative component of the HCOB DNA and to ensure achievement of its sustainability goals, the Bank has established a Sustainability Committee (SC) with full Management Board representation to act as a decision-making body on a strategic level, as well as an ESG department, which has the responsibility of operationalising the SC's strategic decisions. In addition, the central department "Sales Management & ESG" prepares, operationalises and implements the SC's strategic decisions within the Bank. The exchange between the Management Board and "Sales Management & ESG" takes place not only within the SC but also through quarterly management reporting and bilateral discussions. Sustainability topics are furthermore managed within the respective specialist departments, ensuring that ESG is fully embedded across the organisation.

In accordance with the importance HCOB attributes to this topic, the SC is co-chaired by the CIO and the CRO. To ensure compliance with the Bank's ESG goals and with the requirements of ESG-related legal, regulatory and other external frameworks to which HCOB has committed itself voluntarily, the Sustainability Committee is responsible for:

<sup>9</sup> For the loan origination process, the instruments used and their embedment in the process, please refer to section "Instruments and processes for the identification, measurement and monitoring of business activities

exposed to environmental and social risks as well as limits and escalation processes".

1. Developing and managing the Bank's sustainability strategy with regard to ESG criteria and goal setting
2. Monitoring the implementation of the sustainability (ESG) plan of the Bank
3. Initiating appropriate corresponding counter or mitigating measures in case of significant plan deviations
4. Decision-making related to the ESG Decision Matrix only for cases requiring a positive vote of the SC
5. As applicable and in accordance with HCOB's business and funding objectives, facilitating and implementing HCOB's Green Bond Framework in line with the International Capital Market Association (ICMA) and Green Bond Principles

Furthermore, the Supervisory Board is an integral part of HCOB's sustainability governance structure. ESG is a recurring agenda item in the Supervisory Board meetings and occasionally in its committees. Therefore, the Supervisory Board is kept well informed on the progress being made and other key considerations related to ESG.

ESG aspects are an integral part when new business opportunities are presented to the Bank's Franchise and Credit Committees. One of the main functions of the Franchise Committee is the steering of strategically desired deals with respect to profitability (incl. syndication and product), structural and risk aspects as well as with regard to sustainability criteria. ESG aspects are an important part of every credit decision including those taken on Credit Committee and Management Board level.

The individual organisational units of the Bank – as the first line of defence – are responsible for identifying and managing risks and for establishing effective controls in day-to-day business operations. The second line of defence defines the framework for managing risk by setting uniform rules and methods and monitors their implementation. Internal Audit, as the third line of defence, is responsible for the independent review of processes and procedures.<sup>10</sup>

As ESG is considered a driver for the respective risk types, the three-lines-of-defence principle fully applies for the integration of short-, medium-, and long-term environmental factors and risks.

Processes, roles and organisational responsibilities associated with sustainability risks are set out in the Strategic Risk Framework, which lies in the responsibility of the business unit Strategic & Credit Risk Control.

#### **Lines of reporting and frequency of reporting relating to environmental, social and governance risks (Article 449a CRR table 1 line h, table 2 line f and table 3 line a)**

To enable the Management Board to steer ESG risks, the Supervisory Board to perform its monitoring function and to be able to inform its stakeholders, the Bank will continue to integrate risk-relevant information in the Management Report and its external disclosure. With respect to the latter in addition to the Disclosure Report according to part 8 CRR, the Sustainability Statement contains comprehensive ESG information. Furthermore, ESG (including risk aspects) is integrated into internal reports according to their respective frequencies. For example, compliance with the risk limits set by the Strategic Risk Framework is ensured e.g. via monitoring in monthly reports to the Management Board. Semi-annually or quarterly these reports also include aggregated information on various ESG KPI/KRI.<sup>11</sup> Furthermore, ESG topics can be part of the event-driven sub-portfolio risk analyses to the Management Board or trigger such analyses.

For the Bank to carry out dynamic stress tests, the Scenario Steering Committee (SSC) approves macroeconomic and segment-specific forecasts based on observed market developments and macroeconomic forecasts of relevant central banks. These expected and stress forecasts are incorporated in different simulation scenarios and the results are presented quarterly to the Asset Liability Committee (ALCO) and Overall Management Board.

#### **Alignment of the remuneration policy with institution's environmental and social risks (Article 449a CRR table 1 line i and table 2 line g)**

At HCOB, the compensation system offers fixed and variable remuneration components for all employees and is well in line with the Bank's relevant market standard. Sustainability aspects directly and indirectly influence the employees' variable remuneration. For so-called Risk Takers whose variable remuneration exceeds a certain level of compensation, variable pay is deferred and linked to the sustainable value development of the Bank.

The variable remuneration of the Management Board members is based, among others, on quantitative group targets of which 10 % are linked to sustainability-related targets ("STFF-compliant new business", "underrepresented gender on the level of BU heads/management functions/ senior experts"). Further ESG-related quantitative and qualitative Key Performance Indicators (KPIs) are reflected in individual targets of single Management Board members. The Supervisory Board determines the total remuneration of the Management Board members, evaluates the target achievement, and reviews the remuneration system on a regular basis, but at least once a year. The Supervi-

<sup>10</sup> Further information on the objectives, organisation and effectiveness of the risk management system can be found in the HCOB Annual Report 2024.

<sup>11</sup> Information on which topics HCOB evaluates its counterparties regarding E, S and G can be found in the section describing the ESG Scoring Tool in more detail.

sory Board itself receives a fixed remuneration in accordance with the remuneration system determined by the Annual General Meeting.

By integrating ESG criteria into both the remuneration of the Management Board and the variable components of employees, active incentives are created to drive the sustainable transformation of the Bank further.

### 1.3 Risk Management

#### Definitions, methodologies and international standards on which the environmental and social risk management framework is based (Article 449a CRR table 1 line k and table 2 line h)

Several frameworks are used by HCOB for the definition of risks in relation to stakeholder interests. The identification of key factors for assessing risks, developments and important sub-indicators are provided by the Minimum Requirements for Risk Management (MaRisk), the Guidance Notice published by the German Federal Financial Supervisory Authority (BaFin) on dealing with Sustainability Risks, the ECB's guide on climate-related and environmental risks, the EBA Guidelines on loan origination and monitoring, as well as on the management of ESG-risks and Art. 449a CRR requirements regarding ESG risk disclosure.

Furthermore, regulators and other relevant organisations have issued various frameworks and regulations concerning the definition of certain requirements and guidance to follow by HCOB on its sustainability journey. Examples are the CSRD/ESRS, the EU Taxonomy, the EU Disclosure Regulation, and MiFID II with regard to ESG. The requirements set out in the various frameworks and regulations referred to above have been firmly anchored in the Bank's ESG roadmap and are accordingly integrated into control, process and task descriptions.

#### Description of transmission channels and integration of short-, medium- and long-term effects in the risk management framework (Article 449a CRR table 1 line j, r and table 2 line m)

The starting point for a consideration of sustainability risks in the risk management process are the ESG factors identified as material in the risk inventory. In line with regulatory initiatives, HCOB does not think of sustainability risks as a separate risk type, but as a driver for the respective risk types. As such it can induce a negative impact based on changes in the relevant ESG influencing factors.

In line with the Bank's business model, the analysis in the risk inventory process focuses especially on climate-related risks and considers both physical risks and transition risks. In particular, physical risks, which involve long-term business risks due to changes in weather and climate, as well as transition risks, are considered as a driver for the different risk types in the

risk inventory and as such have an effect on the material risk types such as default or market risk by means of transmission channels.

The following table further describes the transmission channels analysed in the risk inventory process:

Physical risks	<b>Acute physical risks</b> Acute physical risks relate to the financial impact of climate change due to more frequent extreme weather events (e.g. storms or flooding).
	<b>Chronic physical risks</b> Chronic physical risks relate to the financial impact of climate change due to gradual changes in climate (e.g. droughts).
Transition risks	<b>CO2 price</b> The pricing of greenhouse gases incentivises a "green" carbon-neutral transformation of the economy.
	<b>Green regulations</b> Government initiatives such as the EU's Green Deal are aimed at reducing greenhouse gas emissions. Measures include, for example, a ban on CO <sub>2</sub> -emitting technologies or regulations to reduce energy consumption in buildings.
	<b>Green technology</b> In the course of the transformation of the economy, old CO <sub>2</sub> -intensive technologies, such as combustion engines, may become economically unviable.
	<b>Market sentiment</b> Consumer preferences and investor expectations are increasingly favouring green products. Companies that do not adapt to these changing preferences could suffer a competitive disadvantage.
	<b>ESG reputation clients</b> Clients who are known for poor ESG practices can damage the Bank's reputation, which can lead to reputational damage among stakeholders.
Biodiversity risks	<b>Protecting ecosystems</b> Biodiversity risks can affect profitability through the loss of species or the implementation of environmental protection regulations.
Social risks	<b>Human rights / labour standards</b> Events, developments or conduct related to social aspects (e.g. violations of human rights / labour standards) can have a negative impact on a company's earnings, net assets and financial position, e.g. due to business interruptions/fines resulting from violations of labour law, safety and health protection, or minority rights.

With regard to governance risks, the Bank has rigorous compliance procedures in place and therefore considers these risks to be limited effectively.

The impact of these identified transmission channels is further specified on risk type level<sup>12</sup> and by time hori-

<sup>12</sup> In accordance with the risk types defined as material in the Bank's Strategic Risk Framework.

zon in a second step, which allows an adequate description of the various impacts, the assessed relevance and materiality.

For risk evaluation, the Bank relies on both qualitative evaluations and quantitative analyses. The latter incorporate externally sourced data (such as insurance data for physical risks, energy performance certificates, and shipping data from Scope) as well as internally generated data (such as ESG scores and stress test results).

**Results of the ESG evaluation in the risk inventory**

	Risk type	Default	Market	Liquidity	Operational	Reputation	Business Strategy	Other
<b>Physical risks</b>	Acute	low						
	Chronic	minor						
<b>Transition risks</b>	CO2 price	minor						
	Green regulations	minor						
	Green technology	minor						
	Market sentiment	minor				moderate	moderate	
	Client ESG reputation	minor			moderate	moderate	moderate	
<b>Biodiversity risks</b>	Protection of the ecosystems	minor						
<b>Social risks</b>	Human rights/labour standards	minor						

**Materiality**    low    minor    moderate    high

Drawing up the risk inventory is part of HCOB's process to at least yearly update the Strategic Risk Framework. At the end of this process the results are approved by the Management Board.

