

Interim Report

as at 30 June 2025



Hamburg
Commercial
Bank

KPIs 2021–H1 2025

Profitability / Efficiency

Net income before taxes (in €mn)

299 2021	363 2022	427 2023	248 2024	139 H1 2025
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CIR¹ (in %)

50 2021	44 2022	39 2023	50 2024	51 H1 2025
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Net interest margin² (in bps)

145 2021	168 2022	214 2023	234 2024	224 H1 2025
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Capital

CET1³ ratio (in %)

28.9 2021	20.5 2022	19.5 2023	17.3 2024	22.1 H1 2025
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Asset quality

NPL⁴ ratio (in %)

2.3 2021	2.0 2022	4.3 2023	3.3 2024	3.2 H1 2025
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Due to rounding, numbers presented throughout this report may not add up to the totals disclosed and percentages may not precisely reflect the absolute figures.

¹ Cost-Income-Ratio

² Net interest income (until 2022: operating net interest income) divided by average total assets

³ Common Equity Tier

⁴ Non-performing Loans

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Economic report

Underlying economic and industry conditions

MACROECONOMIC CONDITIONS

Key geopolitical and economic developments

The geopolitical situation remained tense in the first half of 2025. As expected, the war in Ukraine continued and was characterized by Russian attacks resulting in territorial gains. The conflict between Israel and Hamas, which began in 2023, escalated further in 2025 and spread to Iran, with the US also becoming involved and launching attacks. Geopolitical uncertainty increased with the tariff policy announced by the current US President Donald Trump. As far as Europe is concerned, the focus is currently on steel and aluminum tariffs. Tariff negotiations between the US and China also continued with a more moderate approach.

Economic development by region

Global growth was rather weak in the first half of 2025, particularly due to the US, whose economy contracted in the first quarter. A recovery could, however, be in reach for the second quarter. After GDP growth of 3.3 % in 2024, the International Monetary Fund predicts that growth will slow to 2.8 % in 2025. The expectation of relatively low growth is partly due to the high level of uncertainty, which is affecting investment and consumption, as well as the new US tariffs, which are hampering international trade. At sector level, industry has been hit particularly hard by the US tariff policy, while the services sector is less affected and is reporting higher growth, as the JPM World PMIs show. This pattern is likely to continue over the next few months.

The **US** economy contracted by 0.5 % (annualized) in the first quarter. It would appear that the world's largest economy grew by just under 3 % (annualized) in the second quarter. These fluctuations in growth are primarily due to changes in foreign trade as a result of tariffs. Private consumption is also weakening. The latest consumer and retail data show only very weak growth and even a contraction in some areas. The "One Big Beautiful Bill" contains both expansionary and dampening factors and is likely to trigger inflationary impetus.

In the first quarter of 2025, the **eurozone** economy grew by 0.4 %. The eurozone is likely to have grown by just under 0.2 % in the second quarter. This puts the eurozone on the growth path that we expect for 2025 as a whole. The savings rate of private households continued to rise in the first three months of the year (15.4 %), which primarily explains why private consumption remains weak despite moderate inflation. Geopolitical uncertainty, high real interest rates and political instability in parts of the eurozone mean that households are currently consuming less. The inflation rate was 2.0 % on the reporting date, with the core rate at 2.4 %. This means that the ECB has achieved its stability target; the challenge now lies in maintaining this level in the longer term, which is why victory over inflation has not yet been proclaimed.

China's economy reported solid growth in the first half of 2025, albeit at a slightly slower pace than in the previous year. GDP is expected to grow by around 4 % (2024: 5.0 %). Private consumption bounced back slightly, but fell short of expectations. Inflation remained close to zero – in June, the inflation rate came to 0.1 %.

The **German** economy grew by 0.4 % in the first quarter of 2025, due in particular to higher exports. During this period, exports benefited from imports from the US being brought forward in order to avoid higher tariffs. In the second quarter, however, there was a counter-effect in the form of a slump in exports to the US. Experts assume that the economy stagnated in the second quarter. Services are still showing robust development in line with the global trend, while industry and construction in particular continue to struggle. High material costs and high construction interest rates are putting further downward pressure on the German construction sector.

