

Financial Report 2025

Financial Report of Hamburg Commercial Bank AG 2025



Hamburg
Commercial
Bank

Contents

Combined Management Report

3	Basis
3	Business activities
6	Objectives and strategy
10	Management system
12	Economic report
12	Underlying economic and industry conditions
18	Business development – significant developments and events in the 2025 reporting year
21	Earnings, net assets and financial position
32	Segment results
37	Forecast, opportunities and risks report
37	Forecast, opportunities and risks report
45	Risk report
76	Notes to the annual financial statements of Hamburg Commercial Bank AG prepared in accordance with the German Commercial Code (HGB)
83	Statement on corporate governance pursuant to Section 289f (4) of the German Commercial Code (HGB)
84	Sustainability Statement
85	General information
112	Environmental information
153	Social information
178	Governance information

Annual financial statement

231	Balance sheet
235	Income Statement
237	Notes
237	General information and notes
257	Notes on the balance sheet
270	Notes on the income statement
274	Other disclosures
301	Audit opinion of the independent auditor
309	Assurance report of the independent auditor on the Group Sustainability Statement
313	Responsibility statement by the Management Board
314	Contact and Imprint

Information on the combined management report

To improve the clarity of presentation, the management reports of Hamburg Commercial Bank AG and the Hamburg Commercial Bank Group have been combined in accordance with Section 315 (5) of the German Commercial Code (HGB) in conjunction with Section 298 (2) HGB. The management report contains the Sustainability Statement for Hamburg Commercial Bank AG and for the Hamburg Commercial Bank Group, which have also been summarized in accordance with Section 315b (1) HGB in conjunction with Section 298 (2) HGB. The annual and Group financial statements of Hamburg Commercial Bank (including the combined management report) will be jointly submitted to the operator of the German Federal Gazette and published in the Company Register. In addition, the annual and Group financial statements of Hamburg Commercial Bank are available on the Internet at www.hcob-bank.com. The following information in the combined management report relates to the Hamburg Commercial Bank Group as a general rule; in the event of material differences with regard to Hamburg Commercial Bank AG, separate explanations are provided. Due to rounding, slight differences may occur in totals and percentages in this report.

Basis of the Group

Business activities

Headquarters, clients, and products

Hamburg Commercial Bank (HCOB) has its headquarters in Hamburg and is organized in the legal form of a German stock corporation (AG). As a German private commercial bank and specialized lender, HCOB offers tailor-made financing solutions for its often long-standing business customers in its home market of Germany and in Europe. The Bank is involved in commercial real estate financing, the financing of shipping clients, project financing (with the energy and infrastructure business areas), and business with corporate clients. HCOB offers its clients a broad range of products, which includes individual and customized financing solutions as well as suitable hedging instruments for their interest rate, currency, liquidity and risk management.

The Bank also offers digital products and services that enable reliable and prompt payment processing in Germany and abroad (payment services) as well as trade finance. HCOB is guided by established ESG criteria and has firmly integrated sustainability aspects into its business model. In this way, HCOB supports its customers in the transition to a more sustainable future.

Segments and locations

HCOB's operating business activities are divided into four lending-oriented segments, Real Estate, Global Transportation, Project Finance, and Corporates (collectively referred to as "Lending Units"), as well as the Treasury & Group Functions segment, which includes the capital market activities as well as with the staff and service functions. The Global Transportation segment includes the activities in the Shipping and Aviation areas. The Aviation business area was sold in 2025 as part of the strategic focus. Further information on the strategic focus undertaken in the first half of 2025 can be found in the "Objectives and strategy" section of this chapter. The structure of the segments, a description of the business areas they contain, and the business strategies pursued in the segments are described in this chapter in the section entitled "Strategic direction for the segments". The "Segment results" section in the economic report contains explanations on the development of results in the segments.

The Bank has branches abroad, namely in London, Luxembourg, and Piraeus, and a representative office in Amsterdam. In the Piraeus branch and the representative office in Amsterdam, the Bank serves international shipping customers. The focus of the branch in London is on sales in the areas of Corporate Lending (international) and Project Finance. The London branch is currently also responsible for sales in the international real estate business, which will be discontinued in future as part of the strategic focus. In the Luxembourg branch, the emphasis is on business management in the Corporate Lending (international) and Structured Portfolio Finance business areas. The subsidiary Klarphos, S.à.r.l., which provides asset management services, is also based in Luxembourg. The Aviation business area, which was discontinued in 2025, was managed from the branches in London and Luxembourg. In Germany, the Bank has offices not only in Hamburg, but also in Berlin, Düsseldorf, Kiel, Frankfurt am Main, Munich, and Stuttgart. The international branches listed above make a significant contribution to the Bank's strategic focus.

Equity holdings and scope of consolidation

In addition to the parent company HCOB AG, the scope of consolidation for the consolidated financial statements comprised 14 fully consolidated subsidiaries as at the reporting date (December 31, 2024: 13). There was one addition to the group of fully consolidated companies in the reporting period. There were no disposals.

The addition relates to the company Pemberton Volkspark Unlevered Direct Lending Fund, SCSp (Pemberton), which was founded during the reporting year and is based in Luxembourg. Pemberton is a special fund (loan fund) whose primary business purpose lies in providing senior secured debt, with a focus on borrowers from Northern and Western Europe.

Further details on the aforementioned change in the scope of consolidation, which had no material effect on the Group's net assets, financial position, and results of operations, can be found in Note 3 "Scope of consolidation" in the notes to the consolidated financial statements.

Ownership structure

Since November 28, 2018, HCOB has been owned by renowned, globally active, institutional private investors that have a high level of expertise in the banking business, in particular. The ownership structure as at December 31, 2025, was as follows (percentages rounded):

Ownership structure

Several funds initiated by Cerberus Capital Management, L.P.	Promontoria Lux Holding 221 S.à r.l. 9.21 %	39.61 %
	Promontoria Lux Holding 231 S.à r.l. 12.94 %	
	Promontoria Lux Holding 223 S.à r.l. 17.46 %	
A fund advised by J.C. Flowers & Co. LLC	JFC IV Neptun Holdings S.à r.l.	32.77 %
A fund initiated by Golden Tree Asset Management LP	Golden Tree Asset Management Lux S.à r.l.	11.75 %
Centaurus Capital LP	Chi Centauri LLC	7.04 %
BAWAG P.S.K. (including P.S.K. Beteiligungsverwaltung GmbH) Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft		2.35 %
HCOB Members of the governing bodies and senior management of the Bank (since Nov. 2018, active and inactive members)		6.49 %

Management Board of Hamburg Commercial Bank AG

The Management Board of HCOB AG temporarily consisted of six members as at December 31, 2025. Since January 1, 2026, the Management Board consists of four members and is composed as follows: Luc Popelier (CEO), Marc Ziegner (CFO), Jens Thiele (CIO), and Reinout van Riel (CRO). In addition to his role as CFO, Marc Ziegner has been appointed Deputy CEO with effect from January 1, 2026.

The former CRO and Deputy CEO Ulrik Lackschewitz and the former CIO Christopher Brody have resigned from their Management Board positions with the consent of the Supervisory Board with effect from the end of December 31, 2025, and have left the Management Board.

Jens Thiele, formerly HCOB's general representative, was appointed to the Management Board with effect from October 1, 2025, and, after a transition phase, succeeded Christopher Brody as CIO on January 1, 2026. He is responsible for the Bank's client business. Reinout van Riel has been a member of the Management Board since November 14, 2025, and has held the position of CRO since January 1, 2026.

The early appointments of a new CRO and CIO, against the background of expiring mandates, aims to ensure a stable management structure and continuity in a phase of strategic focus. Further information on the members of corporate bodies is set out in Note 57 (Related parties).

Deposit Protection Fund

Hamburg Commercial Bank AG has been assigned to the Compensation Scheme of German Private Banks (Entschädigungseinrichtung deutscher Banken GmbH, EdB) since January 1, 2022. EdB is entrusted with the task of acting as the statutory compensation scheme for all CRR credit institutions assigned to it. The EdB generally protects deposits up to € 100,000 per Hamburg Commercial Bank AG depositor.

Since January 1, 2022, HCOB has also voluntarily participated in the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverband deutscher Banken e.V.) (ESF). In accordance with its By-laws, the ESF protects deposits of certain HCOB customers, subject to the exceptions provided therein. Protected deposits are essentially demand, time and savings deposits that have been accepted at a domestic head office or branch office.

In the Deposit Protection Fund, the following protection ceilings per creditor have applied since January 1, 2025:

- For natural persons and foundations with legal capacity, these apply irrespective of the term of the deposit: € 3 million (from January 1, 2030: € 1 million).
- For non-financial companies, non-profit organizations, associations and non-profit professional organizations, and other creditors referred to in Section 6 (3) of the By-laws of the Deposit Protection Fund: € 30 million (from January 1, 2030: € 10 million).
- The maximum amount of the protection ceiling in any case is 8.75 % of the Bank's own funds according to the calculation under the ESF By-laws.

For deposits protected until the end of December 31, 2022, the protection ceilings applicable at that time shall generally continue to apply until the deposit matures, is rolled over or can be cancelled by the customer for the first time, or is transferred to a foreign branch or branch office. For deposits established or rolled over after December 31, 2022, the relevant new protection ceilings shall apply as of the above cut-off dates.

The compensation shall be based on the protection ceiling which has been notified to the Bank as the result of the assessment made by the Auditing Association of German Banks (Prüfungsverband deutscher Banken e.V.) and which is available on the internet at www.bankenverband.de. The protection ceiling shall be notified to the customer by the Bank on request. Not protected are, in particular, deposits of financial firms, public authorities including regional and local authorities, deposits that have arisen in connection with money laundering or terrorist financing, and bearer bonds. For non-financial companies, non-profit organizations, and associations, the deposits with a term of more than twelve months and liabilities from promissory notes loans, registered bonds, and comparable debt instruments under foreign law shall not be protected.

Liabilities of banks that were protected until the end of December 31, 2022, in accordance with Section 6 of the version of the By-laws of the Deposit Protection Fund registered with the Register of Associations (Vereinsregister) on November 18, 2021, shall generally continue to be protected as provided for thereunder. Departing therefrom, liabilities of Hamburg Commercial Bank AG that existed before October 1, 2017, shall not be grandfathered, as the Bank was not a member of the ESF at that point in time. After December 31, 2022, the grandfathered status shall cease to apply as soon as the liability concerned falls due, can be terminated or otherwise reclaimed, or if the liability is transferred by way of singular or universal succession or is transferred to a foreign branch.

External influencing factors and processes

The following aspects are of particular relevance to HCOB's business: the development of geopolitics/the economy and the financial markets (including interest rate levels, inflation, EUR/USD exchange rate changes), developments in the relevant sectors such as the real estate market and shipping, regulatory requirements and discretionary decisions by the supervisory authorities, and assessments by rating agencies and capital market participants and other stakeholders, such as the Association of German Banks (BdB).

HCOB has defined processes within its business organization that form the basis for operating and managing the Bank as well as for its internal control system. Along the value chain, these processes can be divided into management, value creation and support processes. Key management processes include the strategy process and the processes within risk management and Overall Bank management. The latter include the integrated planning process as well as the Bank's income and cost management. The management processes are followed by the value creation processes, which primarily comprise the sales process, the lending business (including new lending business and loan portfolio management), and the Bank's capital market activities. The key support processes include processes in payment transactions, IT (including information security), and processes in compliance, human resources, legal, and tax.

Objectives and strategy

The overarching strategic objective of HCOB is to continuously develop its sustainably profitable and consistently customer-centric business model and thereby create real added value: for its customers, for the Bank, for its employees, for its shareholders, and for society. For HCOB, sustainably profitable means executing transactions that generate stable long-term returns – clearly above the cost of capital and always in an appropriate relation to the risk assumed. This aspiration is the basis for reliable value creation, high capital efficiency, and a sustainably strong position in the market. In this way, HCOB ensures that it generates sustainable values today and in the future, acts responsibly, and serves as a reliable partner for its customers. Information on the Bank's medium-term financial targets can be found below in this section under "Financial targets".

Strategic approaches and values

In view of the demands placed on the Bank by a dynamically changing banking environment, Hamburg Commercial Bank continues to focus on a business model that is viable and agile in the long run based on the following strategic approaches and values:

- **Customer-centric approach – franchise focus:** Customers are at the heart of HCOB's business model – consistently, with a clear focus and a clear value proposition. The Bank targets its offering specifically at companies with a relevant presence in Germany or Europe. These also include European companies with global projects and non-European companies with projects in Europe. With its franchise focus approach, HCOB pursues the ambitious goal of being the first point of contact and preferred financing partner for its customers. It aims to systematically expand the Bank's share of customer business and to offer customized solutions that support customers with implementing their strategic plans, particularly in complex situations. Along the entire value chain – from acquisition, to structuring, right through to fast and reliable transaction execution – HCOB acts in an entrepreneurial, solution-oriented and partnership-based manner. Through excellent relationship management, rapid responsiveness, and in-depth industry and market knowledge, it strives to create added value and supports its customers sustainably and proactively in the face of changing challenges. HCOB is active in key future-oriented sectors and often has decades of expertise in these areas. It leverages this know-how to optimally support customers in developing their business and to build long-term, trust-based business relationships. Its most important value drivers include reliability, speed, extensive structuring expertise, and a customer-oriented attitude.
- **Striving for efficiency:** HCOB continuously drives the optimization of its processes, technologies, and organizational structures: The clear goal here is to increase customer satisfaction and to secure its own competitiveness on a sustainable basis. In doing so, the Bank relies on data-based decisions, rapid implementation, and agile interaction across all areas of the company. These factors are key differentiating features in the market and at the same time an essential driver of excellent customer experiences. With a consistent technology-driven approach, high scalability, and strict cost efficiency, HCOB continuously strengthens its operating performance. In this way, it creates the basis for sustainable growth, streamlined processes, and reliable performance – today and in the future.

- **Resilient and balanced risk profile:** With a CET1 ratio of 16.5 % and a leverage ratio of 7.3 %, HCOB believes that the Bank's strong capital base gives it the strategic flexibility to seize opportunities decisively while managing prudently at the same time. A balanced risk profile (from Bank's perspective), the active management of portfolio risks, and selective, high-quality growth in its core business areas form the stable foundation for this approach. Through broad diversification – across customers, sectors, regions, and asset classes – HCOB strengthens its resilience to market changes and creates the basis for sustainable performance. This robust risk profile is a key element of its business strategy and should enable the Bank to act reliably and responsibly over the long term.
- **Active talent management:** HCOB fosters a culture of excellence and places its employees at the center of this effort. Through targeted, professional talent management, the Bank not only attracts top external candidates but also promotes dedicated internal talents and offers them individual development prospects. Its guiding principle: a diverse, inclusive and highly motivated workforce that reflects the societies and cultures in which HCOB operates. This diversity is a key success factor for the Bank – it promotes innovation, strengthens collaboration, and forms the basis for sustainable success.

Opportunity management

HCOB systematically integrates new growth areas that it identifies in the strategy process. This is based on sound analyses of the macroeconomic environment, competitive dynamics, and relevant trends. In this way, the Bank identifies opportunities at an early stage and aligns its business model accordingly.

Strategic adjustments in 2025

In the first half of 2025, the Management Board decided on a clear strategic focus. This is the result of a comprehensive reassessment of the Bank's long-term positioning and is fully aligned with the overarching strategic guidelines. The key cornerstones of this focus are:

- A lower-risk, focused business model that consistently targets European franchise customers.
- A significantly more efficient organization through streamlining of structures as well as simplification and automation of processes.
- A broader and more stable refinancing structure through the targeted expansion of granular retail customer deposits covered by the Deposit Protection Fund.

Focused, lower-risk business model (Franchise focus)

In the future, HCOB will clearly align its business model with its core business in Germany and Europe. The aim is to sharpen the sustainably profitable business model, reduce complexity, and concentrate resources in value-creating areas. The focus is on those business areas in which the Bank sees long-term growth potential and has a strong competitive position – the so-called franchise business:

- Commercial real estate in Germany
- Shipping
- Project Finance (energy & infrastructure)
- Business with German corporate clients (including leasing and factoring)
- Business with international corporate clients within Europe

The core business is complemented by additional, low capital-intensive areas such as deposit management, payment transactions, and trade finance.

Withdrawal from non-strategic business areas

As part of the strategic focus, HCOB is withdrawing from business areas that no longer form part of the strategic core business, including International Real Estate, Aviation, and parts of Structured Portfolio Finance. Investments in private CLOs (collateralized loan obligations) will be discontinued, whereas public CLOs (liquid collateralized loan obligations) and loan funds will remain in order to further diversify the portfolio.

Cost and organizational optimization

The strategic focus involves a reduction in business volume and thus also in the earnings base. Accordingly, the Bank will adjust its cost structure and streamline the organization. Based on the previous HR planning, the number of full-time equivalents (FTEs) is expected to decrease by around 190 to approximately 730 FTEs by the end of 2027 (respectively January 1, 2028). This target level also applies to the end of 2028. In parallel, HCOB will optimize key processes – through simplification, further automation, and the increased use of artificial intelligence (AI).

Strengthening the refinancing structure

To further stabilize and diversify its funding, HCOB plans to cover around 25 % (approx. € 6 billion) of its refinancing needs with secured retail customer deposits within three years. This will reduce the Bank's dependence on the capital market, increase the granularity of the deposit structure, and allow it to respond proactively to the changes resulting from the ESF reform. The expansion of retail deposits strengthens the overall stability, flexibility and resilience of refinancing while at the same time reducing funding costs.

Financial targets

Based on its more focused and lower-risk business model, HCOB's medium-term target for 2028 is to achieve a return on equity after taxes of 10 %–12 %, with capital of 16 % (CET1 ratio) and net income before taxes of more than € 350 million. In terms of cost efficiency, the Bank is targeting a cost-income ratio (CIR) of around 40 % for 2028. The medium-term strategic target for the NPL ratio, which is also to be achieved in 2028, is around 2.0 %. For the definition of these key performance indicators, we refer to the "Management system" section at the end of this chapter.

Strategic direction for the segments

In the segments and business areas described below, a substantial share of customers have maintained long-standing business relationships with HCOB for at least more than ten years: approximately 66 % in Real Estate, around 41 % in Shipping (despite the shipping portfolio acquired by NIBC in 2024), and about 61 % in Project Finance. In Corporate Lending, as a core franchise component of the Corporates segment, around 64 % of customers have been with HCOB for ten years or longer.

Real Estate segment

HCOB is a renowned German real estate financier with decades of experience and broad market and client coverage. It is active in all relevant sub-segments of the commercial real estate market in Germany. The focus is on financing for the office, retail, logistics, hotel and residential (in particular rented residential portfolios) usage types. In the Real Estate segment, HCOB has a broad and diversified customer base, often with long-standing business relationships. Accordingly, the Bank's financing partners include, among others, small and medium-sized enterprises (SMEs), family offices, listed companies, institutional investors, private equity companies, funds, and project developers. In addition to its presence in Germany, the Bank currently also still has a portfolio of real estate financing abroad. This international real estate business will no longer be continued in the future as a result of the franchise focus strategy adjustment that took place in the reporting year and is to be wound down in a value-preserving manner.

The Real Estate segment mainly comprises the financing of existing properties, refurbishment projects, and – to a lesser extent – project developments in the commercial sector. Business opportunities for HCOB arise, among other things, from supporting real estate clients in their ESG transformation. HCOB's product portfolio in the Real Estate segment is characterized by tailor-made and custom-fit services, with an entrepreneurial eye for deals and transactions that offer value enhancement potential. HCOB has experienced market specialists with in-depth knowledge and a high level of structuring expertise in the field of commercial real estate financing, allowing the Bank to achieve prices that are commensurate with the risk involved.

Global Transportation segment

HCOB is one of the leading German financial institutions, with decades of experience in global ship financing. The focus is on middle-aged ship financing, along with selective financing of new ships. The composition of HCOB's shipping loan portfolio, which was strengthened in 2024 by the acquisition of NIBC's shipping loan portfolio, is characterized by a balanced mix of asset-backed and corporate financing. As part of the asset-backed financing, HCOB's strategic focus is on bilateral financing structures, although it also participates in syndicated financing. The broadly diversified portfolio mainly comprises the asset classes of bulkers, container vessels, and tankers (here predominantly product tankers, but also crude oil and chemical tankers). In addition, other ship types, such as car carriers, are financed to diversify the portfolio. The Bank operates globally in the Shipping segment, with a focus on mostly long-term cooperation with European clients with strong credit ratings, many of which are owner-managed. The business model in the Shipping business area is based on short and medium financing terms and high collateralization ratios. This improves the risk profile on the one hand and ensures that HCOB can react promptly to changing market conditions on the other. By providing financing, HCOB consciously supports its customers from the maritime industry in their transition to more sustainable business practices. A broad range of products in deposit management and international payments rounds off HCOB's offering in the Shipping business area.

The Aviation business area was discontinued during the reporting year in line with the adjusted business strategy, as aviation finance is no longer part of HCOB's core business, and the entire portfolio was sold in the fourth quarter.

Project Finance segment

In the Project Finance segment, HCOB supports global megatrends such as the energy transition and ongoing digitalization with its financing. In this segment, too, HCOB has a broad and diversified customer base on which it generates sustainable business. HCOB's customers in this segment include, among others, infrastructure/private equity funds, project developers, manufacturers, as well as utilities and independent power producers. From a geographical perspective, the Bank's financing activities focus on the Western European market including Scandinavia and the UK.

In the area of infrastructure finance, HCOB focuses its activities not only on traditional infrastructure projects, but in particular on future-oriented infrastructure sectors that offer growth potential in the coming years. These mainly include data centers, fiber-optic networks, and other digital infrastructure, which are gaining in importance due to the increasing global demand for data and the ongoing digitalization. Another focus in this segment is the financing of energy projects, primarily for renewable energies. In this context, special and future-oriented projects are also financed, such as battery storage systems and plants for energy generation from waste (waste-to-energy), district heating, and hydrogen.

The strategic business approach within this segment has recently evolved towards higher-margin, structurally more complex, diversified infrastructure projects. In this environment, the Bank can harness its significant structuring expertise and offers its customers a wide range of structured financing solutions. In doing so, the Bank acts both as sole lender and as syndicate partner. The project financing has a positive impact on the Bank's sustainability targets.

Corporates segment

In the Corporates segment, HCOB's diversification strategy is implemented through business relationships with national and international corporate clients. The focus of the Bank's business approach is on a high level of service and structuring expertise, with a focus on exposures that offer a good risk-return profile. The segment comprises the areas of Corporate Lending and Structured Portfolio Finance.

In Corporate Lending, the Bank pursues a customer-centric (franchise) approach with a high level of sector diversification and a broad range of different products. In geographical terms, the focus is on Germany, traditionally in the core region of northern Germany. HCOB has long-standing and established business relationships with many corporate clients in the SME sector, often family-owned businesses, that are based there, and also with factoring and leasing specialists. Internationally, the Bank focuses on western and northern Europe. In addition to various lending products, the product range also includes national and international payment transactions, the investment business, trade finance, and currency and interest rate hedging.

The Structured Portfolio Finance area includes structured financing that complements the traditional direct business with customers and thereby contributes to greater granularity of the loan and financial investment portfolio. These primarily comprise senior tranches of securitization transactions (collateral debt obligations, CLOs) held by the Bank as well as loans to externally managed loan funds set up for the benefit of the Bank, through which indirect financing is provided to corporate clients in North America and Europe. This is complemented by financing for funds and consumer loan portfolios. As part of the strategic business adjustments, this area was significantly reduced in the 2025 financial year. For example, the portfolio of non-publicly traded CLOs (private CLOs), which no longer form part of the core business and are therefore no longer to be continued in the future, was already significantly reduced in 2025. The liquid CLOs (public CLOs) with triple-A ratings, which were reported in the Corporates segment in the previous year, were transferred to the Treasury & Group Functions segment in the reporting year.

Treasury & Group Functions segment

Activities in the Treasury & Group Functions segment focus on the management of strategic investments (including public CLOs that were reported in the Corporates segment in the previous year) and the treasury function, including the central management of the Bank's liquidity and market price risks, the derivatives portfolio, and the management of the cover pool. Treasury & Markets also includes sales activities for capital market-related products with a future-oriented product range as well as customer support for savings banks, banks, and institutional clients.

Management system

Key value drivers and key indicator and ratio system

The Bank's management system is aimed at the integrated management of key value drivers – profitability/income, efficiency/costs, capital, liquidity, and risk – in line with the statutory requirements and the internal Strategic Risk Framework (SRF). The Bank uses a risk-adjusted key indicator and ratio system for this purpose that ensures that the Group is managed in a uniform and effective manner. The Bank is managed mainly on the basis of figures for the Group prepared in accordance with the International Financial Reporting Standards (IFRS)/the relevant prudential rules and also takes the risk limits defined in the SRF into account.

A multi-level contribution margin accounting system is also used to manage the individual business areas. Other components of the Bank management system are the strategy, planning and forecasting process, plan/actual comparisons, and the target agreement and assessment process. Further information on management is included in the risk report under "Risk management by central committee structure" and "Risk reporting and measurement systems".

Management indicators of the IFRS Group

The Bank's internal control system is based on key performance indicators relating to the individual value drivers of the IFRS Group. In the Bank's external reporting, the development of these indicators is compared, on the one hand, against the previous year and the prior-year forecast for the reporting year ("Economic report" section). On the other hand, their expected development in 2026 is also described (chapter entitled "Forecast, opportunities and risks report"). The central key performance indicators are based on the business strategy of the HCOB Group and comprise the RoE after taxes @equity, the CIR, the CET1 ratio, the NPL ratio, the LCR, and the Bank's rating. Hamburg Commercial Bank's integrated management system ensures a comprehensive view of the key value drivers to an adequate extent. The following table contains the definitions of the key performance indicators:

Definition of key performance indicators

Financial key performance indicators	
RoE after taxes @equity	RoE after taxes @equity is calculated as the ratio of Group net result to reported equity less the proposed dividend and, as a key performance indicator for the profitability/earnings value driver, it shows the annual return on equity.
CIR (cost-income ratio)	The CIR is a cost efficiency ratio that measures administrative expenses as a percentage of total income plus the other operating result.
CET1 ratio (Common Equity Tier 1)	The CET1 ratio is defined as the ratio of regulatory Common Equity Tier 1 capital to the sum of the risk-weighted assets, expressed as a percentage.
NPL ratio (non-performing loans)	The NPL ratio is based on regulatory FINREP reporting and expresses the gross carrying amounts of non-performing loans in relation to the gross carrying amounts of all loans.
LCR (liquidity coverage ratio)	The LCR represents the security provided to the Bank in the event of a short-term acute liquidity stress scenario of more than 30 days by maintaining a liquidity buffer (short-term stress test ratio). The LCR is calculated as the ratio of highly liquid assets to net cash outflows over the next 30 days.
Non-financial key performance indicators	
Rating	Credit ratings awarded by the rating agency Moody's in relation to the issuer rating (long-term).

The range of metrics used at HCOB for managing the Overall Bank extends well beyond the key performance indicators presented in this section. For example, a key internal metric used to steer and measure the performance of investments (strategic business decisions) is Shareholder Value Added (SVA). SVA expresses the profit contribution made by each individual transaction after deducting income taxes and imputed capital costs. This key figure makes the contribution that the Bank's business makes to its enterprise value transparent. The systematic focus on the SVA approach, which underpins the shift to a performance-oriented corporate culture, is aimed at achieving an optimal allocation of resources at all levels of the business, boosting enterprise value in the long term.

Further details regarding the key figures and ratios used for risk management are set out in the risk report. The ESG key figures used for internal management purposes are set out in this combined management report in the "Sustainability statement" chapter. The key figures relate to the Bank's own operations, including the upstream value chain (Corporate dimension) and/or the Bank's business activities as part of its lending and investment business (downstream value chain, Portfolio dimension).

Hamburg Commercial Bank also updated and refined its recovery/resolution plans in accordance with the statutory requirements. The recovery and early warning indicators defined in the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz, SAG) and by the EBA (European Banking Authority) or in the German Regulation on the Minimum Requirements for the Design of Recovery Plans for Institutions (MaSanV) are regularly monitored and assessed in order to be able, where necessary, to implement targeted measures on a timely basis.

Economic report

Underlying economic and industry conditions

MACROECONOMIC CONDITIONS

Key geopolitical and economic developments

The geopolitical situation remained tense in 2025. The war in **Ukraine** continued and was characterized by Russian attacks resulting in territorial gains. In the conflict between Israel and Hamas, the warring parties agreed on a ceasefire in October 2025, albeit a fragile one. Previously, the conflict **in the Middle East** had briefly spread to Iran, when the US attacked Iranian nuclear facilities with air strikes. Geopolitical uncertainty increased with the **tariff policy** announced by US President Donald Trump. The EU refrained from imposing counter-tariffs and a deal was reached with the US at the end of July, resulting in significantly higher US import tariffs on most EU goods. At the end of October, the US and China concluded a provisional trade agreement, which de-escalated the tariff war between the two countries.

Economic development by region

After **global growth** of 3.3 % in 2024, the International Monetary Fund (IMF) predicts that growth will slow to 3.2 % in 2025. The lower growth is attributed primarily to geopolitical uncertainty, which dampened investment and consumption, and to US tariffs, which hampered international trade. At sector level, industry was particularly affected by US tariff policy in the first half of the year, while the services sector was less affected and recorded higher growth, as reflected in the global purchasing managers' indices (JPMorgan PMIs).

After a weak first quarter (-0.6 % quarter-on-quarter, annualized), the **US economy** gained momentum over the course of the year and grew by a total of 2.2% compared to the previous year. In the first half of the year, tariffs caused considerable fluctuations in imports. Private and government consumption contributed significantly to growth over the course of the year. The labor market weakened towards the end of the year. The unemployment rate thus rose from 4.0 % in January to 4.4 % in December 2025. Inflation remained stubborn at 2.7 % (Consumer Price Index, as at December 2025).

The **eurozone** economy recorded moderate growth with 1.5 % in 2025 compared with the previous year, with foreign trade showing considerable fluctuations due to tariff-related anticipatory effects. Gross fixed capital formation and government consumption contributed positively to the rate of expansion over the course of the year. The geopolitical uncertainty, a high savings rate among private households despite moderate inflation, high real interest rates, and political instability in parts of the eurozone all meant that the contribution of private consumption to growth was low. The HICP (Harmonized Index of Consumer Prices) inflation rate stood at 2.0 % as at December 2025, meaning that the medium-term target of the European Central Bank (ECB) was reached, with the core rate at 2.3 %.

China's economic output increased by 5.0 % in 2025, thus meeting the government's growth target. Weak consumption and a continued decline in construction investment were offset by higher exports. The inflation rate hovered around zero over the course of the year, but showed an upward trend towards the end of the year (annual rate in December 2025: 0.8 %).

The **German economy** managed to grow by just 0.2 % in 2025 compared with the previous year. The first half of the year was characterized by export anticipatory effects due to the new US tariffs. Growth was driven by higher consumer spending by both private households and the public sector. In contrast, exports declined. The export sector remained under considerable pressure due to more restrictive trading conditions in the form of higher US tariffs, the appreciation of the euro, and more intense competition from Chinese suppliers. At the same time, the investment activity remained sluggish. Investment in both capital goods and construction projects was lower than in the same period of the previous year.

Monetary policy

The US Federal Reserve (Fed) lowered its target corridor for the federal funds rate in 2025 by a total of 75 basis points from 4.25 %–4.50 % to 3.50 %–3.75 %. While the first half of the year was still characterized by a wait-and-see approach due to the robust labor market and tariff uncertainty, monetary policy was eased in the second half of the year, citing weaker labor market signals and lower-than-expected price impacts from the new import tariffs. The ECB reduced its **key interest rates** step by step until early June 2025 to reach 2.00 % (deposit facility) and 2.15 % (main refinancing rate). Interest rates then remained unchanged for the rest of the year. There were differences between the central banks in terms of communication: From June 2025, the ECB signaled that it regarded itself to be in a good position at the level of interest rates reached and assessed inflation risks as balanced; any further rate moves would be reviewed on a meeting-by-meeting basis. In contrast, the Fed indicated the prospect of a further rate cut.

Long-term **bond yields** showed divergent trends in 2025: While the yield on ten-year German government bonds was 2.85 % as at December 31, 2025 (December 31, 2024: 2.36 %), yields on ten-year US Treasuries fell to 4.18 % (as against 4.58 % at the end of 2024). The markets reacted to the new US government's fiscal policy plans, particularly with regard to rising government spending and possible inflationary impacts. Fears of a recession, however, emerged time and again and were then reflected in yields. In terms of forward interest rates, the markets are not pricing in any change in the ECB's key interest rate between now and the reporting date at the end of 2026, whereas two to three interest rate cuts of 25 basis points each are being priced in for the US.

The **stock markets** in Germany and the US recorded significant gains in 2025. The DAX 40 rose by around 23 % in 2025 and the S&P 500 by around 16 %. In the first quarter, tariff policy and regulatory announcements weighed heavily on the US market, while the DAX reacted less sharply. As the year progressed, robust corporate earnings and easing concerns about inflation risks supported share prices. In the US, developments were also significantly driven by large AI technology stocks, which at times accounted for more than one-third of total market capitalization.

The **euro** traded in a range of 1.04 to 1.18 US dollars over the course of the year. In the first half of the year, it appreciated almost continuously and significantly overall. A sideways movement predominated as the year progressed. At the end of the year, the euro was quoted close to the upper end of this range (1.17 USD/EUR).

Development in the markets/sectors relevant for Hamburg Commercial Bank

Real Estate

The German **real estate markets** continued the consolidation in 2025, which began in the previous year, with differing developments across the individual investment and letting markets. In commercial real estate, the overall investment volume was slightly below the previous year figure and thus still at a very low level by long-term standards. This applied in particular to office properties, although transaction volumes here increased noticeably. In contrast, investment volumes in retail properties hardly rose, because higher demand for specialist retail parks and shopping centers almost offset lower demand for commercial buildings and department stores. Logistics properties recorded moderate declines in investor demand.

A characteristic feature was the reluctance of institutional investors. In addition to weak economic performance and geopolitical uncertainties, their risk-averse stance also resulted from persistent liquidity problems at open-ended real estate funds. This traditionally strong group of buyers appeared significantly less frequently, while private investors with significant equity resources increasingly acted as buyers. This was reflected in an increase in transactions involving smaller and mid-sized individual properties and a decrease in the number of large-volume properties and portfolios changing hands. On the seller side, numerous project developers continued to be active as part of their consolidation process. As a result, there were still disposals of distressed properties from insolvencies as well as from restructuring and refinancing measures. However, there was also an increase in purchases made without such compelling factors. The discrepancy between the price expectations of market participants continued to narrow, but it still frequently presented an obstacle to transactions. In portfolio trading in residential properties, the investment volume declined only slightly, as portfolio streamlining by larger market participants came to an end.

On the **German office property markets**, net demand for space remained very weak in 2025; in the metropolitan areas, the volume of space let once again declined noticeably. The key factors continued to be companies' reluctance to hire new staff and the consideration of lower space requirements due to flexible working arrangements. Although completions fell, they still contributed noticeably to a marked increase in

vacancies, which was even more pronounced in the metropolitan areas. There, vacancies reached a significantly higher level, and in some cities a high level. However, as the remaining demand here was concentrated in central locations, rents generally rose significantly, while market values increased only moderately. In contrast, rents and prices fell noticeably in peripheral and secondary locations.

Net demand for space remained subdued on most **European office property markets**, but they were able to absorb new supply better than in Germany. The vacancies hardly increased, but they often remained at an elevated level, which curbed rental growth in most metropolitan areas. In some of them, however, rents rose noticeably, as demand focused on preferred locations there too. The trend in prime market values ranged from broadly stable to significant increases.

The **retail property markets** in Germany continued to be weighed down by weak consumer sentiment and a renewed acceleration in structural change in favor of online retailing. Although private consumption picked up moderately, consumers unsettled by the crises remained very cautious in bricks-and-mortar non-food retail. In contrast, online retail sales rose sharply. Store-based revenues increased only moderately, thanks to strong growth in food retail. Clothing retailers, consumer electronics retailers, and DIY and furniture stores reported stagnating to significantly lower sales. This had an impact both in inner-city and suburban locations, leading to a moderate decline in rents, which rose slightly only for specialist shops in the local supply sector. Accordingly, the market values of the latter increased noticeably, while those of shopping centers remained broadly stable and those of commercial buildings decreased slightly.

On the German **residential property markets**, rents rose due to unchanged excess demand amid a decline in construction activity. Thanks to noticeable rental growth and hardly any further increase in long-term interest rates, the prices of rented apartments rose moderately and those of owner-occupied apartments rose slightly.

On the **logistics property markets** in Germany, demand for lettings picked up in 2025 from the very low prior-year level, but it was not fully able to absorb the only slightly lower volume of completions. The associated increase in vacancies curbed rental growth; while prime rents in preferred logistics regions still rose slightly in most cases, the average rents fell marginally. Prime market values held up, while prices in secondary locations often declined moderately.

Global Transportation

The **shipping markets** remained heavily influenced by geopolitical developments in 2025. While the ongoing lengthening of important trade routes due to the impact of the Middle East conflict and the sanctions imposed against Russia had a positive effect, the trade conflicts originating in the United States caused major fluctuations in freight volumes. As a result, average charter rates for container vessels increased noticeably again compared with the high level a year earlier, while bulkers and oil tankers, after temporary setbacks, initially stabilized and then rose sharply towards the end of the year.

Despite the uncertainties resulting from the US government's volatile tariff policy, shipping companies' demand for additional **container vessels** remains high. Declines in trade between China and the United States were offset by other sales regions. Although fleet capacity continues to grow strongly thanks to numerous new deliveries and extremely low scrapping activity, vessels available at short notice remained scarce. The enormous demand for tonnage was primarily the result of major detours due to the threat posed by Houthi rebels in the Red Sea. Shipping companies also had to react flexibly to the variable US trade policy.

After weak first months of the year, **bulkiers** were able to stabilize. Initially, the main burden came from developments in China. The New Year festival led to a temporary decline in demand for transport. In addition, gloomy economic prospects dampened imports of iron ore and coal. However, robust exports of steel products and reduced inventory levels subsequently led to rising demand for raw materials, which was met in particular by distant producers. Good grain harvests, strong growth in the bauxite trade, and the ongoing disruption in the Red Sea also contributed, so that charter rates, especially for large vessels, rose sharply by the end of the year. Second-hand prices remained at a significantly above-average level.

Oil tankers were able to maintain their market level after a slight setback at the beginning of the year through the end of August. The shift in trade patterns due to western sanctions imposed on Russia and the disruption of the Red Sea passage continued to provide support, with both factors increasing average transport distances significantly. In the last months of the year, the measures taken by OPEC+ had an effect, as they significantly increased their crude oil production. In contrast, the accelerated fleet growth in product tankers created headwinds.

The **global aviation industry** continued to recover in 2025. Passenger volumes continued to rise and reached new record levels, even though geopolitical tensions and declining consumer confidence had a dampening effect. The market values of used aircraft remained stable or increased slightly.

Project Finance

In 2025, **project finance volumes** in Europe (on a US dollar basis) increased significantly by 29 % compared with the previous year, with volumes in Germany exceeding the previous year level by 36 %. In this segment, the energy sector recorded both the highest number of transactions and by far the largest transaction volume. The expansion of digital infrastructure – especially fiber optic networks – continued apace in Germany and Europe during the reporting year: Although measurable progress has been made in expanding the fiber optic network in Germany, the “last mile” and customer activation remain critical bottlenecks. At the same time, the German data center market grew significantly, with capacity increasing by around 20 % versus the previous year, particularly in metropolitan areas such as Frankfurt. Across Europe, the demand for AI accelerated the capacity utilization; vacancy rates fell below 10 %, and the market was characterized by bottlenecks in power grids and rising prices.

The expansion of **renewable energies** made further progress both in Europe as a whole and in Germany during 2025, with the growth momentum in wind energy being particularly noticeable in Germany: In terms of installed (gross) output, wind power expansion in Germany amounted to 5,232 megawatts, which is 58 % above the previous year's level; this was the second-best expansion year in Germany's history and an all-time high in approved wind power capacity. In contrast, expansion in the solar segment in 2025 declined both in Europe and in Germany. According to estimates by Solar Power Europe, total installed capacity in the EU fell for the first time in the last ten years (by 0.7 %). In Germany, although total capacity increased, solar expansion was slightly weaker than in the previous year, with (net) additions of around 16.4 gigawatts.

Corporates

In 2025, the **German economy** particularly had to contend with trade policy uncertainty (US tariff policy), while still having to adapt to changing structural conditions (including high energy costs, growing competition, green transformation, demographics). The manufacturing sector was slightly less weak in 2025: the production volumes (adjusted for calendar and seasonal effects) recorded a slightly less pronounced decline (-1.3 %) than in the previous year, when production volumes had already decreased by 3.3 %. At the beginning of the year, German industry benefited from US importers bringing their purchases forward to avoid the burden of higher tariffs. However, from April onwards, economic indicators fell noticeably and only showed a more positive trend in some sectors in the second half of the year.

The gradual recovery and cautious upward trend in **Europe's** economies continued during 2025 (GDP growth in the EU countries as a whole in the third quarter of 1.6 % compared to the same quarter of the previous year). The start of the year was mainly driven by the services sector and was also supported by anticipatory effects in foreign trade in connection with US tariff policy. The improvement in lending conditions thanks to the four interest rate cuts by the ECB provided a further boost, especially as the ongoing stimulus from the EU Recovery and Resilience Facility and other EU funds along with defense projects bolstered public investment. The uncertainty triggered by geopolitical tensions and the US tariff policy counteracted this positive trend, so that economic momentum remained rather subdued. However, following an EU-US summit in July 2025, an agreement was reached on lower US tariffs on EU exports, which led to somewhat more predictability in trade policy.

The **US economy**, which was heavily influenced by US tariff policy in 2025, demonstrated remarkable resilience over the full year. The industrial production index showed a mixed trend with phases of contraction, particularly in US manufacturing, influenced by economic uncertainties and the new tariff regime, but also with stronger-than-expected increases toward the end of the year. Despite the general economic slowdown, companies in the services sector recorded solid growth in 2025, driven by robust consumer spending, technological innovation (particularly in the field of AI), and strong demand for specialized services.

Banking environment

The market environment for European banks in the 2025 financial year featured both positive and negative aspects for institutions, with the former dominating as the year progressed. Burdens included persistently high geopolitical uncertainties (especially Ukraine, the Middle East) and new concerns about an escalation of trade conflicts. The latter reached their peak at the beginning of April, when so-called Liberation Day saw the announcement of significant tariff increases by the US administration, which resulted in a loss of confidence among market participants and short-term slumps in global equity and bond markets. However, as the year went on, sentiment on the capital markets brightened noticeably. One of the reasons for the shift in sentiment, which was accompanied by a broad market recovery, was that rigid tariff rhetoric was interpreted more as a short-term shock than as a permanent reality. Shortly after Liberation Day, in order to calm the markets, the US government suspended the tariffs for 90 days and bilateral trade agreements were concluded between major economies/economic areas. The sharp rise in stock market valuations of European banks over 2025, which also benefited from takeover speculation, solid dividend payments, and share buybacks, reflected the overall positive market sentiment and certainly also the resilience of the banking sector as a whole.

With regard to the development of banks' profitability, it can generally be assumed that banks' net interest income in 2025 benefited somewhat less from external conditions than in the previous year. The reason for this was the normalization of the interest rate environment initiated by central banks at the end of 2024. This followed the sharp rise in interest rates from mid-2022 aimed at combating inflation, which had given a boost to banks' net interest income. With the return to more moderate but more stable interest rates, this tailwind diminished again. Conversely, but to a lesser extent, the fact that the yield curve steepened again in 2025 had a positive effect on interest margins and thus on banks' net interest income.

Despite the volatile macroeconomic environment, risk costs at most institutions increased only slightly, with many institutions continuing to benefit from precautionary reserves set aside in the recent past through (post-)model adjustments/overlays. From a sector perspective, the main pressure on risk costs and asset quality continued to come from the commercial real estate sector. Credit quality in corporate lending remained comparatively robust despite sluggish economic growth and the broad-based increase in corporate insolvencies. In addition to the strengthened risk management of institutions in recent years, this is likely also due to the fact that defaults in the corporates environment were concentrated in a few sectors undergoing structural change or particularly affected by high energy costs.

The trend remains unchanged that banks must continue to improve efficiency through digital transformation – in particular by scaling AI and analytics, modernizing IT, and further automating processes – in order to maintain a competitive cost base and thus safeguard their sustainable profitability.

From a regulatory perspective, the introduction of CRR III (Capital Requirements Regulation III) represented a key focal area for banks in the eurozone. CRR III is the revised European Capital Requirements Regulation that has applied in the EU since January 1, 2025. It implements the final Basel III reforms ("Basel III final" or "Basel IV") in European law and involves extensive changes for banks, particularly in the calculation of risk-weighted assets (RWA) and the regulatory capital requirements. Key amendments under CRR III include, in particular, the revision of the standardized credit risk approach (including new risk weightings and more detailed requirements for real estate-secured exposures and the use of external ratings for bank exposures), changes in the F-IRB approach (foundation internal ratings-based approach) with regard to credit risk mitigation (LGD), and the introduction of output floors as a binding lower limit, phased in gradually until 2030, for determining the risk-weighted assets.

Impact of the underlying conditions on the business of Hamburg Commercial Bank

The overall macroeconomic and industry-specific conditions described in the sections above also had an impact on the business performance of Hamburg Commercial Bank in the 2025 financial year.

The persistently subdued situation in commercial real estate financing led, among other things, to HCOB only entering into new business in the Real Estate segment on a selective basis during the reporting year, in line with its risk-aware business approach. In addition, given the market conditions, there were again new defaults in HCOB's real estate loan portfolio during the reporting year. As a result, net additions to loan loss provisions were again dominated by the Real Estate segment, in particular by Stage 3 additions for financing arrangements in default involving office properties in Germany. However, in terms of NPL volume, new defaults were more than offset by the reduction in existing NPLs, primarily through the sale of receivables and repayments after private property sales.

The significant depreciation of the US dollar against the euro in the first half of the year led to a positive FX result in the Group income statement, which supported the result from financial instruments categorized as FVPL in the 2025 financial year. To a much lesser extent, the weaker USD had a negative impact on net interest income. The depreciation of the dollar also contributed to the reduction in the Group's total assets and RWA.

The introduction of the CRR III regulations on January 1, 2025, had the expected positive effect on the level of RWA for credit risks at HCOB. The main drivers were credit conversion factor (CCF) adjustments for off-balance-sheet items, lower regulatory LGD values for financing in Shipping, Commercial Real Estate, and Project Finance, and the elimination of the scaling factor of 1.06 for the IRB risk weight.

The Bank's business performance and position are explained in detail in the following sections.

Business development – significant developments and events in the reporting year 2025

Strategic focus adopted in the first half-year – strategic adjustments already completed by year-end

The 2025 financial year was largely shaped by the strategic focus that was initiated in the first half of the year. With regard to the key cornerstones of the strategy adjustment, we refer to the explanatory information in the “Objectives and strategy” section of the previous chapter “Basis of the Group”. The strategy adjustments had a significant impact across multiple dimensions of the business performance in the reporting year, including the development of the new business structure, the decrease in the Group's total assets, the development of RWA, and the one-off effects on earnings.

HCOB addressed the implementation requirements resulting from the strategy adjustments promptly and consistently by launching an internal project, which comprehensively coordinated and supported the strategic changes. All strategic initiatives had already been successfully implemented or launched by the reporting date, so the project was completed at the end of 2025, and the remaining tasks were transferred to the business organization. The key successes relate to the following aspects:

- the better-than-expected development of new business in the core business areas compared to the mid-2025 new business plan,
- the successful disposal of the aviation portfolio,
- the faster-than-expected and value-preserving reduction in the other business areas that no longer form part of the core business,
- the implementation progress regarding the staff reduction, and
- the development of a proprietary platform for retail deposits, which is scheduled to go live at the end of the first quarter of 2026.

The above aspects are explained in more detail in the following sections, supplemented by other material developments in the past financial year:

New business focused on European franchise customers – margin development in line with expectations – prolongations below the level of the same period of the previous year

In line with the strategic focus, new business was concentrated on European franchise customers in HCOB's core business areas. In a highly competitive market environment, HCOB was able to contract a total gross volume of new business (which excludes all prolongations of existing credit facilities) of € 5.0 billion during the course of 2025. As a result of the deliberate discontinuation of new business in the business areas that are no longer to be pursued (International Real Estate, Aviation, and large parts of the Structured Portfolio Finance area assigned to the Corporates segment), the overall new business volume was below the 2024 figure (€ 6.1 billion). In the core business areas, new business remained at the previous year's level, totaling € 4.9 billion. In project finance and in business with national corporate clients, transactions were noticeably above the level of the comparative period, while new business in national real estate was subdued. New business profitability, measured by RoE after taxes, was also consistent with expectations across all asset classes. The volume of prolongations was lower than in 2024 due to lower prolongations with real estate clients. Further information on the development of new business in the individual lending units can be found in the “Segment results” section.

Disposal of the aviation loan portfolio

After a multi-stage bidding process that attracted broad market interest, HCOB reached an agreement in October 2025 on the sale of its aviation loan portfolio to Deutsche Bank. Closing of the transaction took place at the end of October 2025. The portfolio sold exclusively comprised performing loans, with a total volume of approximately USD 450 million. The transaction, which was executed in connection with the discontinued aviation finance business, represented an important milestone within the planned divestment activities, and contributed positively to the total income for the reporting year.

Total assets down by 15 % – decline attributable to loans and advances to customers as a result of strategic focus – refinancing requirements lower as a result

The Group's total assets decreased significantly over the past twelve months by around 15 % from € 33.6 billion to € 28.6 billion. The decline is mainly attributable to loans and advances to customers, which decreased by 17 % from € 20.6 billion to € 17.0 billion. The key factors behind this were the focus of new business on the core business areas, the faster-than-expected reduction of the non-strategic assets (including the aforementioned sale of the aviation portfolio), and a continued conservative business approach in national real estate. In addition, the weaker US dollar and the high level of repayments, driven by the surplus liquidity partly seen on the market, had a negative impact on carrying amounts. On the liabilities side, the lower refinancing requirements were reflected in a decline in customer deposits, which had grown strongly in recent years, and in deposits from credit institutions and debt securities issued. In contrast, in line with the funding strategy, the volume of retail deposits generated via the third-party platform "Raisin" increased.

Implementation of the staff reduction

In order to adjust the Bank's cost base to the reduction in business volume associated with the franchise focus, a staff reduction was decided on in the first half of 2025. Based on the previous HR planning, this includes a reduction in the number of employees in the Group by 190 full-time equivalents (FTEs) to a target level of approximately 730 FTEs by the end of 2027. As already mentioned in the half-year financial report, after constructive negotiations with the employee representative bodies, a reconciliation of interests and a social plan were already adopted in June 2025.

On this basis, contractual agreements for leaving the Bank were concluded with employees in the second half of the year up to the reporting date, which in total account for around 80 % of the envisaged staff reduction. As at December 31, 2025, the Group still employed 868 FTEs (as at December 31, 2024: 934 FTEs, figures include the Management Board in each case). The remaining staff exits will take place successively in 2026 and 2027, and in isolated cases only in the first quarter of 2028. The anticipated costs associated with the staff reduction have been fully recognized in the consolidated financial statements.

Development of proprietary retail platform

As part of its adjusted funding strategy, HCOB launched a new initiative in the retail customer deposit business. The aim of this initiative was to develop a proprietary online platform through which retail customers, initially in Germany, can open deposit accounts directly with the Bank. This funding platform is designed to supplement the indirect deposit business established in 2024 via the internet-based platform "Raisin".

The development of this platform, which was carried out in cooperation with an established online broker, made significant progress in the second half of 2025, so that the market launch/go-live under the name "Hamburg Direct Bank" is envisaged in the first quarter of 2026.

Profitability: Solid operating business development – strategic focus reflected in net interest income due to volumes reduction and in administrative expenses and income taxes due to one-off effects

The earnings situation was characterized by a solid operating business performance and the improved other operating result in comparison with the prior year, which benefited from positive one-off effects, and it was also shaped by the strategic business adjustments.

The inevitable decline in the balance sheet volume (see above) associated with the strategy adjustment was reflected in net interest income, which, at a net interest margin (NIM) in the Group of 217 basis points (previous year: 234 basis points), was 11 % below the previous year's level. As a result, total income decreased by 5 % despite an improved FVPL result. In addition, two further material burdens on earnings arose in the 2025 financial year in the form of one-off effects from the strategic business adjustments: On the one hand, the one-off costs of the staff reduction had a noticeably negative impact on administrative expenses. On the other hand, income tax expense was substantially higher than in the same period of the previous year due to the required remeasurement of deferred tax assets on loss carryforwards. The latter led to a reduction in the Group net result in the 2025 financial year to € 165 million (previous year: € 228 million) despite an increase in the pre-tax result owing to the improved other operating result. This economic report contains more detailed information on the development of the earnings position in the sections on "Group development" and "Earnings".

Normalization of capital resources: The Management Board and Supervisory Board of HCOB AG are proposing to the Annual General Meeting that the accumulated profit under HGB for 2025 of € 1,256 million be paid out as dividends.

As part of the adjusted franchise focus corporate strategy, the Management Board also reviewed the distribution policy again in June 2025. Based on this strategy, the Bank is now aiming to further normalize its capital buffers, initially at the level of CET1 capitalization of at least 16.5 % at the end of 2025, while at the same time reducing credit and liquidity risk by reducing non-strategic business activities as set out in the current business plan. The normalization of these capital buffers is to be achieved by distributing the accumulated profit under HGB for the 2025 financial year to the shareholders of HCOB AG in 2026.

In its annual financial statements in accordance with HGB, HCOB AG reports net income for the year of € 998 million for the 2025 financial year. In addition, the Management Board and the Supervisory Board of HCOB AG withdrew an amount of € 257 million from other retained earnings, resulting in a net accumulated profit under HGB of around € 1,256 million. The main driver for the net profit for the year under HGB, which is very high compared with the consolidated results under IFRS, is the releases from the fund for general banking risks in the amount of € 750 million. For more detailed information on the earnings situation according to the German Commercial Code (HGB), please refer to the chapter "Comment on the annual financial statements of Hamburg Commercial Bank AG in accordance with the German Commercial Code (HGB)" in this combined management report.

In accordance with the distribution policy adopted in the reporting year, the Management Board and the Supervisory Board will propose to the Annual General Meeting envisaged in March 2026 that the net accumulated profit under HGB shall be used for dividend payments in the amount of € 1,256 million (equivalent to around € 4.16 per share).

Risk: NPL volume 17 % lower despite new defaults due to stringent implementation of the NPL reduction plan – NPL ratio stable

As forecast at the end of 2024, the development of the NPL ratio in the past financial year was once again significantly influenced by persistently challenging overall conditions on the commercial real estate markets. Accordingly, there were again new defaults in HCOB's real estate loan portfolio during the reporting year. However, these new defaults were more than offset by the reduction in existing NPLs in the Real Estate segment. The decline in the NPL volume in the Project Finance segment also had a positive effect, meaning that the NPL volume at Group level had fallen by 17 % to € 540 million as at the reporting date (December 31, 2024: € 650 million). As the decline in the NPL portfolio was proportional to the reduction in the total loan volume, the NPL ratio remained stable year on year at 3.3 % as at December 31, 2025 (December 31, 2024: 3.3 %).

Moderate issuing activity on the capital market

The comparatively moderate refinancing requirements in line with the smaller balance sheet meant that the Bank limited its issuing activities on the capital market to one benchmark transaction in the reporting year. In January 2025, the Bank successfully placed a € 500 million senior preferred bond on the capital market, which was increased by € 250 million in July, taking advantage of a very favorable market environment from the Bank's perspective. The bond, which was awarded an "A3" rating by Moody's, has a term of five years and was placed primarily with investors in Germany, the UK/Ireland, and France. The fact that the issue was considerably oversubscribed led to attractive pricing for the Bank and once again reflects the high level of investor confidence in the Bank. The aforementioned bond has allowed Hamburg Commercial Bank to further strengthen its long-term funding and in particular broaden its international investor base. Further refinancing funds were raised through private placements, including a € 300 million floating rate bond with a two-year term.

At the end of the first half of the year, the Bank carried out a tender offer for an outstanding benchmark bond in senior non-preferred format, which was very successful with a redemption rate of over 50 %. The transaction is aimed, among other things, at managing the liquidity profile and giving investors the opportunity to sell their bond holdings at current market conditions.

Earnings, net assets and financial position

Most important key performance indicators of the Group

(%)	Actual figures 2024	Forecast for 2025 (according to Management Report 2024)	Forecast for 2025 ¹⁾ (updated as of June 30, 2025)	Actual figures 2025
RoE after taxes @equity ²⁾	6.2	>7 with net income before taxes of >€ 300 million	~3 with net income before taxes of € ~250 million	4.5
CIR ³⁾	50	<45	<50	48
NPL ratio	3.3	~3	~3,2	3.3
CET1 ratio	17.3 ⁴⁾	~17	16	16.5 ⁵⁾
LCR	216	>180	>180	204

¹⁾ The forecasts for RoE after taxes, the CIR, the NPL ratio, and the CET1 ratio were adjusted as at June 30, 2025. The preceding column shows the original forecasts published in the 2024 management report.

²⁾ The RoE after taxes @equity is based on the reported equity at the beginning of the year less the proposed dividend.

³⁾ The CIR adjusted for one-off effects is 43 % for the 2025 financial year (2024: 42 %).

⁴⁾ The dividend payment for the 2024 financial year made in 2025 (€ 214 million) was taken into account in advance in the Common Equity Tier 1 capital.

⁵⁾ The proposed dividend payment of around € 1,256 million for the 2025 financial year was already taken into account in the Common Equity Tier 1 capital in advance; the dividend payment is subject to approval by the Annual General Meeting.

Key performance indicators below the previous year's forecast overall due to negative one-off effects from the 2025 strategy adjustment – half-year forecast overall exceeded

The development of the most important key performance indicators in the 2025 financial year was characterized by liquidity metrics remaining at a very good level and a stable NPL ratio, and was significantly influenced by the strategy adjustment decided on in the first half of the year. Thus, in addition to volume-related effects on the earnings base in 2025, the strategic focus led to significant burdens from one-off effects in the income statement items Administrative expenses and Income tax expense, which had a marked negative impact on the key performance indicators RoE after taxes and CIR. As a result, the Bank had already adjusted its forecasts for RoE after taxes (from >7 % to ~3 %) and CIR (from <45 % to <50 %) in the half-year financial report for 2025. In addition, the Bank reduced its target level for capital adequacy at the half-year from ~17 % to at least 16 % in order to reflect the lower-risk business model resulting from the strategy adjustment. At the end of 2025, these forecasts adjusted at the half-year were fully exceeded. The RoE after taxes@equity was 4.5 %, exceeding the adjusted forecast of approximately 3 %. This was primarily due to higher other operating result and lower administrative expenses and income tax expense than projected at mid-year 2025. While other operating result in the second half of the year was particularly impacted by one-off effects in the form of non-recurring income related to deposit insurance, administrative expenses benefited from lower-than-expected operating expenses (both in ongoing operations and project costs). The lower-than-expected income tax expense compared to the half-year forecast is mainly attributable to the fact that the update to the multi-year plan in December 2025 assumes a greater utilization of tax loss carryforwards than the half-year plan. The aforementioned developments in other operating result and administrative expenses also resulted in the bank slightly exceeding its updated half-year forecast for the cost-income ratio (CIR) of <50%, achieving 48 %.

In accordance with GAS 20.57, the development of the most important key performance indicators is compared below with the previous year's forecast. Measured against the latter, the key performance indicators in the 2025 financial year were below expectations overall due to the temporary effects from the strategy adjustment. In detail, the following aspects are particularly noteworthy:

- The Group net result (net income after taxes) amounted to € 165 million (previous year: € 228 million) and resulted in **RoE after taxes @equity** of 4.5 % (previous year: 6.2 %). The profitability ratio was therefore well below the original forecast, which envisaged a RoE of >7 % for the whole of 2025. The main reasons for falling short of the previous year's forecast were essentially the following aspects, which primarily result from the strategy adjustment implemented during the reporting year: In total income of € 743 million, the deliberately reduced business volume had a dampening effect on net interest income from the second half of the year, so it remained below the previous year's forecast. Administrative expenses, which were operationally below the planned figures, were significantly impacted by a one-off effect in the form of severance payments totaling € 50 million (previous year: € 18 million) in connection with mutually agreed terminations of employment contracts. As a result, total expenses amounted to € 378 million, exceeding the level forecast in the previous year. This was partly offset by the other operating result, which benefited from income from prior periods (one-off effects) totaling € 25 million and was therefore above plan. Due to the above factors, despite solid operating business performance, net income before taxes remained below the original forecast of >€ 300 million at € 289 million. In addition, the Group net result/RoE after taxes were negatively impacted to a substantial degree by the fact that deferred taxes had to be written down as part of the updated corporate planning and due to lower future tax rates. As a result, income tax expenses were significantly above the original forecast at € 124 million. For information on the individual other drivers behind the development of the income statement items, we refer to the explanatory information in the next section of this chapter, the section on "Earnings situation".
- As at December 31 2025, the **CIR** was 48 % (December 31, 2024: 50 %), which is above the prior-year forecast (<45 %). The reasons for exceeding the previous year's forecast were the lower total income in the wake of the strategic business adjustments and the negative one-off effect in administrative expenses mentioned above. Adjusted for the negative one-off effect (€ 50 million) and the positive one-off effects in the other operating result (€ 25 million), the CIR would have been 43 % despite the lower earnings base, which would have met the previous year's forecast (<45 %).
- Despite the persistently challenging conditions in the commercial real estate markets, the **NPL ratio** calculated on the basis of the FINREP requirements remained stable at 3.3 % in the reporting period (December 31, 2024: 3.3 %). This is above the previous year's forecast (3.0 %). The NPL volume was reduced by € 110 million to € 540 million (December 31, 2024: € 650 million), in line with the proportional decline in the relevant loan portfolio. The key factor here was that, during the reporting period, by consistently implementing its NPL reduction plan – primarily through sales –, HCOB was able to reduce NPLs to a greater extent than new defaults occurred. Both the reductions and the new defaults were primarily attributable to the real estate loan portfolio.
- The **CET1 ratio** was down compared to the end of the previous year (17.3 %) and stood at 16.5 % as at December 31, 2025, thus remaining below the original forecast (~17 %), in line with the updated distribution policy. The reason for the decline in the CET1 ratio was that Common Equity Tier 1 capital decreased from € 3.2 billion to € 2.2 billion as a result of the proposed dividend payment of € 1,256 million, which has already been voluntarily taken into account in the ratio. Conversely, the aggregate risk-weighted assets (RWA) also decreased significantly during the reporting period. As at December 31, 2025, these decreased to € 13.1 billion (December 31, 2024: € 18.2 billion), particularly due to lower RWA for credit risks. The main drivers here were the lower business volume in conjunction with the reduction of the non-strategic business and the resulting change in the portfolio structure (e.g. sale of aviation, lower volumes in international real estate) as well as the first-time application of the CRR III regulations (see section on underlying conditions). The depreciation of the US dollar also contributed moderately to the decline in RWA for credit risks.
- The liquidity position was managed conservatively during the reporting year in view of the uncertain global market environment (including the US tariff policy). Thus, the liquidity coverage ratio **LCR**, which measures the resilience of an institution's liquidity risk profile in a stress scenario, reached 204 % as at December 31, 2025. HCOB significantly exceeded its forecast value (>180 %) with this ratio, which is more than double the regulatory minimum requirement of 100 %. The slight decrease in the ratio compared to the good value at the end of the previous year (216 %) is based on the fact that total net cash outflows have decreased to a slightly lesser extent than the liquidity buffer.

Further details underlying the business performance are given below in the "Earnings situation" and "Net assets and financial position" sections. The development of results in the segments is presented in the chapter "Segment results".

Earnings situation

Income statement

(€ mn)	2025	2024	Change in %
Interest income from financial assets categorized as AC and FVOCI	1,430	1,711	-16
Interest income from other financial instruments	82	98	-16
Interest expenses	-840	-1,057	-21
Net interest income	672	752	-11
Net commission income	28	26	8
Result from hedging	-3	2	>-100
Result from financial instruments categorized as FVPL	26	-7	>100
Net income from financial investments	7	7	-
Result from the disposal of financial assets classified as AC	13	3	>100
Total income	743	783	-5
Loan loss provisions	-109	-95	15
Total income after loan loss provisions	634	688	-8
Administrative expenses	-378	-350	8
Other operating result	37	-81	>100
Expenses for regulatory affairs, deposit guarantee fund and banking associations	-4	-9	-56
Net income before taxes	289	248	17
Income tax expense	-124	-20	>100
Group net result	165	228	-28
Group net result attributable to Hamburg Commercial Bank shareholders	165	228	-28

Total income down by 5 %

Hamburg Commercial Bank generated total income of € 743 million in the 2025 financial year. This means that the earnings figure was € 40 million or 5 % lower than the previous year (€ 783 million). The decline in total income is based on the development of net interest income, which was € 80 million or 11 % lower than in 2024 in the wake of the deliberately reduced business volume and due to a decrease in the NIM. Conversely, the FVPL result improved by € 33 million versus the previous year, mainly driven by foreign exchange gains from FX margin hedging. In addition, the other items that make up total income, such as the increased net commission income and the income from the disposal of financial assets classified as AC, contributed a total of € 7 million more to total income than in 2024. Developments in the individual main items making up total income and their causes are presented below.

In the 2025 financial year, **net interest income** amounted to € 672 million, down by € 80 million (11 %) on the value for the same period of the previous year (€ 752 million). It should be taken into account that net interest income in the same period of the previous year had benefited from a € 21 million gain generated in Treasury from the sale of promissory note loans. Disregarding this effect, the decline in net interest income at Group level would have only been 8 %.

In the four lending units, net interest income totaled € 618 million (previous year: € 666 million) in a generally less favorable interest rate environment for banks, declining by € 48 million compared to the previous year. The decline was driven by lower average segment assets and a moderate reduction in the net interest margin, which fell from 345 basis points to 330 basis points. In terms of segments, the decline was concentrated in Real Estate

and Global Transportation. In the Real Estate segment, average segment assets declined significantly, driven in particular by the reduction in international business and deliberately restrained new business. In the Global Transportation segment, the decline was attributable to margin compression in Shipping (starting from the high level in 2024). In Shipping, the weakness of the US dollar had a generally negative impact on net interest income, partly offset by positive countervailing effects in the FVPL result.

Net commission income amounted to € 28 million (previous year: € 26 million). Commission income developed very positively, particularly in the guarantee business, rising by 11 % to € 49 million (previous year: € 44 million). As in the previous year, the commission expenses (€ 21 million, previous year: € 18 million) mainly relate to fees for portfolio managers of the fully consolidated loan funds and, to a lesser extent, to brokerage commissions for the provider of the external platform for retail funding. The latter increased in line with the higher volumes.

The result from **financial instruments categorized as FVPL**, which was still negative in the previous year, amounted to € 26 million (previous year: € -7 million), thus making a positive contribution to total income. The increase was driven by the foreign exchange result (mainly resulting from FX margin hedging), which was influenced by the depreciation of the US dollar against the euro, and was clearly positive particularly in the first half of 2025, whereas it had still been negative in the whole of 2024. The result from FVPL assets also contributed positively to this income statement item, although to a lesser extent than in 2024. In the reporting year, it primarily included income from debtor warrants (Besserungsscheine) in connection with legacy loans in the Real Estate and Shipping segments. In the previous year, particularly the tightening of credit spreads, which had widened sharply in 2023, led to positive valuation results on securities.

The **result from the disposal of financial assets categorized at AC** amounting to € 13 million (previous year: € 3 million) was positively influenced by the disposal of the aviation portfolio.

Loan loss provisions still shaped by Real Estate

Loan loss provisions (income statement) totaled € 109 million (previous year: € 95 million) and continued to be driven by the Real Estate segment in 2025. Besides the Real Estate segment, the year-on-year increase was also driven by higher loan loss provisions in the Corporates segment.

The earnings item shows net additions of € 89 million (previous year: € 66 million) to Stage 3 and net additions of € 23 million (previous year: € 41 million) to Stages 1 and 2 in the 2025 financial year. The result from other changes to loan loss provisions was slightly positive at € 3 million, but it was below the level of the previous year (€ 12 million) due to lower payments received on receivables that had been written off.

At Stage 3, the net additions were again predominantly attributable to the Real Estate segment (€ 58 million), although these were slightly lower than in the previous year (€ 66 million). At Group level, this decline was more than offset by net additions of € 24 million (Corporates) and € 7 million (Project Finance) in 2025 in the Corporates and Project Finance segments, which had been virtually unaffected by Stage 3 loan loss provisions in the previous year. The net additions in the Real Estate segment were attributable to defaults on office property financing in Germany (primarily for properties in need of development), which was due to persistently weak demand and lower market values. On the other hand, two financing arrangements in default involving office properties in the US resulted in a net reversal after the realization of limited losses. While one of these US financing arrangements was successfully restructured, the other has been completely eliminated through the sale of receivables. In the Corporates segment, the net additions were primarily attributable to defaults on North American loans held via loan funds, while the risk situation in the domestic area remained largely stable overall. In the Project Finance segment, an increase in provisions was required for a previous default on financing of a wind farm in Sweden.

At Stages 1 and 2 of the loan loss provisioning model, total net additions of € 23 million (including the change in model overlays) were also largely attributable to the Real Estate (€ 18 million) and Corporates (€ 12 million) segments; by contrast, the Global Transportation segment (Shipping business unit) recorded a net release of € 8 million. The net additions in the Real Estate segment were primarily based on changes in risk parameters and the resulting original loan loss provisions. All in all, these exceeded the reduction in model overlays for real estate sub-portfolios. In the Corporates segment, the net additions at Stages 1 and 2 are primarily the result of an increase in model overlays, which were recognized due to the potential economic consequences of the current geopolitical uncertainties as well as the risk of negative effects from the potential escalation of trade and tariff conflicts.

For further details, particularly on the composition and development of the model overlays, we refer to Notes 12 and 22 in the notes to the consolidated financial statements.

Administrative expenses shaped by one-off effect in personnel expenses – operating expenses lower

Administrative expenses amounted to € 378 million in the reporting period (previous year: € 350 million) and were shaped by the one-off effect in personnel expenses explained below of € 50 million. Without this one-off effect, administrative expenses would have been around 6 % lower than planned, underlining the effectiveness of HCOB's stringent cost management.

Personnel expenses came to € 217 million (previous year: € 184 million). The significant increase of € 33 million is attributable to a one-off effect. In the reporting year, expenses totaling € 50 million (previous year: € 18 million) were recognized for severance payments arising from mutually agreed terminations of employment. Adjusted for the aforementioned negative one-off effect, personnel expenses remained almost unchanged compared to the previous year. The reducing effects of changes in headcount were roughly offset by the impact of tariff and non-tariff salary increases and higher expenses for variable remuneration compared with the previous year. The savings from the staff reduction, which had already been contractually agreed by around 80 % of affected employees as at the reporting date, will only be realized gradually in the 2026 until 2028 financial years.

The operating expenses (including depreciation of property, plant, and equipment and amortization of intangible assets) amounted to € 161 million, which is € 5 million below the level in 2024 (€ 166 million). The operating expenses in ongoing operations (known as "run the bank" costs) were roughly on a par with the previous year at € 132 million (previous year: € 133 million). In this context, the higher scheduled depreciation of software and slightly higher building costs were offset by lower expenses in other cost categories, such as IT provider and legal advisory costs. The overall decline in operating expenses is primarily due to the decrease in "change the bank" costs (project costs) to € 29 million (previous year: € 33 million). Despite the expenses incurred during the reporting year for implementation of the Bank's own retail platform and for the franchise focus strategy adjustment, these costs were reduced compared with the previous year due to lower expenses for IT projects.

Other operating result positive and above plan due to income from prior periods

The positive other operating result, which was higher than planned, amounted to € 37 million (previous year: € -81 million), as other operating income (€ 68 million) exceeded other operating expenses (€ 31 million), and it was therefore a key contributor to the increase in net income before taxes versus 2024. In the reporting year, the other operating result benefited from positive one-off effects of income from prior periods totaling € 25 million. These related to the effects of the final cumulative settlement from the voluntary Deposit Protection Fund (ESF) of the Association of German Banks (BdB) for the first four years after HCOB's admission to the ESF (€ 18 million) as well as value-added tax refunds for earlier assessment periods (net € 7 million). Further positive effects resulted from the reversal of provisions.

The Bank had made a one-off payment to the ESF as well as advance payments of the annual contributions for calendar years 2022 to 2025, and had also recognized provisions. As a result of the final cumulative settlement for the first four years of ESF membership, the Bank was able to reverse the provisions recognized and record a refund, which had a positive impact on the other operating result totaling € 18 million in the reporting year.

In the previous year, the other operating result was shaped by overall negative one-off effects. In this regard, the effect of expenses in connection with legal risks (€ 107 million) could not be offset by income from an earn-out agreement (€ 17 million).

Regulatory expenses lower – no expenses for bank levy and deposit guarantee fund

The expenses for regulatory affairs, deposit guarantee fund and banking associations amounted to € 4 million in total (previous year: € 9 million), including the expenses for banking supervision incurred during the reporting year. The decrease in this income statement item is primarily due to the fact that no annual contribution to the BdB's ESF was levied for the 2025 financial year. In the previous year, the Bank had recognized expenses (advance payments and additions to provisions) for the 2024 annual contribution that, as mentioned above, were refunded or could be reversed in the reporting year. As in the previous year, no contributions were

charged for the bank levy in the 2025 financial year either, because the Single Resolution Fund (SRF) has reached its target level.

Net income before taxes noticeably above prior-year level – income tax expense materially impacted by deferred tax expense

Given the above-mentioned developments in the individual items, net income before taxes amounted to € 289 million, which is significantly higher than the prior-year level (€ 248 million).

In contrast, the income tax expense rose significantly to € 124 million (previous year: € 20 million) and was dominated by a deferred taxes expense (€ 104 million). The expense for current taxes came to € 20 million.

The deferred tax expense comprises an expense from the reversal of deferred tax assets on temporary differences (€ 28 million), as well as an expense from the reduction in deferred tax assets on loss carryforwards (€ 76 million). The reduction in deferred tax assets on loss carryforwards in the amount of € 22 million results from the update of the multi-year plan in December 2025, according to which the Bank expects to be able to use tax loss carryforwards to a lesser extent over the next five financial years than originally envisaged in the prior-year planning. An amount of € 19 million of deferred tax expenses results from the mandatory valuation adjustment of deferred tax assets and liabilities to reflect the reduced corporate tax rates in Germany in future. The legal background to this is the law for an immediate tax investment program to strengthen Germany as a business location, which was passed in the second half of the year.

Positive Group net result affected by one-off effects associated with strategic business adjustments

After income tax expenses, Hamburg Commercial Bank reported a Group net result of € 165 million for the 2025 financial year (previous year: € 228 million).

The development in the earnings situation reflects, on the one hand, the Bank's satisfactory operating business performance. On the other hand, negative one-off effects from the strategic business adjustments were recorded in the Administrative expenses and Income tax expense items.

Total income after loan loss provisions was € 54 million below the prior-year level despite improved FVPL results and results from disposals, which was primarily due to lower net interest income as a result of the deliberately reduced business volume and, in part, also to slightly higher loan loss provisions compared with the previous year. Administrative expenses increased by € 28 million year-on-year, which is solely attributable to the aforementioned special charges from severance payments. However, compared to the previous year, these developments were more than offset by the significant improvement in the other operating result (increase of € 118 million, primarily due to the absence of negative one-off effects from legal risks recorded in the previous year). Accordingly, net income before taxes of € 289 million was noticeably above the figure for the previous financial year (€ 248 million).

The decline in the Group net result by a total of € 63 million was primarily attributable to a significant and disproportionate increase in income taxes relative to pre-tax profit, amounting to € 104 million. This was mainly driven by remeasurements of deferred tax assets on loss carryforwards, which was required due to the strategic focus as part of the update of the multi-year planning and due to valuation-related adjustments related to the lower corporate tax rates in Germany in future.

Net assets and financial position

Material items on the statement of financial position

Assets

(€ mn)	2025	2024	Change in %
Cash reserve	2,461	3,085	-20
Loans and advances to banks	544	714	-24
Loans and advances to customers	17,004	20,553	-17
Loan loss provisions	-275	-347	-21
Trading assets	151	225	-33
Financial investments	7,856	8,523	-8
Deferred tax assets	393	540	-27
Remaining assets	474	339	40
Total assets	28,608	33,632	-15

Liabilities

(€ mn)	2025	2024	Change in %
Liabilities to banks	2,416	3,718	-35
Liabilities to customers	13,483	15,020	-10
Debt securities issued	7,250	9,128	-21
Trading liabilities	102	309	-67
Provisions	328	374	-12
Subordinated capital	895	925	-3
Equity	3,957	3,892	2
Remaining liabilities	177	266	-33
Total liabilities	28,608	33,632	-15

Group's total assets down by 15 %

The Group's total assets amounted to € 28,608 million at the end of the 2025 financial year, which is 15 % (around € 5.0 billion) lower than the level at December 31, 2024 (€ 33,632 million). On the assets side, the smaller balance sheet was predominantly attributable to loans and advances to customers (€ -3.5 billion), but financial investments (€ -0.7 billion) and cash reserves (€ -0.6 billion) also fell compared with the end of the previous year. On the liabilities side, the correspondingly lower refinancing requirements were primarily reflected in the decrease in debt securities issued (€ -1.9 billion), the liabilities to customers (€ -1.5 billion), and the liabilities to banks (€ -1.3 billion). In detail, the developments were as follows:

The levels of cash reserves and loans and advances to banks were adjusted to the lower balance sheet volume as part of liquidity management. Accordingly, these balance sheet items were lower at the reporting date than as at December 31, 2024.

The development of loans and advances to customers was shaped by the strategic business adjustments and the associated focus on the franchise portfolios as well as the divestment activities for the non-strategic assets. Accordingly, the receivables portfolio in the international real estate business and in Structured Portfolio Finance (Corporates segment) declined compared with the end of 2024. In addition, the aviation financing portfolio was fully divested as part of the portfolio sale completed at the end of October 2025. Furthermore, the overall high level of repayments and the significant depreciation of the US dollar against the euro had a negative effect on the carrying amount of loans and advances to customers. As a result, the balance sheet item Loans and advances to customers was down significantly (by 17 %) as at December 31, 2025, to € 17,004 million (December 31, 2024: € 20,553 million).

Total loan loss provisions (for items in the statement of financial position) fell to € -275 million (December 31, 2024: € -347 million). The decrease mainly relates to provisions at Stage 3 of the loan loss provisioning model. This fell from € 212 million to € 162 million due to the utilization of loan loss provisions in connection with the disposal of non-performing exposures, which exceeded the net additions. Stage 1 and 2 loan loss provisions decreased from € 135 million to € 113 million. The model overlays included here (€ 58 million, December 31, 2024: € 71 million) primarily address the risks from particularly cyclically sensitive corporate financing and office property financing, along with potentially adverse effects from the macroeconomic environment. Further model overlays in the amount of € 5 million (December 31, 2024: € 6 million) were recognized for off-balance-sheet items.

Trading assets fell versus the end of the previous year to € 151 million (December 31, 2024: € 225 million). The decline is, on the one hand, due to the derecognition of loans from syndication transactions that were still on the books at the prior-year reporting date. On the other hand, the carrying amounts of the positive market values of interest rate and currency derivatives decreased compared with December 31, 2024.

As at December 31, 2025, the carrying amount of financial investments came to € 7,856 million in total, a drop of 8 % compared to the prior-year reporting date (December 31, 2024: € 8,523 million). This was mainly due to the deliberate reduction of exposure in liquid CLOs in line with the strategic focus, as well as the effect associated with the depreciation of the US dollar.

At € 393 million, the deferred tax assets were also down on carrying amounts as at December 31, 2024 (€ 540 million). € 247 million of this amount relates to deferred taxes on loss carryforwards, with € 146 million attributable to deferred tax assets on temporary differences. Alongside the drop in deferred taxes due to the utilization of loss carryforwards/the reversal of temporary differences, the decrease compared to the previous year is mainly due to the recognition of the reduction in the future corporate income tax rate in Germany and the reversal of deferred taxes on loss carryforwards as part of the updated corporate planning.

At € 474 million, remaining assets were € 135 million higher than the carrying amount as at December 31, 2024 (€ 339 million). In this aggregated item, the intangible assets, the property, plant, and equipment, and the current income tax assets were largely in line with the level at the end of the previous year. The increase in remaining other assets was mainly due to the classification of a real estate financing transaction (€ 48 million) as held for sale (IFRS 5), and, in particular, the increase in the overfunding of the closed pension plan. The plan assets exceeded the pension obligations they cover by € 248 million, significantly more than at the end of the previous year (€ 161 million); the surplus is reported in the Other assets balance sheet item.

On the liabilities side, liabilities to banks amounted to € 2,416 million, more than a third (35 %) below the level at the end of the previous year (December 31, 2024: € 3,718 million). Within this item, liabilities from repo transactions and deposits from development banks, among other things, decreased.

The development of liabilities to customers also reflects the lower funding requirements in line with the balance sheet volume. As a result, the carrying amount of this item was down by 10 % as at December 31, 2025, to € 13,483 million (December 31, 2024: € 15,020 million). The drop was due, among other things, to the conscious reduction in total deposits by corporate clients. In contrast, the volume of retail deposits increased in line with the funding strategy.

Debt securities issued amounted to € 7,250 million as at the reporting date, which is 21 % lower than the carrying amount at the end of 2024 (€ 9,128 million). The reason for this development was that maturing bonds were not fully replaced by newly issued debt securities due to the lower refinancing requirements.

As at the reporting date, the trading liabilities amounted to € 102 million, noticeably down on the carrying amount at the end of the previous year (€ 309 million) as a result of lower negative market values of interest and currency-related derivative financial instruments.

Provisions were also below the previous year's level at € 328 million (December 31, 2024: € 374 million). The decrease relates to various provision categories, including other provisions (here in particular the provisions for contributions to the ESF; see also the explanations on the other operating result in the earnings situation). However, provisions for litigation risks and costs and pension provisions (for early retirement obligations and benefits) also declined compared with the previous year. They were increased by additions to restructuring provisions in connection with the staff reduction measures adopted in the reporting period. It should be noted that parts of the future payment obligations are no longer reported under provisions but as liabilities under the other liabilities as at year-end due to fixed contractual terms.

The structural composition of subordinated capital has not changed. At € 895 million, its carrying amount as at December 31, 2025, was below the level at the end of the previous year (€ 925 million), mainly due to the depreciation of the US dollar.

Despite the dividend paid out in the second quarter of 2025 (€ 214 million), balance sheet equity increased and amounted to € 3,957 million as at December 31, 2025 (December 31, 2024: € 3,892 million). The main reasons for this were the positive Group net result and the increase in other comprehensive income (OCI). The latter is due to positive valuation effects on the pension obligations/plan assets and the FVOCI assets (predominantly financial investments).

Business volume fell to a much lesser extent than the Group's total assets

The business volume (Group's total assets plus off-balance-sheet transactions) fell by 13 % from € 38,823 million (December 31, 2024) to € 33,670 million. With a change of -2 %, the drop in off-balance-sheet business was significantly less pronounced than the decline in the Group's total assets and was attributable to irrevocable loan commitments. These fell by € 205 million to € 4,273 million as at December 31, 2025 (December 31, 2024: € 4,478 million). In contrast, contingent liabilities (sureties and guarantees) increased and reached € 790 million at the end of 2025, which is higher than at the end of the previous year (€ 713 million).

Structure of liabilities by financial instruments

(€ mn)	2025		2024	
	Total	of which >1 year	Total	of which >1 year
Secured: Pfandbriefe and asset-based funding	5,605	4,035	7,744	6,206
Covered bonds (Pfandbriefe)	3,507	2,414	4,412	3,751
Other secured funding	2,098	1,621	3,332	2,456
Unsecured liabilities (senior preferred)	16,391	4,439	18,256	3,482
Unsecured liabilities (senior non-preferred)	1,153	1,114	1,866	1,730
Profit participation certificates and other subordinated liabilities	895	890	925	918
Total	24,044	10,478	28,791	12,336

The above table breaks down Hamburg Commercial Bank's liabilities by financial instrument and thereby takes into account the requirements of capital markets participants. Liabilities with a maturity of more than one year are shown separately. The financial instruments can be reconciled to the balance sheet line items Liabilities to customers, Liabilities to banks, Debt Securities Issued, and Subordinated capital.