**Instruments and processes for the identification, measurement and monitoring of business activities exposed to environmental and social risks as well as limits and escalation processes (Article 449a CRR table 1 line l, n, q and table 2 line i, k, l) – Part 1**

It is important for HCOB to support the sustainable transformation of the economy and society through its business. In doing so, the Bank not only pays attention to ecological aspects, but also consciously includes social and governance aspects. To meet this requirement, HCOB has developed a comprehensive evaluation system based on the following elements: Compliance Assessment and Sector Restrictions Check, ESG Scoring Tool, STFF, the calculation of the carbon footprint, ESG KPI/ KRI (such as efficiency levels for our Shipping [CII Carbon Intensity Indicator] and Real Estate portfolios respectively) the assessment of physical risks and internal stress testing/ scenario analysis. Also, for monitoring purposes, ESG aspects are integrated into regular management reporting and disclosure.

With the help of these comprehensive and forward looking ESG risk management instruments, the Bank aims to contribute to the long-term sustainability and performance of its loan book and its investment portfolio.

**ESG Risk Management in Loan Origination**

**(1) Risk management elements**

**Compliance Assessment and Sector Restrictions Check**

The Compliance Assessment and Sector Restrictions Check is a key element of risk management, encompassing various dimensions such as the Compliance Due Diligence Assessment, consideration of transfer risks, as well as the Sector Restrictions Check and the corresponding application of the ESG Decision Matrix. Further details can be found in the document "ESG in the Credit and Investment Process," which is published on the HCOB website.

By using the Compliance Assessment and Sector Restrictions Check, HCOB ensures thorough screening of new business activities. This process takes into account the intended use of proceeds, the borrowers or companies involved, as well as the project's location and sponsors, including fundamental ethical principles such as the respect for human rights.

The Compliance Due Diligence Assessment covers requirements from the compliance department and examines new business relationships for issues such as money laundering, sanctions, and embargoes. The Sector Restrictions define in which areas HCOB's involvement in direct financing is generally excluded, or under which strict criteria such participation may still be possible. The ESG Decision Matrix supports this process by providing a detailed analysis of the intended use of proceeds in relation to other business activities. Certain combinations of clients and uses of proceeds are excluded from financing.

With this process, the Bank has established a basis for assessing companies and financing purposes that are partially unsustainable.

The Bank's goal is not to exclude companies from financing, but rather to reward the drive for improvement and encourage the transition to a greener economy. This means that HCOB's ESG Decision Matrix positively highlights the willingness to improve in a positive way and enables the financing of sustainable initiatives even in CO2-intensive industries.

**ESG Scoring Tool (Article 449a CRR table 2 line d [i-iv] and table 3 line b, c [i-vi], d [i-vi])**

HCOB's ESG Scoring Tool has been in place since October 2020 in order to evaluate the ESG characteristics of its lending activity and loan portfolio ESG quality. The model is applicable to financings for corporations across all industry sectors as well as to project and asset financings. Only governments and retail clients cannot be assessed in relation to their ESG characteristics.

The ESG Scoring Tool was built alongside the guidance from EBA and BaFin to integrate ESG factors into the lending process. It supports the Bank in intensifying the sustainability dialogue with its clients, allowing HCOB to:

- systematically evaluate climate/ environmental/ social/ governance aspects of the clients, assets, and projects which HCOB finances,
- assess physical and transition risks from climate change in its lending and investment portfolio,
- better understand HCOB’s clients’ challenges on their path towards a sustainable future and provide financing solutions that suit their needs.

The in-house developed ESG scoring methodology is fully integrated in the loan origination and monitoring processes as well as – where applicable – in the investment process. It encompasses environmental, social and governance aspects and has strong risk references. For example, with respect to the environmental aspect physical and transition risks have to be evaluated on a single deal basis considering the specific use of proceeds and an overall ESG assessment of the customer.

The ESG Scoring Tool encompasses in total 34 questions of which 18 are relating to climate and environmental aspects, seven questions on social aspects and nine questions on governance-linked issues.

<b>Environmental and Climate questions</b> (weight: 50%)	relating to <ul style="list-style-type: none"> <li>(i) Climate risk exposure (4 questions)</li> <li>(ii) GHG emissions and energy (5 questions)</li> <li>(iii) Other environmental fields and related specific issues (9 questions)</li> </ul>
<b>Social questions</b> (weight: 25%)	relating to <ul style="list-style-type: none"> <li>(i) Compliance with labour standards</li> <li>(ii) Trade unions, work council and freedom of assembly</li> <li>(iii) Fair working conditions</li> <li>(iv) Safety of employees and health protection</li> <li>(v) Product safety</li> <li>(vi) Observance of social standards in the supply chain</li> <li>(vii) Rights of minorities and consideration of the population’s interest</li> </ul>
<b>Governance questions</b> (weight: 25%)	relating to <ul style="list-style-type: none"> <li>(i) Compliance with relevant laws and regulations</li> <li>(ii) Corporate transparency</li> <li>(iii) Whistleblowing</li> <li>(iv) Farsightedness and sustainability of corporate policy</li> <li>(v) Remuneration of management board linked to sustainability targets</li> <li>(vi) Social responsibility/ commitment</li> <li>(vii) Corporate governance standard</li> <li>(viii) Data security problems</li> <li>(ix) Missing fairness in dealings with employees</li> </ul>

The scoring model provides environment, social and governance sub-grades as well as an overall ESG grade. From this, the “environmental” factor has a double weighting assigned. Here, a special focus is placed on exposure to physical and transitional climate risk, energy consumption, energy efficiency and carbon footprint.

HCOB also assesses the performance of its counter-parties using the social and governance questions of the internally developed ESG Scoring Tool. The aspects listed in Annex II No. 6.c) of the Implementing Regulation (EU) 2022/2453 can be assigned accordingly. Thus, several questions of the Scoring Tool relate to ethical considerations (S (vi), S (vii), G (i) and G (vi)). Strategy and risk management are covered by G (iv) and G (v). Inclusiveness is considered in G (ix). The issues of transparency and management of conflict of interest are included in questions G (ii) and G (vii). Internal communication on critical concerns is addressed in question G (iii). Individual aspects, such as information policy and corporate strategy, are systematically assessed and considered not only under G (ii) of the ESG Scoring Tool but also within the framework of the credit rating. The role of the top governing body of the counterparty is relevant in all questions of the Scoring Tool. In the reporting of non-financial information, it is implicitly assessed through the extent and quality of the information provided or published and is therefore considered in the holistic ESG evaluation of the clients.

The overall ESG grade ranges from 1 to 6 (1 being the best grade) and is assigned to each new business opportunity presented to the Bank’s Franchise and Credit Committees. A new business opportunity with a score of 5 or 6 leads to deal rejection.

The central steering impulse (especially in the loan origination and monitoring process as well as in the credit standards) is therefore based on the overall scores; the G sub-score is, for example, relevant for steering in the area of the credit watchlist as a so-called “soft trigger.”

To perform an ESG scoring is in principle mandatory for each new business. For existing business, the scoring has to be updated at least once a year. Since 2022, the ESG scoring process is aligned to the rating process by having the second line of defence approve the ESG scoring results.

The ESG Scoring Tool continues to be refined and improved, e.g. with newly developed methods for quantifying physical and transition risk, evolving standards and best practice in the different sustainability factors as well as the adaption and reflection of EU taxonomy requirements.

Non-climate-related environmental risks such as pollution and biodiversity risks are a part of ESG scoring and are thus already subject to systematic evaluation as part of the loan origination process. HCOB monitors the current developments in regulation and standard setting in order to develop appropriate solutions for the factors regarding quantifiability and comparability across asset classes, industries and countries. With greater concretization, the Bank’s instruments will be adapted accordingly, i.e. in particular the ESG Scoring Tool.

**Instruments and processes for the identification, measurement and monitoring of business activities exposed to environmental and social risks as well as limits and escalation processes (Article 449a CRR table 1 line l, n, q and table 2 line i, k, l) – Part 2**

**Sustainable & Transformational Finance Framework (STFF)**

The STFF defines the Bank's strategic approach towards sustainable finance, thereby solidifying its active positioning in responsible banking practices and reducing transition risks (see also section "Consideration of environmental and social risks in the business strategy").

The STFF classification has been conducted by the market units for every new financing starting January 2024. A review and approval of the classification for every deal is carried out before the credit decision by the second line of defence to ensure a sound evaluation.

**Assessment of physical risks**

To support the assessment of physical risks (e.g. earthquakes, storms, flooding) related to real estate as well as wind and solar assets, the Bank uses insurance data. A review by the Relationship Manager must be carried out for each new transaction. If the collateral to be financed is exposed to material physical risks, these must be presented to the credit decision-maker, with a focus on risk-mitigation measures, particularly through insurance coverage and structural protections (e.g. flood barriers).

For existing exposures where a corresponding risk assessment becomes necessary during the term of the loan, it should be considered whether further steps – such as assessment of the collateral value – are required. The assessment of physical risks is also reflected in the ESG scoring.

**(2) Embedment**

The key elements Compliance Assessment and Sector Restrictions Check, ESG Scoring, classification according to STFF and assessment of physical risks are fully integrated in the loan origination process.

In conjunction with the Bank's business and risk strategy, HCOB's credit standards provide a binding and comprehensive framework for all parties involved in the lending business. Business approaches that are not fully compliant with the above-mentioned elements of the loan origination process are not pursued as a matter of principle.

**ESG Risk Management in the Investment Process**

Here, the decision-making processes follow the Bank's Investment Policy and are closely aligned with the

standards in the Bank's lending business. In the investment process particular attention is paid to the Compliance Assessment and Sector Restrictions Check.

**1. Active investments**

Sustainability factors for the mentioned type of issuers<sup>13</sup> are seen as rather uncritical. Nonetheless all non-governmental issuers covered in this part of the investment portfolio have to be evaluated by using the Bank's ESG Scoring Tool.