Monetary policy

In the first half of 2025, the US Federal Reserve (Fed) left interest rates unchanged at the level reached last year. This means that the Fed Funds Rate remains at between 4.25 % and 4.50 %. The ECB reduced its **key rates** to 2.00 % (deposit rate) and 2.15 % (main refinancing rate). This means that the ECB and the Fed pursued different courses of action in the first half of 2025. While the ECB continued to cut interest rates in the face of declining inflation, the Fed remained cautious and maintained its more restrictive course, also because the labor market remained robust.

HICP **inflation** (Harmonized Index of Consumer Prices) was stable in the eurozone and stood at 2.0 % in June, hitting the ECB's medium-term target. In the US, on the other hand, inflation remained more stubborn, with an annual rate of around 2.4 % (based on the Consumer Price Index (CPI)).

Long-term **bond yields** moved in opposite directions: while the yield on ten-year German government bonds stood at 2.59 % as at 30 June 2025 (31 December 2024: 2.36 %), yields on US Treasuries fell to 4.23 % (as against 4.58 % at the end of 2024). The markets reacted sensitively to the new US government's fiscal policy plans, particularly with regard to rising government spending and possible inflationary impetus. Fears of a recession, however, emerge time and again and are then reflected in yields. In terms of forward interest rates, the markets are pricing in a further interest rate cut for the ECB and two to three interest rate cuts in the region of 25 basis points each for the US.

The **stock markets** in Germany and the US recorded gains again in the first half of 2025. Overall performance since the beginning of the year comes in at +20 % for the DAX 40 and only just shy of +5.5 % for the S&P 500. The S&P 500 lost significant ground in the first quarter, as investors were unsettled in particular by the tariff policy and further announcements made by the US government. Even though this was also the case for the DAX, the impact on the index level was not as significant, possibly due to investors shifting some of their investments from the US to Europe.

The **euro** fluctuated between 1.04 and 1.18 US dollars in the first six months, with a virtually continuous increase during this period. At the end of June, the euro was at the upper end of this range.

DEVELOPMENT IN THE MARKETS/SECTORS RELEVANT FOR HAMBURG COMMERCIAL BANK

Real Estate

The German **real estate markets** showed varied development in the investment and rental markets in the first six months of 2025. The investment volume of commercial real estate stagnated overall and remained at a very low level in a long-term comparison. This was the result of a much smaller number of transactions involving retail properties, especially commercial buildings and department stores. In contrast, the volume of transactions involving specialist retail parks increased considerably. Although there was also a slight increase in office property transactions following the drastic slump in previous years, transaction activity remained very low. In addition to the economic slump and geopolitical uncertainty, not least the mounting trade conflicts, the liquidity problems faced by open-ended real estate funds also contributed to investor restraint, as this traditionally strong buyer group remained unavailable. Meanwhile, the upward trend in residential portfolios continued. Thanks to increased investor demand for these properties, the volume of residential property traded has now reached half the average for the previous cycle. By contrast, the office and retail property markets in particular remained locked in a process of consolidation, which continued to be characterized by insolvencies among project developers and tenants in the retail sector, as well as refinancing problems for older properties in less attractive locations. Only some of these problematic properties have come onto the market at significant discounts. Further property sales are still in the preparatory phase and are expected to be completed as the year progresses.

In the **German office property markets**, net demand for space was on the decline in the first half of the year. Companies' reluctance to hire staff remained a decisive factor. When making rental decisions, they took into account the fact that they require slightly less space thanks to flexible forms of work. As the number of completions remained considerable, vacancy rates rose considerably to a moderate to elevated level in most cities, but already to a high level in some cities. Nevertheless, prime rents in central locations rose in some places because the remaining demand in those markets was concentrated on very attractive properties. On average, market values in these prime locations remained stable. In secondary locations in some cities, on the other hand, rents are likely to have fallen considerably, as have market values, in some cases even more sharply.