One focal point within the context of long-term refinancing relates to securitized debt instruments (Pfandbriefe, asset-based funding). These mainly include debt instruments issued under Pfandbrief programs (mortgage, public sector and ship Pfandbrief programs) as well as other asset-based funding issues, repo transactions, and deposits from development banks. The total volume of secured debt instruments outstanding was € 5,605 million as at December 31, 2025 (December 31, 2024: € 7,744 million). The unsecured liabilities that can be classified as senior preferred and senior non-preferred include the call and fixed-term deposits, which mainly comprise deposits from corporate and retail customers, as well as other unsecured financing instruments. They totaled € 17,544 million as at the reporting date (December 31, 2024: € 20,122 million). Call and fixed-term deposits are shown together with structured unsecured financial instruments in the senior preferred category and amounted to € 16,391 million in total (December 31, 2024: € 18,256 million). The senior non-preferred category consists primarily of bearer and registered bonds that do not have any structured elements and amounted to € 1,153 million as at December 31, 2025 (December 31, 2024: € 1,866 million).

HCOB's subordinated liabilities are reported under "Profit participation certificates and other subordinated liabilities" (€ 895 million, December 31, 2024: € 925 million). As at the end of the previous year, there were no silent participations or profit participation certificates.

Capital and funding

RWA, regulatory capital, and capital ratios

	2025 ¹⁾	2024 ²⁾
Risk-weighted assets (RWA) (€ bn)	13.1	18.2
Regulatory capital (€ bn)	2.8	4.1
thereof: CET1 capital (€ bn)	2.2	3.2
Overall capital ratio (%)	21.2	22.4
Tier 1 capital ratio (%)	16.5	17.3
CET1 capital ratio (%)	16.5	17.3
Leverage ratio (%)	7.3	9.0

¹⁾ The proposed dividend payment of around € 1,256 million in 2026 was taken into account in the Common Equity Tier 1 capital in advance; the dividend payment is subject to approval by the Annual General Meeting

²⁾ The dividend payment made in 2025 (€ 214 million) was taken into account in advance in the Common Equity Tier 1 capital.

Normalized capital ratios in line with the distribution policy remain at a good level

As expected, the CET1 ratio decreased at the end of 2025 compared with December 31, 2024 (17.3 %) to 16.5 %, but it remained above the updated strategic target of at least 16 % set at the half-year reporting date. The decrease is due to the inclusion of the proposed dividend payment of € 1,256 million for the 2025 financial year in the Bank's Common Equity Tier 1 capital. As a result, despite the positive Group net result and the increase in OCI, CET1 capital decreased to € 2.2 billion as at December 31, 2025 (December 31, 2024: € 3.2 billion). There was an offsetting positive effect on the ratio from the significant decrease in RWA for credit risks, as a result of which the aggregate RWA declined on a year-end basis from € 18.2 billion to € 13.1 billion. The drivers here were the lower business volume in association with a changed portfolio structure, the first-time application of the CRR III framework, and the depreciation of the US dollar. The Tier 1 capital ratio and the overall capital ratio developed in line with the Common Equity Tier 1 ratio compared with December 31, 2024.

The capital ratios still exceed the regulatory requirements resulting from the SREP process very significantly. The regulatory requirements were adhered to at all times during the reporting period. Please refer to the risk report for information on the minimum banking supervisory requirements.

The leverage ratio dropped to 7.3 % compared to December 31, 2024 (9.0 %) due to the lower Tier 1 capital. At this level, the ratio remains comfortably above the average level of European banks and well above the regulatory requirement of 3%.

Distribution policy

The distribution policy was reviewed by the Management Board as part of the updated corporate strategy and planning. In its corporate planning, the Bank takes into account specific and measurable financial and non-financial objectives, always aiming to improve profitability as well as to maintain capital buffers so that the business model allows the company to continue as a going concern even under significantly adverse circumstances and creates sustainable value for the Bank's shareholders.

Based on this strategy, the Bank aims to normalize its capital buffers in the context of its distribution policy, taking into account CET1 capitalization of at least 16 %, while at the same time reducing credit and liquidity risk by reducing non-strategic business activities and improving the funding structure, as set out in the current business plan.

This implies a payout ratio of 100 % of the accumulated profit (HCOB AG in accordance with the German Commercial Code, HGB) for the 2025 financial year, provided that a CET1 ratio of at least 16.0 % is maintained at Group level.

The distribution of dividends is a discretionary decision. As a result, the Management Board and Supervisory Board are free to propose deviations from the dividend to the Annual General Meeting.

Refinancing implemented successfully in the context of lower total assets with senior preferred benchmark issue and increased volume of private placements

The refinancing situation in the reporting period was initially characterized by capital market volatility triggered by trade disputes following the announcement of massive tariff increases by the US and geopolitical tension in the Middle East. However, as the tariff dispute appeared to ease slightly and the military conflict started to settle – as described in the section on the banking environment – there was a marked stabilization of the financial markets as the year progressed.

Fundraising was in line with the Bank's expectations. In total, the Bank raised around € 2.1 billion in long-term funds in the 2025 financial year. During the reporting period, the Bank issued a senior preferred benchmark transaction with a volume of € 500 million, which was increased by € 250 million in July to take advantage of a very favorable market environment from the Bank's perspective. Further information on this can be found in the section on business development. The aforementioned bond will strengthen the Bank's funding base in the long term and further broaden the investor base. Further refinancing funds were raised through private placements, including a € 300 million floating rate bond with a two-year term. The Bank is planning further benchmark issues in the unsecured segment as well as Pfandbrief issues in the coming years.

In the first half of 2025, the Bank paid out a dividend of around € 0.2 billion for the 2024 financial year and carried out a tender offer for an outstanding benchmark bond in senior non-preferred format, which was very successful with a redemption rate of over 50 %.

In addition to long-term refinancing, the strong deposit position of € 10.6 billion from the Bank's client business (corporate deposits), and an increase in the volume of retail deposits of around € 600 million, also contributed to the implementation of the funding strategy. In total, retail deposits amounted to € 0.85 billion as at the reporting date.

Key liquidity and funding ratios

	2025	2024
Corporate deposits (€ bn)	10.6	11.3
Retail deposits (€ bn)	0.9	0.3
LCR (%)	204	216
NSFR (%)	119	116

The regulatory requirements for the liquidity ratios were met during the reporting period. The risk report contains supplementary information on the capital and refinancing situation of Hamburg Commercial Bank.

Rating

Rating overview as at December 31, 2025

	Moody's
Issuer rating (long-term)	A3, stable
Current liabilities	P-2
Stand-alone rating (financial strength)	Baa3
Deposit rating	A3
"Preferred" Senior Unsecured Debt	A3
"Non-Preferred" Senior Unsecured Debt	Baa2
Subordinated Debt (Tier 2)	Ba1
Mortgage Pfandbrief	Aaa
Ship Pfandbrief	Aa3

The table above provides an overview of Hamburg Commercial Bank AG's ratings awarded by Moody's as at December 31, 2025. The ratings are consistent with the forecast since the upgrade of HCOB's issuer and stand-alone ratings, as well as key instrument ratings, on February 17, 2023. Information on the sustainability ratings for Hamburg Commercial Bank AG can be found in this combined management report in the chapter "Sustainability statement" and on the Bank's website.

Segment results

Segment overview

(€ mn/%)		Real Estate	Global Trans- porta- tion	Project Finance	Corpo- rates	Lending Units	Trea- sury & Group Func- tions	Reconcil- iation	Group
Total income	2025	191	154	125	231	701	44	-2	743
	2024	207	161	107	239	714	66	3	783
Loan loss provisions	2025	-78	10	-7	-35	-110	1	-	-109
	2024	-73	-3	-1	-20	-97	3	-1	-95
Administrative expenses & regulatory costs	2025	-88	-80	-54	-91	-313	-70	1	-382
	2024	-97	-78	-47	-101	-323	-36	-	-359
Net income after taxes	2025	17	59	44	90	210	10	-55	165
	2024	30	64	47	94	235	-38	31	228
RoE after taxes (%) ¹⁾	2025	2.8	15.9	12.2	11.6	9.9	9.0	n.a.	4.5
	2024	3.9	16.0	12.4	12.0	10.1	-9.9	n.a.	6.2
Segment assets (€ bn)	31.12.2025	5.9	2.5	3.9	4.6	16.9	11.8	-0.1	28.6
	31.12.2024	7.4	3.7	3.9	5.5	20.5	13.1	-	33.6
New business (€ bn)	2025	0.4	1.4	1.6	1.6	5.0	-	-	5.0
	2024	1.0	1.8	1.2	2.1	6.1	-	-	6.1

¹⁾ The RoE after taxes for the segments is based on a normalized regulatory capital backing (average risk weighted assets (RWA) and normalized CET1 ratio of 15 %). For the Group, the RoE after taxes is calculated on the basis of the balance sheet equity at the beginning of the year less the proposed dividend.

Structure of segment reporting

The management of the Group comprises four lending-oriented segments ("Real Estate", "Global Transportation", "Project Finance", and "Corporates"), which are also summarized as "lending units", and the segment "Treasury & Group Functions". The Global Transportation segment combines the Shipping and Aviation areas for the reporting and the comparative period. Activities in the Aviation area were discontinued during the reporting year upon completion of the portfolio sale. The "Reconciliation" column is used to transform all of the management indicators in relation to the IFRS Group. For more detailed information on the structure and methodology of segment reporting, please refer to Note 44 in the notes to the consolidated financial statements.

Further information on the HCOB segments and their strategic orientation can be found in the "Strategic direction for the business areas" section of the chapter of this combined management report entitled "Basis of the Group". Information on the strategic focus (franchise focus) decided on during the reporting period can be found in the chapters "Basis of the Group" (section "Strategic adjustments in 2025") and "Business development".

Business development in the segments

In view of the new business concentrated in the franchise portfolios (€ 5.0 billion; previous year: € 6.1 billion) and the deliberate reduction of non-strategic exposures (including through the sale of the aviation portfolio and the reduction of the international real estate portfolio), segment assets in the lending units have declined significantly over the past twelve months from € 20.5 billion to € 16.9 billion. The decrease in average segment assets from € 19.3 billion to € 18.7 billion was comparatively moderate, as assets had risen during 2024 (among other things due to the acquisition of the shipping portfolio), and as the decline in 2025 occurred predominantly in the second half of the year. Compared with the previous year, the interest rate environment was characterized by falling key interest rates, which could not be fully offset by the steeper yield curve. In this environment, the net interest margin in the lending units declined moderately to 3.30 % compared with 3.45 % in 2024. Against the backdrop of an asset allocation that was systematically focused on profitability, as well as an improved FVPL result, which primarily includes positive effects from FX margin hedging in the reporting period, total income decreased relatively moderately across all lending units (€ 701 million, -2 % compared to the previous year). In light of the challenging economic environment and the cautious risk policy, loan loss provisions, as in the previous year, were characterized by the Real Estate segment (in particular) and Corporates and rose moderately overall in the lending units. The aforementioned developments could not be fully compensated in net income after taxes by the favorable reduction in administrative expenses. The decline in net income after taxes was not fully compensated in RoE by the RWA relief effects. Accordingly, overall profitability in the lending units, measured in terms of RoE after taxes, amounted to 9.9 %, only marginally below the 2024 level (previous year: 10.1 %).

The **Real Estate** segment reported a positive net income after taxes of € 17 million in the 2025 financial year (previous year: € 30 million), even though the persistently difficult market environment again had a clearly negative overall impact. During the reporting year, the operating business was once again characterized by the risk-conscious further development of the portfolio, the aim being to optimize earnings, with less of an emphasis on new business and more emphasis on portfolio management. As a result, a number of non-performing exposures were reduced, as was the Bank's exposure in the USA. Net interest income declined noticeably against the backdrop of significantly lower average segment assets (including the reduction in international real estate business) and a lower net interest margin (NIM) compared with the previous year. The FVPL result, which benefited from FX margin hedging and income from a debtor warrant, was only able to partially offset this, so the total income decreased. The development of loan loss provisions was characterized by Stage 3 additions for defaults involving office properties in Germany and was slightly above the previous year's level overall. However, compared to the previous year, the slight increase in loan loss provisions was more than offset by the stronger decline in administrative expenses, so the decrease in net income after taxes was less pronounced than the decrease in total income. The segment's comparatively low RoE of 2.8 % (previous year: 3.9 %) as a result of the burdens from loan loss provisions reflects the persistently challenging overall situation on the real estate market. The gross new business focused on German commercial real estate clients remained very subdued at a total of € 0.4 billion (previous year: € 1.0 billion) due to the ongoing weak market demand and the conservative

business approach. As a result, and due to the winding-down strategy in the international area, segment assets decreased significantly to € 5.9 billion as at December 31, 2025 (previous year: € 7.4 billion).

In the **Global Transportation** segment, net income after taxes amounted to € 59 million (previous year: € 64 million), which, despite an increase in pre-tax profit, was solely attributable to higher allocated income tax expenses. Total income decreased slightly, reflecting lower net interest income year on year due to margin compression from a high base in the Shipping segment and the in-year sale of the aviation loan portfolio. The decline in total income was partially offset by positive developments in the FVPL result, which benefited from foreign exchange gains from FX margin hedging and income from a debtor warrant, as well as by the positive disposal result from the sale of the aviation portfolio. With administrative expenses remaining largely stable, moderate net reversals of general loan loss provisions more than compensated for the decline in total income in terms of pre-tax profit. Operating profitability, measured by RoE, remained at 15.9 % (previous year: 16.0 %), broadly in line with the very strong level of the previous year as a result of lower RWAs. At € 1.3 billion, focused gross new shipping business with domestic and international shipping companies with solid credit ratings was also broadly in line with the 2024 (previous year: € 1.4 billion excluding the acquired shipping portfolio). In the discontinued Aviation business area, business transactions totaling € 0.1 billion (previous year: € 0.4 billion) were concluded before new business activities were discontinued during the year. The segment assets in Global Transportation amounted to € 2.5 billion at the end of 2025 (December 31, 2024: 3.7 billion). In addition to the successful disposal of the aviation portfolio, the decrease was attributable to the high level of repayments in Shipping and effects from the weakening of the US dollar.

The **Project Finance** segment achieved net income after taxes of € 44 million, slightly below the previous year level (previous year: € 47 million). Despite an increase in pre-tax profit, this decline was solely attributable to higher allocated income tax expenses. The operating business continued to perform well. Total income increased to € 125 million (previous year: € 107 million), also supported by the rise in net interest income as a result of good new business and an expansion in margins. Administrative expenses were slightly higher than in 2024; however, the CIR declined slightly. Loan loss provisions increased slightly on a lower level due to an individual case. Due to the pleasing development in new business (€ 1.6 billion), which was significantly expanded compared to 2024 (€ 1.2 billion), segment assets as at the end of 2025 totaled € 3.9 billion, which is the same level as at the beginning of the period (previous year: € 3.9 billion). The profitability of the segment remained at a good level at 12.2 % (previous year: 12.4 %) and reflects the fundamentally positive outlook in this sector, not least due to the high financing needs for infrastructure projects on the market.

In the 2025 financial year, the **Corporates** segment generated a net income after taxes of € 90 million (previous year: € 94 million), once again making a substantial contribution to the results of the lending units. As part of the strategic focus, average segment assets declined, resulting in a decrease in total operating income despite a virtually unchanged net interest margin of around 430 basis points. Loan loss provisions, characterized by a shift from Stage 1/2 to Stage 3, increased moderately due to a small number of new defaults in Structured Portfolio Finance. Supported by a favorable cost trend, administrative expenses decreased, leading to a cost-income ratio of below 40 % in this segment. In line with the Bank's focus on its core business, the development of new business was also characterized by significantly reduced activities in Structured Portfolio Finance. By contrast, new business in Corporates Lending increased by almost 30 % to € 1.4 billion (previous year: € 1.1 billion). Overall, gross new business of € 1.6 billion was noticeably below the value for 2024 (€ 2.1 billion) due to the focus on the franchise business. As a result, segment assets also dropped relatively significantly to € 4.6 billion (previous year: € 5.5 billion). The segment's operating profitability, measured by RoE, remained at a solid level of 11.6 % (previous year: 12.0 %). Excluding Structured Portfolio Finance, the RoE in Corporates was 15.5 % (previous year: 15.6 %).

The **Treasury & Group Functions** segment reported a positive net income after taxes of € 10 million for the reporting year (previous year: € -38 million). In a market environment characterized by lower volatility than in 2024 and a depreciation of the US dollar, the strategic investment portfolio and capital market-related asset liability management generated a total income of € 44 million (previous year: € 66 million). The decline in total income was driven by net interest income. Here, the segment had benefited from a positive effect of € 21 million from the disposal of promissory note loans in the previous year. The one-off effect from severance payments (€ 50 million; previous year: € 18 million) had a significant negative impact on administrative expenses. The significant improvement in net income after taxes compared with 2024 is attributable to the other operating result (€ 37 million; previous year: € -81 million), which was dominated by one-off effects in both the reporting period and the comparative period. Whereas this earnings figure benefited from positive one-off effects of

income from prior periods during the reporting year, it in contrast included materially adverse net one-off effects associated with legal risks in 2024.

The difference between the income tax expenses recognized in the segments based on calculated tax rates and the actual income tax at Group level is shown in the **Reconciliation** item. Since the actual tax rate in the Group was significantly higher than the calculated rate during the reporting year, particularly due to write-downs of deferred tax assets, the difference was clearly negative, with a tax expense of € 54 million.

Detailed information on the methodology and effects included in the segment report is provided in Note 44 in the notes to the consolidated financial statements.

Final assessment of the situation of Hamburg Commercial Bank

In the reporting year, which for HCOB was defined by the strategic adjustment initiated in the first half of the year, the economic environment was shaped by multiple external factors, giving rise to uncertainty and volatility in the markets. In particular, geopolitical hotspots and international trade conflicts between major economies – exacerbated by the trade policy of the US administration – had a direct impact on market participants' confidence and on the development of the global economy/financial markets.

Despite these complex and challenging conditions, HCOB was able to successfully implement its strategic initiatives. At the same time, one-off effects resulting from the strategic focus led to unplanned and temporary burdens on earnings in the 2025 financial year.

HCOB has made good progress with its strategy adjustment, which focuses its lending business on profitable growth with European franchise customers. From the Management Board's perspective, this particularly includes the stronger-than-expected development of new business in the core business areas in terms of both volume and margins compared with the mid-2025 business plan, as well as the significant progress made with implementing the staff reduction, the anticipated costs of which are already fully recognized in the financial statements. It should also be emphasized that the Bank has made faster progress with the divestment of non-strategic assets than originally expected, with the successful sale of the aviation portfolio and a stronger reduction in parts of the Structured Finance portfolio.

Satisfactory **operating profitability** was evident on both the income and cost side. The operating performance in the lending units, measured by return on equity, was satisfactory. Almost all lending units reported RoEs (calculated on the basis of normalized regulatory capital backing) above 11.5 % for the 2025 financial year; only in the Real Estate segment was the ratio in the low single-digit positive range, given the high burden from loan loss provisions. In terms of cost development, the Bank was able to overachieve its targets for administrative expenses for the year as a whole – excluding the negative one-off effect from the approved staff reduction – which underlines the effectiveness of systematic cost management.

During the reporting period, the Bank once again successfully executed its NPL reduction plan despite the ongoing challenging conditions in the commercial real estate markets, helping to counter pressure on **asset quality**. Thus, new defaults in the Bank's real estate portfolio were more than offset by portfolio reductions, resulting in a decrease in NPL volume of 17 %.

In addition to the lower business volume and the changes in the portfolio composition, the introduction of the CRR III regulations at the beginning of the year also had a significantly lowering effect on the level of RWA for credit risks. The RWA relief led to a significant increase in **capital ratios** during the year; excluding the proposed dividend payment for the 2025 financial year, the CET1 ratio would have reached around 26 % at the end of the reporting period. At the same time, as part of its strategic business adjustments, the Bank adjusted its target level for the CET1 ratio to at least 16 % in order to reflect the reduced credit and liquidity risk resulting from the strategy adjustment (including the divestment of non-strategic assets). The reduction of the capital buffer is carried out as part of the Bank's distribution policy, which provides for a full distribution of the accumulated profit under HGB. With the CET1 ratio reported as at December 31, 2025, of 16.5 %, which already reflects the proposed dividend and meets the strategic target of 16 %, the Bank considers itself to still be one of the institutions with good capital resources in the European banking market. From HCOB's perspective, the capitalization level represents an adequate buffer against potential negative effects from adverse market developments and the potential materialization of remaining risks from strategic business adjustments.

With the central **liquidity** metrics (LCR and NSFR), which are, in some cases, significantly higher than the regulatory requirements and are based on prudent liquidity management, the Bank considers itself to be in a good position, even in a market environment characterized by significant uncertainty.

In view of the developments and positioning outlined above and the progress already made with the strategic focus, Hamburg Commercial Bank considers itself well positioned overall as at the reporting date to achieve its objectives. Details regarding predicted business developments, the ongoing challenges facing the Bank, as well as the opportunities and risks associated with future development, can be found in the "Forecast, opportunities and risks report".

Forecast, opportunities and risks report

Forecast, opportunities and risks report

The following section should be read in conjunction with the other sections in this combined management report. The forward-looking statements contained in this forecast report are generally based on assumptions, estimates, and conclusions that have been incorporated into HCOB's corporate planning, which was approved in December 2025. The forecast period used in accordance with GAS 20.127 covers one year from the reporting date, meaning that it ends on December 31, 2026. Insofar as periods after the end of the forecast period are discussed below, these statements explicitly do not constitute a forecast within the meaning of GAS 20.

Anticipated underlying conditions

Forecasts on economic growth and inflation come from national and international institutions (Germany: Bundesbank; eurozone: ECB; USA: Fed; China: IMF; world: IMF). The interest rate forecasts are based on the corresponding forward rates. The forecast euro to US dollar exchange rate is also derived from the futures markets. Unless otherwise stated, the statements on the overall conditions for relevant markets are based on internal estimates, also taking account of external sources of information such as research companies that are established on the market (real estate markets: e.g. bulwiengesa and PMA, shipping markets: e.g. Marsoft and MSI).

Expected business development of Hamburg Commercial Bank and outlook

	Actual figures 2025	2026 forecast
RoE after taxes @equity (%) ¹⁾	4.5	~9
CIR (%)	48	~45
CET1 capital ratio (%) ²⁾	16.5	16.0
LCR (%)	204	>180
NPL ratio (%)	3.3	~3,0
Rating	A3, stable	A3, stable

¹⁾ The RoE after taxes @equity is based on the reported equity at the beginning of the year less the proposed dividend. The 2026 forecast is based on an expected net income before taxes of round € 300 million.

²⁾ Actual figure for 2025: The proposed dividend payment of € 1,256 million for the 2025 financial year was already taken into account in the Common Equity Tier 1 capital in advance; the dividend payment is subject to approval by the Annual General Meeting.

Key basis for the forecast

In its forecast, which is generally based on HCOB's corporate planning (for the 2026–2028 period), the Bank applies the following assumptions/expects the following developments with a high degree of probability (base case):

ECONOMY AS A WHOLE AND FINANCIAL MARKETS

Global economy: According to our forecasts, global economic growth will weaken slightly in 2026 to 3.1 %, after reaching 3.2 % in 2025. For the United States, after real growth of 2.2 % in the reporting year, we expect an increase to 2.3 % in the 2026 forecast period. This development will be supported by the recovery at the beginning of 2026 after the temporary burdens from the government shutdown in the fourth quarter of 2025, by stimulus from a still supportive fiscal policy, and by increasing investments in technologies and artificial intelligence. However, we also anticipate weaker growth momentum for China and forecast a decline in economic growth to 4.2 % (2025: 5.0 %). In contrast, after growth of 1.5 % in 2025, slightly weaker momentum of

1.2 % is predicted for the eurozone in 2026. We expect slight growth of 0.6 % for the German economy in 2026 (2025: 0.2 %). The main drivers are likely to be planned public investments from the special funds for infrastructure and defense, as well as additional relief for companies and consumers.

Monetary policy: The headline inflation rate as at the end of 2025 was 2.0 % in the eurozone and 2.7 % in the United States. The ECB has thus achieved its inflation target, while US inflation remains above the target of 2.0 %. The monetary policy stance of both central banks during the year was characterized by interest rate cuts. For 2026, we expect monetary policy easing to continue in the United States, while the eurozone is likely to maintain the current interest rate level. However, a significant interest rate differential between the United States and the eurozone is likely to remain. For the end of 2026, current forward rates imply a Fed Funds Rate of around 3.125 % and an ECB main refinancing rate at the current level of 2.15 %. Long-term yields on German government bonds (Bunds) were 2.85 % at the reporting date, while ten-year US Treasury notes (T-Notes) stood at 4.18 %. For 2026, we expect an increase in long-term yields both in the United States (forecast for December 31, 2026: 4.42 %) and in Germany (forecast for December 31, 2026: 3.12 %), which should primarily be due to higher sovereign issue volumes and rising risk premiums as a result of fiscal developments. In the United States, political attacks on the independence of the Fed could also drive yields higher. The EUR/USD exchange rate rose significantly in the reporting year from just under 1.04 to 1.17 and could rise further, at least in the short term (forecast for December 31, 2026: EUR/USD 1.19).

MARKETS/SECTORS

Real Estate: On the German office property markets, the phase of cyclically weaker space demand is likely to continue somewhat longer in 2026, thereby slightly increasing vacancy rates, before the first positive effects from fiscal investment stimulus become apparent. Office rents are expected to rise moderately in sought-after central locations and to decline slightly in fringe and peripheral locations. While market values in preferred locations are likely to remain broadly stable, further moderate losses are probable in secondary locations. The European office property markets are likely to follow a similar pattern in terms of rents and market values in general due to similar developments in the underlying conditions as those that apply in Germany. After years of decline, rents should tend to stabilize on the retail property markets in city centers and in shopping centers, with some concessions in secondary locations. In contrast, moderate increases are expected for the rents at specialist retail parks, especially those with anchor tenants in food retail. Their market values are also likely to rise moderately, while those with a non-food focus are more likely to stagnate, and those of commercial buildings and shopping centers to decline slightly. The high level of excess demand on the housing markets in the country's major cities looks set to continue, meaning that rents and prices will continue to rise noticeably. On the logistics property markets, completions are expected to exceed demand for rental space, so that rents are likely to stagnate. Minor losses in market values cannot be ruled out.

Shipping: While the earnings situation on the shipping markets is likely to deteriorate considerably in 2026, it will remain above average in a historical comparison. However, geopolitical factors that are impossible to predict, such as the course of the conflicts in the Middle East and Ukraine or the plans of the US administration, could overshadow the expected impetus. The dynamic fleet growth witnessed for container vessels is expected to outpace the demand trend and negatively impact the market. If the Red Sea became safe to navigate again, tonnage demand could even decline slightly. A weakening of rates and prices is expected over the course of the year for bulkers due to another increase in tonnage with only moderate growth in transport demand. The market for oil tankers is also expected to move downward from the level seen at the end of 2025. With only moderately rising global oil consumption, the further acceleration in fleet capacity growth is likely to be met by a somewhat lower increase in demand.

Project Finance: The outlook for transport and digital infrastructure is positive, as the persistently high need for maintenance and expansion (in the case of digital infrastructure, particularly with regard to Europe's digital sovereignty) will provide investment incentives. Potential negative factors are the ongoing global uncertainty due to US policy and its international repercussions, the likely only very limited further decline in US interest rates, and the persistently high price level for construction materials and services. The outlook for the expansion of renewable energies and the associated grid and energy storage infrastructure also remains positive in Europe for 2026. Price volatility and shortcomings regarding grid connections could weigh on development. However, the sustainability elements at EU level and the European Commission's climate change program will continue to provide growth impetus for renewable energies in Europe in the medium term.

Corporates: The retail sector in Germany is likely to be boosted by the low inflation rate compared to recent years, above-inflationary pension increases, and continued wage increases. However, the combination of the recent inflation-related loss of purchasing power, the geopolitical situation, and growing concerns about job security (given the challenges that Germany continues to face as a manufacturing location and in its industry) is likely to dampen sentiment and further weigh on consumption. Industrial activity is likely to be less affected in view of the trade agreements concluded with the United States and other countries, even though significant geopolitical uncertainties and thus downside risks still remain. High production costs are likely to continue to weigh on sales in the manufacturing sector, even though an improvement appears on the horizon in light of increases in public demand. Interest rate-sensitive sectors such as construction could receive positive stimulus once the likely trough of the current ECB interest rate cutting cycle has been reached – and before central bank interest rates rise again, presumably in the medium term. Despite the challenging conditions, the growth prospects for the German economy in 2026 appear more positive than they have for a long time, particularly due to the fiscal stimulus and stronger reform efforts at the political level. The promises of the US government for an even more business-friendly economic policy may be harder to fulfill in view of the upcoming mid-term elections in the United States and the uncertainties regarding the future interest rate outlook, especially since the latest announcements by the US President to reduce inflation for US consumers could also result in burdens for American companies.

BUSINESS DEVELOPMENT

- In 2026, the Group's total assets are expected to decline moderately by the end of 2026. On the asset side, the decrease should primarily relate to the treasury book (financial investments and cash reserve), whereas the size of the loan book (balance sheet line item: Loans and advances to customers) should tend to remain at the level of the reporting date. The development on the liabilities side is expected to be characterized by lower refinancing needs corresponding to the decline on the asset side, which in planning terms will lead to lower volumes of asset-based funding, among other things. The dividend payment proposed for the 2025 financial year, which has already been recognized in advance as a reduction in the capital ratios at year-end 2025, will also lead to a reduction in balance sheet equity when it is paid in 2026. With regard to refinancing via deposits, the growth in retail deposits is expected to continue, allowing part of the funding currently obtained via corporate deposits to be substituted. In addition, the funding plan provides for moderate capital market activities in terms of volume.
- As outlined above, loans and advances to customers should develop almost constantly in the 2026 forecast period. For the further course of the planning period, growth is assumed for the loan book across all franchise portfolios, with the exception of national real estate, which share of the Group's total assets is targeted to around 20 % in the medium term as part of the asset allocation. The divestment in the discontinued business areas such as the international real estate business and Structured Portfolio Finance (Corporates segment) will continue through a rundown, so that the share of the franchise portfolio in the Group's total assets should increase in the medium term from around 50 % (year-end 2025) to over 60 %.
- With regard to new business focused on the franchise portfolio, the corporate planning for 2026 assumes a gross volume of new business above the level of 2025, when € 5.0 billion was contracted. According to the plan, growth in new business will mainly be attributable to the Real Estate segment, where new business development was very subdued in 2025. Overall, a relatively balanced allocation of new business is being targeted across the four lending units: Real Estate, Shipping, Project Finance, and Corporates. Over the planning horizon, the Bank targets an annual growth rate of approximately 11 % in new business.
- For total income 2026, HCOB expects a decline compared with the reporting year in the high single-digit percentage range, as the lower business volume will have an impact on net interest income – in line with the

trend in the second half of 2025. In contrast, profitability, as measured by the net interest margin (NIM), should again reach the level of the reporting year.

- In 2026, HCOB expects loan loss provisions (income statement) to be noticeably below the level seen in the reporting year. The main driver here is an anticipated gradual economic recovery of the commercial real estate markets, in the course of which the need for loan loss provisions in the Real Estate segment should tend to decline both at Stage 3 and at Stages 1 and 2 of the loan loss provisioning model. The risk costs should decrease further by the end of the planning period.
- Administrative expenses should be almost 20 % lower in 2026 than in the past financial year. The drivers here are the absence of the one-off costs incurred in the reporting year, savings from the gradual FTE reduction as part of the agreed staff reduction, lower project costs and the full year effect of contracted savings in IT services. By the end of the planning period, the Bank aims to reduce its costs (basis: administrative expenses for 2025 adjusted for one-off effect) by around 15 % in nominal terms to around € 280 million.
- As in 2025, no bank levy will be incurred for the 2026 financial year; moreover, no contributions to the deposit guarantee fund will be collected in 2026 either.
- For the current year, the Bank expects the other operating result to be broadly balanced, on the premise that, unlike in 2025, no material one-off effects will occur.
- According to the Bank's corporate planning, the development in income tax expense will be characterized by the minimum taxation in Germany (current taxes) and expenses from the utilization of deferred tax assets. The income tax rate should be significantly lower than in the 2025 financial year.

Forecast for development in the most important key performance indicators in 2026

Taking the above-mentioned aspects into account, the Bank assumes in its forecast that it will be able to achieve net income before taxes of around € 300 million in the 2026 financial year (actual figure for 2025: € 289 million). The expected increase in net income before taxes is primarily based on the assumption that a volume-related decline in net interest income and the absence of positive one-off effects in the other operating result can be more than offset overall by lower administrative expenses and lower loan loss provisions. Based on an income tax expense that is expected to be significantly lower than in the reporting year, the Bank forecasts an **RoE after taxes @equity** of around 9 % for the 2026 financial year (actual figure for 2025: 4.5 %).

The **CIR** should be ~45 % in 2026. The expected decrease compared with the reporting year (48 %) is based on the assumption that the administrative expenses (in particular due to the elimination of the one-off effect in personnel expenses) will decrease disproportionately to the development of the income base (total income plus other operating result).

With regard to Common Equity Tier 1 capital, HCOB will take into account, under its distribution policy for the 2026 financial year, that a **CET1 ratio** of 16.0 % is targeted as at December 31, 2026 (see also the explanations in the "Distribution policy" section of the "Economic report" chapter).

The Bank expects the **LCR** to remain comfortably above the regulatory requirements (100 %) at the end of 2026, with a ratio in excess of 180 %.

As part of the projections for the **NPL ratio**, the Bank expects a new default volume for 2026 that is lower overall than in the reporting period, with new defaults in particular in the Real Estate segment expected to decline. Here, the Bank should benefit from the fact that the loan book has now been adjusted to the current interest rate level. At the same time, the Bank expects that it will be able to achieve a net NPL reduction in 2026 as well, driven by the Real Estate segment, which will be disproportionately higher than the decline in the relevant volume of receivables. On this basis, the Bank forecasts an NPL ratio at year-end 2026 of ~3,0 % (December 31, 2025: 3.3 %), which should continue to decline in the subsequent years of the planning period.

The rating, which was most recently confirmed in June 2025, is likely to remain at the current level in the 2026 financial year, which is also reflected in the stable outlook.

The Bank addresses the main opportunities and risks associated with the forecasts below. Opportunities are defined as possible future developments or events that may give rise to a positive divergence from the forecast for the Bank. In contrast, as part of the forecast report, risks are defined as possible future developments or events that may give rise to a negative divergence from the forecast. The Bank-specific risk types are then separately explained in the risk report.

Opportunities and risks

On the one hand, the opportunities and risks with regard to the forecasts for the key performance indicators presented above arise from future developments in the macroeconomic environment (macroeconomic factors) and the market and competitive conditions in the sectors relevant to HCOB (sector-specific factors). These are presented below in sections A) and B). On the other hand, opportunities and risks for HCOB's forecasts arise from company-specific circumstances, which are explained in sections C) to E).

A) ECONOMIC FACTORS (BUSINESS CYCLE)

There will be risks to the global economy in 2026, which could weaken growth and lead to volatility in the financial markets. These include the ongoing geopolitical tensions such as the continuation of the war in Ukraine and the fragile situation in the Middle East. An escalation of the conflict, for example through attacks on Iranian energy infrastructure, could affect transport routes and trigger a new energy price shock with monetary policy implications. The risk of an escalation in the Indo-Pacific also remains: Military action by China against Taiwan or a blockade would place a considerable burden on the global semiconductor industry. In addition, extreme weather events continue to pose a relevant risk, with potential impacts on tourism, harvests (and thus food prices), energy supply, transport routes, and construction activity. There are additional risks in the major economic areas: In the US, tariff policy and political uncertainty under the Trump administration could intensify trade conflicts and increase inflation. In addition, political pressure on the Federal Reserve from the Trump administration is increasing, which raises the likelihood of a more expansionary monetary policy and contributes to uncertainty about the monetary policy course. For the eurozone, there is a threat of burdens from US tariffs and competitive pressure from China. Domestic political risks such as the fragile government situation in France amplify volatility. Another risk factor is the accelerated introduction of AI. It can lead to disruptive effects in the financial markets, a change in the competitive landscape among companies, and an increase in energy consumption – and thus to higher energy prices.

In contrast, if the risks mentioned above do not materialize and geopolitical tensions come to an end more quickly, this should be associated with higher global economic growth. In addition, there are opportunities for the European and German economy from structural reforms and from the increasing use of AI, which could promote productivity and innovation.

B) SECTOR-SPECIFIC FACTORS (MARKETS)

Weaker-than-expected economic development, particularly in China and the US, would have negative consequences for global trade and thus also for the shipping markets, as would an escalation of the geopolitical tensions/conflicts mentioned above, since these are likely to lead to deglobalization and/or onshoring. Furthermore, a return to previous trade routes due to the elimination of disruptions or sanctions would result in shorter transport distances. The need to limit the consumption of fossil fuels such as coal, oil, and gas is also likely to slow the demand for maritime transport. Should global economic activity be more dynamic than expected, this would have a positive impact on the demand for transport services.

If, instead of the only very limited increase in long-term interest rates expected for 2026, a more drastic increase were to occur because the financial markets' confidence in the Fed's independence is severely damaged, and if this increase also spills over to European interest rate levels, the real estate markets would come under more pressure than assumed in the planning. A significantly weaker economic performance, or even a relapse into a deep recession, would also have an adverse impact. This would affect both commercial and residential property. Conversely, a more favorable than assumed development of the primary stress factors, a faster and stronger economic recovery, and the stabilization of long-term/reduction of short-term interest rate levels would improve the sector's prospects.

If the development in the economic and sector-specific factors were to be more negative overall than assumed in the Bank's plans, this would tend to exert pressure on loan loss provisions (earnings situation), the NPL volume/NPL ratio (asset quality), as well as RWA and, as a result, the Bank's capital ratios (capital). Furthermore, the earnings situation in the context of the FVPL result could be negatively affected in the event of an unexpectedly marked widening of credit spreads.

On the other hand, more favorable overall development in economic and industry-specific factors than assumed in the planning would tend to have a positive impact on the aforementioned results and key performance indicators.

C) CLIENT BUSINESS

On the earnings side, the fundamental challenge lies in achieving the moderate growth targets in the franchise business areas and the targeted development in operating profitability while upholding the Bank's conservative credit standards, even in the current macroeconomic environment.

Should the macroeconomic environment and the market and competitive conditions in the markets/sectors relevant to the Bank show more negative development than in the forecast, there is, in addition to the potential effects described in Section B), the risk that the volume and margin targets used as a basis in the forecast cannot be achieved, for example due to weaker customer demand and/or high unscheduled repayments, as well as mounting competitive pressure on margins, particularly due to growing competition from unregulated financial market participants.

In all of the Bank's core business areas, there are numerous opportunities for profitable growth despite the existing challenges. The growing importance of sustainability aspects, ongoing digitalization, and the development of innovative products and services, but also government stimulus measures, are all leading to new financing needs. Furthermore, progress in efforts towards cross-border cooperation within Europe (including the reduction of intra-European trade barriers) and the increasing focus on European sovereignty have a positive impact on capital demand. These can be specifically addressed by tailored financing solutions. In the real estate sector, energy-efficient projects in particular and an emerging trend reversal toward more positive market conditions are opening up new business opportunities. At the same time, the transformation in the shipping industry toward lower-emission technologies is creating additional financing needs. Infrastructure and energy projects in the area of project finance also benefit from government support programs. In addition, corporate clients, especially in the SME sector, increasingly require tailored financing models to cope with structural changes. HCOB sees itself as the preferred partner for its customers in Europe, offering them tailored financing solutions based on expertise, reliability, and speed. If HCOB succeeds in getting its value proposition across to customers and maintaining or expanding its market position in its core business areas, this will open up income and growth opportunities that could be enhanced by tapping cross-selling potential.

D) STAFF REDUCTION

The staff reduction measures resolved at the end of 2024 and in the reporting year have already been largely contractually agreed, so that a large proportion of the planned cost savings can be reliably achieved. The reduction in headcount will make a significant contribution to the sustainable optimization of the cost base.

In connection with the staff reduction, there is a risk of a potential unintended loss of key personnel, which could lead to know-how bottlenecks and impair the stability and quality of critical business processes. There is also a risk that the efficiency and productivity gains assumed as part of the staff reduction measures – for example from process optimization, automation, and the use of artificial intelligence – will not be achieved to the expected extent. In this case, it could turn out that the staff reduction was too ambitious, which could lead to capacity bottlenecks and restrictions in operational performance. In addition, there is a residual risk that the targeted reduction objectives may not be fully achieved. This could mean that the planned cost savings cannot be fully achieved and that the targeted efficiency gains would therefore fall short of expectations. To counter this risk, the Bank already initiated measures to simplify and further automate processes, introduced successfully AI use cases and provided trainings on new technology to employees. In addition, a large number of productivity tools have been made available to all employees and the further implementation of AI and automation use cases remains a top priority, so the Management Board considers the targeted efficiency and productivity to be achievable. In order to minimize risk, the Bank also relies on targeted communication measures – accompanied by change management initiatives that support employees with the transformation – as well as systematic succession planning and continuous monitoring of the implementation of the defined measures.

The efficiency gains already anticipated in the staff reduction are intended to create capacities that will enable a targeted reorientation towards future-oriented fields of activity. However, the prerequisite for this is that the underlying productivity increases are actually achieved as planned.

E) FUNDING

In its funding planning, HCOB has set targets for the growth of retail deposits against the backdrop of an overall declining refinancing requirement, in order to reduce, in the medium term, the share of funding via the capital market and corporate customer deposits. On the one hand, the volume of deposits from retail customers raised via the online platform of a third-party provider ("Raisin") is to be further expanded. Another important channel for the targeted growth of retail deposits is the Bank's own newly developed "Hamburg Direct Bank" digital platform, set up in cooperation with an established provider. From its planned go-live in the first quarter of 2026, German retail customers will be offered direct investments with various maturities.

Achieving the growth targets for retail funding largely depends on the sustainable acceptance of HCOB's product offerings by potential customers. The market for retail customer deposits in Germany is characterized by intense competition and a pronounced sensitivity to price. Customers tend to react strongly to interest rate offers and show a relatively high willingness to switch providers. In this competitive environment, in which competitors are pursuing comparable funding strategies, there is a risk that the Bank will not achieve the retail funding volumes targeted, or only at higher costs than planned. In such cases, the bank would as a mitigant reduce the corporate deposit volumes to a lower extent than planned. Conversely, an HCOB offering that is more attractive than the market average could mean that the growth targets for retail funding are achieved earlier than planned or even exceeded, further strengthening the diversification and stability of the deposit base.

F) LEGAL ENVIRONMENT

As at December 31, 2025, the Bank had set up provisions for litigation risks and costs in the amount of € 132 million in its IFRS consolidated financial statements. Earnings risks or opportunities for the earnings situation arise from the possibility that future actual utilization of the provisions in connection with the pending legal disputes may be higher or lower than the utilization level on which the provisions are based.

In the past, the Bank has suffered losses on financing arrangements in an EU member state due to government intervention. The Bank had already taken legal action against this intervention in previous years. If future rulings confirm the Bank's legal opinion, inflows of funds in an amount running into the mid double-digit millions (of euros) can be expected for the Bank. However, these circumstances do not pose any further risks to the Bank's earnings situation, as the Bank has already fully reflected the default risks in the financial statements in prior years.

Overall appraisal and net income forecast

In 2026, HCOB will focus all its efforts on the operational execution of its franchise focus strategy, which is fully geared towards customer centricity and profitable growth in its core business areas. Accordingly, new business planning provides for growth compared with the reporting year. In addition, the operational implementation of the initiatives launched during the reporting year, such as the development of the Bank's own platform for retail deposits and the continuation of the rundown of non-strategic assets, will be a focus for the Bank. Moreover, HCOB will launch a new growth initiative on the market under the name "Managed Accounts" in 2026. This product involves setting up a loan fund for the benefit of external investors, for whom the HCOB Group provides asset management services and contributes its loan sourcing expertise. This product, which is fundamentally scalable, will further strengthen the Bank's commission income. Furthermore, the Bank will use its fully implemented cloud infrastructure to further drive process optimization, as part of its commitment to continuous improvement. AI and automation are to be used more intensively in this context, which HCOB sees as a key driver for further increasing operational efficiency and thus ensuring sustainable profitability.

The earnings forecast for the current 2026 financial year is based on the assumption that total income will decline due to the planned lower balance sheet volume, given a stable development of the net interest margin. However, the decline in the income base should be more than offset by lower risk costs and lower administrative expenses, the latter also supported by the absence of the one-off effect incurred in 2025. Based on current

knowledge, the Bank expects to be able to achieve IFRS net income before taxes for the 2026 financial year of around € 300 million.

This earnings forecast – following the outbreak of war in Iran at the end of February 2026 – is contingent upon the absence of a potential further and sustained escalation of existing geopolitical conflicts/crises (particularly in the Middle East and Ukraine) as well as tensions (trade conflicts), should these be associated with significantly adverse developments in the financial, real estate and shipping markets compared to the assumptions underlying the forecast. The same applies to the potential occurrence of other, currently unforeseeable crisis events. Conversely increased focus on European sovereignty and further European integration could provide strong growth opportunities.

The earnings forecast and future development of Hamburg Commercial Bank are associated with challenges and opportunities overall which are described in detail in both the forecast and the risk report.

Risk report

Risk management system

Principles of risk management

Active risk management represents a core component of the Overall Bank management at Hamburg Commercial Bank. The risk management system is developed on an ongoing basis in line with the Bank's business strategy and risk positions. The Minimum Requirements for Risk Management (MaRisk) and the relevant European Banking Authority (EBA) guidelines serve as the regulatory framework for the design of the risk management system.

Hamburg Commercial Bank defines risk as the threat that unfavorable future developments could have an adverse impact on the Bank's assets, earnings, or financial position.

Hamburg Commercial Bank performs annual and ad hoc risk inventories to identify the material risks. The risks are broken down into financial risks and non-financial risks (NFR). The material risk types that can be quantified at Hamburg Commercial Bank are default risk, market risk, and liquidity risk for the financial risks, whereas the non-financial risks are operational risk, which also includes legal and compliance risks, as well as reputation risk and business strategy risk, which comprises both financial and non-financial components.

In accordance with the regulatory frameworks, Hamburg Commercial Bank does not consider sustainability risks to be an own risk type, but rather as risk drivers in financial risks and non-financial risks, and takes measures to actively manage them, including measures based on sustainability scores for new lending business as well as integration in the scenario calculations. Further information on how the Bank deals with the topic of sustainability and the associated risks can be found in the "Sustainability statement" section of this combined management report.

Definition of risk appetite and risk limit system

As the strategic guideline for the Overall Bank, the Strategic Risk Framework (SRF) serves as the foundation of the risk culture, sets out the focus of the Bank's risk management activities, and defines the objectives of risk management, as well as the measures taken to achieve these objectives. It is fully integrated into the Bank's processes, for example by being incorporated into the Bank's objectives, by way of the definition of requirements for the strategy and planning process, in risk reporting, and in the Code of Conduct.

Through its consistent guidelines, which are aligned with the business strategy, the SRF supports implementation of the business strategy objectives and ensures compliance with the regulatory requirements. The focus is on securing and allocating the scarce resources of capital and liquidity while taking into account the risk appetite. The operationalization of risk appetite is ensured through the risk strategy and the derivation of adequate risk limits. The limit system serves to identify adverse developments at an early stage, to avert them with appropriate countermeasures, and to achieve the risk strategy objectives.

When defining the strategies and the resulting risk appetite, assumptions must be made about the future development of relevant influencing factors. Significant changes, for example in the geopolitical and macroeconomic environment, regulatory developments, or the Bank's strategic orientation, may require an adjustment. The SRF is therefore reviewed at least annually and approved by the Management Board. In line with the strategic focus of Hamburg Commercial Bank, which was approved by the Management Board in the first half of 2025, a mid-year adjustment was made to the SRF.

Organization of risk management

The organization of risk management at Hamburg Commercial Bank is primarily aligned to the requirements of the business model while at the same time taking regulatory requirements into account.

Responsibility for risk management at Hamburg Commercial Bank, including the methods and procedures to be applied for measuring, managing and monitoring risk, lies with the Overall Management Board.

The Risk Committee of the Supervisory Board is in particular responsible for reviewing Hamburg Commercial Bank's current and future overall risk tolerance and risk strategy. In addition, it advises the Supervisory Board on the current and future overall risk tolerance and strategy and supports the Supervisory Board in monitoring the implementation of this strategy by the Management Board. In meetings, the Risk Committee is regularly informed by the Management Board about the Bank's risk situation and risk management.

As a member of the Management Board, the Chief Risk Officer (CRO) is responsible for risk controlling at Hamburg Commercial Bank, including risk monitoring and back office functions. The CRO makes decisions independently of the members of the Management Board responsible for the market or trading divisions. In this way, the separation of functions required under the regulatory provisions between the market and trading divisions on the one hand and risk controlling, control of trading transactions as well as back office on the other, is taken into account at all levels of the Bank from an organizational perspective.

Specifically, the CRO is responsible for the risk control units Strategic & Credit Risk Control, Asset & Liability Risk Control, as well as the Credit Risk Center and Compliance business units.

The risk control units Strategic & Credit Risk Control and Asset & Liability Risk Control are responsible for the risk strategy, the risk controlling function required for regulatory purposes, and the methodological guidelines and models for calculating all risk-relevant components. They develop the methods and tools for identifying, measuring, managing and monitoring the risks and set the risk limits for portfolio management – together with the Credit Risk Center business unit for default risk. The Strategic & Credit Risk Control business unit also assesses collateral for the lending business and determines the loan loss provision amounts in accordance with IFRS 9.

The Asset & Liability Risk Control business unit conducts risk monitoring of trading transactions, while processing is carried out in the Capital Markets Operations department, which falls under the responsibility of the Chief Executive Officer.

Among other things, the Credit Risk Center is responsible for setting ratings and for independently evaluating and preparing a second assessment for normal and intensive exposures that are subject to a vote, establishing and developing credit standards, and – in close cooperation with the Strategic & Credit Risk Control business unit – setting risk limits for portfolio management and monitoring compliance with these limits. The specialized Restructuring & Work-Out department is primarily responsible for restructuring and workout activities. In addition – together with the Strategic & Credit Risk Control business unit – it is responsible for determination of the Stage 3 loan loss provision amounts (IFRS 9).

The Compliance business unit is responsible for monitoring and assessing compliance with legal and regulatory requirements with regard to the Code of Conduct and the regulations on capital market compliance, the prevention of money laundering, terrorist financing, and criminal acts in accordance with Section 25h of the German Banking Act (KWG), and compliance with financial sanctions and embargoes. In addition, the business unit performs the compliance function as defined in AT 4.4.2 MaRisk and in this context strives to ensure that the essential legal regulations and standards are implemented at Hamburg Commercial Bank and complied with.

The organizational structure of Hamburg Commercial Bank is based on the three lines of defense (3 LoD) model. The risks to which the Bank is exposed have to be managed on a decentralized basis (1st LoD), monitored independently (2nd LoD), and included in the process-independent audit (3rd LoD). At Hamburg Commercial Bank, the lines of defense have been clearly defined, as have the corresponding tasks and responsibilities, and are characterized by the following features:

The first line of defense is made up of all of the Bank's business units that incur risks through their operating (business) activities. In particular, as the risk owner, the first line is responsible for managing client and business-specific risks and for designing controls in accordance with the methodological specifications defined by the second line of defense.

A second line of defense has been established for all material risk types, which is responsible for independent monitoring and control as well as determining procedures to limit the respective risks. It is defined by the officer functions required by law but also by similar monitoring activities in other areas of the Bank. Its primary task is a holistic overall consideration of all risks on a case-by-case basis as well as at portfolio level. The risk control units thereby acts as a specialized second line of defense.

Internal Audit is an instrument of the Management Board and forms the Bank's third line of defense. It provides independent and objective auditing and advisory services, which are aimed at creating added value and improving the business processes. It supports the organization in achieving its objectives by evaluating the effectiveness of risk management, the controls in place, and the management and monitoring processes under a systematic and targeted approach, and helps to improve them. Internal Audit informs the Overall Management Board and the Audit Committee of the Supervisory Board regularly and on an ad hoc basis about the results of its audits and about the timely elimination of deficiencies in general.

Risk management is coordinated consistently throughout the Group based on a Global Head principle. As the respective Global Heads, the heads of the individual business units have Group-wide responsibility for the strategy of the business areas assigned to them and also have disciplinary responsibility for the employees working in their business area. The Global Heads are supported by the head of the respective foreign branch (General Manager) in the implementation of the strategy on site in the foreign branches whilst maintaining the separation of duties in accordance with MaRisk.

Hamburg Commercial Bank has stipulated rules in accordance with the MaRisk requirements, under which formalized audit processes are gone through prior to commencing business activities with new products or in new markets (NPNM processes). This ensures that the products are properly considered under risk aspects in the relevant systems and reflected in the relevant processes, and that transactions involving new products or new markets are only entered into with the approval of the corresponding competence level. There is also an NPNM review process in place, under which the appropriate mapping of existing products or product approvals is reviewed on a regular basis.

For the Group-wide risk management, Hamburg Commercial Bank considers those entities that are to be specifically monitored at the Group level due to material risks. Additional information on the organization of risk management is presented in the following sections for each risk type.

Risk management by central committee structure

The Management Board has established committees with their own respective responsibilities, that support it in monitoring and managing all material risks. Besides the members of the Management Board, the committees are also composed of managers from the Risk and other departments, ensuring that information regarding risk aspects is regularly exchanged. Insofar as internal or external regulations do not permit delegation of decisions to the committees, such decisions are prepared by these committees for approval by the Overall Management Board.

The Asset Liability Committee (ALCO) is the body responsible for financial resource management and allocation within the context of risk limits and plan targets. The main objectives of the ALCO are to monitor and manage the scarce resources of liquidity and funding, to manage market risks in the banking book plus overlay management, and to allocate assets and capital. If risk limits are exceeded, the need for potential countermeasures to be taken with regard to the areas for which the ALCO is responsible is discussed and prepared before corresponding resolutions are adopted and implemented by the Management Board.

The Franchise Committee is responsible for the early assessment of material transactions and business activities before they proceed to the subsequent lending decision process. Individual transactions are managed taking profitability, structure and risk aspects as well as sustainability criteria into account.

The Credit Committee is tasked with making lending decisions on major exposures. For loan applications at the competence level of the Overall Management Board, the Credit Committee makes a decision recommendation in advance. Other tasks include dealing with fundamental issues relating to the lending business and providing impetus for regular adjustments to Hamburg Commercial Bank's credit standards.

The Project Steering Committee (PSC) is the central steering committee below the Overall Management Board for the entire project portfolio of Hamburg Commercial Bank. This makes the PSC the planning, decision-making and escalation authority for the content and scope of projects and their scheduling. The PSC also manages the prioritization of projects and resources and decides on key IT architecture issues.

Among other things, the Sustainability Committee is responsible for the development and management of the Bank's sustainability strategy. It ensures compliance with the Bank's ESG targets and the requirements of ESG-related legal, regulatory and other external frameworks, to which Hamburg Commercial Bank has voluntarily committed itself.

Risk reporting and measurement systems

Hamburg Commercial Bank has central data storage systems and risk measurement systems, which take into account internal and regulatory requirements, for the purposes of analyzing, monitoring and reporting risks. Risk reporting generally takes place by means of the management and reporting systems in the risk control units. The risk management systems ensure effective risk management and are adequate with regard to Hamburg Commercial Bank's profile and strategy.

The central element of risk reporting is the monthly management report. As an integrated financial and risk report, this Management Board report provides information on Hamburg Commercial Bank's overall situation with regard to the key value drivers and performance indicators, particularly income, costs, risk, sustainability, liquidity, capital, and the development of the recovery plan indicators, and it includes the Bank's data quality reporting. Compliance with the relevant risk limits is monitored using the management report.

The Risk Committee is informed regularly about the development of relevant risk parameters at Hamburg Commercial Bank and receives the relevant extracts from the management report.

Other overall risk reports include the disclosure report under Part 8 of the Capital Requirements Regulation (CRR) as well as this risk report as part of the combined management report.

In addition to risk reports on the overall risk, there are reporting instruments based on the risk type. In this way, the full Management Board is informed via a daily market and liquidity risk report about risk and earnings trends as well as limit utilization levels.

Internal control system

BANK-WIDE INTERNAL CONTROL SYSTEM

The Management Board of Hamburg Commercial Bank bears the overall responsibility for ensuring that a proper business organization is in place at the Hamburg Commercial Bank Group, including an appropriate and effective internal control system (ICS).

The ICS of Hamburg Commercial Bank is based on a Bank-wide main and sub-process structure (process map), which also includes the domestic and foreign branches. A person responsible for the process is nominated for all main processes.

The top priorities of this ICS assessment are the structured and systematic examination of potential or known process risks together with the definition of and decision on appropriate measures to be taken to mitigate them. Furthermore, the ICS makes a contribution to the effectiveness of the processes by specifying uniform rules for the Bank as a whole.

The central ICS unit is an independent function in the Operations business unit and regularly reports to the Management Board as part of the quarterly non-financial risk reporting. It is responsible for methodological guidelines and their continuous development and reviews the appropriateness and effectiveness of the Bank-wide process controls on a sample basis using a risk-orientated process evaluation. An implemented ICS cycle also ensures that the ICS is reviewed with respect to its correctness and functionality as well as its appropriateness and effectiveness. Appropriate responsibilities and roles have been established to ensure the proper fulfilment of tasks within the ICS cycle.

INTERNAL CONTROL SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

The Finance & Bank Steering business unit is responsible for the process of preparing the consolidated and single-entity financial statements of Hamburg Commercial Bank and the correctness of the (Group) accounting methods. The ICS for the accounting process serves to ensure compliance with the rules to be applied and generally accepted accounting principles. This maintains a quality standard that ensures the reliable and correct presentation of net assets, financial position, and results of operations. The written rules including all internal instructions and regulations form the essential basis of the ICS.

The accounting processes are reviewed on a regular basis by the responsible persons in charge of each process and adjusted to the current framework conditions and requirements. In addition, process-independent audits are carried out by Internal Audit.

Regulatory requirements

Hamburg Commercial Bank determines the amount of regulatory capital backing for default, market and operational risks as well as for risks resulting from credit valuation adjustments (CVA) of OTC derivatives on the basis of the CRR requirements. The so-called IRB approach is applied to default risks for the majority of the portfolio, for which the Bank's supervisory authorities have granted the appropriate authorization. The Credit Risk Standardized Approach (CRSA) is used for the remaining portfolio. Hamburg Commercial Bank uses standard procedures to determine the amounts allocated to market risk positions, to take account of operational risks, and for CVA.

In accordance with the requirements of Part 8 CRR in conjunction with Section 26a (1) sentence 1 KWG, Hamburg Commercial Bank publishes material qualitative and quantitative information on equity and risks incurred in a separate disclosure report. The contents of the document go beyond the disclosure on the basis of the accounting standards applied in this Annual Report, by providing a comprehensive insight into the regulatory framework and the current risk situation of the Bank on the basis of regulatory figures. The disclosure report as at December 31, 2025, is available on our website www.hcob-bank.com four weeks after publication of this Annual Report. The disclosure report does not form part of the combined management report. With its publication, Hamburg Commercial Bank has implemented the requirements of the third pillar of the Basel Accord (market discipline). The requirements regarding the disclosure of risk management objectives and policies pursuant to Article 435 (1) CRR and the description of the flow of information to the management body on risk issues pursuant to Article 435 (2e) CRR are implemented in this risk report. The description of the approach required in accordance with Article 438 (a) CRR, under which the institution assesses the adequacy of its internal capital to support current and future activities (capital adequacy process), is also included in this risk report. The same applies to the description of the approaches and methods used to determine specific and general credit risk adjustments in accordance with Article 442 (b) CRR.

REQUIREMENTS UNDER THE SUPERVISORY REVIEW AND EVALUATION PROCESS

The Bank's business model, governance, risk situation, capital, and liquidity position are reviewed as part of the Supervisory Review and Evaluation Process (SREP). Based on the analyses, the supervisory authorities may specify requirements for capital and liquidity utilization that exceed the existing minimum regulatory requirements. The individual capital requirements assigned to the Bank by the ECB and reviewed annually as part of the SREP were adhered to at all times during the reporting period.

The following table provides an overview of the capital requirements applicable to Hamburg Commercial Bank. In addition, there is a Pillar 2 Guidance (P2G) for CET1 capital.

Capital requirements¹⁾

(%)	Dec. 31, 2025	Dec. 31, 2024
Pillar 1		
Minimum capital requirement	8.0	8.0
thereof: to be supported by CET1 capital	4.5	4.5
thereof: to be supported by additional Tier 1 (AT1) capital	1.5	1.5
thereof: to be supported by Tier 2 capital	2.0	2.0
Combined buffer requirement – to be supported by CET1 capital	3.3	3.3
Pillar 2		
Pillar 2 requirements (P2R)	2.1	1.8
thereof: to be supported by CET1 capital	1.2	1.0
thereof: to be supported by additional Tier 1 (AT1) capital	0.4	0.3
thereof: to be supported by Tier 2 capital	0.5	0.5
Overall capital requirements		
CET1 capital	9.0	8.8
Tier 1 capital	10.9	10.6
Total capital	13.4	13.1

¹⁾Total differences are rounding differences

As part of the 2025 SREP decision, the Pillar 2 requirements (P2R) for Hamburg Commercial Bank for 2026 were set at 2.29 %. The capital requirements for 2026 are approximately 9.1 % for CET1, 11.1 % for Tier 1 capital, and 13.6 % for total capital.

Compliance with the capital requirements is tested under the normative perspective in the ICAAP over a multi-year time horizon in the base scenario and in stress scenarios.

Regulatory capital ratios¹⁾

(%)	Dec. 31, 2025 ²⁾	Dec. 31, 2024 ³⁾
Overall capital ratio	21.2	22.4
Tier 1 capital ratio	16.5	17.3
CET1 capital ratio	16.5	17.3

¹⁾Regulatory group according to CRR

²⁾The proposed dividend payment of around € 1,256 million in 2026 was taken into account in the Common Equity Tier 1 capital in advance; the dividend payment is subject to approval by the Annual General Meeting

³⁾The dividend payment made in 2025 was taken into account in advance in the Common Equity Tier 1 capital.

Regulatory capital^{1), 2)}

(€ bn)	Dec. 31, 2025 ²⁾	Dec. 31, 2024 ³⁾
Regulatory capital	2.8	4.1
thereof: Tier 1 capital	2.2	3.2
thereof: CET1 capital	2.2	3.2
thereof: additional Tier 1 capital	-	-
thereof: Tier 2 capital	0.6	0.9

¹⁾Regulatory group according to CRR

²⁾The proposed dividend payment of around € 1,256 million in 2026 was taken into account in the Common Equity Tier 1 capital in advance; the dividend payment is subject to approval by the Annual General Meeting

³⁾The dividend payment made in 2025 was taken into account in advance in the Common Equity Tier 1 capital.

Risk-weighted assets (RWA)^{1), 2)}

(€ bn)	Dec. 31, 2025	Dec. 31, 2024
Credit risks	11.6	16.5
Market risks	0.2	-
Operational risks	1.3	1.4
Other RWA	-	0.3
Total RWA	13.1	18.2

¹⁾ Regulatory group according to CRR

²⁾ Total differences are rounding differences

As planned, the CET1 ratio at December 31, 2025 decreased compared to the end of the previous year (17.3 %), but at 16.5 % it remains above the updated strategic target of 16.0 % set at the half-year reporting date. The decrease is due to the inclusion of the proposed dividend payment of € 1,256 million for the 2025 financial year in the Bank's Common Equity Tier 1 capital. As a result, despite the positive Group net result and the increase in OCI, CET1 capital decreased to € 2.2 billion as at December 31, 2025 (December 31, 2024: € 3.2 billion). There was an offsetting positive effect on the ratio from the significant decrease in RWA for credit risks, as a result of which the aggregate RWA declined to € 13.1 billion as at December 31, 2025 (December 31, 2024: € 18.2 billion). The drivers here were the lower business volume in association with a changed portfolio structure, the first-time application of the CRR III framework, and a depreciation of the US dollar.

The regulatory CET1 ratio for the single entity under HGB accounting standards was 16.3 % as at December 31, 2025 (December 31, 2024: 17.1 %). The corresponding Tier 1 capital ratio reached 16.3 % (December 31, 2024: 17.1 %), and the overall capital ratio amounted to 21.0 % (December 31, 2024: 22.2 %). The capital ratios for the single entity as at December 31, 2025 are also reported after taking into account the proposed dividend payment for the 2025 financial year. The single entity (HGB) regulatory capital requirements were adhered to at all times during the reporting period.

The BRRD (EU Bank Recovery and Resolution Directive) requires banks in EU member states to maintain sufficient loss absorption and recapitalization capacity in the form of regulatory capital and defined liabilities (MREL – Minimum Requirement for Own Funds and Eligible Liabilities). The Bank has complied with the requirements at all times during the reporting period. As at December 31, 2025, the MREL ratio was 63.4 % of the total risk exposure amount (TREA) and the leverage ratio exposure (LRE) was 28.0 %. Hamburg Commercial Bank has no MREL requirements for 2025 that go beyond the regulatory capital requirements.

The development of the capital ratios can be negatively affected by macroeconomic and sector-specific developments. Risks may also arise from the regulatory environment, for instance from interpretation decisions or audits.

It is possible, for example, that additional individual and increased capital requirements could arise from the regular SREP process carried out within the Banking Union. Additional discretionary decisions made by the supervisory authorities and industry-wide capital requirements (capital buffer for systemic and cyclical risks) could therefore result in higher capital requirements. Discretionary decisions made by the supervisory authorities with regard to model risks and validations may result in increases in RWA and thereby adversely impact the capital ratios for future PD estimates in the internal models. However, based on its medium-term planning, the Bank does not expect any additional burdens from the new output floor introduced with Basel IV until it comes into full effect in 2030.

ICAAP/risk-bearing capacity

Hamburg Commercial Bank assesses capital adequacy from both a normative and an economic perspective in accordance with the ECB Guide to the internal capital adequacy assessment process (ICAAP). The Bank defines capital adequacy as the ongoing safeguarding of financial stability, in the sense that risks are adequately covered by capital in order to ensure the implementation of the objectives of the business model. By determining it on a regular basis, capital adequacy forms part of the internal reporting and is closely managed and reported to the Bank's supervisory authorities.

The economic perspective is used to check whether all material risks are backed by internal capital at a specific point in time. In contrast to the regulatory view (CRR), the concept of capital here is based on an internal

definition. The so-called risk coverage potential is based on equity in accordance with IFRS, which is economically adjusted taking into account the requirements of the ICAAP guidelines, for example by deducting deferred tax assets.

The measurement of risks is based on the Bank's internal economic methods and procedures. As part of the monitoring of the risk-bearing capacity, Hamburg Commercial Bank regularly compares the total economic capital required for all material risk types (overall risk) to the available economic risk coverage potential.

Hamburg Commercial Bank analyses its risk-bearing capacity comprehensively on a quarterly basis as well as within the framework of its annual planning process.

The overall risk takes into account default risk, market risk, and operational risk as well as the liquidity maturity transformation risk as an element of liquidity risk. Economic capital required as an expression of unexpected losses is determined monthly for default, liquidity, market and operational risks in a methodologically consistent manner with a confidence level of 99.9 % and a risk horizon of one year.

The economic capital requirements of the individual risk types are aggregated into the overall economic risk. No risk-reducing correlations between the risk types are utilized in the process.

The economic capital required for default risks is determined on the basis of internal rating procedures, LGD and CCF models, taking into account economic adjustments, particularly for risk concentrations.

Market risk (Value at Risk, VaR) is scaled up on the basis of the confidence level chosen by the Bank and a one-day holding period to show the economic capital required for market risk positions for the purpose of managing risk-bearing capacity with a risk horizon of one year.

Hamburg Commercial Bank also uses a VaR approach to quantify the liquidity maturity transformation risk. This structural liquidity risk is an expression of the risk of an increase in refinancing costs for the subsequent closure of open liquidity positions. The risk of illiquidity, on the other hand, which is more significant for the purposes of managing the liquidity risk in principle, is backed by a buffer of liquid funds. Information on managing the risk of illiquidity is included in the section entitled "Liquidity risk".

The operational risks are determined based on the most relevant scenarios from the risk scenario assessment using a Monte Carlo simulation.

At 60 %, the utilization of risk coverage potential is on a par with the previous year's level (December 31, 2024: 60 %). The reduction in risk coverage potential due to the inclusion of the proposed dividend payment in 2026 is offset by the lower economic capital required for the reduced default risk as a result of the strategic focus and for the market risk. The decline in market risks is primarily the result of a new, more differentiated VaR approach for the Contractual Trust Agreements (CTA) assets with regard to modeling of diversification and risk concentration effects in extreme market situations. For detailed information, please refer to the chapter "Measuring and limiting market risk" in this combined management report.

The risk-bearing capacity was ensured at all times during the reporting period.

ICAAP/risk-bearing capacity of the Group¹⁾

(€ bn)	Dec. 31, 2025	Dec. 31, 2024
Economic risk coverage potential	2.3	3.2
Total economic risk	1.4	1.9
thereof: default risks	0.8	1.1
thereof: market risks	0.5	0.7
thereof: liquidity risks	0.01	0.02
thereof: operational risks	0.1	0.1
Utilization of risk coverage potential (%)	60	60

¹⁾Total differences are rounding differences

In addition to the economic perspective described above, compliance with the regulatory capital requirements over a medium-term horizon (at least a 3-year perspective in the base and stress case) under the internal normative perspective is also assessed in accordance with the ICAAP guidelines. The normative approach is not limited to the Pillar 1 risks covered by the regulatory capital requirements, but also takes account of economic effects on the key regulatory ratios through reciprocal relationships.

Adherence to the regulatory capital requirements, including an internal management buffer, is checked by means of the quarterly calculation of the regulatory capital ratios as at the reporting date and over a multi-year scenario horizon. These requirements refer explicitly to the capital planning and to dynamic scenarios in the baseline and adverse scenarios (base and downside planning).

Scenario calculations

Significant macroeconomic risks regarding the capital ratios and risk-weighted assets (RWA) result from a potential deterioration in the market and risk parameters in the Bank's core markets, including the interest rate environment and a stronger US dollar. In particular, the economic burdens triggered by the intensification of geopolitical tensions and the further deterioration of the macroeconomic environment may lead to a significant deterioration in the risk parameters. For example, a potential escalation of global trade conflicts could adversely affect the shipping industry, while a significant inflation-driven rise in interest rates could materially impact the interest-sensitive Real Estate segment.

Therefore, HCOB calculates the impact of macroeconomic scenarios, such as a severe economic downturn or business segment-specific crises, on the Pillar 1 and Pillar 2 capital ratios and on the leverage ratio. In addition to stress tests specific to risk types, the Bank also regularly conducts stress tests across all risk types in order to be able to better estimate the effects of potential crises on key parameters such as utilization of the Pillar 2 risk-bearing capacity, regulatory capital ratios, and liquidity and thus Hamburg Commercial Bank's overall risk position. In order to perform dynamic stress tests, macroeconomic scenarios are developed regularly on the basis of observed market developments, which are oriented towards the base and stress forecasts of the ECB, the Bundesbank, the German Council of Economic Experts (Sachverständigenrat), the OECD, and other institutes. Building on this, additional sector-specific stress scenarios (such as a shipping crisis) are added, along with scenarios that depict the possible transition, reputation and physical risks associated with climate change. In addition, there are scenarios which, along with the capital burden of macroeconomic effects, also assume a significantly more difficult liquidity situation. In these so-called ICLAAP scenarios, capital and liquidity are stressed simultaneously and consistently. In addition, the effects of possible regulatory developments are regularly assessed.

These expected and stress forecasts are incorporated into simulation scenarios for the economic and normative ICAAP perspective, presented to the ALCO and the full Management Board on a quarterly basis, and analyzed regularly by the Management Board as part of an action-oriented management dialog.

In the event of a deterioration in key capital adequacy or SRF ratios, measures to strengthen the capital ratios would be necessary, in order to comply with the Bank's internal requirements and with the regulatory requirements at the level of the Hamburg Commercial Bank Group. If capital buffer requirements are not met in such a scenario despite measures being taken, a capital conservation plan would then have to be prepared in accordance with Section 10i (3) KWG. A ratio significantly above the regulatory requirements is expected for the overall capital ratio in the base scenario as well as in the downside scenario for the following year.

In addition, so-called ad hoc stress analyses are performed for purposes of the economic perspective, i.e. the impact of changes in risk parameters is investigated based on the current portfolio for a one year risk horizon (sensitivity).

Furthermore, Hamburg Commercial Bank's recovery plan, drawn up in accordance with the German Recovery and Resolution Act (SAG), is an important instrument. It serves both the purpose of the early identification of any resource bottlenecks using appropriate indicators and their elimination in crisis situations by means of pre-defined options for action. The effectiveness of the options identified, the selected recovery plan indicators, and the related processes are reviewed and substantiated in the recovery plan on an annual basis by means of specific stress scenarios.

The indicators and action options used in the recovery plan are closely coordinated with the requirements of the SRF. The particular purpose of the stated processes is to ensure that the Bank is able to comply with the regulatory minimum requirements and internal guidelines, even under stress conditions. In addition, Hamburg Commercial Bank carries out inverse stress tests at least once a year. In doing so, scenarios that could endanger the continuity of the Bank are identified. This information is also used by Hamburg Commercial Bank's Management Board as guidance for discussing and deciding upon any action required in the event of developments that threaten the Bank's existence.

In addition to stress tests across all risk types, Hamburg Commercial Bank has established procedures for the early identification of negative developments at the level of individual risk types, which are discussed in the following sections.

Default risk

Default risk is the risk of losses resulting from defaults by counterparties. Hamburg Commercial Bank breaks down its default risk into credit, collateral, NPE strategy, settlement, country/transfer and equity holding risk.

Organization of default risk management

The analysis units in the market business units are responsible for managing credit risk over the entire term of the loan. Where necessary, the exposure is transferred to the Restructuring & Work-Out department. The Credit Risk Center business unit is responsible for ensuring independent and appropriate control of the credit risk.

The individual analysis units are responsible for credit risk analysis, including the preparation of ratings and drafting of the credit applications as well as contract and collateral documentation. This also includes the ongoing monitoring of loan exposures, including the recognition of warning signs and assignment to intensive supervision.

Among other things, the Credit Risk Center business unit is responsible for setting ratings and for preparing a second assessment for normal and intensive exposures that are subject to a vote. Voting on credit transactions is a general prerequisite for lending decisions. In this context, the Credit Risk Center business unit may exercise a veto right or impose binding conditions.

Graduated competence levels are defined for lending decisions, depending on the rating and the amount of an exposure. For material lending decisions, the level of the Credit Committee or the full Management Board is envisaged.

Hamburg Commercial Bank makes use of the option under MaRisk to dispense with the involvement of the Credit Risk Center business unit for lending transactions in certain types of business and below certain thresholds in normal and intensive supervision, which are classified as not material from a risk perspective.

Restructuring cases are generally managed jointly by the analysis unit of the market business unit and the specialized Restructuring & Work-Out department, which is part of the Credit Risk Center business unit. Workout cases are fully handled by the Restructuring & Work-Out department.

The restructuring and workout-specific activities primarily include the development of restructuring or workout concepts, their decisive implementation, the monitoring of success, the examination of whether a default is to be determined in the framework of ratings preparation, the classification as deferred or non-performing risk positions, the determination of loan loss provision amounts (IFRS 9 Stage 3) together with the Strategic & Credit Risk Control business unit, and ultimately the termination of the restructuring or workout process.

In the Credit Risk Governance department, systematic default risks are examined in cooperation with the BU Strategic & Credit Risk Control and the market business units using market and portfolio risk indicators as well as sub-portfolio analyses. In addition, the effects of geopolitical risk scenarios on the sub-portfolios are assessed. Risk limits are set and monitored for portfolio management. In the monthly Risk Office Circle, necessary changes to credit standards and portfolio risk limits as well as macroeconomic and geopolitical classification triggers for intensive supervision are discussed with the involvement of the Management Board. The Credit Risk Governance department is also responsible for the guidelines in the lending business and the structure of Hamburg Commercial Bank's lending processes.

The trading lines for counterparty and issuer risk are monitored by the Asset & Liability Risk Control business unit. As part of the trading line monitoring, the potential future exposure on derivatives is recalculated daily for each customer on the basis of a 95 % quantile and compared to the respective trading limit.

Among other things, the Strategic & Credit Risk Control business unit is responsible for the independent analysis and monitoring of risks at portfolio level, including the methodology for risk measurement, the independent reporting and the management of country/transfer risks, and the calculation of loan loss provision amounts in accordance with IFRS 9. This also includes ensuring portfolio transparency and independent business area analysis (including scenario simulations) as well as the operation of an automated early warning system.

Along with the process descriptions, the principles and regulations contained in Hamburg Commercial Bank's Credit Manual, in particular on voting and lending competencies (definition of voting and/or decision-making powers for lending decisions made by the Bank as well as for entering into, changing and terminating equity holdings) and reporting thereof, on assessing creditworthiness and the determination of ratings, on the treatment and valuation of collateral, on ongoing exposure monitoring, and on dealing with problem loans, including classification as deferred risk positions or non-performing, defaulted or impaired loans, form the basis for the operating activities within the lending business.

Thereby, credit risks which fall under the definition as set out in Article 389 CRR are considered and treated differently based on collateral, loan type, rating category, and type of credit risk. The basis is Hamburg Commercial Bank Group's total exposure per group of connected customers (GCC) as defined in Article 4 (1) no. 39 CRR. Hamburg Commercial Bank has defined valuable collateral in order to differentiate between collateralized and non-collateralized loans. This is based on the fulfillment of the requirements under the CRR (for example, the existence of a market value, realization possibilities, lack of correlation to the secured credit, legal enforceability, matching of maturity). The range of approved collateral can be expanded following an assessment carried out by a team independent of the market units, consisting of specialists from the Credit Risk Center and Strategic & Credit Risk Control business units and the Credit Law department.

Credit risk management for single risks is supplemented in particular by instructions on exposure monitoring and early identification of risks, as well as limit monitoring based on default risk for specific sub-portfolios (Real Estate, Shipping, Leveraged Transactions, amongst others), which was approved in the SRF.

Management of the default risk

In line with Hamburg Commercial Bank's business strategy focus as a commercial bank and specialist finance provider, default risk represents a significant risk. For its measurement and management, the risk management uses procedures and methods that are continuously reviewed for appropriateness and developed further.

The main parameters for the default risk are the expected and the unexpected losses. The expected loss is equivalent to the amount which is expected within one year on a given probability of default (PD), loss given default (LGD), and exposure at default (EAD) for a borrower. The EAD is the expected loan amount outstanding taking into account a potential (partial) drawdown of commitments and contingent liabilities that will adversely impact the risk-bearing capacity in the event of a default. The maximum amount by which an actual loss can exceed the expected loss with a specified probability (99.9 %) within a specified time period (one year) is described as the unexpected loss. PD, LGD, and EAD are also relevant risk parameters in this context. Based on the requirements for calculation of the regulatory capital backing in accordance with CRR for IRB models, the economic capital required for internal management is determined, taking into account economically justified adjustments. In addition, institution-specific asset correlations and granularity adjustments designed to cover existing risk concentrations are taken into account in determining the economic capital required for default risk.

In addition to the non-performing loans ratio (NPL ratio), which is defined as the most important key performance indicator, the non-performing exposure ratio (NPE ratio) is another key metric for managing the Bank's defaulted exposure. Both ratios are subject to a risk limit. According to the regulatory FINREP reporting system, the NPL ratio is calculated as the ratio between the gross carrying amounts of non-performing loans and the total amount of the gross carrying amounts of all loans. The NPE ratio represents the ratio between the EAD of the risk positions of defaulted loans and the total EAD of all the Bank's risk positions. In addition, the NPE coverage ratio AC (ratio of total loan loss provisions recognized on the non-performing exposure to the total non-performing exposure AC) is monitored at the Overall Bank level.

The syndication of lending transactions and the acquisition of credit insurance help to actively shape the composition of the portfolio and align the individual financing risks (so-called final takes) to the balance sheet ratios. The Bank subjects all new business and selected existing business that is immediately intended for syndication or could potentially be considered for syndication at a later date to a market conformity check and/or syndication assessment by the relevant market departments. The Credit Committee then makes a joint decision together with the syndication unit and the deal team sales employees as to whether syndication should be arranged as part of the new business or underwriting process. The volume of the underwriting book as well as the maximum holding period of a loan intended for sale are limited by corresponding risk limits.

RATING PROCEDURE, LGD, AND CCF

Hamburg Commercial Bank uses rating modules for banks, corporates, international sub-sovereigns, country and transfer risks, insurance companies, leveraged finance, savings banks standard rating and leasing, as well as for special financing for ships, real estate, and projects.

In addition to quantitative information, various qualitative characteristics are also part of each rating module. The result is a probability of default (PD) for each borrower and hence allocation to a specific rating category. The Bank uses an identical rating master scale for all modules, which not only makes different portfolio segments comparable, but also enables mapping with external ratings.

In order to determine the expected utilization of contingent liabilities and loan commitments in the event of a possible default, so-called credit conversion factors (CCF) are empirically determined and applied. The loan amount outstanding weighted by CCF is described as EAD.

To forecast the loss given defaults, Hamburg Commercial Bank uses a differentiated LGD methodology. Based on historical loss information, collateral-specific realization proceeds rates and borrower-specific loss ratios are estimated. The expected economic default amount is calculated using EAD, PD, and LGD.

As part of the annual validation process, the predictive accuracy of the rating modules is reviewed in the reporting year with regard to the predicted default probabilities using anonymous, aggregated data, and the LGD and CCF procedures are independently validated in a comparable manner and continually enhanced.

RISK CONCENTRATIONS

Within the framework of regular business segment analyses, potential counterparty default risk concentrations, for example with regard to groups of connected clients (GCC), regions or industrial sectors in a broader sense, are identified and their trend is monitored. The material concentrations of credit risk within Hamburg Commercial Bank at the end of 2025 were in the real estate portfolio, which accounted for 21 % of the overall portfolio and is thus slightly below the level seen in the previous year (December 31, 2024: 22 %).

There is an internal process for monitoring the upper limits of large exposures in accordance with Article 395 CRR, which ensures compliance with the regulatory requirements. In addition, the main counterparty concentrations in the portfolio are identified. In order to avoid future counterparty concentrations, the Bank's credit standards define exposure limits per individual borrower and per group of connected clients.

As part of the management of risk concentrations, the transfer risk limitation provides an additional management dimension. Both absolute and maturity-dependent country limits are set for transfer risk concentrations at the Hamburg Commercial Bank Group level. The utilization of the corresponding risk limits is monitored continuously.

The Management Board is informed regularly about the development of risk concentrations, and quarterly reports are submitted to the Risk Committee.

EQUITY HOLDING RISK

Overall, the equity holdings portfolio of Hamburg Commercial Bank is not material for business operations. The reduction in equity holdings continues. New equity holdings are only acquired if they meet Hamburg Commercial Bank's strategic objectives. Opportunities and risks of a possible equity holding commitment are analyzed in detail prior to the conclusion of the transaction.

A key tool for monitoring and management of equity holding risk is regular corporate assessment. Impairment tests are performed at least once a year on all equity holdings of Hamburg Commercial Bank. When doing so, significant equity holdings are subjected to a more detailed analysis.

Furthermore, the articles of association and Rules of Procedure are formulated so as to ensure that the most intensive management possible can be exercised for the benefit of Hamburg Commercial Bank.

Hamburg Commercial Bank has issued hard letters of comfort for two companies in the equity holdings portfolio and is therefore liable for the liabilities of these companies. These letters have so far not given rise to any liability on the part of Hamburg Commercial Bank. Hamburg Commercial Bank has concluded a profit and loss transfer agreement with one further equity holding.

MANAGEMENT OF THE DEFAULT RISK IN THE PRICING AND RECALCULATION

Hamburg Commercial Bank applies a uniform method for the pricing of lending transactions through calculating the present value of the expected losses and the regulatory capital required to cover the unexpected losses arising on default risk positions. In addition to liquidity costs and full costs, the rating, LGD and EAD risk parameters determined internally on an individual transaction basis are incorporated in the pricing by means of the standard risk costs and the regulatory capital backing, which are calculated using the CRSA or F-IRB approach, depending on the transaction.