**2. Passive Investments**

The issuer-specific investment guidelines laid out in the respective prospectuses are reviewed against the requirements of the Compliance Assessment and Sector Restrictions Check. Examples of such passive investments are managed CLOs (Collateralised Loan Obligation) and ABS (Asset Backed Securities). Investment funds, separate externally managed accounts, ETFs and hedge funds would fall into this category.

**3. Semi-passive investments**

Here, being the only investor, HCOB has significantly more influence on the development of the product's basic investment policy (compared with a passive investment), especially with regard to the investment vehicle's adherence to the requirements of the Compliance Assessment and Sector Restrictions Check. A key characteristic of the investment vehicle's semi-passive nature is that HCOB does not reserve the right to instruct the purchase of any specific assets for the portfolio but, however, keeps the power to enforce the sale of non-acceptable single investments and to place specific issuers on a prohibited list for the investment manager. This structuring is intended to make use of the portfolio manager's investment expertise and success as well as to avoid circumventing the Bank's ESG restrictions applicable to active investments.

Due to the external active management of a passive or a semi-passive investment, its underlying portfolio composition changes with each portfolio reallocation, as well as with each reinvestment of instalment payments from the portfolio that the manager undertakes over time. As a consequence, the portfolio's composition potentially could change in an undesirable way with respect to the Bank's ESG preferences, resulting in an unintended portion invested in business activities and practices subject to HCOB's sector restrictions. Hence, a periodic monitoring of the underlying portfolios is set up. Each breach of the internal thresholds is flagged with a warning signal, scored accordingly (grade: 5), and reported both to the credit analyst and the responsible department "Sales Management & ESG". If the portfolio composition does not return to within the thresholds within one year, this triggers a review of the investment decision, which must be submitted to the Bank's Sustainability Committee for approval. In the case of semi-passive investments, HCOB

<sup>13</sup> See section "Current investment activities and (future) investment targets towards EU taxonomy-aligned activities".

has the right to implement a prohibited list of investees for the investment vehicle forcing the investment manager to sell undesired investments. Also, where necessary, HCOB will make use of its agreed rights to realign the fund's investment policy with changes in the requirements of the Compliance Assessment and Sector Restrictions Check.

### **Stress testing and scenario analysis**

In general, the Bank considers stress testing and scenario analysis as an important element of risk management.

In addition to stress tests specific to risk types, the Bank conducts on a quarterly or ad-hoc basis stress tests across all risk types to better estimate the effects of potential adverse scenarios on key parameters such as utilisation of risk-bearing capacity, regulatory capital ratios, profits and liquidity and therefore HCOB's overall risk position. Based on observed market developments and macroeconomic forecasts of relevant central banks, the Scenario Steering Committee approves macroeconomic and segment-specific forecasts for carrying out dynamic stress tests. These expected and stress forecasts are incorporated in different simulation scenarios such as a severe economic downturn, business area-specific crises, as well as scenarios that reflect potential transitional, reputational and physical risks associated with climate change and other environmental risks. The results are presented quarterly to the Asset Liability Committee (ALCO) and Overall Management Board.

With respect to ESG, HCOB has explicitly integrated into its scenario set:

1. Specifically – but not exclusively – for the assessment of transition risks that materialize in the long term, HCOB has developed a climate stress scenario. Accelerated by climate-related natural disasters, politicians initiate an abrupt and unexpected transition of the economy in order to achieve carbon neutrality (1.5 °C) by 2050, accompanied by a generally very weak consumer climate that is characterized by fears of a further worsening of the climate crisis. The HCOB-specific scenario is based on the long-term scenarios of the Network for Greening the Financial System (NGFS), but it brings the impact forward into the Bank's planning horizon. In the first half of the year, the NGFS published short-term scenarios. These did not require any further adjustments, as the Bank's own scenarios are more stringent. HCOB will continue to monitor the development of the NGFS scenarios and will adjust its scenario set if necessary.

2. A reputational risk scenario is considered in addition.

ESG aspects are also covered in other scenarios. In particular, for shipping loans stressful effects are included in several adverse scenarios.

If – on top of environmental aspects – social risks are considered relevant during the planning period, aspects such as labor migration, immigration, or unemployment are included in the scenario analysis and also

affect assumptions related to changes in relevant macro factors like GDP and inflation. This applies not only to the mentioned ESG-specific scenarios but also to other scenarios. Currently, for example, the impact of these aspects on rents and market values of residential real estate is being modeled.

HCOB's ESG-related scenarios are considered "regular scenarios" which means that they are calculated quarterly in the bankwide planning and forecast process. They provide management with an action-oriented dialogue. Furthermore, HCOB's stress tests and scenario analysis are the basis for deriving risk appetite and the consistent limit framework. This approach ensures an adequate consideration of sustainability risk drivers in the ICAAP.

### **Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile (Article 449a CRR table 1 line o)**

HCOB is aware of the importance to consider ESG risk in all its dimensions and has fully integrated it into its risk management processes and governance.

In addition to the information provided in the quantitative section, the processes implemented show the following results:

#### **(1) ESG Decision Matrix**

In the year of 2025, no cases which require the approval of the Sustainability Committee were submitted.

#### **(2) ESG Scoring**

There is no financing in the portfolio that is assessed as having unfavourable ESG quality (grades 5 or 6).

#### **(3) Physical risks**

As shown in Template 5 in the quantitative part, HCOB has no material loans exposed to high physical risk. Buildings financed by HCOB are mostly located in regions with low flood risk. The most relevant financial risks for buildings result from storms.

#### **(4) Transition risk**

With regard to transition risk, the most relevant transmission channels identified in the risk inventory process are the CO2 price, Green regulation, Green technology and Market sentiment, especially with regard to Shipping and Commercial Real Estate business activities. But even for these most relevant transmission channels HCOB considers the impact to be only low to moderate due to the structure and duration of its loan portfolio.

#### **(5) Overall view**

HCOB sees most significance regarding ESG risks with respect to climate risk in the loan portfolio. Based on

the currently available information, the internal and external data considered and given the structure and duration of the loan portfolio, the Bank currently considers the inherent risk as manageable. However, especially transition risks in the current and planned portfolio must be closely monitored.

In line with HCOB's commitment to the UN Principles for Responsible Banking (PRB) and in accordance with the general increase in knowledge with respect to ESG risks, the Bank continuously strives to enhance its risk management methodology, data availability and data quality.

### **Activities and commitments to mitigate environmental and social risks (Article 449a CRR table 1 line m and table 2 line j)**

#### **(1) UN Principles for Responsible Banking**

As a signatory of the PRB, the Bank sets a clear commitment to climate protection and sustainable action. HCOB has implemented sustainability aspects in all of the Bank's business areas and therefore commits to reduce the Bank's impact on climate change in all business operations and strengthen internal company awareness for ecological sustainability and resource protection.

The PRB constitute an overarching framework for ensuring that signatory banks' strategies and practices are aligned with the vision society has set out for its future in the Sustainable Development Goals (SDG) and the Paris Climate Agreement. As a signatory of the PRB since September 22, 2020, HCOB is committed to these two predominant pillars in respect of ESG alignment. In 2025, the Bank has made further progress and achieved numerous results in applying the principles. Details can be found in the "Responsible Banking Progress Statement 2025" on HCOB's website. Among other things, the Bank has set itself decarbonisation targets in line with its ambitions of achieving net zero according to the Paris Climate Agreement by 2050 to be in line with the 1.5°C target. HCOB acknowledges that its main impact is driven by its business activities (portfolio level) and therefore has chosen climate change mitigation and climate change adaptation as its significant impact areas. This is due to the Bank's activities in carbon-intensive sectors and its negative impact on climate change related to both mitigation and adaptation.

#### **(2) Partnership for Carbon Accounting Financials (PCAF)**

In 2021, HCOB joined the Partnership for Carbon Accounting Financials (PCAF) initiative which is an international standard for measuring and disclosing greenhouse gas (GHG) emissions financed by loans and investments.

With the Bank's signing of the PCAF commitment letter, HCOB committed to measure and disclose the GHG emissions from its portfolio of loans and investments within three years using the PCAF GHG accounting methodologies. This endeavour serves multiple purposes for HCOB. It enhances transparency about the Bank's climate impact in context of its carbon footprint. Furthermore, this commitment aligns with the Bank's ambition, as part of the PRB, to reach net zero emissions by 2050.

The Bank's climate impact necessitates a meticulous analysis of the carbon footprint, in accordance with PCAF standards, with a focus on collecting asset-level emissions data while ensuring data quality. Notably, high-emitting sectors such as Shipping and Commercial Real Estate hold importance due to their substantial contribution to GHG emissions. To effectively capture emissions data, HCOB obtained information at the individual building or vessel level through energy performance certificates and external data providers. Additionally, the Bank incorporates publicly disclosed emissions from its clients' sustainability reports. In cases where client emission data is unavailable, PCAF emission factors are employed to estimate financed emissions.

In the reporting period, HCOB made progress towards measuring and disclosing its carbon footprint on portfolio level based on the PCAF methodology with a special focus on the further implementation of a respective software, the improvement of data coverage and of the average data quality score. Detailed results regarding the coverage ratio, total financed emissions, results on business segment level as well as an evaluation of results and data quality are contained in HCOB's Sustainability Statement for the reference date December 31, 2025. Additionally, HCOB reports its financed emissions in its Disclosure Report according to part 8 CRR (see Template 1).

With the increased understanding of its indirect impacts, HCOB can make better informed decisions with regard to its loan portfolio and financing activities.

#### **Data availability, quality and accuracy, and efforts to improve these aspects (Article 449a CRR Table 1 line p)**

"Digital Competence" is an important topic for HCOB. The Bank is aiming to further improve data availability, quality and accuracy through developing and maintaining systems and processes for collecting, storing, and analysing sustainability related data (e.g. carbon emissions).<sup>14</sup> For implementing a data platform as effective as possible, HCOB engages in ongoing efforts to analyse the requirements from regulatory institutions, disclosure standards, and self-commitments to translate these into specific data and IT requirements to ensure that the data collected and produced is relevant, reliable, and meets the needs of all stakeholders.