Net demand for space also remained subdued on most **European office real estate markets**, resulting in a moderate increase in vacancies. As in Germany, demand in many metropolitan areas was concentrated in preferred locations, resulting in moderate increases in prime rents in these areas. Market values remained stable on average.

The **retail property markets** in Germany remained influenced by sustained poor consumer sentiment in the first six months of the year. This is because, although private consumption picked up at the beginning of the year thanks to real growth in purchasing power, consumers remained very cautious in non-food bricks-and-mortar retail. In addition to their uncertainty due to more virulent crises, this may also have been due to more purchases in online retail, a segment that reported strong growth. The fact that store-based sales adjusted for inflation still increased in the period leading up to May was due exclusively to stronger growth in food retail. Fashion and clothing, consumer electronics and DIY and furniture stores recorded a noticeable downward trend in sales. This had a negative impact in both inner-city and suburban locations, often causing rents to stagnate or dip slightly in some cases. Market values, not least of commercial buildings, generally remained stable at best.

Rents continued to rise considerably on the German **housing markets** as excess demand continues to dominate, not least due to a decline in construction activity. Thanks to solid rental growth and what are now rather stable long-term interest rates, the prices of rented flats rose moderately. Prices of owner-occupied flats, on the other hand, hardly increased at all.

On the **logistics real estate markets** in Germany, demand for lettings rose only slightly from the very low level seen in the previous year and is likely to have been exceeded by completions, pushing vacancies up. The vacancy rate remained low nonetheless. Nevertheless, rents barely increased, even in preferred logistics regions, and market values only just held their own.

Global Transportation

The **shipping markets** remained heavily influenced by geopolitical factors in the first half of 2025. While longer trade routes due to the ongoing effects of the Middle East conflict and the sanctions imposed on Russia had a positive impact, the trade conflict launched by the US reduced freight volumes overall. As a result, average charter rates for container vessels increased moderately again compared to the high level seen at the turn of the year, while bulkers and oil tankers stabilized after previous setbacks.

Despite the uncertainties resulting from the US government's volatile tariff policy under President Trump, shipping companies' demand for additional **container vessels** remains high. Although fleet capacity is still growing considerably thanks to strong deliveries and only low levels of scrapping activity, available vessels are rare. The huge demand is primarily the result of the major detours caused by the ongoing threat from Houthi rebels in the Red Sea. Shipping companies also had to react flexibly to the US trade policy.

As was already the case beforehand, the first half of the year was characterized by a weaker trend for **bulkers**. Development in China is the decisive factor in this trend. While Chinese New Year, in particular, initially led to a seasonal decline in demand for transportation, high inventory levels and a gloomy economic outlook weighed on demand for iron ore and coal. Support, on the other hand, came from strong demand for bauxite and what remained longer trade routes due to the security situation in the Red Sea. Second-hand prices remained at an above-average level.

Oil tankers were able to hold their ground at a reduced market level. On the one hand, 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. What is more, OPEC+ has significantly eased its production restrictions since April. On the other hand, the continued subdued demand for oil from China and the faster growth of the product tanker fleet had a negative impact.

The **global aviation industry** continued to recover in the first half of 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. Despite rising revenues, airline profitability remains a challenge. In addition to delivery bottlenecks for new aircraft, rising personnel and material costs, as well as ESG-driven requirements for fleet modernization, are putting a strain on airlines.

Project Finance

The global **project financing volume** rose in the first half of 2025, and was up by 23 % on the volume seen in the same period of the previous year according to statistics released by the financial market data provider Refinitiv. The energy generation sector continued to record both the highest number of transactions and by far the largest transaction volume. Starting at a significantly lower level, projects and financing in the petrochemical industry reported the strongest year-on-year growth, followed by telecommunications. Developments in the global project financing volume nevertheless varied very considerably from region to region, with only North America and Asia-Pacific recording growth overall.