Similarly, a monthly recalculation (profit-center calculation) of the transactions takes place, taking into account the above-mentioned cost components. Based on the current risk parameters of the individual transactions, the standard risk costs are determined and incorporated in the contribution margin calculation. Furthermore, utilization of the capital commitment set as part of the Bank's annual plan is determined regularly at business unit level for the purposes of managing default risk.

DEFAULT RISK STRUCTURE

Hamburg Commercial Bank continuously and systematically monitors potential effects of the macroeconomic and geopolitical environment at the level of sub-portfolios and individual clients.

The reporting period was characterized by both geopolitical and macroeconomic uncertainties and volatility. Customers whose business model is expected to be affected by direct and indirect consequences of the wars, US tariff policy, deglobalization, low economic growth, as well as the changing interest rate landscape and energy and raw materials supply are monitored, primarily through the credit watchlist process, and the need for measures to manage credit risk is reviewed continuously. The Risk Office Circle regularly discussed geopolitical risk scenarios and carried out regular and ad hoc risk analyses at sub-portfolio level in order to identify systematic credit risks in the portfolio. Where necessary, adjustments were made to credit standards, portfolio risk limits, and macroeconomic and geopolitical classification triggers for the credit watchlist/intensive supervision.

The EAD of the total exposure amounted to € 30,791 million as at December 31, 2025 (December 31, 2024: € 36,692 million).

The EAD broken down by internal rating categories is presented in the following table. EAD with an investment grade rating (rating category 1 to 5) remains high at 70 % of the total exposure at the Group level (December 31, 2024: 69 %).

In the reporting year, new defaults continued to occur mainly in the real estate portfolio; however, these were more than offset by the systematic resolution of non-performing exposures. Accordingly, the NPE portfolio decreased to € 615 million (December 31, 2024: € 686 million). With a simultaneous decrease in total exposure, the NPL ratio of 3.3 % and the NPE ratio of 2.0 % as at December 31, 2025 were at the same level as at the end of the previous year (NPL: 3.3 % / NPE: 1.9 %).

Default risk structure by rating category^{1), 3)}

	Dec. 31, 2025		Dec. 31, 2024	
	EAD (€ mn)	relative share (%)	EAD (€ mn)	relative share (%)
1 (AAAA) to 1 (AA+)	5,747	18.7	5,764	15.7
1 (AA) to 1 (A-)	8,465	27.5	11,237	30.6
2 to 5	7,257	23.6	8,320	22.7
6 to 9	6,590	21.4	8,705	23.7
10 to 12	1,644	5.3	1,140	3.1
13 to 15	355	1.2	746	2.0
16 to 18 (default grades)	615	2.0	686	1.9
Other ²⁾	117	0.4	94	0.3
Total	30,791	100	36,692	100

¹⁾ Mean default probabilities (%): 1 (AAAA) to 1 (AA+): 0.00–0.02; 1 (AA) to 1 (A-): 0.03–0.09; 2 to 5: 0.12–0.39; 6 to 9: 0.59–1.98; 10 to 12: 2.96–6.67; 13 to 15: 10.00–20.00; 16 to 18: 100.00

²⁾ Transactions for which there is no internal or external rating available are reflected in the Other line item, such as receivables from third parties of the Bank's consolidated equity holdings and G/L accounts

³⁾ Total differences are rounding differences

EAD broken down by sectors important for Hamburg Commercial Bank is presented in the following table:

Default risk structure by sector^{1), 2)}

	Dec. 31, 2025		Dec. 31, 2024	
	EAD (€ mn)	relative share (%)	EAD (€ mn)	relative share (%)
Public sector	6,530	21.2	6,446	17.6
Land and buildings	4,602	14.9	6,085	16.6
Credit institutions	4,644	15.1	6,046	16.5
Other financial institutions	3,387	11.0	5,846	15.9
Other services	4,985	16.2	4,592	12.5
Shipping	2,237	7.3	3,058	8.3
Industry	2,655	8.6	2,753	7.5
Trade and transport	1,690	5.5	1,763	4.8
Private households	61	0.2	103	0.3
Total	30,791	100	36,692	100

¹⁾ Total differences are rounding differences

²⁾ The "Aviation" item reported separately as at December 31, 2024 is included in the "Trade and transport" item as at December 31, 2025

The following table shows EAD broken down by residual maturities:

Default risk structure by residual maturity¹⁾

	Dec. 31, 2025		Dec. 31, 2024	
	EAD (€ mn)	relative share (%)	EAD (€ mn)	relative share (%)
<3 months	3,975	12.9	4,736	12.9
3 months to <6 months	1,206	3.9	1,273	3.5
6 months to <1 year	2,281	7.4	1,979	5.4
1 year to <5 years	13,059	42.4	16,940	46.2
5 years to ≤10 years	6,620	21.5	6,969	19.0
>10 years	3,651	11.9	4,795	13.1
Total	30,791	100	36,692	100

¹⁾ Total differences are rounding differences

The following table provides an overview of the EAD by region:

Default risk structure by region¹⁾

	Dec. 31, 2025		Dec. 31, 2024	
	EAD (€ mn)	relative share (%)	EAD (€ mn)	relative share (%)
Eurozone	20,312	66.0	23,316	63.5
thereof: Germany	10,688	34.7	11,885	32.4
thereof: France	1,739	5.6	2,124	5.8
thereof: Greece	-	-	-	-
thereof: Italy	255	0.8	227	0.6
thereof: Portugal	69	0.2	104	0.3
thereof: Spain	430	1.4	661	1.8
Western Europe	4,184	13.6	4,521	12.3
thereof: Scandinavia	1,372	4.5	1,578	4.3
thereof: United Kingdom ²⁾	2,648	8.6	2,762	7.5
Eastern Europe ³⁾	48	0.2	47	0.1
African countries ⁴⁾	465	1.5	487	1.3
North America	4,109	13.3	6,108	16.6
Latin America	571	1.9	777	2.1
Middle East	-	-	-	-
Asia Pacific region ⁵⁾	830	2.7	1,255	3.4
International organizations	271	0.9	181	0.5
Total	30,790	100	36,692	100

¹⁾ Total differences are rounding differences

²⁾ The item also includes the exposure of the Channel Islands (Guernsey, Jersey), which are closely linked to the United Kingdom, and the Isle of Man

³⁾ Hamburg Commercial Bank has a gross exposure in the following Eastern European countries which were not members of the eurozone as at the reporting date: Poland, Romania, Czech Republic, Turkey, and Hungary

⁴⁾ The exposure in African countries mainly consists of Liberia, which is relevant as a country of registration for the shipping business, and a very low exposure in South Africa; there is no inherent country risk associated with the underlying exposures (ship financing)

⁵⁾ The exposure in the Asia Pacific region mainly consists of the Republic of the Marshall Islands, which is relevant as a country of registration for the shipping business; there is no inherent country risk associated with the underlying exposures (ship financing)

The allocation of business to the individual regions and for the presentation of selected countries is based on the gross exposure on the basis of the legal country of domicile. The information is reported without any further collateral allocation.

As part of the strategic focus of Hamburg Commercial Bank, there was a stronger alignment of business activities towards Germany and Europe in 2025.

Hamburg Commercial Bank has no gross exposure to Russia, Belarus, or Ukraine. New business with borrowers in Russia, Belarus, and Ukraine remains prohibited. In the internal risk perspective, which takes into account the net exposure subject to transfer risk (after the collateral relevant to country risk), there is only a single exposure to Russia. After taking into account the hedging provided by export credit agency (ECA) cover, the remaining transfer risk is now well below half a million euros.

In the countries affected by the ongoing Middle East conflict, which has since been calmed significantly by a peace agreement that is currently being implemented, Hamburg Commercial Bank no longer has any gross exposure to the potential direct impact. As before, the indirect impact has had rather positive effects so far, especially in the shipping portfolio. Due to the threat to merchant shipping in the Red Sea and the resulting changes in shipping routes, there was an increase in capacity requirements, causing the charter rates to rise. The developments in the situation are still being closely monitored in order to identify possible impacts of contagion in the context of a potential renewed regional escalation. The Bank has also significantly reduced its container ship portfolio in preparation for a possible return of merchant shipping to the Red Sea.

In the current economic and domestic as well as geopolitical environment, new business with Turkey remains suspended.

LOAN LOSS PROVISIONS

Hamburg Commercial Bank pays the most attention to default risk within the context of risk management. Impairments of a loan exposure are covered by the recognition of provisions for loans and provisions for Lifetime Expected Loss (LECL Stage 3 loan loss provisions) in the amount of the potential loss in accordance with Group-wide standards. Furthermore, Hamburg Commercial Bank recognizes loan loss provisions at Stages 1 (12M ECL) and 2 (LECL Stage 2) to cover future risks.

All restructuring and workout commitments as well as intensified loan management commitments with a rating greater than or equal to 13 are subject to a comprehensive two-step review process every quarter. The first step is to check whether the loan might be impaired (impairment identification) on the basis of objective criteria (so-called trigger events). If this is the case, the second step is to investigate whether the loans identified actually require a loan loss provision, and then to determine the amount (impairment measurement). Loan loss provisions are recognized for transactions categorized as AC and FVOCI under IFRS 9.

Changes in loan loss provisions in the lending business²⁾

(€ mn)	January–December 2025			Total
	Loan loss provisions Stage 3 incl. POCI	Loan loss provisions Stages 1 and 2	Other ¹⁾	
Corporates	-24	-12	1	-35
Project Finance	-7	-1	1	-7
Real Estate	-58	-18	-2	-78
Global Transportation	-	8	2	10
Treasury & Group Functions	-	-	1	1
Reconciliation	-	-	-	-
Group	-89	-23	3	-109

¹⁾ The Other item includes the result from other changes to loan loss provisions (direct write-downs, recoveries on loans and advances previously written off, result of non-substantial modifications)

²⁾ Differences compared to the detailed disclosures in Note 12 Loan loss provisions are attributable to rounding differences

Changes in loan loss provisions in the lending business²⁾

(€ mn)	January–December 2024			Total
	Loan loss provisions Stage 3 incl. POCI	Loan loss provisions Stages 1 and 2	Other ¹⁾	
Corporates	-1	-22	3	-20
Project Finance	1	-2	-	-1
Real Estate	-66	-9	2	-73
Global Transportation	-	-8	5	-3
Treasury & Group Functions	1	-	2	3
Reconciliation	-1	-	-	-1
Group	-66	-41	12	-95

¹⁾ The Other item includes the result from other changes to loan loss provisions (direct write-downs, recoveries on loans and advances previously written off, result of non-substantial modifications)

²⁾ Differences compared to the detailed disclosures in Note 12 Loan loss provisions are attributable to rounding differences

The change in loan loss provisions amounted to a net addition of € 109 million as at the reporting date (December 31, 2024: net addition of € 95 million) and continued to be dominated by the Real Estate segment in 2025. Besides the Real Estate segment, the year-on-year increase was also driven by higher loan loss provisions in the Corporates segment.

There were net additions of € 89 million to Stage 3 and net additions of € 23 million to Stages 1 and 2 in 2025. The result from other changes to loan loss provisions was slightly positive at € 3 million, but it was below the level of the previous year (€ 12 million) due to lower payments received on receivables that had been written off.

The net additions at Stage 3 were again predominantly attributable to the Real Estate segment (€ 58 million), although these were slightly lower than in the previous year (€ 66 million). At Group level, this decline was more than offset by net additions of € 24 million (Corporates) and € 7 million (Project Finance) in 2025 in the Corporates and Project Finance segments, which had been virtually unaffected by Stage 3 loan loss provisions in the previous year. The net additions in the Real Estate segment were attributable to defaults on office property financing in Germany (primarily for properties in need of development), which was due to persistently weak demand and lower market values. On the other hand, two financing arrangements in default involving office properties in the US resulted in a net reversal after the realization of limited losses. While one of these US financing arrangements in default was successfully restructured, the other has been completely eliminated through the sale of receivables. In the Corporates segment, the net additions were primarily attributable to defaults on North American loans, while the risk situation in the domestic area remained stable overall. In the Project Finance segment, an increase in provisions was required for a previous default on financing of a wind farm in Sweden.

At Stages 1 and 2 of the loan loss provisioning model, total net additions of € 23 million (including the change in model overlays) were also largely attributable to the Real Estate (€ 18 million) and Corporates (€ 12 million) segments; by contrast, the Global Transportation segment (Shipping business unit) recorded a net release of € 8 million. The net additions in the Real Estate segment were primarily based on changes in risk parameters and the resulting original loan loss provisions. All in all, these exceeded the reduction in model overlays for real estate sub-portfolios. In the Corporates segment, the net additions at Stages 1 and 2 are primarily the result of an increase in model overlays, which were recognized due to the potential economic consequences of the current geopolitical uncertainties as well as the risk of negative effects from the potential escalation of trade and tariff conflicts.

For further details, particularly on the composition and development of the model overlays, we refer to Notes 12 and 22 in the notes to the consolidated financial statements.

Total loan loss provisions

(€ mn)	Dec. 31, 2025	Dec. 31, 2024
Volume of receivables AC (gross carrying amounts)	17,062	20,730
thereof: volume of impaired loans (Stage 3) ¹⁾	581	670
thereof: Stage 2	2,169	2,696
thereof: Stage 1	14,312	17,364
Total loan loss provisions for balance sheet items	-275	-347
thereof: Stage 3 ¹⁾	-162	-212
thereof: Stage 2	-77	-93
thereof: Stage 1	-36	-42
Coverage ratio of volume of receivables AC	1.6 %	1.7 %
thereof: Stage 3 ¹⁾	27.9 %	31.6 %
thereof: Stage 2	3.6 %	3.5 %
thereof: Stage 1	0.3 %	0.2 %

¹⁾ Stage 3 including POCI

The volume of impaired loans amounted to € 581 million as at the reporting date (December 31, 2024: € 670 million). As at December 31, 2025, this is offset by total loan loss provisions for balance sheet items of € 275 million (December 31, 2024: € 347 million). In addition, provisions for off-balance-sheet items amounted to € 25 million as at the reporting date (December 31, 2024: € 28 million).

At 1.6 % as at December 31, 2025, the coverage ratio of the total volume of receivables AC was slightly below the level at the end of the previous year (1.7 %). In the Real Estate segment, the coverage ratio amounts to 2.4 % as at the reporting date (December 31, 2024: 2.7 %). The total loan loss provisions at Stages 1 and 2 serve to mitigate the impact of potential future negative influences.

Details regarding the total loan loss provisions in the lending business are presented in Notes 12 and 22 in the notes to the consolidated financial statements.

Market risk

Market risks describe potential losses that may arise in the trading and banking book from adverse changes in market values (interest rates, credit spreads, exchange rates, share prices, indices, and fund prices, in each case including their volatilities). This definition also includes the actuarial pension risk.

Organization of market risk management

The Management Board determines the methods and processes for measuring, limiting and managing market risk and budgets the maximum economic capital required by the Group for market risk based on an overall limit that covers all risk types. Within the scope of this loss ceiling, the risks of all transactions with market risk are limited by a system of loss and risk limits.

The Finance & Bank Steering business unit performs the central management function for interest rate and foreign exchange risks in the banking book. The Overall Management Board is responsible for selected strategic positions with market risks, supported by the Asset Liability Committee (ALCO). Market risk is actively managed in the Treasury & Markets business units.

An organizational separation between market risk controlling, settlement, and control, on the one hand, and the trading units responsible for positions, on the other, is ensured at all levels in accordance with MaRisk. All major methodological and operational risk measurement and monitoring tasks are consolidated in the Asset & Liability Risk Control business unit.

Management of market risk

MEASURING AND LIMITING MARKET RISK

The economic (present value) daily result and a value-at-risk approach form the basis of the system for measuring and managing market risk. The Value at Risk (VaR) represents the loss in value (in euros) which will not be exceeded until the position is hedged or realized within a predetermined period with a predetermined probability. For the purposes of the same day measurement and management of market risks, Hamburg Commercial Bank applies a VaR model using a historical simulation method. It is calculated based on a confidence level of 99.0 % and a holding period of one day for a historical observation period of 250 equally weighted trading days.

To enable diversified asset backing and to secure the long-term pension obligations, the Bank implemented a Contractual Trust Agreement (CTA) in 2020. The assets consist primarily of long-term investments in liquid exchange-traded funds and alternative investment funds. The resulting equity/funds risk is part of the market risk of Hamburg Commercial Bank. Due to the portfolio structure of the CTA, which differs significantly from the rest of the Group, the VaR for the CTA at the reporting date is determined by means of a Monte Carlo simulation based on hierarchical clustering and a Student copula structure with a holding period of one year and a confidence level of 99.9 %. In line with the long-term investment horizon, the calculation draws on a market data history going right back to 2008, which also includes the period of the financial crisis. The value is included as an add-on in the Group VaR with appropriate scaling.

The basis risk is taken into account in determining the VaR. Basis risk constitutes the risk of a potential loss or profit resulting from changes in the price/interest rate relationship of similar financial products within a portfolio.

Hamburg Commercial Bank manages the market risks from the lending business and the liabilities as part of a proactive portfolio management process and hedges them through external transactions. In order to achieve its earnings targets, the Bank accepts market risks within the scope of the risk appetite defined by the Management Board.

The market risk appetite formulated by the Management Board is converted into limits, which are further broken down by the ALCO. Compliance with limits is monitored on a daily basis using a VaR limit for Hamburg Commercial Bank's overall market risk, VaR limits for specific risk types and portfolios, and sensitivity limits for the individual risk types. On a monthly basis, the annualized economic capital required for market risks is calculated and compared with the economic capital allocated to market risks by the Management Board.

In the framework of stress testing, the potential net present value losses are limited, which would result from the six interest rate shock scenarios specified in the EBA guideline EBA/GL/2022/14. The perspective is expanded through monthly stress test calculations across all risk types, in which the net present value effects of various historical and hypothetical stress scenarios are analyzed. The net interest income risk (NII risk) is limited in accordance with EBA standard EBA/RTS/2022/10 (supervisory outlier test for the net interest income risk). Similarly, the combined present value and earnings risk resulting from changes in interest rates is calculated and limited for relevant scenarios.

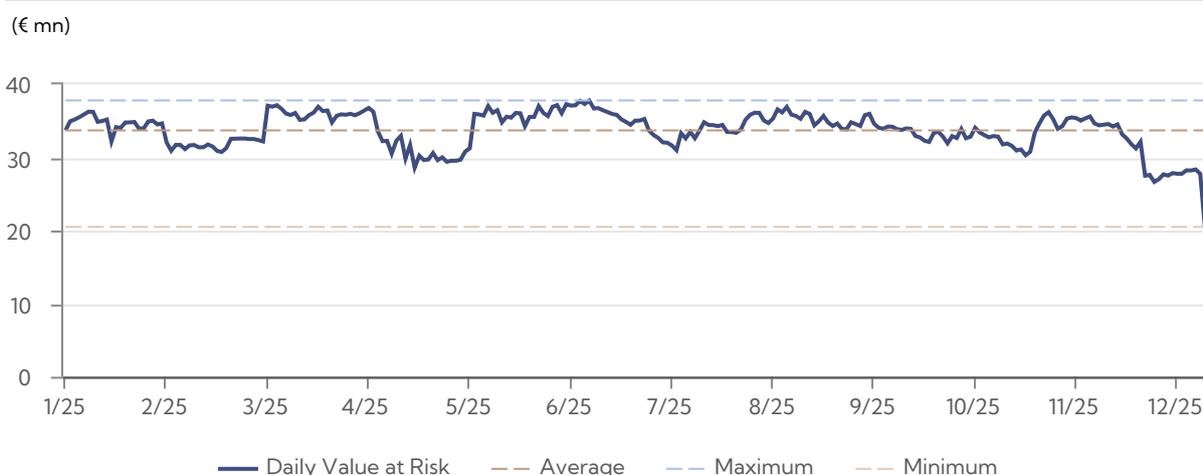
There are clearly defined processes in place in the Strategic Risk Framework for limit adjustments and overdrafts. During the reporting period, the Group limits approved by the Management Board were met at all times.

Where necessary, Hamburg Commercial Bank enters into hedging transactions to manage or reduce market risk in order to offset the impact of unfavorable market movements on its own positions. Derivative financial instruments, such as interest rate and cross currency interest rate swaps, are used as hedging instruments. The effects of the hedging transactions entered into are included in the VaR reported. Further information on this and the type and categories of the hedging instruments and hedging relationships entered into by Hamburg Commercial Bank as well as the type of risks hedged is presented in the Notes. In particular we refer to Section I. F) of Note 5 "Accounting and measurement principles", Note 8 "Result from hedging", Note 23 "Hedge accounting", and Note 54 "Report on business in derivatives".

The VaR of Hamburg Commercial Bank also covers both the trading book and banking book. Positions are assigned to the banking and trading books on the basis of clearly defined guidelines, especially with regard to holding periods permitted in the trading book. The assignment of individual positions to the relevant book are clearly identifiable in the market risk systems. Different processes and controls were established to meet the requirements for proper management of the trading book, which are reviewed for appropriateness on a regular basis.

The following chart shows the movement in the daily VaR for the total trading and banking book positions of Hamburg Commercial Bank over the course of 2025.

Daily Value at Risk during the course of 2025



As at December 31, 2025, the daily market risk of the trading book positions was € 3.1 million (December 31, 2024: € 3.5 million) and that of the banking book positions was € 19.8 million (December 31, 2024: € 32.5 million). The aggregated market risk, which cannot be derived from the total VaR of the trading and banking book positions due to risk-mitigating correlation effects, amounted to € 20.5 million (December 31, 2024: € 32.4 million). In the banking book, the daily interest rate risk (IRRBB) amounted to € 9.7 million (December 31, 2024: € 21.2 million), the fund/equity risk to € 7.2 million (December 31, 2024: € 13.2 million), credit spread risk amounted to € 5.2 million (December 31, 2024: € 6.0 million), and currency risk amounted to € 8.1 million (December 31, 2024: € 6.5 million).

The following table shows the change in VaR in the banking and trading books for the individual market risk types and the overall VaR. The maximum and minimum represent the range over which the respective risk amount moved during the course of the year under review.

Daily Value at Risk of the Group

(€ mn)	Interest rate risk ¹⁾		Credit spread Risk ¹⁾		Foreign exchange risk		Equity/funds risk		Total ²⁾	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Average	17.1	24.7	6.0	5.8	1.8	3.5	13.5	12.7	33.7	36.3
Maximum	25.8	30.3	6.8	9.0	5.6	9.1	14.3	14.8	37.8	39.9
Minimum	8.9	14.9	5.0	3.9	0.1	0.2	7.2	10.9	20.5	30.2
Period end value	9.9	21.5	5.2	6.0	3.2	1.7	7.2	13.2	20.5	32.4

¹⁾ Interest rate risk excluding credit spread risk

²⁾ Due to correlations the VaR does not result from adding up individual values

Hamburg Commercial Bank's market risk is characterized by the interest rate and foreign exchange risk from the lending business and refinancing as well as the trading book. The latter predominantly contains positions resulting from foreign exchange risk management, trading in interest rate and currency derivatives with customers, and bond trading. Market risk also includes credit spread risk on securities held in the liquidity buffer, cover pool and investment management portfolios, which have good credit quality.

In addition to the VaR for these risks determined by the system, there is an add-on for the fund risks in the CTA. Compared to the end of the previous year, there was a reduced add-on of € 7.2 million (December 31, 2024: € 13.2 million) due to a new, more differentiated VaR approach with regard to the modeling of diversification and risk concentration effects in extreme market situations.

The overall VaR of € 20.5 million as at December 31, 2025 was at a significantly lower level than at the end of the previous year (€ 32.4 million). In addition to the reduced CTA VaR add-on, this is primarily due to the lower volatility on the interest rate markets.

BACKTESTING

Hamburg Commercial Bank performs regular backtests to verify the appropriateness of its VaR forecasts. Assuming unchanged positions, the theoretical daily results achieved on the basis of the market development observed on the following day are compared with the VaR values forecast on the previous day by means of historical simulation. Based on the assumption of the confidence level of 99.0 % applied by Hamburg Commercial Bank, up to three outliers indicate that the forecasting quality for market risks is satisfactory. In order to ensure adequate forecasting quality at the level of the Hamburg Commercial Bank Group, the VaR calculated on the basis of the historical simulation is corrected by including an add-on if more than three outliers are determined. Such an add-on is not required as at the reporting date.

STRESS TESTS

In addition to steering of the daily VaR and the interest rate shock scenarios specified by the ECB, further stress tests are performed to investigate the effects of unusual market fluctuations on the net present value of the Bank's positions.

Hamburg Commercial Bank makes a distinction for market risk between standardized, historical and hypothetical stress scenarios. Whereas standardized scenarios are defined specifically according to risk types (for example, shifting or turning of the interest rate curve), the historical and hypothetical stress tests affect multiple market risk factors at the same time. As such, historical scenarios reflect historical correlations between the various risk factors that have actually occurred in the past, while hypothetical scenarios represent fictitious changes in risk factors. With regard to the hypothetical scenarios, a distinction is also made between economic scenarios that simulate a downturn in the macroeconomic environment and portfolio-specific scenarios that can represent a potential threat to the value of the material sub-portfolios of Hamburg Commercial Bank. An ESG market risk stress test also falls into the category of hypothetical scenarios. The hypothetical scenarios are reviewed periodically and adjusted if necessary, depending on the change in the market environment.

INSTRUMENTS FOR MANAGING MARKET RISK IN THE CONTEXT OF ACCOUNTING FOR HEDGING RELATIONSHIPS

The Treasury & Markets business unit also uses derivative financial instruments to manage market risk arising from loans and liabilities as well as securities. Interest rate swaps and other interest rate or currency swaps are used to hedge the interest rate and foreign exchange risk arising from the underlying transactions. The hedging of market risks can take place at micro, portfolio and macro level.

Changes in the value of derivatives are always recognized through profit or loss due to the FVPL classification. If underlying transactions classified as AC or FVOCI are hedged by derivatives, this gives rise to a distortion in the income statement that is not consistent with the economic facts. One way of avoiding these distortions is to use fair value hedge accounting. In fair value hedge accounting, the changes in value of hedged items which are attributable to the hedged risk are recognized through profit or loss. In doing so, the Bank only takes into account hedging of the fair value against interest rate risks. Fixed interest rate loans, issued instruments, and securities positions are designated as underlying transactions (hedged items), while only third-party interest rate and cross currency interest rate swaps are designated as hedging instruments.

Hamburg Commercial Bank recognizes appropriate hedges of underlying transactions by external derivatives under portfolio fair value hedge accounting as well as micro hedge accounting in individual cases, insofar as the requirements of IFRS 9 are met.

The same applies to the presentation of hedged items and hedging transactions in valuation units under HGB in order to avoid distortions in the income statement. These distortions in the income statement arise primarily from securities held in the liquidity reserve.

Liquidity risk

Hamburg Commercial Bank assesses liquidity adequacy from both a normative and an economic perspective in accordance with the ECB's Internal Liquidity Adequacy Assessment Process (ILAAP) guide.

The normative perspective covers a multi-year assessment period, and thereby focuses on the ability to fulfil all regulatory, supervisory and in part internal liquidity requirements and guidelines at all times. The objective is the forward-looking assessment of liquidity adequacy. In addition to a baseline scenario, adverse scenarios are also taken into account in forecasting the parameters.

Conversely, the economic perspective ensures that all material risks that may negatively affect solvency are identified, quantified, and covered by internal liquidity potential, so that the business strategy can be pursued continuously and the company's survival is ensured at all times. The objective of the economic perspective is to manage economic risks and also ensure liquidity adequacy through stress test programs. For economic liquidity management, internal parameters (Pillar 2 ratios) are considered, which are calculated on the basis of the Bank's current portfolios.

For the liquidity risk, a distinction is made between the risk of not being able to meet current or future payment obligations or not being able to meet them in full (risk of illiquidity), the risk of a pending loss arising from a mismatch in the contractual maturities of assets and liabilities and a change in the own refinancing premium (liquidity maturity transformation risk), and the risk that transactions cannot be concluded or can only be concluded at disproportionately high costs due to low market liquidity or market depth (market liquidity risk).

Organization of liquidity risk management

Strategic liquidity management is the responsibility of the Finance & Bank Steering business unit. The objective of liquidity management is to ensure the solvency of Hamburg Commercial Bank at all times, at all locations and in all currencies, to adhere to the regulatory liquidity ratios, to actively avoid concentration risks in the refinancing structure within the Bank's risk appetite, and to manage the marketability of the liquid assets of the liquidity buffer. The Treasury & Markets business unit has operational responsibility for funding and market management.

The Asset & Liability Risk Control business unit is responsible for the methods used to measure and limit liquidity risk within the Group, and performs the risk measurement, limit monitoring, and the related reporting. The Finance & Bank Steering business unit uses the risk measurement results to support it in managing liquidity for all maturity bands and enable it to counter possible risks at an early stage.

Hamburg Commercial Bank has a liquidity contingency plan and regulated procedures and responsibilities in place in the event of a liquidity crisis. In addition, the emergency processes also take into account institute-specific, risk-oriented and capital market-oriented early warning indicators to avert a liquidity crisis. The liquidity contingency plan is closely linked to the recovery plan in accordance with the SAG.

Management of liquidity risk

MEASURING AND LIMITING LIQUIDITY RISK

The measurement of liquidity risk is broken down into the intra-day risk of illiquidity from payment transactions operations, the short-term risk of illiquidity, and the long-term or structural liquidity maturity transformation risk. A separate liquidity buffer is held for the intra-day liquidity risk. Compliance with the intra-day risk limit is monitored on a daily basis.

The transactions in the Group impacting liquidity are presented as cash flows and the resultant inflows and outflows allocated to maturity bands (liquidity maturity profiles) for the purposes of measuring the risk of illiquidity or the refinancing requirements. The difference between inflows and outflows represents a liquidity surplus or deficit (gap) in the relevant maturity bands. If these are aggregated, the net liquidity position is obtained. In the maturity bands up to the third month, the minimum net liquidity position is prescribed by a risk limit. The utilization of these limits is monitored daily. The utilization of the risk limits thus constitutes the measure of the risk of illiquidity.

In addition to all on-balance sheet business, the loan commitments already granted, guarantees, transactions with forward value dates, and other off-balance sheet transactions are incorporated in the liquidity maturity profile.

For better mapping of the economic maturities, maturity scenarios are used for some positions. For example, possible deposit bases from deposits as well as realization periods and amounts of assets are modelled conservatively as a matter of principle. These assets primarily include the securities portfolio, which is held as a precaution in the event of a crisis (liquidity buffer portfolio), other securities according to how liquid they are, and industrial loans eligible for refinancing with central banks. Most of the portfolio of securities is invested in liquid markets and can be liquidated via the refinancing channels, namely central banks, Eurex repo market, bilateral repo market, or the cash market.

The components of the liquidity potential – such as the liquidity buffer required under MaRisk for example – are continuously monitored and validated in accordance with internal and external minimum requirements.

Hamburg Commercial Bank measures the liquidity maturity transformation risk using a value-at-risk approach, the Liquidity Value at Risk (LVaR). The LVaR is calculated on a quarterly basis through historical simulation (confidence level of 99.9 %, risk horizon of one year) of the liquidity spreads and their net present value effect on the transactions which would theoretically be necessary in order to immediately close the current maturity transformation position for the relevant assessment period of one year. The limiting of LVaR takes place at the Group level and forms part of the risk-bearing capacity concept.

The liquidity risk includes market liquidity risks through specific haircuts in the liquidity maturity profile as well as additional valuation adjustments. In addition, market liquidity risks in the valuation of financial instruments are taken into account using the prudent valuation simplified approach. Further information on the level categorization of financial instruments is presented in Note 47 "Disclosure of fair value in accordance with IFRS 7 and IFRS 13".

LIQUIDITY MANAGEMENT

The short-term liquidity base and the regulatory liquidity ratios are operationally managed by the Treasury & Markets business unit based on management goals specified by the Finance & Bank Steering business unit. In addition to the regulatory requirements, the liquidity maturity profile is relevant, amongst other things, to determine these management goals. The definition of or changes to individual parameters or the requirements are decided by the ALCO or the Management Board. This places Hamburg Commercial Bank in the position to react flexibly to market developments.

Hamburg Commercial Bank uses the so-called expected case liquidity maturity profile and stress case forecast, which contain expected cash flows and are prepared for a period extending beyond the current financial year, as the basis for managing the medium-term liquidity base. The stress case forecast is used to forecast how the worst stress case and the stress case liquidity maturity profile develop over time.

The risk of illiquidity over more than one year is managed by means of the liquidity maturity profile for an expiring portfolio without new business assumptions. It represents the pure portfolio maturity in the base case scenario.

The collateral pool of Hamburg Commercial Bank consisting of cash balances, securities, and ECB-eligible loan receivables is coordinated by the Finance & Bank Steering business unit, in order to be able to utilize the potential for secured funding in the best possible manner.

If the relevant SRF limits were exceeded, measures to strengthen the liquidity position would be necessary in order to comply with the key indicators required internally by the Bank and with the regulatory requirements at the level of the Hamburg Commercial Bank Group.

STRESS TESTS

The selection of stress tests is the result of an analysis of historical events and hypothetical scenarios. The selection is reviewed at least on an annual basis and adapted to current developments where necessary.

Four stress scenarios are calculated daily for the risk of illiquidity as part of the different stress modelling processes, for example a rating downgrade of Hamburg Commercial Bank AG or a liquidity crisis including a stressed US dollar exchange rate.

As part of a stress test for the liquidity maturity transformation risk, it is investigated how the LVaR will change in the event of rising liquidity spreads and stressed liquidity gaps. Furthermore, within the framework of the periodic implementation of inverse stress tests, it was investigated during the reporting year whether any events occurred that could have a critical impact on Hamburg Commercial Bank's solvency.

RISK CONCENTRATIONS

Risk concentrations refer to the risk of an unbalanced funding structure in terms of maturities, depositors, or currencies.

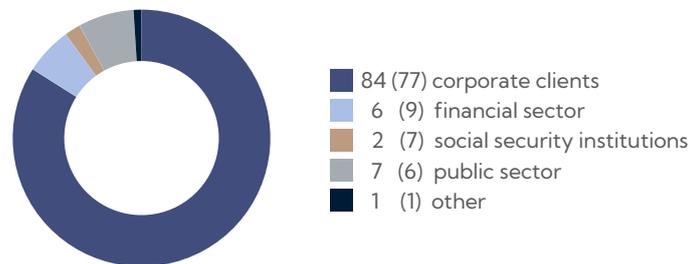
Hamburg Commercial Bank has established a monitoring system for managing concentrations of both asset and liability instruments. Special emphasis is placed on deposits that are analyzed and reported on with regard to the depositor structure (investor, sectors) and maturities (original and residual maturities).

The counterparty concentrations in the short-term deposit portfolio are at a comparable level to the previous year. The ten largest depositors account for around 17 % of total deposits (December 31, 2024: 18 %). Based on the maturity structure, the proportion of deposits payable on demand fell to 38 % (December 31, 2024: 42 %).

The following chart shows the composition of short-term deposits by sector:

Structure of short-term deposits as at December 31, 2025

(%, previous year figures in brackets)



In addition to the analysis of the depositor structure with regard to existing depositor concentrations, risk concentrations with regard to the US dollar asset/liability position are also examined. For the purposes of analyzing the dependency on the US dollar, a US dollar liquidity maturity profile is also prepared regularly, and sensitivity analyses and US dollar stress tests are performed.

QUANTIFICATION OF LIQUIDITY RISK

Hamburg Commercial Bank's risk appetite with regard to liquidity risk is reflected, amongst other things, in the definition of a minimum survival period, which describes how long utilization of a liquidity potential lower than 100 % is to be maintained under the stress cases for the risk of illiquidity.

In the normal case assessment, which is based on the assumption of business development in a normal market environment, the net liquidity position in all maturity bands is significantly above the liquidity buffer, so all limits are complied with during the 12-month period under review. In the scenario that is relevant from a management perspective, the stress case liquidity maturity profile shows that the Bank will not fall short of the minimum survival period of one month defined in MaRisk. This minimum requirement is clearly met, with a survival period of more than 11 months at the end of 2025. Compared to the end of 2024, the survival period has increased and the net liquidity position has improved. Critical limit utilization levels were not reported in the normal case nor in the stress case liquidity maturity profile during the period under review.

REGULATORY LIQUIDITY RATIOS

The regulatory liquidity ratios, the liquidity coverage ratio (LCR), and the net stable funding ratio (NSFR) are each subject to a regulatory minimum ratio of 100 %, which was always complied with during the reporting period. As the regulatory indicator for short-term liquidity risks, the LCR is intended to ensure liquidity in an acute stress period of 30 days. When calculating the LCR, the amount of highly liquid assets is compared to the net outflows over the next 30 days. As at December 31, 2025, it amounted to 204 % (December 31, 2024: 216 %).

The net stable funding ratio (NSFR) is calculated as the ratio of available stable funding resources across all maturities to the stable funding required. As at December 31, 2025, the Bank's NSFR amounted to 119 % under the CRR (December 31, 2024: 116 %).

Refinancing situation

Hamburg Commercial Bank successfully implemented its funding strategy in 2025. The refinancing situation in the reporting period was initially characterized by capital market volatility triggered by trade disputes following the announcement of massive tariff increases by the US and geopolitical tension in the Middle East. However, as the tariff dispute appeared to ease slightly and the military conflict started to settle, there was a marked stabilization of the financial markets as the year progressed.

Fundraising is in line with the Bank's expectations. In total, the Bank has raised around € 2.1 billion in long-term funds in 2025. During the reporting period, the Bank issued a senior preferred benchmark transaction with a volume of € 500 million, which was increased by € 250 million in July to take advantage of a very favorable market environment from the Bank's perspective. The aforementioned bond will strengthen the Bank's funding base in the long term and further broaden the investor base. Further refinancing funds were raised through private placements, including a € 300 million floating rate bond with a two-year term. The Bank is planning further benchmark issues in the unsecured segment as well as Pfandbrief issues in the coming years.

In the first half of 2025, the Bank paid out a dividend of around € 214 billion and carried out a tender offer for an outstanding benchmark bond in senior non-preferred format, which was very successful with a redemption rate of over 50 %.

In addition to long-term refinancing, the strong deposit position of € 10.6 billion from the Bank's client business (corporate deposits), and an increase in the volume of retail deposits of around € 600 million, also contributed to the implementation of the funding strategy. In total, retail deposits amount to € 0.85 billion.

A worsening of the current geopolitical tensions and a deterioration in the macroeconomic environment could make execution of funding measures in the market more difficult. In addition, a more restrictive than expected monetary policy adopted by the central banks could limit the refinancing options and further increase funding costs.

The Association of German Banks (BdB) has implemented a reform of the protection of the Deposit Protection Fund (ESF) from 2023, which affects all members. Given the further reduction in the scope of protection provided by the Deposit Protection Fund in 2025, there is a fundamental risk of increased liquidity outflows. As at December 31, 2025, 70 % (December 31, 2024: 72 %) of eligible protected deposits are covered by the statutory and voluntary deposit guarantee funds.

Hamburg Commercial Bank's liquidity and funding planning for short-term deposits is based on assumptions about customer behavior based on the deposit base and durations. This means that, in critical market-wide, or particularly in idiosyncratic, special situations, there is the risk that even conservative behavioral assumptions used to simulate stress scenarios will fail to materialize as assumed, and that considerable unplanned liquidity outflows could occur instead. Without deliberate management measures, this would lead to a deterioration in the regulatory liquidity ratios as well as the economic survival period.

Part of the assets denominated in foreign currency are refinanced via derivatives (e.g. via EUR/USD basis swaps). Thus, the development of exchange rates has an influence on the funding requirements of Hamburg Commercial Bank.

As part of the regular SREP process carried out within the Banking Union, it is possible that additional requirements in various areas of prudential regulation, such as liquidity, could arise as a result of discretionary decisions made by the banking supervisory authorities.

Non-financial risk

In addition to operational risk, the business strategy risk and reputation risk are included in the non-financial risks (NFR) of Hamburg Commercial Bank.

Operational risk is defined as the risk of losses caused by inadequacies or failures of internal procedures, staff, and systems, or as a result of external factors. This definition includes the risk of losses resulting from legal risks. The definition of operational risk therefore includes business process risks, legal risks, compliance risks including conduct and fraud risks, information risks, HR risks, model risks, data quality risks, sourcing risks, and project risks.

Reputation risk is the risk of incurring financial damage (e.g. in the form of reduced earnings or a loss, or the withdrawal of deposits) due to a negative perception of the Bank by the relevant stakeholders.

The business strategy risk comprises both financial and non-financial components. It refers to the risk of negative deviations from the qualitative and quantitative strategic goals, which may result from incorrect planning assumptions, unexpected changes in the external framework conditions, and from strategic decisions.

Organization of the management of non-financial risk

Hamburg Commercial Bank has adopted a non-financial risk framework that takes into account the diversity of the various sub-types of non-financial risk. It defines the framework for non-financial risk management and describes the roles and responsibilities that follow the three lines of defense model.

The responsibility for identifying and managing the risks that they take, along with determining appropriate controls, lies decentrally with the individual organizational units of the Bank (first line of defense). The second line of defense defines the framework for the management of non-financial risk by setting uniform rules and methods, and monitors their implementation. The role of the overarching NFR function at Hamburg Commercial Bank lies with the Strategic & Credit Risk Control business unit. In addition, the second line of defense includes specialized non-financial risk functions, which are carried out by the Compliance, Human Resources, Corporate Legal & Board Affairs, Finance & Bank Steering, Asset & Liability Risk Control, Operations and IT business units as well as the Credit Law and Corporate Development departments, depending on the respective risk type. The third line of defense in the process-independent audit is Internal Audit.

Non-financial risk management

The identification, analysis, assessment and monitoring of non-financial risks are an important success factor for Hamburg Commercial Bank. Various methods and procedures are used in this process.

Loss events above defined threshold values, which arise from operational risks, are recorded for Hamburg Commercial Bank and the relevant subsidiaries. The recording is carried out uniformly in a central loss event database, categorized according to risk types and causes.

Detailed information is collected on the risk situation of the Bank as part of the annual Group-wide risk scenario assessment based on the historical loss events data and defined forward-looking scenarios. Each business unit assesses its risk situation using defined scenarios, to identify required risk mitigation measures. The most relevant scenarios are then aggregated into the overall risk.

The regular ascertainment and assessment of risk indicators also aims to identify risks at an early stage and prevent their causes.

The results from the risk events data, the risk scenario assessment and the risk indicators are used for the preventive management and monitoring of non-financial risks. They are analyzed, in order to avoid future risk events as far as possible by means of appropriate measures.

Non-financial risks are inherent to business operations and therefore cannot be completely prevented or restricted by a limit. Against this backdrop, non-financial risks are managed through guidelines and organizational standards, management processes, emergency plans, and safety standards in order to minimize their impact. Selected risks are covered by insurance where economically viable.

The Bank holds economic capital for potential losses from operational risks and has established a corresponding risk limit, which is subject to regular review.

In order to quantify the operational risks for the risk-bearing capacity calculation, the expected and unexpected losses of the relevant scenarios from the risk scenario assessment are calculated and aggregated in a Monte Carlo simulation. The Operational Value at Risk (OpVaR) calculated in this way is used for the economic perspective.

In addition to the methods mentioned above, specific procedures and responsibilities have been instituted within Hamburg Commercial Bank for the non-financial risk elements listed below.

Business continuity management

Hamburg Commercial Bank is exposed to risks arising from unforeseen events, which may result in business interruption. With the involvement of the relevant business units, the business continuity management system has established processes to limit the risks arising from the fact that the information technology fails, or that service providers, infrastructure, or employees are unavailable. The objective of the business continuity plans established and to be periodically reviewed is to ensure the functional capability of critical business processes and activities, also in the event of an emergency, and the defined return to normal operations.

Internal Control System (ICS)

One possible cause of loss events arising from operational risks lies in missing or inadequate controls. A functioning ICS helps to identify business process risks and implement appropriate measures to prevent and/or reduce them. The central ICS is thus an essential part of the management of non-financial risk. Detailed information on the ICS is set out in the "Risk management system" section.

Management of HR risks

HR risks are countered through active personnel management. A large number of personnel management tools for employee retention are used to prevent the unscheduled departure of key personnel. In addition, succession planning is performed and reviewed regularly for relevant positions.

Management of information risks

A decisive factor in the Bank's business processes is ensuring the protection objectives of availability, integrity and confidentiality of information. Hamburg Commercial Bank has implemented appropriate procedures and instruments to identify information risks at an early stage and to avert or reduce particularly severe losses.

Hamburg Commercial Bank has also established the position of Information Security Officer.

As part of the IT strategy, it has defined the primary objective of information risk management as identifying information risks at an early stage and assessing them based on protection needs in order to avert or reduce particularly severe losses on the basis of clear responsibilities. Specific risk tools are used, by means of which the risks in projects, in line functions, and at outsourcing partners are actively managed, and they are reduced by monitored implementation of measures.

The management of information risks also includes the implementation and monitoring of compliance with the requirements of the European General Data Protection Regulation. Advice on data protection issues is also important. This task is the responsibility of the Data Protection Officer. The Bank has outsourced this key function to external specialists. The Bank's employees are regularly trained separately in the relevant areas of information security and data protection, with the aim of sensitizing all employees and clarifying options for action.

Management of legal risks

The Corporate Legal & Board Affairs business unit and the Credit Law department are responsible for monitoring and managing these risks. As a component of legal risks, tax risks are monitored and managed by the Tax department. In order to reduce, limit or prevent legal risks, all business units are given comprehensive legal advice by lawyers, and also by external consultants where necessary.

Management of data quality risks

Adequate risk reporting and compliance with regulatory requirements are essential for well-founded decisions. The Bank has implemented suitable procedures and instruments and established a corresponding data management organization in order to ensure suitable options for aggregating risk data and internal risk reporting processes.

The Management Board has overall responsibility for data management within Hamburg Commercial Bank. It is supported operationally by the Chief Data Officer, who is responsible for central data management at Hamburg Commercial Bank. The central data management develops the Bank-wide data management framework and the policy based thereon. It is responsible for managing and coordinating all data management-related issues (in particular data quality). Through clearly defined data ownership and on the basis of these regulations, high data quality is ensured in the affected units and corresponding measurements are carried out on a decentralized basis.

Management of sourcing risks

Outsourcing is only carried out if the integration into all relevant banking processes is ensured, and if the service providers involved have an appropriate risk controlling, information security management and internal control system, as well as appropriate processes to protect personal data. For significant outsourced activities and processes, rights to give instructions and audit rights must be agreed in the contracts for Hamburg Commercial Bank.

Insourcing is managed centrally. Insourcing only exists to a very limited extent, as this is not part of Hamburg Commercial Bank's business model.

Management of compliance risks

The active management and control of compliance risks includes, in particular, the topics of capital market compliance, money laundering, terrorism financing, financial sanctions and embargoes, misconduct, and criminal offences in accordance with Section 25h of the German Banking Act (KWG).

A firm anchoring of compliance in the corporate culture is essential in order to strengthen compliance with the law and applicable regulations at Hamburg Commercial Bank. As a binding code of behavior for all employees, the Code of Conduct serves as a central framework for this purpose. The Bank's employees are given regular training on compliance-related topics. The objective of the training is to disseminate relevant standards and changes thereto and to enable new staff to quickly become familiar with corporate practices, and thereby ensure compliance with the legal requirements.

Regular risk analyses form an essential basis for risk-oriented planning of the monitoring, control, management and prevention activities of the Compliance business unit.

Through internal reporting channels and the so-called whistleblowing office, the Bank is informed of suspected cases of unlawful behavior and passes them on to the appropriate authorities. The whistleblowing office also enables anonymous reporting of suspicions both by employees of the Bank and by external third parties, via an independent ombudsman.

Management of model risks

Models are vitally important for the Bank's management processes. The use of models is naturally associated with uncertainties. The Bank's model risk management process includes careful development of models, independent validation of models, and overarching model governance, which establishes and monitors the framework for dealing with models and model risk.

Management of reputation risks

As reputation risks can arise in all areas of the Bank, they are always taken into account in day-to-day operations. Hamburg Commercial Bank manages reputation risk particularly by means of preventive measures via the review of specific transactions, on the one hand, and via process-related rules, on the other, in order to prevent the occurrence of reputational damage if possible. The Strategic Risk Framework defines the Bank-wide principles for managing reputation risk as a supplement to the existing regulations and instructions, such as the Code of Conduct.

Management of business strategy risks

The business strategy risks are managed via the annual review and updating of the business strategy and the closely related Overall Bank planning process established in the Bank. The Overall Management Board is responsible for the strategy of Hamburg Commercial Bank, whereby the Corporate Development department is responsible for the process involved in preparing the business strategy. The quantitative strategy management is the responsibility of the Finance & Bank Steering business unit. The Corporate Development department is responsible for monitoring the non-financial business strategy risk.

Non-financial risks in the reporting year

The intensified sanctions situation continues unchanged as a result of Russia's war of aggression against Ukraine as well as the current developments in the Middle East conflict. Hamburg Commercial Bank fully implements all sanctions and is continuing the stepped-up monitoring of current developments.

The threat of cybercrime remains high, with ransomware being the most common threat. Attacks are highly professional and increasingly automated. The banking industry as a whole is currently a primary target of such attacks; however, based on the Bank's assessment, there is presently no indication of an elevated threat level specifically directed at Hamburg Commercial Bank. The further development of artificial intelligence and the associated new possibilities for manipulative actions pose major challenges to cybersecurity overall. The Bank follows cybercrime developments on a regular basis and continuously works with its partners to improve the existing instruments and processes and to mitigate cybersecurity risks. The concluding restructuring of IT into a modern, cost-effective and cloud-based IT architecture also contributes to this. The operational risks that could arise or change in the course of the IT transformation process are effectively managed through appropriate governance, processes, long-term collaboration with IT providers, and independent quality assurance.

As at the reporting date, Hamburg Commercial Bank recognized provisions for the legal risk category, which is a component of operational risk, in particular for litigation risks and costs, amounting to € 132 million (December 31, 2024: € 151 million). In addition, there are also contingent liabilities arising from legal disputes.

Since April 2018, the Cologne public prosecutor's office has been conducting an investigation into two former senior employees of HSH Nordbank on suspicion of tax evasion or involvement in tax evasion in connection with equity transactions around the dividend record date (so-called cum-ex transactions). As part of the investigation, the Bank was interviewed as a potential co-defendant in the case. In July 2021, the Cologne public prosecutor's office searched the premises of the Bank. Since then, the charges were extended to other (mostly former) employees. HSH Nordbank, as the predecessor institution of Hamburg Commercial Bank, had already investigated the relevant matters long before the start of the investigation by the Cologne public prosecutor's office. The Bank proactively disclosed all findings of its internal investigation into cum-ex transactions at the time to the tax authorities responsible for large companies in Hamburg and the Hamburg public prosecutor's office, made provisions amounting to € 127 million in the 2013 annual financial statements, and repaid taxes totaling around € 112 million plus interest in January 2014. With the help of external advisors, the Bank has also investigated the transactions around the dividend record date, which have since become the subject of the proceedings, and disclosed them to the competent authorities. Hamburg Commercial Bank is cooperating with the Cologne public prosecutor's office. The case may potentially result in a fine for the Bank. Based on the current status of the investigation, at present we don't see a strong likelihood that a corporate fine will be imposed.

As a component of legal risks, tax risks mainly result from the fact that the binding interpretation of rules that can be interpreted may sometimes only be known after several years. At present, the assessment periods from 2012 onwards can still be changed under procedural law. In connection with the tax audits that are currently being conducted, the new and/or amended publications by the tax authorities, as well as the case law on tax matters that has meanwhile come into effect, appropriate provisions are recognized for the resulting tax risks where necessary.

Summary of risk assessment

In addition to the Bank's strategic focus initiated in the first half of the year, the 2025 financial year was characterized by geopolitical tensions and political and macroeconomic uncertainties.

Hamburg Commercial Bank has effectively countered the ongoing challenging external conditions and the associated impact on its loan portfolio by systematically reducing existing non-performing exposures.

The risk policy of Hamburg Commercial Bank ensured that the Bank's capital and liquidity position was adequate at all times. The Bank has implemented various measures, in order to appropriately take account of the existing risks.

Hamburg Commercial Bank is facing major challenges regarding its future development, which are described in detail in the "Forecast, opportunities and risks report".

The risk management and bank management systems we have presented are designed to systematically take risks into account. This also applies to our expectations regarding the future market and business development. We believe that we have appropriately presented the overall risk profile of the Hamburg Commercial Bank Group as well as the opportunities and risks inherent in the future development of our business activities in the "Forecast, opportunities and risks report" section and in this risk report in an appropriate and comprehensive manner.

Comment on the annual financial statements of Hamburg Commercial Bank AG prepared in accordance with the German Commercial Code (HGB)

Report on earnings, net assets and financial position

Earnings situation

Hamburg Commercial Bank AG reported a very strong positive net result under HGB of € 998 million for the 2025 financial year (previous year: € 214 million) – also in comparison to the consolidated results under IFRS. Against the background of satisfactory operating performance, net income for the year was largely driven by income from the releases from the fund for general banking risks.

At € 426 million, the operating result before loan loss provisions/valuation was € 154 million higher than in the previous year (€ 272 million). In addition to higher net interest income, this was primarily due to the increase in the other operating result, which was significantly impacted by negative one-off effects in connection with legal risks in the previous year. Despite lower operating expenses, administrative expenses increased due to the one-off expenses resulting from the staff reduction approved in the reporting year. The net commission income remained stable. The net trading income improved compared to 2024, driven by the positive foreign exchange result.

The result from loan loss provisions/valuation was primarily responsible for the very high net income for the year. This amounted to € 725 million, after having been negative € -71 million in the previous year. The result from loan loss provisions/valuation was significantly impacted by the releases from the fund for general banking risks of € 750 million (previous year: € 0 million). In conjunction with a higher result from the securities business and slightly lower loan loss provisions, net income before taxes rose significantly by € 950 million to € 1,151 million (previous year: € 201 million).

By contrast, net income for the year was negatively affected by the remeasurement of deferred taxes triggered by the update of the corporate planning and lower future tax rates. As a result, the income tax expense of € 153 million was noticeably higher than the figure for the previous year, in which income taxes were slightly positive.

The composition and year-on-year development of the income statement can be seen in the following overview. The developments in the individual income items that were decisive to the Bank's earnings situation are then explained:

Income statement

(€ mn)	2025	2024	Change in %
Net interest income (including current income)	624	579	8
Net commission income	36	35	3
Net income from the trading portfolio	46	31	48
Administrative expenses (incl. depreciation/amortization)	-375	-359	4
thereof: personnel expenses	-212	-183	16
thereof: operating expenses	-163	-176	-7
Other operating result (incl. other taxes)	95	-14	>100
Operating result before loan loss provisions/valuation	426	272	57
Loan loss provisions/valuation	725	-71	>-100
thereof: income from releases from the fund for general banking risks.	750	-	>100
Operating result after loan loss provisions/valuation	1,151	201	>100
Income tax expense	-153	13	>-100
Net result	998	214	>100

The **net interest income** (including the current income from shares and other non-fixed-interest securities, equity holdings, and interests in affiliated companies) amounted to € 624 million. In contrast to the development in the IFRS consolidated financial statements, at a increase of around 8 % it was noticeably above the previous year's level (€ 579 million). The following aspects should be considered in the context of this development: The net interest income from the operating business was below the level of 2024 with a lower average balance sheet volume. This is because the total interest income from the lending and money market business, from fixed-interest securities, and from the special funds launched decreased to a greater extent than operating interest expense from refinancing via liabilities to banks and customers, as well as securitized and subordinated liabilities. Interest income from the sale of receivables and prepayment penalties received or paid did not have any significant impact on net interest income, as in the previous year.

The decline in net interest income from the operating activities was more than compensated for by the lower negative contribution to earnings from interest rate derivatives.

Net commission income amounted to € 36 million (previous year: € 35 million). The commission income developed very positively, rising by 10 % to € 45 million (previous year: € 41 million), particularly in the guarantees business. The increase in commission expenses from € 6 million to € 9 million is due, among other things, to higher brokerage commissions for the provider of the external platform for retail funding. These increased in line with the higher volumes.

The **net income from the trading portfolio** amounted to € 46 million in the reporting year, compared to € 31 million in the 2024 financial year. The result was driven by a positive foreign exchange result due to the depreciation of the US dollar against the euro during the year. In the reporting year, there were no allocations to/releases from the fund for general banking risks pursuant to Section 340e (4) of the German Commercial Code (HGB). In the previous year, partial reversals of € 30 million were made, which were the main factor contributing to the result reported in this overall item.

The **administrative expenses** amounted to € 375 million in the reporting period (previous year: € 359 million) and were shaped by the one-off effect in personnel expenses explained below of € 50 million. Without this one-off effect, administrative expenses would have been lower than planned, which underlines the effectiveness of HCOB's stringent cost management.

Personnel expenses came to € 212 million (previous year: € 183 million). The significant increase of € 29 million is attributable to a one-off effect. In the reporting year, expenses totaling € 50 million (previous year: € 18 million) were recognized for severance payments arising from mutually agreed terminations of employment. In addition, the development of personnel expenses compared to the previous year was characterized by reducing effects (changes in headcount) and increasing effects (salary increases and higher expenses for variable remuneration). The savings from the staff reduction, which had already been contractually agreed by

around 80 % of affected employees as at the reporting date, will only be realized gradually in the 2026 until 2028 financial years. The number of employees decreased by 65 FTEs to 857 FTEs by the end of the year.

Despite higher scheduled depreciation of software, the operating expenses (including depreciation) decreased by around 7 % compared with the previous year, amounting to € 163 million (previous year: € 176 million). While the scheduled depreciation of software increased as expected, there were savings in other cost categories that more than offset the increase in depreciation. IT costs and regulatory expenses are the main noteworthy items here. The main reasons for the decline in IT costs were lower project expenses and lower provider costs. The decrease in regulatory expenses is primarily due to the fact that no annual contribution to the BdB's ESF was levied for the 2025 financial year. In the previous year, the Bank had recognized expenses (advance payments and additions to provisions) for the 2024 annual contribution, which were refunded or could be reversed in the reporting year. As in the previous year, no contributions were charged for the bank levy in the 2025 financial year either, because the Single Resolution Fund (SRF) has reached its target level.

The **other operating result** (including other taxes), which was still negative in the previous year at € -14 million due to negative one-off effects, made a noticeably positive contribution to net income in the 2025 financial year at € 95 million. The main reason for the significant increase of € 109 million was the fact that there were significant negative one-off effects from litigation risks and associated legal advisory costs in the comparative period (€ 107 million in total).

At € 163 million, other operating income was above the 2024 level (€ 122 million), although the previous year had benefited from income from earn-out arrangements in the amount of € 39 million. In the 2025 financial year, they primarily related to the net proceeds of expenses and income from pension provisions and plan assets to be offset in accordance with Section 246 (2) sentence 2 of the German Commercial Code (HGB) (€ 59 million, previous year: € 31 million), income from the reversal of various provisions (€ 34 million, previous year: € 12 million), and one-off effects in the form of VAT refunds from previous assessment periods (€ 8 million; € 1 million expense offset in other operating expenses). Income from the reversal of various provisions was largely attributable to the effects of the final cumulative settlement of the voluntary Deposit Protection Fund (ESF) of the Association of German Banks (BdB) for the first four years after HCOB's admission to the ESF (€ 13 million). The Bank had made a one-off payment to the ESF as well as advance payments of the annual contributions for calendar years 2022 to 2025, and had also recognized provisions. As a result of the final cumulative settlement for the first four years of ESF membership, the Bank was able to reverse the provisions recognized and record a refund, which had a positive impact on the other operating result totaling € 18 million in the reporting year. In addition, income from derivatives (€ 22 million; previous year: € 0 million) and from foreign exchange (€ 19 million; previous year: € 0 million) was recognized; however, this was offset in each case by slightly lower other operating expenses from derivatives and foreign exchange.

Other operating expenses fell very considerably by € 68 million to € 68 million (previous year: € 136 million). The key factor here was the absence of the above-mentioned negative one-off effects in connection with litigation risks and legal advisory costs. These were offset by the aforementioned expenses from derivatives and foreign exchange.

Operating result before loan loss provisions/valuation

At € 426 million, the operating result before loan loss provisions/valuation was € 154 million higher than in the previous period (€ 272 million). This was due to the above-mentioned changes in net interest income (increase of € 45 million) and the other operating result (increase of € 109 million), which benefited from the absence of negative one-off effects.

The result from loan loss provisions/valuation was primarily driven by income from the releases from the fund for general banking risks and was the main factor behind the very high net income for the year

The result from loan loss provisions/valuation, which was characterized by a positive one-off effect, amounted to € 725 million, making it primarily decisive for the very high net income for the year, after recording a negative result in the previous year of € -71 million. This was largely due to releases from the fund for general banking risks.

At € 71 million, the loan loss provisions (income statement) in the lending business were slightly below the previous year's level (€ 77 million). As in 2024, it was characterized by specific valuation allowances for financing arrangements in default in the Real Estate segment. During the reporting year, these mainly affected office property in Germany (primarily for properties in need of development), which was due to persistently weak demand and lower market values. The decrease in the overall position compared to the previous year is due to lower general loan loss provisions.

The result in the securities business was clearly positive at € 46 million (previous year: € 6 million). This was primarily driven by net realized gains from the sale of securities; in addition, net reversals of impairments on securities in the liquidity reserve contributed positively to earnings.

In the year under review, the valuation result from equity holdings in non-affiliated companies was balanced at € 0 million, as in the previous year.

Releases from the fund for general banking risks were made in the amount of € 750 million (previous year: € 0 million). The reversal was made on the basis of a discretionary decision by the Management Board, which, taking into account the current overall situation of the Bank in the current banking environment, came to the conclusion that the reversal in the amount stated was necessary and appropriate.

Income tax expense

Given the above-mentioned developments in the individual items, net income before taxes amounted to € 1,151 million, which is significantly higher than the prior-year level (previous year: € 201 million).

In contrast, the income tax expense rose significantly to € 153 million (previous year: € 13 million income) and was dominated by a deferred taxes expense (€ 133 million). The expense for current taxes came to € 20 million. The low income tax rate (ratio of income tax to net income before taxes) is mainly due to the fact that income contributing substantially to net income before taxes from releases from the fund for general banking risks does not have any tax impact.

The deferred tax expense comprises an expense from the reversal of deferred tax assets on temporary differences (€ 57 million) as well as an expense from the reduction in deferred tax assets on loss carryforwards (€ 76 million). The reduction in deferred tax assets on loss carryforwards in the amount of € 22 million results from the update of the multi-year plan in December 2025, according to which the Bank expects to be able to use tax loss carryforwards to a lesser extent over the next five financial years than originally envisaged in the prior-year planning. An amount of € 17 million resulted from the deferred tax expense due to the mandatory valuation adjustment of deferred tax assets and liabilities to reflect the reduced corporate tax rates in Germany in future. The legal background to this is the law for an immediate tax investment program to strengthen Germany as a business location, which was passed in the second half of the year.

Very high positive net result much higher than expected due to one-off effect in valuation result

After income tax expenses, Hamburg Commercial Bank reported a significantly positive net result of € 998 million for the 2025 financial year (previous year: € 214 million). In operational terms, the net result in accordance with the German Commercial Code (HGB) for the year was in line with the Bank's expectations overall. Due to the positive effect in the result from loan loss provisions/valuation described above, the HGB result significantly exceeded expectations, given a satisfactory operational business performance.

Material items on the statement of financial position

(€ mn)	2025	2024	Change in %
Assets			
Cash reserves and treasury bills	168	144	17
Loans and advances to banks	2,781	3,451	-19
Loans and advances to customers	16,010	19,546	-18
Securities	9,240	10,162	-9
Trading portfolio	150	239	-37
Equity holdings in non-affiliated companies and interests in affiliated companies	9	10	-10
Deferred tax assets	463	597	-22
Remaining assets	497	760	-35
Total assets	29,320	34,909	-16
Liabilities			
Liabilities to banks	2,523	3,911	-35
Liabilities to customers	13,499	15,014	-10
Debt securities issued	7,791	10,058	-23
Trading portfolio	26	47	-45
Subordinated liabilities	892	919	-3
Fund for general banking risks	27	777	-97
Equity	3,769	2,981	26
Remaining liabilities	793	1,202	-34
Total assets	29,320	34,909	-16
Contingent liabilities	791	712	11
Other commitments	4,443	4,849	-8
Total off-balance-sheet transactions	5,234	5,561	-6
Business volume	34,554	40,470	-15

Total assets down by 16 %

The total assets amounted to € 29,320 million at the 2025 reporting date, which is 16 % (around € 5.6 billion) lower than the level at December 31, 2024 (€ 34,909 million). On the assets side, the smaller balance sheet was predominantly attributable to loans and advances to customers (€ -3.5 billion), but securities (€ -0.9 billion) and loans and advances to banks (€ -0.7 billion) also fell compared with the end of the previous year. On the liabilities side, the correspondingly lower refinancing requirements were primarily reflected in the decrease in debt securities issued (€ -2.3 billion), the liabilities to customers (€ -1.5 billion), and the liabilities to banks (€ -1.4 billion). The liabilities side of the balance sheet was also characterized by substantial releases from the fund for general banking risks, which had a correspondingly positive impact on equity via the net income for the year. In detail, the developments were as follows:

As at the reporting date, the loans and advances to banks mainly relate to overnight balances in the deposit facility at Deutsche Bundesbank, which, in contrast to the IFRS reporting, are not reported under the cash reserve under HGB, but rather under loans and advances to banks. At € 2,781 million, these were 19 % lower than the figure at the end of 2024 (€ 3,451 million).

The development of loans and advances to customers was shaped by the strategic business adjustments and the associated focus on the franchise portfolios as well as the divestment activities for the non-strategic assets. Accordingly, the receivables portfolio in the international real estate business and in Structured Portfolio Finance (Corporates segment) declined compared with the end of 2024. In addition, the aviation financing portfolio was fully divested due to the portfolio sale completed at the end of October 2025. Furthermore, the overall high level of repayments and the significant depreciation of the US dollar against the euro had a negative effect on the carrying amount of loans and advances to customers. As a result, as at December 31, 2025, the balance sheet item Loans and advances to customers was down significantly (by 18 %), to € 16,010 million (previous year: € 19,546 million).

As at December 31, 2025, the carrying amount of securities came to € 9,240 million in total, a drop of 9 % compared to the prior-year reporting date (previous year: € 10,162 million). This was mainly due to the deliberate reduction of exposure in liquid CLOs in line with the strategic focus, as well as the effect associated with the depreciation of the US dollar.

At € 463 million, deferred tax assets were also lower than the carrying amount as at December 31, 2024 (€ 597 million). € 247 million of this amount relates to deferred taxes on loss carryforwards, with € 216 million attributable to deferred tax assets on temporary differences. Alongside the drop in deferred taxes due to the utilization of loss carryforwards/the reversal of temporary differences, the decrease compared to the previous year is mainly due to the recognition of the reduction in the future corporate income tax rate in Germany and the reversal of deferred taxes on loss carryforwards as part of the updated corporate planning.

Remaining assets, of which other assets are the main balance sheet item, totaled € 497 million and were € 263 million lower than the previous year's level (previous year: € 760 million). This was due to the decrease in other assets by € 307 million to € 249 million (previous year: € 556 million). This was primarily due to the fact that the claims from initial and variation margins from OTC derivatives were significantly lower than at the end of the previous year. In contrast, but to a lesser extent, within other assets the fair value of the fund assets held under a contractual trust agreement (CTA) exceeded the settlement amount of the pension provisions secured by the plan assets as at December 31, 2025, which led to a positive difference from offsetting in the statement of financial position (€ 85 million, previous year: surplus of liabilities of € 11 million).

On the liabilities side, at € 2,523 million, liabilities to banks were down by more than a third (35 %) on the end of the previous year (previous year: € 3,911 million). Within this item, liabilities from repo transactions and deposits from development banks, among other things, decreased.

The development of liabilities to customers also reflects the lower funding requirements in line with the balance sheet volume. As a result, the carrying amount of this item was down by 10 % as at December 31, 2025, to € 13,499 million (previous year: € 15,014 million). The drop was due, among other things, to the conscious reduction in total deposits by corporate clients. In contrast, the volume of retail deposits increased in line with the funding strategy.

Debt securities issued amounted to € 7,791 million as at the reporting date, which is 23 % lower than the carrying amount at the end of 2024 (€ 10,058 million). The reason for this development was that maturing bonds were not fully replaced by newly issued debt securities, also due to the lower refinancing requirements.

The structural composition of subordinated liabilities has not changed. At € 892 million, its carrying amount as at December 31, 2025, was below the level at the end of the previous year (€ 919 million), mainly due to the depreciation of the US dollar.

Amounts of € 750 million were released from the funds for general banking risks. After the releases, a residual amount of € 27 million remains at December 31, 2025 (previous year: € 777 million), which is allocated in full to special items under Section 340e (4) of the German Commercial Code (HGB).

Due to the very high net income for the year, which was significantly influenced by the aforementioned releases from the fund for general banking risks, the reported equity increased significantly compared to the end of the previous year, despite the dividend paid out during the reporting year and amounted to € 3,769 million as at December 31, 2025 (previous year: € 2,981 million). For information on the development of the regulatory capital ratios for the individual institution according to the HGB accounting standards, please refer to the risk report in this combined management report. The dividend payment of € 1,256 million proposed for the 2025 financial year was already taken into account in advance in the CET1 capital and, as a result, when determining the capital ratios at the end of 2025. In contrast, the effects can only be recognized in the balance sheet at the time the dividend liability arises in legally effective terms, which requires a corresponding resolution by the Annual General Meeting in 2026. The proposed dividend payment corresponds to the accumulated profit

under HGB for the 2025 financial year, comprising net profit for the year under HGB for the 2025 financial year (€ 998 million) and a withdrawal of € 257 million from other retained earnings.

The remaining liabilities have decreased from € 1,202 million to € 793 million. The reduction of € 409 million was primarily due to the other liabilities and the provisions. The carrying amount of the former totaled € 302 million, which is € 198 million below the value at the end of the previous year (€ 500 million). This was primarily due to the significantly lower (liability-side) adjustment item from foreign currency valuation and the year-on-year decrease in liabilities in connection with the variation margin from OTC derivatives, in line with the development on the assets side. The decrease in provisions (€ 370 million, December 31, 2024: € 524 million) is attributable to provisions for pensions and similar obligations as well as to tax provisions and other provisions.

Business volume fell to a much lesser extent than the total assets

The business volume (total assets plus off-balance-sheet business) decreased by 15 % to € 34,554 million (December 31, 2024: € 40,470 million). With a change of -6 %, the decline in off-balance-sheet business was significantly lower than the change in total assets, and related to other liabilities, the main component of which is irrevocable loan commitments. These fell by € 406 million to € 4,443 million as at December 31, 2025 (December 31, 2024: € 4,849 million). In contrast, contingent liabilities (primarily sureties and guarantees) increased and reached € 791 million at the balance sheet date, which is € 79 million higher than at the end of the previous year (€ 712 million).

Refinancing

Hamburg Commercial Bank AG successfully implemented its funding strategy in the year under review by using various funding sources. The regulatory requirements for the liquidity ratios were consistently exceeded during the reporting period. Further details can be found in the combined management report of Hamburg Commercial Bank.

Statement on corporate governance pursuant to Section 289f (4) of the German Commercial Code (HGB) (information on the ratio of women)

Pursuant to Section 111 (5) of the German Stock Corporation Act (AktG), the Supervisory Board of unlisted companies, if they are subject to co-determination, also has to set targets for the proportion of women on the Supervisory Board and the Management Board. In June 2022, the Supervisory Board of Hamburg Commercial Bank adopted/confirmed the following targets for the proportion of the underrepresented gender (currently women) on the Management Board and the Supervisory Board. The target figures describe the target share of women in the relevant overall board in its current size, with the percentage figures corresponding to full numbers of persons:

- A target quota of 25 % (based on four members) has been confirmed for the Management Board of Hamburg Commercial Bank
- For the Supervisory Board of Hamburg Commercial Bank, a target quota of 33 % (six out of currently 18 members) has been adopted (previously: 30 %)

The target quotas are to be achieved by June 30, 2027, at the latest. There is currently no woman on the Management Board of Hamburg Commercial Bank. Following the appointment of new members to the Supervisory Board of Hamburg Commercial Bank on May 30, 2024, six out of 18 members are women (currently the underrepresented gender), bringing the proportion of women on the Supervisory Board to 33 % (December 31, 2024: 33 %). This means that the above-mentioned target quota for the Supervisory Board has already been achieved.

Sustainability Statement,

which also fulfils the requirements for the combined non-financial statement prepared in accordance with Sections 289b ff. and 315b to 315c of the German Commercial Code (HGB).

General information

Hamburg Commercial Bank (HCOB) publishes its Sustainability Statement again in accordance with the European Sustainability Reporting Standards (ESRS) as at 31 December 2025. It thus supplements the consolidated financial statements with non-financial information in accordance with the Corporate Sustainability Reporting Directive (CSRD) and thereby fulfils the requirements for the combined non-financial statement prepared in accordance with Sections 289b ff. and 315b to 315c HGB.

The double materiality analysis (DMA) was carried out in accordance with the ESRS and defines the material reporting topics for 2025, which are structured as follows:

General disclosures:

Basic information on HCOB's sustainability strategy and governance.

Environmental disclosures:

Measures and initiatives to reduce the environmental footprint, including progress in the areas of energy efficiency, emissions reduction and resource conservation.

Social disclosures:

Social aspects such as diversity, employee development and social commitment.

Governance disclosures:

Structures and processes to ensure responsible business conduct.

The ESRS index at the end of this Sustainability Statement provides an overview of the disclosures covered. The DMA and the non-financial statement were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to obtain limited assurance.

ESRS 2 General disclosures

Basis for preparation

BP-1 General basis for preparation of the Sustainability Statement

Scope of consolidation

The Sustainability Statement for the 2025 financial year is based on the scope of consolidation of the consolidated financial statements (see Note 59 "List of shareholdings" in the consolidated financial statements).

No subsidiary included in the consolidated financial statements is obliged to report on sustainability independently. There are therefore no exemptions at individual company or subgroup level.

Value chain and presentation in the report

The Sustainability Statement covers the own business operations as well as the upstream and downstream value chain. A detailed description can be found in section "[SBM-1 Strategy, business model and value chain](#)".

For clear and differentiated presentation, the report is divided into the dimensions corporate and portfolio. The corporate dimension comprises the own business operations and the upstream value chain, including the Bank's suppliers and service providers. The portfolio dimension relates to the downstream value chain and comprises business activities in the lending and investment business. Sections that relate exclusively to one dimension are labelled accordingly.

No use has been made of the option to exclude information from disclosure, which relates to intellectual property, expertise or the results of innovations. Similarly, the fundamental exceptions regarding information on upcoming developments or matters under negotiation were not utilised.

Interpretation uncertainties

The German legal and other European regulations underlying this Sustainability Statement may contain formulations and terms that are subject to interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. Where this is the case, the interpretation made is indicated at the appropriate point in the report in the specific chapters.

Additional validation

The metrics published in this Sustainability Statement have not been validated by an additional external body, but are covered by the overall limited assurance review of the Sustainability Statement by an independent auditing firm.

BP-2 Disclosures in relation to specific circumstances

Time horizons

The time horizons for reporting are based on the requirements of the ESRS :

- short term: one year
- medium-term: one to five years
- long-term: more than five years

Value chain estimation

When determining data for the value chain, specifically for calculating Scope 3 emissions for data centres and for financed emissions, estimates were partly used. In addition, the applied methodology, assumptions and if necessary measures to improve data quality are described in detail in ["E1-6 – Gross Scope 1, 2 and 3 and total GHG emissions"](#).

Sources of estimation and outcome uncertainty

Some of the metrics and monetary amounts in the Sustainability Statement are based on estimates and assumptions about future events, which are naturally associated with uncertainty. This particularly affects GHG emissions (see section ["E1-6 – Gross Scope 1, 2 and 3 and total GHG emissions"](#)). The estimates made as part of E1, E3 and E5 for extrapolating the environmental metrics to all locations are described in the respective standards.

The underlying assumptions, methods and estimates are explained under the respective items, where applicable.

Changes in preparation or presentation of sustainability information

This Sustainability Statement was again prepared in accordance with the ESRS. Compared to the previous year, there have been methodological changes in the building emissions calculations. For further details, please refer to the explanations under ["E1-6 – Gross Scope 1, 2 and 3 and total GHG emissions"](#).

Reporting errors in prior periods

During the preparation of the 2025 Sustainability Statement, it was discovered that the employee turnover rate published in the 2024 statement did not fully comply with the requirements of ESRS S1-6, para. 50c. The calculation at that time included departures of employees with permanent contracts, while departures of employees with fixed-term contracts and employees of the Group company Klarphos were not taken into account. This resulted in an incomplete representation of actual staff departures and constitutes an error in the reporting.

The previous year's figure was therefore recalculated retrospectively and adjusted accordingly in the 2024 comparative period. The reconciliation and the justification for the correction are presented in section ["S1-6 – Characteristics of the undertaking's employees"](#) and include the updated previous year's key figures. The recalculation leads to an increase in the reported departures and a corresponding adjustment of the employee turnover rate for 2024. The retrospective correction was possible without restrictions.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

This Sustainability Statement is based on the ESRS requirements. It does not contain any information based on generally accepted sustainability reporting standards such as the GRI or the IFRS Sustainability Disclosure Standards (IFRS SDS).

Disclosures in connection with the non-financial reporting provisions of the German Commercial Code (HGB)

This Sustainability Statement in accordance with ESRS also fulfils the requirements for the Group non-financial statement prepared in accordance with Sections 289b ff. and 315b to 315c HGB and thus serves as the combined non-financial statement for the HCOB Group and HCOB AG.

To fulfil our reporting obligations under commercial law, we declare the following:

- The comprehensive use of the European Sustainability Reporting Standards (ESRS) as a framework pursuant to Sections 315c para. 3 in conjunction with 289d of the German Commercial Code (HGB) is due to the importance of the ESRS as reporting standards for sustainability reporting adopted by the European Commission.

- We have not used a recognised framework for our non-financial statement in relation to HCOB AG in accordance with Section 289b HGB, as an ESRS Sustainability Statement for the Group is relevant for our stakeholders
- This sustainability report comprises the combined non-financial statement for the HCOB Group and HCOB AG. Unless otherwise stated, all information relates to both the Group and HCOB AG.
- As part of the environmental information in this Sustainability Statement, the information required under Article 8 of Regulation 2020/852 (EU Taxonomy Regulation) for the HCOB Group is stated in the annex under "[Disclosures pursuant to Art. 8 of Regulation \(EU\) 2020/852 \(Taxonomy Regulation\)](#)".
- Our most important non-financial performance indicator ("Rating") is presented in chapter "Basis of the Group" in section "Management system" in the table "Definition of the most important management indicators" and in chapter "Forecast, opportunities and risks report" in section "Forecast, opportunities and risks report" in the table "Expected business development of Hamburg Commercial Bank".
- There are no material risks from our own business activities or from business relationships, products and services that are very likely to have a serious negative impact on the non-financial aspects in accordance with Section 289c HGB.

Incorporation by reference

The Bank has not incorporated any information by reference in accordance with ESRS 1 Section 9.1. All references in the Sustainability Statement, unless otherwise indicated, are not part of the Sustainability Statement itself.

Use of phase-in provisions for disclosure requirements in accordance with Appendix C of ESRS 1

As the HCOB Group has an average number of employees exceeding 750, the disclosures on phase-in provisions in accordance with ESRS 2 17(a)-(e) are not relevant.

Governance

GOV-1 The role of the administrative, management and supervisory bodies

The Management Board of HCOB AG temporarily consisted of six members as at December 31, 2025. Since January 1, 2026, the Management Board consists of four members and is composed as follows: Luc Popelier (CEO), Marc Ziegner (CFO), Jens Thiele (CIO), and Reinout van Riel (CRO). In addition to his role as CFO, Marc Ziegner has been appointed Deputy CEO with effect from January 1, 2026.

The former CRO and Deputy CEO Ulrik Lackschewitz and the former CIO Christopher Brody have resigned from their Management Board positions with the consent of the Supervisory Board with effect from the end of December 31, 2025, and have left the Management Board.

Jens Thiele, formerly HCOB's general representative, was appointed to the Management Board with effect from October 1, 2025, and, after a transition phase, succeeded Christopher Brody as CIO on January 1, 2026. He is responsible for the Bank's client business. Reinout van Riel has been a member of the Management Board since November 14, 2025, and has held the position of CRO since January 1, 2026.

In accordance with the Articles of Association, the Supervisory Board of HCOB AG consists of 18 members, with twelve members appointed by the Annual General Meeting in accordance with the provisions of the German Stock Corporation Act (AktG) and the Articles of Association and six members elected by the employees in accordance with the German One-Third Participation Act (DrittelbG).

An overview of the current members of the Management Board and the Supervisory Board can be found in the tables below. These also provide information on the experience of the members of the management body that is relevant to HCOB's sectors, products and geographical locations in relation to sustainability aspects.

Additional information on the CVs of the members of corporate bodies can be found on the HCOB website.

Qualification matrix of the Supervisory Board

Representation group	elected by the shareholders												elected by the employees					
	De Wilt (Chair)	González Cid	Haddad	Heinemann	Lagares Gómez- Abascal	Leat	Matherat	Rocker	Dr. Rosetti	Spandl	Werner	Yordán	Behm	Matthies	Ramberg	Sahm	Schlater- mund (Deputy Chair)	Waechter
31.12.2025																		
General banking knowledge	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
Specific banking knowledge																		
Corporates	+	+	+	+	+	+	+	+	+	+	+	+						+
Commercial Real Estate	+	+	+	+	+	+			+	+	+	+				+		+
Global Transportation	+	+	+	+	+	+			+	+	+	+						+
Project Finance	+	+		+	+	+			+	+	+	+						+
International Banking - Germany	+	+	+	+	+	+	+		+	+	+	+						+
International Banking - Europe	+	+	+	+	+	+	+	+	+	+	+	+						+
International Banking - USA/Americas		+	+	+	+	+	+	+	+	+	+	+						+
International Banking - Asia/APAC		+	+		+	+	+		+		+	+						
Capital Markets	+	+	+	+	+	+	+	+	+	+	+	+						+
Liquidity & Funding	+	+	+	+	+	+	+	+	+	+	+	+						+
Accounting	+	+	+	+	+	+	+	+	+	+	+	+	+					+
Auditing	+	+	+	+	+	+	+	+	+	+	+	+	+					+
Governance & control of a financial institution	+	+	+	+	+	+	+	+	+	+	+	+	+					+
Legal requirements and regulatory framework	+	+	+	+	+	+	+	+	+	+	+	+	+					+
Strategy	+	+	+	+	+	+	+	+	+	+	+	+	+	+				+
Risk Management	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+		+
Human Resources	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+		+
IT / Digital Transformation	+	+	+		+	+		+	+		+		+		+			+
Sustainability (Environmental, Social, Governance)	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+

Note: The main qualifications that were categorised as in-depth specialist knowledge in the Supervisory Board's 2025 self-assessment are marked with a "+".

Qualification matrix of the Management Board

31.12.2025	Luc Popelier (CEO)	Ulrik Lack- schewitz (CRO)	Chris Brody (CIO)	Marc Ziegner (CFO)	Reinout van Riel	Jens Thiele
General banking knowledge						
	+	+	+	+	+	+
Specific banking knowledge						
Corporates	+	+	+	+	+	+
Commercial Real Estate	+	+	+	+	+	+
Global Transportation		+	+	+	+	+
Project Finance	+	+	+	+	+	+
International Banking - Germany	+	+	+	+	+	+
International Banking - Europe	+	+	+		+	+
International Banking - USA/Americas	+	+	+		+	+
International Banking - Asia/APAC	+	+	+		+	+
Capital Markets	+	+	+	+	+	+
Liquidity & Funding	+	+	+	+	+	+
Accounting	+	+	+	+	+	+
Auditing	+	+	+	+	+	+
Governance & control of a financial institution	+	+	+	+	+	+
Legal requirements and regulatory framework	+	+	+	+	+	+
Strategy	+	+	+	+	+	+
Risk Management	+	+	+	+	+	+
Human Resources	+	+	+	+	+	+
IT / Digital Transformation	+	+	+	+	+	+
Sustainability (Environmental, Social, Governance)						
	+	+	+	+	+	+

Note:

The main qualifications that were categorised as in-depth specialist knowledge in the Management Board's 2025 self-assessment are marked with a "+".

The Supervisory Board has specified concrete objectives for its composition in its Rules of Procedure. The Supervisory Board sets targets for the proportion of women on the Supervisory Board and the Management Board in accordance with Section 111 (5) AktG. The percentage by gender and other aspects of diversity that HCOB takes into account are presented below. Information on the proportion of women can also be found in the Corporate Governance Statement pursuant to Section 289f (4) HGB in the combined management report of HCOB.