<sup>14</sup> The main internal and external data used are mentioned in section "Description of transmission channels and integration of short-, medium- and long-term effects in the risk management framework".

As part of the ESRS application implementation, in 2025 the Bank made further progress in order to capture and process all relevant data, as well as by establishing respective policies and procedures to holistically manage and report this topic on an ongoing basis. HCOB is also continuously optimizing its ESG data management and further centralizing it.

## II Quantitative ESG risk

### Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

Template 1 discloses transition risk by sector of economic activities in the banking book with a focus on carbon-related sectors. The breakdown is based on the NACE code for loans and credits, debt securities and equity instruments. The information published includes the non-performing status, stage 2 classification, and related provisions as well as maturity buckets. With the exception of column b and c as well as i to k the data is taken from the FINREP reporting. Column b contains exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12 (1) points (d) to (g) and in accordance with Article 12 (2) of Regulation (EU) 2020/18. That are companies that derive a certain percentage of their revenues from coal, oil, gaseous fuels and from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub>e/kWh. The sectors can be derived from the statistical classification of economic activities in the European community. Accordingly, the respective NACE-Codes could be assigned to the gross carrying volume. The economic sector power generation was analyzed internally to divide the renewable and non-renewable sector. NACE-Codes D35.1 and D35.11 include the same exposures therefore the amounts are identical. Column c contained until the deadline 31 December 2024 exposures that qualify as environmentally sustainable. These exposures are included in the numerator of the GAR. For the period from the cut-off date of 30 June 2025, this information is no longer to be disclosed, according to an EBA opinion in the form of a no-action letter published on 5 August 2025 (EBA/Op/2025/11). The details are explained in the introduction to Chapter J ESG Risks. Any implications that these exposures may have for the different risk categories are described in part L. I Qualitative ESG risk regarding the transmission channels. GHG financed emissions according to PCAF are published in column i to k.

Reporting template 1 is used to report risk items that may be particularly exposed to transitory climate risks resulting from the transition to a climate-neutral economy. The focus here is on greenhouse gas-intensive economic sectors. In addition to the credit quality and maturity distribution of risk positions, the greenhouse gas emissions of counterparties that are attributable to the bank's financing activities ("financed greenhouse gas emissions") must also be reported. The banking book items shown are allocated to the respective NACE sectors based on the main activity of the business partner.

Furthermore, exposures to counterparties that are excluded from inclusion in EU benchmarks aligned with the Paris Agreement in accordance with Article 12 (1) of Commission Delegated Regulation (EU) 2020/1818

must be reported. For this purpose, HCOB has drawn up an internal list of NACE codes that indicate a blanket exclusion.

The calculation of financed greenhouse gas emissions, stated in greenhouse gas equivalents (CO<sub>2</sub>e), is based on the standards of the Partnership for Carbon Accounting Financials ("PCAF").<sup>15</sup> The standard generally covers balance sheet-relevant transactions of a financing nature, i.e. in particular loans and financial instruments with utilized payments.<sup>16</sup> Derivatives and financial instruments with a short-term holding intention are excluded from coverage. Other exclusions concern certain types of counterparties (regional and local government borrowers, private individuals with the exception of real estate financing for owner-occupied residential buildings, and complex forms of financing (e.g. securitisations and similar structured securities)). Overall, this means that of the receivables reported in disclosure form 1, financed issues were only determined for a partial volume. The volume not included in the calculation of financed issues relates primarily to exposures to counterparties from Sectors K and O. In contrast, the degree of coverage with financed issues is almost 100 % for exposures to sectors that contribute significantly to climate change.

According to the PCAF standard, the financing to be included must be calculated using a calculation method based on the purpose of the financing. The calculation methods specified by the PCAF standard provide for a derivation based on the greenhouse gas emissions of the financed investment or business activity of the respective counterparty. In the case of corporate and project financing, these are emission values (Scope 1, Scope 2 and Scope 3) of the financed companies or projects, delimited according to reporting scopes; in the case of asset financing (relevant for real estate and ships), only the emission values according to Scope 1 and Scope 2.

Emission values collected directly from the counterparties or published by them are primarily used. If no information is available, the emission values are derived on a customer or project-specific basis using estimates. For this purpose, sector and country-specific emission factors are used, which are made available to PCAF members by PCAF. In the case of real estate and ship financing, the property-specific emissions are calculated primarily on the basis of energy performance certificates, energy consumption reports, external databases, the relevant property characteristics and energy source-specific emission factors. Country- and property-specific emission factors provided by PCAF are only used for a very small proportion of property financing. In the case of property financing where the properties are still under construction, the emission values are set to zero in each case. Project financing for wind and solar parks for renewable electricity generation is included with emission values of zero.

<sup>15</sup> HCOB joined the PCAF in 2021.

<sup>16</sup> For reasons of materiality, the discontinued former private customer business was not included.

The financed share of Scope 1, Scope 2 and Scope 3 emissions is calculated using the share of the outstanding drawdown amount in the enterprise value or, in the case of real estate and ship financing, in the market value of the financed asset.

The direct greenhouse gas emissions primarily relevant for climate change (Scope 1) and the financed greenhouse gas emissions attributable to external energy procurement (Scope 2) resulted in about two thirds from the ship financing business.

**TAB. 56: TEMPLATE 1: BANKING BOOK- INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR; EMISSIONS AND RESIDUAL MATURITY**

Sector/Subsector		a	b	c	d	e
		Gross carrying amount (€m)				
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures
1	<b>Exposures towards sectors that highly contribute to climate change*</b>	9,619	368		1,443	371
2	A - Agriculture, forestry and fishing	-	-		-	-
3	B - Mining and quarrying	90	90		-	-
4	<i>B.05 - Mining of coal and lignite</i>	-	-		-	-
5	<i>B.06 - Extraction of crude petroleum and natural gas</i>	-	-		-	-
6	<i>B.07 - Mining of metal ores</i>	-	-		-	-
7	<i>B.08 - Other mining and quarrying</i>	-	-		-	-
8	<i>B.09 - Mining support service activities</i>	90	90		-	-
9	C - Manufacturing	416	167		13	6
10	<i>C.10 - Manufacture of food products</i>	45	-		1	5
11	<i>C.11 - Manufacture of beverages</i>	-	-		-	-
12	<i>C.12 - Manufacture of tobacco products</i>	-	-		-	-
13	<i>C.13 - Manufacture of textiles</i>	0	-		-	-
14	<i>C.14 - Manufacture of wearing apparel</i>	-	-		-	-
15	<i>C.15 - Manufacture of leather and related products</i>	-	-		-	-
16	<i>C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials</i>	0	-		-	-
17	<i>C.17 - Manufacture of pulp, paper and paperboard</i>	4	-		-	-
18	<i>C.18 - Printing and service activities related to printing</i>	4	-		0	-
19	<i>C.19 - Manufacture of coke oven products</i>	167	167		-	-
20	<i>C.20 - Production of chemicals</i>	-	-		-	-
21	<i>C.21 - Manufacture of pharmaceutical preparations</i>	65	-		-	-
22	<i>C.22 - Manufacture of rubber products</i>	-	-		-	-
23	<i>C.23 - Manufacture of other non-metallic mineral products</i>	1	-		-	0
24	<i>C.24 - Manufacture of basic metals</i>	-	-		-	-
25	<i>C.25 - Manufacture of fabricated metal products, except machinery and equipment</i>	83	-		0	-
26	<i>C.26 - Manufacture of computer, electronic and optical products</i>	0	-		0	-
27	<i>C.27 - Manufacture of electrical equipment</i>	24	-		-	-
28	<i>C.28 - Manufacture of machinery and equipment n.e.c.</i>	0	-		-	0

Sector/Subsector		a	b	c	d	e
		Gross carrying amount (€m)				
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures
29	<i>C.29 - Manufacture of motor vehicles, trailers and semi-trailers</i>	14	-		12	-
30	<i>C.30 - Manufacture of other transport equipment</i>	0	-		0	-
31	<i>C.31 - Manufacture of furniture</i>	10	-		-	-
32	<i>C.32 - Other manufacturing</i>	-	-		-	-
33	<i>C.33 - Repair and installation of machinery and equipment</i>	-	-		-	-
34	D - Electricity, gas, steam and air conditioning supply	1,310	54		209	81
35	<i>D35.1 - Electric power generation, transmission and distribution</i>	1,269	12		209	81
36	<i>D35.11 - Production of electricity</i>	1,269	12		209	81
37	<i>D35.2 - Manufacture of gas; distribution of gaseous fuels through mains</i>	42	42		0	-
38	<i>D35.3 - Steam and air conditioning supply</i>	0	-		-	-
39	E - Water supply; sewerage, waste management and remediation activities	157	-		8	-
40	F - Construction	427	-		171	85
41	<i>F.41 - Construction of buildings</i>	370	-		171	80
42	<i>F.42 - Civil engineering</i>	37	-		-	3
43	<i>F.43 - Specialised construction activities</i>	20	-		0	2
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	173	0		3	15
45	H - Transportation and storage	2,550	58		242	3
46	<i>H.49 - Land transport and transport via pipelines</i>	64	3		-	3
47	<i>H.50 - Water transport</i>	2,148	-		242	0
48	<i>H.51 - Air transport</i>	16	-		-	-
49	<i>H.52 - Warehousing and support activities for transportation</i>	322	55		0	-
50	<i>H.53 - Postal and courier activities</i>	-	-		-	-
51	I - Accommodation and food service activities	104	-		-	0
52	L - Real estate activities	4,392	-		798	181
53	<b>Exposures towards sectors other than those that highly contribute to climate change*</b>	14,387	-		610	178
54	K - Financial and insurance activities	9,769	-		237	137
55	Exposures to other sectors (NACE codes J, M - U)	4,617	-		373	41
56	<b>TOTAL</b>	24,006	368		2,053	549