The expansion of **renewable energies** made further progress in both Europe as a whole and Germany at the beginning of 2025. In terms of installed (gross) output, new construction of onshore wind power plants in Germany totaled 995 megawatts in the first quarter, up by 39 % on the previous year's level. Nevertheless, the pace of expansion in the solar segment continued to slow in Europe at the start of the year and – according to estimates by Solar Power Europe – is expected to have totaled 3 % for the first six months of the year. In Germany, new solar construction was also weaker at the beginning of the year: according to preliminary figures from the German Federal Network Agency, (net) new construction amounted to around 6.1 gigawatts in the first five months of the year, down 9 % on the same period of the previous year. Total installed solar output reached 106.3 gigawatts at the end of May, 7.1 % higher than at the end of 2024.

Corporates

In the first half of 2025, the **German economy** also had to contend with the trade policy uncertainty triggered by the new US administration, as well as still having to adapt to changing structural conditions (e.g. higher energy costs, mounting competition, green transformation, demographic factors). The manufacturing industry was somewhat less weak in the first few months of the year: the production volume in the period from January to May 2025 (adjusted for calendar and seasonal effects) recorded a slightly less pronounced decline (–1.7 %) compared to the same period of the previous year, when it had already decreased by 4.5 %. At the beginning of the year, German industry benefited from US importers bringing their purchases forward to avoid the burden of higher tariffs. From April onwards, however, economic indicators fell noticeably. The retail sector was also weak.

The gradual recovery and cautious upward trend in **Europe's** economies continued at the beginning of 2025 (GDP growth in the EU countries as a whole in the first quarter of 0.6 % compared to the previous quarter and 1.6 % compared to the same quarter of the previous year). The first quarter was mainly driven by the services sector and was also supported by anticipatory effects in foreign trade in connection with US tariff policy. The continued improvement in lending conditions in the first half of the year, thanks to 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 bolstered public investment. The uncertainty triggered by geopolitical tension and the US tariff policy counteracted this positive trend.

While the first quarter in Germany was characterized by anticipatory effects due to the US tariff policy and significant growth in exports to the US, GDP development in the **US** told the opposite story, and was negative at the start of the year due to the marked increase in imports. The delay in tariff implementation has, however, reduced the likelihood of a shock effect for the US economy, including a US recession. While sentiment in the US manufacturing sector has already been deteriorating since the beginning of the year and the industrial production index fell at the end of the first quarter, companies in the services sector were largely on course for expansion in the first half of the year, even though indicators pointed to a temporary deterioration in May after ten months of uninterrupted growth.

BANKING ENVIRONMENT

The market environment for banks in the first half of 2025 had both good sides and bad for institutions. While the high level of geopolitical uncertainty persisted and concerns regarding an escalation of trade conflicts added to the burden, the real economy provide to be fundamentally resilient, not least thanks to robust labor markets and a gradual stabilization of the real estate markets, which had a positive impact on the need for loan loss provisions at banks. The repeated significant overall rise in bank share prices, primarily on this side of the Atlantic, reflected the generally positive sentiment, which doubtlessly also reflects the resilience of the banking sector as a whole.

In general, banks' net interest income is likely to have continued to benefit from the interest rate environment as the steeper yield curve generally has a positive effect on interest margins. At the same time, many institutions' risk costs remained within limits despite the gloomy macroeconomic environment. On the one hand, this was because banks were able to draw on what were still very sold reserves. On the other hand, households in particular benefited from solid real wage growth, reflecting a stable labor market, while the number of corporate insolvencies increased in Germany as well as in the eurozone and the US.

The inflation environment, on the other hand, which is gradually calming down, is likely to have continued to have a negative impact on bank earnings in the form of rising personnel and operating expenses. As far as operating expenses are concerned, these likely relate in particular to IT expenses, which constitute an essential component of operating expenses as technologization progresses in the financial sector.