Gender distribution

31.12.2025	Number			Proportion	
	Women	Men	Total	Women	Men
Management Board	-	6	6	- %	100.0 %
Supervisory Board	6	12	18	33.3 %	66.7 %
Total	6	18	24	25.0 %	75.0 %

Gender distribution

31.12.2024	Number			Proportion	
	Women	Men	Total	Women	Men
Management Board	-	4	4	- %	100.0 %
Supervisory Board	6	12	18	33.3 %	66.7 %
Total	6	16	22	27.3 %	72.7 %

Age distribution

Age in years	≤ 45		46 to 59		≥ 60	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Management Board	16.7 %	- %	66.7 %	75.0 %	16.7 %	25.0 %
Supervisory Board	11.1 %	11.1 %	33.3 %	38.9 %	55.6 %	50.0 %
Total	12.5 %	9.1 %	41.7 %	45.5 %	45.8 %	45.5 %

Country distribution

31.12.2025								
Nationality	Germany	Belgium	Sweden	United States	Netherlands	Spain	Austria	France
Management Board	33.3 %	16.7 %	16.7 %	16.7 %	16.7 %	- %	- %	- %
Supervisory Board	44.4 %	- %	- %	27.8 %	5.6 %	11.1 %	5.6 %	5.6 %
Total	41.7 %	4.2 %	4.2 %	25.0 %	8.3 %	8.3 %	4.2 %	4.2 %

Country distribution

31.12.2024								
Nationality	Germany	Belgium	Sweden	United States	Netherlands	Spain	Austria	France
Management Board	25.0 %	25.0 %	25.0 %	25.0 %	- %	- %	- %	- %
Supervisory Board	44.4 %	- %	- %	27.8 %	5.6 %	11.1 %	5.6 %	5.6 %
Total	40.9 %	4.6 %	4.6 %	27.3 %	4.6 %	9.1 %	4.6 %	4.6 %

With regard to the independence of Supervisory Board members, 33 % (four out of twelve) of the members of the Supervisory Board elected by the shareholders are currently independent (previous year: 33%).

The Management Board manages the company's business, which includes monitoring the impacts, risks and opportunities in relation to sustainability aspects, with all its members assuming collective responsibility.

The Supervisory Board is responsible in particular for monitoring and advising the Management Board on management issues, including sustainability aspects. The Supervisory Board has currently formed the following committees from among its members, each of which monitors specific ESG (Environmental, Social, Governance) topics for the Supervisory Board and reports to it: Risk Committee, Audit Committee, Nomination Committee and Remuneration Committee (see Note 61. "Names and mandates of the members of corporate bodies" in the consolidated financial statements).

In accordance with the law, the Articles of Association of HCOB AG, the Rules of Procedure issued by the Supervisory Board and other principles and procedures, the Management Board is responsible for ensuring compliance with the statutory provisions and internal company guidelines, and strives to ensure that these are observed by the Group's companies. This includes an appropriate and effective risk management system. The

members of the Management Board are obliged to cooperate, in a relationship based on trust, with the other executive bodies of the company, in particular with the Supervisory Board and its committees, as well as with the employee representative body, the equal opportunities officers and the representative body for severely disabled persons (SBV), for the benefit of the company.

Each member of the Management Board is responsible for the management of the business units assigned to them under the business allocation plan (divisional responsibility). The divisional responsibilities and the provisions governing how the members of the Management Board stand in for each other are set out in the business allocation plan.

The Supervisory Board has all duties and rights assigned to it by law, the Articles of Association of HCOB AG or in any other way. In addition to monitoring and advising the Management Board on management issues, certain measures require the approval of the Supervisory Board. The Supervisory Board also determines the number of members of the Management Board, appoints the members and nominates the chairperson of the Management Board.

In performing their duties, each member of both the two bodies must exercise the due care of a prudent businessperson.

With regard to sustainability aspects, the Management Board and the Supervisory Board have installed corresponding responsibilities, tasks and structures at HCOB. Controls and procedures for managing impacts, risks and opportunities are covered by various reporting formats and bodies and are regularly reviewed. Details can be found in the chapters of the respective thematic standards.

The Management Board as a whole is responsible for the proper implementation of sustainability management. In addition, the respective board members responsible for sustainability issues within their areas of responsibility are accountable. The "Sales Management & ESG" department, which reports to the Chief Investment Officer (CIO) and, since October 1, 2025, to the Chief Commercial Officer (CCO), manages and coordinates the further development of sustainability activities for the entire Bank on behalf of the Executive Board. The Management Board is involved in all strategic issues related to ESG through the Sustainability Committee (SC) of HCOB AG. Further information on this topic is provided in ["GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies"](#).

The Supervisory Board regularly addresses the topic of ESG at its meetings. In particular, the Supervisory Board discusses HCOB's ESG strategy and approves the medium-term plan presented by the Management Board, including sustainability aspects (such as the Sustainable and Transformational Finance Framework). ESG is also an integral part of the annual financial statements. The Management Board submits the Sustainability Statement to the Audit Committee and the Supervisory Board. The Sustainability Statement is part of the combined management report and is adopted and approved by the Supervisory Board.

In addition, sustainability-related issues are discussed in the Supervisory Board committees as required and prepared for the Supervisory Board. At its meetings, the Supervisory Board is informed about important progress and considerations in connection with ESG in the reports from the committees. For example, the Risk Committee deals with risk-related aspects of sustainability, such as the Sustainable and Transformational Finance Framework (STFF) in particular; the Nomination Committee supports the Supervisory Board with the selection of Management Board members and the suitability assessment ("fit & proper") of the Management Board and Supervisory Board; and the Remuneration Committee assesses the variable remuneration of Management Board members, taking sustainability-related aspects into account. The Audit Committee monitors the implementation of the CSRD and is also responsible for the preliminary review of the Sustainability Statement.

The Management Board reports regularly to the Supervisory Board and its committees in accordance with the law, the Articles of Association, the Rules of Procedure issued by the Supervisory Board and any other regulations, in particular at its annual financial statements meetings and planning meetings, on issues of importance to the company, including ESG-relevant topics such as planning, business development, the risk situation, risk management and compliance. Within this context, the Management Board particularly addresses deviations of business developments from the plans and targets agreed, providing reasons for these deviations. The business strategy, including the Bank's ESG strategy, is determined by the Management Board after discussion with the Supervisory Board. The business strategy forms the basis of HCOB's medium-term plan, which is approved by the Management Board and Supervisory Board, including the sustainability aspects it takes into account.

The Management Board sets Overall Bank targets that also take sustainability aspects into account, and it ensures that the individual business units work towards achieving the company's overall targets and plans and that corporate policy is implemented.

The Management Board submits the business plan, including the relevant sustainability aspects for the following financial year as well as material adjustments to the business plan during the year, to the Supervisory Board for approval. The Supervisory Board and its committees monitor the setting of targets in relation to material impacts, risks and opportunities and the progress made in achieving these targets on the basis of regular and, if necessary, ad hoc reporting by the Management Board, depending on the ESG topic.

In order to determine whether appropriate skills and expertise for monitoring sustainability issues are available or being developed on the Supervisory Board and Management Board, the Supervisory Board and the Management Board have each drawn up a qualification matrix based on the self-assessment of their individual members.

The qualification matrix is derived from HCOB's business model and the specific laws, regulations and other criteria that apply to the Bank.

The Supervisory Board evaluates the structure, size, composition and performance of the Management Board and Supervisory Board bodies at least once a year in accordance with the law, its Rules of Procedure and other regulations applicable to the Bank. In order to ensure that the management body has up-to-date specialist knowledge and expertise, further training is organised as required, both for the introduction of new members and on special topics.

The qualification matrices show the specific expertise for each member of the Supervisory Board and Management Board, based on the assumption that all members of the Supervisory Board and Management Board have basic knowledge in the subject areas.

As a whole, the Management Board and the Supervisory Board each have the knowledge, skills and professional experience to fulfil their duties properly in accordance with the law, the Articles of Association, the Rules of Procedure and other relevant regulations.

The necessary expertise is available within the Management Board and Supervisory Board with regard to both the business strategy and the risk-related components of sustainability.

If necessary, the Management Board and the Supervisory Board draw on the expertise of internal or external specialists on ESG topics relevant to the financial sector or the Bank in particular.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Management Board of HCOB AG bears overall responsibility for sustainability issues. To support this responsibility, a structured sustainability governance has been established, ensuring close integration of business conduct and sustainability management. The goal is to embed sustainable practices as an integral part of the business strategy. To ensure implementation and the achievement of the defined sustainability objectives, the Bank has established a Sustainability Committee (SC). This committee comprises the entire Management Board and serves as a strategic decision-making body. It is chaired jointly by the Chief Risk Officer (CRO) and the Chief Investment Officer (CIO) and meets quarterly or more frequently if needed. For the period from October 1 to December 31, 2025, the Chief Commercial Officer (CCO) has assumed the role of co-chairman from the CIO.

The SC is responsible for the strategic management and monitoring of all relevant sustainability activities, including regulatory requirements and defined targets, and undertakes the following tasks in this context:

- Developing and managing the Bank's sustainability strategy with regard to ESG criteria and setting targets
- Monitoring the implementation of the Bank's sustainability plan
- Introducing suitable countermeasures or compensatory measures in the event of significant deviations from the plan
- Making decisions regarding the ESG Decision Matrix, only in cases for which a positive vote by the SC is required
- Promoting and implementing HCOB's Green Bond Framework in accordance with the International Capital Market Association (ICMA) and the Green Bond Principles in line with the Bank's business and financing objectives

During the reporting year, the SC discussed the material impacts, risks, and opportunities (IROs) as well as implementation strategies, measures, and objectives in the context of the ESRS requirements. These included,

among other things, addressing the overarching ESG strategy, implementing the EBA Guideline on ESG Risks, and, in this context, adopting short-, medium-, and long-term decarbonization targets within the HCOB portfolio transition plan. Additional topics discussed were the greenhouse gas emissions caused by business operations and financing activities, sustainability reporting, particularly in the context of regulatory requirements such as the EU Taxonomy and CSRD/ESRS requirements, the STFF aligned new lending business, the review of the results of the EBA climate risk scenario analysis, integration of physical risks into the lending process, and further development of the ESG data warehouse. The formal acknowledgment of the IRO, which is described in SBM-3 Material impacts, risks and opportunities, took place in the Management Board as part of its review of the combined management report. In addition, the procedure and the resulting findings were presented to the SC as part of the validation and confirmation process.

Accordingly, the members of the SC were ensured access to all relevant information as part of the delivery of the documents for meeting preparation by the Head of the "Sales Management & ESG" department.

The Supervisory Board is another component of the sustainability governance and deals with sustainability topics in its meetings and committees as required. The Supervisory Board is therefore informed about important progress and considerations in connection with ESG by the Management Board. Details can be found in the report of the Chairman of the Supervisory Board in the Annual Report.

Additionally, there is the central department "Sales Management & ESG" that prepares and operationalises the SC's strategic decisions and implements them within the Bank. The dialogue between the Management Board and the department "Sales Management & ESG" takes place not only in the SC, but also through a quarterly management reporting and bilateral discussions. Sustainability topics are also the responsibility of the relevant departments, which means that ESG is fully anchored in the organisation.

GOV-3 Integration of sustainability-related performance in incentive schemes

Remuneration of the Supervisory Board

The members of the Supervisory Board receive fixed remuneration for their activities, meaning that no targets are set with regard to sustainability-related aspects.

The remuneration system for Supervisory Board is based on the requirements of the German Corporate Governance Code and was adopted at the Annual General Meeting of HCOB AG on 30 May 2024.

Remuneration of the Management Board

HCOB AG's remuneration of its Management Board is governed by the German Remuneration Regulation for Institutions (InstitutsVergV). The Management Board's fixed remuneration includes, in addition to the annual fixed salary, a contribution to the pension plan of up to 20% of the annual fixed salary (previous year: 20%), other fringe benefits, and benefits in kind. Management Board members also receive performance-related variable remuneration. Further information on the basic principles of Management Board remuneration can be found in Note 57 "Related parties" in the consolidated financial statements.

The variable compensation of the Executive Board is based, among other things, on quantitative Group targets. A share of 7% of the variable remuneration (previous year: 10%) depends on sustainability-related targets (STFF new business, see ["E1-4 Targets related to climate change mitigation and adaptation"](#), and the underrepresented gender at the level of business unit heads/management functions/senior experts, see ["S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities"](#)). Further ESG-related quantitative and qualitative Key Performance Indicators (KPIs) can be found in the individual targets set by individual board members. Climate-related aspects are taken into account through the target for the Sustainable and Transformational Assets indicator (4% of variable remuneration (previous year: 5%)), as defined in the STFF of the HCOB. The variable remuneration is not linked to the GHG emission reduction targets, but only to further climate targets for new STFF business. For a detailed explanation of the STFF, please refer to ["E1-2 Policies related to climate change mitigation and adaptation"](#) and ["E1-3 Actions and resources in relation to climate change policies"](#).

The Supervisory Board is responsible for determining the total remuneration of the individual members of the Management Board, determining the achievement of the annual targets, deciding on the structure of the Management Board's remuneration system and reviewing its appropriateness on a regular basis, but at least once a year.

GOV-4 Statement on due diligence

The following table shows where the due diligence obligations related to sustainability and the processes for identifying impacts, risks and opportunities as well as the measures to avoid negative impacts are described in the Sustainability Statement.

Core elements of due diligence

Element	Paragraphs in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1, ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-1
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2
Identifying and assessing adverse impacts	ESRS 2 IRO-1
Taking actions to address those adverse impacts	E1-3, E1-4, E2-2, E3-2, E4-3, E5-2, S1-3, S1-4, S1-5, S2-4
Tracking the effectiveness of these efforts and communicating	E1-4, E1-6, S1-5

GOV-5 Risk management and internal controls over sustainability reporting

HCOB has implemented a Group risk management system to systematically identify, assess and minimise risks in its own business processes. The control mechanisms defined as part of the internal control system (ICS) enable the Bank to regularly review the effectiveness of the risk mitigation measures and adjust them if necessary. In order to identify material risks in relation to sustainability reporting, HCOB carried out a risk analysis in which the risks were assessed based on the criteria of risk severity, probability of occurrence and potential damage. Both external and internal risks that could influence the accuracy and reliability of reporting were identified, evaluated and prioritised. Various strategies to reduce and eliminate these risks were then defined and implemented.

The following risks were identified as material for the preparation of the sustainability reporting as part of the combined management report:

Business process risk

The publication of the Sustainability Statement may be delayed, incomplete or incorrect as a result of process interruptions during data delivery or reporting, incorrect execution or incorrect process design. In order to minimise the risk of inadequate planning or coordination errors, HCOB has integrated the sub-process of preparing the Sustainability Statement into the existing process of preparing the overall financial reporting and supplemented it with specific, scheduled standard checks and review processes. The reporting tool Workiva, which was implemented specifically for the Sustainability Statement, helps to automate workflows, increase transparency and promote coordination and collaboration between all the business units involved.

Compliance risk

Other risks include non-compliance with regulatory requirements, which can have legal consequences. HCOB mitigates this risk by carrying out the double materiality analysis at an early stage. This is intended to ensure that all material topics relevant to HCOB are identified and addressed within the framework of sustainability reporting. Compliance with all legal requirements in the Sustainability Statement is reviewed and documented according to the four-eyes principle.

Reputation risk

Incorrect or incomplete information can lead to incorrect conclusions on the part of stakeholders. In addition, delays in the preparation of the Sustainability Statement would lead to the delayed publication of the entire financial report. The Bank's reputation and ESG rating could therefore be adversely affected.

To ensure data integrity and accuracy, HCOB has defined processes and work instructions as described above and published them internally. In particular, the scheduled review loops by the department heads ensure multidimensional checks with regard to the data provided and statements made.

Responsibility for the process of preparing the consolidated and single-entity financial statements and the combined management report (with integrated sustainability reporting) lies with the Finance & Bank Steering business unit. The accounting and sustainability-related ICS is intended to ensure the implementation of legal requirements. This should achieve a sufficient quality standard in order to ensure reliable and correct presentation of the earnings, net assets and financial position as well as the sustainability reporting.

The main basis for the ICS is the written rules of procedure (sfO), which includes all internal instructions and regulations. The processes are reviewed annually by the responsible process owners and adapted to the current underlying conditions and requirements. In addition, process-independent audits are carried out by Internal Audit.

The Bank's central ICS office is an independent function in the business unit Operations and reports quarterly to the committee responsible for non-financial risk, the Management Board and the Supervisory Board. It is responsible for methodological guidelines and their continuous development and reviews the appropriateness and effectiveness of the Bank-wide process controls on a sample basis using a risk-orientated process evaluation. An implemented ICS cycle also ensures that the ICS is reviewed with respect to its correctness and functionality as well as its appropriateness and effectiveness. Clear roles and responsibilities are defined within the ICS cycle to ensure that the tasks are performed in a proper manner.

Strategy

SBM-1 Strategy, business model and value chain

HCOB is a private commercial bank and specialist finance provider headquartered in Hamburg. In addition to Hamburg, the Bank also has offices in Berlin, Düsseldorf, Kiel, Frankfurt am Main, Munich and Stuttgart. Internationally, it is represented in Athens (Piraeus), London and Luxembourg as well as by a representative office in Amsterdam. As at the reporting date of 31 December 2025, HCOB employed 862.4 full-time equivalents (FTEs) (previous year: 930.4 FTE).

Number of Employees in FTE

Full-time Equivalents (FTE)	2025	2024
Total	862.4	930.4
Germany	792.4	849.6
Hamburg	666.3	714.6
Kiel	104.9	111.8
Berlin	6.0	6.0
Düsseldorf	5.0	5.0
Frankfurt	7.0	8.0
Munich	2.2	3.2
Stuttgart	1.0	1.0
International locations	70.0	80.8
Luxembourg, incl. Klarphos S.à.r.l.	32.4	37.0
Piraeus	11.0	12.0
London	20.8	25.8
Amsterdam	5.8	6.0

Further information on the composition of the company's own workforce can be found in the section ["S1-6 Characteristics of the undertaking's employees"](#). HCOB offers customized financing solutions in the market-oriented segments Real Estate, Global Transportation (including Shipping and – for the last time in 2025 – Aviation), Project Finance (including renewable energies and digital infrastructure), and Corporates (national and international corporate clients). The aforementioned segments and the business strategies pursued within are presented in this consolidated management report in the chapter "Basis of the Group" under the section "Strategic directions for the segments."

The Aviation business area was discontinued during the reporting year in line with the adjusted business strategy, as aviation finance is no longer part of HCOB's core business, and the entire portfolio was sold in the fourth quarter. Further details can be found in the chapter "Economic report" under the section "Business Development."

Sustainability as part of the business strategy

In addition to the economic profitability of HCOB's business areas, compliance with and further development of ESG criteria is a key success factor. To achieve this, the Bank maintains a strategic dialogue with its clients and supports them with ESG-relevant topics and possible improvements on their path to greater sustainability and the transformation of their business models. Since 2020, HCOB has integrated ESG aspects across all three dimensions into its lending process. In addition, the Bank has joined external initiatives and made voluntary commitments, including the Principles for Responsible Banking (PRB, 2020), the Partnership for Carbon Accounting Financials (PCAF, 2021) and the Responsible Ship Recycling Standard (RSRS, 2020).

HCOB has implemented a governance structure to manage sustainability. In addition to the SC as the highest decision-making body (more details in ["GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies"](#)), the department "Sales Management & ESG" is responsible for the operational management. This is done in close cooperation with the market and risk units as well as other departments. In this way, the Bank ensures that all regulatory requirements are fully met and that it acts in accordance with the law.

The ESG risk management – including scenario analyses and climate stress tests – complements the ESG management. The Bank has also implemented an ESG data management system as well as ESG-related guidelines and processes.

Regular training programmes and internal communication measures are carried out to raise ESG awareness among employees. There is also an exchange with external stakeholders at various levels (for details, see ["SBM-2 Interests and views of stakeholders"](#)).

As part of its strategic positioning in the context of ESG, HCOB has developed ESG approaches for each of its business segments, which take into account the risk and impact dimensions. These reduce the risk of stranded assets (assets whose income-generating capacity or market value unexpectedly falls drastically due to environmental or climate factors, up to and including their substantial or complete worthlessness), manage reputation risks and ensure efficient fulfilment of regulatory requirements:

Real Estate segment

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.

Global Transportation segment

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 triggered by stranded assets are minimized by monitoring energy efficiency and respective steering.

Project Finance segment

The financing activities in the Project Finance segment strengthen the Bank's commitment to sustainability by focusing specifically on energy transition and the decarbonization of the economy, as well as digital infrastructure. These areas are characterized by a high positive ESG footprint and correspondingly low absolute financed emissions.

Corporates segment

In strategic dialogue with existing 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. CO₂-intensive sectors make up only a small part of HCOB's portfolio.

To measure progress and improve the ESG performance, HCOB has set itself strategic targets, including for decarbonising the portfolio for short-, medium- and long-term time horizons, targets for STFF-aligned new business, and for strengthening diversity. To achieve its decarbonization targets and steer transition risks, the Bank has developed a transition plan for its business segments within its Sustainability Framework, with asset class-specific ESG approaches for each business segment.

By signing the Principles of Responsible Banking (PRB) on 22 September 2020, HCOB committed to the goals of the Paris Climate Agreement. The Bank is aiming for net zero emissions at corporate level for banking operations and at portfolio level for the loan and investment portfolio by 2050. For the Shipping, Real Estate and Energy (power generation) portfolios, the Bank has defined net-zero objectives for the reporting year. In the context of the sustainability targets, HCOB has identified its lending and investment activities in the relevant markets and client groups as the most important products and services at present. However, the Bank does not sell any products explicitly labelled as "green" – neither on the asset nor the liability side of the balance sheet – but instead ensures compliance with the minimum standards defined for the lending and investment process.

The guiding principles for sustainability serve as an orientation framework for HCOB. They comprise four key principles:

01. ESG at the Core

We have anchored sustainability in our strategy and governance. Our Management Board leads with accountability, ensuring that ESG is integral to our business decisions, meaning managing risks properly while understanding ESG as an opportunity.

02. Supporting Sustainable Transformation

We see the necessity to actively support our clients in transitioning to more sustainable business models – offering expertise, financing, and long-term partnership for positive impact, increased resilience and shared success.

03. Strong commitment to climate protection

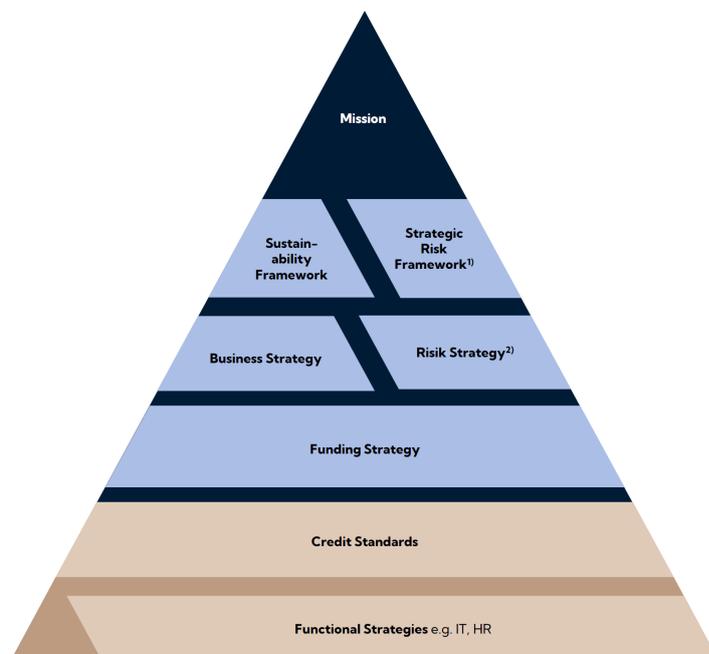
As a signatory of the UN Principles for Responsible Banking, we have committed to the Paris Agreement and therefore aim to achieve net zero emissions in 2050 for both our portfolio and operational carbon footprint.

04. Empowering employees and contributing to society

Our employees are key to delivering on our sustainability goals. We promote a diverse and inclusive work culture. By actively engaging with local communities, we take on responsibility towards society.

ESG aspects are an integral part of all the Bank's activities, processes and decisions. The central document for the sustainability strategy is the Sustainability Framework, which is integrated into the strategy architecture at the highest level, on a par with the Strategic Risk Framework. It covers how ESG factors are incorporated into HCOB's business activities, processes and decisions and thus forms the strategic foundation. Furthermore, it includes the HCOB transition plan with specific ESG approaches for each segment.

Strategy Architecture



¹⁾ Incl. Non-Financial Risk Framework

²⁾ Incl. all sub-risk strategies according to the Strategic Risk Framework

A core element of HCOB's ESG approach is its ESG-related credit and investment process, which manages ESG risks and impacts in its business activities. This process considers and assesses not only environmental aspects but also social and governance factors. To this end, HCOB has developed a comprehensive assessment system, the "ESG linked Screening & Classification Process", based on the following elements: the Compliance Assessment & Sector Restrictions Check, the ESG Scoring Tool, and the Sustainable and Transformational Finance Framework (STFF) classification. Details are described in the topic-specific standards and the documents "ESG in the credit and investment process" and "Sustainable and Transformational Finance Framework" on the Bank's website.

Contribution of HCOB's portfolio and business operations to the SDGs:

As part of its commitment to the UN PRB, HCOB has also committed itself to the goals of the Paris Climate Agreement and the UN Sustainable Development Goals (SDGs). These 17 global goals of the UN are to be achieved by 2030. They are a worldwide call for action and promote sustainable development holistically.

In the 2025 reporting year, the Bank once again analysed its positive contribution to the SDGs at portfolio and corporate level. At corporate level, the Bank focused on the following six SDGs: SDG 1 No poverty, SDG 4 Quality education, SDG 5 Gender equality, SDG 7 Affordable and clean energy, SDG 8 Decent work and economic growth, SDG 13 Climate action. Further information on the policies implemented and measures taken within this framework can be found in the topical standards.

At portfolio level, the Bank analysed its positive contribution to the SDGs, whereas an analysis of the negative impact has not yet been carried out. HCOB's new lending business makes a positive contribution to four SDGs: SDG 7 Affordable and clean energy, SDG 9 Industry, innovation and infrastructure, SDG 11 Sustainable cities and communities, SDG 13 Climate action. Detailed information on the contribution of new lending business to the SDGs can be found in ["E1-3 Actions and resources in relation to climate change policies"](#).

ESG in the capital market and treasury business

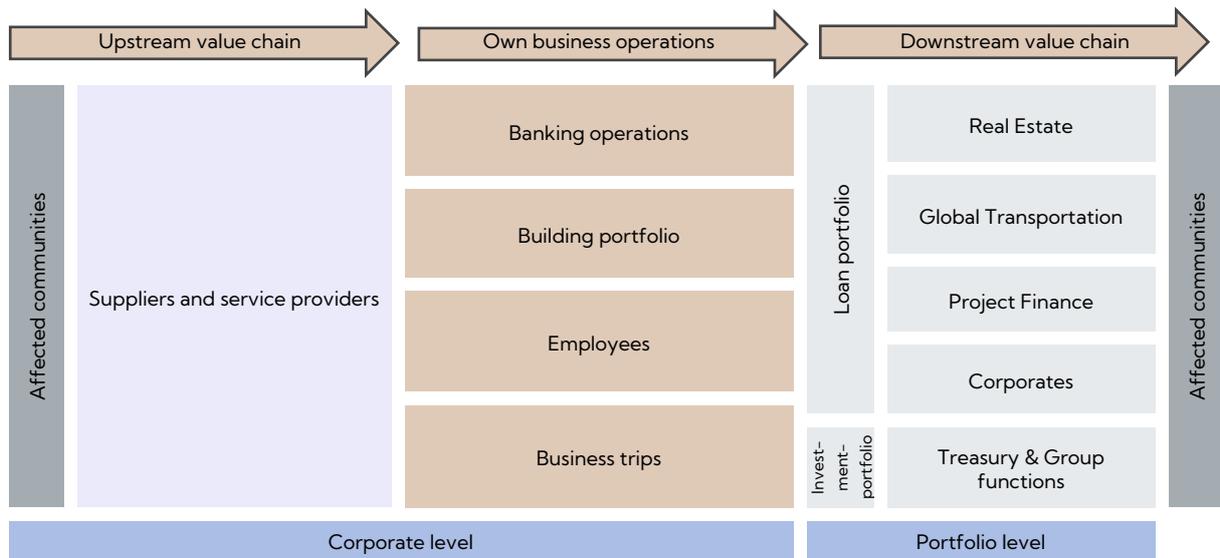
In addition to its lending business, HCOB is also an active investor on the capital markets. The decision-making processes are based on the Bank's investment policy and are aligned with the standards in the lending business (see details above) and the sustainability guidelines. In the investment business, the Bank distinguishes between active, passive and semi-passive investments, which are valued differently depending on their characteristics. Details can be found in the document "ESG in the lending and investment process" published on the Bank's website.

Resource management for own banking operations

In addition to integrating sustainability aspects into its financing activities, HCOB also pursues an ESG-oriented strategy for its own banking operations with a focus on continuously reducing the consumption of resources.

As HCOB is not a manufacturing company, the majority of direct resource consumption is primarily due to energy and water consumption as well as waste production. The careful use of resources is firmly integrated into the Bank's processes. Employees are made aware of environmental impacts in order to further reduce emissions and resource consumption. For HCOB, compliance with applicable environmental standards is a basic prerequisite for sustainable and economically successful business activities. A detailed analysis of resource consumption and GHG emissions can be found in the topical standards ("[ESRS E1 Climate change](#)", "[ESRS E3 Water and marine resources](#)" and "[ESRS E5 Resource use and circular economy](#)").

HCOB's value chain comprises upstream and downstream activities as well as its own business operations. Upstream activities include suppliers and service providers who provide business, IT, building and consulting services as well as office supplies. Business operations include running the Bank's locations and dealings with employees. The material impacts were identified for the downstream value chain, focusing on the loan and investment portfolio. Affected communities are considered in both the upstream and downstream stages of the value chain as part of the public and NGOs stakeholder groups.



SBM-2 Interests and views of stakeholders

HCOB considers dialogue with its stakeholders to be a key element of sustainable and future-oriented business conduct, with the aim of understanding their interests and viewpoints and taking them into account accordingly in the sustainability work. Stakeholders are divided into internal and external groups. Internal stakeholders include the Management Board and employees, including representatives from market units, ESG and risk teams.

External stakeholders include clients, investors, owners, supervisory authorities, the public, non-governmental organisations (NGOs), media representatives, rating agencies, associations, suppliers and nature as a "silent stakeholder".

The exchange with its stakeholders takes place through bilateral discussions, strategic dialogues with clients, investor meetings and committee meetings. Different interest groups are addressed through specific dialogue formats. These results are used to validate the materiality analysis and to further develop the ESG strategy, whereby stakeholder interests with a major financial impact on the Bank are given more weight. The Management Board is involved and informed regularly via the SC meetings, which take place at least on a quarterly basis. The Supervisory Board is informed as required during its meetings and committee meetings.

Overview of stakeholders



The following overview shows the various formats and methods that HCOB uses to engage in dialogue with its stakeholders. It illustrates how the individual groups are involved, which communication channels are used, and what results are derived from the exchange.

Stakeholder

Who are our stakeholders?	What are the expectations?	How do we engage with stakeholders?	What is the result?
Management Board	<ul style="list-style-type: none"> - Strategic alignment of sustainability with corporate goals - Transparent decision-making and integration of risks 	<ul style="list-style-type: none"> - Regular dialogue with the Management Board on ESG topics, e.g., via the Sustainability Committee - Collaboration between 'Sales Management & ESG', Risk, and Market Units 	<ul style="list-style-type: none"> - Adoption of the ESG strategy and alignment

Stakeholder

Who are our stakeholders?	What are the expectations?	How do we engage with stakeholders?	What is the result?
Employees	<ul style="list-style-type: none"> Representation of interests, protection of labour rights, and development opportunities High satisfaction, motivation, and identification with HCOB 	<ul style="list-style-type: none"> Works council, representatives for disabled employees, youth and trainee representatives, and employee representatives on the Supervisory Board Employee surveys ESG training and internal communication to promote a sustainability culture 	<ul style="list-style-type: none"> Strengthened co-determination and democratic control Improved perception and integration of ESG principles
	<p>Sales Management & ESG:</p> <ul style="list-style-type: none"> Central management of the sustainability strategy Alignment of ESG goals with corporate objectives 	<p>Sales Management & ESG:</p> <ul style="list-style-type: none"> Coordination of sustainability initiatives across departments Regular dialogue with the Management Board on ESG topics 	<p>Sales Management & ESG:</p> <ul style="list-style-type: none"> ESG anchored in strategic decisions Clear governance for sustainability measures
	<p>Strategic Risk Control:</p> <ul style="list-style-type: none"> Integration of ESG risks into risk management Compliance with regulatory and sustainability-related standards 	<p>Strategic Risk Control:</p> <ul style="list-style-type: none"> Close cooperation and coordination with Sales Management & ESG Assessment of ESG-related risks in market units 	<p>Strategic Risk Control:</p> <ul style="list-style-type: none"> Improved risk framework considering ESG factors Higher resilience and compliance
Clients	<ul style="list-style-type: none"> Trust & transparency regarding services and stability High-quality financial solutions that meet client needs 	<ul style="list-style-type: none"> Regular dialogue via digital and personal channels Client surveys every two years to measure satisfaction 	<ul style="list-style-type: none"> Improved products based on feedback Stronger long-term relationships and trust
Investors	<ul style="list-style-type: none"> Clear insights into financial position and strategy Opportunities for long-term value creation 	<ul style="list-style-type: none"> Regular capital market transactions and direct dialogue ESG topics discussed with institutional investors 	<ul style="list-style-type: none"> Stable investor base and better market perception Understanding of Bank strategy and ESG integration
Owners	<ul style="list-style-type: none"> As a stock corporation, HCOB is accountable to its shareholders coordination on strategic direction and capital plans Transparency in dividend policy and governance 	<ul style="list-style-type: none"> Dialogue mainly at annual general meetings Continuous updates on strategic initiatives 	<ul style="list-style-type: none"> Timely approval of capital measures Strengthened governance and control
Supervisory Authorities	<ul style="list-style-type: none"> Compliance with regulations and ESG priorities Transparent reporting and risk management 	<ul style="list-style-type: none"> Close contacts with national and international regulators Coordinated dialogue via Board Affairs (Regulatory Affairs interface) 	<ul style="list-style-type: none"> Improved regulatory compliance Stronger ESG integration in governance
Public & Media	<ul style="list-style-type: none"> The Bank aims to shape this positively as part of its social responsibility Transparent communication and positive regional presence Demonstration of social and environmental responsibility 	<ul style="list-style-type: none"> Press department manages media and public relations Partnerships with non-profit organizations and climate initiatives 	<ul style="list-style-type: none"> Broad network of journalists and other media representatives Visibility on social media channels € 500,000 in donations to 11 organizations
Rating Agencies	<ul style="list-style-type: none"> Transparent ESG performance and continuous improvement Alignment with best practices for sustainability management 	<ul style="list-style-type: none"> Regular dialogue with Moody's and other sustainability rating agencies Provision of data for ESG assessments 	<ul style="list-style-type: none"> Consolidated and strengthened ESG ratings External comparability and credibility of sustainability efforts

Stakeholder

Who are our stakeholders?	What are the expectations?	How do we engage with stakeholders?	What is the result?
NGOs & Association	<ul style="list-style-type: none"> - Cooperative approach to ESG challenges; promotion of diversity - Promotion of equality and sustainability standards 	<ul style="list-style-type: none"> - Long-term cooperation and regular dialogue with selected non-profit organizations - Joint projects with NGOs on biodiversity and equality - Active participation in ESG working groups and industry networks 	<ul style="list-style-type: none"> - CO₂ offset through moor restoration in Schleswig-Holstein - Improved sustainability strategy through expert input - Shaping industry standards through quarterly meetings
Suppliers	<ul style="list-style-type: none"> - Compliance with human rights, labour, and environmental standards - Ethical and sustainable procurement practices 	<ul style="list-style-type: none"> - Implementation of supplier code of conduct and procurement principles - Monitoring compliance with standards 	<ul style="list-style-type: none"> - Reduced risk of negative impacts in the value chain - Clear framework for responsible procurement
Nature	<ul style="list-style-type: none"> - Protection of biodiversity and adaptation to climate change - Integration of ecological needs into corporate strategy 	<ul style="list-style-type: none"> - Double materiality analysis to identify impacts - Cooperation with NGOs such as the Loki Schmidt Foundation 	<ul style="list-style-type: none"> - Defined measures for climate adaptation and biodiversity conservation - Annual review and adjustment of measures

In addition to its relationship with the credit rating agency Moody's, the Bank maintains relationships with various sustainability rating agencies. These assessments enable external comparability of HCOB's ESG performance and serve as independent guidance for implementing best practices in managing sustainability aspects. During the financial year, the Bank was able to consolidate or further strengthen its position in the sustainability ratings, particularly with ISS, improving from C- ("not prime") to C ("prime"). The table below provides an overview of the current ESG ratings relevant to HCOB.

Sustainability ratings

	last rating as at	rating/score
Sustainalytics	09.2025	12,0 (Low ESG Risk)
MSCI	04.2025	A
ISS	05.2025	C, prime

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The material impacts and risks identified using the double materiality analysis are presented in the table "Results of the materiality analysis". A distinction is made between the dimensions portfolio (downstream value chain) and corporate (upstream value chain and own business operations) as well as between impact materiality and financial materiality according to the defined IRO (impacts, risks and opportunities) drivers (Real Estate; Shipping; Renewable Energy; Media, IT & Telecommunications; own business operations; procurement of external products and services). No opportunities were identified. The analysis predominantly revealed actual negative impacts and potential financial risks for the IRO drivers Real Estate and Shipping due to their climate sensitivity. Further details on the methodology can be found in "[IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#)".

The complete results of the materiality analysis are as follows:

Results of the materiality analysis

ESRS subtopic	Impact (positive/negative), risk	Time horizon	IRO driver (Dimension)	IRO	IRO description
E1 - Climate change					
Climate change adaptation	actual negative impact	long term	Shipping, Real Estate (Portfolio)	Current financing activities do not sufficiently reflect the need for transformation	Due to the need to adapt to the consequences of climate change in the Shipping and Real Estate sectors and the associated climate risks, e.g. an increase in extreme weather events, rising temperatures and fluctuating availability of energy sources, it is necessary to evaluate financing and investment activities
Climate change adaptation	actual positive impact	short, medium and long term	Renewable Energy (Portfolio)	Financing renewable energies promotes climate change adaptation	The financing of renewable energy projects has a positive impact on the reduction of GHG emissions, which in turn leads to lower adaptation required to the consequences of climate change and correspondingly lower capital expenditure
Climate change mitigation	actual negative impact	short, medium and long term	Business operations (Corporate)	CO ₂ emissions from banking operations	The activities associated with the Bank's own operations generate CO ₂ emissions, primarily in connection with heating and electricity consumption
Climate change mitigation	actual negative impact	short, medium and long term	Shipping, Real Estate, Media, Telecommunications & IT (Portfolio)	CO ₂ emissions from the operation of the assets financed by the Bank	The operation of the assets financed by the Bank in shipping, real estate, data centres, fibre optic networks and radio masts generates CO ₂ emissions through the combustion of fossil fuels
Climate change mitigation	potential risk	long term	Shipping, Real Estate (Portfolio)	Loan default due to physical and transition climate risks for real estate and shipping	Various physical and transition climate risks such as extreme weather events or rising CO ₂ prices, particularly for real estate and shipping, can lead to loan defaults and associated financial risks in the portfolio
Climate change mitigation	actual positive impact	short, medium and long term	Renewable Energy (Portfolio)	Financing renewable energies leads to a reduction in GHG emissions	Financing renewable energy projects has a positive impact on the reduction of GHG emissions, as the use of renewable energy displaces fossil fuels

Results of the materiality analysis

ESRS subtopic	Impact (positive/negative), risk	Time horizon	IRO driver (Dimension)	IRO	IRO description
Energy	actual negative impact	short term	Business operations, procurement (Corporate)	Energy consumption by banking operations and data centres	Activities in connection with the Bank's own banking operations and the use of external data centres result in energy consumption
Energy	actual negative impact	short, medium and long term	Shipping, Real Estate, Media, Telecommunications & IT (Portfolio)	Energy consumption in the operating phase of financed assets	The assets financed by the Bank in Shipping, Real Estate, Media, Telecommunications & IT cause energy consumption in the operating phase
Energy	actual positive impact	short, medium and long term	Renewable Energy (Portfolio)	Financing renewable energies leads to a reduction in GHG emissions	Financing renewable energy projects has a positive impact on the reduction of GHG emissions, as the use of renewable energy displaces fossil fuels
E2 - Pollution					
Air pollution	actual negative impact	short and long term	Shipping (Portfolio)	Emission of pollutants through the combustion of fuels	The operation of the vessels financed by the Bank causes various pollutants to be emitted during the combustion of fossil fuels, including gaseous emissions, soot particles and particulate matter
Water pollution	actual negative impact	short and long term	Shipping (Portfolio)	Leakage of oils and chemicals	The operation of the vessels financed by the Bank results in the release of oils, chemicals or other pollutants into the marine environment
E3 - Water and marine resources					
Water	actual negative impact	short, medium and long term	Business operations (Corporate)	Water consumption by banking operations	Water is used for the sanitary facilities at the office locations as a result of activities in connection with the own banking operations
E4 - Biodiversity and ecosystems					
Direct causes of biodiversity loss	actual negative impact	long-term	Shipping (Portfolio)	Pressure on marine ecosystems, particularly from invasive species	The operation of the vessels financed by the Bank puts pressure on marine ecosystems, through the introduction of invasive species, GHG emissions, harmful paints and noise pollution
E5 - Resource use and circular economy					
Waste	actual negative impact	short, medium and long term	Business operations (Corporate)	Waste generation by banking operations	Various types of waste are generated as a result of activities in connection with the own banking operations

Results of the materiality analysis

ESRS subtopic	Impact (positive/negative), risk	Time horizon	IRO driver (Dimension)	IRO	IRO description
S1 - Own workforce					
Working conditions	actual negative impact	short and medium term	Business operations (Corporate)	High workload	Challenging working conditions lead to negative impacts on the company's own workforce; these include stress, long working hours, uncertainty due to restructuring, a lack of work-life balance and a lack of co-determination
Equal treatment and opportunities for all	actual negative impact	short and medium term	Business operations (Corporate)	Insufficient consideration of equal opportunities	A company environment that does not guarantee and promote equal treatment and opportunities leads to discrimination or a lack of inclusion in its own workforce
Other work-related rights	actual negative impact	short and medium term	Business operations (Corporate)	Violations of employee rights	Violations of employee rights have a negative impact on the professional and private situation of the company's own workforce
S2 - Workers in the value chain					
Working conditions	potential negative impact	short term	Shipping (Portfolio)	Critical working conditions on vessels	Critical working conditions on the vessels financed by the Bank, such as long working hours and absences, accompanied by heavy physical and mental stress, can have a negative impact on the affected workers in the value chain
Working conditions	potential negative impact	short term	Procurement (Corporate)	Critical working conditions and violations of human rights and environmental standards	Working conditions that are not in line with generally recognized social standards and violations of human rights and environmental standards by service providers and suppliers could have a negative impact on the affected workers in the value chain
G1 - Business conduct					
Corporate culture	actual negative impact	short, medium and long term	Business operations (Corporate)	Violation of the Code of Conduct	Violation of the Code of Conduct has a negative impact on the company's own workforce, clients and society
Protection of whistleblowers	actual negative impact	short term	Business operations (Corporate)	Endangering whistleblowers	Endangering whistleblowers through inadequate protection against retaliation, which undermines personal integrity and jeopardizes their position
Political commitment and lobbying activities	actual negative impact	short term	Business operations (Corporate)	Influencing political decisions	Excessive influence on political decisions could harm public welfare

Results of the materiality analysis

ESRS subtopic	Impact (positive/negative), risk	Time horizon	IRO driver (Dimension)	IRO	IRO description
Management of relationships with suppliers, including payment practices	actual negative impact	short term	Business operations (Corporate)	Unfair treatment of service providers	There is a possibility that the Bank will not treat service providers equally in the tendering and awarding process
Corruption and bribery	actual negative impact	short, medium and long term	Business operations (Corporate)	Susceptibility to corruption in banking operations	Payment transactions in daily banking operations are susceptible to corruption and bribery

The influence of the impacts and risks on the strategy and business model is explained in [“SBM-1 Strategy, business model and value chain”](#) as well as in the tabular overviews of the material impacts on the relevant sustainability aspects identified for HCOB at the beginning of the topical standards. In addition, the individual measures are also explained in the chapters of each topical standard. No actual financial impacts were identified as part of the materiality analysis.

The resilience of the business model and strategy, particularly with regard to climate change, is explained in [“E1 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model”](#).

There are no changes compared to the previous reporting year. The impacts and risks covered by the ESRS can be found in the table above, as the IROs are assigned to an ESRS topic and subtopic. As of the reporting date, HCOB does not provide any additional company-specific information.

Management of impacts, risks and opportunities

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

HCOB conducted a dual materiality analysis in the financial year, building on the initial materiality analysis from 2024. Following its initial implementation in accordance with ESRS requirements in the first reporting year, the dual materiality analysis process has now transitioned into regular operations, in the form of an annual validation and confirmation process.

In this process, the central sustainability issues are identified according to the principle of double materiality, where HCOB has a significant impact on nature or society, or which are financially significant for the Bank.

The identified issues form the basis for the development of HCOB's sustainability strategy, including the formulation of specific objectives, measures, and key performance indicators. This process enables a systematic evaluation and strategic integration of ESG factors into the Bank's processes.

The Bank conducted the initial materiality analysis in several steps. First, a longlist of potentially material sustainability topics was compiled. Then, the results of the most recently conducted materiality analysis were reviewed, and any necessary adjustments were identified.

Since incorporating diverse perspectives is essential for assessing materiality, a stakeholder mapping process was conducted to identify relevant stakeholders. This process considered various dimensions, including how stakeholder engagement should be structured. Over the years, the Bank has identified relevant stakeholder groups and established corresponding communication formats, which are explained in [“SBM-2 Interests and views of stakeholders”](#) and are also validated and supplemented in the annual stakeholder mapping. For each stakeholder group, an appropriate level of engagement was defined and documented in accordance with the AA1000 Stakeholder commitment Standard. To capture external perspectives, internal business units with close relationships with external stakeholders were also included. Internal stakeholders were thus able not only to contribute their own views but also to reflect external perspectives (indirect survey). Finally, the results of the materiality analysis were validated by various relevant stakeholders.

As a next step, internal and external data sources were identified that supported the qualitative assessment of the sustainability issues. Data from external sources were used: ENCORE for environmental issues (for analysing impact materiality and financial materiality), and UNEP FI for environmental, social, and governance (ESG) issues (for analysing impact materiality) were used. In addition, the HCOB risk inventory and the ESG Scoring were used to assess the financial materiality. The HCOB risk inventory is conducted annually to determine the Bank's overall risk profile, assess material risks, and identify risk concentrations, including those related to ESG factors. A detailed description can be found under E1 ESRS 2 "[IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#)". The ESG Scoring tool assesses ESG criteria in the credit and investment process. It is applicable to companies in all sectors, as well as to project and asset financing. The scoring tool is based on the guidelines of the European Banking Authority (EBA) and BaFin on integrating ESG factors into the loan origination process. A mapping links the questions of the ESG scoring tool with the ESRS subtopics to ensure a close connection between the topics.

The materiality analysis includes all business areas and activities along the entire value chain. This encompasses the areas described in "[SBM-1 Strategy, business model and value chain](#)".

Clustering of the portfolio to define the IRO drivers:

In order to identify the IRO (impact, risks, opportunities) drivers that are relevant for HCOB, the asset classes for the loan portfolio and investment portfolio were analysed and groupings were formed based on the HCOB business segments. Here, the NACE classification (by financing purpose) were used, grouped by EaD. In order to cover the entire value chain, service providers and suppliers as well as the Bank's own business operations were taken into account in addition to the direct business partners.

Both the loan portfolio and the investment portfolio were analysed, whereby a streamlined process was used in the valuation for portfolio shares that made up less than 5 % of the total portfolio measured in terms of EaD.

The initial assessment was carried out qualitatively using external data sources such as ENCORE (for E topics) and UNEP FI (for E, S and G topics). The IRO drivers were then evaluated by the identified stakeholders as part of the quantitative analysis using the evaluation criteria specified in the ESRS. These include the severity (consisting of scope, scale and irremediability) and probability of occurrence of potential impacts for short, medium and long-term time horizons, respectively. The results were then validated by additional stakeholders.

IRO drivers with a share of less than 5 % EaD of the overall portfolio were only assessed on the basis of the detailed assessment criteria (quantitative analysis) if the qualitative analysis (ENCORE or UNEP FI) showed at least a high materiality.

The consolidation of the scores of the individual evaluation criteria led to a final scale of 0 to 5 on both sides of the double materiality. Based on this scale, a threshold value (> 3) was defined above which an impact is considered material. To ensure that scores which are not integers are also taken into account appropriately, five classes of equal size were defined based on the scores, which specify the corresponding number ranges. Classes 4 and 5 are considered material, which include all IRO drivers with a score above 3.0. Qualitatively, this means that all IRO drivers with a score higher than "medium/moderate" are already classified as material.

Assessment of the impact materiality

As a credit institution, HCOB bears the greatest risk of negative impacts in the downstream value chain (loan and investment portfolio). The analysis therefore primarily derived negative impacts at portfolio level. In addition to the business activities of the parent company, the consolidated and non-consolidated subsidiaries were also analysed.

The IRO drivers identified in shares of the overall portfolio with more than 5 % EaD are comparatively homogeneous and are distributed across only a few sectors (Real Estate; Shipping; Financial Services; Renewable Energy; Media, Telecommunications & IT). In view of the diversity of the shares with less than 5 % EaD in the overall portfolio, the external data sources already mentioned were used to identify those sectors in which the potential and actual negative impacts are greatest. This information serves as the basis for the quantitative assessment.

HCOB's own business operations, including the upstream value chain that comprises service providers and suppliers, were analysed separately from the portfolio.

Assessment of the financial materiality

Similar to the impact assessment, risks and opportunities were initially analysed qualitatively using internal and external sources. In addition to the internal scoring tool and the risk inventory, ENCORE data was used to include dependencies and impacts in the analysis of financial materiality.

A quantitative assessment was then carried out for risk and opportunity drivers with more than 5 % EaD using the ESRS criteria (scope and probability of occurrence) for short, medium and long-term time horizons. The risk perspective was not analysed for the smaller portfolio shares below 5 % EaD, as no material financial risk can arise from these exposures. In contrast to the impact materiality, the exposure level (<5% EAD) means that no financial materiality can arise. In assessing financial materiality, both risks and opportunities were considered. At present, no material opportunities have been identified.

The scale and materiality thresholds used correspond to those used in the impact assessment. The starting point for considering ESG risks in the risk management process are the ESG factors identified as material in the risk inventory, which determine financial materiality. Specific information on the methodology for assessing financial materiality, particularly with regard to the identification and assessment of climate-related physical and transitional risks, is contained in the E1 ESRS 2 "[IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#)".

Validation and confirmation process

As mentioned above, a validation and confirmation process was conducted in the financial year 2025 to identify the material topics, building upon the double materiality analysis initially performed in the financial year 2024. The validation process analysed whether there had been any shifts in the portfolio composition, particularly with regard to the defined 5% threshold. Additionally, changes in the business model and the Group structure were analysed to determine whether these led to material changes in the initially identified material topics. The process also examined whether there were any material changes in the risk inventory compared to the previous year or any relevant stakeholder feedback that could impact the identified material topics. The analysis conducted as part of the validation and confirmation process did not identify any material changes that impacted the IRO and thus the material topics. Therefore, the results of the double materiality analysis confirmed that the initially identified IRO and material topics remain material, and no new material topics have been added. Formal approval of the final key topics is granted by the Management Board during its review of the Sustainability Statement as part of the consolidated management report. In addition, the procedure and resulting findings were presented to the SC as part of the validation and confirmation process.

The methodology described above was applied to identify the impacts, risks, and opportunities within the materiality analysis regarding climate change, pollution, water and marine resources, biodiversity and ecosystems, resource use and the circular economy, and business conduct. No further exchange with affected communities took place beyond the stakeholder dialogue described in [“SBM-2 Interests and views of stakeholders”](#).

IRO-2 Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement

As described in section [“IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities”](#), HCOB identified the material topics by means of a comprehensive materiality analysis and using the specified evaluation criteria. The results of this analysis were transferred to the CSRD Compliance Cockpit, an internal Bank tool based on Implementation Guidance 3 of the European Financial Reporting Advisory Group (EFRAG). This tool translates the requirements of the ESRS standards and the associated application requirements into Excel format.

The derivation methods of the CSRD Compliance Cockpit and the allocation of datapoints to the sustainability aspects defined in the ESRS enabled HCOB to create a list of reportable datapoints. This list forms the basis for sustainability reporting in accordance with the CSRD.

An overview of the material topics can be found in section [“SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model”](#).

No material sustainability aspects were identified under ESRS S3 and ESRS S4. [“Appendix 1 Disclosure requirements and disclosures incorporated in the Sustainability Statement by reference”](#) contains an overview of the disclosure requirements covered by this Sustainability Statement.

[“Appendix 2 Datapoints resulting from other EU legislation”](#) lists all datapoints from other legislation, shows their allocation in the report and also indicates “non-material” datapoints.

Environmental information

Information according to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The EU Taxonomy Disclosure Regulation is an integral part of the EU sustainability regulatory framework, as it establishes clear transparency requirements for financial market participants. The integration of the Taxonomy into the EU's Sustainable Finance Plan ensures that financial flows are channelled into sustainable and climate-friendly projects, which contributes to achieving the climate targets. The EU Taxonomy Regulation (Regulation (EU) 2020/852) defines a classification system for economic activities based on their environmental sustainability.

The classification system primarily serves disclosure requirements in order to enable investors and companies to make informed decisions about sustainable business activities. The Taxonomy comprises six environmental goals: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. In addition to the regulation, the supplementary FAQs, notices and interpretations of the EU Commission are also taken into account in the reporting. One of these FAQs states that business partners which are not subject to the CSRD themselves but are part of a parent company subject to CSRD are also in scope of the reporting.

Activities are taxonomy-eligible if they are covered by the EU legal acts on the Taxonomy (Regulation (EU) 2020/852, Delegated Regulation (EU) 2021/2139, Delegated Regulation (EU) 2022/1214, Delegated Regulation (EU) 2023/2485, Delegated Regulation (EU) 2023/2486, Delegated Regulation (EU) 2021/2178) and thus make a substantial contribution to one of the six environmental objectives. It should be noted that the business partner must be subject to the transparency requirements under guideline 2013/34/EU, or the activity involves a financial product that is subject to the disclosure requirements for financial products marketed as environmentally sustainable.

As the Delegated Regulation amending the Taxonomy Disclosure Regulation (EU) 2026/73 was finalized shortly before completion of this report, HCOB continues to apply the previous presentation method in accordance with Article 4 of the Regulation for the 2025 reporting year. The new reporting templates and the associated new approaches for determining the Green Asset Ratio (GAR) will be applied for the first time in the following reporting year. The "Draft Commission Notice" published in December 2025 on the interpretation and implementation of selected provisions of the new Delegated Regulation on the Taxonomy Regulation was also taken into account. The Bank makes use of the option provided therein to exclude the reporting templates to be reported for the first time, namely template 6 'Fees & Commissions' and template 7 'Trading Book', for the reporting year.

For an economic activity to be considered taxonomy-aligned, four key criteria must be met:

01. SUBSTANTIAL CONTRIBUTION

An activity must make a substantial contribution to achieving one of the six environmental goals. Specifically, the economic activity referred to Articles 10 to 16 of the EU Taxonomy must make a substantial contribution to achieving one or more of the environmental objectives set out in Article 9 of the EU Taxonomy.

02. DO NO SIGNIFICANT HARM (DNSH):

In addition to the substantial contribution, an activity must not cause any significant harm of other environmental goals. Specifically, the economic activity must not lead to significant harm to one or more of the environmental goals listed in Article 9 of the EU Taxonomy, as defined in Article 17 of the EU Taxonomy.

03. MINIMUM SAFEGUARDS:

Sustainability also includes social aspects. Therefore, taxonomy-aligned activities must meet international minimum protection standards, such as the OECD guidelines for multinational enterprises or the UN Guiding Principles on Business and Human Rights. Specifically, economic activity should be carried out in compliance with the social minimum safeguards set out in Article 18 of the EU Taxonomy.

04. TECHNICAL SCREENING CRITERIA

These criteria define the conditions under which an economic activity is categorized as environmentally sustainable. They define specific requirements that must be met in order to make a substantial contribution and at the same time not cause any significant harm. Specifically, the economic activity must fulfil the technical screening criteria established by the Commission in accordance with Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of the EU Taxonomy.

The EU Taxonomy also forms the core of the Bank's own Sustainable & Transformational Finance Framework (STFF). The STFF is also a classification system for financing activities with practicable criteria that are based on the criteria for sustainable business practices from the Taxonomy Regulation and are applicable to all of the Bank's clients, regardless of their size and country of domicile. Therefore the STFF offers greater coverage and applicability in relation to the Bank's business activities and applies alongside the legally mandatory EU Taxonomy.

Disclosure requirements

In connection with the Non-Financial Reporting Directive (NFRD), Article 8 of the EU Taxonomy Regulation requires banks to report how and to what extent their financing activities are associated with economic activities within the scope of the EU Taxonomy. Regulation (EU) 2021/2178 supplements Article 8 of the Taxonomy Regulation and specifies the content and presentation of the information required from companies that are subject to the obligation to publish non-financial information in accordance with Article 19(a) or Article 29(a) of Directive (EU) 2013/34.

In particular, financial institutions shall disclose the following sheets of the reporting form for credit institutions from Annex VI of Delegated Regulation (EU) 2021/2178 amending Delegated Regulation (EU) 2021/2178 (C(2023) 3851 final):

- 0. SUMMARY OF KPIS**
- 1. ASSETS FOR THE CALCULATION OF GAR**
- 2. GAR SECTOR INFORMATION**
- 3. GAR KPI STOCK**
- 4. GAR KPI FLOW**
- 5. KPI OFF-BALANCE SHEET EXPOSURES**

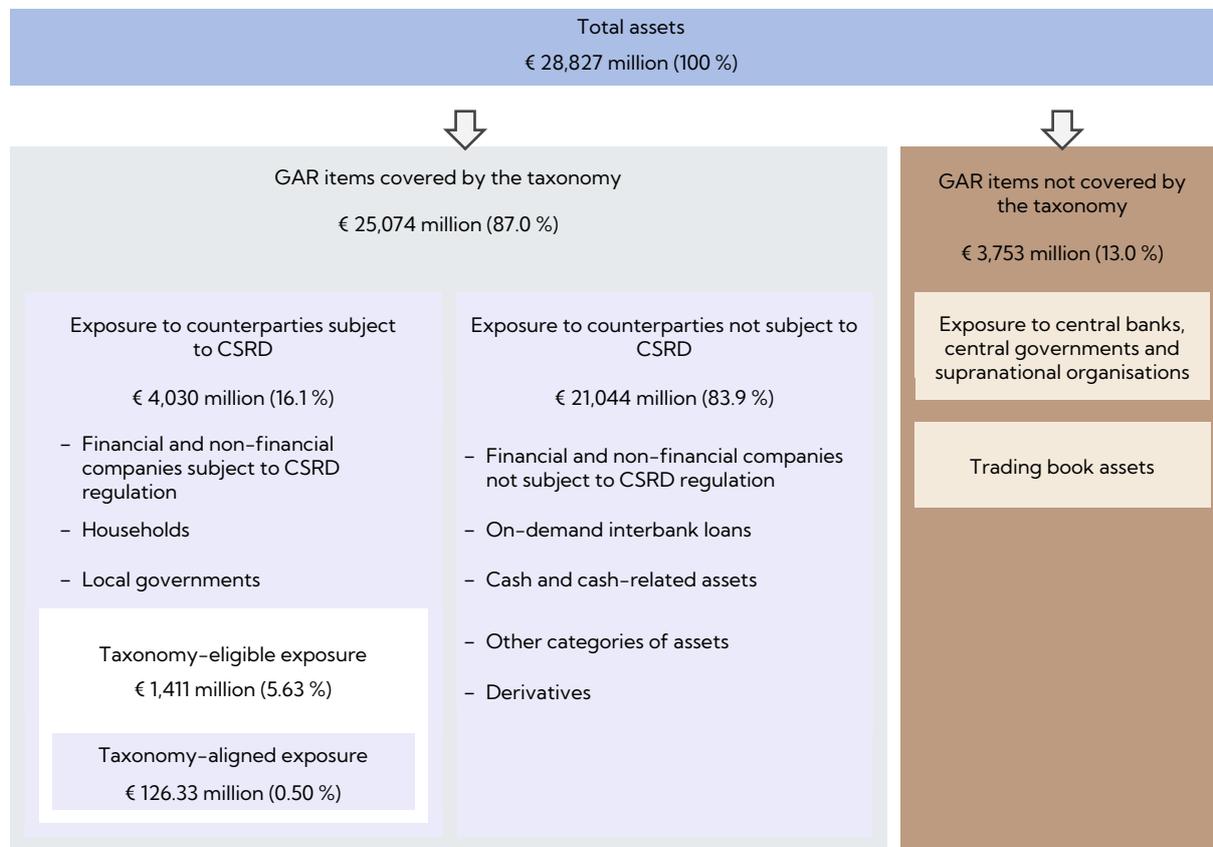
The templates 1, 3 and 4 are included in duplicate for turnover and CapEx.

In addition, the table has been included in Annex XII of Delegated Regulation (EU) 2022/1214 on activities related to nuclear energy and fossil gas. All final announcements published by the Commission on Taxonomy disclosure were also taken into account.

Reporting principles

The EU Taxonomy KPIs and data of Hamburg Commercial Bank as at 31 December 2025 are listed in the templates on the following pages. The taxonomy-aligned assets amount to € 126.3 million (2024: € 172.2 million), resulting in a Green Asset Ratio (GAR) of 0.50 % (2024: 0.58 %) for HCOB.

Taxonomy-relevant assets



The continued low volume of taxonomy-aligned exposures results from the limited scope for including business partners within the requirements of the Taxonomy Regulation. This is due to the fact that only a small proportion of business partners and their parent companies are subject to the CSRD obligation. In addition, there is no significant exposure to households. Therefore, as at 31 December 2025, only 16.1 % (€ 4,030 million) (2024: 15.4% (€ 4,598 million)) of HCOB's total GAR assets qualify for inclusion in the GAR numerator.

Total GAR assets amounted to € 25.1 billion (2024: € 29.9 billion), whereby exposures to central banks, supranational issuers and central governments, which accounted for 13.0 % (2024: 11.9 %) of total assets, were not taken into account.

The taxonomy-eligible exposures amounted to € 1,411 million (2024: € 1,894 million) and consist primarily of bonds issued by financial institutions, including green bonds. A small proportion comprises corporate loans and loans secured by residential real estate to private households. Assessing the taxonomy eligibility or alignment of private households was limited, as this business segment is being wound down and therefore only limited financing data is available. Nevertheless, financing activities that explicitly relate to economic activities within the Taxonomy could be reported as taxonomy-eligible.

The slight decrease in GAR can be attributed to the repayment of taxonomy-aligned financings. The latter includes taxonomy-aligned financing, particularly for wind and solar farms.

Reporting principles

The preparation of mandatory Taxonomy reporting is based on FINREP reporting and the regulatory consolidation for Hamburg Commercial Bank AG in accordance with the regulatory reporting of institutions pursuant to Regulation (EU) 575/2013 of the European Parliament and of the Council and Commission Implementing Regulation (EU) 2021/451 (FINREP).

Methodological notes and limitations in data

All reported data and key figures are based on the actual data recorded in HCOB's accounting and management system. The primary basis is FINREP reporting at individual transaction level, which is supplemented by relevant sustainability information. This includes the centrally assessed CSRD obligation of the business partner, the recording of the Taxonomy ratios and financing information for determining the inclusion, taxonomy eligibility and taxonomy alignment of a transaction.

For the recognition of taxonomy-eligible or taxonomy-aligned positions in the Taxonomy disclosure, HCOB has chosen an approach that focuses on the CSRD obligation of business partners and their Group parent companies. Identification is based on information provided by companies (e.g. annual financial statements), stock market data, financial data providers (e.g. Bloomberg) or publicly accessible sources. Hamburg Commercial Bank takes into account both the direct counterparties as well as their parent groups or parent companies (according to Commission Notice C/2024/6691). This represents a change to the procedure in the past, in which only direct business partners were checked for CSRD obligations. If a business partner makes use of the exemption rule as a subsidiary of a company that makes mandatory Taxonomy disclosures for the Group, the Group figures published are used. As a significant proportion of HCOB's business partners and any parent companies are not subject to CSRD reporting obligations, only a small proportion of HCOB's business activities are included in the green asset ratio numerator.

If there are relevant transactions with partners subject to the CSRD, the Bank checks whether specialised or general corporate financing is involved. For general financing, the published Taxonomy information of the business partner or Group are applied. In the case of specialised financing, the economic activity is reviewed to determine if it is taxonomy-eligible and taxonomy-aligned. Specialised financings have dedicated use of proceeds where the cash flow can be allocated to an economic activity, an asset or a project. If information to validate taxonomy alignment was missing, this was requested from the respective business partner. If no conclusive, complete taxonomy alignment can be determined from the information and documents available, the exposure is classified as not taxonomy-aligned. In the case of private households, no initiation took place as this is a small wind-down portfolio. The Bank is not planning any further new business here.

Debt securities with specific uses of funds, such as green bonds and project bonds, are reviewed regarding their financing purposes and collateralisation. Although references to the Taxonomy were found in the respective green bond frameworks, bond prospectuses and impact reports, there was no specific reporting on taxonomy alignment, meaning that these instruments could not be qualified as taxonomy-aligned. It is expected that the further establishment of the EU Green Bond label will improve the qualification of the instruments. Debt securities without dedicated use of proceeds are subject to the same approach as general corporate purpose financings.

For reporting purposes, the Bank uses the most recent non-financial reports available from its business partners. It cannot be ruled out that additional reports may be published by business partners after publication of HCOB's CSRD report.

In Template 2, the "of which environmentally sustainable..." column shows the taxonomy-aligned volume related to business partners with primary activities in the respective NACE code and environmental goal. The "€ m" column shows the respective taxonomy-eligible volume.

The flow figures in Template 4 relate to new business, which is included in the calculation based on the FINREP gross carrying amounts. For line items without genuine new business, interbank loans, cash and cash-related assets and other categories of assets, a net treatment was used. If the net treatment resulted in negative values, the new business value was recognised at 0. For all other items, new business was determined using portfolio comparisons and a gross treatment was used. As with Template 3, the figures are based on the total GAR assets in the denominator.

The Bank does not operate an asset management business and therefore does not report any figures for "Assets under management" in Template 5. In addition, it does not currently provide any financial guarantees that fall under the EU Taxonomy Regulation or are relevant for business partners subject to CSRD. Financial guarantees are based on the individual transaction portfolio for the "Financial guarantees given" reporting item from FinRep F18.00. The individual transaction portfolio is then checked for business partners subject to CSRD and, if there are business partners subject to reporting requirements, also checked for taxonomy eligibility and alignment.

For the presentation of the nuclear and gas templates, the specialised lending transactions with counterparties subject to CSRD were checked for possible overlaps with the economic activities specified in Delegated Regulation (EU) 2022/1214. There are currently no overlaps. In addition, the existence of general corporate financing with counterparties subject to the CSRD and active in the nuclear and gas sectors was reviewed. Again, no information was disclosed by our counterparties.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Main KPI	Green asset ratio (GAR) stock	Total environmentally sustainable assets	KPI ³⁾	KPI ⁴⁾	% coverage (over total assets) ⁵⁾	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
		126.33	0.50 %	0.52 %	86.98 %	73.00 %	13.02 %
Additional KPIs	GAR (flow)	Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
	Trading book ¹⁾						
	Financial guarantees	0.00	0.00 %	0.00 %	93.68 %	79.96 %	6.32 %
	Assets under management	0.00	0.00 %	0.00 %			
	Fees and commissions income ²⁾						

¹⁾ For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

²⁾ Fees and commissions income from services other than lending and AuM

Institutions shall disclose forward-looking information for this KPI, including information in terms of targets, together with relevant explanations on the methodology applied.

³⁾ based on the Turnover KPI of the counterparty

⁴⁾ based on the CapEx KPI of the counterparty, except for lending activities where the Turnover KPI is used for general lending

⁵⁾ % of assets covered by the KPI over Banks' total assets

Note 1:

Across the reporting templates: cells shaded in gray should not be reported.

Note 2:

Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

ESRS E1 Climate change

Strategy

E1-1 Transition plan for climate change mitigation

Corporate: In its banking operations, HCOB focuses on energy efficiency and the use of renewable energies. It has already implemented several measures to reduce electricity and heat consumption. These include the installation of motion detectors, the conversion to LED lighting and policies for needs-based heating at the Hamburg and Kiel locations (see ["E1-3 Actions and resources in relation to climate change policies"](#)). The CO₂ reduction options at the current locations Hamburg and Kiel have largely been exhausted. At the end of 2026, HCOB will move into a new corporate headquarters in Hamburg, which is aiming for WELL and LEED Platinum certifications. This energy-efficient building will therefore meet the highest sustainability standards and, through heating via a heat pump, will enable a further reduction in the CO₂ footprint caused by the Bank's operations. Accordingly, the Bank aims for net-zero emissions for its banking operations by 2050.

Since the Bank has a much greater impact on climate change with its financed portfolio emissions than with its corporate activities, it has set itself a concrete transition plan for the portfolio.

Portfolio: The financial sector plays a key role in financing the transformation to support climate change mitigation. HCOB actively assumes responsibility and takes climate factors into account in its lending and investment decisions.

Furthermore, in the reporting year the Bank adopted a transition plan for the first time, which describes the transition of HCOB to net-zero.

By signing the PRB on September 22, 2020, HCOB committed itself to the goals of the Paris Climate Agreement. Accordingly, the Bank aims for net-zero emissions for its entire credit and investment portfolio by 2050. Furthermore, the Bank has already set short- and medium-term decarbonization targets and a long-term net-zero target for its Shipping, Real Estate, and Energy (power generation) portfolios. These portfolios together account for more than two-thirds of the financed emissions and are part of the so-called carbon-intensive sectors. Otherwise, HCOB is hardly active in carbon-intensive industries, and sector restrictions apply, among other things, to the financing of coal, oil, and gas activities.

The objectives set for 2030 and 2050 are based on the requirements of science-based decarbonization pathways that define net-zero emissions for 2050. The portfolios are gradually approaching the respective reference reduction pathway, in line with the progress of the corresponding sector, depending on advancements and technological capabilities.

HCOB maintains an ongoing strategic dialogue with its clients, supporting them on ESG-related questions and potential improvements on their path to greater sustainability and the transformation of their business models. In addition, the Bank has identified various market-related decarbonization levers for its respective portfolios – measures with which it can support its clients in their transformation. These include, for Real Estate, financing for renovations and new, energy-efficient buildings; for Shipping, financing for measures to increase the energy efficiency of existing ships; and for Energy (power generation), financing for CO₂-neutral energy projects.

By using largely short loan terms, especially for the Shipping portfolio, which is the most CO₂-intensive of HCOB's portfolio, the Bank can avoid the long-term binding of greenhouse gas emissions.

The HCOB is not exempt from the EU Paris-aligned Benchmarks.

The decarbonization targets are part of the mid-term plan and the Sustainability Framework.

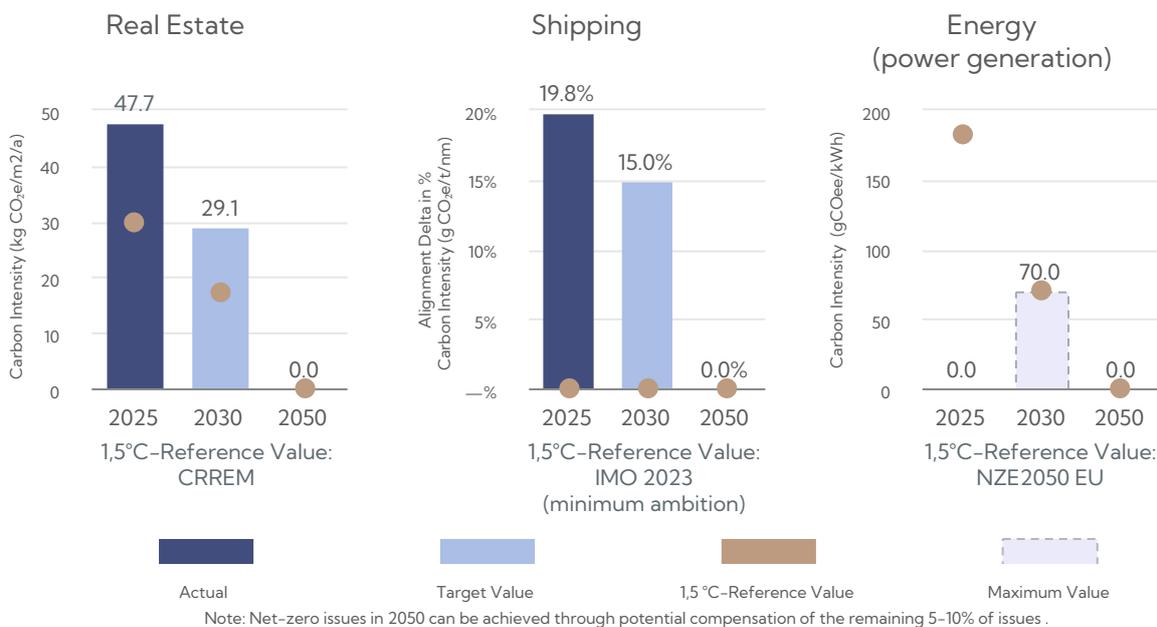
The transition plan was approved with the acknowledgement of the Sustainability Framework. The decarbonization targets were additionally decided upon by the Sustainability Committee and adopted by the Management Board as part of the mid-term plan.

Since HCOB is publishing the transition plan for the first time in this report, there is no progress report. However, the transition plan and the targets will be reviewed annually as part of the sustainability strategy process and adjusted if necessary.

The reference pathways for Shipping and Real Estate were deducted according to the portfolio composition as of the reporting date and may change accordingly. Therefore, future shifts and changes to the targets may occur if the portfolio composition changes significantly.

As a company in the financial sector, the Bank does not disclose any information regarding its investments and financing to support the implementation of its transition plan, nor regarding significant capital expenditures (CapEx) invested in the reporting year in connection with economic activities in the coal, oil, and gas sectors. Furthermore, the Bank has no economic activities that fall under the Delegated Regulations for climate change adaptation or mitigation as defined in the Taxonomy Regulation

Decarbonisation Targets



ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Corporate: The Bank has not identified any material climate-related physical or transition risks in its own business operations. Accordingly, the focus of the resilience analysis, as set out in the breakdowns for the portfolio dimension below, is on the Real Estate, Shipping, Project Finance and Corporates segments.

Portfolio: With regard to the climate-related risks identified, please refer to the details provided in ["IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities"](#).

To ensure the resilience of the business model, HCOB utilises a set of exposure-based, portfolio-based and scenario-based instruments and business approaches. Examples include customised ESG scoring, analyses of portfolio developments along sector-specific "net zero" paths and internal stress tests. These tools and business approaches are used to identify current opportunities and risks at client and portfolio level and to anticipate future developments at an early stage and take them into account in planning.

To assess unexpected developments in connection with climate change, the Bank uses a 1.5 °C stress scenario, which is calculated and reported to management on a quarterly basis. In line with the results of the materiality analysis, the focus is on transition climate risks with a resilience analysis both for the overall Bank and, in particular, for the segments Real Estate, Shipping and Project Finance as well as Corporates.

The methodology of the resilience analysis is based on the 1.5 °C stress scenario and includes the following assumptions:

- The scenario is based on the Network for Greening the Financial System (NGFS) scenarios and has been combined with HCOB-specific elements
- It describes an abrupt and unforeseen political change and a subsequent sharp drop in demand for fossil fuels based on a combination of several independent events, in particular the manifestation of physical risks from climate change (a severe natural disaster, such as a severe drought, together with disruptions in fossil fuel supplies due to global conflicts)
- Governments abruptly increase CO₂ costs (modelled as a combination of CO₂ taxes and price increases in the emissions trading system (ETS)) in order to drive the energy transition forward
- This unforeseen change in climate change policy, which is in line with the 1.5 °C target, sends shockwaves through the global economy and financial system, reduces demand for fossil fuels and leads to an abrupt devaluation of companies in carbon-intensive sectors and a general tightening of financial conditions

For the 1.5 °C stress scenario, as with all other climate and business scenarios, a time horizon of three years is used for medium-term planning. Events in the long-term NGFS Delayed Transition scenario are also brought forward into the time horizon of the medium-term planning and thus taken into account. This scenario therefore serves to identify transition risks. The following impacts on the individual sectors are modelled in the scenario:

Real Estate: Older buildings with low energy efficiency are particularly affected. The portfolio analysis based on the EPC data available has shown that the HCOB portfolio is moderately affected.

Shipping: Tankers and bulkers in particular will be affected by the decline in demand for fossil fuels.

Project finance with focus on renewable energies: The sector is being positively influenced by the increasing demand for wind and solar parks.

Corporates: Companies are fundamentally affected by the economic slowdown and the rising costs of CO₂ emissions.

The Bank's business model is resilient in the 1.5 °C stress scenario, with declining but still positive earnings overall due to higher refinancing costs and a decline in new business. The total assets would decrease as a result of the decline in new business, accompanied by a slight reduction in the CET1 ratio immediately following the shock, with a rapid recovery thereafter.

The results of the resilience analysis for each business unit show the specific measures to be taken if the 1.5 °C stress scenario materializes (e.g. the adjusted composition of new business) and are in line with the ESG business approaches already anchored today that serve to limit physical and transition risks and exploit market opportunities:

Real Estate

The decarbonisation of the energy supply and district heating will further reduce CO₂ intensity, even without additional energy measures for existing buildings.

Energy-efficient refurbishment of existing buildings is another key lever for decarbonisation, which requires considerable investment. HCOB sees this as an opportunity and contributes its expertise in the financing of property refurbishment and development.

Individual case reviews when granting loans help to avoid or manage risks, and HCOB's decarbonisation target manages transition risks. Exclusion criteria for ESG scores of 5 and 6 and the sector restriction check support this approach.

Shipping

The shipping industry is undergoing profound change as a result of the desired decarbonisation, and it therefore requires investment in alternative fuels and energy-efficient technologies. As it is the most efficient means of transporting goods, supporting clients with decarbonisation remains essential.

HCOB minimises transition risks through short credit periods in order to avoid lock-in effects and to react flexibly to technological developments. In addition, it favours ships with CII (Carbon Intensity Indicator) ratings of D or better in order to keep the physical CO₂ intensity in line with the market average. A decarbonisation target for the shipping portfolio, derived from the current International Maritime Organization (IMO) decarbonisation pathway, is supported by exclusion criteria (ESG scores 5 and 6) and new business targets under the STFF, among other things.

Project Finance

In addition to the traditional business with wind and solar energy, the market for renewable energies also offers opportunities in the areas of green hydrogen, battery storage and other new technologies for the transformation of the energy sector. Growth in these new areas is expected in the medium term, particularly in Europe.

HCOB can draw on over 25 years of experience in financing renewable energies in order to develop market opportunities and assess risks. In the areas of green hydrogen and battery storage, the Bank focuses on continuous knowledge development and market monitoring in order to identify attractive financing opportunities.

Corporates

Corporate clients, especially in carbon-intensive industries, face major challenges as significant investments are required to reduce their carbon footprint. However, these industries only represent a small part of HCOB's corporate client portfolio. Overall, the broad sector diversification of the HCOB portfolio ensures stable cash flows.

The Bank is increasingly using the ESG dialogue with its clients to support the decarbonisation of their business models and production processes with appropriate financing. Carbon-intensive sectors in particular are subject to a detailed analysis of transition and technology risks before lending decisions are made in order to minimize potential risks. Further risk management is carried out using exclusion criteria for ESG scores of 5 and 6, through the Compliance Assessment and the Sector Restrictions Check.

The resilience analysis underpins the management's assessment that HCOB's business model can withstand the effects of climate change and the resulting transformation of the economy towards carbon neutrality.

Management of impacts, risks and opportunities

ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Corporate: As part of the annual risk inventory, the impact of transition risks on HCOB was analysed and the extent to which the Bank's office locations are exposed to physical climate risks was determined using insurance data. Impacts were analysed in accordance with the process described in the portfolio section of "[ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities](#)" to analyse materiality.

Portfolio: The starting point for considering sustainability in the risk management process is the ESG risks identified as material in the risk inventory. HCOB does not view ESG risks as a separate risk type, but rather as a driver for the respective risk types, which can have a negative impact on the Bank's earnings, net assets or financial position and/or reputation if relevant influencing factors change. In line with the Bank's business model, the analysis in the risk inventory process focuses in particular on climate-related risks (physical risks and transition risks) and also includes biodiversity risks and social risks. The risk inventory takes place at least once a year.

ESG risks can flow into traditional financial risk types via many channels. When assessing the materiality of ESG risks, the focus is therefore on evaluating the drivers that influence ESG-related developments in the economy and the own business model. Short (0-1 year), medium (1-5 years) and long-term (5-30 years) time horizons are analysed. The risk drivers identified as part of the risk inventory are described in more detail in the following table:

ESG risks by risk category

Risk category	ESG risk
Physical risks	Acute physical risks Acute physical risks relate to the financial impact of climate change due to more frequent extreme weather events (e.g. storms or flooding).
	Chronic physical risks Chronic physical risks relate to the financial impact of climate change due to gradual changes in climate (e.g. droughts).
Transition risks	CO₂ price The pricing of greenhouse gases incentivises a "green" carbon-neutral transformation of the economy.
	Green regulations Government initiatives such as the EU's Green Deal are aimed at reducing greenhouse gas emissions. Measures include, for example, a ban on CO ₂ -emitting technologies or regulations to reduce energy consumption in buildings.
	Green technology In the course of the transformation of the economy, old CO ₂ -intensive technologies, such as combustion engines, may become economically unviable.
	Market sentiment Consumer preferences and investor expectations are increasingly favouring green products. Companies that do not adapt to these changing preferences could suffer a competitive disadvantage.
	ESG reputation of clients Clients who are known for poor ESG practices can damage the Bank's reputation, which can lead to reputational damage among stakeholders.
Biodiversity risks	Protecting ecosystems Biodiversity risks can affect profitability through the loss of species or the implementation of environmental protection regulations.
Social risks	Human rights/labour standards 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 compliance procedures in place and therefore considers these risks to be limited effectively.

The impacts of the ESG risks are specified at the level of risk types and time horizons, which should enable an appropriate description of the various impacts, the assessed relevance and the materiality. In order to ensure adequate capitalisation and liquidity, the current risk situation as well as expected and unexpected developments are taken into account in the evaluation. The Bank bases its evaluation on qualitative assessments and quantitative analyses. The latter take into account both externally collected data (such as insurance data for

physical risks, energy certificates and shipping data from Scope) and internally generated data (such as ESG scores and stress test results).

As a result, the risk inventory shows the influence of identified ESG risk drivers on relevant risk types. At the end of this process, the results are approved by the Management Board.