Sector/Subsector		f	g	h	i	j	k
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (€m)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount of the portfolio derived from company-specific reporting
			Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions	
1	Exposures towards sectors that highly contribute to climate change*	-136	-43	-81	3,476,609	1,627,710	6.40%
2	A – Agriculture, forestry and fishing	-	-	-	-	-	-
3	B – Mining and quarrying	0	-	-	609	0	0.00%
4	<i>B.05 – Mining of coal and lignite</i>	-	-	-	-	-	-
5	<i>B.06 – Extraction of crude petroleum and natural gas</i>	-	-	-	-	-	-
6	<i>B.07 – Mining of metal ores</i>	-	-	-	-	-	-
7	<i>B.08 – Other mining and quarrying</i>	-	-	-	-	-	-
8	<i>B.09 – Mining support service activities</i>	0	-	-	609	0	0.00%
9	C – Manufacturing	-5	-1	-2	433,320	333,940	39.63%
10	<i>C.10 – Manufacture of food products</i>	-1	0	-1	42,346	35,629	0.49%
11	<i>C.11 – Manufacture of beverages</i>	-	-	-	-	-	-
12	<i>C.12 – Manufacture of tobacco products</i>	-	-	-	-	-	-
13	<i>C.13 – Manufacture of textiles</i>	-	-	-	0	0	0.00%
14	<i>C.14 – Manufacture of wearing apparel</i>	-	-	-	-	-	-
15	<i>C.15 – Manufacture of leather and related products</i>	-	-	-	-	-	-
16	<i>C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials</i>	-	-	-	0	0	0.00%
17	<i>C.17 – Manufacture of pulp, paper and paperboard</i>	0	-	-	3,428	2,552	0.00%
18	<i>C.18 – Printing and service activities related to printing</i>	0	0	-	845	404	0.00%
19	<i>C.19 – Manufacture of coke oven products</i>	-2	-	-1	363,235	278,973	58.92%
20	<i>C.20 – Production of chemicals</i>	-	-	-	-	-	-
21	<i>C.21 – Manufacture of pharmaceutical preparations</i>	0	-	-	4,386	3,806	100.00%
22	<i>C.22 – Manufacture of rubber products</i>	-	-	-	-	-	-
23	<i>C.23 – Manufacture of other non-metallic mineral products</i>	0	-	0	1,999	984	95.90%
24	<i>C.24 – Manufacture of basic metals</i>	-	-	-	-	-	-
25	<i>C.25 – Manufacture of fabricated metal products, except machinery and equipment</i>	0	0	-	5,301	3,735	0.00%
26	<i>C.26 – Manufacture of computer, electronic and optical products</i>	-	-	-	0	-	0.00%
27	<i>C.27 – Manufacture of electrical equipment</i>	0	-	-	860	471	0.00%
28	<i>C.28 – Manufacture of machinery and equipment n.e.c.</i>	0	-	0	14	11	0.00%

Sector/Subsector		f	g	h	l	j	k
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (€m)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting
			Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions	
29	<i>C.29 - Manufacture of motor vehicles, trailers and semi-trailers</i>	-1	-1	-	3,639	3,224	0.00%
30	<i>C.30 - Manufacture of other transport equipment</i>	0	0	-	0	-	0.00%
31	<i>C.31 - Manufacture of furniture</i>	0	-	-	7,268	4,150	0.00%
32	<i>C.32 - Other manufacturing</i>	-	-	-	-	-	-
33	<i>C.33 - Repair and installation of machinery and equipment</i>	-	-	-	-	-	-
34	D - Electricity, gas, steam and air conditioning supply	-17	-6	-11	111,978	32,838	3.89%
35	<i>D35.1 - Electric power generation, transmission and distribution</i>	-17	-6	-11	31,508	4,728	1.52%
36	<i>D35.11 - Production of electricity</i>	-17	-6	-11	31,508	4,728	1.52%
37	<i>D35.2 - Manufacture of gas; distribution of gaseous fuels through mains</i>	0	-	-	80,470	28,111	74.33%
38	<i>D35.3 - Steam and air conditioning supply</i>	-	-	-	-	-	-
39	E - Water supply; sewerage, waste management and remediation activities	0	0	-	12,836	6,911	24.36%
40	F - Construction	-22	-8	-14	3,995	1,607	8.34%
41	<i>F.41 - Construction of buildings</i>	-19	-8	-11	1,973	0.01	0.00%
42	<i>F.42 - Civil engineering</i>	-2	-	-2	1,839	1,458	92.10%
43	<i>F.43 - Specialised construction activities</i>	-1	-	-1	183	149	10.83%
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-3	0	-3	1,079,087	1,058,367	83.91%
45	H - Transportation and storage	-7	-3	0	1,619,280	81,128	3.39%
46	<i>H.49 - Land transport and transport via pipelines</i>	0	-	0	14,189	8,203	35.55%
47	<i>H.50 - Water transport</i>	-7	-3	0	1,579,503	52,188	0.00%
48	<i>H.51 - Air transport</i>	0	-	-	444	370	0.00%
49	<i>H.52 - Warehousing and support activities for transportation</i>	0	-	-	25,144	20,368	19.74%
50	<i>H.53 - Postal and courier activities</i>	-	-	-	-	-	-
51	I - Accommodation and food service activities	0	-	-	2,752	331	0.00%
52	L - Real estate activities	-80	-24	-51	212,752	112,585	1.49%
53	<b>Exposures towards sectors other than those that highly contribute to climate change*</b>	-95	-22	-60			
54	K - Financial and insurance activities	-58	-13	-38			
55	Exposures to other sectors (NACE codes J, M - U)	-37	-9	-23			
56	<b>TOTAL</b>	-231	-65	-141	3,476,609	1,627,710	6.40%

Sector/Subsector		l	m	n	o	p
		<= 5 years	>5 Jahre <=10 years	>10 Jahre <=20 years	>20 years	Average weighted maturity
1	<b>Exposures towards sectors that highly contribute to climate change*</b>	7,925	1,024	644	25	5.81
2	A - Agriculture, forestry and fishing	-	-	-	-	-
3	B - Mining and quarrying	90	-	-	-	4.04
4	<i>B.05 - Mining of coal and lignite</i>	-	-	-	-	-
5	<i>B.06 - Extraction of crude petroleum and natural gas</i>	-	-	-	-	-
6	<i>B.07 - Mining of metal ores</i>	-	-	-	-	-
7	<i>B.08 - Other mining and quarrying</i>	-	-	-	-	-
8	<i>B.09 - Mining support service activities</i>	90	-	-	-	4.04
9	C - Manufacturing	351	65	-	-	3.02
10	<i>C.10 - Manufacture of food products</i>	45	-	-	-	2.73
11	<i>C.11 - Manufacture of beverages</i>	-	-	-	-	-
12	<i>C.12 - Manufacture of tobacco products</i>	-	-	-	-	-
13	<i>C.13 - Manufacture of textiles</i>	0	-	-	-	1.00
14	<i>C.14 - Manufacture of wearing apparel</i>	-	-	-	-	-
15	<i>C.15 - Manufacture of leather and related products</i>	-	-	-	-	-
16	<i>C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials</i>	0	-	-	-	1.00
17	<i>C.17 - Manufacture of pulp, paper and paperboard</i>	4	-	-	-	2.33
18	<i>C.18 - Printing and service activities related to printing</i>	4	-	-	-	0.09
19	<i>C.19 - Manufacture of coke oven products</i>	101	65	-	-	2.88
20	<i>C.20 - Production of chemicals</i>	-	-	-	-	-
21	<i>C.21 - Manufacture of pharmaceutical preparations</i>	65	-	-	-	4.11
22	<i>C.22 - Manufacture of rubber products</i>	-	-	-	-	-
23	<i>C.23 - Manufacture of other non-metallic mineral products</i>	1	-	-	-	1.00
24	<i>C.24 - Manufacture of basic metals</i>	-	-	-	-	-
25	<i>C.25 - Manufacture of fabricated metal products, except machinery and equipment</i>	83	-	-	-	3.44
26	<i>C.26 - Manufacture of computer, electronic and optical products</i>	0	-	-	-	1.00
27	<i>C.27 - Manufacture of electrical equipment</i>	24	-	-	-	2.26
28	<i>C.28 - Manufacture of machinery and equipment n.e.c.</i>	0	-	-	-	1.00

Sector/Subsector		l	m	n	o	p
		<= 5 years	>5 Jahre <=10 years	>10 Jahre <=20 years	>20 years	Average weighted maturity
29	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	14	-	-	-	1.92
30	C.30 – Manufacture of other transport equipment	0	-	-	-	1.00
31	C.31 – Manufacture of furniture	10	-	-	-	1.00
32	C.32 – Other manufacturing	-	-	-	-	-
33	C.33 – Repair and installation of machinery and equipment	-	-	-	-	-
34	D – Electricity, gas, steam and air conditioning supply	349	627	334	0	7.87
35	D35.1 – Electric power generation, transmission and distribution	338	597	334	0	7.96
36	D35.11 – Production of electricity	338	597	334	0	7.96
37	D35.2 – Manufacture of gas; distribution of gaseous fuels through mains	11	31	-	-	5.13
38	D35.3 – Steam and air conditioning supply	0	-	-	-	1.00
39	E – Water supply; sewerage, waste management and remediation activities	132	25	-	-	3.86
40	F – Construction	393	34	-	-	2.54
41	F.41 – Construction of buildings	370	0	-	-	2.19
42	F.42 – Civil engineering	3	34	-	-	5.61
43	F.43 – Specialised construction activities	20	-	-	-	3.27
44	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	173	-	-	-	3.06
45	H – Transportation and storage	2,004	251	295	-	4.37
46	H.49 – Land transport and transport via pipelines	64	-	-	-	1.22
47	H.50 – Water transport	1,837	241	70	-	3.71
48	H.51 – Air transport	16	-	-	-	2.16
49	H.52 – Warehousing and support activities for transportation	87	10	225	-	9.49
50	H.53 – Postal and courier activities	-	-	-	-	-
51	I – Accommodation and food service activities	104	0	-	-	1.09
52	L – Real estate activities	4,329	21	16	25	1.76
53	<b>Exposures towards sectors other than those that highly contribute to climate change*</b>	7,959	3,645	1,028	1,756	7.15
54	K – Financial and insurance activities	5,540	1,896	603	1,730	7.97
55	Exposures to other sectors (NACE codes J, M – U)	2,418	1,749	424	26	5.31
56	<b>TOTAL</b>	15,884	4,669	1,672	1,781	5.71

\*In accordance with the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Standards and EU Paris-aligned Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No.1893 /2006

### Banking book: Indicators of potential climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral

Template 2 shows the gross carrying amount of loans collateralised with commercial and residential immovable property and of repossessed real estate collaterals for EU and Non-EU countries. The data has among other things been collected by means of an extensive

survey. Columns b to g include information on the level of energy efficiency of the collaterals measured in terms of kWh/m<sup>2</sup>. Row 5 and 10 show the respective estimates. Columns h to n disclose the gross carrying amount of exposures grouped by the EPC label of the collateral for those collaterals where the Bank received an EPC. Column o shows separately those exposures for which we do not have the EPC information of the collateral while column p presents the percentage of

the exposures without EPC label of the collateral for which Hamburg Commercial Bank is providing estimates.