IMPACT OF THE UNDERLYING CONDITIONS ON THE BUSINESS OF HAMBURG COMMERCIAL BANK

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

One of the implications of the sustained gloomier situation on the real estate markets was that HCOB, in line with its risk-conscious business approach in this segment, continued to only conclude new business on a selective basis in the first half of 2025. With regard to credit quality, the deterioration in risk parameters due to market developments led, as expected, to an increase in original loan loss provisions at Stages 1 and 2 of the loan loss provisioning model. At Stage 3, net additions were required for individual exposures, in particular for financing arrangements in default involving office properties.

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 consolidated income statement, which supported the result from financial instruments categorized as FVPL in the first half of 2025. 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.

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

Business development – Significant developments and events in the first half of the year 2025

Decision on strategic realignment

The Management Board of Hamburg Commercial Bank AG adopted a strategic realignment in the first half of 2025. This is the result of a comprehensive reassessment of the Bank's long-term positioning. The strategic realignment essentially comprises the following cornerstones:

- A more focused and less risky business model
- A more simple and efficient bank, by streamlining the organization and simplifying and automating processes
- Further diversifying the funding structure by strongly increasing granular, guaranteed retail deposits. This will at the same time lower the cost of funds.

In this connection the bank's mid-term target is to achieve a RoE after taxes of 10 % (at a 16 % CET1 ratio) and a profit before taxes of at least € 300 million.

As part of its more focused and less risky business model, HCOB will in future concentrate on its core business in Germany and Europe (franchise focus). The aim is to focus where the bank has competitive advantages, to reduce complexity, strengthen value-creating franchise business areas and establish a clearer and more efficient structure for the sustainably profitable business model. These business areas include shipping, the German commercial real estate business, project financing in the infrastructure and energy business areas, business with German corporate clients (including leasing and factoring) and international corporate clients within Europe. In addition to the above mentioned main core business lines, HCOB will develop and expand complementary low capital consuming business areas such as deposit management, payment transactions and trade finance with the aim of making the Bank more profitable and attractive in the long term. As a consequence of this more focused business operating model, the Bank will withdraw from some of the business areas which have been entertained in the past, and which will no longer be part of its core business focus for the future. The areas which are to be discontinued include International Real Estate, Aviation and large parts of Structured Portfolio Finance, which is part of the Corporates segment, while liquid collateralized loan obligations (CLOs) and loan funds will be maintained. Provided appropriate market opportunities will be available, this readjustment of the bank's focus could also be achieved in part by selling assets, while preserving value. The balance sheet relevance of the business areas to be discontinued is not considered to be significant, accounting for around 10 % of consolidated total assets as at 31 December 2024.

Due to the focus adjustment and targeted reduction in overall business volume, which will inevitably be accompanied by a reduction in the earnings base, the cost base of the organization is also to be adjusted. This will involve reducing the number of employees in the Group (30. Juni 2025: 925 FTE (full-time equivalents)) by 190 FTE to around 735 by the end of 2027. The **streamlining of the organization** will affect both those business areas that will no longer be part of the core business and, in addition, their respective support functions, including corporate and back-office areas. In order to implement the upcoming staff reduction measures in a socially responsible manner, negotiations with the employee representatives were initiated in April 2025 and concluded with the adoption of a reconciliation of interests and social plan in June 2025. The costs expected to be associated with the planned staff reduction measures have already been taken into account in these half-yearly financial statements (provisions of € 45 million).

In the course of streamlining of the organization and adjusting of the business model, central processes are also being adapted in order to **leverage further efficiency potential**. Process adjustments will focus on simplifying core processes, making full use of automation technologies (including the use of AI applications) and identifying synergies to achieve economies of scale.

To further **optimize its funding structure**, HCOB has launched a new initiative in the retail customer deposit business with regard to the liabilities side of the balance sheet. The aim of this initiative is to develop an online platform through which retail customers can directly open deposit accounts with the bank, initially in Germany. This initiative is designed to supplement the indirect deposit business established in 2024 via Raisin's internet-based "WeltSparen" platform. HCOB aims to cover almost 25 % (approx. € 6.0 billion) of its total refinancing requirements with retail customer deposits within three years, further diversifying its refinancing. This will be accompanied by both an absolute and relative reduction in corporate deposits (while aiming for greater granularity at the same time) and capital market funding. The planned adjustment of the liabilities side will have a positive effect on the stability, flexibility and resilience of the funding structure and will also reduce refinancing costs.