Result of the risk inventory

Risk type		Default	Market	Liquidity	Operational	Reputation	Business strategy	Other
Physical risks	Acute							
	Chronic							
Transition risks	CO ₂ price							
	Green regulations							
	Green technology							
	Market sentiment							
	Client ESG reputation							
Biodiversity risks	Protection of the ecosystems							
Social risks	Human rights / labour standards							

Materiality ○ low ○ minor ● moderate ● high

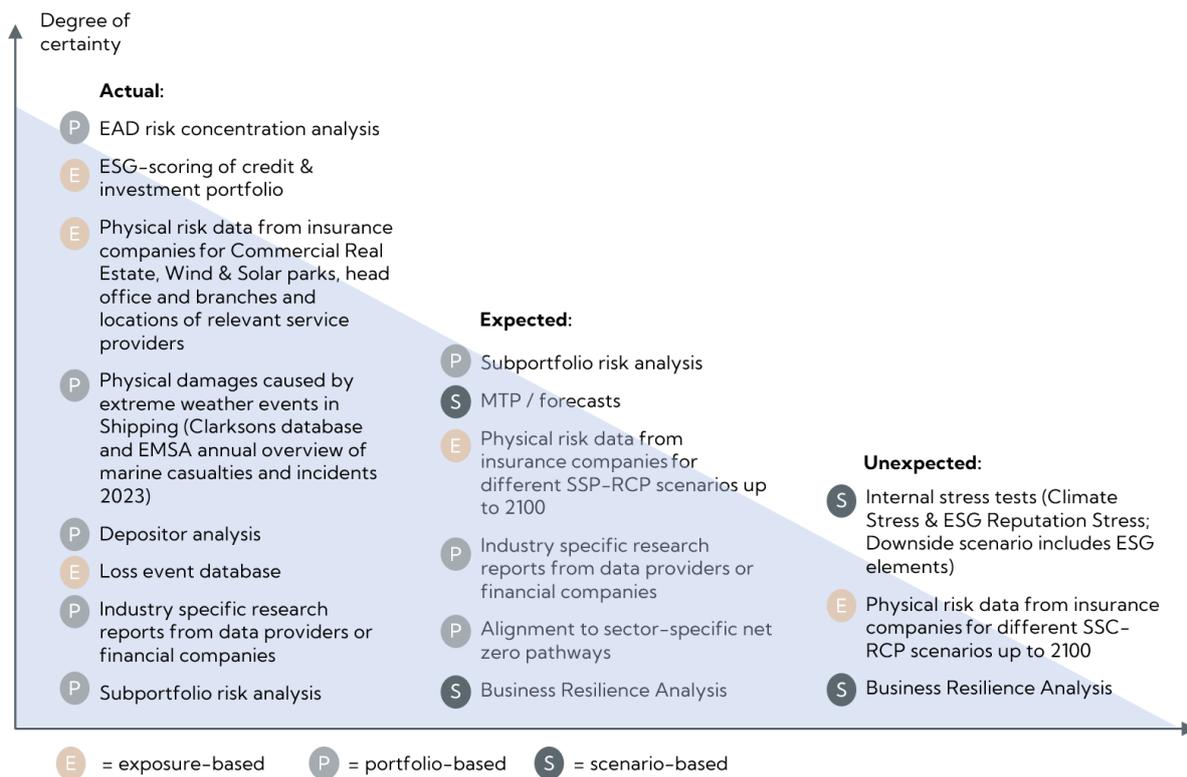
Of all risk types, default risk is considered to be the most significant due to the Bank's business model. Here, the analysis is carried out at asset class level, as the individual asset classes are exposed to physical and transition risks in different ways (e.g. the risk profile of wind and solar parks differs from that of shipping).

As a result of the risk inventory, the CO₂ price, green regulation, green technologies and market sentiment were identified as the most relevant drivers, particularly with regard to business activities in the Shipping and Commercial Real Estate segments.

According to an internal analysis, HCOB does not hold any significant loan collateral that is exposed to high physical risk. Therefore, a regional breakdown is not provided.

Management of ESG risks

HCOB uses various instruments to identify and limit ESG risks. For example, ESG risks are integrated into risk strategies, investment policy and credit standards, stress tests and scenario analyses as well as management reporting and disclosure. The following diagram shows which instruments were used and what purpose they serve:



ESG risks in the lending business

HCOB aims to support the sustainable transformation of the economy and society through its business activities. The Bank not only pays attention to environmental aspects, but also consciously incorporates social and governance aspects. Human rights and working conditions are also taken into account in this context. To fulfil this requirement, HCOB has developed an assessment system to identify assets and business activities that are not compatible with the transition to a sustainable and climate-neutral economy. The assessment system is based on the following elements: the Compliance Assessment & Sector Restrictions Check, the ESG Scoring and the Sustainable and Transformational Finance Framework (STFF). Further details and results regarding these core elements can be found in "[SBM-1 Strategy, business model and value chain](#)". ESG risks in the lending business are fully integrated into the "Three Lines of Defence". In particular, the ESG assessment process is aligned with the rating process, with the second line of defence approving the ESG scores.

Stress testing and scenario analyses

In general, the Bank considers stress tests and scenario analyses to be important components of risk management.

The Bank conducts stress tests across risk types as well as risk-specific stress tests on a quarterly or ad hoc basis, in order to better estimate the impacts of potential adverse scenarios on key performance indicators, such as the capacity utilization of the risk-bearing capacity, regulatory capital ratios, profit and liquidity, and thus on the overall risk situation of HCOB. On the basis of observed market developments and macroeconomic forecasts by central banks, the Scenario Steering Committee adopts macroeconomic and segment-specific forecasts for conducting dynamic stress tests. These expected and stress forecasts are incorporated into various simulation scenarios, such as a severe economic downturn or business area-specific crises, as well as scenarios that involve potential transition, reputation and physical risks that are associated with climate change and other environmental risks. The results are presented to the ALCO (Asset Liability Committee) and the Overall Management Board on a quarterly basis. In addition, HCOB's stress tests and scenario analyses form the basis for deriving the risk appetite and the consistent limit framework. This approach ensures appropriate consideration of sustainability risk drivers in the ICAAP.

HCOB has developed a climate stress scenario specifically – but not exclusively – for the assessment of transition risks that materialize in the long term. 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 impacts forward into the Bank's planning horizon. In the first half of 2025, 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 adjust its scenario set as necessary.

To assess the physical risk to real estate, wind and solar farms, and its own office locations (headquarters and branches), HCOB uses insurance data as a source for analysing potential financial risks. The provided scenario set consists of the following IPCC scenarios:

- Sustainability: SSP1-2.6
- Middle of the Road: SSP2-4.5
- Fossil-fuelled Development: SSP5-8.5

The physical risk for the shipping sector is analysed using the Clarksons Research World Fleet Register and the information provided by the European Maritime Safety Agency (EMSA) on losses due to natural hazards. Otherwise, HCOB uses the client-specific findings on acute and chronic physical risks obtained using the ESG Scoring Tool, which are summarized in an overall classification of the physical risk.

E1-2 Concepts related to climate change mitigation and adaptation

The following table summarises the material impacts for HCOB in E1 Climate change of the relevant sustainability aspects identified as a result of the materiality analysis (see [“SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model”](#)) and presents the mitigating policies:

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Climate change adaptation			
Negative impact: Current financing activities do not sufficiently reflect the need for transformation (Dimension: Portfolio)	<ul style="list-style-type: none"> – “ESG in the lending and investment process” for the Compliance Assessment and Sector Restrictions check – “Credit Manual” 	<ul style="list-style-type: none"> – Full application of Sector Restrictions and ESG Scoring for new transactions – Exclusion of new business with a score of 5 or 6 	Achieving STFF-aligned new business of at least 20 % in 2026, based on total net new business
Positive impact: Financing renewable energies promotes climate change adaptation (Dimension: Portfolio)	<ul style="list-style-type: none"> – “ESG in the lending and investment process” for ESG scoring; – Sustainable and Transformational Finance Framework for the STFF classification 	<ul style="list-style-type: none"> – Appraisal of new business in accordance with SDG contribution – Classification of net new business according to STFF 	

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Climate change mitigation			
Negative impact: CO ₂ emissions from banking operations (Dimension: Corporate)	– Environmental policy	– Energy-saving measures – Use of renewable energies – Heating through combined heat and power generation – Mobility measures – Purchase of MoorFutures® certificates	no targets defined
Negative impact: CO ₂ emissions from the operation of ships, real estate, data centres, fibre optic networks and radio masts (Dimension: Portfolio)	– “ESG in the lending and investment process” for the Compliance Assessment and Sector Restrictions check – “Credit Manual” – “ESG in the lending and investment process” for ESG scoring	– Full application of Sector Restrictions and ESG Scoring for new transactions – Exclusion of new business with a score of 5 or 6 – Appraisal of new business in accordance with SDG contribution	– Reduction of CO ₂ intensity for the Real Estate portfolio to 29.1 kg CO ₂ /m ² /a in 2030 – Reduction of the alignment delta for the Shipping portfolio to 15.0 % in 2030 – Upper limit of CO ₂ intensity for the Energy portfolio of <70 g CO ₂ /kWh in 2030
Positive impact: Financing of renewable energies leads to a reduction in GHG emissions (Dimension: Portfolio)	– Sustainable and Transformational Finance Framework for the STFF classification	– Classification of net new business according to STFF	– Achieving STFF-compliant new business of at least 20 % in 2026 based on total net new business
Risk: Loan default due to physical and transition climate risks for real estate and ships (Dimension: Portfolio)	– “Credit Manual”	– Appraisal of physical risks	no targets defined
Energy			
Negative impact: Energy consumption by banking operations and data centres (Dimension: Corporate)	– Environmental policy	– Energy-saving measures – Use of renewable energies	no targets defined
Negative impact: Energy consumption in the operating phase of financed properties (Dimension: Portfolio)	– “ESG in the lending and investment process” for the Compliance Assessment and Sector Restrictions check – “Credit Manual” – “ESG in the lending and investment process” for ESG scoring	– Full application of Sector Restrictions and ESG Scoring for new transactions – Exclusion of new business with a score of 5 or 6 – Appraisal of new business in accordance with SDG contribution	Achieving STFF-aligned new business of at least 20 % in 2026, based on total net new business
Positive impact: Financing of renewable energies leads to a reduction in GHG emissions (Dimension: Portfolio)	– Sustainable and Transformational Finance Framework for the STFF classification	– Classification of net new business according to STFF	

Corporate: HCOB manages the topic of resource protection and climate change mitigation both in its loan and investment portfolio and in its business operations. As a non-manufacturing company, the greatest environmental impact at corporate level is caused by energy and water consumption and waste production. The impact identified in “CO₂ emissions and energy consumption due to banking operations” is regulated by the internal environmental policy, which covers all relevant topics related to resource consumption and carbon footprint. This addresses the use of energy, electricity, heat and fuel as well as the conversion into carbon dioxide equivalent (CO₂e) emissions. It also describes the process for data collection, validation and the associated responsibilities.

Since 2021, HCOB has been using the VfU calculation tool ("VfU Kennzahlen 2025, Version 1.2") to record the environmental indicators for banking operations as well as Scope 1, Scope 2 and significant Scope 3 (except Category 15) emissions. This standard instrument for reporting the operational environmental indicators of financial institutions enables transparent disclosure of environmental indicators and supports the reduction of resource consumption.

Responsibility for environmental protection at company level lies with Facility Management, which is also responsible for energy management, occupational safety and the collection and monitoring of energy and environmental indicators.

The environmental policy applies to the entire business operations of HCOB AG.

Portfolio: HCOB has policies and guidelines for managing the material impacts and risks associated with climate change mitigation and adaptation. The aim of this is to describe the process for identifying, assessing, managing, or mitigating the significant impacts and risks. Topics include climate protection, adaptation to climate change, energy efficiency, and the use of renewable energies.

These policies and guidelines in the lending and investment process (a detailed description of these can be found in "[SBM-1 Strategy, business model and value chain](#)") include in particular the document "ESG in the lending and investment process" for the Compliance Assessment and Sector Restrictions check, the "Credit Manual" and the document "ESG in the lending and investment process" for ESG scoring and the "Sustainable and Transformational Finance Framework" for STFF classification. The scope of application of these policies and guidelines is the entire HCOB AG. In addition to the Management Board, the highest levels of responsibility are the departmental management of the "Sales Management & ESG" department for the methodical design of the policies and guidelines, while the BU head of the Credit Risk Center is responsible for implementing them in daily operations.

The Compliance Assessment, part of the document "ESG in the lending and investment process," reviews new business relationships for increased risks of money laundering, terrorist financing, or violations of sanctions and embargoes. This also includes connections to high-risk countries and sanctioned or politically exposed persons. From an ESG perspective, HCOB has identified sensitive and critical sectors and defined corresponding sector-specific exclusions, which are laid down in the Sector Restrictions. These restrictions significantly limit, or in some cases even completely exclude, financing in many carbon-intensive industries. This is further complemented by the ESG Decision Matrix, which enables an efficient pre-selection of new business opportunities, even for companies that have not previously been sustainable.

The "Credit Manual" regulates the application of ESG scoring in the lending process, while further information on this can be found in the document "ESG in the lending and investment process". The ESG scoring recognizes the topic of climate in its 50 % weighted E score with four specific questions on climate risk potential and five specific questions on CO₂ emissions and energy. A total of 18 questions on climate and environmental aspects are answered for each financing transaction, as well as seven questions on social aspects and nine questions on governance topics.

HCOB's ESG scoring approach is based on the EBA's Action Plan on Sustainable Finance and BaFin's Guidance Notice on Dealing with Sustainability Risks published at the end of 2019. It includes a analysis of the climate, environmental, social and governance risk factors for each financing transaction. An overall score of at least '4' is required for a positive lending decision.

The Sustainable and Transformational Finance Framework (STFF) is aligned with the requirements of the EU Taxonomy environmental objective 'climate protection' as well as the requirements of the Paris Climate Agreement. The STFF determines which HCOB financing activities are considered sustainable or transformational, in addition to the EU Taxonomy criteria. There is an Overall Bank target for new business, which can be found in "[E1-4 Targets related to climate change mitigation and adaptation](#)".

The document "ESG in the lending and investment process" and the Sustainable and Transformational Finance Framework can be downloaded from the HCOB website.

E1-3 Actions and resources in relation to climate change policies

Corporate: The policies and guidelines mentioned under [“E1-2 Policies related to climate change mitigation and adaptation”](#) were further operationalized and implemented during the reporting year through the climate change mitigation measures, energy-saving measures and climate change adaptation measures described below.

By signing the PRB, the Bank has set itself the ambition of aiming for a net-zero emissions target for 2050 at corporate level for its banking operations. These are in line with the efforts to further reduce energy consumption and they will continue even after the energy-saving measures already implemented, including the installation of motion detectors and conversion to LED lighting as well as a reduction in room temperature and needs-based heating. HCOB will continue reviewing which measures can contribute to further reductions.

The consumption of resources directly attributable to banking operations in the form of energy and water consumption and waste production was in line with the corresponding requirements set out in the internal environmental policy. This requires the careful use of resources in business operations in order to minimize the impact on the environment. The carbon footprint associated with resource consumption for own business operations was calculated using the calculation tool of the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V. (Association for Environmental Management and Sustainability in Financial Institutions) (VfU) to determine emissions and resource consumption.

The electricity requirements for the Hamburg and Kiel sites were once again fully covered by renewable energy in the reporting year. These locations are heated by district heating from combined heat and power generation.

In addition, the Bank has also taken mobility-related measures to reduce resource consumption. For example, HCOB offers its employees a fully subsidised “Deutschlandticket”, a nationwide public transport ticket, which was used by 749 employees in 2025 (2024: 783). The Bank has largely eliminated personal company cars in favour of shared vehicles. As of December 31, 2025, HCOB's vehicle fleet comprises nine vehicles (December 31, 2024: ten).

Additional corporate-level measures for the Hamburg and Kiel locations include the procurement of electricity from 100% renewable energy sources in the reporting year, as in the previous year.

An additional measure taken by the Bank includes the annual purchase of MoorFutures® certificates from Ausgleichsagentur Schleswig-Holstein GmbH in the amount of its own Scope 1 and Scope 2 emissions as well as Scope 3 emissions due to business flights. The financed certificates contribute to the German climate change mitigation targets. Although HCOB cannot reduce its own remaining emissions with these certificates, it contributes to climate change mitigation measures in Germany overall with these carbon credits (more in [“E1-7 GHG removals and GHG mitigation projects financed through carbon credits”](#)).

It is not possible to quantify the reduction in GHG emissions achieved at the level of the individual measures, but the aggregated effects can be seen from the change in the reported emissions (see [“E1-6 Gross Scope 1, 2, 3 and total GHG emissions”](#)).

The measures and resources described in connection with the climate policies focus primarily on the Hamburg and Kiel locations due to their great significance; there are currently no measures for the other locations. All measures are coordinated by the „Sales Management & ESG“ department. The time horizon of the actions and resources described in relation to climate change policies generally relates to the reporting year, unless otherwise stated.

In addition to the actions described during the reporting year, the Bank plans to implement further measures in the short and medium term to reduce its energy consumption and carbon footprint. This includes in particular the move at the Hamburg location in 2026 to an energy-efficient, certified building.

At present, HCOB has not defined any measures beyond quantifying the impact of energy consumption by external data centres, which has been identified as a material impact.

Portfolio: The policies and guidelines mentioned under [“E1-2 Policies related to climate change mitigation and adaptation”](#) were further operationalized and implemented during the reporting year through the climate change mitigation measures and climate change adaptation measures described below. In line with the policies explained above, each loan undergoes the Compliance Assessment and a Sector Restrictions check, the ESG scoring process, an STFF classification and SDG appraisal. The Bank plans to continue implementing the measures described during the reporting year in the future.

The Sector Restrictions check, which is anchored in the document "ESG in the lending and investment process", was applied in full as part of the lending and investment decision process when reviewing new transactions, and only compliant transactions were concluded.

ESG scoring, the application of which is regulated in the "Credit Manual", was applied in full as part of the lending and investment decision process when reviewing new transactions, and only transactions with an overall score of at least '4' were concluded. Accordingly, loans with a score of 5 or 6 are excluded. The STFF classification was also applied in full as part of the lending and investment decision process when reviewing new transactions and HCOB financing activities were identified that count as sustainable or transformational.

The assessment of physical risks is regulated in the "Credit Manual" and carried out annually. Physical risks are assessed for financed buildings, wind farms and solar parks using insurance data together with the identification of material deterioration compared to the previous year. (also PRB target for climate change adaptation)

In addition to the ESG instruments described above in the credit process, the Bank assesses all new business in accordance with the requirements of the Sustainability Framework based on its contribution to the SDGs in order to measure the impact of its business activities on achieving the SDGs. All of these measures are aimed at creating transparency about the lending and investment decisions made, measuring the corresponding progress and establishing manageability.

The STFF classification, based on the Sustainable and Transformational Finance Framework (STFF), is carried out for every new financing as well as during the annual commitment monitoring. The aim of this measure is to create transparency regarding credit and investment decisions, to make progress measurable, and to ensure effective management. Each financing is clearly assigned to one of three classifications:

01. Sustainable Finance

Economic activities that, from today's perspective, comply with the Paris Climate Agreement over the term of the loan. The Paris climate goals aim to limit the global temperature increase to well below 2 °C above pre-industrial levels and to endeavour to limit the increase to 1.5 °C. Financing in the area of sustainable finance is in line with this goal or contributes to achieving this goal (e.g. financing renewable energies or projects to reduce CO₂ emissions). Furthermore, financing activities that meet the substantial contribution of the EU Taxonomy criteria and are not considered "transitional" are also taken into account.

02. Transformational Finance

Economic activities where adaptation to the Paris Agreement is either not yet commercially or technologically feasible and/or which support the transition to environmental sustainability in every sector. Transformational finance therefore refers to the financing of activities and technologies that are not yet considered green, but are essential for the transition to a sustainable economy. This type of financing differs from sustainable financing, which supports activities that are already considered green or are in transition. Furthermore, financing activities that meet the substantial contribution of the EU Taxonomy criteria and are considered "transitional" are also taken into account.

03. Other

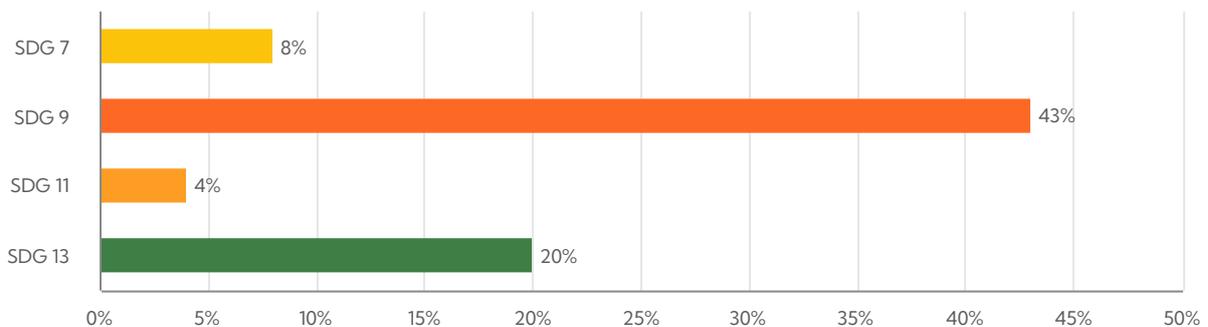
All other financings that cannot be categorised as either sustainable or transformational. This includes financings that pursue an economic activity which is covered by the STFF but do not meet the screening criteria. It also includes financings that pursue an economic activity which is not covered by the framework, as well as financings for which the use of proceed cannot be analysed in more detail as these represent general corporate financing or portfolio investments that finance a large number of companies. In addition, it includes financings of governmental or supranational counterparties or off-balance sheet transactions that do not fall within the scope of the STFF.

The scope of application of the actions and resources described in relation to climate change policies is the entire HCOB AG.

The actions and resources described have a direct effect (e.g. STFF) and indirect effect (e.g. ESG Scoring, Sector Restrictions Check, SDG mapping) as decarbonisation levers at portfolio level. It is currently not possible to quantify the reduction in GHG emissions achieved at the level of the individual measures, but the aggregated effects can be seen from the change in the reported emissions (see "[E1-6 Gross Scope 1, 2, 3 and total GHG emissions](#)").

In addition to the credit process, the Bank assesses all new business according to the requirements of the Sustainability Framework based on its contribution to the SDG. The aim is to make the impact of business activities on achieving the SDG transparent. This measure provides an overview of HCOB's activities that contribute positively to the SDG and forms the basis for future steps toward active portfolio management. HCOB evaluates all new business to determine whether it makes a positive contribution to achieving the SDG. The following chart shows an overview of the positive contribution of new lending business in the fiscal year 2025. HCOB's new lending business makes a positive contribution to four SDGs: SDG 7 Affordable and clean energy (2025: 8 %; 2024: 4 %), SDG 9 Industry, innovation and infrastructure (2025: 43 %; 2024: 34 %), SDG 11 Sustainable cities and communities (2025: 4 %; 2024: 5 %) and SDG 13 Climate action (2025: 20 %; 2024: 15 %), whereby a financing transaction can contribute to achieving several SDGs simultaneously. The negative impacts have not yet been analysed. HCOB also points out that there may be conflicting goals between SDGs, which cannot always be completely avoided.

Positive SDG contribution of total new lending business (2025)



The time horizon of the actions and resources described in relation to climate change policies generally relates to the reporting year, unless otherwise stated. The Bank plans to continue implementing the measures described during the reporting year in the future.

Metrics and targets

E1-4 Targets related to climate change mitigation and adaptation

Corporate: HCOB has currently no specific target related to climate protection and adaptation to climate change at the operational level, as the Bank has already implemented various measures to address significant negative impacts to the extent possible, as described above.

Portfolio: In the context of climate change mitigation and adaptation, HCOB has set itself a number of targets at portfolio level, which serve to address the effectiveness of the measures taken against material impacts, risks and opportunities in this context.

By signing the Principles of Responsible Banking (PRB) on 22 September 2020, HCOB committed to the goals of the Paris Climate Agreement. Accordingly, the Bank's ambition is to achieve the net-zero emissions target at portfolio level for the loan and investment portfolio by 2050. Furthermore, the sub-portfolios Real Estate, Shipping and Energy (power generation) have a net-zero emissions target for the year 2050.

In the reporting year 2025, HCOB set itself the following decarbonization targets as part of its transition plan:

Decarbonisation targets

Sector	Metric	Unit	Method	Baseyear	31.12.2025	2030	2050 ¹⁾
Real Estate	Physical Intensity	kgCO ₂ e/m ² /a	CRREM	2025	47.7	29.1	0.0
Shipping	Alignment Delta	%	IMO 2023 (minimum ambition)	2025	19.8 %	15.0 %	0.0 %
Energy (power generation)	Physical Intensity	gCO ₂ e/kWh	NZE 2050 EU	2025	0.0	70.0	0.0

¹⁾ Net-zero emissions by 2050 can be achieved by potentially offsetting the remaining 5–10% of emissions.

The targets listed in the table are science-based. Furthermore, the decarbonization targets are subject to the condition that there are no material changes in the respective portfolio composition. For the base year 2025, the most recent available emission data for the financed assets or clients that were in the portfolio as of December 31, 2025, were used to calculate the intensities. These are lagging data, which typically reflect the emission amounts of the the previous year. If more recent emission data become available and is considered relevant for decision-making, the need for a restatement of the prior-year figures will be assessed.

The Bank has also set itself the following climate-related targets: Classification of new business as part of the lending process according to the Sustainable & Transformational Finance Framework (STFF) and achieving STFF-aligned new business volume of at least 20 % in 2026 in relation to total net new business (also PRB target for climate change mitigation; not science-based). The target for 2026 was increased from the previously defined value of 18 % to >=20 % to underscore the Bank's heightened ambition in the area of sustainable finance. This increase involved only a rise in the level of ambition, not a methodological adjustment to the classification logic.

The interests of internal stakeholders from the Bank's market sectors were taken into account during the preparation of all targets. In addition, all of the above objectives are anchored in the Bank's medium-term planning.

In order to manage the targets set above in the context of the STFF, HCOB continuously measures the status and progress of the targets; the results for 2025 are as follows:

Results of the STFF classification

(€ m)	2025	2024
Total new business volume	5,026	6,069
of which new business volume "sustainable" or "transformational"	1,439	1,542
of which proportion of "sustainable" or "transformational" new business in %	29 %	25 %
of which new business volume "sustainable"	1,001	748
of which new business volume "transformational"	438	794
of which new business volume "other"	3,588	4,527

In the 2025 financial year, € 1,439 million of new business qualifies as aligned with the STFF requirements. This corresponds to 29 % of the Bank's new business.

The majority of the other new business cannot be classified under the STFF because these financing activities fall outside the scope of the STFF, are too complex to be assessed, or are outside its application. A significantly smaller proportion consists of projects that were reviewed under the STFF but do not meet the criteria.

E1-5 Energy consumption and mix

Corporate: HCOB's energy consumption is measured and managed by Facility Management. In 2025, total energy consumption amounted to 7,847 MWh. Energy consumption is recorded at the Hamburg and Kiel locations by means of invoices and meter readings. At the other locations, precise data collection is not possible due to the tenancy. Therefore, the energy consumption for these locations is extrapolated using the consumption per FTE based on the data collected for Hamburg and Kiel.

The consumption is made up of electricity, heat and fuel consumption, partly from renewable sources and partly from fossil sources. 100 % of the electricity comes from renewable energies and accounts for 46 % of the Bank's total energy consumption. The remaining 54 % is attributable to heat, which the Bank obtains from the local district heating network in Hamburg and Kiel, as well as fuel consumption, which is used for a few pool vehicles and for diesel for emergency power generation.

Renewable energies subsidized under the German Renewable Energy Sources Act (EEG) are included in the calculation of the share of renewable energies. This share is set by law and is passed on to all electricity consumers.

Energy consumption and mix

(MWh/%)	Comparison	2025		
	2024	Hamburg/ Kiel	Other locations	Total
	Total			
1. Total energy consumption from fossil sources (in MWh)	4,413	3,764	445	4,209
2. Share of fossil fuels in total energy consumption (in %)	55 %	54 %	54 %	54 %
3. Total energy consumption from nuclear sources (in MWh)	-	-	-	-
4. Share of nuclear sources in total energy consumption (in %)	- %	- %	- %	- %
5. Fuel consumption for renewable sources including biomass (in MWh)	-	-	-	-
6. Consumption of purchased or acquired electricity, heat, steam and cooling and from renewable sources (in MWh)	3,557	3,253	385	3,638
7. Consumption of self-generated non-fuel renewable energy (in MWh)	-	-	-	-
8. Total consumption of renewable energy (in MWh) (sum of lines 5. to 7.)	3,557	3,253	385	3,638
9. Share of renewable sources in total energy consumption (in %)	45 %	46 %	46 %	46 %
10. Total energy consumption (in MWh) (sum of lines 1., 3. and 8.)	7,970	7,017	830	7,847

The Bank is not associated with any high climate impact sectors.

E1-6 Gross Scope 1, 2 and 3 and total GHG emissions

Corporate: HCOB records its CO₂ emissions in Scope 1 (direct emissions) and Scope 2 (indirect emissions) according to the Greenhouse Gas Protocol (GHG Protocol) using the VfU tool. For Scope 3 emissions resulting from activities at facilities not owned or controlled by the reporting organisation, HCOB only records emissions identified as significant at company level. The significance of Scope 3 emissions was determined in accordance with the 7 criteria of the GHG Protocol. Of these, the following four Scope 3 categories with the corresponding emission sources are significant for HCOB: purchased goods and services (paper, water, data centre services), upstream energy (electricity, heating), waste generated (waste) and business travel (train journeys, air travel). For the calculation of Scope 3 emissions from air travel, a Radiative Forcing Index (RFI) of 1.7, recommended in the VfU tool, was used for the first time in 2025. This value follows the recommendation of the Öko-Institut and the DEFRA guidelines to adequately consider the additional climate impacts of air traffic at high altitudes (non-CO₂ effects such as water vapour and nitrogen oxides). In the reporting year 2024, an RFI of 1.0 was used, which limits the comparability of the values. Scope 3 emissions for data centre services were again determined for the reporting period using the so-called spend-based approach, in which an emission factor was applied to the expenditures related to the data centre services used. For this purpose, the publicly available emission factor from Climatiq was used. For the calculation of the other greenhouse gas emissions, the emission factors provided in the VfU Tool from the Ecoinvent database (version 3.11), which were verified by the Öko-Institut, were used. In addition to the emissions calculated in the VfU Tool, HCOB reports Scope 3 category 15 emissions (investments), as these represent by far the largest share of Scope 3 emissions. Primary data is available for the calculation of Scope 3 emissions categories 1 to 14, with the exception of emissions caused by data centres. However, since these represent a large proportion of Scope 3 emissions categories 1 to 14, HCOB achieves an overall primary data rate of only 27.9 %. Without data centres, the primary data rate would result in 99.4 %.

The precise measurements are largely based on the Hamburg and Kiel locations and were extrapolated to the other locations, where necessary, using full-time equivalents. HCOB collects actual fuel consumption data for the pool vehicles (seven vehicles), while actual fuel consumption data is unavailable for two vehicles. The Bank estimates these values based on the average fuel consumption per vehicle class and the average distance driven by the pool vehicles. Since the term "net revenue" is not defined for credit institutions, interest and commission income are used to calculate the intensity.

Total GHG emissions disaggregated by Scope 1, Scope 2 and significant Scope 3 emissions

	Retrospective				Milestones and target years			
	Base year	Comparison 2024	2025	Delta in % 2025/2024	2025	2030	2050	Annual % target / base year
Scope 1 GHG gas emissions								
Gross Scope 1 GHG emissions (t CO ₂ e)	-	33	25	-24 %	-	-	-	- %
Gross Scope 1 GHG emissions (t CO ₂ e) Hamburg/Kiel	-	33	25	-24 %	-	-	-	- %
Gross Scope 1 GHG emissions (t CO ₂ e) other locations	-	-	-	- %	-	-	-	- %
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	- %	-	-	-	- %

Total GHG emissions disaggregated by Scope 1, Scope 2 and significant Scope 3 emissions

	Retrospective				Milestones and target years			
	Base year	Comparison 2024	2025	Delta in % 2025/2024	2025	2030	2050	Annual % target / base year
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (t CO ₂ e)	-	1,814	1,713	-6 %	-	-	-	- %
Gross location-based Scope 2 GHG emissions (t CO ₂ e) Hamburg/Kiel	-	1,611	1,532	-5 %	-	-	-	- %
Gross location-based Scope 2 GHG emissions (t CO ₂ e) other locations	-	203	181	-11 %	-	-	-	- %
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	-	500	374	-25 %	-	-	-	- %
Gross market-based Scope 2 GHG emissions (t CO ₂ e) Hamburg/Kiel	-	444	334	-25 %	-	-	-	- %
Gross market-based Scope 2 GHG emissions (t CO ₂ e) other locations	-	56	40	-29 %	-	-	-	- %
Significant Scope 3 greenhouse gas emissions								
Total indirect (Scope 3) Gross GHG emissions (tCO ₂ e)	-	5,646,066	4,806,447	-15 %	-	-	-	- %
1. Purchased goods and services	-	1,944	2,119	9 %	-	-	-	- %
of which: Cloud computing and data centre services	-	1,935	2,112	9 %	-	-	-	- %
2. Capital goods	-	-	-	- %	-	-	-	- %
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	-	504	491	-3 %	-	-	-	- %
of which Hamburg/Kiel	-	448	439	-2 %	-	-	-	- %
of which other locations	-	56	52	-7 %	-	-	-	- %
4. Upstream transportation and distribution	-	-	-	- %	-	-	-	- %
5. Waste generated in operations	-	15	17	12 %	-	-	-	- %
of which Hamburg/Kiel	-	13	15	15 %	-	-	-	- %
of which other locations	-	2	2	-10 %	-	-	-	- %
6. Business trips	-	201	364	81 %	-	-	-	- %
7. Employee commuting	-	-	-	- %	-	-	-	- %
8. Upstream leased assets	-	-	-	- %	-	-	-	- %
9. Downstream transportation	-	-	-	- %	-	-	-	- %
10. Processing of sold products	-	-	-	- %	-	-	-	- %

Total GHG emissions disaggregated by Scope 1, Scope 2 and significant Scope 3 emissions

	Retrospective				Milestones and target years			
	Base year	Comparison 2024	2025	Delta in % 2025/2024	2025	2030	2050	Annual % target / base year
11. Use of sold products	-	-	-	- %	-	-	-	- %
12. End-of-life treatment of sold products	-	-	-	- %	-	-	-	- %
13. Downstream leased assets	-	-	-	- %	-	-	-	- %
14. Franchises	-	-	-	- %	-	-	-	- %
15. Investments ¹⁾	-	5,643,402	4,803,456	-15 %	-	-	-	- %
Total GHG emissions (location-based) (t CO ₂ e)	-	5,647,913	4,808,185	-15 %	-	-	-	- %
Total GHG emissions (market-based) (t CO ₂ e)	-	5,646,599	4,806,845	-15 %	-	-	-	- %

¹⁾ Information on the decarbonization targets and the base year can be found in E1-4 Targets related to climate change mitigation and adaptation

Total GHG emissions / GHG intensity per net revenue

	Comparison 2024	2025	Delta in % 2025/2024
Total GHG emissions (location-based) per net revenue (t CO ₂ e/monetary unit)	3,048.0	3,080.2	1 %
Total GHG emissions (market-based) per net revenue (t CO ₂ e/monetary unit)	3,047.3	3,079.3	1 %

Portfolio: The following information applies to the Portfolio dimension:

Calculation of the portfolio's financed emissions in accordance with the PCAF standard

Financed emissions by business segment

2025	Covered loan amount, € m	Financed emissions, t CO ₂ e		Average Scope 1 & 2 data quality score	Average Scope 3 data quality score	Financial emission intensity Scope 1 & 2, t CO ₂ e/€ m
Business segment		Scope 1 & 2	Scope 3			
Real Estate	5,875	126,042	23	3.2	4.1	21
Global Transportation	2,457	1,569,352	56,105	3.1	4.9	642
Project Finance	3,769	189,477	330,693	3.8	3.8	50
Corporates	3,793	302,560	2,201,463	3.8	3.9	79
Treasury	111	405	27,337	2.9	2.8	3
Total	16,005	2,187,835	2,615,621	3.5	3.9	135
Including emission-intensive industries:						
Oil and gas	256	84,688	278,774	2.9	3.8	331
Cement	-	-	-	-	-	-
Steel, aluminium and other metals	-	-	-	-	-	-
Automobiles	16	245	3,818	4.3	4.3	15
Electricity and heat generation	1,635	101,265	75,700	4.0	4.0	62

Financed emissions by business segment

2024	Covered loan amount, € m	Financed emissions, t CO ₂ e		Average Scope 1 & 2 data quality score	Average Scope 3 data quality score	Financial emission intensity Scope 1 & 2, t CO ₂ e/€ m
Business segment		Scope 1 & 2	Scope 3			
Real Estate	7,557	133,265	93	3.3	-	18
Global Transportation	3,605	2,442,454	92,725	3.3	-	678
Project Finance	3,854	352,509	290,823	3.9	3.9	92
Corporates	3,841	440,447	1,890,964	3.8	3.8	115
Treasury	106	61	61	2.3	2.2	1
Total	18,963	3,368,736	2,274,666	3.5	4.0	178
Including emission-intensive industries:						
Oil and gas	120	96,831	55,603	4.2	5.0	807
Cement	-	-	-	-	-	-
Steel, aluminium and other metals	-	-	-	-	-	-
Automobiles	142	1,016	6,965	4.1	4.1	7
Electricity and heat generation	1,688	172,345	30,308	4.0	4.1	102

Financed emissions by PCAF asset class

2025	Covered loan amount, € m	Financed emissions, t CO ₂ e		Average Scope 1 & Scope 2 data quality score	Average Scope 3 data quality score	Financial emission intensity Scope 1 & 2, t CO ₂ e/€ m
PCAF asset class		Scope 1 & 2	Scope 3			
Commercial Real Estate	6,045	131,238	-	3.3	-	21
Project Finance	3,312	154,550	241,754	3.8	3.8	39
Business Loans & Unlisted Equity	4,014	364,616	2,311,871	3.9	4.0	88
Listed Equity & Corporate Bonds	364	14,167	61,997	2.3	2.4	40
Ship Finance	2,271	1,523,264	-	3.0	-	674
Total	16,005	2,187,835	2,615,621	3.5	3.9	133

Financed emissions by PCAF asset class

2024	Covered loan amount, € m	Financed emissions, t CO ₂ e		Average Scope 1 & 2 data quality score	Average Scope 3 data quality score	Financial emission intensity Scope 1 & 2, t CO ₂ e/€ m
PCAF asset class		Scope 1 & 2	Scope 3			
Commercial Real Estate	7,733	140,163	-	3.4	-	18
Project Finance	3,678	320,137	271,309	3.9	4.0	87
Business Loans & Unlisted Equity	3,972	502,648	1,973,297	4.1	4.2	127
Listed Equity & Corporate Bonds	546	8,352	30,060	1.8	2.3	15
Ship Finance ¹⁾	3,034	2,397,436	-	3.0	-	790
Total	18,963	3,368,736	2,274,666	3.5	4.0	178

¹⁾ „Ship Finance“ is not an official PCAF asset class, but was developed by the HCOB. See the explanation under “Portfolio Coverage“ for details.

Measuring financed emissions

In 2021, HCOB committed to measuring and disclosing its greenhouse gas (GHG) emissions in accordance with the PCAF standard in order to increase transparency about the Bank's climate impact. This initiative is methodologically in line with Scope 3 Category 15 of the GHG Protocol (“Investments”) and focuses on financed emissions. The aim is to cover the lending business as fully as possible. Measurement of financed emissions for the reporting year was based on PCAF standard, 2nd version.

Financed emissions account for more than 99.9 % of the Bank's carbon footprint. Shipping, as the financing segment with the Bank's highest emissions, and the Real Estate segment, which has the largest lending volume, are of particular importance. HCOB uses building energy certificates, external data providers and published sustainability reports from its clients to collect data. If reported or activity-based physical emissions data are not available, PCAF emission factors are used for estimates. By using scientifically-derived financial emission intensities from the PCAF emission factor database, HCOB ensures that emission estimates at the lower data quality levels of 4 and 5 are standards-compliant and in line with industry practice.

The financed emissions are presented as the sum of Scope 1 and Scope 2 emissions at business area level. Scope 3 emissions are also reported, supplemented by detailed disclosure for the so-called energy-intensive industries, which include the following NACE sectors: – oil and gas industry (NACE 06.10, 06.20, 09.10, 19.20, 35.21) – cement (NACE 23.51, 23.52, 23.61, 23.62, 23.63, 26.64, 26.65, 23.69) – steel, aluminium and other metals (NACE 24.10, 24.20, 24.41, 24.42, 24.43, 24.44, 24.45) – motor vehicles (NACE 29.10, 29.20, 29.31, 29.32) – energy and utilities (NACE 35.11, 35.12, 35.13, 35.14, 35.22, 35.23, 35.30).

For the reporting of financed emissions, the most recent available emission data of the financed assets or clients that were in the portfolio as of December 31, 2025, were used for the calculation. This is lagging data that typically reflects the emission figures of the previous year. If more recent emission data becomes available and is considered relevant for decision-making, the need for a restatement of the prior year's figures will be assessed.

Purpose and scope

Measuring and disclosing the GHG emissions financed increases the transparency of HCOB's indirect climate impact from its financing activities. The calculated Scope 1 and Scope 2 emissions of the financed assets and projects serve as the basis for the calculation of sector-specific physical emission intensities and the setting of decarbonisation targets in the loan portfolio. These measures are in line with the Bank's ambition to achieve net zero emissions by 2050 as part of the PRB commitment.

Portfolio coverage

With this reporting on financed emissions, HCOB achieved coverage of 56 % (2024: 56 %) of total assets as at 31 December 2025, excluding investment positions, central bank receivables and securitizations held as part of liquidity management. Coverage in the loan portfolio is 95 % (2024: 87 %), with ratios of 100 % (2024: 100 %) in the Global Transportation, Real Estate and Project Finance segments. In the Corporates segment, on the other hand, around 18 % (2024: 42 %) of the lending volume was excluded, as the PCAF standard does not include certain product and client types or the Bank has excluded items for reasons of materiality. The decline in the share of uncoverable loan volume in the Corporates segment is mainly due to the transfer of the investments in liquid CLOs shown here in the previous year to the Treasury segment. First and foremost, the following are not included in the calculation of the financed emissions in the loan portfolio:

- exposures to private clients, primarily mortgage loans for residential property (this business was discontinued in 2019)
- lending to or investment in structured investment vehicles (such as securitisation structures) that hold diversified corporate loan portfolios
- exposures from the municipal lending business to regional and local governments and municipal commercial enterprises
- liquid bonds from issuers with high credit ratings (governments and banks) and short-term investments in the interbank market, held as part of liquidity management

As at 31 December 2025, HCOB applied the PCAF asset classes "Commercial Real Estate", "Project Finance", "Business Loans and Unlisted Equity" and "Listed Equity and Corporate Bonds". For ship financing in the Global Transportation sector, the Bank uses an HCOB-proprietary PCAF asset class "Ship Finance", which is methodologically based on the PCAF asset class "Commercial Real Estate", as the "Project Finance" methodology is not suitable for this purpose. There is currently no need to apply the "Sovereign Debt", "Mortgages", "Motor Vehicle Loans" and "Facilitated Emissions" PCAF asset classes. The inclusion of avoided emissions from the financing of wind and solar parks has not yet been implemented.

Results of the calculation of financed emissions

The financed emissions of HCOB (aggregated for Scope 1 and Scope 2) amount to a total of 2,188 (2024: 3,369) thousand tonnes of CO₂e. The primary driver of this decline was the significantly lower volume of ship financing. Of the financed emissions, 72 % are attributable to Global Transportation (2024: 73%), 6 % to Real Estate (2024: 4%), 9 % to Project Finance (2024: 10%) and 14 % to Corporates (2024: 13%). The energy-intensive sectors, which are also reported separately, contributed 9 % (2024: 8%) of the total emissions financed by HCOB. The average data quality score ranges from 2.9 in Treasury to 3.8 in Project Finance and was at an average of 3.5 in financial year 2025 (2024: 3.5), the same as the previous year.

The separately reported financed Scope 3 emissions showed an increase to a total of 2,616 (2024: 2,275) thousand tonnes of CO₂e, coupled with a data quality score of 3.9 (2024: 4.0).

If the calculated financed emissions of a business segment are set in relation to the loan amount, financial emission intensities can be calculated, expressed in tonnes of CO₂e per million euros of loan amount. Financial emission intensities are only meaningful as a benchmark across different business segments at the Scope 1 and Scope 2 emission levels. The following information refers accordingly to this distinction.

Overall, the financial emission intensity decreased to an average of 135 t CO₂e/€ million (2024: 178 t CO₂e/€ million). This was primarily driven by improvements in the Corporates, Project Finance, and Global Transportation segments.

At 21 t CO₂e/€ m (2024: 18 t CO₂e/€ m), the Real Estate business unit continues to have the lowest financed GHG emissions intensity of all the Bank's business units. The slight increase compared to the previous year is mainly due to a refinement of the estimation parameters for building emissions.

In the Project Finance segment, there was a significant decline in financed emissions and financial emission intensity to 50 t CO₂e/€ m (2024: 92 t CO₂e/€ m). While a significant portion of the financed projects still consists of low-emission renewable energy projects and fiber optic networks, in 2025 new projects in electricity grid infrastructure and the replacement of financing in gas infrastructure increasingly contributed to the improvement.

The Corporates sector, at 79 t CO₂e/€ m (2024: 115 t CO₂e/€ m), is significantly below the previous year's figure. This is primarily due to the shift in the industry mix towards a higher share of financings in the service sector.

Financial emission intensity in the Treasury segment is slightly above the previous year's value at 3 t CO₂e/€ m (2024: 1 t CO₂e/€ m).

However, the financial emission intensity does not say much about the actual physical energy and CO₂ intensity of an asset or industry. A good example of this is maritime transport. Although causing high absolute greenhouse gas emissions per ship and having a very high financial emission intensity, cargo ships are the most GHG-efficient means of transporting goods among all the modes of transport.

Against this background, the Global Transportation segment is an outlier in the portfolio with a share of 72 % (2024: 73%) of the total financed emissions, a share of only 15 % (2023: 19%) of the total included lending volume and a high financial emission intensity of 642 t CO₂e/€ m (2024: 678 t CO₂e/€ m). The decline in financial emission intensity in the Global Transportation segment is the result of several, partly opposing, developments. The favorable economic situation in the global shipping industry led to lower loan-to-value ratios and thus a lower greenhouse gas (GHG) attribution. A higher portfolio share of newbuild financing – which only generates GHG emissions after completion – also had a positive effect. Conversely, a shift in the portfolio mix towards smaller vessels on average, which are less GHG-efficient, had a negative impact. Finally, the discontinuation and complete sale of the aircraft financing business in 2025 also had a negative effect, as its significantly lower financial emission intensity had reduced the segment's average value in the previous year.

Maritime transport is considered a difficult sector to decarbonise, as technological restrictions make it difficult to switch to emission-free propulsion systems quickly. In 2023, the IMO adopted a decarbonisation strategy with net zero emissions by 2050 and interim targets of at least a 20 % reduction by 2030 and a 70 % reduction by 2040 (compared to 2008). Before that, there was an ambition to achieve net zero by 2100. This updated strategy still needs to be implemented in an emissions regulation that is intended to replace the current CII regulation. By focusing on short credit periods, the Bank can react flexibly to technological advances and new regulatory requirements in the shipping industry. Their currently very high emission intensity in the ship financing business is therefore only locked-in for a comparatively short period.

Use of estimated values for emission levels

Due to the Bank's financing focus, the coverage ratio of measured CO₂e emissions reported by clients is only 12% (2024: 9 %). Client reported emission figures relate to the Project Finance and Corporates segments, whereas in Asset Finance, estimates based on activity-based, physical emission intensities have been used to date. This is the case for 100 % of ship financing, whereas for real estate financing, around 76 % (2024: 65 %) of properties are included on the basis of full Energy Performance Certificate (EPC) data and 24 % (2024: 34 %) of properties are included on the basis of statistical building characteristics (land, type of use, year of construction and usable space). If emissions cannot be determined on a reported or activity-based estimated basis, emission factors from the PCAF database are used for estimation.

Calculation methodology for financed emissions

Internal CO₂e emission models and external data were used to estimate the financed emissions. These models are based on the PCAF standard and have been supplemented by specific HCOB requirements. One example is the "Ship Finance" method, which is based on the "Commercial Real Estate" PCAF asset class, but takes into account the special features of ship financing. Differences relate to the estimation of GHG emissions and the data quality scores. The models are subject to an annual review.

Ship-related GHG emissions are based on satellite tracking of ship activities (AIS). This combines distances, routes and speeds with technical ship data such as fuel consumption. CO₂ emission figures derived in this manner are obtained from an external data supplier. These are subject to an additional adjustment on the model side to take account of non-CO₂-related GHG emissions in order to derive CO₂e emission values. In particular, this takes into account the so-called "methane slip" of LNG-powered ships, as methane emissions contribute significantly to the CO₂e footprint.

The Bank uses Energy Performance Certificates (EPCs) and information on country, type of use, year of construction and size to calculate the emissions of buildings. This data is combined with statistical energy consumption data and energy source-specific emission factors. Emission factors for electricity and district heating are updated annually (electricity) or when new data becomes available (district heating). A significant portion of building greenhouse gas emissions stems from the economic activity of the building occupier, specifically energy consumption beyond basic building operation (so-called "tenant electricity consumption"). In office buildings, this includes electricity consumption for IT and telecommunications; in hospitals, it's the operation of medical equipment; and in supermarkets, it's the operation of freezers and refrigerated storage areas. Tenant electricity consumption and the associated greenhouse gas emissions are not covered by EPCs and must therefore be appropriately considered to incorporate building emissions in accordance with the PCAF standard using the "Whole Building Approach." Since the Bank has neither measurement data nor expert assessments of this from its borrowers, greenhouse gas emissions are estimated based on the tenant electricity share of the building's total energy consumption. In the reporting year, the Bank switched from a uniform tenant electricity share to usage-type-specific shares for the calculations, in order to more realistically reflect the significantly different energy consumption intensity depending on the type of building use. Statistical data from Fraunhofer ISI was used for this purpose.

If a model-based greenhouse gas calculation is not possible due to missing client or asset data, the Bank uses emission factors provided by the PCAF Secretariat (PCAF emission factor database). In particular, EXIOBASE emission factors are used here, which are assigned to the NACE codes of the clients' financed economic activities using a mapping table. The use of EXIOBASE emission factors at sub-sector level is preceded by a separate plausibility check of the values provided. In accordance with the recommendation of the PCAF Secretariat, implausible EXIOBASE emission factor values are identified at sub-sector level and replaced by the more robust emission factors at sector level. The emission factors for wind and solar parks receive special treatment. For these projects, emission factors of zero are used, as such renewable energy projects only generate electricity without greenhouse gas emissions. For real estate development projects and vessel newbuildings, greenhouse gas emissions during the construction phase are also set to zero.

The HCOB has established a set of rules for deciding whether it is necessary to recalculate year-on-year comparison figures. The following factors can trigger this decision:

- methodological changes in the PCAF standard
- changes in the Bank's application of the PCAF standard, such as the first-time use of a PCAF asset class and a resulting reclassification of loans and investments that were previously assigned to a different PCAF asset class
- methodological changes to the procedures used for estimating greenhouse gas emissions for certain types of assets
- methodological changes in the application of emission factor sets, such as significant methodological changes to the emission factors used, which are obtained from the PCAF database; inflation and exchange rate adjustments are excluded here, as these generally do not trigger recalculations

As a threshold value for recalculating prior-year comparison figures, the HCOB has set a value of 10% of the financed emissions affected, but at least 20,000 tonnes of CO₂e, for each of the aforementioned possible triggers.

The parameter updates made for calculating financed emissions from buildings as of the reporting date did not constitute grounds for recalculating prior-year comparison figures.

Strategy for improving data quality

HCOB strives to gradually improve data quality, taking into account the special features of the business units. Regarding the quality of emissions data in the shipping sector, HCOB currently relies on ship-specific CO₂ calculations from an external data provider. In addition, the Bank uses technical ship data to account for emissions of other greenhouse gases, such as the so-called "methane slip" from ships powered by LNG.

The Bank intends to collect certified fuel consumption reports from borrowers in order to gradually replace estimates with actual emissions data, aiming for an average data quality score of 1 in the long term. From a regulatory perspective, the IMO is expected to expand the reporting requirements for ship emissions to include non-CO₂-related greenhouse gas emissions, which could eliminate the need for in-house CO₂e adjustments in the Bank's own models.

In the Real Estate sector, EPCs have already been recorded systematically for about five years and has already reached a high degree of coverage. The challenge in using EPCs to estimate CO₂e emissions lies in ensuring homogeneity, international comparability and data quality. Here, the new EU Energy Performance of Buildings Directive can ensure greater standardization and transparency in the long term. However, a fundamental problem with EPCs is that they legally only record building-specific GHG emissions, but not the tenant-specific consumption. To comply with the PCAF standard's "Whole Building Approach," greenhouse gas emissions are estimated based on tenant electricity usage-specific shares of total building energy consumption. In this context, the data quality improvement strategy therefore aims in the long term to collect actual total building energy consumption data from its borrower.

In Project Finance and Corporates, emissions data must be collected directly from clients and project sponsors, unless there is an external reporting obligation. In the EU, the CSRD – despite the recent restriction on the scope of obligated companies – will gradually require more business partners to disclose CO₂ emissions, thereby improving data availability and the average data quality score. Regarding the accuracy of the estimation factors provided to PCAF users for estimating emissions from non-reporting companies, HCOB intends to switch from EXIOBASE to CEDA in 2026. The Bank expects this to improve the accuracy of the estimates.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Corporate: HCOB has taken further measures as part of its commitment to climate change mitigation and nature conservation. These include the annual purchase of MoorFutures® certificates from Ausgleichsagentur Schleswig-Holstein GmbH, a subsidiary of the Stiftung Naturschutz Schleswig-Holstein state foundation for nature conservation. Each MoorFutures® certificate represents the prevention of one tonne of CO₂ through the rewetting of upland moor habitat in Schleswig-Holstein. The MoorFutures® certificates do not serve to reduce the Bank's own remaining emissions, but instead contribute overall to Germany's climate protection measures as part of the formal requirement.

The Bank has identified moorlands as an important factor in reducing emissions and promoting biodiversity. Although moorlands only cover 3 % of the Earth's surface, they store twice as much carbon as all forests worldwide. In Schleswig-Holstein, drained moorlands are responsible for around 18 % of the state's emissions. The Stiftung Naturschutz Schleswig-Holstein is renaturalising upland moors, which were degraded by drainage in the 20th century, to serve as CO₂ reservoirs and promote biodiversity.

Each MoorFutures® certificate sold is documented – the GHG emissions stored by the moorlands are guaranteed for a period of 50 years – and entered in the Stilllegungsregister register of credits used, which is deposited with the Ministry for Energy Transition, Climate Protection, Environment and Nature (MEKUN) of the state of Schleswig-Holstein. An update takes place at the end of each quarter.

During the reporting year, HCOB acquired MoorFutures® certificates in the amount of its own Scope 1 and Scope 2 emissions as well as Scope 3 emissions due to business flights.

E1-8 Internal carbon pricing

HCOB does not use an internal carbon pricing system.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

For the 2025 reporting year, the HCOB will not disclose information on the expected financial impact of significant physical and transition risks, as well as potential climate-related opportunities arising from the Phase-in Scheme (ESRS 1, Annex C).

ESRS E2 Pollution

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table summarises the material impacts on the relevant sustainability aspects that were identified for HCOB as a result of the materiality analysis (see chapter “ESRS 2 General disclosures”, in particular section “[ESRS2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#)”) and presents the mitigating policies.

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Air pollution			
Negative impact: Emission of pollutants through the combustion of fuels (Dimension: Portfolio)	<ul style="list-style-type: none"> - “Credit Manual” - “ESG in the credit- and investment-process” for ESG Scoring 	<ul style="list-style-type: none"> - Full application of the ESG Scoring for new transactions - Exclusion of new transactions with a score of 5 or 6 	no targets defined
Water pollution			
Negative impact: Leakage of oils and chemicals (Dimension: Portfolio)	<ul style="list-style-type: none"> - “Credit Manual” - “ESG in the credit- and investment-process” for ESG Scoring 	<ul style="list-style-type: none"> - Full application of the ESG Scoring for new transactions - Exclusion of new transactions with a score of 5 or 6 	no targets defined

Management of impacts, risks and opportunities

E2-1 Policies related to pollution

Portfolio: At portfolio level, the IROs “Emission of pollutants through the combustion of fuels” and “Leakage of oils and chemicals” were identified in the Shipping segment. The emissions caused by the operation of the ships financed by the Bank include gaseous pollutants such as CO₂ and sulphur dioxide as well as soot particles and particulate matter. There is also a risk of oils, chemicals or other pollutants entering the marine environment and contaminating it. In order to address these material negative impacts in connection with air and water pollution, HCOB has developed its own policies based on external guidelines.

In defining its policies, HCOB builds on the global guidelines of the IMO, which set out regulations for reducing air and marine pollution from ships. These regulations were further strengthened in June 2025 by the Hong Kong Convention (The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships). This aims to ensure that ships do not pose unnecessary risks to human health and safety or to the environment during recycling at the end of their life cycle. Accordingly, the Bank’s clients are obliged to provide information on compliance with these standards, which HCOB ensures through its lending processes, in particular the ESG scoring. In addition, the Bank joined the RSRS initiative in 2020 in order to promote environmentally friendly and safe ship scrapping processes. As part of the initiative, HCOB ensures that the ships it finances are only scrapped during the term of the loan in accordance with recognised standards for environmental protection and the safety of the workers involved.

HCOB's own policies and guidelines that are anchored in the lending and investment process (for details see "[SBM-1 Strategy, business model and value chain](#)" and "[E1-2 Policies related to climate change mitigation and adaptation](#)") include in particular the "Credit Manual" and the document "ESG in the lending and investment process" for ESG scoring.

For details on the "Credit Manual" and the application of ESG scoring in the lending process, see chapter "[E1 Climate change](#)". The E score (environmental aspects), weighted at 50 %, explicitly takes into account air, water and soil pollution, both during operations and in the event of unusual incidents. Each financing transaction is reviewed to see whether it has a negative impact on the environment; this is done by asking specific questions, e.g. about pollution of air, water and sediments, as well as possible noise pollution. Possible incidents involving environmental pollution are also taken into account.

In addition to the Management Board, the highest levels of responsibility are the departmental management of the department "ESG & Business Development" for the methodical design of the policies and guidelines, while the BU heads of "Shipping" and the "Credit Risk Center" are responsible for the operational implementation.

E2-2 Actions and resources related to pollution

Portfolio: The policies and guidelines described in "[E2-1 Policies related to pollution](#)" were further operationalised and implemented in the reporting year through measures to prevent and reduce air and water pollution. In line with the policies explained above, each loan goes through the ESG Scoring process, where specific questions related to pollution have to be answered in order to assess compliance with certain environmental standards.

The ESG Scoring, which is regulated in the "Credit Manual", was fully applied in the lending and investment process during the reporting year. Only transactions with an overall score of at least 4 were concluded, while loans with scores of 5 and 6 were excluded.

This approach is also planned for 2026.

For details of the application of ESG scoring, see chapter "[E1 Climate change](#)".

Metrics and targets

E2-3 Targets related to pollution

Portfolio: HCOB has not currently set a specific target for reducing air and water pollution, as banks can only influence this topic indirectly through their financing activities. Nevertheless, policies and measures were implemented as far as possible with the above-mentioned elements in order to address material negative impacts.

ESRS E3 Water and marine resources

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table summarizes the material impacts on the relevant sustainability aspects that were identified for HCOB as a result of the materiality analysis (see chapter “ESRS 2 General disclosures”, in particular section “[ESRS2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#)”) and presents the mitigating policies.

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Water/water consumption			
Negative impact: Water consumption by banking operations (Dimension: Corporate)	Environmental policy	Creation of transparency through monthly meter readings	no targets defined

Management of impacts, risks and opportunities

E3-1 Policies related to water and marine resources

Corporate: HCOB's water consumption, utilization and procurement are regulated by the environmental policy. The Bank obtains drinking water exclusively from the public water network and does not treat or reuse any water itself. It only consumes the amount of water required for office operations (ESRS 2 65(a)). Five premises are located in areas with high water stress – Piraeus (12 employees), London (21), Berlin (7), Frankfurt (7) and Stuttgart (1) – but their impact on regional water availability is considered to be low. Therefore, there is currently no separate policy for water consumption in these regions.

As marine resources have not been identified as material, HCOB does not pursue any specific policies in this regard. The department “Sales Management & ESG” is responsible for the methodical design of environmental measures, while Facility Management is responsible for the operational implementation. For more details on responsibility for the policy and the scope of application, see chapter “[E1 Climate change](#)”.

E3-2 Actions and resources related to water and marine resources

Corporate: HCOB has been recording its water consumption for many years by taking monthly readings of the water meters at its Hamburg and Kiel locations. The primary purpose of this measure is not to reduce consumption, but rather to ensure transparency in order to monitor consumption, which has been minimized as far as possible, detect irregularities at an early stage and take targeted countermeasures in the event of deviations.

The Bank does not currently have any specific measures in place with regard to locations in areas of high water stress.

Metrics and targets

E3-3 Targets related to water and marine resources

Corporate: HCOB strives to keep water consumption low in the course of its office activities. No explicit reduction targets were formulated, as water use is already considered to be optimized.

E3-4 Water consumption

Corporate: Water consumption for the Hamburg and Kiel locations totalled 15,350 m³ in the 2025 reporting year (2024: 17,779 m³). The data is based on monthly readings that are consolidated annually. Stored water is only used in insignificant quantities for the sprinkler system in Hamburg and stored there. The water consumption for the other locations is extrapolated based on the number of full-time employees.

Water consumption

(in m ³)	2025			2024		
	Hamburg/Kiel	Other locations	Total	Hamburg/Kiel	Other locations	Total
Total water consumption	15,350	1,815	17,165	17,779	2,237	20,016
Water intensity (in m ³ per FTE)	19.9	19.9	19.9	21.5	21.5	21.5
Water intensity (in m ³ per € m net revenue)	-	-	11.0	-	-	10.8

ESRS E4 Biodiversity and ecosystems

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table summarizes the material impacts on the relevant sustainability aspects that were identified for HCOB as a result of the materiality analysis (see chapter "ESRS 2 General disclosures", in particular section "[ESRS2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#)") and presents the mitigating policies.

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Direct causes of biodiversity loss			
Negative impact: Pressure on marine ecosystems, particularly from invasive species (Dimension: Portfolio)	<ul style="list-style-type: none"> - "Credit Manual" - "ESG in the lending and investment process" for ESG Scoring 	<ul style="list-style-type: none"> - Full application of the ESG scoring tool for new transactions - Exclusion of new business with grade 5 or 6 - Analysis of the shipping portfolio using the Clarksons database 	no targets defined

Strategy

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Portfolio: HCOB does not currently consider its business model to be exposed to any material risks in connection with biodiversity and ecosystems. This was confirmed by the double materiality analysis, in which biodiversity risks were analysed as part of the risk inventory. The Bank does not operate in sectors that are typically exposed to increased biodiversity risks, such as agriculture, forestry or mining.

Nevertheless, HCOB takes into account the impact of its activities, particularly in the shipping sector, where biodiversity and ecosystems can be affected by the financing of ships.

Management of impacts, risks and opportunities

E4-2 Policies related to biodiversity and ecosystems

Portfolio: The financing of ships has a negative impact on marine ecosystems, for example through the introduction of invasive species, GHG emissions, harmful paints and noise pollution. To counteract this, HCOB has implemented its own policies for managing and measuring biodiversity impacts in the shipping sector, which are in line with external guidelines.

The "Credit Manual" regulates the application of ESG scoring in the lending process, while the document "ESG in the lending and investment process" describes the ESG instruments used in the lending and investment process. For each financing transaction, it is checked whether there is a negative impact on biodiversity. This is done with specific questions, e.g. on environmental standards that the ships comply with or technical specifications such as ballast water treatment systems (BWTS) or painting of the hull, as well as the type of waste disposal.

In defining its policies and derived measures, HCOB builds on the global guidelines of the IMO on biodiversity. These include the Ballast Water Management Convention for the protection of marine ecosystems as well as measures to reduce sulphur emissions and exhaust gas purification. These regulations were further strengthened in June 2025 by the Hong Kong Convention (The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships). This aims to ensure that ships do not pose unnecessary risks to human health and safety or to the environment during recycling at the end of their service life. The monitoring of whether the financed ships comply with these requirements is largely carried out as part of the inspections initiated by the respective flag states, which ensure that all relevant regulations are complied with.

In 2020, HCOB also joined the RSRS initiative, which sets minimum standards for ship recycling in line with environmental and occupational safety requirements. Under the initiative, HCOB ensures that the ships it finances are only scrapped during the term of the loan in accordance with recognised standards for environmental protection and the safety of the workers involved.

Accordingly, the Bank's clients are obliged to provide information on compliance with these standards, which HCOB ensures through its lending processes, in particular the ESG scoring. For details on the Credit Manual and the application of ESG scoring in the lending process, see chapter "[E1 Climate change](#)".

E4-3 Actions and resources related to biodiversity and ecosystems

Portfolio: The policies described in "[E4-2 Policies related to biodiversity and ecosystems](#)" were further operationalised and implemented during the reporting year.

The ESG scoring, which is regulated in the Credit Manual, was fully applied in the lending and investment process. In line with the policies explained above, each loan goes through the ESG Scoring process, where specific questions related to biodiversity have to be answered in order to assess compliance with certain environmental standards. Only transactions with an overall score of at least 4 were concluded, while loans with scores of 5 and 6 were excluded, which will also be the case in 2026. For details of the application of ESG scoring, see chapter "[E1 Climate change](#)".

In addition, the ship portfolio was analysed regarding BWTS technical equipment using the Clarksons database in order to gain a better understanding of the negative impacts on biodiversity and ecosystems. This analysis is also planned for 2026.

No compensation measures in connection with biodiversity are planned at present.

Metrics and targets

E4-4 Targets related to biodiversity and ecosystems

Portfolio: HCOB currently has no specific target for measuring the effectiveness of its measures related to conservation of biodiversity and ecosystems, as banks can only influence the topic indirectly through their financing activities. Nevertheless, policies and measures were implemented as far as possible with the above-mentioned elements in order to address material negative impacts.

E4-5 Impact metrics related to biodiversity and ecosystems change

Portfolio: Relevant metrics were identified to make HCOB's negative impacts on biodiversity and ecosystems more transparent and measurable. These are based on publicly available data on the characteristics of the financed ships, and in the reporting year the ship portfolio was analysed for the first time with regard to BWTS installed. As the environmental impact differs depending on the BWTS technology used, the portfolio was analysed accordingly. UV irradiation is particularly environmentally friendly, as it does not use any harmful chemicals and leaves no toxic residues.

The evaluation resulted in the following breakdown:

Proportion of ships in the portfolio with a BWTS installed

Installation (in %)	2025	2024
BWTS installed	96.3	94.6
BWTS installation pending	0.0	0.2
No BWTS / no information	3.7	5.2

Proportion of BWTS implemented by technology type

Technology type (in %)	2025	2024
UV irradiation	27.8	22.1
Electrochemical treatment	51.8	60.6
Chemical treatment	2.8	3.2
Thermal treatment	0.3	0.2
Unknown	17.4	14.0

ESRS E5 Resource use and circular economy

Management of impacts, risks and opportunities

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table summarizes the material impacts on the relevant sustainability aspects that were identified for HCOB as a result of the materiality analysis (see chapter "ESRS 2 General disclosures", in particular section "[ESRS2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#)") and presents the mitigating policies.

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Waste			
Negative impact: Waste generation by banking operations (Dimension: Corporate)	The environmental policy regulates the consumption of resources and therefore also the handling of waste generated.	<ul style="list-style-type: none"> - Waste separation system - Digital transformation - Campaigns for the re-use of discarded office furniture and equipment 	no targets defined

E5-1 Policies related to resource use and circular economy

Corporate: HCOB's environmental policy regulates the consumption of resources in business operations, including the handling of waste. Employees are encouraged to separate waste at the workplace in order to enable full recycling, while non-recyclable waste is utilized for energy recovery. The head of the Facility Management department is responsible for the operational implementation.

For more details regarding responsibility for the policy and application framework see chapter "[E1 Climate change](#)".

E5-2 Actions and resources related to resource use and circular economy

Waste separation system

The Bank has introduced a waste separation system that collects residual waste, organic waste, recyclables and glass, while paper is collected separately for data protection reasons. All waste is disposed of appropriately by waste type and, where possible, recycled or used for energy recovery. Almost 60 waste separation systems were installed at the Hamburg and Kiel locations in order to increase the recycling rate.

Digital transformation

Progressive digitalization has steadily reduced HCOB's paper consumption in recent years (see section "[E5-5 Resource outflows](#)"). The printing paper used is wood-free and meets EU eco-standards, with at least 50 % recycled or sustainable material.

Re-use of office furniture and equipment

During the reporting year, HCOB again offered decommissioned office furniture and equipment to non-profit organizations for reuse at its Hamburg and Kiel locations. As part of the relocation of the Hamburg site to a new building in 2026, the continued use of the existing furniture – either by the Bank itself or by third parties – is also planned. All of this contributes to resource conservation and waste prevention.

Metrics and targets

E5-3 Targets related to resource use and circular economy

Corporate: Although HCOB strives to further reduce waste volumes, no quantitative reduction targets have been defined as the possibilities at the existing locations have largely been exhausted.

E5-5 Resource outflows

Corporate: In 2025, the total amount of waste generated at the Hamburg and Kiel locations was 63.5 t (2024: 59.3 t). The data is collected quarterly by regional waste service providers and broken down by waste type. For the other locations, the amount of waste is extrapolated based on the number of full-time employees. The waste is disaggregated as shown below.

Waste quantities

	2025			2024		
	Hamburg and Kiel	Other locations	Total	Hamburg and Kiel	Other locations	Total
Total amount of waste (in t)	63.5	7.5	71.0	59.3	7.4	66.7
Waste intensity (in kg/FTE)	82.3	82.3	82.3	71.4	71.4	71.4
Total amount of non-recycled waste (in t)	22.1	2.6	24.7	22.0	2.8	24.8
Total amount of non-recycled waste (in %)	35 %	35 %	35 %	37 %	37 %	37 %
Total amount of hazardous waste (in t)	-	-	-	-	-	-
Total amount of radioactive waste (in t)	-	-	-	-	-	-

Waste quantities by disposal method

(in t)	2025			2024		
	Hamburg and Kiel	Other locations	Total	Hamburg and Kiel	Other locations	Total
Non-hazardous waste						
Recovery methods						
Preparation for reuse			-	-	-	-
Recycling	41.4	4.9	46.3	37.3	4.7	42.0
Other recovery methods			-	-	-	-
Disposal						
Combustion	22.1	2.6	24.7	22.0	2.8	24.8
Landfill			-	-	-	-
Other types of disposal			-	-	-	-
Hazardous waste						
Recovery methods						
Preparation for reuse			-	-	-	-
Recycling			-	-	-	-
Other recovery methods			-	-	-	-
Disposal						
Combustion			-	-	-	-
Landfill			-	-	-	-
Other types of disposal			-	-	-	-

Paper consumption

	2025			2024		
	Hamburg	Other	Total	Hamburg	Other	Total
Total paper consumption (in t)	3.0	0.4	3.4	4.0	0.5	4.5
Intensity of paper consumption (in kg/FTE)	3.9	3.9	3.9	4.8	4.8	4.8

Social information

ESRS S1 Own workforce

Definition of own workforce

The workforce comprises all employees who have a contractually regulated employment relationship with the Bank (in accordance with Section 611a of the German Civil Code (BGB)). This applies throughout the Group and is independent of position or function within the company. The reporting covers active full-time and part-time employees, including interns, students and trainees, as well as employees on long-term sick leave, parental leave and leave of absence. Any deviations from this definition are noted where applicable.

As they are members of the executive body, members of the Management Board do not count as employees in this sense and are not included in the reporting on the own workforce. Non-employees are not included due to the phase-in regulation (ESRS 1, Appendix C).

Strategy

ESRS 2 SBM-2 Interests and views of stakeholders

Information relating to the integration of the interests, views and rights of the company's own workforce into HCOB's strategy and business model can be found in the chapter "[ESRS 2 General disclosures](#)" in section "[SBM-2 Interests and views of stakeholders](#)".

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table summarises the material impacts, risks and opportunities of the relevant sustainability aspects that were assessed as part of the materiality analysis (see chapter "[ESRS 2 General disclosures](#)", in particular section "[ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#)") for the employees of HCOB. It also provides an overview of the policies and impact management. The information in this chapter covers only the company's own business operations, so the sections are not additionally marked with the Corporate dimension.

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Working conditions			
Negative impact: High workload (Dimension: Corporate)	<ul style="list-style-type: none"> - Employer/works council agreements regarding working hours - Employer/works council agreement on occupational health and safety - Employee representatives to promote co-determination - Internal communication strategy - Reconciliation of interests agreement and social plan 	<ul style="list-style-type: none"> - Measures to promote work-life balance - Occupational health and safety measures - Measures to promote co-determination 	no targets defined
Equal treatment and opportunities for all			
Negative impact: Insufficient consideration of equal opportunities (Dimension: Corporate)	<ul style="list-style-type: none"> - Code of Conduct - Code of Diversity - Employer/works council agreement on equal opportunities for women and men - Employer/works council agreement on the inclusion of severely disabled persons and those with equivalent status - Remuneration strategy - Employer/works council agreement on performance management - Employer/works council agreement on talent management 	<ul style="list-style-type: none"> - Measures to ensure adequate wages - Measures for gender equality and equal pay for work of equal value - Measures to promote diversity in the company - Measures for training and skills development 	<ul style="list-style-type: none"> - Achieve a proportion of 33 % for the underrepresented gender (currently women) in management functions / at senior expert level by the end of 2027 - Achieve a proportion of 33 % for the underrepresented gender (currently women) at BU head level by the end of 2027
Other work-related rights			
Negative impact: Violations of employee rights (Dimension: Corporate)	<ul style="list-style-type: none"> - Code of Conduct - Whistleblowing-Policy 	Whistleblowing procedure	no targets defined

No material differences were identified between different employee groups (e.g. employees, managers, executives) when determining the impact of the Bank and its strategy on the workforce and the associated risks and opportunities. The workforce performs banking, administrative and technical tasks in a regulated environment. Their high level of professional qualification facilitates the Bank's customer service, strategic orientation and operational processes. Activities are primarily carried out in the offices of HCOB. In this sense, they are exposed to the same working conditions every day and do not perform activities that are categorized as particularly hazardous.

The identified IRO "High Workload" can be linked to HCOB's business model and strategic focus. In the 2025 reporting year, HCOB's Management Board decided on a strategic focus that required an adjustment of the cost base and involved corresponding staff reductions. These developments led, in part, to perceived increased workloads and uncertainties in the course of organizational changes. The business strategy takes these effects into account and includes, among other things, structural adjustments within the framework of the transformation program as well as measures to improve work organization.

The IRO "Insufficient consideration of equal opportunities" can lead to discrimination or inadequate inclusion within the workforce. These risks do not arise directly from the business model, but HCOB addresses them by actively promoting measures to strengthen equal opportunities and inclusion. This includes the further development of diversity and governance structures, targeted personnel development measures, and the design of a gender-neutral compensation system and performance management.

The IRO “Violations of employee rights” cannot be directly derived from the business model. However, the HCOB takes these risks into special consideration and provides for reliable governance structures.

Negative impacts related to human trafficking, forced or compulsory labour and child labour are completely ruled out. HCOB takes targeted measures to prevent them. Due to compliance with high standards within Germany and the EU, which is a strictly regulated legal environment, the risk of human rights violations in the direct supply chain or within the Bank is considered to be low. Legal requirements and guidelines are in place at all Group locations in order to minimize risks in these areas (e.g. UN Guiding Principles on Business and Human Rights, Modern Slavery Act 2015).

Management of impacts, risks and opportunities

S1-1 Policies related to own workforce

The workforce of HCOB is a key factor for sustainable growth and long-term success. Policies and guidelines have been implemented and measures have been derived to counteract the negative impacts identified as part of the double materiality analysis. In this context, employer/works council agreements regulate working conditions and promote work-life balance, health and safety as well as equal opportunities and treatment. The works councils were involved in shaping them. Unless otherwise stated, the employer/works council agreements apply to all employees in Germany pursuant to Section 5 (1) of the German Works Constitution Act (BetrVG), with the exception of executives pursuant to Section 5 (3) BetrVG. In line with the respective goals and benefits, agreements were reached for executives through the executives' committee. The employer/works council agreements are accessible to all employees and their representatives in the Bank's written rules of procedure.

Strategic adjustments in the 2025 financial year: As outlined in the combined management report, HCOB decided on a strategic focus (“Franchise Focus”) in the 2025 financial year to align the organization early and proactively with a focused business model. The adjustments were consistently implemented and led to a clear prioritization of core business areas as well as a structural development of the Bank. A Transformation Office was established for efficient management, which coordinated all initiatives and successfully completed them by the end of 2025; the remaining tasks were systematically transferred to the business organization.

The implementation of the strategic measures was reflected, among other things, in the targeted development of new business and the value-preserving reduction of portfolios no longer belonging to the core business. At the same time, the cost base was adjusted in line with the reduced business volume. To this end, a socially responsible reduction in staff was decided upon in the first half of 2025, which is to be implemented gradually until 2028 based on a reconciliation of interests agreement and social plan negotiated with the works council.

Working conditions: high workload

Challenging working conditions lead to negative effects on one's own workforce; these include stress, long working hours, uncertainty due to restructuring, a lack of work-life balance and a lack of co-determination.

Employer/works council agreement on flexible working hours

The employer/works council agreement on flexible working hours regulates the working hours of employees in order to ensure a better work-life balance and counteract an increased workload. It covers the distribution of working time, service times, flextime, transfer/overtime and trust-based working time. Implementation is the responsibility of HR.

Employer/works council agreement on mobile working

The flexibility of individual working arrangements and the choice of work location play an increasingly important role in achieving the best possible work-life balance. To increase the attractiveness of the workplace, HCOB offers its employees a more flexible organisation of work in terms of location and time through the employer/works council agreement on mobile working. This should lead to greater self-determination and have a positive impact on health and job satisfaction. Implementation is the responsibility of HR.

Employer/works council agreement on phased-in early retirement

The employer/works council agreement on phased-in early retirement enables early retirement for employees. Early retirement via the instrument of phased-in early retirement is a modern way of meeting both the needs of older employees and the company requirements. Implementation is the responsibility of HR.

Employer/works council agreement on occupational health and safety

HCOB fulfils the legal requirements for occupational health and safety at all locations. The guiding principle of modern, preventive occupational health and safety is a comprehensive, holistic understanding of the health and safety of all employees. The employer/works council agreement promotes the health of employees, supplements statutory regulations and aims to minimise health risks. HR is responsible for the implementation in cooperation with the occupational safety specialist.

Employee representation to promote co-determination

HCOB has implemented various employee representative bodies, some of which go beyond the statutory requirements, in order to promote employee co-determination. Further information on employee representation can be found in [“S1-2 Processes for engaging with own workforce and workers' representatives about impacts”](#).

Communication strategy

HCOB pursues an “Inform, Engage, Excite” approach to internal communication in order to promote dialogue with employees and create a sense of belonging:

- **INFORM:** Employees understand the Bank's strategy and their contribution to pursuing it, and they are informed about the market activities. The following channels are used for this: intranet, video, e-mail, posters/flyers and information screens.
- **ENGAGE:** Employees feel heard and valued and identify with the Bank's brand. The following channels are used for this: employee survey, event formats with a focus on dialogue (with the Management Board and other departments) and the intranet.
- **EXCITE:** Employees are motivated at work, act as brand ambassadors and interact with each other beyond compulsory work. The following channels are used for this: event formats.

Communication is always bilingual (German/English), and interpreters are available for events. Responsibility lies with the Marketing & Communications business unit. The strategy is implemented in close consultation with the Management Board and is implemented Bank-wide.

Equal treatment and opportunities for all: insufficient consideration of equal opportunities

A working environment that does not guarantee and promote equal treatment and equal opportunities leads to discrimination or a lack of inclusion within the Bank's own workforce.

Code of Conduct

The Code of Conduct serves as a central orientation framework for responsible behaviour and ensures compliance with legal, ethical and social standards. The Code of Conduct ensures that the rights of employees are protected in the workplace and that false or malicious statements or actions that could harm employees are not tolerated.

HCOB does not tolerate any form of discrimination, harassment, threats or other hostile or abusive behaviour in the workplace. In particular, HCOB undertakes to comply with all laws on equal opportunities and to promote equal career development opportunities for all employees without distinction or discrimination on the basis of ethnic background, skin colour, gender, country of birth, age, religion, disability, marital status, pregnancy, sexual orientation, nationality or other characteristics. General information on the Code of Conduct can be found in [“G1-1 Business conduct policies and corporate culture”](#).

The Compliance business unit is responsible for the Code of Conduct. In general, monitoring compliance is the responsibility of management; these controls are supplemented by monitoring activities carried out by the Compliance department. The equal opportunities officers/diversity managers and the general works council of HCOB were involved in preparing and shaping the Code of Conduct. It applies without restriction to all employees of HCOB throughout the Group. It is always accessible on the intranet and on the Bank's homepage.

Code of Diversity

The Code of Diversity makes HCOB's values and principles on diversity visible both internally and externally and serves as a guideline for practising diversity, fairness and equal opportunities within the Bank. It reaffirms HCOB's stance against discrimination, racism, anti-Semitism and homophobia. The Code of Diversity was developed by the employees themselves and approved by the Management Board. Diversity Management is responsible for shaping it. It applies without restriction to all employees and is accessible on the HCOB intranet and homepage at all times.

Employer/works council agreement on equal opportunities for women and men

The employer/works council agreement on equal opportunities is permanently anchored and applies to all employees. As a private bank, HCOB is not subject to the German Federal Act on Gender Equality (BGleG) and therefore has no legal obligations with regard to equal opportunities. This agreement is a voluntary commitment by the Bank which integrates aspects of the state equality laws of Hamburg and Schleswig-Holstein and pursues the goal of actively demanding and promoting gender equality. Topics such as communication, staffing, development and qualifications, work-life balance and the rights and duties of the equal opportunities officers/diversity managers are regulated in the agreement. HR and the equal opportunities officers/diversity managers are responsible for the implementation.

Employer/works council agreement on the inclusion of severely disabled persons and those with equivalent status

The aim of the inclusion agreement is to provide severely disabled persons and those with equivalent status permanently disability-friendly workplaces. It includes promoting the principle of inclusion, professional development opportunities, workplace design and training for managers. HR and the representative body for severely disabled persons (SBV) are responsible.

Remuneration strategy in connection with equal opportunities

HCOB's remuneration system is gender-neutral and aims to ensure equal opportunities and fairness. Regular equal pay analyses ensure transparency and uncover potential unequal treatment, which is addressed in a targeted manner. HR is responsible for the implementation. The strategy applies to HCOB in accordance with Section 10 of the German Banking Act (KWG) in conjunction with Section 27 of the German Ordinance on the Remuneration of Financial Institutions (IVV) and is accessible to all employees in the Bank's written rules of procedure at all times. Employee representatives were not involved in defining the strategy.

Employer/works council agreement on performance management

Managers provide regular feedback and support the personal and professional development of their employees. The performance management process was established for this purpose, which serves as the basis for HCOB's strategic HR development. The employer/works council agreement on performance management establishes a clear process and ensures transparency through clear definitions and specifically described conduct. HR is responsible for the implementation. Since summer 2025, work has been underway to optimize the performance management process, which is scheduled to take effect at the beginning of 2026 and will be explained in detail in an updated company agreement on performance management.

This employer/works council agreement applies to employees at the German locations. HCOB AG also uses the performance management system at foreign locations on a voluntary basis.

Employer/works council agreement on talent management

Talent management at HCOB begins each year with the HR conference, at which cross-divisional talents are identified, the assessments are calibrated to ensure standardised evaluation across the Bank, and development measures are defined. In addition to the benefits offered to all employees, the employer/works council agreement aims to promote and develop identified talents through further measures. Along with traditional management positions, the focus is also on promoting specialist career paths in order to offer employees flexible career opportunities. Further training measures are recorded in the system. The HR department is responsible for implementation and checks the effectiveness of the measures through final discussions with employees and service partners as well as annual management dialogues with executives.

Other work-related rights: Violations of employee rights

Violations of employee rights lead to negative effects on the professional and private situation of the Bank's own workforce.

Code of Conduct

Information on the Code of Conduct with regard to other work-related rights can be found in this section under the IRO "Equal treatment and opportunities for all: insufficient consideration of equal opportunities." General information on the Code of Conduct can be found in "[G1-1 Business conduct policies and corporate culture](#)".

Whistleblowing-Policy

HCOB has a whistleblowing procedure through which information can be submitted anonymously. The whistleblowing office is staffed by ombudspersons from an international auditing firm, who all employees at the head office, branches and representative offices (including former employees) as well as all external third parties can contact directly. Further information can be found in "[G1-1 Business conduct policies and corporate culture](#)".