For properties with a standardised type of use, the Bank can derive estimates for energy consumption based on the type of use and the year of construction of the property. These estimates are derived from the maximum permissible energy consumption in accordance with the Energy Saving Ordinance (EnEV) or GeG (Building Energy Act). Accordingly, energy labels can be deduced for these types of objects. This is based on the

energy classes commonly used in the Netherlands. Currently, the Bank does not have an energy certificate for non-standard real estate.

For this reason, the Bank is currently able to derive an energy label for all properties that consume energy. Under the heading "Without EPC label of collateral" in column o, the Bank shows the loan volume for which neither energy consumption nor an energy label can be derived.

Due to our great efforts, the coverage by energy certificates remains stable at a high level despite a volatile portfolio.

**TAB. 57: TEMPLATE 2: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY – ENERGY EFFICIENCY OF THE COLLATERAL**

Counterparty sector		a	b	c	d	e	f	g
		Total gross carrying amount (in €m)						
		Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	
1	<b>Total EU area</b>	4,271	1,195	1,474	502	371	105	85
2	Of which Loans collateralised by commercial immovable property	4,158	1,121	1,442	501	371	105	85
3	Of which Loans collateralised by residential immovable property	114	74	32	1	-	-	-
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
5	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	224	33	86	105	-	-	-
6	<b>Total Non-EU area</b>	334	73	52	23	3	2	0
7	Of which Loans collateralised by commercial immovable property	334	73	52	23	3	2	0
8	Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
10	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	-	-	-	-	-	-	-

		h	i	j	k	l	m	n	o	p
		Total gross carrying amount (in €m)								
Counterparty sector		Level of energy efficiency (EPC label of collateral)							Without EPC Label of collateral	
		A	B	C	D	E	F	G	Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	
1	<b>Total EU area</b>	2,720	205	191	131	82	28	375	540	5.3%
2	Of which Loans collateralised by commercial immovable property	2,682	195	164	120	76	12	375	533	5.0%
3	Of which Loans collateralised by residential immovable property	38	10	27	11	5	16	1	7	13.4%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-
5	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated								-	100%
6	<b>Total Non-EU area</b>	126	15	4	5	0	3	2	181	0.0%
7	Of which Loans collateralised by commercial immovable property	126	15	4	5	0	3	2	181	0.0%
8	Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-
10	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated								-	100%

**Banking book: Indicators of potential climate change transition risk: Alignment metrics**

Hamburg Commercial Bank discloses in template 3 information on its efforts to align with the goals of the Paris Agreement for selected sectors. The statements refer to the net-zero scenario of the International Energy Agency (IEA) by 2050, which sets a target for a

CO2 intensity indicator for the year 2030. Column f is intended to show the current gap between various sectors and the IEA's specified scenario in 2030. The disclosure is made for each significant sector portfolio for loans, debt securities and equity instruments with the corresponding gross carrying amounts and the relative CO2 values.

**TAB. 58: TEMPLATE 3: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS**

	a	b	c	d	e	f	g
	Sector	NACE Sectors	Portfolio gross carrying amount (in €m)	Alignment metric <sup>1</sup>	Year of reference	Distance to IEA NZE 2050 in % <sup>2</sup>	Target (Year of reference + 3 years)
1	Power	35.11	1,272	Physical emission intensity [0.0 g CO <sub>2</sub> e / kWh]	2025	-100 %	115 g CO <sub>2</sub> e / kWh
2	Maritime transport	50.2	2,148	Physical emission intensity [9.7 g CO <sub>2</sub> e / t <sub>nm</sub> (TTW)]	2025	+19.8 %	7.8 g CO <sub>2</sub> e / t <sub>nm</sub> (WTW)
3	Real estate	68	5,388	Physical emission intensity [47.7 kg CO <sub>2</sub> e / m <sup>2</sup> _a]	2025	+45 %	34.7 kg CO <sub>2</sub> e / m <sup>2</sup> _a

<sup>1</sup> Value as at 31.12.2025 added

<sup>2</sup> Time gap to the NZE2050 scenario for 2030 in %

Template 3 is used to report the bank's alignment with the relevant sector decarbonization pathways and a short-term target for certain sectors.

To this end, the greenhouse gas-intensive industries in the portfolio were identified and – where material – sector-specific decarbonization pathways for their physical emissions intensity were derived on the basis of the IEA's "Net Zero 2050" scenario. The use of specific physical emission intensities of the financed economic activities allows the best possible comparison with the sector-specific ambition levels that can be derived from the respective decarbonization requirements. The relevant sectors in the Bank's financing portfolio classified as particularly emissions-intensive as at the reporting date are electricity generation and shipping.

Furthermore, the real estate sector was also included in the disclosure as the largest financing segment of HCOB in terms of amount. In addition to NACE sector 68, the statement for this sector also includes real estate financing for counterparties in NACE sectors 41 and 64.

When determining the average physical emission values, the total Scope 1 and Scope 2 emissions of the financed companies, projects and assets were used and

set in relation to the respective physical reference value. The weighting was based on the financing share. For the calculation methodology for determining total emissions in accordance with the PCAF standard, please refer to the explanations on template 1. The sectoral decarbonization pathways used are based on data and ambition levels from the IEA (electricity generation), IMO (shipping) and CRREM (real estate).

The Bank's short-term targets for physical emission intensities in 2028 shown in column g of the reporting form are based on the actual values for the shipping and real estate sectors and quantify the issuance intensity targeted by the Bank and considered achievable for the current portfolio composition at the reporting date. Future changes in the portfolio mix, i.e. according to types and sizes for ships or countries and types of use for real estate, were not taken into account in the formulation of the targets, but the current portfolio mix was assumed. In the electricity generation sector, on the other hand, in which HCOB's financing portfolio consists almost entirely of renewable energies as of the reporting date, the stated value is to be interpreted less as a target value in the narrower sense than as a maximum value. This was discretionarily set to the interpolated IEA reference value.

**Banking book: Indicators of potential climate change transition risk: Exposure to top 20 carbon-intensive firms**

Template 4 discloses aggregate information on exposures towards the most carbon-intensive counterparties in the world. That includes loans and advances, debt securities and equity instruments. Our data source is the Climate Accountability Institute to identify the largest 20 greenhouse gas emitters. There, the

top 20 are available under "Carbon Majors: 2023 Data Update". These are currently available for 2023 (as of March 2025). Hamburg Commercial Bank has only limited risk positions vis-à-vis CO2-intensive companies. This is one subsidiary of the top 20. The financing is in accordance with the Bank's current sector restrictions.

**TAB. 59: TEMPLATE 4: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: EXPOSURES TO TOP 20 CARBON INTENSIVE FIRMS**

	a	B	c	d	e
	Gross carrying amount (aggregate) (in €m)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	3	0.01%		0.0	1

\*For counterparties among the top 20 carbon emitting companies in the world

**Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk**

Template 5 discloses gross carrying amounts (acute, chronic as well as acute and chronic) for loans and advances, debt securities and equity instruments depending on the economic sectors according to the NACE classification that are disposed to physical risk. This is broken down into maturity bands, acute, chronic and acute and chronic risks as well as non-performing risk positions and cumulative impairments. The data is taken from FINREP with the exception of the columns h to j.

The table has been compiled on a best effort basis in accordance with the assessment results from HCOB's risk inventory process taking into account the complexity of the physical risk assessment itself as well as different level of data quality and availability.

Acute physical risks are defined as risks stemming from extreme weather events and climate induced natural disaster like floodings, storms or fires that may occur once in the planning horizon and cause damages. Chronic physical risks are natural disaster events of permanent character (sea level rise).

Template 5 includes all exposures with a high physical risk.

To estimate physical risk for real estate and wind- / solar parks, HCOB uses insurance data as a source to analyse financial risks of natural hazards. E.g. the following risk types are appraisable to assess acute risks: wind, hurricane, hail, wildfire, river flood, pluvial flood and storm surge. Among the chronic risks, sea level rise is considered relevant.

Physical risk for the shipping sector is judged by using Clarksons "World Fleet Register" and information provided by the European Maritime Safety Agency (EMSA). These contain information on losses in shipping through natural hazards.

Otherwise HCOB uses the customer-specific insights on chronic and acute physical risks obtained by the ESG Scoring Tool, which are condensed into an overall physical risk classification. The condensed results from the scoring are conservatively classified as acute risk for purposes of this report.<sup>17</sup>

If it is not possible to receive detailed data on physical risk or a sector is esteemed as particular sensitive, Hamburg Commercial Bank classifies the whole sector as acute exposed to physical risk (e.g. agriculture).

Since the aggregated amount of exposure with high physical risk is relatively low compared to the balance sheet volume of the Bank, Hamburg Commercial Bank does not provide a breakdown by geography.

<sup>17</sup> No filling of columns h and j in: "Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical

risk" for segments assessed with the ESG scoring as no adequate information is available about the risk degree of chronic hazards.