As part of the strategic realignment, the Bank updated its strategic medium-term-plan, as adopted in December 2024. The planning based on the more focused business model, which should lead to a strong franchise with an RoE of at least 10% in the medium term (at a 16% CET-1 ratio) and at least EUR 300 million of profits before taxes, was approved by the Supervisory Board in June 2025.

The strategic realignment is also associated with an adjustment to the forecast published in the management report for 2024 regarding the development of some of the main key performance indicators for the 2025 financial year. For further details in this regard, please refer to the section entitled "Forecast, opportunities and risks report" in the "Forecast, opportunities and risks report" section.

Profitability: solid operating business development – total income higher than the same period of the previous year – Loan loss provisions slightly higher– negative one-off effects from strategic realignment on administrative expenses and income tax expense

The earnings situation was characterized by solid operating business development, a good other operating result and negative one-off effects associated with the strategic realignment.

Total income increased by 4% compared to the same period of the previous year. On the other hand, the strategic realignment resulted in two significant negative factors for the earnings situation: firstly, additions to provisions for the upcoming staff reduction measures had a noticeable negative one-off impact on administrative expenses of € 45 million. Secondly, income tax expense was substantially higher than in the same period of the previous year due to the necessary reversal of deferred tax assets on loss carryforwards. The latter led to a marked reduction in the Group net result as at 30 June 2025 to € 46 million (same period of the previous year: € 111 million) despite an increase in the pre-tax result owing to an improved other operating result. Loan loss provisions somewhat increased due to a normalization of loan losses in the corporates segment (net release last year). Loan loss provisions in the real estate segment in the first half of 2025 decreased significantly compared to the first half of last year. This economic report contains more detailed information on the development of the earnings position in the sections on "Group development" and "Earnings".

Risk: NPL volume lower despite new defaults due to stringent implementation of the NPL reduction plan

As forecasted at the end of 2024, the development of the NPL ratio in the first six months of the current financial year was once again significantly influenced by persistently challenging overall conditions on the real estate markets. There were still isolated new defaults in HCOB's real estate portfolio in the first half of 2025. 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 to € 580 million as at the half-year reporting date (31 December 2024: € 650 million). As the decline in the NPL portfolio was more pronounced than the decline in the volume of receivables, the NPL ratio had improved slightly by 30 June 2025 to 3.2 % (31 December 2024: 3.3 %).

Moderate new business volume – margin development in line with expectations – prolongations below the level seen in the same period of the previous year

New business was characterized by the strategic realignment, a cautious business approach in the Real Estate segment and a solid to good demand for loans in the Bank's core business areas. The gross volume of new business in the first six months 2025 totaled € 2.6 billion, down on the figure for the same period of the previous year (€ 2.9 billion). The decline was mainly due to lower activity in Structured Portfolio Finance and in Real Estate. In shipping, project financing and the business with national corporate clients, however, business transacted was at, or in some cases above, the level seen in the same period of the previous year. 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 the same period of the previous year 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.

Total assets down by 8 % – decline attributable to loans and advances to customers – refinancing requirements lower as a result

Total assets dropped in the first six months of 2025, down by around 8 % from € 33.6 billion to € 30.8 billion. The decrease can be traced back primarily to loans and advances to customers. As repayments were higher than new disbursements/prolongations, this item in the statement of financial position decreased by 8 % from € 20.6 billion

to € 18.8 billion. However, financial investments were also lower, down by 9 % on the end of the previous year. 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 line with the strategic objective, however, the refinancing volume via the "WeltSparen" platform increased.

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 period. 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 an excellent market environment. 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 issue 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.

In May, 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.