S1-2 Processes for engaging with own workforce and workers' representatives about impacts**Company co-determination**

In order to promote equal opportunities, health and safety in the workplace, the HCOB has implemented procedures for employee co-determination. HR bears operational responsibility for involving employees and their representatives. The results flow directly into the Bank's strategic planning in order to achieve continuous improvements. Regular communication with employees and representatives, as outlined in the following chapters, ensures that their concerns are taken into account.

Protection of employee interests by the works councils

HCOB has works councils at its locations in Hamburg, Kiel and Luxembourg. The works councils in Hamburg and Kiel also form a general works council. The legal basis for action at the German locations is the German Works Constitution Act (BetrVG) and other relevant labour laws as well as the collective bargaining agreement for the private banking industry. In Luxembourg, Luxembourg labour law forms the basis for the work performed by the works council.

The works councils represent the interests of the workforce vis-à-vis the employer, in particular with regard to working time organisation, job security, salary structures and remuneration systems. Cooperation between the works councils and the Bank is based on transparent communication. Exchange formats are held at least every two weeks, which also involve the Management Board and HR management, among others. Employer/works council agreements, which are drawn up jointly, are binding and accessible to all employees on the intranet and in the Bank's written rules of procedures.

The works councils have resources at their disposal to perform their tasks and fulfil their duties. During their representative activities, all members are released from their official duties by the Bank, and two members of the works council are fully released from their official duties. HCOB provides premises for secure and confidential exchanges and provides access to HR applications, thereby ensuring a fast and transparent flow of information. In addition, HR Controlling regularly provides data and analyses to support the work of the works councils.

The works councils meet weekly for consultations and organise exchange formats with employees, both digitally and in person (details on the information channels can be found later in this section). These formats are also used to conduct ad hoc surveys and promote employee participation. In addition, works meetings are held twice a year, at which all employees can submit questions anonymously using a question tool.

The effectiveness of the works councils is assessed on the basis of election results, the voter turnout among employees, the agreements concluded, the number of meetings held and the participation in campus talks and works meetings.

Safeguarding the interests of executives through the executives' committee

In accordance with the Executives' Committee Act (SprAuG), the executives' committee represents the interests of the Bank's executives. A chairperson is elected by the executives to represent their interests within HCOB.

Finance committee

The finance committee, consisting of five members appointed by the general works council, discusses financial matters related to the Bank, such as productivity, profitability and ratings, with the management and informs the general works council. The committee meets monthly in rooms provided by the Bank and informs the general works council.

Inclusion of persons particularly vulnerable to impacts or persons at risk at the Bank

HCOB has implemented measures to hear the perspectives of employees who may be vulnerable to negative impacts, marginalised or at risk. There are special contact persons and confidants for minorities, people of all genders and young employees as well as severely disabled persons and those with equivalent status, who safeguard and promote their interests.

Representative body for severely disabled persons (SBV)

The SBV represents severely disabled persons and those with equivalent status in accordance with the legal principles of Book IX of the German Social Code (SGB IX). It advises on applications, supports the design of accessible workplaces, including any work equipment required, and is involved in the recruitment process and company integration management (BEM). As part of the inclusion agreement, measures such as awareness training, increasing the proportion of severely disabled employees and promoting inclusion were agreed between the Bank and employee representatives.

The SBV participates in the meetings of the works councils, the general works council and their committees and remains in constant dialogue with the employee representatives. It has a fixed agenda item in the meetings and works closely with the diversity managers. In addition, the SBV participates in meetings of the occupational health and safety committee and is an integral part of the occupational health management.

Equal opportunities officers/diversity managers

The Bank employs two equal opportunities officers/diversity managers, one full-time and one part-time, who work together with HR and the SBV to ensure equal opportunities and diversity. They protect employees from discrimination based on their gender and/or origin, among other things, and are committed to enforcing the German General Act on Equal Treatment (AGG). They have extensive rights and act independently.

Their tasks include organising awareness formats, workshops and lectures to promote an inclusive working environment. They are also active in the #networkingwomen women's network and analyse remuneration information in order to ensure transparency and fairness. Regular collaboration with other departments such as HR, social counselling and ESG promotes a holistic view of diversity.

Youth and trainee representation (JAV)

The JAV represents the interests of employees under the age of 18 and apprentices/trainees. It ensures compliance with applicable laws and agreements and is available as a contact for all matters related to this group. It also works closely with the works councils in order sustainably support the working conditions and interests of young employees.

Employee survey

HCOB actively seeks the opinions and concerns of its employees. In addition to the employee representatives, the employee survey serves as a central instrument for involvement in internal company issues. In the surveys, employees can anonymously express their opinions on topics such as change, hierarchy, identification, IT, benefits, diversity and leadership. The surveys are managed by the HR department and conducted and analysed anonymously with the help of an external service provider.

The results are passed on to the business units in order to derive appropriate measures. The effectiveness is evaluated based on the participation rate, results and derived measures. Managers take on the role of change managers and are supported in the process by HR (business partners and personnel development).

Information channels/formats

The Bank informs its employees continuously and bilingually (German/English) through various channels such as the intranet, displays, posters and communication mailboxes. These are used to provide information on current topics, internal events and campaigns.

These channels are supplemented by formats such as video interviews with the Management Board members, which are accessible via the intranet, and the quarterly management talk, where there is active dialogue between employees and the Management Board. HR publishes a newsletter on relevant topics every 8-10 weeks, while the works councils keep employees up to date through newsletters (every 6-8 weeks), works meetings and interactive campus talks. In addition, X-Change formats promote dialogue within the Bank by enabling departments to present their projects and tasks in Hamburg and Kiel. These diverse communication channels ensure transparency, promote dialogue and strengthen cooperation.

Respect for human rights

HCOB is consistently committed to protecting and respecting human rights within its own workforce. For a more detailed description of respect for human rights, please refer to the description of the Code of Conduct in "[S1-1 Policies related to own workforce](#)" and "[G1-1 Business conduct policies and corporate culture](#)".

Dealing with conflicts of interest between employees

No conflicts of interest were identified during the 2024 reporting year. Employees have the right to lodge a complaint under the German Works Constitution Act (BetrVG), which they can exercise through the works councils or managers. They endeavour to resolve conflicts objectively.

Information on the complaints mechanisms and reporting channels can be found in "[S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns](#)".

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

The Code of Conduct obliges all employees to act fairly and in accordance with the law. Misconduct is reported and dealt with via internal channels (e.g. HR, Compliance, employee representation) and external channels (e.g. ombudsperson, anonymous whistleblower tool). Remedial measures are developed and implemented depending on the individual case (e.g. warnings, formal warnings under labour law, dismissals, reduction of variable remuneration components, transfers) in order to remedy grievances as quickly as possible and prevent future cases.

Reporting channels for employees

Across the HCOB Group, all employees at all locations can report information, concerns and complaints via internal channels such as the compliance hotline (by e-mail or telephone) or anonymously via external channels such as an ombudsperson. External third parties can also submit a report via the anonymous external whistleblowing office. Since 2024, the HCOB's whistleblower system has been supplemented by free telephone numbers and an anonymous whistleblower chat tool, which enables confidential communication about known or suspected (legal) violations. The system is accessible via the intranet and the Bank's homepage. Further information on the whistleblower protection system and the whistleblowing procedure can be found in ["G1-1 Business conduct policies and corporate culture"](#) and ["G1-3 Prevention and detection of corruption and bribery"](#).

In accordance with Section 13 of the German General Act on Equal Treatment (AGG), an independent complaints office has been established, which has been managed by the equal opportunities officers since 2024. The works councils, the JAV and the SBV are also available as contacts. Information on the various contact persons can be found on the intranet.

Anonymous questions and concerns can also be raised before campus talks, works meetings and dialogues with the Management Board. HR exchange days and employee surveys offer further feedback opportunities. Any concerns expressed are followed up and addressed by top management.

HCOB actively promotes the use of these communication channels and integrates them into the corporate culture. Contact details for trade unions and the German Federal Anti-Discrimination Agency are available on the intranet. These measures ensure that all employees have access to effective reporting channels. Further details on employee representation and communication channels can be found in ["S1-2 Processes for engaging with own workforce and workers' representatives about impacts"](#) as well as in ["S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns"](#) and ["G1-3 Prevention and detection of corruption and bribery"](#).

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

HCOB has developed measures to address negative impacts identified in the double materiality analysis, such as high workload, lack of equal opportunities and violations of employee rights.

HCOB provides (financial) resources and the capacities of (HR) employees for this purpose. These come from the current budget and no additional funds were provided. The aim is to unite and utilize the business activities of HCOB and the interests of stakeholders, in particular employees, in the best interests of all. This is reflected in the measures and benefits offered by the Bank.

As a matter of principle, these measures and benefits are available to all employees except executives. Specific regulations apply to executives in consultation with the executives' committee. The measures and benefits are adapted to the circumstances of the respective Group branches. Unless otherwise stated, the measures also apply beyond the 2025 reporting period.

Measures to promote work-life balance

Through the following measures, HCOB expects to create a better work-life balance, and thereby promote the careers of its employees with special family commitments, among other aims.

Regulation of working time

HCOB strengthens work-life balance through flexible working time models such as full-time and part-time work, job sharing, flexible working hours and mobile working in order to meet the individual needs of employees and counteract the negative effects of a high workload.

Focus on the family

The respective national legal regulations apply at all locations in the case of sick children. In Germany, HCOB also offers free emergency childcare if regular childcare is cancelled as well as subsidised holiday programmes and advice from the pme Familienservice family counselling service. HCOB also supports employees with returning to work after a leave of absence.

Occupational health and safety measures

The occupational health management (OHM) aims to promote the health and well-being of employees and ensure their long-term motivation and performance. It offers measures designed to help employees cope better with increasing workloads and, if necessary, recognise and prevent physical and mental health problems at an early stage. These measures may vary depending on the company location.

In Germany, company doctors advise on and support employees with questions related to occupational and social medical matters, while maintaining strict medical confidentiality. A part-time employee in Hamburg and Kiel provides the continuously available social counselling service, which offers employees professional help with stress, conflicts and difficult situations at work, as well as with topics such as mental illness, addiction and personal matters, in order to counteract the consequences of an increased workload. Seminars are also offered on stress management, nutritional advice, conflict management and behaviour-oriented health promotion. At the German locations, the support for the sports program with an external provider was continued and the bicycle leasing program was expanded.

The OHM also includes analysing quantitative key figures such as the health rate, evaluating the Bank's measures and channels and conducting information and counselling sessions. For example, the occupational safety specialist advises managers and employees on safe, ergonomic and healthy work practices. It strengthens employee rights and carries out departmental inspections in order to recognise and assess mental stress and specific hazards. Furthermore, the occupational safety committee (OSC) discusses health and safety issues at regular meetings and evaluates the effectiveness of occupational safety measures. Employees can raise concerns in the OSC meetings via their representatives. Important OSC decisions are communicated via the intranet.

Measures to promote co-determination

Access authorisation of the works councils to the HR systems

In order to facilitate and promote co-determination, the works councils and the equal opportunities officers were granted access rights to the SAP HR systems as part of an employer/works council agreement. This enables the proper fulfilment of their duties in accordance with the German Works Constitution Act (BetrVG) and the employer/works council agreement on gender equality.

Employee survey

Across all employee representative bodies, the employee survey serves to incorporate employee opinions into important internal company matters. The Bank strives to conduct the employee survey at least every two years. The last employee survey was conducted and analyzed in autumn 2025. A positive trend was observed bank-wide in the commitment index, which rose from 7 (2023) to 7.2 (2025), thus indicating a positive development in employee satisfaction. Furthermore, cross-departmental collaboration was rated particularly positively and ranked among the top 10 best-rated questions for the first time. The group of questions on empowerment also

confirmed that employees take responsibility (trust and freedom to decide), have access to the information they need to act, and receive appropriate feedback. Further information can be found in [“S1-2 Processes for engaging with own workforce and workers' representatives about impacts”](#).

Measures to ensure adequate wages

The Bank ensures adequate wages through processes and agreements with the employee representatives. At least once a year, HCOB reviews the remuneration of all employees and adjusts it in line with performance and the market. The Bank reviews the appropriateness and attractiveness of its own remuneration both internally and externally by means of annual and ad hoc benchmarks and remuneration comparisons. Further information can be found in [“S1-10 Adequate wages”](#).

Measures for gender equality and equal pay for work of equal value

HCOB is committed to equal pay and has been carrying out gender pay gap calculations for the German locations for several years. The results are analysed by HR and the equal opportunities officers with the help of external software. As in previous years, the gender pay gap was again calculated group-wide. Further details can be found in [“S1-16 Remuneration metrics \(pay gap and total remuneration\)”](#).

Measures to promote diversity in the company

With the appointment of two equal opportunities officers/diversity managers, the Bank has established clear responsibility for the topic of diversity and equal opportunities. A Code of Diversity and various internal and external measures emphasise the commitment to diversity and inclusion.

Internal measures for the 2025 reporting year include, for example, the development of a mandatory training course on the Code of Diversity for all employees, communication of diversity topics (e.g. quarterly diversity reports and networking events), and the organization of various formats by the women's network #networkingwomen (e.g. lunch and speed networking events and workshops with external women's networks).

External measures include signing the “Diversity Charter” in 2020 to create a prejudice-free working environment with equal opportunities, and publicly declaring itself a PATRON OF WELCOMING OUT.

As in the previous year, HCOB was again awarded the “Pride Index Gold” distinction, one of the leading ratings in the German PRIDE Champion Index. As part of this commitment, specific awareness campaigns were conducted to firmly establish diversity as an integral part of the corporate culture.

Measures for training and skills development

HCOB promotes to developing the skills of its employees and promoting young talent. As part of its HR development programme, the Bank offers a wide range of opportunities that cater to the individual needs of employees and at the same time strengthen Bank-wide skills. These offers – unless otherwise stated – are available to all employees regardless of their level of employment (e.g. full-time/part-time), location, age, gender and nationality.

As a result, HCOB expects the wide range of opportunities for skills development to promote equal career development for all employees and strengthen their ability to deal with periods with high workloads.

Performance management and succession planning

HCOB has implemented a Bank-wide performance management process, which consists of at least two appraisal and development meetings per year as well as a performance management and target agreement system. This process promotes equal opportunities through the appraisal system, which is implemented according to uniform standards throughout the Bank and is calibrated at HR conferences, among other occasions. The development meetings serve to identify development needs and equip employees for challenging workloads through skills development.

At the beginning of the year, a performance appraisal takes place between the manager and employee, during which feedback is given on the previous year's performance and development, and targets and training plans are agreed for the coming year. Training can include internal or external measures that promote personal development, professional expertise and general banking knowledge. Results are considered and calibrated holistically in HR conferences.

The information provided in "[S1-13 Training and skills development metrics](#)" shows the effectiveness of the measures.

HR development and Talent management

Since 2023, every employee has had access to the Masterplan e-learning platform, which offers a wide range of online training for professional and personal development. In addition, online language seminars and social counselling workshops, e-learning courses such as Moody's cash flow training, data analytics training and individual coaching are offered.

In the reporting year 2025, 21 employees again participated in the Growth Program, which promotes personality analysis, self-reflection, strategic thinking and communication through workshops and training.

Promoting young talent

In cooperation with the Hamburg School of Business Administration (HSBA), the Bank enables a dual study programme in business administration or business informatics. The dual study programme lasts three years, during which the Bachelor's degree is obtained and experience is gained in various departments of the Bank (in Hamburg and Kiel). Graduates with above-average results receive an offer of permanent employment. In 2025, six new dual students started at HCOB.

The Bank also offers internships for students to gain initial work experience. University graduates can complete an individual 18-month trainee program, which is practically oriented in various areas. In 2025, five new trainees started at HCOB.

Internal job market

HCOB offers a wide range of different job profiles and thus creates solid alternatives for further internal development. By making a voluntary commitment to advertise every vacancy internally, HCOB promotes internal mobility through an internal job market, which offers all employees equal development opportunities and thus promotes equal opportunities in the workforce.

Effectiveness of the measures

The measures and benefits offered by HCOB are tailored to the needs of employees and the Bank. To ensure this, employees and employee representatives were involved in preparing them and the underlying strategies (see "[S1-1 Policies related to own workforce](#)"). Weekly meetings with the works councils support exchanges during negotiations and lead to finalised employer/works council agreements. The measures are also optimised in close cooperation with the works councils, with regular monthly dialogue ensured.

The effectiveness of the measures is monitored and evaluated by various mechanisms to ensure that the desired results are achieved and no negative impacts occur. HR Controlling reports on important KPIs such as sick days, the proportion of women and the gender pay gap in order to recognise potential trends at an early stage. Monthly dialogue with the works councils serves to address employee concerns and review the impact of the measures. In addition, employee surveys provide valuable insights into satisfaction with and acceptance of the measures, which ensures continuous improvement and guarantees the achievement of targets.

Metrics and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

HCOB has identified the following targets for the coming 2026 reporting year in order to address the topic of "Equal treatment and opportunities for all: insufficient consideration of equal opportunities" identified in "[S1 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#)":

1. Achieve a proportion of 33 % for the underrepresented gender (currently women) in management functions / at senior expert level¹⁾ by the end of 2027.

To measure progress, the proportion of the underrepresented gender (currently women) in management functions / at senior expert level in the reporting year 2025 (31.6 % as at 31 December 2025) was used as a starting point. In the previous year, the rate was 31.4% as at December 31, 2024. There are no significant changes compared to the previous year.

The equal opportunities officers/diversity managers were involved in shaping this target.

¹⁾ Management functions below BU head level; based on the number of employees (excluding permanently inactive employees).

2. Achieve a proportion of 33 % for the underrepresented gender (currently women) at BU head level²⁾ by the end of 2027.

To measure progress, the proportion of the underrepresented gender (currently women) at BU head level in the reporting year 2025 (31.3 % as at: 31 December 2025) was used as a starting point. In the previous year, the rate was 22.2% as at 31 December 2024. The discrepancy between the two reporting years results from the realignment and organizational reorganization that took place.

The equal opportunities officers/diversity managers were involved in shaping this target.

²⁾ Based on the number of employees (excluding permanently inactive employees).

Methodology and scope of target setting

The targets cover all of HCOB's Group locations and are managed and monitored by HR. No specific methodologies were applied or significant assumptions made when setting the targets. There are no changes to the parameters and/or measurement methods compared to the previous year. The objectives are measured in absolute numbers. No milestones or intermediate targets are defined.

Supporting measures to achieve the above targets

In particular, the measures for gender equality and equal pay for work of equal value, training and skills development, promotion of work-life balance and promotion of diversity, which are described in "[S1-4 Taking action on material impacts on own workforce](#)", contribute to achieving the targets.

S1-6 Characteristics of the undertaking's employees

Breakdown of employees by gender (headcount)

Gender	2025	2024
Women	378	405
Men	592	631
Non-binary	-	-
Not specified	-	-
Total	970	1,036

Note:

The employee data relates to employees of HCOB and all Group companies. Active employees, employees on parental leave, employees on long-term sick leave and employees on leave of absence are taken into account, but not early retirees. The stated number of employees corresponds to 862.4 FTEs.

Breakdown of employees by country (headcount)

Country	2025	2024
Germany	896	952

Note:

Presentation of the number of employees in countries in which the company has at least 50 employees who account for at least 10 % of the company's total number of employees.

Breakdown of employees by contract type and gender (headcount)

Employee headcount	2025				Total
	Women	Men	Non-binary	Not specified	
Total employees	378	592	0	0	970
Permanent employees	362	561	0	0	923
Fixed-term employees	16	31	0	0	47
Temporary workers	0	0	0	0	0
Full-time employees	216	555	0	0	771
Part-time employees	138	21	0	0	159

Breakdown of employees by contract type and gender (headcount)

Employee headcount	2024				Total
	Women	Men	Non-binary	Not specified	
Total employees	405	631	0	0	1,036
Permanent employees	380	591	0	0	971
Fixed-term employees	25	40	0	0	65
Temporary workers	0	0	0	0	0
Full-time employees	244	596	0	0	840
Part-time employees	136	22	0	0	158

Note:

The employee data relates to employees of HCOB and all Group companies. The full-time/part-time split only takes into account active employees, but not employees on parental leave, employees on long-term sick leave, early retirees and employees on leave of absence. Temporary workers are not included due to the phase-in regulations (ESRS 1, Appendix C).

Breakdown of employees by region (headcount)

Employee headcount	2025			2024		
	Germany	Abroad	Total	Germany	Abroad	Total
Total employees	896	74	970	952	84	1,036
Permanent employees	851	72	923	889	82	971
Fixed-term employees	45	2	47	63	2	65
Temporary workers	0	0	0	0	0	0
Full-time employees	705	66	771	764	76	840
Part-time employees	152	7	159	152	6	158

Note:

The employee data relates to employees of HCOB and all Group companies. The full-time/part-time split only takes into account active employees, but not employees on parental leave, employees on long-term sick leave, early retirees and employees on leave of absence. Temporary workers are not included due to the phase-in regulations (ESRS 1, Appendix C).

Staff turnover

In the 2025 reporting period, 127 employees left the Bank and Group companies (previous year: 97 employees). This figure includes all employee departures, whether voluntary or due to dismissal, expiration of a fixed-term contract (including interns), retirement (early retirement), or death. In the reporting year, the Bank also included departures due to fixed-term contracts in the rate and recalculated and adjusted the previous year's rate accordingly. The resulting annual staff turnover rate is 12.5 % at Group level as at 31 December 2025 (previous year: 9.5%). Of this figure, 2.7% (previous year: 2.1%) is attributable to (planned) departures due to the termination of fixed-term employment contracts and 4.2 % (previous year: 3.8%) to departures due to resignations by employees (at Group level as at 31 December 2025).

The staff turnover rates are calculated as the ratio of employees who left the company in the current reporting year to the average number of employees in the current reporting year.

S1-7 Characteristics of non-employees in the undertaking's own workforce

In the 2025 reporting year, HCOB does not provide information on the activities or characteristics of non-employees.

S1-8 Collective bargaining coverage and social dialogue

Breakdown of employees by collective bargaining coverage (headcount)

2025	Collective bargaining agreement coverage		Social dialogue
	Employees - EEA (for countries with > 50 employees, which make up > 10 % of the total)	Employees - non-EEA countries (estimate for regions with > 50 employees, which account for > 10 % of the total)	Representation in the workplace (EEA only) (for countries with > 50 employees, which make up > 10 % of the total number)
Coverage ratio			
0-19 %	-	-	-
20-39 %	Germany	-	-
40-59 %	-	-	-
60-79 %	-	-	-
80-100 %	-	-	Germany

Note:

There is no European works council for the 2025 reporting year.

S1-9 Diversity metrics

Equality/diversity: Number of employees (headcount)

2025									
Age in years	Total (number)	Women (number)	Women (%)	Men (number)	Men (%)	Non-binary (number)	Non-binary (%)	Not specified (number)	Not specified (%)
Top management level¹⁾	16	5	31 %	11	69 %	-	- %	-	- %
Under 30	-	-	- %	-	- %	-	- %	-	- %
30 to 50	8	4	50 %	4	50 %	-	- %	-	- %
Over 50	8	1	13 %	7	88 %	-	- %	-	- %
Other employees²⁾	954	373	39 %	581	61 %	-	- %	-	- %
Under 30	104	37	36 %	67	64 %	-	- %	-	- %
30 to 50	432	179	41 %	253	59 %	-	- %	-	- %
Over 50	418	157	38 %	261	62 %	-	- %	-	- %
Total	970	378	39 %	592	61 %	-	- %	-	- %
Under 30	104	37	36 %	67	64 %	-	- %	-	- %
30 to 50	440	183	42 %	257	58 %	-	- %	-	- %
Over 50	426	158	37 %	268	63 %	-	- %	-	- %

Equality/diversity: Number of employees (headcount)

2024									
Age in years	Total (number)	Women (number)	Women (%)	Men (number)	Men (%)	Non-binary (number)	Non-binary (%)	Not specified (number)	Not specified (%)
Top management level¹⁾	18	4	22 %	14	78 %	-	- %	-	- %
Under 30	-	-	- %	-	- %	-	- %	-	- %
30 to 50	6	2	33 %	4	67 %	-	- %	-	- %
Over 50	12	2	17 %	10	83 %	-	- %	-	- %
Other employees²⁾	1,018	401	39 %	617	61 %	-	- %	-	- %
Under 30	131	49	37 %	82	63 %	-	- %	-	- %
30 to 50	490	197	40 %	293	60 %	-	- %	-	- %
Over 50	397	155	39 %	242	61 %	-	- %	-	- %
Total	1,036	405	39 %	631	61 %	-	- %	-	- %
Under 30	131	49	37 %	82	63 %	-	- %	-	- %
30 to 50	496	199	40 %	297	60 %	-	- %	-	- %
Over 50	409	157	38 %	252	62 %	-	- %	-	- %

¹⁾ The top management level within the meaning of ESRS 2 comprises all BU heads.

²⁾ Including department heads.

S1-10 Adequate wages

HCOB's remuneration system comprises fixed and variable components, aligned with the relevant market, and is designed to attract and retain employees. It aims to promote sustainable performance and support appropriate development at all levels. It rewards sustainable performance and ensures appropriate development at all levels. As in the previous year, no employees (0%) are paid below the applicable benchmark (minimum wage) for fair compensation.

In addition, reference is made to [“S1-8 Collective bargaining coverage and social dialogue”](#) with regard to adequate wages based on extensive collective bargaining coverage and regulations.

S1-11 Social protection

HCOB attaches great importance to the social protection of its employees. As in the previous year, employees at all Group locations are 100% insured against loss of earnings due to illness, unemployment, workplace accidents, parental leave and retirement. These insurance policies are either required by law or regulated by the company (e.g. additional company pension scheme and assumption or subsidisation of private health insurance at selected locations). The range and amount of company insurance cover can vary depending on the location.

S1-12 Persons with disabilities

Proportion of employees with disabilities

(%)	2025	2024
Total employees	5.7 %	5.0 %
of which women	3.1 %	2.8 %
of which men	2.5 %	2.2 %
of which non-binary	- %	- %
of which not specified	- %	- %

Note:

The data on employees with disabilities relates to all HCOB Group companies and includes active employees, employees on parental leave, employees on long-term sick leave, employees on leave of absence and early retirees.

S1-13 Training and skills development metrics

As in the previous year, all HCOB employees were subject to bank-wide performance management in the 2025 financial year. This includes at least two performance and career development reviews per year. The Group company Klarphos is not subject to formal performance management.

Further information on performance management can be found in [“S1-1 Policies related to own workforce”](#) and [“S1-4 Taking action on material impacts on own workforce”](#).

Training and skills development

	2025	2024
Participation in regular performance and career development reviews	Percentage of employees	Percentage of employees
Total	99 %	99 %
of which women	98 %	98 %
of which men	99 %	99 %
of which non-binary	- %	- %
of which not specified	- %	- %
Training hours for HR development	Average training hours per employee	Average training hours per employee
Total	20	25
of which women	18	26
of which men	22	24
of which non-binary	-	-
of which not specified	-	-

Note:

The average number of training hours for staff development includes mandatory training hours.

S1-14 Health and safety metrics

As in the previous year, 100 % of employees are covered by a health and safety management system. In 2022, HCOB was certified as a "company with exemplary occupational safety" by the Hamburg state authority for occupational health and safety (valid for six years).

In the 2025 reporting year, there were five reportable accidents at work (previous year: three) resulting in 153 sick days and no work-related illnesses (previous year: none). The rate of workplace accidents amounts to 3.3 cases per 1 million hours worked (previous year: 2 cases). There were no fatalities due to work-related injuries and work-related illnesses.

Further information on safety standards and measures can be found in ["S1-1 Policies related to own workforce"](#) and ["S1-4 Taking action on material impacts on own workforce"](#).

S1-15 Work-life balance metrics

As in the previous year, 100% of the HCOB employees are entitled to leave for family reasons within the framework of the social policy and/or collective bargaining agreements (previous year: 100%).

Leave taken for family reasons

Proportion in %	2025	2024
Total	9.4 %	10.7 %
of which women	6.3 %	6.6 %
of which men	3.1 %	4.1 %
of which non-binary	- %	- %
of which not specified	- %	- %

S1-16 Remuneration metrics (pay gap and total remuneration)

Gender pay gap

HCOB promotes equal treatment and equal opportunities through fair pay without gender-specific disadvantages. The gender pay gap is calculated annually by HR. The unadjusted gender pay gap considers the percentage difference between the average gross hourly earnings of women and men – regardless of career level, experience, qualifications, or job function.

For the 2025 reporting year, HCOB determined an unadjusted gender pay gap of 21.4 % (previous year: 24.6 %). This analysis included employees at all levels below the Executive Board, including all of the Bank's international locations

Annual ratio of total remuneration

The analysis of total annual remuneration examines the relationship between the highest-paid individual (including Management Board members) and the median of the total annual remuneration of all employees. For 2025, the annual ratio of total remuneration is 65.2 (previous year: .74.6)

S1-17 Incidents, complaints and severe human rights impacts

Incidents related to human rights

Number / € m	2025	2024
Number of incidents of discrimination	-	-
Number of complaints submitted via the channels through which employees can raise concerns	2	4
Number of complaints submitted to the national contact points for OECD multinational enterprises	-	-
Amount of material fines, penalties and damages resulting from violations of social and human rights factors including harassment and complaints filed	€-	€-
Number of serious human rights issues and incidents related to own workforce	-	-

Note:

The complaints submitted were duly examined by those responsible. This examination did not reveal any substantiated cases of discrimination, which is why no fines, penalties or compensation payments were imposed.

ESRS S2 Workers in the value chain

Strategy

ESRS 2 SBM-2 Interests and views of stakeholders

Information relating to the integration of the interests, views and rights of the company's own workforce into HCOB's strategy and business model can be found in the chapter ["ESRS 2 General disclosures"](#) in section ["SBM-2 Interests and views of stakeholders"](#).

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table summarises the material impacts on the relevant sustainability aspects identified for HCOB as a result of the materiality analysis (see chapter ["ESRS 2 General disclosures"](#), in particular the section ["SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model"](#)) and presents the mitigating policies.

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Working conditions			
Negative impact: Critical working conditions and violations of human rights and environmental standards (Dimension: Corporate)	Supplier Code	Review process for potential suppliers	no targets defined
Negative impact: Critical working conditions on ships (Dimension: Portfolio)	– "Credit Manual" – "ESG in the credit- and investment process" for ESG Scoring	– Full application of the Compliance Assessment & Sector Restrictions Check and, the ESG Scoring for new transactions – Exclusion of new transactions with a score of 5 or 6	no targets defined

Corporate: As part of ESRS 2 General disclosures, HCOB analyses the impacts, risks and opportunities related to workers in the value chain. This analysis is crucial for developing strategies that combine economic success with social responsibility and ecological sustainability. The identified potential negative impacts relate to working conditions that are not in line with generally recognised social standards, as well as potential violations of human rights and environmental standards at suppliers. These could lead to negative impacts on the affected workers in the value chain.

HCOB takes into account all workers in the value chain, in particular workers in the upstream supply chain. The Bank primarily procures business, IT and advisory services as well as building services and office supplies from suppliers, which operate either at HCOB locations or externally. No information is available on the type of contract or employment of the workers involved. There are no specific groups of workers in the value chain that have been identified as particularly vulnerable.

An increased risk of child labour or forced labour was not identified, because HCOB primarily awards its contracts in Europe and to a company based in India that operates internationally and is therefore subject to international standards.

Negative impacts are checked by signing of the Supplier Code for all outsourced services, but do these not occur systematically.

In order to better understand risks, HCOB carries out risk analyses to identify critical product groups. The potential negative impacts analysed in the double materiality analysis are reviewed for all outsourced services through the screening process for potential suppliers, but no systemic impacts have been identified (see ["S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions"](#)). To better understand potential negative impacts and risks and to identify critical commodity groups, the HCOB conducts risk analyses.

Portfolio: As part of the double materiality analysis, HCOB identified potential negative impacts on workers on financed ships in the downstream value chain. Critical working conditions such as long working hours and prolonged absences from home accompanied with physical and psychological stress can have a negative impact on the affected workers. No incidents were reported in this context during the reporting year. Due to the characteristics of shipping, no clear geographical reference can be made. In this context, no increased risk of child labour or forced labour was identified. The potential negative impacts are linked to the business strategy in that HCOB provides ship financing. The strategy is influenced indirectly, particularly as part of the credit monitoring process. HCOB has not identified any positive impacts or opportunities in this area.

Management of impacts, risks and opportunities

S2-1 Policies related to value chain workers

Corporate: HCOB pursues a strategic approach to identifying, assessing and managing material social and environmental negative impacts in the value chain. The focus is on minimising negative impacts such as the violation of human rights as well as labour and environmental standards. International standards such as the UN Guiding Principles on Business and Human Rights and the OECD guidelines for multinational enterprises form the basis of the strategy. HCOB is not aware of any cases that violate these guiding principles. The Supplier Code contains clear requirements for compliance with human rights and environmental standards. Particular attention is paid to critical product groups such as buildings and land, office and business equipment and IT hardware, as there are higher risks here. Procurement & Vendor Management is responsible for implementation.

The Supplier Code obliges all suppliers, among other things, to comply with human rights standards, including the prohibition of forced labour, child labour and human trafficking. Suppliers must agree to the Supplier Code in writing prior to contractual collaboration. Contracts usually contain audit rights, which ensure that compliance with these standards can be verified. This enables ad hoc monitoring and adjustments, if necessary.

No workers in the value chain are currently involved in the process of the policies described or their creation. The Bank offers workers in the value chain the opportunity to report grievances or human rights violations anonymously. These complaint mechanisms are supported by an external ombudsperson who helps to assess reported violations and take remedial action. The aim is to ensure that every reported violation is dealt with and that long-term solutions are implemented — see detailed information in chapter ["G1-1 Business conduct policies and corporate culture"](#).

Portfolio: The potential negative impact of “critical working conditions” includes long working hours, prolonged absences and physical and mental stress. Such conditions can have serious consequences for the affected workers and require targeted measures. Good working conditions on board ships are not only important for the health of workers, but also for the safety of shipping. Compliance with standards such as equality and non-discrimination helps to minimise risks. Good working conditions also help to reduce the likelihood of accidents caused by human error.

In order to manage the potential negative impacts on workers in the value chain, which have been identified as material for the shipping sector, HCOB not only relies on its own concepts, but primarily on international standards, which are used as guidelines for its clients. Therefore, the Bank mainly relies on the IMO's external concepts and guidelines when managing the material impacts identified.

The IMO has introduced comprehensive regulations aimed at ensuring compliance with working conditions in the shipping industry. These standards are applied worldwide. Monitoring whether the financed ships comply with these requirements is largely carried out as part of the inspections initiated by the respective flag states, which ensure that all relevant regulations are complied with.

The international legal framework for maritime activities, which is also binding for ships financed by HCOB, is defined by the United Nations Convention on the Law of the Sea (UNCLOS). In addition, there are four main conventions or regulatory frameworks known as the “four pillars of international maritime law”, which comprehensively cover safety, environmental, training and labour aspects:

- SOLAS 1974 (International Convention for the Safety of Life at Sea of 1974)
UN convention on ship safety, international minimum standard for safety on board merchant ships, which covers a variety of topics such as stability, fire protection, rescue equipment, radio communication, safe navigation and safety measures for ships operating in polar regions
- MARPOL (International Convention for the Prevention of Pollution from Ships)
Convention of the IMO, a globally applicable environmental agreement for shipping, which represents the legal basis for environmental protection in shipping and includes relevant provisions on topics such as the reduction of air pollution, special regulations for the so-called emission control areas (ECAs) and requirements for the energy efficiency of ships.
- STCW (International Convention on Standards of Training, Certification and Watchkeeping for Seafarers)
Convention of the IMO, which sets binding minimum standards for the training of seafarers worldwide, serves in particular to protect human life, but is also intended to protect material goods at sea and the marine environment; contains binding rules, including minimum requirements for training content for personnel and the captain, rules on radio communication and emergencies, as well as on occupational safety, medical care and survival functions. The convention applies to seafarers working on seagoing vessels flying the flag of a state for which the convention has entered into force, but also to ships from other flag states when they call at the ports of a so-called “STCW state”.
- MLC 2006 (Maritime Labour Convention of 2006)
Globally harmonised minimum standards for decent working and living conditions on board seagoing vessels – regardless of the nationality of the seafarers and the flag under which the ship sails. These minimum standards cover a wide range of topics, such as working and rest periods, medical fitness and care, accommodation and leisure time as well as the training of seafarers. Ships from flag states that have not ratified the convention cannot circumvent its standards if they call at ports in states that have ratified the convention. If violations are found during inspections at such ports, severe sanctions can be imposed – from fines right through to arrest of the ship.

The four conventions cover the areas of safety, environment, training and working conditions and aim to continuously improve the quality of international shipping through uniform standards. Maritime shipping is the only sector in the world with such a dense and globally effective regulatory framework, which fully addresses the specific challenges of working at sea.

The policies implemented by HCOB build on the shipping industry regulations described above and include in particular the document “ESG in the lending and investment process” for the Compliance Assessment & Sector Restrictions Check, the Credit Manual and the ESG scoring, which have already been described in terms of process description, scope, communication and strategic responsibility in the section [“E1-1 Transition plan for climate change mitigation”](#).

The policies and guidelines regulate the integration of ESG criteria into the lending process and manage the portfolio accordingly. In the S score (social aspects) of the ESG scoring, one question assesses the topic of working conditions by checking whether the relevant flag states of the financed ships have ratified the MLC 2006, as well as through the inspection results. The current White, Grey and Black (WGB) List of flag performance published by the Paris Memorandum of Understanding (MoU) serves as a reference.

Responsibility for operational implementation lies with the “Credit Risk Center” BU head. The “White, Grey and Black (WGB) Performance List” published by the Paris MoU can be found on the homepage of the Paris MoU.

The Bank has also set up mechanisms, as described above, through which human rights violations can be reported anonymously.

S2-2 Processes for engaging with value chain workers about impacts

Corporate: Although HCOB enforces important standards through the Supplier Code, there is currently no general process beyond signing of the code in order to engage with the suppliers' workers.

Portfolio: There are no direct processes for engaging with value chain workers at portfolio level. The negative impacts identified, in particular “Critical working conditions on ships”, are addressed, further operationalised and implemented through the policies and measures described in [“S2-1 Policies related to value chain workers”](#) and [“S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions”](#).

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Corporate: HCOB has implemented a whistleblower system to identify criminal offences at an early stage. This is staffed by an external ombudsperson from an international auditing firm. This means that all workers in the value chain can also confidentially and anonymously report information on criminal offences to the detriment of or involving abuse of the Bank, although the scope is focused on the Bank's business partners and suppliers. Regardless of the reporting channel, the ombudsperson guarantees the highest level of confidentiality in all cases, as the Bank waives its right to information and disclosure. Cases are dealt with in accordance with the General Data Protection Regulation while respecting personal rights and privacy. An anonymous chat tool with the ombudsperson was introduced during the reporting year. This is an even stronger response to the need to protect whistleblowers from reprisals such as dismissal, harassment or demotion and to strengthen trust in the whistleblower system.

In addition to contacting the ombudsperson, all whistleblowers, such as employees or suppliers, can also contact the HCOB whistleblower office (the Bank's Compliance department) by telephone, in writing (letter or e-mail) or in person.

The contact details for the external ombudsperson and the internal whistleblower office are published on the HCOB website and on the intranet. The written rules of procedure also contain a defined process for handling suspected cases and a Whistleblowing-Policy (see [“G1-1 Business conduct policies and corporate culture”](#))

The HCOB whistleblower office (the Bank's Compliance department) assesses information provided for plausibility, criminal relevance and risk. Relevant information is recorded by the whistleblower unit and, if necessary, dealt with further with the involvement of the investigation committee or other parties. Material and non-material information is part of the periodic compliance reporting. In the 2025 reporting year, the ombudsperson received no reports (previous year: two reports).

Portfolio: HCOB has established measures for reporting and dealing with complaints.

The complaints procedure is based on internal guidelines, process specifications and the "Principles of complaints management" approved by the Management Board. These principles are published on the HCOB website and contain rules on communication, deadlines and procedures for resolving issues, as well as possible external parties to be involved.

Complaints can be submitted by telephone, in writing (letter or e-mail) or in person. The contact details are available on the Bank's homepage and on the intranet, along with information on alternative dispute resolution. Complaints management is primarily aimed at restoring client satisfaction, but can also be used by workers in the value chain or external third parties to provide feedback or express criticism. In such cases, parties are referred to the whistleblower system or the external whistleblowing office. This is where the provisions of the whistleblower protection system come into play.

Complaints are assessed for relevance upon receipt and documented accordingly. The Bank complies with reporting deadlines to the supervisory authorities and always informs complainants of the results. The documentation takes place centrally in a complaints database. Quarterly reports are submitted to the Management Board and the Risk Committee of the Supervisory Board. In addition, a complaints report pursuant to Article 26 (6) of Delegated Regulation (EU) 2017/565 is submitted to BaFin annually.

There were no complaints from workers in the value chain during the reporting period (previous year: no complaints).

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Corporate: HCOB addresses critical working conditions and violations of human rights and environmental standards as key aspects of its corporate responsibility. The Bank implements various measures to overcome these challenges. The effectiveness of these approaches is not verified.

Review process for potential suppliers

Sustainability aspects are an integral part of the supplier review process and are anchored in the Supplier Code, which is based on the HCOB Code of Conduct. The review process includes credit checks as well as comparisons with sanctions and embargo lists and negative reports. Suppliers must comply with data protection rules and sign the Supplier Code, which covers compliance, labour law, equal opportunities and environmental protection. Violations may lead to termination of the business relationship.

Suppliers who do not accept the Supplier Code may be excluded. Violations may lead to termination of the business relationship. Beyond the existing measures, no additional means are used to counteract the challenges identified.

Portfolio: The policies and guidelines mentioned under "[S2-1 Policies related to value chain workers](#)" were continuously implemented during the reporting year through measures to protect workers in the value chain. In line with the policies explained above, each loan undergoes a Compliance Assessment & Sector Restrictions Check and the ESG scoring process.

The Sector Restrictions in the document "ESG in the lending and investment process" was fully applied in the lending and investment decision process. Only compliant transactions were concluded.

The ESG scoring, which is regulated in the Credit Manual, was fully applied in the lending and investment process. Only transactions with an overall score of at least 4 were concluded, while loans with scores of 5 and 6 were excluded. The Compliance Assessment & Sector Restrictions and ESG scoring measures will continue to be implemented in 2026.

The effectiveness of these measures and initiatives in terms of achieving the desired results for the value chain workers is not tracked.

No serious problems or incidents related to human rights in the upstream and downstream value chain were reported in the 2025 reporting year.

No additional means were allocated for managing these material impacts. They were fully dealt with as part of the lending and investment decision process.

Metrics and targets

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

HCOB has not currently set a target for assessing the effectiveness of measures to protect value chain workers, as Banks can only manage the topic indirectly via financing activities, among other things. However, policies and measures were implemented as far as possible, as described.

Governance information

ESRS G1 Business conduct

Governance

ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

The disclosure requirements and information on the role of the administrative, management and supervisory bodies can be found in chapter [“ESRS 2 General disclosures”](#) in the section [“GOV-1 The role of the administrative, management and supervisory bodies”](#).

Management of impacts, risks and opportunities

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table summarises the material impacts on the relevant sustainability aspects that were identified for HCOB as a result of the materiality analysis (see chapter [“ESRS 2 General disclosures”](#), in particular the section [“SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model”](#)) and presents the mitigating policies. The explanations in this chapter relate exclusively to the company’s own business operations, which is why the sections are not additionally labelled with the Corporate dimension.

Influence of the material impacts, risks and opportunities on HCOB

Impacts, risks and opportunities	Policies and impact management	Measures	Targets
Corporate culture			
Negative impact: Violation of the Code of Conduct (Dimension: Corporate)	<ul style="list-style-type: none"> - Code of Conduct - Code of Diversity - Training policy 	<ul style="list-style-type: none"> - Employee training - Legal monitoring - Compliance management and monitoring activities - Compliance reporting 	no targets defined
Protection of whistleblowers			
Negative impact: Endangering whistleblowers (Dimension: Corporate)	Whistleblowing policy	<ul style="list-style-type: none"> - Whistleblowing procedure - Investigation committee (IC) 	no targets defined
Political involvement			
Negative impact: influence on political decisions (Dimension: Corporate)	<ul style="list-style-type: none"> - Donation and sponsorship policy - Benefits policy - Anti-fraud policy 	Employee training	no targets defined
Management of relationships with suppliers			
Negative impact: unfair treatment of service providers (Dimension: Corporate)	<ul style="list-style-type: none"> - Supplier Code - Procurement Principles 	Supplier onboarding process	no targets defined
Prevention and detection of corruption and bribery			
Negative impact: Susceptibility to corruption in banking operations (Dimension: Corporate)	<ul style="list-style-type: none"> - Benefits policy - Anti-fraud policy - Know Your Customer (KYC) policy - Conflict of interest policy 	<ul style="list-style-type: none"> - Procedures for the prevention and detection of fraud and corruption - Employee training 	no targets defined

The Bank plans to continue to implement the measures described in the year under review.

G1-1 Business conduct policies and corporate culture

Corporate culture: Violation of the Code of Conduct

An inappropriate corporate culture can have a negative impact on the well-being of employees, clients and society. In order to prevent this, HCOB has implemented central guidelines that serve as the basis for a positive corporate culture, which are described below.

Code of Conduct

HCOB's Code of Conduct serves as a central orientation framework for responsible conduct for all employees and fulfils legal, ethical and social requirements. It summarises key rules and is aimed at employees, service providers, suppliers, clients and external third parties.

Further details regarding content, responsibility, scope of application and employee involvement in the preparation are described in section ["S1-1 Policies related to own workforce"](#).

Code of Diversity

The Code of Diversity promotes diversity, fairness and equal opportunities. Diversity is seen as a strength and all forms of discrimination are rejected. The Code of Diversity was developed by the employees and approved by the Management Board, and it is implemented by the diversity managers.

Further information on responsibility, scope of application and involvement of employees in the preparation can be found in section [“S1-1 Policies related to own workforce”](#) and on measures in the area of diversity in chapter [“S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions”](#).

Training policy

The Compliance business unit carries out Bank-wide awareness-raising measures on compliance topics. This can take the form of online training, face-to-face training or publications on the HCOB intranet / roadshows in order to achieve a high level of awareness among the Bank's employees.

Training procedures and methods are anchored in the training policy, which is set out in the written rules of procedure and for which the Compliance department is responsible. The training policy and the resulting obligation to provide training is relevant for all Group employees.

Protection of whistleblowers: Endangering whistleblowers

As part of the dual materiality analysis, the HCOB identified the risk to whistleblowers as an actual negative impact, as the personal integrity of whistleblowers could be undermined by insufficient protection against retaliation and their jobs could be at risk.

Whistleblowing-Policy

To support whistleblowers, HCOB has implemented a whistleblowing-policy that enables early reporting and investigation of criminal offences.

The policy defines procedures for providing confidential information and guarantees anonymity, confidentiality and protection against reprisals. It applies to all employees of the Bank as well as to external third parties, including clients and value chain workers. Information can be reported to the external ombudsperson, whose contact details are available on the Bank's website.

The whistleblowing-policy is the responsibility of the business unit Compliance, in cooperation with an external ombudsperson. They ensure that all reports are assessed objectively and independently and that appropriate measures are taken to minimise risks for HCOB and its stakeholders.

Further details, also for use by the company's own employees ([“S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns”](#)) or value chain workers ([“S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns”](#)) can be found in the respective chapters.

Political involvement: Influencing on political decisions

Influencing political decisions by prioritising the Bank's own interests can be detrimental to the common good. The donation and sponsorship process ensures that all donations and sponsorship activities are transparent and in line with internal guidelines and legal requirements.

Donation and sponsorship policy

HCOB's donation policy governs all monetary, in-kind, and time donations across the Group to ensure compliance with regulations and tax requirements. The guideline ensures that all charitable or non-profit contributions are aligned with the Bank's values and ESG (Environmental, Social, Governance) principles. Conversely, monetary and in-kind donations to political parties or politically affiliated organizations are neither intended nor permitted. The policy applies to all HCOB employees group-wide. Marketing & Communications is responsible for its management. Audits are conducted by Corporate & Securities Compliance (including PEP/ conflict of interest checks), Tax, and Sales Management & ESG. The approval process includes coordination and alignment, a standardized assessment of eligibility for funding, and a final decision by the Management Board.

Monitoring is carried out through regular reporting and evaluation of donation activities. Monitoring is carried out through regular reporting and evaluation of the donation activities.

Benefits policy

HCOB's benefits policy includes guidelines and procedures for accepting and granting benefits in order to ensure that all activities are in line with the Bank's compliance requirements and ethical standards. Responsibility for the benefits policy lies with the Compliance division; the policy is relevant for all Group employees.

Anti-fraud policy

HCOB's anti-fraud policy includes measures to prevent money laundering, terrorist financing and corruption. It defines binding rules and procedures for investigating suspected cases, including competition and cartel offences, and is based on the fourth EU Anti-Money Laundering and Terrorist Financing Directive (AMLD IV). Responsibility for the anti-fraud policy lies with the Compliance division; the policy is relevant for all Group employees.

Compliance monitoring and compliance reporting

HCOB is guided by adherence to rules and standards as set out in the Code of Conduct and Code of Diversity. A compliance culture practised should support adherence to the law and regulations along with the well-being of employees, clients and society; the following principles and procedures should ensure this.

Employee training

In order to work towards a high level of awareness and adherence to the (compliance) regulations, online and face-to-face training were implemented on topics such as the prevention of money laundering, terrorist financing, financial sanctions, embargoes, fraud prevention, capital market compliance and the Code of Conduct. Training is also provided on information security, data protection, equal treatment (AGG) and ESG. All HCOB employees are required to complete these training courses every three years. For details, see the table in section "[G1-3 Prevention and detection of corruption and bribery](#)".

Legal monitoring

New rules are entered into a central monitoring system on a weekly basis and assigned to the business units. This monitoring enables the Bank to recognise risks at an early stage and respond to them proactively. At the same time, this systematic approach ensures that the Bank not only fulfils current requirements, but is also well-placed for future requirements.

This is not a reactive measure, but a continuous implementation of the legal prevention obligations.

Compliance management and monitoring activities

Annual risk analyses form the basis for monitoring and management activities. Measures resulting from these activities followed up. The business unit Compliance works closely with the business units to ensure the effectiveness of the management activities. Potential for optimisation is identified through regular reviews (at least in a three-year cycle) in order to further improve processes.

Compliance reporting

The Compliance business unit reports directly to the CRO and the Overall Management Board at least quarterly. The quarterly compliance report is also submitted to the Risk Committee of the Supervisory Board. An overall assessment of the compliance risk is carried out at least once a year as part of the compliance risk analysis. Reporting also includes statements on unlawful behaviour that contradicts HCOB's Code of Conduct or similar internal regulations.

Regular meetings are held between the head of Compliance and the CRO and all other members of the Management Board. In addition, the Supervisory Board's rules of procedure stipulate that the chairperson of the Risk Committee can request information directly from the compliance officer, the head of Internal Audit and/or the head of Risk Control at any time. If necessary, the Management Board should be informed thereof. The compliance officer, the head of Internal Audit and/or the head of Risk Control may inform the chairperson

directly if they deem it necessary. In addition, there is an ongoing dialogue between Compliance and Internal Audit, with Compliance being both the owner of the Investigation Committee and a member of the Malus Committee.

Whistleblowing procedure

Details on the structure and scope of the whistleblowing procedure can be found in section [“S2-1 Policies related to value chain workers”](#).

Investigation committee

HCOB AG has set up an investigation committee to investigate fraud, embezzlement, corruption or other criminal acts that could jeopardise the Bank's assets. The committee is chaired by the Compliance BU head and comprises the heads of Internal Audit, HR and Corporate Legal & Board Affairs. It is convened if there is reasonable suspicion of material criminal offences in order to take appropriate measures. The results of the investigations are generally reported to the Management Board; in the event of a conflict of interest, the results are reported to the Chairman of the Supervisory Board. In addition, anonymised information is provided on an ad hoc basis as part of compliance reporting (to the Management Board and the Risk Committee of the Supervisory Board).

G1-2 Management of relationships with suppliers**Management of relationships with suppliers: Unfair treatment of service providers**

HCOB maintains relationships with numerous suppliers and attaches great importance to treating them equally.

Supplier Code

The Supplier Code acts as a guideline for the HCOB Group and contains key requirements on compliance, equal opportunities and social responsibility. Suppliers with the largest volume are evaluated annually, while others in the outsourced value chain are reviewed for relevance. The Code applies to all suppliers and is the responsibility of the Procurement & Vendor Management division. Further information on the Supplier Code can be found in the section [“S2 Workers in the value chain”](#).

Purchasing principles

The HCOB purchasing principles are designed to align the Bank's purchasing strategy with its business strategy, in particular to align procurement activities with the HCOB's long-term goals. They serve to ensure transparency and efficiency in the purchasing process and to ensure compliance with standards. The HCOB purchasing principles also ensure equal opportunities in the tendering and awarding process, promote fair competition and avoid conflicts of interest. The scope of application applies without restriction to all HCOB suppliers and is the responsibility of the Procurement & Vendor Management division.

Measures to avoid negative effects

To ensure fair treatment, the Procurement & Vendor Management division has installed various processes and measures.

Supplier onboarding process

Before being commissioned, all suppliers go through the onboarding process, which includes checks against sanctions and embargo lists, credit checks and signing the supplier code of conduct. Suppliers from the region are preferred in order to strengthen local economic cycles and reduce CO₂ emissions by reducing transport routes.

Individually agreed payment practices

The HCOB treats all suppliers uniformly, without distinguishing between small and medium-sized enterprises (SMEs) and others. Payment practices and deadlines are independent of the size of the company, individually agreed and contractually fixed. There are no specific guidelines to avoid late payment.

G1-3 Prevention and detection of corruption and bribery

Concepts on Corruption and bribery

Payment transactions in banking operations harbour risks of corruption, which should be mitigated by an anti-fraud policy with binding rules and procedures for investigating suspected cases.

This primarily includes four guidelines: benefits policy, anti-fraud policy, conflict of interest policy and Know Your Customer (KYC) policy. Responsibility for all four policies lies with the Compliance department; all four policies are relevant for all employees of the Group.

Conflict of interest policy

The conflict of interest policy governs the management of conflicts of interest within the Bank. It defines measures for identifying, avoiding and monitoring business relationships, secondary employment, mandates and compliance-relevant information.

Know Your Customer (KYC) policy

HCOB's Know Your Customer Policy complements the anti-fraud guideline and serves as a central tool in the fight against money laundering and terrorist financing.

Further details on the benefits policy and anti-fraud policy can be found in section ["G1-1 Business conduct policies and corporate culture"](#).

Measures to prevent corruption and bribery

HCOB does not tolerate any illegal activities and resolutely sanctions such misconduct. A whistleblowing procedure has been implemented to receive and process reports of violations both internally and externally; for further details, please refer to section ["S2-1 Policies related to value chain workers"](#).

Procedures for the prevention and detection of corruption and bribery

HCOB has systems in place to monitor transactions, including the prevention of money laundering and terrorist financing and compliance with financial sanctions and embargo regulations. This also includes "bad guy" and politically exposed person (PEP) screening.

The risk assessment includes country-specific parameters such as the Corruption Perceptions Index (CPI), which rates countries on a scale of 0 (high corruption) to 100 (no corruption) based on perceived corruption in politics and administration. The CPI 2023, compiled by Transparency International, covers 180 countries and is based on data from experts and executives (source CPI | Transparency International Deutschland e.V.).

Employee training on corruption and bribery

In order to prevent corruption and bribery, the Bank has introduced training programmes that raise awareness of ethical conduct and provide guidelines for dealing with risks. Regular training promotes integrity and transparency in daily work. Details of these measures can be found in section ["G1-1 Business conduct policies and corporate culture"](#).

Training to prevent corruption and bribery

2025	High-risk functions	BU heads	Bodies	Other own employees	of which Compliance (excluding BU head)
Coverage through training					
Total (number)	496	16	6	458	29
Total number of people to be trained in 2025	326	14	4	307	15
Training method and duration					
Computer-based training	322	13	4	303	15
Duration (hours)	730	27	9	691	34
Frequency	every 3 years	every 3 years	every 3 years	every 3 years	every 3 years
Face-to-face training					
Duration (hours)	224.0	8 (Chief Compliance Officer)	-	291	234
Frequency	individual	individual	individual	individual	individual

Training to prevent corruption and bribery

2024	High-risk functions	BU heads	Bodies	Other own employees	of which Compliance (excluding BU head)
Coverage through training					
Total (number)	403	18	4	615	30
Total number of people to be trained in 2024	403	18	4	615	30
Training method and duration					
Computer-based training					
Duration (hours)	441	15	1	625	52
Frequency	every 3 years	every 3 years	every 3 years	every 3 years	every 3 years
Face-to-face training					
Duration (hours)		14 (Chief Compliance Officer)		12	12
Frequency	individual	individual	individual	individual	individual

Training to prevent corruption and bribery

Topics covered	High-risk functions	BU heads	Bodies	Other own employees	of which Compliance (excluding BU)
Definition of corruption	x	x	x	x	x
External/internal fraud	x	x	x	x	x
Typologies	x	x	x	x	x
Duties of care	x	x	x	x	x
Conduct in the event of suspicion and indications	x	x	x	x	x
Embargoes and financial sanctions against terrorism	x	x	x	x	x
Human trafficking	x	x	x	x	x

In accordance with the legal basis, the Bank has defined risky functions as follows:

- Employees in all market areas and in procurement who have a close relationship and contact with customers/suppliers
- Employees who are directly involved in the evaluation of restructuring cases:
- Employees who are involved in the commissioning of law firms and who participate in official investigations
- Employees who are also at risk due to their general work in accounting, the appointment of auditors, contact with supervisory authorities (possibly tax authorities) and rating agencies
- All managers in all departments from department heads (separate identification in the table above)
- Board of directors (separate identification in the table above)

100% of the employees in high-risk roles and all other Bank employees participate in the training program.

As at 31 December 2025, the following completion rates were achieved: High-risk roles 98 % (previous year: 93 %), department heads 95 % (previous year: 79 %), 100 % (previous year: 33 %), and other in-house employees 98 % (previous year: 97 %). All Bank employees are currently enrolled in the regular refresher training cycle, which is generally required every three years.

Supervisory board members complete training courses as needed, initiated either by the HCOB's Board Affairs unit responsible for supervisory board matters or by the supervisory board members themselves. This is done in compliance with legal and regulatory requirements, in particular the EBA's Fit & Proper Guidelines ("Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU" (EBA/GL/2021/06; ESMA35-36-2319).

Metrics and targets

G1-4 Incidents of corruption or bribery

HCOB did not record any incidents of corruption or bribery during the reporting year.

Incidents of corruption or bribery

Number	2025	2024
Convictions for violations of anti-corruption and anti-bribery laws	-	-
Fines for violations of anti-corruption and anti-bribery laws	-	-
Measures taken against violations	-	-
Confirmed incidents of corruption and bribery	-	-
Legal proceedings for corruption and bribery initiated against companies and own employees	-	-
Incidents in which own employees were dismissed or disciplined for corruption or bribery	-	-

G1-5 Political influence and lobbying activities

Corporate: HCOB does not exert any direct political influence and does not make donations of money or in-kind donations to political parties or party-affiliated political associations. The Federal Association of German Banks (BdB), of which HCOB is a member, represents the interests of its members in legislative processes. The Bank is also represented in several BdB regional associations through its domestic locations. An overview of current topics and positions can be found on the BdB website.

In addition, HCOB is a member of the Auditing Association of German Banks (PV) and the Association of German Pfandbrief Banks (vdp). In the reporting year, the Bank incurred expenses of around 459 T€ (previous year: 447 T€) for contributions to the associations.

The Bank is also a member of the Hamburg Chamber of Commerce and other chambers of commerce at its German locations in Berlin, Düsseldorf, Frankfurt am Main, Kiel, Munich and Stuttgart. HCOB is also a member of the International Chamber of Commerce (ICC) Germany, which represents the interests of German companies and economic stakeholders at an international level.

HCOB is represented on BdB committees and on the board of a regional association by two Management Board members.

None of the members of the Management Board or Supervisory Board had held a comparable position in public administration in the two years prior to their appointment.

HCOB is registered in the German Transparency Register (EKRN) with the identification number DE959667522496 and thus fulfils the legal requirements of the German Money Laundering Act (GwG). A current extract from the transparency register can be provided on request.

G1-6 Payment practices

Corporate: HCOB does not have fixed standard terms of payment, but offers its service providers and suppliers various payment options.

In order to analyse the payment metrics in a representative manner, and in view of the fact that primarily intercompany settlements take place at the foreign locations, the Bank has only included the invoices of the German locations of the HCOB Group in the calculation. Excluded are expense reports, reimbursements to employees as well as invoices for individual transaction and portfolio-related commissions and fees for asset management. To calculate these key figures, the Bank analysed all invoices with regard to the contractually agreed payment terms and determined the actual payment days weighted by the invoice amount. The date of receipt of the invoice was used as the starting point for determining the number of payment days and the number of overdue payment days.

HCOB's payment behaviour in Germany

	2025	2024
	(%)	(%)
Payment within the contractual payment terms	69 %	53 %
Invoice settlement with payment terms:		
up to 14 days	62 %	77 %
15 to 30 days	87 %	32 %
31 to 60 days	67 %	36 %
	in days	in days
Average payment period	22	24
Average payment period for invoices within the payment period	18	19
Average payment period for invoices outside the payment period	17	31

In 2025, HCOB's payment and invoicing practices improved significantly. The percentage of payments made within the agreed payment terms increased from 53 % to 69 %. At the same time, invoices were settled considerably faster: the average payment period decreased from 24 to 22 days, and for overdue invoices, it even dropped from 31 to 17 days. Furthermore, the percentage of invoices settled within 15 to 30 days increased significantly.

These developments are related to the insourcing of financial accounting back to HCOB, which has led to more stable process control and more efficient processing.

As at the reporting date of 31 December 2025, there were no pending court proceedings due to late payment by HCOB (previous year: none).

Appendix 1

Disclosure requirements and disclosures incorporated in the Sustainability Statement by reference

The following table contains an overview of all disclosure requirements that have arisen in this Sustainability Statement based on the results of the double materiality analysis. Disclosure requirements in accordance with ESRS S3 and ESRS S4 were not listed, as the sustainability aspects contained therein were not classified as relevant for HCOB as part of the double materiality analysis. The reporting requirements listed in the table can be found in the sections of the same name in this Sustainability Statement.

Dimension	Standard	Topic	Location of disclosure requirements in the Sustainability Statement
Corporate	ESRS 2	General disclosures	BP-1, BP-2, GOV-1, GOV-2, GOV-3, GOV-4, GOV-5, SBM-1, SBM-2, SBM-3, IRO-1, IRO-2
	ESRS E1	Climate change	E1-1, ESRS 2 SBM-3, ESRS 2 IRO-1, E1-2, E1-3, E1-4, E1-5, E1-6, E1-7, E1-8, E1-9
	ESRS E3	Water and marine resources	ESRS 2 SBM-3, E3-1, E3-2, E3-3, E3-4
	ESRS E5	Resource use and circular economy	ESRS 2 SBM-3, E5-1, E5-2, E5-3, E5-5
	ESRS S1	Own workforce	ESRS 2 SBM-2, ESRS 2 SBM-3, S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16, S1-17
	ESRS S2	Workers in the value chain	ESRS 2 SBM-2, ESRS 2 SBM-3, S2-1, S2-2, S2-3, S2-4, S2-5
	ESRS G1	Business conduct	ESRS 2 GOV-1, ESRS 2 SBM-3, G1-1, G1-2, G1-3, G1-4, G1-5, G1-6
Portfolio	ESRS 2	General disclosures	BP-1, BP-2, GOV-1, GOV-2, GOV-3, GOV-4, GOV-5, SBM-1, SBM-2, SBM-3, IRO-1, IRO-2
	ESRS E1	Climate change	E1-1, ESRS 2 SBM-3, ESRS 2 IRO-1, E1-2, E1-3, E1-4, E1-6, E1-8, E1-9
	ESRS E2	Pollution	ESRS 2 SBM-3, E2-1, E2-2, E2-3
	ESRS E4	Biodiversity and ecosystems	ESRS 2 SBM-3, E4-1, E4-2, E4-3, E4-4, E4-5
	ESRS S2	Workers in the value chain	ESRS 2 SBM-2, ESRS 2 SBM-3, S2-1, S2-2, S2-3, S2-4, S2-5

Appendix 2

Datapoints resulting from other EU legislation

Appendix 2 contains a list of all datapoints resulting from other EU legislation (in accordance with ESRS 2 Appendix B). It also indicates which datapoints are included in the report or categorised as "not material".

Disclosure requirement	Data-point	Contents	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Relevance for HCOB
ESRS 2 GOV-1	21(d)	Board's gender diversity	x		x		Relevant
ESRS 2 GOV-1	21(e)	Percentage of board members who are independent			x		Relevant
ESRS 2 GOV-4	30	Statement on due diligence	x				Relevant
ESRS 2 SBM-1	40(d)i	Involvement in activities related to fossil fuel activities	x	x	x		Not relevant
ESRS 2 SBM-1	40(d)ii	Involvement in activities related to chemical production	x		x		Not relevant
ESRS 2 SBM-1	40(d)iii	Involvement in activities related to controversial weapons	x		x		Not relevant
ESRS 2 SBM-1	40(d)iv	Involvement in activities related to cultivation and production of tobacco			x		Not relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Relevant
ESRS E1-1	16(g)	Undertakings excluded from Paris-aligned benchmarks		x	x		Relevant
ESRS E1-4	34	GHG emission reduction targets	x	x	x		Relevant
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Relevant
ESRS E1-5	37	Energy consumption and mix	x				Relevant
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				Relevant
ESRS E1-6	44	Gross Scope 1, 2 and 3 and total GHG emissions	x	x	x		Relevant
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		Relevant
ESRS E1-7	56	GHG removals and carbon credits				x	Relevant
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks					Relevant
ESRS E1-9	66(a); 66(c)	Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk		x			Relevant

Disclosure requirement	Data-point	Contents	SFDR reference	Pillar 3 reference	Bench-mark regulation reference	EU climate law reference	Relevance for HCOB
ESRS E1-9	67(c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Relevant
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Not relevant
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Not material
ESRS E3-1	9	Water and marine resources	x				Relevant
ESRS E3-1	13	Dedicated policy	x				Relevant
ESRS E3-1	14	Sustainable oceans and seas	x				Relevant
ESRS E3-4	28(c)	Total water recycled and reused	x				Relevant
ESRS E3-4	29	Total water consumption in m ³ per net revenue on own operations	x				Relevant
ESRS 2 SBM-3 E4	16(a)	Disclosure of activities that have a negative impact on biodiversity	x				Not material
ESRS 2 SBM-3 E4	16(b)	Significant negative impacts in terms of land degradation, desertification or soil sealing	x				Not material
ESRS 2 SBM-3 E4	16(c)	impact of own activities on endangered species	x				Not material
ESRS E4-2	24(b)	Sustainable land / agriculture practices or policies	x				Relevant
ESRS E4-2	24(c)	Sustainable oceans / seas practices or policies	x				Relevant
ESRS E4-2	24(d)	Policies to address deforestation	x				Relevant
ESRS E5-5	37(d)	Non-recycled waste	x				Relevant
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Relevant
ESRS 2 SBM-3 S1	14(f)	Risk of incidents of forced labour	x				Relevant
ESRS 2 SBM-3 S1	14(g)	Risk of incidents of child labour	x				Relevant
ESRS S1-1	20	Human rights policy commitments	x				Relevant
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		Relevant

Disclosure requirement	Data-point	Contents	SFDR reference	Pillar 3 reference	Bench-mark regulation reference	EU climate law reference	Relevance for HCOB
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Relevant
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Relevant
ESRS S1-3	32(c)	Grievance/complaints handling mechanisms	x				Relevant
ESRS S1-14	88(b) and (c)	Number of fatalities and number and rate of work-related accidents	x		x		Relevant
ESRS S1-14	88(e)	Number of days lost to injuries, accidents, fatalities or illness	x				Relevant
ESRS S1-16	97(a)	Unadjusted gender pay gap	x		x		Relevant
ESRS S1-16	97(b)	Excessive CEO pay ratio	x				Relevant
ESRS S1-17	103(a)	Incidents of discrimination	x				Relevant
ESRS S1-17	104(a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		Relevant
ESRS 2 SBM-3 S2	11(b)	Significant risk of child labour or forced labour in the value chain	x				Not material
ESRS S2-1	17	Human rights policy commitments	x				Relevant
ESRS S2-1	18	Policies related to value chain workers	x				Relevant
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		Relevant
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		Relevant
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Relevant
ESRS S3-1	16	Human rights policy commitments	x				Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD Guidelines	x		x		Not material
ESRS S3-4	36	Human rights issues and incidents	x				Not material
ESRS S4-1	16	Policies related to consumers and end-users	x				Not material

Disclosure requirement	Data-point	Contents	SFDR reference	Pillar 3 reference	Bench-mark regulation reference	EU climate law reference	Relevance for HCOB
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		Not material
ESRS S4-4	35	Human rights issues and incidents	x				Not material
ESRS G1-1	10(b)	United Nations Convention against Corruption	x				Relevant
ESRS G1-1	10(d)	Protection of whistleblowers	x				Relevant
ESRS G1-1	24(a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		Relevant
ESRS G1-1	24(b)	Standards of anti-corruption and anti-bribery	x				Relevant

Appendix 3

Information according to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

1. Assets for the calculation of GAR – based on the Turnover KPI (8/8)		continued	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk	
			2024													
€ m			Pollution (PPC)				Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
			of which towards taxonomy-relevant sectors (taxonomy-eligible)				of which towards taxonomy-relevant sectors (taxonomy-eligible)				of which towards taxonomy-relevant sectors (taxonomy-eligible)					
			of which environmentally sustainable (taxonomy-aligned)				of which environmentally sustainable (taxonomy-aligned)				of which environmentally sustainable (taxonomy-aligned)					
			of which use of proceeds		of which enabling		of which use of proceeds		of which enabling		of which use of proceeds		of which transitional		of which enabling	
continued																
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)															
33	Financial and non-financial undertakings															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations															
35	Loans and advances															
36	of which loans collateralised by commercial immovable property															
37	of which building renovation loans															
38	Debt securities															
39	Equity instruments															
40	Non-EU country counterparties not subject to NFRD disclosure obligations															
41	Loans and advances															
42	Debt securities															
43	Equity instruments															
44	Derivatives															
45	On demand interbank loans															
46	Cash and cash-related assets															
47	Other categories of assets (e.g. goodwill, commodities etc.)															
48	Total GAR assets															
49	Assets not covered for GAR calculation															
50	Central governments and supranational issuers															
51	Central banks exposure															
52	Trading book															
53	Total assets															
Off-balance sheet exposures – undertakings subject to NFRD disclosure obligations																
54	Financial guarantees															
55	Assets under management															
56	of which debt securities															
57	of which equity instruments															

Notes:

- This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
- The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateral obtained by credit institutions by taking possession in exchange in of cancellation of debts.
- Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.
- For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

1. Assets for the calculation of GAR – CapEx-based (8/8)		continued	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk	
			2024													
€ m			Pollution (PPC)				Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
			of which towards taxonomy-relevant sectors (taxonomy-eligible)				of which towards taxonomy-relevant sectors (taxonomy-eligible)				of which towards taxonomy-relevant sectors (taxonomy-eligible)					
			of which environmentally sustainable (taxonomy-aligned)		of which environmentally sustainable (taxonomy-aligned)		of which environmentally sustainable (taxonomy-aligned)									
			of which use of proceeds	of which enabling		of which use of proceeds	of which enabling		of which use of proceeds	of which enabling	of which use of proceeds	of which transitional	of which enabling			
continued																
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)															
33	Financial and non-financial undertakings															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations															
35	Loans and advances															
36	of which loans collateralised by commercial immovable property															
37	of which building renovation loans															
38	Debt securities															
39	Equity instruments															
40	Non-EU country counterparties not subject to NFRD disclosure obligations															
41	Loans and advances															
42	Debt securities															
43	Equity instruments															
44	Derivatives															
45	On demand interbank loans															
46	Cash and cash-related assets															
47	Other categories of assets (e.g. goodwill, commodities etc.)															
48	Total GAR assets															
49	Assets not covered for GAR calculation															
50	Central governments and supranational issuers															
51	Central banks exposure															
52	Trading book															
53	Total assets															
Off-balance sheet exposures – undertakings subject to NFRD disclosure obligations																
54	Financial guarantees															
55	Assets under management															
56	of which debt securities															
57	of which equity instruments															

Notes:

- This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
- The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateralised by credit institutions by taking possession in exchange in of cancellation of debts.
- Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.
- For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

2. GAR-Sector Information (1/2)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)
Breakdown by sector - NACE 4 digits level (code and label)																
1 C21.20 - Manufacture of pharmaceutical preparations	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
2 D35.1 - Electric power generation, transmission and distribution	66.93	59.52			0.00	0.00			0.00	0.00			0.00	0.00		
3 F41.10 - Development of building projects	45.27	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
4 F42.1 - Construction of roads and railways	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
5 H50.2 - Sea and coastal freight water transport	0.91	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
6 H52.1 - Warehousing and storage	53.38	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
7 H52.2 - Support activities for transportation	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
8 K64.20 -Activities of holding companies	6.79	0.73			0.00	0.00			0.00	0.00			0.00	0.00		
11 L68.10 - Buying and selling of own real estate	70.72	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
12 L68.20 - Rental and operating of own or leased real estate	246.99	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
13 L68.32 - Management of real estate on a fee or contract basis	0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
14 M70.10 - Activities of head offices	172.60	0.00			0.00	0.00			0.00	0.00			0.00	0.00		
15 N77.3 - Rental and leasing of other machinery, equipment and tangible goods	5.10	1.80			0.00	0.00			0.00	0.00			21.68	0.00		
16 N82.99 - Other business support service activities n.e.c.	0.09	0.03			0.00	0.00			0.00	0.00			0.37	0.00		
17 Q86.1 - Hospital activities	0.16	0.00			0.00	0.00			0.00	0.00			0.14	0.00		
18 Q86.9 - Other human health activities	0.07	0.00			0.00	0.00			0.00	0.00			0.06	0.00		

2. GAR-Sector Information (2/2)

continued		q	r	s	t	u	v	w	x	y	z	aa	ab
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM)	€ m	Of which environ- mentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	€ m	Of which environ- mentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
Breakdown by sector - NACE 4 digits level (code and label)													
1	C21.20 - Manufacture of pharmaceutical preparations	33.64	0.00			0.00	0.00			33.64	0.00		
2	D35.1 - Electric power generation, transmission and distribution	0.00	0.00			0.00	0.00			66.93	59.52		
3	F41.10 - Development of building projects	0.00	0.00			0.00	0.00			45.27	0.00		
4	F42.1 - Construction of roads and railways	0.00	0.00			0.00	0.00			0.00	0.00		
5	H50.2 - Sea and coastal freight water transport	0.00	0.00			0.00	0.00			0.91	0.00		
6	H52.1 - Warehousing and storage	0.00	0.00			0.00	0.00			53.38	0.00		
7	H52.2 - Support activities for transportation	0.00	0.00			0.00	0.00			0.00	0.00		
8	K64.20 - Activities of holding companies	0.00	0.00			0.00	0.00			6.79	0.73		
11	L68.10 - Buying and selling of own real estate	0.00	0.00			0.00	0.00			70.72	0.00		
12	L68.20 - Rental and operating of own or leased real estate	0.00	0.00			0.00	0.00			246.99	0.00		
13	L68.32 - Management of real estate on a fee or contract basis	0.00	0.00			0.00	0.00			0.00	0.00		
14	M70.10 - Activities of head offices	0.00	0.00			0.00	0.00			172.60	0.00		
15	N77.3 - Rental and leasing of other machinery, equipment and tangible goods	0.00	0.00			0.00	0.00			26.77	1.80		
16	N82.99 - Other business support service activities n.e.c.	0.00	0.00			0.00	0.00			0.46	0.03		
17	Q86.1 - Hospital activities	4.61	0.00			0.00	0.00			4.90	0.00		
18	Q86.9 - Other human health activities	1.99	0.00			0.00	0.00			2.12	0.00		

Notes:

- Credit institutions shall disclose in this template information on exposures in the ing book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.
- The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

3 GAR KPI stock - Revenue-based (1/4)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
		2025																	
% (compared to flow of total eligible assets)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
GAR - Covered assets in both numerator and denominator																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	5.37 %	0.50 %	0.24 %	0.01 %	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.09 %	0.00 %	0.00 %	0.00 %	
2	Financial undertakings	2.71 %	0.26 %	0.00 %	0.01 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	
3	Credit institutions	2.59 %	0.25 %	0.00 %	0.01 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	
4	Loans and advances	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
5	Debt securities, including UoP	2.54 %	0.24 %	0.00 %	0.01 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	
6	Equity instruments	0.02 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
7	Other financial corporations	0.11 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
8	of which investment firms	0.11 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
9	Loans and advances	0.09 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
10	Debt securities, including UoP	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
11	Equity instruments	0.01 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
20	Non-financial undertakings	2.64 %	0.24 %	0.24 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.09 %	0.00 %	0.00 %	0.00 %	
21	Loans and advances	2.64 %	0.24 %	0.24 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.09 %	0.00 %	0.00 %	0.00 %	
22	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
24	Households	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	
25	of which loans collateralised by residential immovable property	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	
26	of which building renovation loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	
27	of which motor vehicle loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %													
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
32	Total GAR assets	5.37 %	0.50 %	0.24 %	0.01 %	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.09 %	0.00 %	0.00 %	0.00 %	

3. GAR KPI flow – Revenue-based (2/4)		continued	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			2025													
% (compared to flow of total eligible assets)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total new assets covered		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling				
GAR – Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.16 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.63 %	0.50 %	0.24 %	0.01 %	0.02 %	16.07 %
2	Financial undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.72 %	0.26 %	0.00 %	0.01 %	0.01 %	8.27 %
3	Credit institutions	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.61 %	0.25 %	0.00 %	0.01 %	0.01 %	8.08 %
4	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.17 %
5	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.56 %	0.24 %	0.00 %	0.01 %	0.01 %	7.88 %
6	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.02 %	0.00 %		0.00 %	0.00 %	0.04 %
7	Other financial corporations	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.11 %	0.01 %	0.00 %	0.00 %	0.00 %	0.19 %
8	of which investment firms	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.11 %	0.01 %	0.00 %	0.00 %	0.00 %	0.19 %
9	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.09 %	0.01 %	0.00 %	0.00 %	0.00 %	0.13 %
10	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %
11	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.01 %	0.00 %		0.00 %	0.00 %	0.02 %
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
20	Non-financial undertakings	0.16 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.89 %	0.24 %	0.24 %	0.00 %	0.01 %	3.39 %
21	Loans and advances	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.76 %	0.24 %	0.24 %	0.00 %	0.01 %	3.11 %
22	Debt securities, including UoP	0.13 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.13 %	0.00 %	0.00 %	0.00 %	0.00 %	0.28 %
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
24	Households										0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.20 %
25	of which loans collateralised by residential immovable property										0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %
26	of which building renovation loans										0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
27	of which motor vehicle loans															
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	4.21 %
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	4.21 %
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
32	Total GAR assets	0.16 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.63 %	0.50 %	0.24 %	0.01 %	0.02 %	

3. GAR KPI flow – Revenue-based (3/4)		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	
		2024																	
% (compared to flow of total eligible assets)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
GAR – Covered assets in both numerator and denominator																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	6.34 %	0.58 %	0.30 %	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	
2	Financial undertakings	3.30 %	0.25 %	0.00 %	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
3	Credit institutions	3.17 %	0.24 %	0.00 %	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
4	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
5	Debt securities, including UoP	3.12 %	0.23 %	0.00 %	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
6	Equity instruments	0.05 %	0.01 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
7	Other financial corporations	0.13 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
8	of which investment firms	0.13 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
9	Loans and advances	0.10 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
10	Debt securities, including UoP	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
11	Equity instruments	0.01 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
20	Non-financial undertakings	3.02 %	0.33 %	0.30 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	
21	Loans and advances	2.99 %	0.31 %	0.30 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	
22	Debt securities, including UoP	0.02 %	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
24	Households	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
25	of which loans collateralised by residential immovable property	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
26	of which building renovation loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
27	of which motor vehicle loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %													
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
32	Total GAR assets	6.34 %	0.58 %	0.30 %	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	

3. GAR KPI flow – Revenue-based (4/4)		continued	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
			2024													
% (compared to flow of total eligible assets)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total new assets covered		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling				
GAR – Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.16 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	6.54 %	0.58 %	0.30 %	0.02 %	0.01 %	15.38 %	
2	Financial undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	3.30 %	0.25 %	0.00 %	0.02 %	0.01 %	9.16 %	
3	Credit institutions	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	3.17 %	0.24 %	0.00 %	0.02 %	0.01 %	8.87 %	
4	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	
5	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	3.13 %	0.23 %	0.00 %	0.02 %	0.01 %	8.72 %	
6	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.05 %	0.01 %		0.00 %	0.00 %	0.13 %	
7	Other financial corporations	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.13 %	0.01 %	0.00 %	0.00 %	0.00 %	0.29 %	
8	of which investment firms	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.13 %	0.01 %	0.00 %	0.00 %	0.00 %	0.29 %	
9	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.10 %	0.01 %	0.00 %	0.00 %	0.00 %	0.23 %	
10	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.05 %	
11	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.01 %	0.00 %		0.00 %	0.00 %	0.02 %	
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	
20	Non-financial undertakings	0.16 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	3.21 %	0.33 %	0.30 %	0.00 %	0.01 %	0.38 %	
21	Loans and advances	0.02 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	3.04 %	0.31 %	0.30 %	0.00 %	0.00 %	0.24 %	
22	Debt securities, including UoP	0.15 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.17 %	0.02 %	0.00 %	0.00 %	0.00 %	0.10 %	
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	
24	Households									0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.36 %	
25	of which loans collateralised by residential immovable property									0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.04 %	
26	of which building renovation loans									0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
27	of which motor vehicle loans															
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.06 %	
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.06 %	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
32	Total GAR assets	0.16 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	6.54 %	0.58 %	0.30 %	0.02 %	0.01 %		

Notes:

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

3. GAR KPI stock - CapEx-based (1/4)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
		2025																	
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
GAR - Covered assets in both numerator and denominator																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	5.40 %	0.52 %	0.24 %	0.02 %	0.03 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	
2	Financial undertakings	2.69 %	0.28 %	0.00 %	0.02 %	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
3	Credit institutions	2.58 %	0.26 %	0.00 %	0.02 %	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
4	Loans and advances	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
5	Debt securities, including UoP	2.53 %	0.26 %	0.00 %	0.02 %	0.02 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
6	Equity instruments	0.02 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
7	Other financial corporations	0.11 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
8	of which investment firms	0.11 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
9	Loans and advances	0.09 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
10	Debt securities, including UoP	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
11	Equity instruments	0.01 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
20	Non-financial undertakings	2.69 %	0.25 %	0.24 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	
21	Loans and advances	2.68 %	0.25 %	0.24 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	
22	Debt securities, including UoP	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	
24	Households	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
25	of which loans collateralised by residential immovable property	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
26	of which building renovation loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
27	of which motor vehicle loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %													
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
32	Total GAR assets	5.40 %	0.52 %	0.24 %	0.02 %	0.03 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	

3. GAR KPI stock - CapEx-based (2/4)		continued	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			2025													
% (compared to total covered assets in the denominator)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.44 %	0.52 %	0.24 %	0.02 %	0.03 %	16.07 %
2	Financial undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.71 %	0.28 %	0.00 %	0.02 %	0.02 %	8.27 %
3	Credit institutions	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.59 %	0.26 %	0.00 %	0.02 %	0.02 %	8.08 %
4	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.17 %
5	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.54 %	0.26 %	0.00 %	0.02 %	0.02 %	7.88 %
6	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.02 %	0.00 %		0.00 %	0.00 %	0.04 %
7	Other financial corporations	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.11 %	0.01 %	0.00 %	0.00 %	0.00 %	0.19 %
8	of which investment firms	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.11 %	0.01 %	0.00 %	0.00 %	0.00 %	0.19 %
9	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.09 %	0.01 %	0.00 %	0.00 %	0.00 %	0.13 %
10	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %
11	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.01 %	0.00 %		0.00 %	0.00 %	0.02 %
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
20	Non-financial undertakings	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.72 %	0.25 %	0.24 %	0.00 %	0.01 %	3.39 %
21	Loans and advances	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.71 %	0.25 %	0.24 %	0.00 %	0.01 %	3.11 %
22	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.28 %
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
24	Households										0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.20 %
25	of which loans collateralised by residential immovable property										0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %
26	of which building renovation loans										0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
27	of which motor vehicle loans															
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	4.21 %
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	4.21 %
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
32	Total GAR assets	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	5.44 %	0.52 %	0.24 %	0.02 %	0.03 %	