**TAB. 60: TEMPLATE 5: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK**

a	b	c	d	e	f	g	h	i	j
	<b>Gross carrying amount (€m)</b>								
	of which exposures sensitive to impact from climate change physical events								
	Breakdown by maturity bucket								
		<= 5 years	> 5 Jahre <= 10 years	> 10 Jahre <= 20 years	> 20 years	Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute cli- mate change events	of which exposures sensitive to impact both from chronic and acute climate change events
<b>Variable:</b>									
1	A – Agriculture, forestry and fishing	-	-	-	-	-	-	-	-
2	B – Mining and quarrying	90	-	-	-	-	n/a	-	n/a
3	C – Manufacturing	416	-	-	-	-	n/a	-	n/a
4	D – Electricity, gas, steam and air conditioning supply	1,310	-	-	-	-	n/a	-	n/a
5	E – Water supply; sewerage, waste management and remediation activities	157	38	0	-	3.66	n/a	38	n/a
6	F – Construction	427	-	-	-	-	n/a	-	n/a
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	173	2	-	-	1.00	n/a	2	n/a
8	H – Transportation and storage	2,550	-	-	-	-	n/a	-	n/a
9	L – Real estate activities	4,392	127	-	-	0.70	-	127	-
10	Loans collateralised by residential immovable property	114	-	-	-	-	-	-	-
11	Loans collateralised by commercial immovable property	4,492	126	-	-	0.69	-	126	-
12	Reposessed collaterals	-	-	-	-	-	-	-	-
13	Other relevant sectors	14,387	2	-	-	1.00	n/a	2	n/a

a		k	l	m	n	o
		<b>Gross carrying amount (€m)</b>				
		of which exposures sensitive to impact from climate change physical events				
		Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	of which Stage 2 exposures	
of which Stage 2 exposures	Of which non-performing exposures					
1	A – Agriculture, forestry and fishing	-	-	-	-	-
2	B – Mining and quarrying	-	-	-	-	-
3	C – Manufacturing	-	-	-	-	-
4	D – Electricity, gas, steam and air conditioning supply	-	-	-	-	-
5	E – Water supply; sewerage, waste management and remediation activities	-	-	0	-	-
6	F – Construction	-	-	-	-	-
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	-	-	0	-	-
8	H – Transportation and storage	-	-	-	-	-
9	L – Real estate activities	1	-	0	0	-
10	Loans collateralised by residential immovable property	-	-	-	-	-
11	Loans collateralised by commercial immovable property	-	-	0	-	-
12	Repossessed collaterals	-	-	-	-	-
13	Other relevant sectors	2	-	0	0	-

### Templates 6 to 10

For the period from the cut-off date of 30 June 2025, this information is no longer to be disclosed, according to an EBA opinion in the form of a no-action letter

published on 5 August 2025 (EBA/Op/2025/11). The details are explained in the introduction to Chapter M ESG Risks.

# O Notes

## I Own funds according to Article 437 CRR

TAB. 61: EU CC1: COMPOSITION OF REGULATORY OWN FUNDS (€M)

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts	1,842	EU CC2 row 5 + 6
2	Retained earnings	1,821	EU CC2 row 8 + 9
3	Accumulated other comprehensive income (and other reserves)	121	EU CC2 row 10 + 11 + 12
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	EU CC2 row 13
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>3,785</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	-10	
8	Intangible assets (net of related tax liability) (negative amount)	-75	EU CC2 row 1
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-209	EU CC2 row 2
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-227	EU CC2 row 3
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	EU CC2 row 2
22	Amount exceeding the 17.65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	

27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	-1,107	
<b>28</b>	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-1,628</b>	
<b>29</b>	<b>Common Equity Tier 1 (CET1) capital</b>	<b>2,156</b>	
<b>Additional Tier 1 (AT1) capital: instruments</b>			
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
<b>36</b>	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>-</b>	
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
<b>43</b>	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>-</b>	
<b>44</b>	<b>Additional Tier 1 (AT1) capital</b>	<b>-</b>	
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>2,156</b>	
<b>Tier 2 (T2) capital: instruments</b>			
46	Capital instruments and the related share premium accounts	574	EU CC2 row 4
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	33	
<b>51</b>	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>607</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
56b	Other regulatory adjustments to T2 capital	-	

57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	607	
59	Total capital (TC = T1 + T2)	2,764	
60	Total risk exposure amount	13,054	
<b>Capital ratios and requirements including buffers</b>			
61	Common Equity Tier 1	16.52	
62	Tier 1	16.52	
63	Total capital	21.17	
64	Institution CET1 overall capital requirements	8.98	
65	of which capital conservation buffer requirement	2.50	
66	of which countercyclical capital buffer requirement	0.80	
67	of which systemic risk buffer requirement	0.01	
EU-67a	of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.16	
68	<b>Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements</b>	<b>8.97</b>	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	102	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	0	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	207	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	76	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	40	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	33	

**TAB. 62: EU CC2: RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS (€M)**

		a	b	c	
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference	Cause of difference to EU CC1
<b>Assets - Breakdown by asset classes according to the balance sheet in the published financial statements</b>					
1	Intangible Assets	77	77	EU CC1 line 8	Regulatory netting of deferred tax liabilities
2	Deferred tax assets	393	378	EU CC1 line 10 + 21	Regulatory differences in the netting of deferred tax liabilities and the split into non-temporary differences and temporary differences
3	Other assets of which: Capitalised plan assets	248	248	EU CC1 line 15	Regulatory netting of deferred tax liabilities
	<b>Total assets</b>	<b>718</b>	<b>704</b>		
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements</b>					
4	Subordinated capital	895	895	EU CC1 line 46	Six bonds no longer eligible for regulatory purposes since June 2025 and amortisation during the last five years of maturity in line with Article 64 CRR
	<b>Total liabilities</b>	<b>895</b>	<b>895</b>		
<b>Shareholders' Equity</b>					
5	Share capital	302	302	EU CC1 line 1	
6	Capital reserve	1,540	1,540	EU CC1 line 1	
7	Retained earnings	1,891	1,886		
8	of which: other retained earnings	1,059	1,044	EU CC1 line 2	
9	of which: group reserve	767	778	EU CC1 line 2	
10	of which: cumulative gains and losses arising from the revaluation of net defined benefit liabilities recognised in OCI incl. deferred taxes	65	65	EU CC1 line 3	
11	Revaluation reserve	59	59	EU CC1 line 3	No consideration of credit risk-induced changes in the value of liabilities designated at fair value
12	Currency conversion reserve	0	0	EU CC1 line 3	
13	Group net result	165	167	EU CC1 line EU-5a	Profit not eligible for regulatory purposes
	<b>Total shareholders' equity</b>	<b>3,956</b>	<b>3,954</b>		

## II Main features of regulatory own funds instruments and eligible liabilities instruments

**TAB. 63: EU CCA: MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS**

1	Issuer	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG
2	Unique identifier	DE0003303996	XS0096688881	XS0098835761
2a	Public or private placement	private	public	public
3	Governing law(s) of the instrument	German law	English law	English law
3a	Contractual recognition of write down and conversion powers of resolution authorities	no	yes	yes
<b>Regulatory treatment</b>				
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1 capital	Supplementary capital	Supplementary capital
5	Post-transitional CRR rules	Common Equity Tier 1 capital	Supplementary capital	Supplementary capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share capital	Bearer bonds	Bearer bonds
8	Amount recognised in regulatory capital or eligible liabilities (in EURm)	301.8	37.2	16.8
9	Nominal amount of instrument (in currency)	301.8 (EURm)	37.6 (EURm)	20 (EURm)
9	Nominal amount of instrument (in EURm)	301.8	37.6	20.0
EU-9a	Issue price	N/A	100.0	100.0
EU-9b	Redemption price	N/A	100.0	100.0
10	Accounting classification	Share capital	Liabilities – amortised cost value	Liabilities – amortised cost value
11	Original date of issuance	02.06.2003	26.04.1999	29.06.1999
12	Perpetual or dated	Unlimited	With expiry date	With expiry date
13	Original maturity date	No maturity	26.04.2038	29.06.2029
14	Issuer call subject to prior supervisory approval	no	yes	yes
15	Optional call date, contingent call dates and redemption amount	no	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond
16	Subsequent call dates, if applicable	N/A	N/A	N/A
<b>Coupons / dividends</b>				
17	Fixed or floating dividend/coupon	Variable	Fixed	Fixed
18	Coupon rate and any related index	N/A	5.38 %	5.00 %
19	Existence of a dividend stopper	no	no	no
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory	mandatory	mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory	mandatory	mandatory
21	Existence of step up or other incentive to redeem	no	no	no
22	Noncumulative or cumulative	not cumulative	not cumulative	not cumulative
23	Convertible or not-convertible	non-convertible	non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible: conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	no	no	no
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Supplementary capital	Senior unsecured	Senior unsecured
36	Non-compliant transitioned features	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A

1	Issuer	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG
2	Unique identifier	XS0104723266	XS0105720881	XS0119368495
2a	Public or private placement	public	public	public
3	Governing law(s) of the instrument	English law	English law	English law
3a	Contractual recognition of write down and conversion powers of resolution authorities	yes	yes	yes
<b>Regulatory treatment</b>				
4	Current treatment taking into account, where applicable, transitional CRR rules	Supplementary capital	Supplementary capital	Supplementary capital
5	Post-transitional CRR rules	Supplementary capital	Supplementary capital	Supplementary capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Bearer bonds	Bearer bonds	Variable bearer bonds (FRN)
8	Amount recognised in regulatory capital or eligible liabilities (in EURm)	73.9	52.6	48.2
9	Nominal amount of instrument (in currency)	74 (EURm)	64 (EURm)	50 (EURm)
9	Nominal amount of instrument (in EURm)	74.0	64.0	50.0
EU-9a	Issue price	100.0	100.0	99.7
EU-9b	Redemption price	100.0	100.0	100.0
10	Accounting classification	Liabilities - amortised cost value	Liabilities - amortised cost value	Liabilities - amortised cost value
11	Original date of issuance	25.11.1999	17.01.2000	25.10.2000
12	Perpetual or dated	With expiry date	With expiry date	With expiry date
13	Original maturity date	25.11.2039	17.01.2030	25.10.2030
14	Issuer call subject to prior supervisory approval	yes	yes	yes
15	Optional call date, contingent call dates and redemption amount	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond
16	Subsequent call dates, if applicable	N/A	N/A	N/A
<b>Coupons/Dividends</b>				
17	Fixed or floating dividend/coupon	Variable	Variable	Variable
18	Coupon rate and any related index	EURIBOR03M + 0.38 %	EURIBOR06M + 0.36 %	EURIBOR03M + 0.36 %
19	Existence of a dividend stopper	no	no	no
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory	mandatory	mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory	mandatory	mandatory
21	Existence of step up or other incentive to redeem	no	no	no
22	Noncumulative or cumulative	not cumulative	not cumulative	not cumulative
23	Convertible or not-convertible	non-convertible	non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible: conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	no	no	no
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured	Senior unsecured	Senior unsecured
36	Non-compliant transitioned features	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A