3. GAR KPI stock - CapEx-based (4/4)		continued	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
			2024													
% (compared to flow of total eligible assets)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which transitional		Of which enabling		
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.16 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	6.43 %	0.58 %	0.30 %	0.03 %	0.02 %	15.38 %	
2	Financial undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	3.18 %	0.25 %	0.00 %	0.03 %	0.01 %	9.16 %	
3	Credit institutions	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	3.05 %	0.24 %	0.00 %	0.02 %	0.01 %	8.87 %	
4	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	
5	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	3.00 %	0.23 %	0.00 %	0.02 %	0.01 %	8.72 %	
6	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.05 %	0.01 %		0.00 %	0.00 %	0.13 %	
7	Other financial corporations	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.13 %	0.01 %	0.00 %	0.00 %	0.00 %	0.29 %	
8	of which investment firms	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.13 %	0.01 %	0.00 %	0.00 %	0.00 %	0.29 %	
9	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.10 %	0.01 %	0.00 %	0.00 %	0.00 %	0.23 %	
10	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.05 %	
11	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.01 %	0.00 %		0.00 %	0.00 %	0.02 %	
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	
20	Non-financial undertakings	0.16 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	3.25 %	0.33 %	0.30 %	0.00 %	0.01 %	3.84 %	
21	Loans and advances	0.01 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	3.07 %	0.30 %	0.30 %	0.00 %	0.00 %	3.58 %	
22	Debt securities, including UoP	0.15 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.18 %	0.02 %	0.00 %	0.00 %	0.01 %	0.26 %	
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	
24	Households									0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.32 %	
25	of which loans collateralised by residential immovable property									0.02 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %	
26	of which building renovation loans									0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
27	of which motor vehicle loans															
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.06 %	
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.06 %	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
32	Total GAR assets	0.16 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	6.43 %	0.58 %	0.30 %	0.03 %	0.02 %		

Notes:

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

4. GAR KPI flow – Revenue-based (1/2)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
		2025																	
% (compared to flow of total eligible assets)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which transitional	Of which enabling	
GAR – Covered assets in both numerator and denominator																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	2.41 %	0.16 %	0.00 %	0.00 %	0.04 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.38 %	0.00 %	0.00 %	0.00 %	
2	Financial undertakings	1.40 %	0.13 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
3	Credit institutions	1.40 %	0.13 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
4	Loans and advances	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
5	Debt securities, including UoP	1.37 %	0.13 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
6	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
7	Other financial corporations	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
8	of which investment firms	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
9	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
10	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
11	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
20	Non-financial undertakings	1.02 %	0.03 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.38 %	0.00 %	0.00 %	0.00 %	0.00 %	
21	Loans and advances	1.02 %	0.03 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.38 %	0.00 %	0.00 %	0.00 %	0.00 %	
22	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
24	Households	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
25	of which loans collateralised by residential immovable property	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
26	of which building renovation loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
27	of which motor vehicle loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %													
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
32	Total GAR assets	2.41 %	0.16 %	0.00 %	0.00 %	0.04 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.38 %	0.00 %	0.00 %	0.00 %	0.00 %	

4. GAR KPI flow – CapEx-based (1/2)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
		2025																	
% (compared to flow of total eligible assets)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which transitional	Of which enabling	
GAR – Covered assets in both numerator and denominator																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	2.44 %	0.17 %	0.00 %	0.00 %	0.05 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.04 %	0.00 %	0.00 %	0.00 %	
2	Financial undertakings	1.41 %	0.14 %	0.00 %	0.00 %	0.01 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
3	Credit institutions	1.41 %	0.14 %	0.00 %	0.00 %	0.01 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
4	Loans and advances	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
5	Debt securities, including UoP	1.38 %	0.13 %	0.00 %	0.00 %	0.01 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
6	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
7	Other financial corporations	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
8	of which investment firms	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
9	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
10	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
11	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
12	of which management companies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
13	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
14	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
15	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
16	of which insurance undertakings	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
17	Loans and advances	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
18	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
19	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
20	Non-financial undertakings	1.04 %	0.04 %	0.00 %	0.00 %	0.04 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	
21	Loans and advances	1.04 %	0.04 %	0.00 %	0.00 %	0.04 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	
22	Debt securities, including UoP	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
23	Equity instruments	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %		0.00 %	
24	Households	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
25	of which loans collateralised by residential immovable property	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
26	of which building renovation loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %				0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
27	of which motor vehicle loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %													
28	Local governments financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
29	Housing financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
30	Other local government financing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
32	Total GAR assets	2.44 %	0.17 %	0.00 %	0.00 %	0.05 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.04 %	0.00 %	0.00 %	0.00 %	0.00 %	

4. GAR KPI flow – CapEx-based (2/2)		continued	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			2025													
			Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total new assets covered
				Of which transitional	Of which enabling		Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	Of which enabling			
GAR – Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.49 %	0.18 %	0.00 %	0.00 %	0.05 %	16.05 %
2	Financial undertakings		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	1.42 %	0.14 %	0.00 %	0.00 %	0.01 %	8.10 %
3	Credit institutions		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	1.42 %	0.14 %	0.00 %	0.00 %	0.01 %	7.91 %
4	Loans and advances		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.01 %
5	Debt securities, including UoP		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	1.39 %	0.13 %	0.00 %	0.00 %	0.01 %	7.87 %
6	Equity instruments		0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.04 %
7	Other financial corporations		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.19 %
8	of which investment firms		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.19 %
9	Loans and advances		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.13 %
10	Debt securities, including UoP		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %
11	Equity instruments		0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.02 %
12	of which management companies		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
13	Loans and advances		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
14	Debt securities, including UoP		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
15	Equity instruments		0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
16	of which insurance undertakings		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
17	Loans and advances		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
18	Debt securities, including UoP		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
19	Equity instruments		0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
20	Non-financial undertakings		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	1.07 %	0.04 %	0.00 %	0.00 %	0.04 %	3.55 %
21	Loans and advances		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	1.07 %	0.04 %	0.00 %	0.00 %	0.04 %	3.27 %
22	Debt securities, including UoP		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.28 %
23	Equity instruments		0.00 %	0.00 %		0.00 %	0.00 %		0.00 %	0.00 %	0.00 %	0.00 %		0.00 %	0.00 %	0.00 %
24	Households										0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.20 %
25	of which loans collateralised by residential immovable property										0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.02 %
26	of which building renovation loans										0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
27	of which motor vehicle loans										0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
28	Local governments financing		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	4.21 %
29	Housing financing		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
30	Other local government financing		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	4.21 %
31	Collateral obtained by taking possession: residential and commercial immovable properties		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
32	Total GAR assets		0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	2.49 %	0.18 %	0.00 %	0.00 %	0.05 %	

Notes

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

5. KPI off-balance sheet exposures - stock		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q					
		2025																					
% (compared to total eligible off-balance sheet assets)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)							
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
				Of which Use of Proceeds		Of which transitional	Of which enabling			Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which transitional	Of which enabling			Of which Use of Proceeds		Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
2	Assets under management (AuM KPI)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

continued		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae				
		2025																
% (compared to total eligible off-balance sheet assets)		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)								
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								
				Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which transitional	Of which enabling	
1	Financial guarantees (FinGuar KPI)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
2	Assets under management (AuM KPI)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Notes:

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

Nuclear energy related activities

- | | |
|---|----|
| 1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |

Fossil gas related activities

- | | |
|--|----|
| 4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |
-

Hamburg, March 3, 2026

Luc Popelier

Marc Ziegner

Jens Thiele

Reinout van Riel

Annual financial statement of Hamburg Commercial Bank AG

Balance sheet of Hamburg Commercial Bank AG as at December 31, 2025

Assets

(€k)	2025	2024
1 Cash reserve		
a) Cash on hand	1	1
b) Balances with central banks	130,514	144,039
thereof: at the Deutsche Bundesbank	130,101	(143,626)
	130,515	144,040
2 Debt instruments issued by public institutions and bills of exchange eligible for refinancing with central banks		
a) Treasury bills, discounted treasury notes, and similar debt instruments issued by public-sector institutions	37,817	-
thereof: refinancable with Deutsche Bundesbank	37,817	(-)
	37,817	-
3 Loans and advances to banks		
a) Payable on demand	215,660	170,515
b) Other loans and advances	2,565,718	3,280,644
	2,781,378	3,451,159
4 Loans and advances to customers	16,010,189	19,546,385
thereof: secured by mortgages	4,914,280	(6,669,074)
thereof: public-sector loans	510,341	(516,703)
thereof: secured by ship mortgages	1,445,995	(2,707,116)
5 Debt securities and other fixed-interest securities		
a) Money market instruments	-	-
b) Bonds and other debt securities		
ba) from public-sector issuers	1,716,645	883,638
thereof: eligible as collateral at Deutsche Bundesbank	1,635,347	(883,638)
bb) from other issuers	6,053,864	7,566,649
thereof: eligible as collateral at Deutsche Bundesbank	3,261,375	(3,524,078)
	7,770,509	8,450,287
c) own debt securities	484,664	822,038
Nominal value	483,956	(820,387)
	8,255,173	9,272,325
6 Shares and other non-fixed-interest securities	985,185	889,955
6a Trading portfolio	150,381	239,434
7 Equity holdings	5,441	5,440
thereof: in banks	327	(327)
8 Interests in affiliated companies	4,002	4,602
9 Trust assets	19,208	19,597
thereof: trust loans	19,208	(19,597)
To be carried forward	28,379,289	33,572,937

Assets

(€k)	2025	2024
Carried	28,379,289	33,572,937
10 Intangible fixed assets		
a) Industrial property rights acquired in-house and similar rights and assets	5,862	5,293
b) Licenses, industrial property rights and similar rights and assets as well as licenses to use such rights and assets purchased	71,436	76,094
	77,298	81,387
11 Property, plant and equipment	11,280	12,056
12 Other assets	249,241	556,394
13 Deferred income	54,856	89,358
14 Deferred tax assets	463,444	596,522
15 Difference resulting from asset offsetting	84,842	-
Total assets	29,320,250	34,908,654

Liabilities

(€k)	2025	2024
1 Liabilities to banks		
a) Payable on demand	87,080	13,201
b) With agreed maturities or notice periods	2,436,172	3,897,575
	2,523,252	3,910,776
2 Liabilities to customers		
a) Savings deposits		
aa) With agreed notice period of three months	-	-
ab) with agreed notice period of more than three months	69	71
	69	71
b) Other liabilities		
ba) Payable on demand	3,402,986	4,986,656
bb) With agreed maturities or notice periods	10,095,931	10,027,754
	13,498,917	15,014,410
	13,498,986	15,014,481
3 Securitized liabilities		
a) Debt securities issued	7,791,163	10,057,887
b) other securitized liabilities	-	-
	7,791,163	10,057,887
3a Trading portfolio	26,015	47,234
4 Trust liabilities	19,208	19,597
thereof: trust loans	19,208	(19,597)
5 Other liabilities	302,493	500,167
6 Deferred income	98,835	155,663
6a Deferred tax liabilities	1,865	1,702
7 Provisions		
a) Provisions for pension obligations and similar obligations	55,148	74,186
b) Tax provisions	5,090	94,041
c) Other provisions	310,208	355,892
	370,446	524,119
8 Subordinated liabilities	891,607	918,674
9 Fund for general banking risks	27,366	777,366
thereof: special items under Section 340e (4) of the German Commercial Code	27,366	(27,366)
To be carried forward	25,551,236	31,927,666

Liabilities

(€k)	2025	2024
Carried forward	25,551,236	31,927,666
10 Equity		
a) Subscribed capital		
aa) Share capital	301,822	301,822
ab) Silent participations	-	-
	301,822	301,822
b) Capital reserve	1,542,011	1,537,968
c) Retained earnings		
ca) Retained earnings	669,599	926,904
d) Accumulated profit/loss	1,255,581	214,294
	3,769,014	2,980,988
Total liabilities	29,320,250	34,908,654
1 Contingent liabilities		
a) Liabilities from guarantees and warranty agreements	791,395	711,819
2 Other commitments		
a) Irrevocable loan commitments	4,443,433	4,849,099

Income statement of Hamburg Commercial Bank AG

For the period from January 1 to December 31, 2025

(€k)	2025	2024
1 Interest income		
a) from lending and money market transactions	1,926,574	2,398,830
net of negative interest from lending and money market transactions	-426	-1,083
	1,926,148	2,397,747
b) from fixed-interest securities and debt register claims	281,953	281,992
	281,953	281,992
	2,208,101	2,679,739
2 Interest expenses		
from the banking business	1,650,778	2,161,309
less positive interest resulting from the banking business	-1,649	-1,993
	1,649,129	2,159,316
	558,972	520,423
3 Current income from		
a) shares and other non-fixed-interest securities	64,877	57,328
b) Equity holdings	191	93
c) Interests in affiliated companies	-	1,492
	65,068	58,913
4 Commission income	45,522	40,444
5 Commission expenses	9,180	5,713
	36,342	34,731
6 Net income/expense from the trading portfolio	45,903	30,583
7 Other operating income	163,175	122,089
8 General administrative expenses		
a) Personnel expenses		
aa) Wages and salaries	192,715	160,470
ab) Compulsory social security contributions, expenses for retirement pensions and other employee benefits	19,645	22,795
	212,360	183,265
thereof: for retirement pensions	-1,981	(2,974)
b) Other administrative expenses	149,885	168,685
	362,245	351,950
9 Depreciation, amortization and impairments on intangible fixed assets and tangible fixed assets	12,886	6,711
10 Other operating expenses	61,243	136,963
11 Write-downs and impairment losses on loans and advances and certain securities, as well as additions to provisions in the lending business	29,414	85,906
Carried forward	403,671	185,209

For the period from January 1 to December 31, 2025

(€k)	2025	2024
Carried forward	403,671	185,209
12 Income from additions to equity holdings in non-affiliated and interests in affiliated companies and securities treated as fixed assets	4,171	14,670
13 Release from the fund for general banking risks	750,000	-
14 Expenses from the assumption of losses	69	171
15 Profit on ordinary activities	1,157,773	199,708
16 Income tax expense	153,265	-13,570
17 Other taxes not shown under item 10	6,231	-1,016
	159,496	-14,586
18 Net income for the year	998,277	214,294
19 Withdrawals from other retained earnings	257,304	-
20 Accumulated profit	1,255,581	214,294

Notes for the 2025 financial year

General information and notes

1. Hamburg Commercial Bank AG and its shareholders

Hamburg Commercial Bank AG, Since November 28, 2018, the Bank has had a shareholder structure composed of independent shareholders. This includes Cerberus Capital Management, L.P., J. C. Flowers & Co. LLC, GoldenTree Asset Management LP, Centaurus Capital LP and BAWAG P.S.K., together with funds initiated by these entities. With effect from February 4, 2019, the Bank has been operating under the name Hamburg Commercial Bank AG.

The Company is registered in the commercial register of the Local Court (Amtsgericht) of Hamburg under registration number HRB 87366. As the ultimate parent company, Hamburg Commercial Bank AG prepares consolidated financial statements in accordance with the applicable statutory provisions.

The following overview shows the shareholder structure of Hamburg Commercial Bank AG as of December 31, 2025, including the respective direct and indirect interests in the voting share capital; the percentage figures are rounded.

Ownership structure

Several funds initiated by Cerberus Capital Management, L.P.	Promontoria Lux Holding 221 S.à r.l. 9.21 %	39.61 %
	Promontoria Lux Holding 231 S.à r.l. 12.94 %	
	Promontoria Lux Holding 223 S.à r.l. 17.46 %	
A fund advised by J.C. Flowers & Co. LLC	JFC IV Neptun Holdings S.à r.l.	32.77 %
A fund initiated by Golden Tree Asset Management LP	Golden Tree Asset Management Lux S.à r.l.	11.75 %
Centaurus Capital LP	Chi Centauri LLC	7.04 %
BAWAG P.S.K. (including P.S.K. Beteiligungsverwaltung GmbH) Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft		2.35 %
HCOB Members of the governing bodies and senior management of the Bank (since Nov. 2018, active and inactive members)		6.49 %

2. Events after the reporting date

There were no events of material significance after the reporting date.

3. Deposit guarantee fund, guarantee obligation (Gewährträgerhaftung) and maintenance

HCOB is assigned to the Compensation Scheme of German Banks (Entschädigungseinrichtung deutscher Banken GmbH, EdB). EdB is entrusted with the task of acting as the statutory compensation scheme for all CRR credit institutions assigned to it. The EdB generally protects all deposits up to EUR 100,000 per HCOB depositor.

Moreover, HCOB has also voluntarily participated in the Deposit Protection Fund of the Association of German Banks (ESF). In accordance with its by-laws, the ESF protects deposits of certain HCOB customers, subject to the exceptions provided therein or agreed between the ESF and HCOB. Protected deposits are essentially demand, time and savings deposits that have been accepted at a domestic head office or branch office. Not protected are, in particular, deposits of financial firms, public authorities including regional and local authorities, deposits that have arisen in connection with money laundering or terrorist financing, and bearer bonds.

The transitional agreement reached in the understanding with the EU Commission dated July 17, 2001 on the expiration of the maintenance obligation (Anstaltslast) and guarantee obligation (Gewährträgerhaftung) mechanisms on July 18, 2005 also applies to Hamburg Commercial Bank AG pursuant to Section 2 of the treaty signed by the Free and Hanseatic City of Hamburg and the Federal State of Schleswig-Holstein on February 4, 2003 concerning the merger of the predecessor institutions. Liabilities entered into on or before July 18, 2001 are therefore covered by the guarantee obligation, regardless of their maturities.

As previous owner of Landesbank Schleswig-Holstein Girozentrale, Landesbank Baden-Württemberg, Stuttgart is liable within the scope of the guarantee obligation described above for the liabilities agreed upon prior to its withdrawal effective May 23, 2003 and transferred to Hamburg Commercial Bank AG by way of the merger. Westdeutsche Landesbank, Düsseldorf, and/or its legal successor are liable for liabilities entered into before the expiry of the guarantee obligation.

4. Accounting standards applied

We prepared the annual financial statements and the management report of Hamburg Commercial Bank AG as at December 31, 2025 in accordance with the provisions of the German Commercial Code (HGB), the German Stock Corporation Act (AktG), the German Bank Accounting Regulation (RechKredV) and the German Mortgage Bond Act (PfandBG). In addition, we complied with the applicable pronouncements of the Institute of Public Auditors in Germany, Incorporated Association – IDW.

Further explanatory information on selected items and scenarios is set out below.

ACCOUNTING AND MEASUREMENT PRINCIPLES

Accounting and valuation are based on the assumption that the Bank is a going concern. HCOB's corporate planning forms the basis for the going concern assumption.

5. Cash reserve and receivables

The cash reserve is recognized at nominal amounts.

We recognize loans and advances to banks and to customers (asset items 3 and 4) at their nominal value or at their cost of acquisition. Premiums or discounts are recorded under prepaid expenses or deferred income and amortized on a straight-line basis over the term of the loan or the fixed-interest period, whichever is shorter. Pro-rata interest is recognized on an accrual basis and disclosed in the corresponding loans and advances line items. We comply with the strict lower-of-cost-or-market principles by consistently applying our loan loss provisioning principles set out below.

If, in the case of non-genuine securitization transactions, our loans and advances are not derecognized and the risk on such loans and advances remains fully with Hamburg Commercial Bank AG, we recognize any necessary loan loss provisions solely on our original loans and advance amounts.

6. Valuation allowances and provisions in the lending business (loan loss provisions)

In order to provide for possible loan losses in the lending business, we recognize valuation allowances in accordance with the following principles, which are deducted from the corresponding balance sheet items on the asset side. For off-balance sheet business, loan loss provisions are recognized in the form of provisions. In order to ensure that our loan loss provisions cover all identifiable counterparty default and country risks, risk is determined in three steps:

Our loan exposures are monitored on an ongoing basis. We make individual valuation allowances in the amount of the expected loss for all counterparty default risks in the lending business identifiable when examined individually. We calculate the expected loss from the carrying amount of loans and advances less the net present value of all payments still expected to be received. The expected incoming payments comprise in particular all expected interest and redemption payments, as well as payments from the liquidation of collateral; with any liquidation costs taken into account.

Finally, we set up portfolio valuation allowances in accordance with the German commercial law for the remaining loan exposures not accounted for, but still involving latent risks.

In accordance with IDW RS BFA 7 (para. 26), the Bank applies the IFRS 9 methodology for the measurement of the general loan loss provision. In the event of a significant increase in the loan default risk, which is identified on the basis of HCOB's internal rating of a financial asset, increased loan loss provisions are applied in accordance with the IFRS 9 methodology. Portfolio valuation allowances are not reported separately, i.e. not broken down into the latent and the significantly increased loan default risk.

The calculation of loan loss provisions and impairments in accordance with IFRS 9 is described in the next section.

As part of the allocation to loan loss provisions for loans and advances to customers in accordance with the expected credit loss model, adjustments in the form of model overlays were also taken into account as at December, 31 2025. For explanations regarding the need for these adjustments and details with regard to their composition, please refer to the next section of this Note ("Model Overlays").

Provided the credit risk no longer exists or is reduced, all loan loss provisions mentioned above are reversed accordingly. We thereby comply with the obligation to reverse impairments in accordance with tax law and with the provisions of the German Commercial Code.

If the Bank determines that a loan must be classified as unrecoverable (in whole or in part), its write-down is initiated.

I. Loan loss provisions and impairments

The calculation of loan loss provisions and impairments in accordance with IFRS 9 uses a model that is based on the calculation of expected credit losses. The scope of the model includes financial assets that are recognized at amortized cost or at fair value through other comprehensive income, irrevocable loan commitments and financial guarantees that are not recognized at fair value through profit or loss, leasing receivables and contract assets.

The basic principle of the model relates to the creation of loan loss provisions depending on changes in the credit quality of the financial asset since initial recognition over the term. Depending on the extent of the change in credit quality, the financial asset is assigned to one of the following three stages:

- a. Stage 1: No significant increase in the loan default risk, 12-month expected loss
For financial assets whose loan default risk is not significantly increased, the portion of expected credit losses that is attributable to defaults within the next twelve months is recognized under loan loss provisions.

- b. Stage 2: Significant increase in the loan default risk, lifetime expected loss
For financial assets whose loan default risk has increased significantly since the time of initial recognition, expected credit losses are recognized over the entire remaining term of the financial asset.
- c. Stage 3 Financial assets that are credit-impaired, lifetime expected loss
Financial assets for which one or more events have occurred that have an adverse impact on the expected future cash flows are assigned to Stage 3.

Input parameters, assumptions and methods for calculating expected credit losses at Stage 1 and 2

Expected credit losses at Stage 1 and 2 are calculated based on the following credit risk parameters:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The internal credit risk models which – where necessary – are expanded to include forward-looking information are taken as a basis in this regard.

In the context of credit risk modelling, the default risk over a certain period is described by the PD. In order to assess the loan default risk associated with financial assets or debtors, specific rating procedures are used that allow statements to be made on the probability of default within one year. As part of the development and validation of these procedures, a check is performed, on the basis of historical observations for different pieces of qualitative and quantitative information, to determine whether these explain the default risk as risk drivers. Using the rating procedures modelled on the basis of historical information, current and forward-looking information on the risk drivers can be condensed to arrive at a rating as part of the rating process.

The rating classifications resulting from rating procedures each correspond to a specific 12-month PD which is used to calculate the loan loss provisions at Stage 1. At Stage 2, the 12-month PD is adjusted over a multi-year horizon to arrive at lifetime PDs on the basis of migration matrices. The migration matrices used reflect the observed rating migrations of debtors within a year and are calculated based on an extensive cross-economic historical observation period. The 12-month and lifetime PDs calculated in this manner are enhanced to reflect macroeconomic information where necessary. This involves aggregating internal and external macroeconomic forecasts to arrive at economic scenarios that are used as standard for various bank functions. The impact of the scenarios on the PDs is determined using statistical methods.

The LGD describes the amount of the loss expected in the event of default. Statistical methods are used to estimate loss and recovery rates from the realization of collateral on the basis of historical loss data. Together with the market value of the collateral and the amount of the claim, this produces the LGD for the financial instrument in question that is used to calculate the loan loss provisions for Stage 1. The LGD model is assigned on the basis of the customer rating procedure used. In addition, the LGD takes into account not only borrower-specific information and collateral relevant to the financial asset, but also transaction-specific information such as the seniority and type of financial asset. The forward projection of the LGD over the multiannual period is based primarily on the expected collateralization ratio of the financial asset, which comprises the expected collateral value and the expected amount of the receivable. The estimate of the collateral value takes into account both expected ageing effects associated with the collateral and forecast macroeconomic developments, such as property prices, which influence the collateral value. The receivable amount is influenced by repayment and amortization effects.

The EAD represents the outstanding receivables volume of the financial asset at the time of default. For the balance sheet business, the outstanding receivables volume corresponds to the gross carrying amount calculated using the effective interest method. As part of EAD modelling, the balance sheet gross carrying amount is adjusted over a 12-month period (Stage 1) or over a lifetime horizon (Stage 2) to reflect amortization and repayment effects. Within this context, fixed cash flows that have been contractually agreed and expectations regarding the exercise of options and their impact on the cash flows are taken into account. The impact of optionalities is determined both on the basis of historical information and on the basis of financial mathematical methods.

For the off-balance-sheet business in the form of irrevocable loan commitments and financial guarantee contracts, the EAD constitutes the expected future utilization of the financial asset up until the time of default. The borrower's expected drawdown behavior within a year prior to the default event is reproduced via the credit conversion factor (CCF). The EAD for Stage 1 is calculated by multiplying the CCF by the line that is open

on the reporting date. In order to calculate the EAD at Stage 2, the drawdown behavior several years prior to the default is also calculated based on drawdown rates. The drawdown rates are modelled subject to the proviso that no default occurs within a year. The multi-year EAD for the year in question for Stage 2 is calculated by combining the expected drawdown one year before the assumed default event based on the CCF by the expected drawdown behavior based on the drawdown rates for the prior years.

When calculating expected credit losses, Hamburg Commercial Bank takes into account the maximum contractually agreed term during which the Bank is exposed to a credit risk. Debtor extension options are also taken into account. Longer terms are not taken into account even if this is in line with standard business practice.

One exception related to current accounts and framework facilities for which there is no set term or repayment structure and in respect of which the Bank does not enforce its option of forcing immediate repayment in daily management. The calculation of expected losses for these financial assets is based on the behavioral term. The behavioral term is derived from the existing Credit Risk Management processes that serve to minimize the credit risk. At Hamburg Commercial Bank, a debtor's credit quality is monitored on a regular and ad hoc basis and, if necessary, corresponding credit risk-mitigating measures are taken. As a result, the average monitoring interval is used as the estimate for the behavioral term.

Expected credit losses are calculated at the level of the individual financial asset. Groups of financial assets with risk features in common are not grouped for the purposes of calculating the loan loss provisions. The 12-month expected loss is calculated by multiplying the (one-year) credit risk parameters. The lifetime expected loss is calculated by multiplying the period-specific credit risk parameters determined during the term. Discounting to the reporting date is based on the effective interest rate in each case.

Incorporation of forward-looking information

Hamburg Commercial Bank uses the same economic forecasts for planning, internal control, and loan loss provisions. At the end of each quarter, the Bank takes into account the main macroeconomic forecasts of two weighted scenarios (base and stress scenario). Forecasts are made for the next three financial years (end of year). The base scenario reflects the development that is deemed most likely to occur. This can be both an economic upswing and an economic downturn. The other two scenarios reflect more optimistic (upside) or more pessimistic (stress) developments in relation to the base scenario.

The scenario estimates are based on internal Bank economic forecasts, which are discussed within the affected areas, taking into account the forecasts of the Bundesbank and the ECB, Bloomberg consensus estimates, and current forward rates for the relevant areas. Segment-specific parameters are added to these market forecasts.

The estimates parameters cover forward-looking information in the following areas:

- Economy (gross domestic product and inflation rate for various regions)
- Direction of interest rates
- Movement in exchange rates
- Bond market (credit spreads)
- Oil prices
- Shipping (in particular charter rates and second-hand prices)
- Real estate prices (broken down by location and type of property)

The impact of this forward-looking information on the credit risk parameters PD and LGD is determined using statistical procedures and is taken into account when calculating the expected credit losses. Within this context, PD and LGD are adjusted to reflect base scenario forecasts. Model overlays take risk factors that are relevant to the valuation into account, unless they are already included in the calculation parameters of the models. In this case, the loan loss provisions are adjusted either directly or indirectly by altering the credit risk parameters to reflect these effects. In addition, the Bank's portfolios are regularly screened for potential climate risks based on the already implemented ESG risk management and ESG stress testing functions. By evaluating ESG-specific key figures for sensitive assets such as CII ratings for ships or Energy to Performance Certificates (EPCs) for real estate, HCOB ensures that ESG issues are appropriately factored in the forecasts (e.g. charter and ship prices or property values) and are therefore included in the loan loss provisioning calculation by incorporating macroeconomic scenarios.

Significant increase in the loan default risk

In order to assess a significant increase in the loan default risk associated with a financial asset, Hamburg Commercial Bank uses internal ratings. Within this context, Hamburg Commercial Bank constantly furnishes proof that the change in rating and corresponding change in the 12-month PD takes the main risk drivers into account that lead to the change in the lifetime PD, meaning that changes in rating constitute a suitable assessment criterion for the allocation to stages. In the case of non-substantial modifications, it must be reassessed at the time of modification whether there has been a significant increase in credit risk since the time of initial recognition. The rating of substantially modified financial assets is determined based on the adjusted conditions.

At Hamburg Commercial Bank, the assessment object that is relevant for the purposes of allocating financial assets to specific stages is the individual financial asset as a general rule. The rating of the corresponding debtor that applies at the time of addition to allocated to each financial asset.

The rating expected, based on the time at which a financial asset was recognized for the first time, for the reporting date in question serves as a benchmark for assessing a significant deterioration in credit quality. The expected rating is compared with the current rating to determine whether the change in rating that is defined as significant is exceeded. As such, a sector-specific deviation of three or two rating levels was defined as significant. If this is the case then the financial asset in question is allocated to Stage 2. Otherwise, it remains at Stage 1.

In addition, financial assets are allocated to Stage 2 at the latest if forbearance measures have been applied to the financial asset, the default has lasted more than 30 days or the PD has increased by more than 3 % in absolute terms since the transaction was entered into. In addition, the level of supervision (intensive and restructuring support) and any covenant breaches are also included as indicators of a significant deterioration in credit quality. Since Q3 2025, the credit watchlist has only included customers assigned to intensive support and transferred to Stage 2 based on this classification. In addition, there is a segment-specific trigger for the CRE portfolio, according to which an LTV \geq 85 % leads to classification in Stage 2.

The application of collective staging as a transfer criterion is possible, based on expert judgment, several similar exposures may be manually assigned to Stage 2 if the credit quality of this portfolio has clearly deteriorated. As at December 31, 2025, there was no reason to apply this criterion.

HCOB does not make use of the option set out in IFRS 9.5.5.10, which allows financial assets with a low loan default risk to be assigned to Stage 1.

A financial asset is transferred from Stage 2 to Stage 1 if the loan default risk is no longer significantly increased based on the rating.

Definition of default

On the basis of the permission of the Governing Council of the ECB (banking supervision) of March 13, 2020, the default guideline of the Hamburg Commercial Bank was adjusted effective from March 21, 2020.

This implemented requirements of the ECB and the EBA respectively, which clarified the application of the default definition under Article 178 of EU Regulation No. 575/2013 with the detailed guidance EBA/GL/2016/07.

Specific loan loss provisions on financial assets

On each reporting date, an assessment is made as to whether there are objective indications of an impairment that could have a negative impact on the expected future cash flows from the financial asset.

The criteria for the impairment of loans essentially comprise considerable financial difficulties of the debtor as well as indications of a massive and permanent inability to service debt, whereby an improvement in the situation cannot be demonstrated.

Loans with objective evidence of impairment are accounted for by setting up specific loan loss provisions for the receivable in question. To calculate the amount of the individual valuation allowance, the net present value of the anticipated cash flows arising from the loan or advance – that is achievable amount – is compared to its carrying amount. The anticipated cash flows may comprise capital repayments, interest payments or the proceeds from disposal of collateral less liquidation costs. The realizable amount is calculated using various scenarios and compared against the carrying amount. If the carrying amount is higher than the realizable amount for the scenario in question, then this scenario results in a loss in the amount of the difference. The specific loan loss provision is set up in the amount of the average losses from among the various scenarios, weighted to reflect the probability of occurrence.

Assessments as to the need for loan loss provisions are frequently made on the basis of information which is partly provisional in nature (e.g. planned restructuring of borrowers, draft reorganization reports) or are subject to increased volatility (e.g. collateral value of real estate and ships). This results in increased uncertainty regarding estimates of key parameters of loan loss provisions. In such cases the large degree of uncertainty is mainly due to the assessment of expected cash flows which are dependent on borrowers, industries, the assessment of the overall economy among other factors. The assumptions made are subject to a periodic review and are adapted to the changed underlying conditions where necessary.

If the estimate of the expected cash flows leads to the complete reversal of a debtor's specific loan loss provisions, the sustainability of the debtor's recovery must be determined: a recovery is only deemed to have occurred after various conditions have been fulfilled. This includes making substantial and regular payments and catching up on the debt service not made in the event of default. In addition, there must be no signs of an event of default (e.g. "90 days past due" or "unlikely to repay") and a period of good behavior is required. Depending on the default event, this lasts at least 92 or 366 days, respectively. During this period of good conduct, the debtor is still considered to be in default.

II. Model Overlays

The impact of forward-looking information on the credit risk parameters Probability of default (PD) and Loss given default (LGD) is generally determined using statistical procedures and is taken into account when calculating the expected credit losses. In this process, various macroeconomic forecasts (cf. table on "Essential macroeconomic forecasts for 2026 (as at December 31, 2025)") are taken into account and regular checks are performed to analyze whether alternative macroeconomic developments have a material non-linear impact on the amount of loan loss provisions.

So-called model overlays take risk factors that are relevant to the valuation into account, unless they are already included in the calculation parameters of the models used to determine the original loan loss provisions. Loan loss provisions are then adjusted either directly or indirectly by altering the credit risk parameters to reflect these effects.

Loan loss provisions (for on- and off-balance-sheet transactions) amount to € 266 million as at December 31, 2025 (previous year: € 354 million). Out of this amount, € 50 million (previous year: € 70 million) is attributable to the adjustments to the loan loss provision through model overlays, which are created on credit exposures for which general loan loss provisions have been made. No overlays are formed for individual valuation allowances.

As at the reporting date, the model overlays are structured as follows:

COMPOSITION OF MODEL OVERLAYS

(€ mn)	2025	2024
Effect of macroeconomic forecasts	12	18
Address and portfolio related adjustments		
Office buildings sub-portfolio	23	28
Retail sub-portfolio	1	10
Land financing sub-portfolio	-	1
Corporates sub-portfolio Cyclically sensitive	11	8
Additions to the ECL method	3	5
Total	50	70

III. Effect of macroeconomic forecasts

The impact of the macroeconomic environment of Hamburg Commercial Bank's business activities on the forward-looking information is calculated in separate scenarios. For this purpose, the Bank takes into account two weighted scenarios (base and stress scenario). These scenarios are based on the following macroeconomic forecasts:

ESSENTIAL MACROECONOMIC FORECASTS FOR 2026 (AS AT 31.12.2025)

	2025		2024	
	Base scenario	Stress scenario	Base scenario	Stress scenario
Change in GDP – USA (%)	2.30	-0.50	2.10	0.50
Change in GDP – Eurozone (%)	1.20	-1.10	1.10	-0.30
Change in GDP – Germany (%)	0.60	-0.80	0.10	-0.50
Fed Funds rate (%)	3.13	2.13	3.88	3.38
ECB MRO rate (%)	2.15	1.15	1.90	1.90
3M EURIBOR (%)	2.13	1.05	1.98	1.75
10Y Bunds (%)	3.12	3.80	2.34	2.00
EUR/USD exchange rate	1.19	1.35	1.07	0.98
Unemployment rate Germany (%)	6.18	6.90	6.30	6.70
Inflation rate Germany (%)	2.20	1.40	2.40	2.20

The base scenario (60 % probability of occurrence) represents the expected development, while the stress scenario (40 % probability of occurrence) takes into account the additional uncertainties arising from economic and geopolitical developments, in particular the uncertainties regarding the development of inflation and interest rates and the associated economic impact. Depending on the macroeconomic scenarios for determining the model overlays, the risk parameters (PD and LGD) are adjusted for the entire portfolio. The difference between the result of the calculation with the adjusted risk parameters and the original loan loss provisions is included in the loan loss provisions as a model overlay.

The additional loan loss provisions required as a result of the two scenarios amount to € 12 (previous year: € 18 million). Compared to December 31, 2024, the decline in these overlays is primarily due to lower scenario-related add-ons to the risk parameters, resulting from the reduced portfolio size as well as improved macroeconomic forecasts, particularly in the Shipping segment.

IV. Address- and portfolio-related adjustments

In addition to the macroeconomic forecasts, the model overlays also take into account potential adverse macroeconomic effects on sub-portfolios.

Due to the continued heightened uncertainties and difficult macroeconomic situation, parts of the real estate portfolio are included in the valuation basis for the calculation of model overlays at the portfolio level. The respective risk parameters (PD and LGD) for the exposures to these sub-portfolios are adjusted by the relevant experts to determine the overlays. As a result of the increase in the PD for the national real estate portfolio and the ongoing market corrections, the Bank has simulated rating downgrades in the calculation of the overlays for severely impacted sub-portfolios. In addition, the real estate market is currently experiencing buyer reluctance, and the Bank expects further price discounts on sold properties. As office and retail properties are considered particularly affected, the Bank accounts for potential impairments in these sub-portfolios by increasing the LGD in the calculation of the overlays.

In the office buildings sub-portfolio, the changed demand structure as a result of the trend towards more remote jobs, the increasing focus of the tenant market on ESG-compliant properties, and refinancing problems with older properties are further drivers of the deteriorating market conditions. In total, the sub-portfolio comprises an EAD of € 2,571 million (previous year: € 2,811 million), with model overlays totaling € 23 million (previous year: € 28 million). The decline is mainly due to new defaults that are not allocated any overlays in Stage 3. Mixed-use properties that contain both office and retail space are included in the assessment basis for office properties.

The retail portfolio (in particular department stores and shopping centers) continues to be affected by the current loss of purchasing power, the weakness in consumption due to the economy, and the structural shift towards e-commerce (at the expense of stationary retail). In total, this portfolio has EAD of € 524 million (previous year: € 684 million). The corresponding model overlays amount to € 1 million (previous year: € 10 million). This decline can also be attributed mainly to new defaults that are not allocated any overlays in Stage 3.

The overlay in the land financing sub-portfolio was reversed (previous year: € 1 million). The main reason for this is the stabilization of the rise in construction costs and interest rates, which were decisive factors for the introduction of the overlay at the time.

In addition, the Corporates portfolio, with its increased sensitivity and refinancing risks in relation to economic developments, remains at the forefront. This is due in particular to increased geopolitical uncertainties and conflicts with global repercussions. Increased risks can also be identified from trade and customs conflicts.

In the context of these increased uncertainties, transactions with high economic sensitivity based on the sector indicator and associated refinancing risks based on increased leverage were identified as potentially particularly affected and then taken into account in the form of deteriorated risk parameters. The overlays amount to € 11 million (previous year: € 8 million) for a sub-portfolio with an EAD of € 2,386 million (previous year: € 3,144 million). The increase in overlays is mainly the result of higher LGD add-ons, which were recognized due to rising potential realization risks associated with the aforementioned uncertainties.

V. Additions to the ECL Method

Independently of adjustments to loan loss provisions because of macroeconomic developments as well as borrower or portfolio risks, the Bank determines mark-ups for pending adjustments to internal models. As at the reporting date, these amounted to € 3 million and are based on adjustments in the rating modules for national real estate and Project Finance (previous year: € 5 million).

VI. Sensitivity Analyses

The sensitivity of Hamburg Commercial Bank's ECL model to expert adjustments of borrower and portfolio related risk parameters is shown by an upward and downward shift in the forecast assumptions.

To simulate the potential effects on the loan loss provisions, a rating shift of two notches and one notch respectively was simulated.

A rating downgrade for the borrowers and portfolios affected by two notches would result in an increase in the model overlays of € 41 million, while a downgrade by one notch would result in an increase of € 16 million. A rating upgrade by two notches would reduce the model overlays by € 24 million, while an upgrade by one notch would lead to a reduction of € 15 million.

A change in the weighting between the base and the stress scenario of ten percent would result in an increase or decrease in the macroeconomic model overlays of € 2 million.

7. Determining fair value

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is determined on the basis of the listed price on an active market (mark-to-market), or, if this is not possible, on the basis of recognized valuation techniques and models (mark-to-matrix or mark-to-model, respectively).

Fair value can be determined using the mark-to-market method if a market price is available at which a transaction could be entered into or has been entered into. This is generally the case with regard to securities and derivatives traded on liquid markets.

The mark-to-matrix method is used to determine fair value where the fair value cannot be determined on the basis of market or transaction prices of an identical financial instrument. For this purpose, prices of comparable financial instruments or indices, which are representative for the financial instrument, are used as an alternative and adjusted where necessary.

Fair value is determined by the mark-to-model valuation using a suitable model (e.g. option price model, discounted cash flow method, collateralized debt obligation model) if a valuation cannot be derived either of adequate quality or at all. Trading assets and liabilities are measured using mid-market rates.

Where valuation techniques and models are concerned, a distinction can be drawn between procedures based exclusively on observable market data or parameters that are non-observable only to an insignificant extent on the one hand and those based to a significant extent on non-observable parameters on the other hand. Observable market data is generally available for liquid securities and simple OTC derivatives traded in liquid markets (e.g. interest rate swaps, forward exchange transactions and currency options in certain currencies as well as equity derivatives on certain listed shares or indices). Valuation techniques and models based on unobservable market data or measurement parameters, and which therefore require assumptions to be made with regard to these parameters, are usually necessary for structured securities – or more generally for securities whose markets are illiquid – and for complex OTC derivatives. Examples of non-observable parameters are special correlations and volatilities. In these cases, a significant number of judgements have to be made with regard to the selection of both the model and the parameter estimates. If the valuation technique or model used to determine the value of a derivative does not appropriately reflect modelling risks, parameter uncertainties, funding costs and benefits as well as credit or counterparty risk, the value is correspondingly adjusted by HCOB. The methods used make partial use of parameters that are not observable on the market in the form of estimates.

If the measurement of a financial instrument is based partly on non-observable parameters, the fair value determined is the best estimated value in accordance with a discretionary decision made by HCOB. However, it remains subjective in that there may be alternative parameter selection options that cannot be refuted by observable market data.

A substantial proportion of securities held in the trading portfolio is valued using liquid market prices. If a current price from a liquid market is not available, interest-bearing securities are valued using the discounted and sector-dependent yield curves derived from market data of fixed-income securities.

Exchange-traded derivatives are also valued based on stock market prices. If no current price is available, recognized valuation models (such as the Black-Scholes model for European options) are used for the valuation that are based on estimates of unobservable parameters to an insignificant extent at most.

8. Securities

For valuation purposes, we divide our securities (asset items 2,5 and 6) not assigned to the trading portfolio in accordance with the provisions under German commercial law into an investment portfolio and a liquidity reserve, depending on the respective purpose.

Given that securities held in the investment portfolio are intended for long-term investment, we value them at the moderate lower-of-cost-or-market value. When impairments are considered to be temporary, we recognize the corresponding securities at acquisition cost. Impairments are considered to be temporary if they are not considered indications of future disruptions in the servicing of interest and capital payments. This is the case, for example, where impairments are caused by changes in interest rates. We thus avoid reporting performance volatility, which would not be economically justified based on the short-term nature of the value fluctuations. As part of the loan loss provisioning process for securities, we have defined comprehensive criteria ("trigger events") for identifying possible permanent impairments. These are identified on a quarterly basis. All securities triggered including any cover pool/underlyings are subjected to an analysis and a two-stage risk assessment process. Depending on the security's asset class, this analysis includes additional indicators (e.g. external ratings, calculation of collateralization for mezzanine tranches, cash flow analyses). As long as this analysis of an individual case does not confirm a trigger event in economic terms or no trigger event is identified, there is no permanent impairment. In the case of impairments expected to be permanent – usually caused by changes in the credit rating – we write down the security to the lower of the exchange price, market price or fair value.

Premiums on investment securities represent a special case. A premium paid above par (agio) is generally written down in the event of lower market values, as the above-par portion always represents a permanent impairment in the form of future losses upon redemption at par. Accordingly, no period-based allocation or subsequent release of the premium is applied. In contrast to premiums, HCOB does not recognize discounts on an accrual basis, as these represent unrealized profits. Immaterial above-par amounts – i.e. those that, for example, have only an insignificant impact on profit and loss when measured against maturity, coupon rate and nominal amount – are not allocated or written down over time, but instead remain included in acquisition cost and affect profit or loss only at maturity.

We value the securities held in the liquidity reserve in accordance with the strict lower-of-cost-or-market principle. Accordingly, securities are stated at the lower of cost or exchange price, market price or fair value, irrespective of whether impairment is permanent.

For the balance sheet treatment and the presentation of hedging relationships, please refer to our remarks under Note 13.

Interest resulting from the Bank's own securities holdings is reported as interest income. In this connection, pro rata interest is recognized on an accrual basis. Valuation gains or losses and realized profits on securities held in the investment portfolio are allocated to Net income from financial investments (item 14 in the income statement); in the case of securities held in the liquidity reserve, they are allocated to Credit risk income/expense (item 13 in the income statement).

Dividends and other disbursements are reported under current income from shares and other non-fixed-interest securities

During the financial year, there were no reclassifications between the trading portfolio, liquidity reserve and/or investment portfolio.

9. Financial instruments held in the trading portfolio

We include in the assets and liabilities held for trading (asset item 6a and liability item 3a) all financial instruments that we acquired for purposes of realizing a short-term proprietary trading profit. In addition to securities, these include in particular derivative financial instruments, and certain receivables. Securities, receivables and derivatives with a positive fair value are disclosed under Trading portfolio (assets) (item 6); derivatives with a negative fair value are disclosed under Trading portfolio (liabilities) (item 4). The criteria for allocation to the Trading portfolio remained unchanged during the financial year. We value all financial instruments held in the trading portfolio at fair value less a risk discount. Where no stock market or market prices are available for financial instruments, fair value is calculated on the basis of generally accepted valuation models (cf. also Note 7). In order to account for counterparty risks from derivatives held in the trading portfolio, we have created so-called credit valuation adjustments and have reduced the Trading portfolio (assets) accordingly. In addition, we recognize debt valuation adjustment, which increase the trading portfolio (liabilities) accordingly.

Funding valuation adjustments are used to take account of the funding costs and advantages arising from the provision or receipt of cash collateral in connection with the hedging of an uncollateralized OTC derivative with a collateralized OTC derivative.

The risk discount represents a potential loss (value at risk) determined by mathematical methods and is based on all positions held in Hamburg Commercial Bank AG's trading portfolio. The value at risk (VaR) is calculated in such a way that a potential loss on items held for trading will not be exceeded within a holding period of ten days with a confidence level of 99 %. The observation period for the VaR is 250 trading days. The VaR discount is calculated taking into account correlations between the individual transactions in the Trading portfolio. In general, the risk discount is deducted from the assets held for trading. In those exceptional cases in which the liabilities held for trading are larger than the assets held for trading, a risk mark-up is instead disclosed under Trading portfolio (liabilities).

Income and expense (current income and expenses as well as realized and unrealized valuation gains and losses) from financial instruments held for trading are generally disclosed under Net trading income/expense from the trading portfolio. Current income and expenses from securities and receivables are exempt from this. Consistent with Hamburg Commercial Bank AG's internal management, these are stated under Interest income, Interest expenses, respectively Current income from shares and other non-fixed-interest securities.

Each year that Hamburg Commercial Bank AG discloses net income from its trading portfolio, at least 10 % of this net income is allocated to the special item Fund for general banking risks (liability item 11), provided that the special item does not exceed 50 % of the average of the last five years' net income from the trading portfolio. Reversals of this item are only possible in order to balance net expenses in the trading portfolio or as far as the item exceeds 50 % of the average of the past five years net income from the trading portfolio. Expenses from the addition to and income from the reversal of the item are stated respectively under the net expenses or net income from the trading portfolio. In the past financial year, € 0 million (previous year: € 30 million) of the special item was released and added to net income from the trading portfolio. No additions to the special item were made in the past financial year .

10. Balance sheet presentation on a net basis

We net the fair values of trading portfolio derivatives traded over the counter and cash collateral, for which measurement is performed and collateral provided on a daily basis under a master agreement with collateral agreement. The netting has no effect on the disclosure of net income from the trading portfolio. Cf. also Note 66.

11. Derivative financial instruments

Derivative financial instruments are recognized and valued in accordance with the general rules of commercial law. Internal transactions and their accounting are required to comply with uniformly determined conditions. In particular, the term must be in line with market conditions.

Income and expenses from option contracts held in the non-trading portfolio are disclosed under Other operating income or Other operating expenses in accordance with the disclosure requirements of IDW RS BFA 6. Income and expenses from interest rate cap agreements are disclosed under Interest income or Interest expenses. We recognize credit derivatives held in the non-trading portfolio in accordance with IDW RS BFA 1.

A provision is recognized in the amount of the negative fair value to take account of the default risk as at the reporting date if a payout is likely to be triggered.

In the year under review, there were no internal derivatives in place.

Premiums paid or received on purchased or written options, which are not part of the Trading portfolio, are disclosed under Other assets or Other liabilities. If necessary, we conduct write-offs or create provisions to comply with the lower-of-cost-or-market or the recognition-of-loss principle (impairment principle).

In cases involving financial instruments featuring a margin system (especially futures and OTC derivatives), initial margin payments made/received are recognized under Other assets (cf. Note 33) or Other liabilities (cf. Note 44). The same applies to variation margin payments. In the case of OTC derivatives in the trading portfolio with a netting agreement, the asset and liability positions are netted both against the corresponding variation margin payments and against each other. Unrealized gains and losses from open future positions under trading portfolio assets and liabilities are netted against the variation margin payments made/received on the face of the balance sheet. The results are reflected in Net income from the trading portfolio. The same applies to the investment portfolio in the Other operating result.

The amount, the time and the certainty of future cash flows from derivatives, and thereby their fair values, are uncertain. Major influencing factors are:

- future developments with regard to interest rates, exchange rates, market prices, commodity prices, credit indices and other market prices,
- the future volatility of such prices, and
- the default risk of the respective counterparty.

12. Structured products

We account for structured products in accordance with the IDW RS HFA 22 interpretation. Structured products valued at fair value or in accordance with the strict lower-of-cost-or-market principle are not subject to separate accounting. Structured assets that are valued in accordance with the moderate lower-of-cost-or-market principle are subject to separate accounting with regard to derivative components and the host instrument. As a matter of principle, the separated derivative components are included in valuation units (cf. also Note 13).

13. Hedge accounting via valuation units

We account for hedging relationships with regard to which the clear assignment of hedged items to hedging instruments is documented in a comprehensible manner in risk management as valuation units within the meaning of Section 254 of the German Commercial Code (HGB) in accordance with the IDW RS HFA 35 in cases where the requirements for the application of Section 254 of the German Commercial Code (HGB) are met, if the transactions cannot be considered in full in the valuation of the banking book, according to IDW RS BFA 3 with the corresponding changes.

Hedged items included in valuation units are assets and liabilities in the form of securities and securitized liabilities. Hedging instruments are derivative financial instruments. All types of market risks may be hedged. However, by far the largest share of valuation units has the purpose of hedging interest rate risk. The clear assignment of the hedged item to the related hedging instrument, the determination of the risk hedged as well as the risk management strategy, information as to the prospective effectiveness and to the methods for determining effectiveness are documented for balance sheet hedging relationships. In addition, the intention to retain or the period of time for which the hedging relationship is to remain in place is included in the documentation. In principle, the intention is to maintain all hedging relationships for the full residual maturity of the hedged transaction. In individual cases, hedging relationships are designated only for a certain term of hedged items and/or hedging instruments.

We present not only micro hedges but also portfolio hedges as valuation units.

A micro hedging relationship is present where a certain risk from a hedged item is hedged by a singly hedging instrument. A portfolio hedging relationship is present where a certain risk from a portfolio of hedged items of the same type is hedged with multiple hedging instruments of the same type. In the case of micro valuation units, the combination into a related unit within the system is already required in the trading system upon the conclusion of the transaction. These are perfect hedging relationships where the value parameters are the same for the hedged portion of the hedged item and the hedging portion of the hedging instrument (e.g. currency, nominal amount, interest rate, interest due date, term). In the case the interest rate risk of a securities portfolio of the same type of fixed-interest securities is hedged by multiple interest swaps, this hedging relationship may be considered for purposes of forming a portfolio valuation unit. We create portfolio valuation units for the corresponding securities portfolios included in the liquidity reserve.

The depiction of hedging relationships accounted for as valuation units is made in two steps. In the first step, the changes in value to be attributed to the hedged risk from the hedged item and the hedging instruments are determined with regard to a valuation unit. We apply the so-called "net hedge presentation method". Changes in value are neither recognized in the carrying amount of the hedged items/hedging instruments on the face of the balance sheet nor in the income statement. Any unrealized loss arising on the netting of such changes in value is recognized in the income statement in accordance with the recognition-of-loss principle as provision for contingent losses, which is disclosed on the balance sheet under Other provisions. Additions to valuation allowances for liquidity reserve portfolios as well as additions to loan loss provisions in the lending business are disclosed in the income statement under Depreciation and impairments on loans (and advances) and certain securities and reversals of such provisions under Income from additions to loans and advances and certain securities as well as from the reversal of provisions in the lending business. Other holdings are disclosed under Other operating expenses. In the second step, the residual change in fair value of the hedged item and hedging transactions are determined on the basis of the individual transaction. This represents the change in fair value attributable to the non-hedged risks. This is separately accounted for in accordance with the recognition-of-loss principle under general accounting standards. In the second step, unrealized losses relating to the liquidity reserve are disclosed in the same manner as in the first step.

The prospective and retrospective effectiveness of a hedging relationship is substantiated and documented at least once a year at the time the annual financial statements are prepared. In the case of micro hedges, the prospective documentation of effectiveness is made on the basis of the critical-terms-match method. As part of this substantiation, it needs to be shown that the value parameters of the hedged item and the hedging instruments to be allocated to the hedged risk match. If they match, it is to be presumed that changes in value attributable to the hedged risk will be offset over the entire residual maturity/the designated term of the transactions. In the case of portfolio hedges, prospective substantiation of effectiveness is accomplished by means of quantitative and maturity range-dependent sensitivity analyses in relation to the hedged risk. In the case of a corresponding offset of sensitivities of hedged items and hedging transactions in the relevant maturity ranges, it may be presumed that there will be a high degree of correlation between the changes in the value attributable to the hedged item and those attributable to the hedging instrument over the entire residual maturity of the transactions. The retrospective measurement of effectiveness is generally accomplished, not only for micro but also for portfolio hedges by mathematically determining the ratio of the cumulative changes in value on the part of the hedged item to be attributed to the hedged risk arising since the designation of the hedge to those of the hedging instruments.

AMOUNT OF HEDGED ITEMS AND HEDGING INSTRUMENTS INCLUDED IN VALUATION UNITS

The following table shows the carrying amounts of assets and liabilities included in the valuation units by balance sheet item. The carrying amounts include accrued interest. Derivative financial instruments included in valuation units are disclosed under the items Positive market value of derivatives/Negative market value of derivatives at their respective fair values.

Underlying transactions

(€k)	2025		2024	
	Micro valuation units	Portfolio valuation units	Micro valuation units	Portfolio valuation units
Assets				
Loans and advances to customers	9,483	-	9,892	-
Debt securities and other fixed-interest securities	-	2,219,082	-	2,085,595

Hedging instruments

(€k)	2025		2024	
	Micro valuation units	Portfolio valuation units	Micro valuation units	Portfolio valuation units
Positive market value of derivatives	-	34,158	-	73,547
Liabilities to customers	9,483	-	9,892	-
Negative market value of derivatives	-	6,866	-	28,865

In relation to the underlying nominal values, only interest rate risks are hedged in the portfolio valuation units. By establishing a portfolio valuation unit, one-sided interest-driven valuation effects on the underlying transaction under the strict lower-of-cost-or-market principle are to be avoided. In specific cases, micro-hedging units are established for risks outside the interest rate book. This also includes the incorporation of structured financial instruments as defined in IDW RS HFA 22. The currently existing micro-hedging units contain price risks from back-to-back equity structures.

AMOUNT OF THE RISKS HEDGED IN VALUATION UNITS

The following table shows the effective portion of the changes in value to be allocated to the hedged risks on a cumulative basis since the designation of the valuation unit.

Underlying transactions

(€k)	2025				2024			
	Micro valuation units		Portfolio valuation units		Micro valuation units		Portfolio valuation units	
	Positive change in value	Negative change in value	Positive change in value	Negative change in value	Positive change in value	Negative change in value	Positive change in value	Negative change in value
Assets								
Debt securities and other fixed-interest securities	-	-	7,957	55,175	-	-	28,359	57,321
Liabilities								
Securitized liabilities	-	-	-	-	-	-	-	-
Derivatives	-	-	38,586	692	-	-	58,018	20,863

Positive changes in value on the part of the hedged items are offset by corresponding negative changes in value on the part of the hedging instruments for which no provisions for contingent losses were created, and negative changes in value on the part of the hedged items are offset by corresponding positive changes on the part of the hedging transactions. For the negative excess existing at the reporting date, a provision for contingent losses of € 8.6 million was recognized for the first time.

14. Accounting for interest-related financial instruments held in the banking book

We have performed the loss-free valuation of interest-related transactions in the banking book by means of a computation based on the present value approach in accordance with IDW RS BFA 3 latest version. We have included all balance sheet and off-balance sheet interest-related financial instruments that are not part of the trading book. The whole banking book was used as the net risk exposure for the purpose of the calculation – in line with the funding context. Within the framework of the calculation, we have compared the carrying amount of balance sheet and off-balance sheet transactions in the banking book under commercial law with the interest-related net present values. We then deducted the risk costs and administrative costs determined on a present value basis from the amount of the net present values exceeding the carrying amounts.

If a negative balance arises on comparing the present values to the carrying amounts, this amount is recognized in the income statement as a provision for contingent losses, which is disclosed under Other provisions on the balance sheet. Based on the results of the calculation, no provisions needed to be created as at December 31, 2025.

Derivative financial instruments not allocated to the trading book and neither included in a valuation unit nor in the net risk exposure of the loss-free valuation and do also not fall under the specific cover are valued individually under the recognition-of-loss principle.

15. Equity holdings in non-affiliated companies and interests in affiliated companies

We recognize equity holdings in non-affiliated companies and interests in affiliated companies at acquisition cost. In the case of impairment expected to be permanent we write them down to the lower fair value.

16. Intangible fixed assets

We account for internally-developed and purchased software under Intangible fixed assets. In-house developed software is recognized in the amount of the production costs incurred in its development. Development costs include the expenses incurred in the application of research results or other knowledge for the new development or further development by means of significant changes to the software. Expenditure on pre-development research is not included in cost of sales, but recognized in profit or loss in the year in which it is incurred. In the financial year, development costs for internally-developed intangible fixed assets amounted to

€ 1 million (previous year: € 1 million) and were recognized under in-house developed software under development. No research costs were incurred.

Acquired software is valued at acquisition cost. In connection with the Bank's IT transformation, which mainly involves the renewal of IT applications and IT infrastructure, development costs of € 6 million were recognized in the reporting year (previous year: € 1 million) and reported under Acquired software under development.

Intangible fixed assets are subject to scheduled, straight-line amortization. We assume a useful life of three years for acquired standard software. A useful life of five years is used for the amortization of intangible fixed assets that were developed in-house. If the useful life cannot be reliably estimated, the amortization period is ten years. In the case impairments are expected to be permanent, we conduct exceptional write-downs. If the reasons for such write-downs no longer exist, we conduct reversals up to the maximum amount of the amortized acquisition or production cost.

17. Property, plant and equipment

Tangible fixed assets are recognized at acquisition cost. For depreciable assets, we calculate scheduled straight-line depreciation for the following periods of useful life:

Tangible fixed asset category	Useful life in years
Buildings	50
Leasehold improvements	The useful life is determined on the basis of the remaining period of the lease.
Other operating equipment	3–15
Lease assets	Customary useful life
Low-value assets between (€ 250.00 and 1,000.00) (pooling method)	5

In the case of tangible fixed assets, we conduct extraordinary write-downs where it is likely that permanent impairment has occurred. If the reasons for the write-downs no longer exist, we conduct write-ups up to the maximum amount of the (amortized) acquisition or production costs.

Any acquisition cost subsequently incurred is capitalized and depreciated in line with the adjusted depreciation schedule. Expenses for the maintenance of tangible fixed assets are recognized as expenses in the appropriate accounting period.

Tangible fixed assets with a net purchase price of up to € 250 are recognized as an expense in the year of acquisition in accordance with the applicable tax provisions.

18. Deferred Taxes

Deferred taxes are calculated based on the different carrying amounts of assets and liabilities in the balance sheet drawn up for accounting tax purposes. We recognize deferred taxes on differences that are expected to offset in future financial years and will thereby lead to future tax expenses or reductions. Deferred tax assets are additionally attributed to tax losses carried forward to the extent the tax benefit from the losses carried forward is expected to be realized within the next five years. Deferred taxes are calculated using the tax rates expected to apply to the respective domestic and foreign operations when the differences reverse or the tax loss carryforwards are utilized.

Due to the stepwise reduction of the German corporate income tax rate resolved during the financial year from currently 15 % to 10 % effective from 2032, deferred taxes for Germany were measured using the tax rates applicable at the expected reversal dates. For the first maturity band up to 2027, a German combined tax rate of 32.16 % was applied; for the subsequent maturity bands, the correspondingly lower future tax rates were taken into account. A combined tax rate of 23.87 % was applied for Luxembourg. In accordance with the relevant regulations, deferred taxes are not discounted. Deferred tax assets and deferred tax liabilities are stated in the balance sheet on a gross basis (asset item 14 and liability item 6a).

At each reporting date, Hamburg Commercial Bank AG makes an assessment as to whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. Amongst other things, this requires a management assessment of the tax benefits that arise from the existing tax strategies and future taxable income as well as the consideration of other positive and negative factors. The deferred tax assets recognized could decrease if the estimates of the planned taxable income and the tax benefits achievable under the existing tax strategies are revised downwards, or if changes to current tax legislation restrict the timing or extent of the realizability of future tax benefits.

In accordance with Section 274 (3) of the German Commercial Code (HGB), differences from the application of the Minimum Tax Act and corresponding foreign regulations were not taken into account when recognizing and measuring deferred taxes.

19. Liabilities

We recognize liabilities at the amount repayable. Premiums and discounts are shown as deferred income or prepaid expenses, respectively, and are reversed over the term. We treat pro-rata interest on an accrual basis and report it in the corresponding liabilities line item.

20. Provisions

We value provisions at the expected call on the provisions in accordance with reasonable commercial judgement. Provisions with a residual maturity of more than one year are generally discounted on the basis of the average market rate determined and published by the Deutsche Bundesbank in accordance with the Regulations on the Determination and Disclosure of Discount Rates for Provisions (RückAbzinsV) in the versions applicable at the reporting date, which corresponds to the residual maturity. We disclose income and expenses from the discounting or compounding of provisions under Other operating income (cf. also Notes 54 and 55).

Provisions for pensions and similar obligations are calculated by independent actuaries based on the projected-unit-credit method. For this purpose, the unmodified 2018 G mortality tables from Professor Klaus Heubeck are employed as the biometrical basis. The following assumptions were made in determining the obligation:

	2025	2024
Salary growth	2.0 %	2.0 %
Personnel growth	0.5 %	0.5 %
Pension growth		
Employment contract 1 / old pension provision rules	individual	individual
New pension provision rules	2.0 %	2.0 %
Employment contract 4	2.0 %	2.0 %
Staff turnover		
Age up to 30	6.0 %	6.0 %
Age 30-55	linear decline to 0 %	linear decline to 0 %
Age above 56	0 %	0 %
Retirement age	pursuant to the 2007 AGAnpassG	pursuant to the 2007 AGAnpassG

Provisions for pensions and similar obligations Provisions for pensions and similar obligation are discounted, in accordance with Section 253 (2) sentence 2 of the German Commercial Code (HGB), at the average market interest rate for the past ten years based on an assumed duration of 15 years. The discount rate applied as at the reporting date was 2.06 % p.a. (previous year: 1.90 % p. a.). The non-distributable difference in accordance with Section 253 (6) of the German Commercial Code (HGB) based on the average seven-year interest rate of 2.22 % p.a. (previous year: 1.96 % p.a.) amounted to € -18 million as at December 31, 2025 (previous year: € -7million) (cf. Note 59).

Assets, whose sole purpose is the fulfilment of pension obligations and to which no other creditors have access (plan assets) are recognized at their fair value of € 884 million (previous year: € 841 million). The amortized cost of the assets amount to € 778 million (previous year: € 778 million). An association called HCOB Trust e.V. ("Trust") was founded for the main part of the plan assets totaling € 878 million (previous year: € 834 million), which has concluded a bilateral contractual trust agreement with the Bank ("Contractual Trust Agreement" or "CTA"). The CTA is used to build up an insolvency-protected asset fund, which provides additional security for pension liabilities in the event of the Bank's insolvency. This structure enables the Bank to actively manage its pension obligations in order to make targeted investments in a wide range of assets from a risk-return perspective and thus generate the necessary funds to cover its pension obligations. On the balance sheet, the assets tied up in the trust qualify as plan assets pursuant to Section 246 (2) of the German Commercial Code (HGB).

In accordance with Section 246 (2) sentence 2 of the German Commercial Code (HGB), the plan assets of the CTA are offset with Provisions for pension obligations and similar obligations covered by the CTA. As at December 31, 2025, these netted obligations amounted to € 793 million (previous year: € 845 million). If the fair value of the assets exceeds the amount of the liabilities, the excess amount is recognized in accordance with Section 246 (2) sentence 3 of the German Commercial Code (HGB) under the separate item "Asset-side difference from asset offsetting". Expenses of € 16 million (previous year: € 38 million) were offset by income of € 80 million (previous year: € 70 million) from plan assets in the reporting period, leaving net expenses of € 64 million (previous year: € 32million).

Furthermore, Hamburg Commercial Bank AG has contractual rights to reimbursement for the pension benefits already paid from plan assets. Reimbursement claims not yet paid to the Bank continue to be recognized as plan assets from the 2025 financial year. As at December 31, 2025, reimbursement claims amounted to € 32 million (previous year: € 31). In the reporting period, € 31 million (previous year: € 31 million) was repaid to the Bank for pension benefits paid in 2024.

21. Currency translation

Currency translation is performed pursuant to Section 256a of the German Commercial Code (HGB) in conjunction with Section 340h of the German Commercial Code (HGB) as well as the IDW interpretation IDW RS BFA 4.

Currency translation with regard to financial instruments included in the trading portfolio is an implicit part of the valuation of such transactions.

Remaining assets, liabilities and pending transactions – including financial instruments that are not classified as held for trading – are translated at the average spot rate prevailing as at the balance sheet date. As forward exchange transactions serve to hedge interest-bearing positions, we divide the agreed-upon forward exchange rate into the spot exchange rate and swap positions, and allocate the swap positions over the term of the transactions. The corresponding expense and income are reported in Net interest income. Positive and negative spot exchange rate differences from pending transactions are netted within the same currency and reported as adjustment item under other assets or other liabilities.

To the extent the assets, liabilities and pending transactions are specifically hedged by other assets, liabilities or pending transactions, all expenses and income from currency translations are reported through profit and loss. All assets, liabilities and pending transactions in the same currency are in principle specifically hedged, as the foreign exchange risk is managed via a currency position for each foreign currency, the individual currency items are transferred to the corresponding currency position and the amounts of positions or transactions in a foreign currency match. In addition, we also view matching foreign currency transactions, which are not managed under a currency position as specifically hedged. If, in exceptional cases, there is no specific hedge (e.g. in case of assets with an acute default risk) and the residual maturity of the corresponding transactions is more

than one year, valuation is made under the recognition-of-loss principle. Unrealized income from the currency translation is only recognized to the extent the acquisition costs of assets are not exceeded or the settlement amount of liabilities is not undercut. In the case of residual maturities of less than one year, we also recognize unrealized income in the case of corresponding transactions, if such income is not specifically hedged. Expenses and income from currency translation related to items not classified as held for trading are disclosed under Other operating income/Other operating expenses. As part of foreign currency valuation, liabilities denominated in foreign currencies are converted at the foreign exchange spot middle rate on the balance sheet date. The exchange differences arising from this are recognized in the relevant adjustment item under other liabilities

For financial statements of entities to be consolidated that have been prepared in a foreign currency, we translate the assets and liabilities at the corresponding mid-market rate of the ECB on the balance sheet date. In the reporting period, the Bank used average exchange rates for the translation of expenses and income.

22. Accounting treatment applied to the restructuring

Provisions for restructuring are recognized in accordance with the regulations of Section 249 (1) sentence 1 of the German Commercial Code (HGB) in conjunction with Section 253 (1) sentence 2 and (2) of the German Commercial Code (HGB), insofar as a restructuring program has resulted in obligations or pending obligations from which the Bank cannot escape. If applicable, the Bank discloses provisions for announced personnel measures as well as provisions for administrative cost measures under Other provisions. As soon as the obligation is sufficiently certain or can be quantified – e.g. through the signing of agreements – it is transferred to Other liabilities or Provisions for pensions and similar obligations as a matter of principle. The related income is recognized under general administrative expenses. Minor subsequent expenses and income are recognized in general administrative expenses and other operating income, respectively.

Notes on balance sheet assets

23. Affiliated companies

As in the previous year, there were no loans and advances to affiliated companies as at the reporting date.

24. Non-affiliated companies

As in the previous year, there were no loans and advances to non-affiliated companies as at the reporting date.

25. Subordinated assets

Assets must be reported as subordinated if they can only be honored after the claims of other creditors in the event of the liquidation or insolvency of the debtor. We disclose subordinated assets under the following balance sheet items:

(€k)	2025	2024
Debt securities and other fixed-interest securities	53,789	119,232
Shares and other non-fixed-interest securities	18,195	0

26. Residual maturities

The balance sheet items listed below are classified by their residual maturities as follows:

(€k)	2025	2024
Public sector debt securities and bills of exchange		
Treasury bills and zero-interest treasury notes		
up to 3 months	12,969	-
more than 3 months to 1 year	24,848	-
more than 1 year up to 5 years	-	-
more than 5 years	-	-
Loans and advances to banks		
Other loans and advances		
Up to 3 months	2,563,468	3,275,894
Between 3 months and 1 year	750	-
Between 1 year and 5 years	1,500	4,750
More than 5 years	-	-
Loans and advances to customers		
Up to 3 months	1,625,823	2,390,844
Between 3 months and 1 year	3,621,419	2,555,135
Between 1 year and 5 years	9,550,282	12,353,063
More than 5 years	1,212,664	2,247,343
With an indefinite term	-	-
Debt securities and other fixed-interest securities		
Due in the following year	1,025,343	387,831

27. Negotiable securities

(€k)	Listed		Unlisted		Total	
	2025	2024	2025	2024	2025	2024
Public sector debt securities and bills of exchange	37,817	-	-	-	37,817	-
Debt securities and other fixed-interest securities	5,098,686	5,374,634	3,156,487	3,897,691	8,255,173	9,272,325
Shares and other non-fixed-interest securities	14,806	23,124	3,390	23,333	18,195	46,457

28. Negotiable securities not valued using the lower-of-cost-or-market principle

(€k)	2025	2024
Debt securities and other fixed-interest securities		
Carrying amount of securities valued using the moderate lower-of-cost-or-market principle	2,512,199	3,922,139
Carrying amount of securities reported above their fair value	523,487	2,154,713
Market value of securities reported above their fair value	518,235	2,113,321
Unrealized losses	5,252	41,392
thereof unrealized losses on securities that are not part of a valuation unit	5,252	41,392
Shares and other non-fixed-interest securities		
Carrying amount of securities valued using the moderate lower-of-cost-or-market principle	966,990	845,353
Carrying amount of securities valued using the moderate lower-of-cost-or-market principle-non listed	966,990	845,353
Carrying amount of securities reported above their fair value	307,838	-
Market value of securities reported above their fair value	298,333	-
Unrealized losses	9,504	-

The unrealized losses stated above result from the difference between the market value and carrying amount without taking the effects from the valuation units into account. Any collateral or guarantees are similarly not taken into account in calculating the unrealized losses.

Unrealized losses relating to securities held in valuation units, which are not to be allocated to the hedged risk (resulting for the most part from the creditworthiness of the issuer) amounted to € 0 million as at December 31, 2025 (previous year: € 0 million). These also include unrealized losses on securities relating to the unhedged risk, which would show an unrealized loss without taking the valuation unit into account.

If there is not a permanent but rather only a temporary impairment of securities held as fixed assets to be expected, which generally is not induced by changes in the credit rating, a write-down to fair value is not undertaken (cf. Note 8).

Grouped by the corresponding reason, unrealized losses relating to securities that are expected to suffer temporary impairments are as follows (stating in each case the difference between the carrying amount and the fair value):

(€k)	Rating of the securities	2025	2024
There were no trigger events		5,252	41,392
	Investment grade rating or higher	4,867	38,309
	Investment grade rating or lower	385	3,083
Trigger events have occurred		-	-
	Investment grade rating or higher	-	-
	Investment grade rating or lower	-	-
Total		5,252	41,392

29. Trading portfolio (assets)

The trading portfolio is reported under the following balance sheet items:

(€k)	2025	2024
Derivative financial instruments	98,042	135,560
Debt securities and other fixed-interest securities	60,744	114,828
Other assets	7	19
Risk discount	-8,412	-10,973
Total	150,381	239,434

30. Investment assets

Below we provide information on investment assets in which the Bank holds an individual share of more than 10 %.
The shares are reported under asset item 5 "Shares and other non-fixed-interest securities".

(€k)	Investment objectives	Carrying amount	Share value pursuant to the German Investment Code (KAGB)	Difference	Distributed in the financial year
2025 Fund					
HPS Elbe Unlevered Direct Lending Fund, SCSp, Luxembourg	Investment in corporate loans	307,838	298,421	-9,417	23,256
Apollo Alster Lending Fund (Lux), SCSp, Luxembourg	Investment in corporate loans	383,234	390,560	7,326	29,754
BSP Michel Unlevered Direct Lending Fund SCSp, Luxembourg	Investment in corporate loans	76,596	78,166	1,570	3,867
Bain Capital Credit Schanze (Lux), SCSp, Luxembourg	Investment in corporate loans	127,660	132,970	5,310	6,299
Pemberton Volkspark Unlevered Direct Lending Fund, SCSp, Luxembourg	Investment in corporate loans	71,012	71,950	938	1,700

Compared to the previous year, the following investment assets existed in which the bank held a stake of more than 10 % each.

(€k) 2024 Fund	Investment objectives	Carrying amount	Share value pursuant to the German Investment Code (KAGB)	Difference	Distributed in the financial year
HPS Elbe Unlevered Direct Lending Fund, SCSp, Luxembourg	Investment in corporate loans	320,059	321,838	-	25,724
Apollo Alster Lending Fund (Lux), SCSp, Luxembourg	Investment in corporate loans	381,461	398,169	-	30,297
HI-Hafen Global-Fonds	Investment in corporate loans	-	-	-	-
BSP Michel Unlevered Direct Lending Fund SCSp, Luxembourg	Investment in corporate loans	60,160	60,589	-	1,137
Bain Capital Credit Schanze (Lux), SCSp, Luxembourg	Investment in corporate loans	81,817	85,177	-	-

Redemption of units in the HPS Elbe Unlevered Direct Lending Fund, Apollo Alster Lending Fund, Bain Capital Credit Schanze (Lux), and BSP Michel Unlevered Direct Lending Fund is subject to a notice period of three months.

The redemption of units in the Pemberton Volkspark Unlevered Direct Lending Fund SCSp is also subject to a notice period of three months following the expiry of the one-year lock-up period as of May 2026.

Based on the performance to date, there are no triggers for a permanent impairment of the above fund positions. Investment assets in the liquidity reserve are written off in accordance with the strict lower-of-cost-or-market principle to any lower market value of the funds.

31. Trust assets

Trust assets are reported under the following balance sheet items:

(€k)	2025	2024
Loans and advances to customers	19,208	19,597
Total	19,208	19,597

32. Statement of changes in fixed assets**Development of fixed assets**

(€k)	01.01.2025	2025			31.12.2025	31.12.2025	31.12.2025	31.12.2024
	Historical cost of acquisition	Additions	Disposals	Exchange rate differences	Historical cost of acquisition	Accumulated depreciation	Carrying amount	Carrying amount
Securities	4,767,492	697,764	1,651,723	-317,680	3,495,852	8,284	3,487,568	4,767,492
Equity holdings	74,810	-	-	-	74,810	69,370	5,440	5,440
Interests in affiliated companies	17,745	-	600	-	17,145	13,143	4,002	4,602
Land and buildings	9,473	-	-	-	9,473	644	8,829	9,082
Plant and equipment	12,613	200	391	-7	12,415	9,965	2,451	2,974
Intangible fixed assets	94,331	7,850	266	-	101,914	24,616	77,298	81,387
Total	4,976,464	705,813	1,652,980	-317,687	3,711,611	126,022	3,585,588	4,870,977

As at December, 31 2025, land and buildings include a carrying amount of €k 7,948 (previous year: €k 8,176) for land and buildings used for HCOB's own activities.

Development in amortization

(€k)	01.01.2025	2025					31.12.2025	
	Accumulated depreciation	Depreciation in the financial year	Write-ups in the financial year	Change in total depreciation in connection with additions	Change in total depreciation in connection with disposals	Change total depreciation in connection with reclassifications	Exchange rate differences	Accumulated depreciation
Equity holdings	69,370	-	-	-	-	-	-	69,370
Interests in affiliated companies	13,143	-	-	-	-	-	-	13,143
Land and buildings	391	253	-	-	-	-	-	644
Plant and equipment	9,639	715	-	-	387	-	-2	9,965
Intangible fixed assets	12,944	11,919	-	-	246	-	-	24,616
Total	105,487	21,170	-	-	633	-	-2	126,022

33. Other assets

The major components of other assets are:

(€k)	2025	2024
Initial and variation margins from OTC derivatives (cf. Note 11)	184,211	439,849
Adjustment item for currency translation	17,448	-
Receivables from fiscal authorities	15,419	15,859
Repayment claims ¹⁾	8,122	-
Premiums paid from options trading and from interest limitation agreements	7,157	18,400
Shares in closed-end real estate funds	6	6
Standalone protection buyer Credit default swaps	-	38,110
Claim for reimbursement from plan assets ²⁾	-	31,332
Other assets	16,878	12,837
Total	249,241	556,393

¹⁾ Repayment claim from the final settlement of the voluntary Deposit Protection Fund of the Association of German Banks e.V. (ESF)

²⁾ From the 2025 financial year onwards, the reimbursement claims not yet paid to the Bank will continue to be recognized as plan assets and no longer as receivables, as they meet the classification as plan assets according to Section 246 of the German Commercial Code (HGB).

34. Prepaid expenses

Prepaid expenses are recognized at nominal value.

The major items disclosed here are:

(€k)	2025	2024
Deferred income from derivatives	24,703	46,477
Discount accruals from issuing business	13,988	21,365
Accruals from prepaid invoices	10,135	9,418
Accrued expenses from receivables purchases	4,293	10,253
Premium accruals from claims	867	1,048
Discount accruals from liabilities	754	645

35. Deferred tax assets

Deferred tax assets reported for the financial year result from the following balance sheet items:

(€k)	2025	2024
Assets		
Loans and advances to customers	30,903	43,097
Debt securities and other fixed-interest securities	31,034	29,833
Shares and other non-fixed-interest securities	-	303
Equity holdings	2,703	3,342
Interests in affiliated companies	1,334	1,596
Property, plant and equipment	1	2
Other assets	26,380	33,992
Deferred income	242	357
Liabilities		
Other liabilities	301	450
Deferred income	17,920	19,684
Provisions	105,796	140,545
Loss carryforwards	246,830	323,321
Total	463,444	596,522

The deferred tax assets decreased by € 133 million in the financial year.

Deferred tax assets on loss carryforwards in the amount of approximately € 169 million are attributable to the Head Office (previous year: € 217 million), while € 78 million are attributable to the Luxembourg branch (previous year: € 106 million). The decrease compared with the previous year relates to the Head Office in the amount of € 48 million and to the Luxembourg branch in the amount of € 28 million.

The assessment of recoverability of deferred tax assets did not require a valuation allowance on deferred tax assets arising from temporary differences as at the end of the financial year (unchanged from the previous year).

36. Genuine repurchase agreements

In the reporting year, we sold assets with a carrying amount of € 841 million (previous year: € 1,833 million) as a repurchaser of genuine repurchase agreements with a simultaneous agreement to repurchase. We continue to report these assets in our balance sheet, while the considerations received are recognized under the corresponding liability items.

37. Assets transferred as collateral

In addition to assets sold under repurchase agreements (cf. Note 36) and the receivables serving as the cover pool for issued debt securities (cf. Note 68), we have transferred further assets as collateral.

(€k)	2025	2024
Assets transferred as collateral	1,549,190	2,358,123
thereof for		
Liabilities to banks (without derivatives)	1,376,243	1,959,848
Trading portfolio (liabilities) and liabilities from derivatives	172,947	398,275

38. Difference resulting from asset offsetting

Plan assets according to Section 246 (2) sentence 2 of the German Commercial Code (HGB) amount to € 884 million (previous year: € 841 million). The pension obligations thus covered amount to € 799 million (previous year: € 852 million). The excess amount after netting is € 85 million (previous year: € 0 million).

Notes on balance sheet liabilities

39. Affiliated companies

Liabilities to affiliated companies are included in the following balance sheet items:

(€k)	2025	2024
Liabilities to customers	13,762	15,180
Other liabilities	447	549

40. Non-affiliated companies

As in the previous year, there were no loans and advances to non-affiliated companies as at the reporting date.

41. Residual maturities

The balance sheet items listed below are classified by their residual maturities as follows:

(€k)	2025	2024
Liabilities to banks		
With agreed maturities or notice periods		
Up to 3 months	295,445	407,216
Between 3 months and 1 year	348,547	826,888
Between 1 year and 5 years	760,773	1,352,541
More than 5 years	1,031,407	1,310,930
Liabilities to customers		
Savings deposits with an agreed notice period of more than 3 months		
Up to 3 months	69	71
Between 3 months and 1 year	-	-
Between 1 year and 5 years	-	-
More than 5 years	-	-
Other liabilities with an agreed maturity or notice period		
Up to 3 months	5,337,945	5,149,765
Between 3 months and 1 year	2,517,714	2,927,036
Between 1 year and 5 years	1,537,646	1,250,465
More than 5 years	702,626	700,488
Securitized liabilities		
Debt securities issued		
Due in the following year	1,841,889	2,426,245

42. Trading portfolio (liabilities)

The trading portfolio is reported under the following balance sheet items:

(€k)	2025	2024
Derivative financial instruments	26,007	47,130
Other liabilities	8	104
Total	26,015	47,234

43. Trust liabilities

Trust liabilities are reported under the following balance sheet items:

(€k)	2025	2024
Liabilities to customers	19,208	19,597
Total	19,208	19,597

44. Other liabilities

The major components of this balance sheet item are the following:

(€k)	2025	2024
Variation margin OTC derivatives	148,727	207,776
Collateral provided for liabilities assumed	46,522	46,740
Adjustment item for currency valuation	35,982	205,058
Personnel liabilities	21,289	3,695
Premiums received from options transactions	11,750	16,377
Pro-rata interest on subordinated debt, profit participation rights and silent participations	5,519	7,101
Tax liabilities	5,291	5,197
Liabilities from outstanding invoices	4,455	3,391
Liabilities from profit and loss transfer agreements/loss compensation obligations and from dividends	447	549
Other liabilities	22,510	4,282
Total	302,492	500,166

The decrease in other liabilities is primarily attributable to the exchange rate development of the US dollar. The increase in personnel liabilities, results primarily from the bank's restructuring measures.

45. Deferred income

Deferred income includes the following items:

(€k)	2025	2024
Deferrals from advance loan fees	81,093	90,676
Deferred income from derivatives	7,501	50,715
Discount deferrals from receivables	9,680	12,736
Premium deferrals from issuing business	295	280

46. Deferred tax liabilities

Deferred tax liabilities reported for the financial year result from the following balance sheet items:

(€k)	2025	2024
Assets		
Intangible fixed assets	1,865	1,702
Total	1,865	1,702

The deferred tax liabilities have increased by approximately € 0.2 million in the year under review. They relate to internally generated intangible assets at Head Office for which capitalization is prohibited for tax purposes.

47. Other provisions

Other provisions primarily relate to the following items:

(€k)	2025	2024
Litigation risks and costs	131,574	146,026
Personnel expenses	79,837	84,667
Outstanding invoices	13,869	26,511
Lending business	24,551	27,930
Securities transaction and financial derivatives	20,118	16,775
Restructuring measures	20,525	2,978
Regulatory expenses	2,827	15,390
Transformation expenses	548	9,213
Archiving expenses	4,968	4,968
Processing fees for commercial loans	-	1,196
Interest on corporate tax and trade tax	3,850	8,590

Hamburg Commercial Bank had set up provisions for litigation risks and costs as at the reporting date. In the reporting year, provisions for litigation risks were reduced as a result of utilization and remeasurement of existing legal disputes. To determine for which claim the possibility of a loss is likely, and in order to estimate the amount of the potential payment obligations, Hamburg Commercial Bank takes a variety of factors into account. These include, among other things, the type of claim and the underlying facts of the case, the status of the individual proceedings, (provisional) decisions made by courts and arbitration bodies, the experience of the Hamburg Commercial Bank and third parties in comparable cases (as far as they are known to the Bank), prior settlement negotiations, as well as the expert opinions and assessments of the Bank's internal and external legal advisors and other professionals.

Transformation expenses primarily comprise provisions recognized in connection with the IT system migration. As the transformation has been completed, no further allocations are made to this item. The increase in provisions for restructuring results from the addition to the provision for the staff reductions resolved during the reporting period.

The Bank had made a one-off payment to the ESF as well as advance payments of the annual contributions for calendar years 2022 to 2025, and had also recognized provisions for regulatory expenses. As a result of the final cumulative settlement of the first four years, the Bank was able to reverse the provision that had been recognized.

48. Subordinated liabilities

Subordinated debt was issued in the form of bearer bonds and is denominated in EUR and USD. The original maturities range from just under 30 years to 40 years. The interest rates payable are between 2.383 % p.a. (previous year: 3.28 %) and 6.44 % p.a. (previous year: 6.44 %).

Individual items exceeding 10 % of total subordinated debt as of December 31, 2025 are listed in the following table:

(€ mn)	Currency	Interest rate	Maturity date	Termination rights
122	USD	4.769 %	21.03.2031	keine
92	EUR	2.395 %	22.01.2041	keine

Individual items exceeding 10 % of total subordinated debt as of December 31, 2024 are listed in the following table:

(€ mn)	Currency	Interest rate	Maturity date	Termination rights
138	USD	5.450 %	21.03.2031	keine
92	EUR	3.581 %	22.01.2041	keine

The subordinated liabilities are predominately structured to meet the requirements of Article 63 of the Capital Requirements Regulation (CRR) for recognition as Tier 2 capital. Subordinated liabilities of € 0 million (previous year: € 0 million) are set to mature in less than two years. Interest expense on subordinated debt amounted to € 32 million in the financial year 2025 (previous year: € 43 million).

49. Fund for general banking risks

In the reporting year, the fund for general banking risks pursuant to Section 340g of the German Commercial Code (HGB) was released in the amount of € 750 million (previous year: € 0 million). No reversals pursuant to Section 340e of the German Commercial Code (HGB) were recognized in the reporting (previous year: € 30 million). The fund for general banking risks totaled € 27 million as at December 31, 2025 (previous year: € 777 million).

50. Equity

Pursuant to Section 25 (1) of the German Bank Accounting Regulation (RechKredV), subscribed capital consists of the share capital of Hamburg Commercial Bank AG.

Subscribed capital of Hamburg Commercial Bank AG was divided into 301,822,453 no-par value shares, each with a notional par value of € 1 per share. All shares issued are fully paid up.

As at December 31, 2025, several funds initiated by Cerberus Capital Management, L.P., New York indirectly hold a total of 39.61 % of the voting rights through three acquisition entities (Promontoria Lux Holding 221 S.à r.l. 9.21 %m Promontoria Lux Holding 231 S.à r.l. 12.94 % BS Promontoria Lux Holding 223 S.à r.l. 17.46 %9). Funds advised by J.C. Flowers & Co. LLC, New York indirectly hold a 32.77 % share of the voting rights via JCF IV Neptun Holdings S.à r.l. as the acquisition entity. In addition, a fund initiated by Golden Tree Asset Management LP, New York indirectly holds 11.75 % of the voting rights in Hamburg Commercial Bank AG via Golden Tree Asset Management Lux S.à r.l. as the acquisition entity, and Centaurus Capital LP Houston holds 7.04 % of the voting rights indirectly through Chi Centauri LLC as the acquisition entity. BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Wien holds 2.35 %, while members of the governing bodies and the Senior Management of HCOB (active and inactive members since Nov. 2018) hold 6.49 %.

JCF IV Neptun Holdings S.à r.l., Luxembourg, informed us in November 2018 that it directly owned more than one quarter of the shares of Hamburg Commercial Bank AG pursuant to Section 20 (1) of the German Stock Corporation Act (AktG). In addition, the following companies and natural persons notified us that they indirectly owned more than one quarter of the shares of Hamburg Commercial Bank AG pursuant to Section 20 (1) sentence 1, sentence 2 in conjunction with Section 16 (4) of the German Stock Corporation Act (AktG).

- JCF IV Europe S.à r.l.
- J.C. Flowers IV L.P.,
- JCF Associates IV L.P.,
- JCF Associates IV Ltd.,
- Mr. James Christopher Flowers,
- Stephen A. Feinberg 2025 Equity Trust,
- Cerberus GP Manager LLC,
- Mr. Alan S. Waldenberg and
- Mr. Michael S. Hisler

The latter two individuals act as trustees of the Stephen A. Feinberg 2025 Equity Trust.

Neither Hamburg Commercial Bank AG nor any company dependent on it or majority-owned companies hold treasury stock. There are no cross-shareholdings as defined by Section 19 of the German Stock Corporation Act (AktG).

The capital reserve includes amounts from share-based compensation of € 27 million (previous year: € 23 million).

In the course of preparing the annual financial statements, the Management Board and the Supervisory Board of Hamburg Commercial Bank AG resolved to withdraw an amount of € 257 million from existing retained earnings. This measure results in reported accumulated profit of € 1,256 million.

By resolution of the Annual General Meeting held on April 29, 2025, a dividend of € 214 million or € 0.71 per no-par share was approved for distribution.

For the current financial year, in accordance with the distribution policy adopted in the reporting year, the Management Board and Supervisory Board propose to the Annual General Meeting scheduled for March 2026 that the net profit according to the German Commercial Code (HGB) be used for dividend payments of €1.256 million (corresponding to approximately €4.16 per share).

Notes to the income statement

51. Breakdown of income items by geographical market

(€k)	2025		2024	
	Germany	Rest of Europe	Germany	Rest of Europe
Interest income	1,988,910	219,191	2,461,197	218,542
Current income from shares and other non- fixed- interest securities, equity holdings in non-affiliated companies and interests in affiliated companies	191	64,877	1,585	57,329
Commission income	42,121	3,401	37,693	2,751
Net income from the trading portfolio	45,530	373	31,487	-904
Other operating income	160,861	2,314	120,117	1,972

52. Net interest income

The consolidated net interest income, including current income, increased by around € 45 million in the 2025 reporting year compared to the previous year.

The main driver of this change is the interaction of several effects.

While the net result from swaps increased by approx. € 127 million, the net effect of the loan and securities positions decreased by approx. € 98 million. The remaining change is mainly due to the increase of prepayment penalties (approx. € 3 million) and current income (approx. € 6 million).

53. Net commission income

Net commission income is composed of the following:

(€k)	2025	2024
Payment transactions and foreign business, documentary business	18,545	18,211
Lending business	13,655	13,313
Guarantee business	5,999	2,931
Securities business	-317	140
Other	-1,540	136
Total	36,342	34,731

54. Other operating income

Other operating income is mainly composed of the following in the year under review:

(€k)	2025	2024
Income and expenses from provisions for pensions and similar obligations and plan assets	59,495	30,970
thereof changes in the valuation of plan assets	14,424	31,230
thereof income from plan assets	29,485	28,683
thereof reversal of pensions and similar obligations	-	135
thereof interest rate effect of pensions and similar obligations	18,930	10,474
thereof one-off income from pensions and similar obligations	13,662	-
thereof interest expense and tariff adjustments from pensions and similar obligations	-17,006	-39,552
Income from the reversal of other provisions	34,031	12,480
Other operating income from derivatives	22,210	-
Income on exchange from transactions not specifically hedged	18,654	-
Other operating income	16,510	-
Cost allocations and reimbursement of expenses	11,502	14,039
Income from option premiums received as well as compensation payments received for options held in the non-trading portfolio	37	8,007

The other operating income of approximately € 16.5 million results mainly from the reimbursement of contributions from the Deposit Protection Fund amounting to approximately € 5 million and from VAT refunds for previous years amounting to € 8 million (this is offset by VAT back payments for previous years of € 1 million in other operating expenses).

The other operating income for the reporting year was further characterized by income from the reversal of other provisions, in particular the reversal of the provision for the Deposit Protection Fund in the amount of approximately € 13 million, other operating income from derivatives and foreign exchange income from uncovered transactions, as well as the income and expenses to be offset in accordance with Section 246 Paragraph 2 Sentence 2 of the German Commercial Code (HGB) from provisions for pensions and comparable obligations and from the associated fund assets .

Other operating income from derivatives results from the accounting of credit derivatives in the banking book in accordance with the regulations of BFA 1, which were closed again in the first half of 2025 by close-out-deals.

55. Other operating expenses

Other operating expenses primarily include the following items:

(€k)	2025	2024
Expenses from additions to other provisions	60	790
Expenses paid in advance for transaction fees, legal fees, servicing	12,827	12,894
Expenses from additions to provisions for litigation risks	2,490	99,652
Interest expense pursuant to Section 233 AO	1,128	2,240
Other operating expenses from derivatives	19,447	-
Expenses from the creation of provisions for contingent losses from valuation units (cf. Note 13)	8,615	-
Foreign exchange expenses from transactions not specifically hedged	14,700	-

Other operating expenses from derivatives result from the accounting of credit derivatives in the banking book in accordance with the regulations of BFA 1, which were closed again in the first half of 2025 through close-out-deals.

56. Income tax expense

Income tax expense is composed of the following:

(€k)	2025	2024
Deferred income taxes	-133,205	19,216
from temporary differences	-56,712	-33,082
from losses carried forward	-76,493	52,298
Current income taxes	-20,059	-5,646
Total	-153,264	13,570

Deferred tax expenses in the reporting year of € 133 million (previous year: income of € 19 million) results from the deferred tax expense on temporary differences of € 57 million (previous year: expense of € 33 million), and deferred tax expense on tax loss carryforwards of € 76 million (previous year: income of € 52million). The deferred tax expense on temporary differences is almost exclusively attributable to the Head Office. The deferred tax expense on loss carryforwards is attributable to the Head Office with € 48 million and to the Luxembourg branch with € 28 million.

Current income taxes of € 20 million relate to the tax expense for the current year in Germany. This relates almost entirely to the Head Office. The increase in current tax expenses compared to the previous year is due to an increase in taxable income at the Head Office, primarily as a result of the likewise improved profit from ordinary activities.

As a multinational enterprise group, the HCOB Group reports consolidated revenue of more than € 750 million and therefore falls within the scope of the Minimum Tax Act; business units have been identified in eight countries. HCOB acts as the ultimate parent company and thus the Group parent. There is no impact on the actual tax expense for 2025. Effects on deferred taxes are not recognized due to the application of Section 274 (3) of the German Commercial Code (HGB).

57. Non-recurring income/expenses pursuant to Section 285 No. 28 of the German Commercial Code (HGB)

In the 2025 financial year, non-recurring income totaling €47 million was generated. This included income from the reversal of other provisions (€34 million, of which €13 million was from the reversal of provisions for contributions to the voluntary Deposit Protection Fund), VAT arrears for prior years (€8 million), and refunds of contributions to the Deposit Protection Fund (€5 million).

Non-recurring expenses were of minor importance in the financial year.

58. Fees and activities of the auditor

Auditor's activities

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC GmbH) audited the annual and consolidated financial statements of Hamburg Commercial Bank as of December 31, 2025. The audit also included a review of the group sustainability statement as of December 31, 2025, an audit pursuant to Section 84 of the German Securities Trading Act (WpHG), the issuance of a comfort letter in accordance with IDW PS 910, and, to a lesser extent, certain other audit and assurance services. Furthermore, training sessions were conducted. The "Other Assurance Services" category includes k€31 in fees attributable to services for the 2024 financial year.

Auditors' fees within the meaning of IDW RS HFA 36 (new version)

(€k)	2025	2024
Audits of annual financial statements PWC GmbH	-2,752	-3,106
Other certification and valuation services PWC GmbH	-590	-923
Other services PWC GmbH	-32	-171
Audits of annual financial statements PWC network (outside of Germany)	-121	-78
Other certification and valuation services PWC network (outside of Germany)	-46	-44
Other services PWC network (outside of Germany)	-	-28
Total	-3,541	-4,350

59. Non-distributable amounts

A total of € 573 million (previous year: € 663 million) of freely available reserves are blocked for distribution. The amount blocked for distribution is made up as follows: € 463 million (previous year: € 596 million) corresponds to the amount by which the deferred tax assets recognized in the balance sheet exceed the deferred tax liabilities – as far as these are not taken into account in the amounts below. An amount of € 0 million (previous year: € 0 million) relates to the difference in accordance with Section 253 (6) of the German Commercial Code (HGB) in connection with the discount rate for pension provisions. The distribution block in accordance with Section 268 (8) sentence 3 of the German Commercial Code (HGB) amounts to € 106 million (previous year: € 63 million) and results from the difference between the fair value of the plan assets and their amortized cost less the deferred tax liabilities created for this purpose. As in the previous year, the distribution block of € 4 million (previous year: € 4 million) results from the capitalization of internally generated intangible assets, less the deferred tax liabilities recognized on them.

Other disclosures

60. Leasing business

Assets related to the leasing business in the amount of € 19 million (previous year: € 26 million) are recognized under Loans and advances to customers. As in the previous year, there are no liabilities from the leasing business.

61. Contingent liabilities and other commitments

Contractually agreed obligations, the realization of which is unlikely as at the reporting date, constitute contingent liabilities. This item mainly comprises financial guarantees provided in the course of our lending business, which contain a legally possible call right and it is unlikely that they will be drawn upon. Irrevocable loan commitments are reported under Other commitments. Credit guarantees and irrevocable loan commitments are subject to the Bank's loan loss provision process (cf. Note 6). As part of this process, the relevant commitments are continually monitored on the basis of certain criteria with respect to exposure to any acute default risk. In the event there are indications that the borrower's financial situation makes the fully repayment of the loan unlikely and there is a threat of a call on the guarantee, the default risk is covered by the recognition of a provision. Provisions are additionally recognized for irrevocable loan commitments where a drawdown is likely and the borrower is not expected to repay the agreed loan amount in full or in part, due to financial difficulties. Provisions are disclosed on the liability side of the balance sheet; contingent liabilities or other commitments are reduced accordingly. To this extent, there is no acute credit risk for the Bank with regard to the contingent liabilities and other commitments disclosed on the balance sheet as at the reporting date.

Contingent liabilities do not include any material liabilities.

Irrevocable loan commitments relate to domestic customers with € 1,415 million (previous year: € 1,311 million), to foreign customers with € 3,007 million (previous year: € 3,519 million), and to foreign banks with € 21 million (previous year: € 19 million).

As was the case in the previous year, there were not placement or underwriting commitments as at December, 31 2025.

62. Letters of comfort

Except in the case of political risk, Hamburg Commercial Bank AG ensures that its affiliated company HCOB Securities S.A., Luxembourg is able to meet its obligations.

In addition, Hamburg Commercial Bank AG has undertaken – except in the case of political risk – to provide HCOB Residual Value Ltd., Hamilton, with sufficient funds to allow it to meet when due the obligations it entered into during the period when Hamburg Commercial Bank AG held an equity interest in HCOB Residual Value Ltd.

63. Other financial obligations

The transactions listed below include payment obligations under pending contracts or continuing obligations that cannot be recognized in the balance sheet as well as other financial obligations that could have a material effect on the future financial position of Hamburg Commercial Bank AG.

Further obligations in the amount of € 92 million result from long-term leases for land and buildings used for business purposes (previous year: € 7 million). Hamburg Commercial Bank already concluded a lease agreement in the reporting year for the planned relocation of its headquarters in the fourth quarter of 2026. This will result in an increase in liabilities arising from long-term lease agreements for business premises.

Additional obligations resulting from leasing agreements for IT services amounted to € 20 million (previous year: € 9 million).

As part of its former guarantor function the Bank also has a general liability towards DekaBank Deutsche Girozentrale together with other former shareholders. This applies to liabilities entered into before July 18, 2001, irrespective of their term.

There are no material other financial obligations apart from those listed above.

64. Notes on shareholdings

The following list contains information on the companies in which Hamburg Commercial Bank AG holds either a direct or indirect interest:

Affiliated companies – other domestic companies

Serial no.	Name/place	Share	Voting rights	Currency code	Equity capital in respective currency	Income/loss in respective currency
1	BINNENALSTER-Beteiligungsgesellschaft mbH, Hamburg ²⁾	100.00	100.00	EUR	843,373.72	156,116.18
2	Bu Wi Beteiligungsholding GmbH, Hamburg	100.00	100.00	EUR	30,435.82	-1,115.89
3	GmbH Altstadt Grundstücksgesellschaft, Hamburg ^{1), 2)}	89.90	89.90	EUR	138,695.43	-37,116.18
4	HCOB Auffang- und Holdinggesellschaft mbH & Co. KG, Hamburg	100.00	100.00	EUR	3,248,500.89	-17,175.25
5	PERIMEDES GmbH, Hamburg	100.00	100.00	EUR	36,359.82	17,088.19

Affiliated companies – other foreign companies

Serial no.	Name/place	Share	Voting rights	Currency code	Equity capital in respective currency	Income/loss in respective currency
6	Elbe CA Holdings, LLC, Wilmington, USA ^{1), 3)}	100.00	100.00		-	-
7	Elbe CA Subsidiary, SCSp, Luxembourg, Luxembourg ^{1), 3)}	100.00	100.00		-	-
8	HCOB Finance (Guernsey) Limited, St. Peter Port, Guernsey	100.00	100.00	EUR	229,543.00	-30,130.00
9	HCOB Residual Value Ltd., Hamilton, Bermuda	100.00	100.00	USD	4,571,288.00	111,299.00
10	HCOB Securities S.A., Senningerberg, Luxembourg	100.00	100.00	EUR	4,622,973.77	1,715,508.81
11	Klarphos S.à.r.l., Findel, Luxembourg	100.00	100.00	EUR	3,192,699.89	-845,004.97

Equity holdings

Serial no.	Name/place	Share	Voting rights	Currency code	Equity capital in respective currency	Income/loss in respective currency
12	AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main	1.33	1.33	EUR	300,921,103.15	13,200,000.00
13	GLB GmbH & Co. OHG, Frankfurt am Main	15.77	15.77	EUR	2,682,718.53	-67,288.70
14	GLB-Verwaltungs-GmbH, Frankfurt am Main	15.80	15.80	EUR	67,548.40	1,973.25
15	Global Format GmbH & Co. KG, Munich	28.57	28.57	EUR	2,236,069.23	152,742.29
16	Hamburgische Grundbesitz und Anlage GmbH & Co. Objekte Hamburg und Potsdam KG, Hamburg	5.15	5.16	EUR	3,720,499.45	187,958.24
17	HGA New Office Campus-Kronberg GmbH & Co. KG, Hamburg	44.72	44.56	EUR	9,926,244.28	-290,107.14
18	HGA Objekt Stuttgart GmbH & Co. KG, Hamburg	7.25	7.26	EUR	8,752,259.64	514,580.81
19	HGA Objekte Hamburg und Hannover GmbH & Co. KG, Hamburg	5.10	5.09	EUR	7,204,531.99	637,015.01
20	Next Commerce Accelerator Beteiligungsgesellschaft mbH & Co. KG, Hamburg	9.90	9.90	EUR	789,240.75	93,513.73
21	RSU GmbH & Co. KG, Munich	13.60	13.60	EUR	12,236,921.52	1,376,211.67
22	Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T. SCRL), La Hulpe, Belgium	0.02	0.02	EUR	871,200,000.00	132,900,000.00
23	True Sale International GmbH, Frankfurt am Main	7.69	7.69	EUR	4,557,263.23	21,400.84
24	Vofü-Fonds I Hamburgische Grundbesitz und Anlage GmbH & Co. KG, Hamburg	5.10	5.09	EUR	537,487.91	-1,240.01

¹⁾ Indirect holding.

²⁾ A profit and loss transfer agreement with the company is in place.

³⁾ No data available.

Foreign exchange rates for € 1 as at December, 31 2025

USA	USD	1.175
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Hamburg Commercial Bank AG is the general partner of GLB GmbH & Co. OHG, Frankfurt am Main.

There are no equity holdings exceeding five per cent of the voting rights in large corporations.

65. Notes on foreign currencies

The amounts of assets and liabilities denominated in foreign currencies as at the reporting date are as follows:

(€k)	2025	2024
Assets	6,074,009	12,080,656
Liabilities	6,014,021	11,971,162

66. Information on the net balance sheet presentation

The netting of the fair values of trading portfolio derivatives traded over the counter against the cash collateral provided and received had the following impact with regard to the transactions included in the netting process:

(€k)	2025			2024		
	Value before netting	Netting	Value after netting	Value before netting	Netting	Value after netting
Trading portfolio (assets)	94,960	-5,052	89,909	131,865	-16,015	115,850
thereof: derivative financial instruments	94,960	-5,052	89,909	131,865	-16,015	115,850
Other assets	84,986	-1,540	83,446	290,500	-3,787	286,713
Total assets	179,946	-6,592	173,355	422,365	-19,802	402,563
Trading portfolio (liabilities)	-45,982	24,015	-21,967	-88,679	54,217	-34,462
thereof: derivative financial instruments	-45,982	24,015	-21,967	-88,679	54,217	-34,462
Other liabilities	-129,601	-17,423	-147,025	-172,650	-34,415	-207,065
Total liabilities	-175,583	6,592	-168,992	-261,329	19,802	-241,527

67. Derivatives business

The following section presents the business conducted by Hamburg Commercial Bank AG in the area of derivative financial instruments (forward transactions within the meaning of Section 36 RechKredV) as at the reporting date.

Transactions held in the non-trading portfolio serve mainly to hedge interest, currency exchange rate or market price fluctuations. The following overview of the non-trading portfolio does not include derivatives that are a component of accounting valuation units (the nominal volume of these derivatives amounts to € 2,460 million as at December, 31 2025 (previous year: € 2,213 million)).

The following tables show, in addition to the nominal amounts of the contracts with counterparties outside of Hamburg Commercial Bank AG, the maturity structure and counterparty classification, broken down into interest rate risk, interest rate and foreign exchange risk, foreign exchange risks and other price risks. In addition, the following tables contain information on non-concluded foreign-currency-related, interest-dependent and other forward transactions as defined under Section 36 RechKredV.

1. Presentation of volumes and market values**Trading portfolio**

(€ mn)	Nominal values		Positive market values		Negative market values	
	2025	2024	2025	2024	2025	2024
Interest rate swaps	1,969	2,834	90	114	11	29
Swaptions						
Purchases	-	-	-	-	-	-
Sales	-	7	-	-	-	-
Caps, floors	17	92	-	-	-	-
Other forward interest rate transactions	-	23	-	7	-	2
Interest rate risks	1,986	2,956	90	121	11	31
Interest rate/currency swaps	12	26	-	-	-	-
Interest rate and foreign exchange risk	12	26	-	-	-	-
Forward exchange transactions	444	258	-	4	3	3
Foreign exchange risks	444	258	-	4	3	3
Structured products	228	340	8	10	12	13
Total	2,670	3,580	98	135	26	47

Non-trading portfolio

(€ mn)	Nominal values		Positive market values		Negative market values	
	2025	2024	2025	2024	2025	2024
Interest rate swaps	19,711	22,773	183	307	125	211
Swaptions						
Purchases	-	-	-	-	-	-
Sales	90	35	-	-	3	3
Caps, floors	3,313	3,736	3	6	1	4
Interest rate risks	23,114	26,544	186	313	129	218
Interest rate/currency swaps	1,633	2,226	11	-	-	94
Interest rate and foreign exchange risk	1,633	2,226	11	-	-	94
Forward exchange transactions	3,674	5,547	22	30	30	115
Foreign exchange risks	3,674	5,547	22	30	30	115
Equity and other price risks	-	-	-	-	-	-
Collateral taker	-	296	-	-	-	24
Credit derivatives	-	296	-	-	-	24
Structured products	225	230	3	1	26	27
Total	28,646	34,843	222	344	185	478

2. Counterparty classification

Trading and non-trading portfolio

(€ mn)	Nominal values		Positive market values		Negative market values	
	2025	2024	2025	2024	2025	2024
OECD banks	26,149	32,585	212	331	173	466
Non-OECD banks	-	-	-	-	-	-
Non-banks (incl. stock exchanges)	5,107	5,780	107	147	37	58
Public sector entities	59	59	1	2	1	2
Total	31,315	38,424	320	480	211	526

3. Maturities

Trading and non-trading portfolio nominal values

(€ mn)	Interest rate risks		Credit risks		Foreign exchange risks		Equity and other price risks		Structured products	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Residual maturity										
Up to 3 months	2,722	4,057	0	0	2,838	2,757	0	0	0	0
Up to 1 year	6,725	6,095	0	0	1,281	2,081	0	0	0	0
Up to 5 years	14,427	17,790	0	296	0	967	0	0	101	136
Up to 5 years	2,870	3,810	0	0	0	0	0	0	351	434
Total	26,744	31,752	0	296	4,119	5,805	0	0	452	570

4. Carrying amounts of derivative financial instruments held in the non-trading portfolio

Derivatives held in the non-trading portfolio are in principle not recognized as they are pending transactions. There are exceptions in cases where Hamburg Commercial Bank AG has paid option premiums as a purchaser or has received option premiums as the seller. These are capitalized under Other assets/are expensed under Other liabilities. In addition, the recognition of provisions for contingent losses may be necessary where the individual valuation of derivatives results in negative market values. Furthermore, reconciliation items are recorded for currency transactions. As at December, 31 2025, the net amount of reconciliation items shown under Other assets amounted to € 17 million (previous year: € 0 million) and the adjustment items shown under Other liabilities amounted to € 36 million (previous year: € 205 million).

(€ mn)	Option premiums paid		Option premiums received	
	2025	2024	2025	2024
Interest rate contracts	7	14	12	16
Equity and other contracts	-	4	-	-
Total	7	18	12	16

We recognized provisions for contingent losses relating to derivative financial instruments outside the trading portfolio for which an effective hedging relationship could not be demonstrated, in the amount of € 9 million (previous year: € 14 million).

68. Information in accordance with Section 28 of the German Pfandbrief Act (PfandBG)**Outstanding covered bonds (Pfandbriefe) and corresponding cover assets**

Publication pursuant to Section 28 Paragraph 1 Sentence 1 Numbers 1, 3 PfandBG

Total amount of mortgage covered bonds outstanding

		Nominal value		Net present value		Risk-adjusted net present value*	
		2025	2024	2025	2024	2025	2024
Total amount	(€ mn)	2,700.0	2,700.0	2,699.1	2,690.8	2,660.9	2,629.6
thereof derivatives	(€ mn)	-	-	-	-	-	-
Cover pool	(€ mn)	3,200.0	3,200.7	3,277.2	3,283.6	3,150.3	3,143.8
thereof derivatives	(€ mn)	-	-	-	-	-	-
Overcollateralization	(€ mn)	500.0	500.7	578.1	592.8	489.4	514.3
Overcollateralization as a % of outstanding covered bonds (Pfandbriefe)		18.5	18.5	21.4	22.0	18.4	19.6
Statutory overcollateralization ¹⁾	(€ mn)	110.6	111.2	54.0	53.8		
Contractual overcollateralization ²⁾	(€ mn)	-	-	-	-		
Voluntary overcollateralization ³⁾	(€ mn)	389.3	389.5	524.1	539.0		
Overcollateralization taking into account the vdp credit differentiation model	(€ mn)	500.0	500.7	578.1	592.8		
Overcollateralization as a % of outstanding covered bonds (Pfandbriefe)		18.5	18.5	21.4	22.0		

Total amount of public covered bonds outstanding

		Nominal value		Net present value		Risk-adjusted net present value*	
		2025	2024	2025	2024	2025	2024
Total amount	(€ mn)	398.5	551.5	426.2	594.6	409.4	572.9
thereof derivatives	(€ mn)	-	-	-	-	-	-
Cover pool	(€ mn)	450.2	604.1	478.9	669.6	441.4	590.7
thereof derivatives	(€ mn)	-	-	-	-	-	-
Overcollateralization	(€ mn)	51.6	52.5	52.7	75.0	32.0	17.8
Overcollateralization as a % of outstanding covered bonds (Pfandbriefe)		13.0	9.5	12.4	12.6	7.8	3.1
Statutory overcollateralization ¹⁾	(€ mn)	15.7	21.1	8.5	11.9		
Contractual overcollateralization ²⁾	(€ mn)	-	-	-	-		
Voluntary overcollateralization ³⁾	(€ mn)	35.9	31.5	44.1	63.1		
Overcollateralization taking into account the vdp credit differentiation model	(€ mn)	51.6	52.5	52.7	75.0		
Overcollateralization as a % of outstanding covered bonds (Pfandbriefe)		13.0	9.5	12.4	12.6		

Total amount of ship covered bonds outstanding

		Nominal value		Net present value		Risk-adjusted net present value*	
		2025	2024	2025	2024	2025	2024
Total amount	(€ mn)	775.0	1,525.0	797.2	1,556.7	796.3	1,546.1
thereof derivatives	(€ mn)	-	-	-	-	-	-
Cover pool	(€ mn)	1,758.0	2,113.5	1,808.2	2,171.3	1,581.1	1,914.6
thereof derivatives	(€ mn)	-	-	-	-	-	-
Overcollateralization	(€ mn)	983.0	588.5	1,011.0	614.6	784.8	368.5
Overcollateralization as a % of outstanding covered bonds (Pfandbriefe)		126.8	38.6	126.8	39.5	98.6	23.8
Statutory overcollateralization ¹⁾	(€ mn)	55.8	109.1	15.9	31.1		
Contractual overcollateralization ²⁾	(€ mn)	-	-	-	-		
Voluntary overcollateralization ³⁾	(€ mn)	927.3	479.4	995.1	583.5		
Overcollateralization taking into account the vdp credit differentiation model	(€ mn)	983.0	588.5	1,011.0	614.6		
Overcollateralization as a % of outstanding covered bonds (Pfandbriefe)		126.8	38.6	126.8	39.5		

* The dynamic approach pursuant to Section 5 (1) no. 2 of the PfandBarwertV was used to calculate the risk-adjusted net present value.

¹⁾ According to

Nominal value: Sum of the nominal secured overcollateralization pursuant to Section 4 (2) of the PfandBG and the nominal amount of the present value secured overcollateralization pursuant to Section 4 (1) of the PfandBG

Present value: Present value secured overcollateralization pursuant to Section 4 (1) of the PfandBG

²⁾ Contractually guaranteed overcollateralization

³⁾ Residual, depending on statutory and contractual overcollateralization; the present value includes the present value of the nominal secured overcollateralization pursuant to Section 4 (2) of the PfandBG

Maturity structure of outstanding covered bonds (Pfandbriefe) and the cover pools used for them

Publication according to Section 28 (1) sentence 1 no. 4, 5 Pfandbrief Act (PfandBG)

Maturity structure of mortgage covered bonds outstanding in € million

	2025		2024		2025	2024
	Outstanding covered bonds (Pfandbriefe)	Cover pool	Outstanding covered bonds (Pfandbriefe)	Cover pool	Maturity extension (12 months)*	Maturity extension (12 months)*
Residual maturity					Outstanding covered bonds (Pfandbriefe)	Outstanding covered bonds (Pfandbriefe)
>=0.5 years	-	625.6	-	222.0	-	-
>0.5 year and <=1 year	700.0	683.4	-	263.8	-	-
>1 year and <=1.5 years	500.0	379.4	500.0	606.5	-	-
>1.5 years and <=2 years	500.0	264.2	200.0	590.0	700.0	-
>2 years and <=3 years	1,000.0	407.1	1,000.0	577.4	1,000.0	700.0
>3 years and <=4 years	-	285.4	1,000.0	251.1	1,000.0	1,000.0
>4 years and <=5 years	-	92.0	-	213.4	-	1,000.0
>5 years and <=10 years	-	163.0	-	179.0	-	-
>10 years	-	299.8	-	297.5	-	-

Maturity structure of public covered bonds outstanding in € million

	2025		2024		2025	2024
	Outstanding covered bonds (Pfandbriefe)	Cover pool	Outstanding covered bonds (Pfandbriefe)	Cover pool	Maturity extension (12 months)*	Maturity extension (12 months)*
Residual maturity					Outstanding covered bonds (Pfandbriefe)	Outstanding covered bonds (Pfandbriefe)
>=0.5 years	32.0	3.5	70.6	5.4	-	-
>0.5 year and <=1 year	40.0	2.5	87.0	3.9	-	-
>1 year and <=1.5 years	97.0	45.4	30.9	3.5	32.0	70.6
>1.5 years and <=2 years	2.0	1.9	40.0	2.5	40.0	87.0
>2 years and <=3 years	31.3	24.7	99.0	46.8	99.0	70.9
>3 years and <=4 years	13.8	12.8	30.5	24.7	31.3	99.0
>4 years and <=5 years	-	3.0	13.3	13.0	13.8	30.5
>5 years and <=10 years	171.5	72.2	85.0	110.6	86.2	98.3
>10 years	11.0	284.2	95.2	393.7	96.3	95.2

Maturity structure of ship covered bonds outstanding in € million

	2025		2024		2025	2024
	Outstanding covered bonds (Pfandbriefe)	Cover pool	Outstanding covered bonds (Pfandbriefe)	Cover pool	Maturity extension (12 months)*	Maturity extension (12 months)*
Residual maturity					Outstanding covered bonds (Pfandbriefe)	Outstanding covered bonds (Pfandbriefe)
>=0.5 years	500.0	164.4	500.0	151.3	-	-
>0.5 year and <=1 year	-	116.2	250.0	230.4	-	-
>1 year and <=1.5 years	-	185.0	500.0	240.9	500.0	500.0
>1.5 years and <=2 years	25.0	85.3	-	206.9	-	250.0
>2 years and <=3 years	250.0	280.2	25.0	314.7	25.0	500.0
>3 years and <=4 years	-	371.4	250.0	341.1	250.0	25.0
>4 years and <=5 years	-	201.6	-	224.9	-	250.0
>5 years and <=10 years	-	44.1	-	50.5	-	-
>10 years	-	309.8	-	353.0	-	-

* Effects of a maturity shift on the maturity structure of the covered bonds (Pfandbriefe) / shift scenario: 12 months. This is a highly unlikely scenario, that would only become relevant following the appointment of an administrator.

Information on the postponement of the maturity date of the covered bonds (Pfandbriefe)

	2025	2024
Conditions for extending the maturity of covered bonds (Pfandbriefe)	The deferral of maturity is necessary in order to prevent the insolvency of the Pfandbrief bank with restricted business activities (prevention of insolvency); the Pfandbrief bank with restricted business activities is not over-indebted (no existing over-indebtedness); and there are grounds to assume that the Pfandbrief bank with restricted business activities will, in any event after expiry of the maximum deferral period, taking into account any further possible extensions, be able to meet its liabilities as they fall due (positive going-concern forecast). See also Section 30 (2b) of the Pfandbrief Act (PfandBG).	The deferral of maturity is necessary in order to prevent the insolvency of the Pfandbrief bank with restricted business activities (prevention of insolvency); the Pfandbrief bank with restricted business activities is not over-indebted (no existing over-indebtedness); and there are grounds to assume that the Pfandbrief bank with restricted business activities will, in any event after expiry of the maximum deferral period, taking into account any further possible extensions, be able to meet its liabilities as they fall due (positive going-concern forecast). See also Section 30 (2b) of the Pfandbrief Act (PfandBG).
Powers of the trustee in the event of an extension of the maturity of the covered bonds (Pfandbriefe)	<p>The trustee may postpone the due dates of principal repayments if the relevant requirements pursuant to Section 30 (2b) of the Pfandbrief Act (PfandBG) are met. The deferral period, which may not exceed 12 months, shall be determined by the trustee as required.</p> <p>The trustee may postpone the due dates of principal and interest payments that fall due within one month of his appointment to the end of that one-month period. If the trustee decides to implement such a deferral, the requirements set out in Section 30 (2b) of the Pfandbrief Act (PfandBG) shall be deemed to have been conclusively met. Such a deferral shall be taken into account within the maximum deferral period of 12 months.</p> <p>The trustee may exercise this authority only uniformly in respect of all covered bonds (Pfandbriefe) of an issuance. In this context, the maturities may be deferred in whole or in part. The trustee shall postpone the maturity of a Pfandbrief issuance in such a way that the original order of priority of the covered bonds (Pfandbriefe), which could otherwise be overtaken as a result of the postponement, is not altered (prohibition of overtaking). This may result in the maturities of later-maturing issuances also having to be deferred in order to preserve the prohibition on acceleration. See also Section 30 (2a) and (2b) of the Pfandbrief Act (PfandBG).</p>	<p>The trustee may postpone the due dates of principal repayments if the relevant requirements pursuant to Section 30 (2b) of the Pfandbrief Act (PfandBG) are met. The deferral period, which may not exceed 12 months, shall be determined by the trustee as required.</p> <p>The trustee may postpone the due dates of principal and interest payments that fall due within one month of his appointment to the end of that one-month period. If the trustee decides to implement such a deferral, the requirements set out in Section 30 (2b) of the Pfandbrief Act (PfandBG) shall be deemed to have been conclusively met. Such a deferral shall be taken into account within the maximum deferral period of 12 months.</p> <p>The trustee may exercise this authority only uniformly in respect of all covered bonds (Pfandbriefe) of an issuance. In this context, the maturities may be deferred in whole or in part. The trustee shall postpone the maturity of a Pfandbrief issuance in such a way that the original order of priority of the covered bonds (Pfandbriefe), which could otherwise be overtaken as a result of the postponement, is not altered (prohibition of overtaking). This may result in the maturities of later-maturing issuances also having to be deferred in order to preserve the prohibition on acceleration. See also Section 30 (2a) and (2b) of the Pfandbrief Act (PfandBG).</p>

Loans and advances used as cover for covered bonds (Pfandbriefe) by size group

Publication pursuant to Section 28 Paragraph 2 No. 1 a PfandBG, Section 28 Paragraph 3 No. 1 PfandBG and Section 28 Paragraph 4 No. 1 a PfandBG

Loans and advances used to cover mortgage covered bonds by size group in € million

Cover assets	2025	2024
Up to and including € 300,000	2.5	7.9
More than € 300,000 up to and including € 1 million	13.6	23.5
More than € 1 million and € 10 million	470.6	503.2
More than € 10 million	2,319.0	2,274.2
Total	2,805.7	2,808.7

Loans and advances used to cover public covered bonds by size group in € million

Cover assets	2025	2024
Up to and included € 10 million	25.3	33.2
More than € 10 million up to and including € 100 million	174.9	216.0
More than € 100 million	250.0	354.9
Total	450.2	604.1

Loans and advances used to cover ship covered bonds by size group in € million

Cover assets	2025	2024
Up to and including € 500,000	1.0	0.2
More than € 500,000 up to and including € 5 million	223.8	181.8
More than € 5 million	1,009.2	1,511.2
Total	1,234.1	1,693.2

Claims used to cover covered bonds (Pfandbriefe) for areas in which the mortgaged properties are located and according to type of use as well as the total amount of payments that are at least 90 days overdue and total amount of such loans and advances where the respective arrears amount to at least 5 % of the exposure in € million

Publication pursuant to Section 28 Paragraph 2 No. 1 b, c and No. 2 PfandBG

Country	Year	Cover assets														Total of payments at least 90 days in arrears	Total amount of these receivables provided that the amount in arrears accounts for at least 5 % of the receivable
		thereof															
		Used for residential purposes							Used for commercial purposes								
		In total	In total	thereof	Owner-occupied apartments	Single and two-family residential properties	Multi-family residential properties	Unfinished and not yet income-generating new buildings	Building plots	In total	thereof	Office buildings	Commercial buildings	Industrial buildings	Other commercial properties		
Total – all countries	2025	2,805.7	659.9	0.0	2.5	642.8	14.5	0.0	2,145.8	787.9	709.3	0.0	525.8	120.9	1.9	0.0	0.0
	2024	2,808.7	622.5	0.0	2.5	607.5	12.5	0.0	2,186.2	660.0	690.8	0.0	651.1	178.1	6.3	0.0	0.0
Germany	2025	2,525.4	656.5	0.0	2.5	639.5	14.5	0.0	1,868.9	581.9	657.1	0.0	507.2	120.9	1.9	0.0	0.0
	2024	2,510.9	619.1	0.0	2.5	604.1	12.5	0.0	1,891.8	437.7	637.2	0.0	632.4	178.1	6.3	0.0	0.0
Denmark	2025	18.6	0.0	0.0	0.0	0.0	0.0	0.0	18.6	0.0	0.0	0.0	18.6	0.0	0.0	0.0	0.0
	2024	18.7	0.0	0.0	0.0	0.0	0.0	0.0	18.7	0.0	0.0	0.0	18.7	0.0	0.0	0.0	0.0
France	2025	15.7	0.0	0.0	0.0	0.0	0.0	0.0	15.7	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2024	15.7	0.0	0.0	0.0	0.0	0.0	0.0	15.7	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UK	2025	7.5	0.0	0.0	0.0	0.0	0.0	0.0	7.5	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2024	7.9	0.0	0.0	0.0	0.0	0.0	0.0	7.9	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Netherlands	2025	238.4	3.4	0.0	0.0	3.4	0.0	0.0	235.0	182.8	52.2	0.0	0.0	0.0	0.0	0.0	0.0
	2024	255.6	3.4	0.0	0.0	3.4	0.0	0.0	252.2	198.6	53.6	0.0	0.0	0.0	0.0	0.0	0.0

Loans and advances used to cover ship covered bonds by country of registration, the total amount of payments in arrears by at least 90 days, and the total amount of such loans and advances where the respective arrears amount to at least 5 % of the exposure in € million

Publication pursuant to Section 28 Paragraph 4 No. 1 b PfandBG and Section 28 Paragraph 4 No. 2 PfandBG

Country	Year	Cover assets			Total of payments at least 90 days in arrears	Total amount of these receivables provided that the amount in arrears accounts for at least 5 % of the receivable
		Total	thereof			
			Ocean-going vessels	Inland waterway vessels		
Total – all countries	2025	1,234.1	1,234.1	-	-	-
	2024	1,693.2	1,693.2	-	-	-
Germany	2025	93.1	93.1	-	-	-
	2024	65.9	65.9	-	-	-
Bahamas	2025	23.3	23.3	-	-	-
	2024	10.6	10.6	-	-	-
Barbados	2025	14.3	14.3	-	-	-
	2024	18.3	18.3	-	-	-
Belgium	2025	5.6	5.6	-	-	-
	2024	18.5	18.5	-	-	-
Bermuda	2025	27.7	27.7	-	-	-
	2024	21.5	21.5	-	-	-
Denmark	2025	19.9	19.9	-	-	-
	2024	45.5	45.5	-	-	-
Gibraltar	2025	8.4	8.4	-	-	-
	2024	-	-	-	-	-
Greece	2025	26.6	26.6	-	-	-
	2024	64.5	64.5	-	-	-
UK	2025	27.8	27.8	-	-	-
	2024	34.0	34.0	-	-	-
Hong Kong	2025	9.5	9.5	-	-	-
	2024	12.1	12.1	-	-	-
Liberia	2025	388.6	388.6	-	-	-
	2024	501.9	501.9	-	-	-
Malta	2025	84.8	84.8	-	-	-
	2024	91.6	91.6	-	-	-
Marshall Islands	2025	267.7	267.7	-	-	-
	2024	549.7	549.7	-	-	-
Netherlands	2025	30.5	30.5	-	-	-
	2024	-	-	-	-	-
Panama	2025	74.9	74.9	-	-	-
	2024	113.7	113.7	-	-	-
Portugal	2025	6.8	6.8	-	-	-
	2024	13.1	13.1	-	-	-
Singapore	2025	28.5	28.5	-	-	-
	2024	83.4	83.4	-	-	-
Cyprus	2025	96.1	96.1	-	-	-
	2024	48.9	48.9	-	-	-

Further cover assets – detailed presentation for mortgage covered bonds in € mn

Publication pursuant to Section 28 Paragraph 1 Sentence 1 Numbers 8, 9, 10 of the German Deposit Act (PfandBG)

		Additional cover assets for mortgage covered bonds pursuant to Section 19 (1) sentence 1 nos. 2 (a) and (b), Section 19 (1) sentence 1 no. 3 (a) to (c), Section 19 (1) sentence 1 no. 4					
		Total	thereof				Receivables pursuant to Section 19 (1) sentence 1 no. 4
			Receivables pursuant to Section 19 (1) sentence 1 no. 2 (a) and (b)		Receivables pursuant to Section 19 (1) sentence 1 no. 3 (a) to (c)		
Country	Year		In total	thereof covered bonds pursuant to Article 129 of Regulation (EU) No. 575/2013	In total	thereof covered bonds pursuant to Article 129 of Regulation (EU) No. 575/2013	
Total – all countries	2025	394.3	0.0	0.0	0.0	0.0	394.3
	2024	392.0	0.0	0.0	0.0	0.0	392.0
Germany	2025	52.5	0.0	0.0	0.0	0.0	52.5
	2024	52.5	0.0	0.0	0.0	0.0	52.5
France	2025	42.0	0.0	0.0	0.0	0.0	42.0
	2024	42.0	0.0	0.0	0.0	0.0	42.0
USA	2025	299.8	0.0	0.0	0.0	0.0	299.8
	2024	297.5	0.0	0.0	0.0	0.0	297.5

Further cover values – detailed presentation for public covered bonds in € mn

Publication pursuant to Section 28 Paragraph 1 Sentence 1 Numbers 8, 9 PfandBG

		Additional cover assets for public covered bonds pursuant to Section 20 (2) sentence 1 no. 2, Section 20 (2) sentence 1 no. 3 (a) to (c), Section 20 (2) sentence 1 no. 4					
		Total	thereof				Receivables pursuant to Section 20 (2) sentence 1 no. 4
			Receivables pursuant to Section 20 (2) sentence 1 no. 2		Receivables pursuant to Section 20 (2) sentence 1 no. 3 (a) to (c)		
Country	Year		In total	thereof covered bonds pursuant to Article 129 of Regulation (EU) No. 575/2013	In total	thereof covered bonds pursuant to Article 129 of Regulation (EU) No. 575/2013	
Total – all countries	2025	0.0	0.0	0.0	0.0	0.0	0.0
	2024	0.0	0.0	0.0	0.0	0.0	0.0

Further cover assets – detailed presentation for ship covered bonds in € mn

Publication pursuant to Section 28 Paragraph 1 Sentence 1 Numbers 8, 9, 10 of the German Deposit Act (PfandBG)

		Additional cover assets for ship covered bonds pursuant to Section 26 (1) sentence 1 no. 3, Section 26 (1) sentence 1 no. 5, Section 26 (1) sentence 1 no. 4					
Country	Year	Total	thereof				
			Receivables pursuant to Section 26 (1) sentence 1 no. 3		Receivables pursuant to Section 26 (1) sentence 1 no. 5	Receivables pursuant to Section 26 (1) sentence 1 no. 4	
		In total	thereof covered bonds pursuant to Article 129 of Regulation (EU) No. 575/2013		In total	thereof covered bonds pursuant to Article 129 of Regulation (EU) No. 575/2013	
Total – all countries	2025	523.9	0.0	0.0	523.9	0.0	0.0
	2024	420.5	0.0	0.0	420.5	0.0	0.0
Germany	2025	171.6	0.0	0.0	171.6	0.0	0.0
	2024	25.0	0.0	0.0	25.0	0.0	0.0
France	2025	22.5	0.0	0.0	22.5	0.0	0.0
	2024	22.5	0.0	0.0	22.5	0.0	0.0
USA	2025	309.8	0.0	0.0	309.8	0.0	0.0
	2024	353.0	0.0	0.0	353.0	0.0	0.0
EU institutions	2025	20.0	0.0	0.0	20.0	0.0	0.0
	2024	20.0	0.0	0.0	20.0	0.0	0.0

Key figures on outstanding covered bonds (Pfandbriefe) and the cover assets used for them in € mn

Publication pursuant to Section 28 Paragraph 1 Sentence 1 Numbers 6, 7, 11, 12, 13, 14, 15 of the German Deposit Act (PfandBG) and Section 28 Paragraph 2 Sentence 1 Numbers 3, 4 of the German Deposit Act (PfandBG)

Mortgage covered bonds

		2025	2024
Outstanding covered bonds (Pfandbriefe)	(€ mn)	2,700.0	2,700.0
thereof: share of fixed-rate covered bonds (Pfandbriefe) pursuant to Section 28 (1) no. 13 (weighted average)	(%)	92.6	92.6
Cover pool	(€ mn)	3,200.0	3,200.7
thereof the aggregate amount of claims pursuant to Section 12 (1) exceeding the limit set out in Section 13 (1) sentence 2, second half-sentence, as well as the amounts pursuant to Section 19 (1) exceeding the limit set out in Section 19 (1) sentence 7 (Section 28 (1) sentence 1 no. 11)	(€ mn)	0.0	0.0
Claims exceeding the limit set out in Section 19 (1) no. 2 Section 28 (1) sentence 1 no. 12	(€ mn)	0.0	0.0
Claims exceeding the limit set out in Section 19 (1) no. 3 Section 28 (1) sentence 1 no. 12	(€ mn)	0.0	0.0
Claims exceeding the limit set out in Section 19 (1) no. 4 Section 28 (1) sentence 1 no. 12	(€ mn)	0.0	0.0
thereof: share of fixed-rate cover pool pursuant to Section 28 (1) no. 13	(%)	57.4	60.5

Mortgage covered bonds

		2025	2024
Net present value pursuant to Section 6 of the Pfandbrief Present Value Regulation, by foreign currency, in € million (Section 28 (1) no. 14; net balance of assets and liabilities)."	CAD	0.0	0.0
	CHF	0.0	0.0
	CZK	0.0	0.0
	DKK	18.7	18.8
	GBP	7.0	7.7
	HKD	0.0	0.0
	JPY	0.0	0.0
	NOK	0.0	0.0
	SEK	0.0	0.0
	USD	256.1	248.7
	AUD	0.0	0.0
Volume-weighted average age of receivables (elapsed time since loan origination – seasoning), Section 28 (2) no. 4.	Years	5.2	5.2
Weighted average loan-to-value ratio Section 28 (2) no. 3	(%)	58.0	57.6
Weighted average loan-to-value ratio based on market values – voluntary disclosure – (average)	(%)	0.0	0.0
Liquidity key figures pursuant to Section 28 (1) sentence 1 no. 6 of the Pfandbrief Act (PfandBG)			
Maximum negative cumulative amount occurring within the next 180 days pursuant to Section 4 (1a) sentence 3 of the of the Pfandbrief Act (PfandBG) for covered bonds (Pfandbriefe) (liquidity requirement).	(€ mn)	1.2	12.3
Day on which the maximum negative cumulative amount occurs	Day (1-180)	5	32
Total amount of cover assets meeting the requirements of Section 4 (1a) sentence 3 of the Pfandbrief Act (PfandBG) (liquidity coverage)."	(€ mn)	392.6	375.4
Key figures pursuant to Section 28 (1) sentence 1 no. 7 of the Pfandbrief Act (PfandBG)			
Share of derivative transactions in the cover pools pursuant to Section 19 (1) sentence 1 no. 1 (credit quality step 3)	(%)	0.0	0.0
Share of derivative transactions in the cover pools pursuant to Section 19 (1) sentence 1 no. 2(c) (credit quality step 2)	(%)	0.0	0.0
Share of derivative transactions in the cover pools pursuant to Section 19 (1) sentence 1 no. 3(d) (credit quality step 1)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 19 (1) sentence 1 no. 1 (credit quality step 3)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 19 (1) sentence 1 no. 2(c) (credit quality step 2)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 19 (1) sentence 1 no. 3(d) (credit quality step 1)	(%)	0.0	0.0
Key figures pursuant to Section 28 (1) sentence 1 no. 15 of the Pfandbrief Act (PfandBG)			
Share of cover assets in the cover pool for which, or for whose debtors, a default within the meaning of Article 178(1) CRR is considered to have occurred.	(%)	0.0	0.0

Public covered bonds

		2025	2024
Outstanding covered bonds (Pfandbriefe)	(€ mn)	398.5	551.5
thereof: share of fixed-rate covered bonds (Pfandbriefe) pursuant to Section 28 (1) no. 13 (weighted average)	(%)	84.9	89.1
Cover pool	(€ mn)	450.2	604.1
thereof the aggregate amount of claims pursuant to Section 20 (1) and (2) exceeding the limits set out in Section 20 (3) Section 28 (1) sentence 1 no. 11	(€ mn)	0.0	0.0
Claims exceeding the limit set out in Section 20 (2) no. 2 Section 28 (1) sentence 1 no. 12	(€ mn)	0.0	0.0
Claims exceeding the limit set out in Section 20 (2) no. 3 Section 28 (1) sentence 1 no. 12		0.0	
thereof: share of fixed-rate cover pool pursuant to Section 28 (1) no. 13	(%)	89.9	92.5
Net present value pursuant to Section 6 of the Pfandbrief Present Value Regulation, by foreign currency, in € million (Section 28 (1) no. 14; net balance of assets and liabilities).	CAD	0.0	0.0
	CHF	41.6	41.3
	CZK	0.0	0.0
	DKK	0.0	0.0
	GBP	0.0	0.0
	HKD	0.0	0.0
	JPY	0.0	0.0
	NOK	0.0	0.0
	SEK	0.0	0.0
	USD	0.0	83.5
	AUD	0.0	0.0
Liquidity key figures pursuant to Section 28 (1) sentence 1 no. 6 of the Pfandbrief Act (PfandBG)			
Maximum negative cumulative amount occurring within the next 180 days pursuant to Section 4 (1a) sentence 3 of the of the Pfandbrief Act (PfandBG) for covered bonds (Pfandbriefe) (liquidity requirement).	(€ mn)	29.5	70.2
Day on which the maximum negative cumulative amount occurs	Day (1-180)	167	167
Total amount of cover assets meeting the requirements of Section 4 (1a) sentence 3 of the Pfandbrief Act (PfandBG) (liquidity coverage)."	(€ mn)	103.8	243.9
Key figures pursuant to Section 28 (1) sentence 1 no. 7 of the Pfandbrief Act (PfandBG)			
Share of derivative transactions in the cover pools pursuant to Section 20 (2) sentence 1 no. 1 (credit quality step 3)	(%)	0.0	0.0
Share of derivative transactions in the cover pools pursuant to Section 20 (2) sentence 1 no. 2 (credit quality step 2)	(%)	0.0	0.0
Share of derivative transactions in the cover pools pursuant to Section 20 (2) sentence 1 no. 3(c) (credit quality step 1)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 20 (2) sentence 1 no. 1 (credit quality step 3)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 20 (2) sentence 1 no. 2 (credit quality step 2)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 20 (2) sentence 1 no. 3(c) (credit quality step 1)	(%)	0.0	0.0
Key figures pursuant to Section 28 (1) sentence 1 no. 15 of the Pfandbrief Act (PfandBG)			
Share of cover assets in the cover pool for which, or for whose debtors, a default within the meaning of Article 178(1) CRR is considered to have occurred.	(%)	0.0	0.0

Ship covered bonds

		2025	2024
Outstanding covered bonds (Pfandbriefe)	(€ mn)	775.0	1,525.0
thereof: share of fixed-rate covered bonds (Pfandbriefe) pursuant to Section 28 (1) no. 13 (weighted average)	(%)	64.5	82.0
Cover pool	(€ mn)	1,758.0	2,113.5
thereof the aggregate amount of ship mortgages pursuant to Section 21 exceeding the limit set out in Section 22 (5) sentence 2, and the amounts pursuant to Section 26 (1) exceeding the limit set out in Section 26 (1) sentence 6 Section 28 (1) sentence 1 no. 11	(€ mn)	0.0	0.0
Claims exceeding the limit set out in Section 26 (1) no. 3 Section 28 (1) sentence 1 no. 12	(€ mn)	0.0	0.0
Claims exceeding the limit set out in Section 26 (1) no. 4 Section 28 (1) sentence 1 no. 12	(€ mn)	0.0	0.0
Claims exceeding the limit set out in Section 26 (1) no. 5 Section 28 (1) sentence 1 no. 12	(€ mn)	0.0	64.6
thereof: share of fixed-rate cover pool pursuant to Section 28 (1) no. 13	(%)	29.9	20.1
Net present value pursuant to Section 6 of the Pfandbrief Present Value Regulation, by foreign currency, in € million (Section 28 (1) no. 14; net balance of assets and liabilities)."	CAD	0.0	0.0
	CHF	0.0	0.0
	CZK	0.0	0.0
	DKK	0.0	0.0
	GBP	0.0	0.0
	HKD	0.0	0.0
	JPY	0.0	0.0
	NOK	0.0	0.0
	SEK	0.0	0.0
	USD	1,240.6	1,760.6
	AUD	0.0	0.0
Liquidity key figures pursuant to Section 28 (1) sentence 1 no. 6 of the Pfandbrief Act (PfandBG)			
Maximum negative cumulative amount occurring within the next 180 days pursuant to Section 4 (1a) sentence 3 of the of the Pfandbrief Act (PfandBG) for covered bonds (Pfandbriefe) (liquidity requirement).	(€ mn)	500.5	397.4
Day on which the maximum negative cumulative amount occurs	Day (1-180)	28	145
Total amount of cover assets meeting the requirements of Section 4 (1a) sentence 3 of the Pfandbrief Act (PfandBG) (liquidity coverage)."	(€ mn)	522.7	403.9
Key figures pursuant to Section 28 (1) sentence 1 no. 7 of the Pfandbrief Act (PfandBG)			
Share of derivative transactions in the cover pools pursuant to Section 26 (1) sentence 1 no. 2 (credit quality step 3)	(%)	0.0	0.0
Share of derivative transactions in the cover pools pursuant to Section 26 (1) sentence 1 no. 3 (credit quality step 2)	(%)	0.0	0.0
Share of derivative transactions in the cover pools pursuant to Section 26 (1) sentence 1 no. 4 (credit quality step 1)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 26 (1) sentence 1 no. 2 (credit quality step 3)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 26 (1) sentence 1 no. 3 (credit quality step 2)	(%)	0.0	0.0
Share of derivative transactions in the liabilities to be covered pursuant to Section 26 (1) sentence 1 no. 4 (credit quality step 1)	(%)	0.0	0.0
Key figures pursuant to Section 28 (1) sentence 1 no. 15 of the Pfandbrief Act (PfandBG)			
Share of cover assets in the cover pool for which, or for whose debtors, a default within the meaning of Article 178(1) CRR is considered to have occurred.	%	0.0	0.0

List of International Securities Identification Numbers (ISINs) of the International Organization for Standardization by type of covered bond

Publication pursuant to Section 28 Paragraph 1 Sentence 1 No. 2 PfandBG

Category	2025	2024
Mortgage covered bonds	DE000HCB0BC0, DE000HCB0BH9, DE000HCB0BN7, DE000HCB0BP2, DE000HCB0BV0, DE000HCB0B77	DE000HCB0BC0, DE000HCB0BH9, DE000HCB0BN7, DE000HCB0BP2, DE000HCB0BV0, DE000HCB0BX6
Public covered bonds		DE000A0D4ST5
Ship covered bonds	DE000HCB0B28, DE000HCB0B51, DE000HCB0B93	DE000HCB0BL1, DE000HCB0B28, DE000HCB0B51, DE000HCB0B93, DE000HCB0CB0

69. Average number of employees

The average number of employees as at the reporting date is calculated based on quarterly levels and on a per capita basis:

	2025			2024		
	Male	Female	Total	Male	Female	Total
Full-time employees	554	218	772	564	222	786
Part-time employees	23	140	163	24	139	163
Total	577	358	935	588	361	949
Apprentices/trainees	14	6	20	14	9	23

70. Corporate Governance

Hamburg Commercial Bank AG supports the aims of the German Corporate Governance Code and has recognized the Code's rules on a voluntary basis as an unlisted company.

The Management Board and the Supervisory Board of Hamburg Commercial Bank AG have given the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) and have made it available to the shareholders. The Declaration of Conformity is published on the website of Hamburg Commercial Bank AG. The Declaration of Conformity does not form part of these explanatory notes.

71. Remuneration paid to members of the Management Board and Supervisory Board

The remuneration of persons in key positions at Hamburg Commercial Bank is based on the German Remuneration Regulation for Institutions (Institutsvergütungsverordnung). In addition to the fixed annual salary, the fixed remuneration of the Management Board includes a pension contribution corresponding to up to 20 % of the fixed annual salary, other fringe benefits and appropriate remuneration in kind.

Long-term variable remuneration program, including share-based payment

In addition, each member of the Management Board receives performance-related variable remuneration. This means that the members of the Management Board receive 50 % of their annual bonus for the agreed performance years in cash (cash bonus) and 50 % in the form of shares in Hamburg Commercial Bank AG (share bonus).

The annual targets relevant for the share bonus (as well as for the cash bonus) and their weightings are to be determined by the Supervisory Board of the Bank on the basis of agreed targets (KPIs) within the first three months of the respective performance year at the latest and include targets relating to the overall success of the Bank or Group, the success of the Management Board and individual performance targets. After the end of the

respective performance year, the Supervisory Board determines the target achievement of the annual targets and, taking into account the multi-year assessment basis of the variable remuneration, the overall degree of target achievement and the resulting amount of the cash bonus and the share bonus in Euro for the respective performance year. The Bank's Supervisory Board uses an independent valuation for each performance year to determine the price at which the share bonus earned in euros is converted into shares in the Bank. In the transfer of shares (like in the payment of the cash bonus), 40 % are paid in the year following the respective performance year, while 60 % is subject to a deferral period of usually five years, but up to seven years for new Management Board members, during which the payment of the retained component is made annually in equal pro rata tranches. During the retention period, the Supervisory Board conducts a clawback review, and variable remuneration components are subject to a clawback until two years after payment of the last instalment. Before the retained portion of the cash bonus and the shares from the share bonus are granted, the beneficiaries have no claim or entitlement to the portions of the cash bonus and the share bonus that have not yet been transferred. The shares not yet transferred do not bear interest and the retained shares of the share bonus do not entitle their beneficiary to the distribution of a dividend. All shares transferred under the share bonus are subject to a holding period of one year from the date of transfer.

For the years 2019 to 2024, Hamburg Commercial Bank AG concluded a Fulfilment and Contribution Agreement with its shareholders. Under this agreement, the shareholders have undertaken to assume the Bank's obligation to the beneficiaries to transfer the shares under the share bonus for the above-stated years, free of debt and without consideration. In the 2025 financial year, a total of 451,617 shares (previous year: 385,509 shares) were transferred to eligible persons under the share bonus program. Until December 31, 2025, a total of 1,801,135 shares have been transferred under the share bonus program (until December 31, 2024: 1,349,518 shares).

The share bonus is a share-based payment settled in equity instruments and is accounted for in accordance with IFRS 2. The performance-related variable remuneration under the share bonus represents a service received that is recognized as personnel expense in the income statement. The consideration for the service received is recognized in equity. At Hamburg Commercial Bank AG, the consideration is recognized in the Capital reserve item.

As at December 31, 2025, the capital reserve includes an amount of € 27 million for share-based compensation (increase of € 4 million in 2025). This includes an amount of € 15 million attributable to shares already transferred by the shareholders.

The following table shows the remuneration paid to active and former members of corporate bodies (and their surviving dependents).

Total remuneration of active members of corporate bodies comprises short-term benefits, payments to pensions schemes and variable compensation.

Remuneration of corporate bodies

(€k)	2025	2024
Total remuneration of all active members of corporate bodies		
Management Board	21,642	23,867
Supervisory Board	4,540	4,503
Total	26,182	28,370
Total remuneration of former members of corporate bodies and their surviving dependents		
Management Board	13,871	4,507

As at December 31, 2025, provisions for pension obligations for former members of the Management Board and their surviving dependents amounted to €k 33,422 (previous year: €k 45,418).

As was the case at the reporting date of the previous year, there were no advances, loans, or other contingent liabilities to members of the Management Board or the Supervisory Board as at December 31, 2025.

Disclosure of Supervisory Board remuneration

The members of the Supervisory Board receive remuneration for their activities in a financial year without any further resolution by the Annual General Meeting being required. In accordance with the resolution of the Annual General Meeting of Hamburg Commercial Bank AG, the total annual remuneration is paid in four equal installments after the end of each quarter.

The remuneration system for the Supervisory Board is based on the requirements of the German Corporate Governance Code. The remuneration system was adopted at the Annual General Meeting of Hamburg Commercial Bank AG on May 30, 2024, and is structured as follows:

Remuneration system

(€)	Remuneration as of May 30, 2024	Remuneration until May 30, 2024
Supervisory Board member	200,000	200,000
Addition (cumulative) for		
Chair of the Supervisory Board	450,000	450,000
Chair of a Committee	225,000	200,000
Member of a Committee	15,000	15,000

The first Chair of the Supervisory Board elected by the Supervisory Board after the Annual General Meeting on May 30, 2024, who serves as Chair of the Supervisory Board only for a limited period in 2025, receives an additional monthly remuneration of € 60,000 for each month in which they serve as Chair of the Supervisory Board in 2025.

The maximum remuneration amounts to €k 850. The remuneration is paid pro rata temporis based on the membership in a committee

Remuneration for Supervisory Board activities in the 2025 financial year amounts to €k 4,540. For the portion of Supervisory Board remuneration for the 2025 financial year (Q4) paid out at the beginning of 2026, a provision of €k 1,135 was recognized as at December 31, 2025. The remuneration for the members of the Supervisory Board for the 2025 financial year is allocated as follows:

Members of the Supervisory Board

(€)	Fixed remuneration		Total	
	2025	2024	2025	2024
Members of the Supervisory Board				
Paulus de Wilt, Chair from January 1, 2025 (Deputy Chair from May 30, 2024 to December 31, 2024)	850,000	488,970	850,000	488,970
Chad Leat, Chair from May 30, 2024 to December 31, 2024	440,000	850,000	440,000	850,000
Juan Rodríguez Inciarte (until May 30, 2024), Chair until May 30, 2024	-	352,610	-	352,610
Stefan Schlatermund, Deputy Chair from January 1, 2025	215,000	215,591	215,000	215,591
Olaf Behm, Vice Chair until May 30, 2024	215,000	215,591	215,000	215,591
Oliver Dircks (until May 30, 2024)	-	89,190	-	89,190
Bert Ehlers (until May 30, 2024)	-	89,190	-	89,190
Simone Graf (until May 30, 2024)	-	89,190	-	89,190
Manuel González Cid ¹⁾	230,000	-	230,000	-
Frederick Haddad	215,000	215,591	215,000	215,591
Klaus Heinemann	455,000	445,879	455,000	445,879
Manuel Lagares Gómez-Abascal ¹⁾	200,000	-	200,000	-
Sylvie Matherat (from May 30, 2024)	215,000	126,401	215,000	126,401
Maren Tina Matthies (from May 30, 2024)	215,000	126,401	215,000	126,401
Rieka Meetz-Schawaller (until May 30, 2024)	-	89,190	-	89,190
Lennart Ramberg (from May 30, 2024)	215,000	126,401	215,000	126,401
Sally Rocker (from May 30, 2024) ²⁾	-	-	-	-
Dr. Ilinca Rosetti	200,000	200,549	200,000	200,549
Astrid Sahm (from May 30, 2024)	215,000	126,401	215,000	126,401
Mag. Friedrich Spandl	215,000	215,591	215,000	215,591
Katrin Wäechter (from May 30, 2024)	215,000	126,401	215,000	126,401
Mark Werner	230,000	224,409	230,000	224,409
Stephan Wilcke (until May 30, 2024)	-	89,190	-	89,190
Peter Yordán ²⁾	-	-	-	-
Total³⁾	4,540,000	4,502,733	4,540,000	4,502,733

¹⁾ Supervisory Board remuneration waived for 2024

²⁾ Supervisory Board remuneration waived for 2024 and 2025

³⁾ Total differences are rounding differences

The members of the Supervisory Board have not provided any advisory and brokerage services or any other personal services to the Bank in 2025. Accordingly, no additional remunerations were granted.

72. Seats on supervisory bodies

On the reporting date, the following seats are held in statutory supervisory bodies of major corporations or financial institutions:

(a) Members of the Management Board

As in the previous year, no seats in statutory supervisory bodies of major corporations or banks were held by members of the Management Board as at the reporting date.

(b) Employees

PETER AXMANN

Hanseatische BG, Hamburg
Member of the Supervisory Board

JAN LÜHRS-BEHNKE

AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt
Member of the Supervisory Board

KATRIN WÄCHTER

Technosis AG, Hamburg
Member of the Supervisory Board

CHRISTOPHER PUNGA

AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt
Deputy Member of the Supervisory Board

73. The Supervisory Board of Hamburg Commercial Bank AG**I. The Supervisory Board of the Hamburg Commercial Bank Group**

Name	Position	Company	Period	
			from	to
Chad Leat, New York		Financial Advisor	01.01.	31.12.
Paulus de Wilt, Breukelen	Chair	Former CEO NIBC Holding / Bank N.V.	01.01.	31.12.
Olaf Behm, Hamburg		Employee of Hamburg Commercial Bank AG	01.01.	31.12.
Manuel González Cid, Madrid		Senior-Advisor Cerberus Global Investment Advisors, LLC	01.01.	31.12.
Frederick S. Haddad, Rumson		Partner at FLGC, LLC	01.01.	31.12.
Klaus Heinemann, Palma		Managing Director HH Kapital B.V.	01.01.	31.12.
Manuel Lagares Gómez-Abascal, Madrid		Senior Advisor Cerberus Global Investment Advisors, LLC	01.01.	31.12.
Sylvie Matherat, Milan		Senior Advisor and Non Executive Director	01.01.	31.12.
Maren Tina Matthies, Hamburg		Employee of Hamburg Commercial Bank AG	01.01.	31.12.
Lennart Ramberg, Kiel		Employee of Hamburg Commercial Bank AG	01.01.	31.12.
Sally Rocker, New York		Managing Director and General Counsel J.C. Flowers & Co., LLC	01.01.	31.12.
Dr. Ilinca Rosetti, London		Operating Partner J.C. Flowers & Co. UK LLP	01.01.	31.12.
Astrid Sahm, Lübeck		Employee of Hamburg Commercial Bank AG	01.01.	31.12.
Stefan Schlatermund, Hamburg	Deputy Chairman	Employee of Hamburg Commercial Bank AG	01.01.	31.12.
Mag. Friedrich Spandl, Vienna		BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG	01.01.	31.12.
Katrin Waechter, Hamburg		Employee of Hamburg Commercial Bank AG	01.01.	31.12.
Mark Werner, New York		Financial Advisor	01.01.	31.12.
Peter Yordán, London		Managing Director J.C. Flowers & Co. UK LLP	01.01.	31.12.

II. Committees

Committee	Name	Position	Period	
			from	to
Risk Committee	Chad Leat, New York	Vorsitzender	01.01.	31.12.
	Frederick S. Haddad, Rumson		01.01.	31.12.
	Astrid Sahm, Lübeck		01.01.	31.12.
	Stefan Schlatermund, Hamburg		01.01.	31.12.
	Mag. Friedrich Spandl, Wien		01.01.	31.12.
	Mark Werner, New York		01.01.	31.12.
	Peter Yordán, London		01.01.	31.12.
Audit Committee	Klaus Heinemann, Palma	Chair	01.01.	31.12.
	Olaf Behm, Hamburg		01.01.	31.12.
	Manuel González Cid, Madrid		01.01.	31.12.
	Lennart Ramberg, Kiel		01.01.	31.12.
	Sally Rocker, New York		01.01.	31.12.
Nomination Committee	Paulus de Wilt, Breukelen	Chair	01.01.	31.12.
	Manuel González Cid, Madrid		01.01.	31.12.
	Katrin Waechter, Hamburg		01.01.	31.12.
	Peter Yordán, London		01.01.	31.12.
Remuneration Committee	Paulus de Wilt, Breukelen	Chair	01.01.	31.12.
	Klaus Heinemann, Palma		01.01.	31.12.
	Sylvie Matherat, Milan		01.01.	31.12.
	Maren Tina Matthies, Hamburg		01.01.	31.12.
	Mark Werner, New York		01.01.	31.12.

74. The Management Board of Hamburg Commercial Bank AG**The Management Board of the Hamburg Commercial Bank Group**

Name	Born in	Position	Period	
			from	to
Luc Popelier	1964	Chief Executive Officer (CEO)	01.01.	31.12.
Marc Ziegner	1975	Chief Financial Officer (CFO)	01.01.	31.12.
Jens Thiele	1980	Chief Commercial Officer (CCO)	01.10.	31.12.
Reinout van Riel	1970	Management Board member	14.11.	31.12.
Christopher Brody	1968	Chief Investment Officer (CIO)	01.01.	31.12.
Ulrik Lackschewitz	1968	Chief Risk Officer (CRO)	01.01.	31.12.
		Deputy CEO	01.01.	31.12.

Hamburg, March 3, 2026

Luc Popelier

Marc Ziegner

Jens Thiele

Reinout van Riel

Independent auditor's report

To Hamburg Commercial Bank AG, Hamburg

Report on the audit of the annual financial statements and of the management report

Audit Opinions

We have audited the annual financial statements of Hamburg Commercial Bank AG, Hamburg, which comprise the balance sheet as at 31 December 2025, and the statement of profit and loss for the financial year from 1 January to 31 December 2025 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Hamburg Commercial Bank AG, which is combined with the group management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 in compliance with German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ① Loan loss provisions in the customer lending business
- ② Accounting for litigations
- ③ Deferred Taxes

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

① Loan loss provisions in the customer lending business

- ① In the Company's annual financial statements loan receivables amounting to EUR 16,010 million are reported under the "Loans to customers" balance sheet line item. As at 31 December 2025, risk provisions for the loan portfolio consisting of individual and general valuation allowances are reported.

The measurement of the risk provisions for the customer lending business is determined in particular by the structure and quality of the loan portfolios, general economic factors and the executive directors' estimates with respect to future loan defaults, among other things also against the background of the expected effects of the current macroeconomic environment on the customer lending business. The amount of the individual valuation allowances for customer loans reflects the difference between the outstanding amount of the loan and the lower value assigned to it as at the balance sheet date. Existing collaterals are taken into account. The measurement of general loan loss provisions was done using the IFRS 9 methodology. The calculation of general valuation allowances also takes into account valuation-relevant risk factors in the context of model overlays, which reflect the expectations of the management not included in the models.

The amounts of the valuation allowances in the customer lending business are highly significant for the assets, liabilities and financial performance of the Company and they involve considerable judgment on the part of the executive directors. Furthermore, the measurement parameters applied, which are subject to material uncertainties also due to current macroeconomic environment, have a significant impact on the recognition and the amount of any valuation allowances required. Against this background, this matter was of particular significance during our audit.

- ② As part of our audit, we initially assessed the the design of Company's relevant internal control systems and – on that basis – tested the controls' effectiveness. Thereby, we considered the business organization, the IT systems and the relevant measurement models.

Moreover, we evaluated the assessment of the customer loans, including the appropriateness of estimated values, on the basis of sample testing of loan engagements. For this purpose, we assessed, among other things, the available documentation of the Company with respect to the economic circumstances as well as the recoverability of the related collaterals. For real estate as collateral, we obtained an understanding of and critically assessed the source data, measurement parameters applied, and assumptions made on which the expert valuations provided to us by the Company were based and evaluated whether they lay within an acceptable range. In addition, for the purpose of assessing the individual and general valuation allowances applied (in accordance with IDW RS BFA 7), we evaluated the calculation methodology applied by the Company together with the underlying assumptions and parameters. With the assistance of our specialists in mathematical finance, we examined the suitability and appropriate use of the models applied to calculate the risk provisions.

We assessed the appropriateness of the inclusion of additional valuation-relevant risk factors based on the current economic uncertainties. In this context we especially evaluated the assessment of the executive directors regarding the expected effects of the current macroeconomic environment on the economic

situation of borrowers and the valuation of collateral and examined their consideration in the valuation of the customer loans. We questioned the necessity of creating model overlays and assessed their measurement.

Based on our audit procedures, we were able to satisfy ourselves that the assumptions made by the executive directors for the purpose of testing the recoverability of the loan portfolio are justifiable overall, and that the controls implemented by the Company are appropriate and effective.

- ③ The Company's disclosures regarding Loans and advances to customers are contained in notes of the financial statement in note 6 'Valuation allowances and provisions in the lending business (loan loss provisions)'. In addition, the management report contains the relevant disclosures in the report on economic performance (results of operations) and the risk report.

② Accounting for litigations

- ① In the Company's annual financial statements other provisions amounting to EUR 310 million are reported. Of this amount, EUR 132 million relate to provisions for litigation risks and costs for court and out-of-court proceedings.

In accordance with § 249 Abs. 1 Satz 1 HGB, provision must be recognized for uncertain liabilities. For this, there must be an external obligation which was caused legally or economically during the financial year, and a claim must be seriously expected. The provision is to be recognized at the amount required to fulfill the obligation according to prudent business judgment.

The assessment of the litigation risks and the estimate of whether it is necessary to recognize a provision to cover the risk and, if so, the amount of the provision, is to a large extent determined by the estimates and assumptions made by the executive directors. The assessment of the executive directors is based on estimates of the legal situation by the bank's inhouse and external lawyers. Against this background and due to the significance of the amounts in dispute and the underlying assumptions and discretionary judgement of the executive directors, this matter was of particular significance during our audit.

- ② In the context of our audit, we assessed, among others, the process set up by the bank to govern the recognition, risk assessment, and accounting presentation of a legal dispute. With the involvement of internal lawyers this assessment also included a substantive discussion of the material legal risks. Our assessment took into account the information obtained in the course of our regular discussions with the bank's legal department as well as the assessments of the respective outcome of the proceedings provided to us in writing. In addition external lawyers' confirmations and legal opinions were obtained as of the balance sheet date, which support the risk assessments made by the bank. In our view, the estimates and assumptions made by the executive directors underlying the determination of the provisions for litigation are appropriate overall in order to appropriately measure the provisions for litigations.
- ③ Other provisions are explained in the notes to the annual financial statements in section 20. 'Provisions' and section 47 'Other provisions'. In addition, the risk report within the group management report contains further information on litigations.

③ Deferred Taxes

① In the Company's annual financial statements deferred tax assets amounting to EUR 463 million and deferred tax liabilities of EUR 2 million are reported. The resulting surplus of deferred tax assets amounting to EUR 461 million is reported in accordance with the recognition option pursuant to § 274 Abs. 1 Sentence 2 HGB. Deferred tax assets are recognized in accordance with the principle of prudence to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences and unused tax losses to be realized. For this purpose, insofar as sufficient deferred tax liabilities arising from taxable temporary differences are not available, future taxable profits are projected on the basis of the medium-term business plan prepared by the executive directors, whereby material tax differences are carried forward due to planning assumptions. Tax loss carryforwards are only recognized – in the absence of sufficient deferred tax liabilities – if they can be expected with sufficient certainty on the basis of the projections to be realized within the following five years.

In our view, the accounting treatment of deferred taxes was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

② As part of our audit, we assessed, among others, the internal processes and controls for recording tax matters as well as the methodology used for the determination, accounting treatment and measurement of deferred taxes.

We also assessed the recoverability of the deferred tax assets relating to deductible temporary differences and unused tax losses on the basis of the Company's internal forecasts of its future earnings situation, and the appropriateness of the underlying estimates and assumptions.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

③ The Company's disclosures relating to deferred tax assets and tax loss carryforwards are contained in the notes of the financial statement in notes 18 'deferred taxes' and 35 'deferred tax assets'.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f HGB included in section „corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards)“ of the management report
- the non-financial statement to comply with §§ 289b to 289e HGB and §§ 315b to 315c HGB included in section „Nachhaltigkeitserklärung“ of the management report

The other information comprises further all remaining parts of the financial report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control of the Company and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file HCOB_AG_JA+LB_ESEF-2025-12-31-0-de.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Annual

Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work.

We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 29 April 2025. We were engaged by the supervisory board on 30 October 2025. We have been the auditor of the Hamburg Commercial Bank AG, Hamburg, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – use of the auditors' report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Lutz Meyer.

Assurance Report of the independent German public auditor on a limited assurance engagement in relation to the group sustainability statement

To Hamburg Commercial Bank AG, Hamburg

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability statement of Hamburg Commercial Bank AG, Hamburg, (hereinafter the „Company“) included in section "Sustainability Statement" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025 (hereinafter the "Group Sustainability Statement"). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company.

This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities" of the Group Sustainability Statement, or
- that the disclosures set out in section "Information according to Article 8 of Regulation (EU) 2020/852(Taxonomy Regulation)" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in the Preparation of the Group Sustainability Statement

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in section "BP-1 General basis for preparation of the sustainability statement" of the Group Sustainability Statement. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Hamburg, 5 March 2026

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft

sgd. Lutz Meyer
Wirtschaftsprüfer
[German public auditor]

sgd. Nicole Pietsch
Wirtschaftsprüferin
[German public auditor]

Responsibility statement by the Management Board

We hereby affirm that to the best of our knowledge the Annual financial statements have been prepared in accordance with the applicable accounting principles and give a true and fair view of the net assets, financial position and results of operations of the Hamburg Commercial Bank AG and that the Management report presents the course of business, including the results of the business and the Hamburg Commercial Bank AG's situation, in such a manner that it gives a true and fair view and describes the main opportunities and risks for the Hamburg Commercial Bank AG's foreseeable performance.

Hamburg, March 3, 2026

Luc Popelier

Marc Ziegner

Jens Thiele

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Notice

If at times only the masculine form is used for certain terms relating to groups of people, this is not meant in a gender-specific manner, but occurs exclusively for the sake of better readability.

This Financial Report was published on 19 March 2026 and is available for download from www.hcob-bank.com. This is an English translation of the original German version of the Financial Report.

Forward-looking statements

This Financial Report includes certain forward-looking statements. These statements are based on our beliefs and assumptions as well as on conclusions drawn from information currently available to us from sources which we consider to be reliable. A forward-looking statement involves information that does not simply reflect historical facts, information relating to possible or anticipated future growth and future economic development. Such forward-looking statements are based on a number of assumptions concerning future events and are subject to uncertainties, risks and other factors, many of which are beyond our control.

Therefore actual events may differ from those forecast in the forward-looking statements. In view of this, you are advised never to rely to an inappropriate degree on forward-looking statements. We cannot accept any liability for the accuracy or completeness of these statements or for the actual realisation of forecasts made in this Financial Report. Furthermore, we are not obliged to update the forward-looking statements following the publication of this information. In addition, information contained in this Financial Report does not represent any kind of offer for the acquisition or sale of any type of securities of Hamburg Commercial Bank AG.

About Hamburg Commercial Bank

Hamburg Commercial Bank AG (HCOB) is a private commercial bank headquartered in Hamburg that specialises in tailor-made financing solutions for German and European companies. It also has a strong position in Germany-focused real estate financing, is an established project financier in Europe, and a reliable partner for the shipping sector. Efficient and secure payment services, as well as innovative products for foreign trade complete the range of services. The bank is guided by established ESG criteria and operates from several locations in Germany as well as in Amsterdam, London, Luxembourg, and Piraeus. Under the "Hamburg Direct Bank" brand, HCOB offers call money and fixed-term deposits for private customers. Further information is available at www.hcob-bank.com.