1	Issuer	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG
2	Unique identifier	XS0119436326	XS0119502994	XS0121146137
2a	Public or private placement	public	public	public
3	Governing law(s) of the instrument	English law	English law	English law
3a	Contractual recognition of write down and conversion powers of resolution authorities	yes	yes	yes
<b>Regulatory treatment</b>				
4	Current treatment taking into account, where applicable, transitional CRR rules	Supplementary capital	Supplementary capital	Supplementary capital
5	Post-transitional CRR rules	Supplementary capital	Supplementary capital	Supplementary capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Variable bearer bonds (FRN)	Variable bearer bonds (FRN)	Bearer bonds
8	Amount recognised in regulatory capital or eligible liabilities (in EURm)	48.3	80.1	35.2
9	Nominal amount of instrument (in currency)	50 (EURm)	80 (EURm)	35 (EURm)
9	Nominal amount of instrument (in EURm)	50.0	80.0	35.2
EU-9a	Issue price	99.3	100.0	100.6
EU-9b	Redemption price	100.0	100.0	100.0
10	Accounting classification	Liabilities - amortised cost value	Liabilities - amortised cost value	Liabilities - amortised cost value
11	Original date of issuance	30.10.2000	30.10.2000	06.12.2000
12	Perpetual or dated	With expiry date	With expiry date	With expiry date
13	Original maturity date	30.10.2030	30.10.2040	06.12.2030
14	Issuer call subject to prior supervisory approval	yes	yes	yes
15	Optional call date, contingent call dates and redemption amount	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond
16	Subsequent call dates, if applicable	N/A	N/A	N/A
<b>Coupons/Dividends</b>				
17	Fixed or floating dividend/coupon	Variable	Variable	Fixed
18	Coupon rate and any related index	EURIBOR03M + 0.33 %	EURIBOR03M + 0.38 %	6,44 %
19	Existence of a dividend stopper	no	no	no
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory	mandatory	mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory	mandatory	mandatory
21	Existence of step up or other incentive to redeem	no	no	no
22	Noncumulative or cumulative	not cumulative	not cumulative	not cumulative
23	Convertible or not-convertible	non-convertible	non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible: conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	no	no	no
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured	Senior unsecured	Senior unsecured
36	Non-compliant transitioned features	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A

1	Issuer	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG
2	Unique identifier	XS0122546442	XS0122825754	XS0123007279
2a	Public or private placement	public	public	public
3	Governing law(s) of the instrument	English law	English law	English law
3a	Contractual recognition of write down and conversion powers of resolution authorities	yes	yes	yes
<b>Regulatory treatment</b>				
4	Current treatment taking into account, where applicable, transitional CRR rules	Supplementary capital	Supplementary capital	Supplementary capital
5	Post-transitional CRR rules	Supplementary capital	Supplementary capital	Supplementary capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Bearer bonds	Bearer bonds	Variable bearer bonds (FRN)
8	Amount recognised in regulatory capital or eligible liabilities (in EURm)	15.4	19.5	4.9
9	Nominal amount of instrument (in currency)	18.4 (USDm)	22.7 (USDm)	5 (EURm)
9	Nominal amount of instrument (in EURm)	15.7	19.3	5.0
EU-9a	Issue price	100.0	100.0	100.0
EU-9b	Redemption price	100.0	100.0	100.0
10	Accounting classification	Liabilities - amortised cost value	Liabilities - amortised cost value	Liabilities - amortised cost value
11	Original date of issuance	29.12.2000	22.01.2001	12.01.2001
12	Perpetual or dated	With expiry date	With expiry date	With expiry date
13	Original maturity date	29.12.2030	05.01.2040	01.12.2030
14	Issuer call subject to prior supervisory approval	yes	yes	yes
15	Optional call date, contingent call dates and redemption amount	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond
16	Subsequent call dates, if applicable	N/A	N/A	N/A
<b>Coupons/Dividends</b>				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Variable
18	Coupon rate and any related index	5.29 %	5.96 %	EURIBOR03M + 0.36 %
19	Existence of a dividend stopper	no	no	no
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory	mandatory	mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory	mandatory	mandatory
21	Existence of step up or other incentive to redeem	no	no	no
22	Noncumulative or cumulative	not cumulative	not cumulative	not cumulative
23	Convertible or not-convertible	non-convertible	non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible: conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	no	no	no
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured	Senior unsecured	Senior unsecured
36	Non-compliant transitioned features	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A

1	Issuer	Hamburg Commercial Bank AG	Hamburg Commercial Bank AG
2	Unique identifier	XS0124807099	XS0126551695
2a	Public or private placement	public	public
3	Governing law(s) of the instrument	English law	English law
3a	Contractual recognition of write down and conversion powers of resolution authorities	yes	yes
<b>Regulatory treatment</b>			
4	Current treatment taking into account, where applicable, transitional CRR rules	Supplementary capital	Supplementary capital
5	Post-transitional CRR rules	Supplementary capital	Supplementary capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and (partially) consolidated	Solo and (partially) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Bearer bonds	Bearer bonds
8	Amount recognised in regulatory capital or eligible liabilities (in EURm)	21.4	120.8
9	Nominal amount of instrument (in currency)	25 (USDm)	143 (USDm)
9	Nominal amount of instrument (in EURm)	21.3	121.7
EU-9a	Issue price	100.5	100.5
EU-9b	Redemption price	100.0	100.0
10	Accounting classification	Liabilities - amortised cost value	Liabilities - amortised cost value
11	Original date of issuance	19.02.2001	21.03.2001
12	Perpetual or dated	With expiry date	With expiry date
13	Original maturity date	19.02.2031	21.03.2031
14	Issuer call subject to prior supervisory approval	yes	yes
15	Optional call date, contingent call dates and redemption amount	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond	Possibility of termination in the event that a change in taxation of interest payments leads to additional payments to the holders of the bond
16	Subsequent call dates, if applicable	N/A	N/A
<b>Coupons/Dividends</b>			
17	Fixed or floating dividend/coupon	Fixed	Variable
18	Coupon rate and any related index	5.77 %	SOFR + 0.66661 %
19	Existence of a dividend stopper	no	no
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory	mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory	mandatory
21	Existence of step up or other incentive to redeem	no	no
22	Noncumulative or cumulative	not cumulative	not cumulative
23	Convertible or not-convertible	non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible: conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	no	no
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured	Senior unsecured
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A

## P List of abbreviations

AIRB	Advanced Internal Ratings Based (advanced IRB)
AMM	Additional Monitoring Metrics for Liquidity Reporting
ASF	Available stable funding
O-SII	Other systemically important institution
AT1	Additional Tier 1 Capital
BaFin	German Federal Financial Supervisory Authority ( <i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> )
BCBS	Basel Committee on Banking Supervision
CCF	Credit conversion factor
CCP	Central counterparty
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CLO	Collateralised loan obligation
CM	Capital Markets
COREP	Common Solvency Ratio Reporting
CRO	Chief Risk Officer
CRSA	Credit Risk Standardised Approach
CRR	Capital Requirements Regulation
CSR Report	Corporate Social Responsibility Report
CVA	Credit Valuation Adjustment
EAD	Exposure at Default
EBA	European Banking Authority
ECAI	External Credit Assessment Institution (rating agency)
ECB	European Central Bank
EL	Expected Loss
ESG	Environmental, Social, Governance
FINREP	Financial Reporting
FIRB	Foundation Internal Ratings Based (foundation IRB)
Fitch	Fitch Ratings
FRC	Franchise Committee
FRN	Floating Rate Note
FV	Fair Value
FVPL	Fair Value through Profit or Loss
FX risk	Currency risk
GHG	green house gas
GL	Guideline
HGB	German Commercial Code ( <i>Handelsgesetzbuch</i> )
HQLA	High Quality Liquid Assets
IAS	International Accounting Standards
ICRE	International Commercial Real Estate
IFRS	International Financial Reporting Standard
ILAAP	Internal Liquidity Adequacy Assessment Process
IRB	Internal Rating Based
IRBA	Internal Rating Based Approach
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association
KfW	Kreditanstalt für Wiederaufbau (German state-owned development bank)
KWG	German Banking Act ( <i>Kreditwesengesetz</i> )
LMP	Liquidity maturity profile
LCH	London Clearing House
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LVaR	Liquidity Value at Risk
MaRisk	Minimum Requirements for Risk Management ( <i>Mindestanforderungen an das Risikomanagement</i> )
Moody's	Moody's Investors Service
NFRD	Non-Financial Reporting Directive

NPL	Non-performing loan
NSFR	Net stable funding ratio
OTC	Over the counter
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of default
PRB	Principles for Responsible Banking
QCCP	Qualified central counterparty
RC	Risk Control
RSF	Required Stable Funding
RWEAs	Risk-weighted assets
RWEA	Risk-weighted exposure amount
SC	Sustainability Committee
SEC-ERBA	Securitisation - External Ratings-Based Approach
SEC-IRBA	Securitisation - Internal Ratings-Based Approach
SEC-SA	Securitisation - Standardised Approach
SFT	Securities Financing Transactions
SIR	Sparkassen-Immobilien-GeschäftsRating
SMEs	Small and medium-sized enterprises
SolvV	German Solvency Regulation ( <i>Solvabilitätsverordnung</i> )
SPC	Special purpose company
SPV	Special purpose vehicle
SR	S Rating und Risikosysteme GmbH
SRF	Strategic risk framework
S&P	Standard & Poor's
TREA	Total risk exposure amount
T1	Tier 1 capital
T2	Tier 2 capital (supplementary capital)
VaR	Value-at-Risk

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