Annual General Meeting in April approves dividend payment as proposed

In line with its distribution policy, the Management Board and Supervisory Board of HCOB AG had proposed to the Bank's Annual General Meeting (AGM) in March 2025 to make dividend payments of € 214 million (equivalent to € 0.71 per share) from the accumulated HGB profit for the 2024 financial year. On 29 April 2025, the AGM approved this proposal for the appropriation of profits and the dividend was distributed to the Bank's shareholders immediately afterwards.

Hamburg Commercial Bank had already taken the dividend payment into account in advance as part of the calculation of the CET1 ratio at 2024 year-end by way of a deduction from CET1 capital.

Earnings, net assets and financial position

Key performance indicators of the Group

(%)	30.06.2025	31.12.2024
RoE after taxes @equity ¹	2.5	6.2
CIR ²	51	50
NPL ratio	3.2	3.3
CET1 capital ratio	22.1 ³	17.3 ⁴
LCR	259	216

¹⁾ The RoE after taxes @equity is based on the reported equity at the beginning of the year less the proposed dividend. Adjusted for one-off effects, RoE after taxes @equity for the first half of 2025 is 7.1%.

²⁾ The CIR adjusted for one-off effects is 41% for the first half of 2025.

³⁾ Profits for the first half of 2025 have not been taken into account.

⁴⁾ The dividend payment made in 2025 was taken into account in advance in the Common Equity Tier 1 capital.

Development of key management indicators falls slightly short of expectations overall due to negative one-off effects in connection with strategic realignment

The Group's performance in the first half of 2025 was characterized by the fact that the main key performance indicators for liquidity and capital were better than expected, while those for asset quality, total income and operating costs showed solid development overall. On the other hand, the impact of the strategic realignment on the balance sheet led to significant negative effects on administrative expenses and, in particular, income tax expense, which had a pronounced negative impact on the key management indicators RoE after taxes and cost-income ratio (CIR). Against this backdrop, the overall development of the Bank's financial ratios in the first half of 2025 fell slightly short of expectations as per the previous year's forecast. The following aspects in particular contributed to this trend:

- The Group net result (net income after taxes) amounted to € 46 million (same period of the previous year: € 111 million) and resulted in **RoE after taxes @equity** of 2.5 % (31 December/30 June 2024: 6.2 %/6.0 %). The profitability ratio is therefore well below the original forecast, which envisaged a RoE of >7 % for 2025 as a whole. This was due to the following significant developments: At € 340 million, total income after loan loss provisions was almost on a par with the same period of the previous year (€ 343 million) and was in line with expectations in terms of its amount and composition. At € 216 million, administrative expenses were € 48 million higher than in the first six months of the previous financial year (€ 168 million) due to an unplanned one-off effect (restructuring costs of € 45 million). The increase in administrative expenses was, however, more than offset in a year-on-year comparison of net income before taxes by an improved other operating result. At € 23 million (same period of the previous year: € -38 million), this was higher than the forecast, which still predicted a balanced result. Taking into account scheduled regulatory expenses, net income before taxes amounted to € 139 million (same period of the previous year: € 129 million). RoE after taxes was negatively impacted to a substantial degree (€ 58 million) by the fact that deferred taxes on loss carryforwards had to be written down as part of the updated corporate planning. As a result, income tax expense of € 93 million (same period of the previous year: € 18 million) was significantly higher than the pro rata forecast figure. Excluding the one-off effects of the strategic realignment the Group net result and RoE after taxes @equity would have been better than the original forecast. 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".
- The **CIR** came to 51 % on 30 June 2025 (31 December/30 June 2024: 50 %/49 %). The development in the ratio in the first half of 2025 was negatively impacted to a considerable degree by the aforementioned one-off effect in the Bank's administrative expenses. After adjustments to reflect this negative one-off effect (€ 45 million) and a positive one-off effect in the other operating result (€ 7 million), the CIR would have been around 41 %, which is lower than the forecast from the end of 2024 (<45 %).
- Despite the persistently difficult overall conditions on the property markets, the **NPL ratio** calculated on the basis of the FINREP requirements was down slightly at 3.2 % in the reporting period (31 December 2024: 3.3 %). This was due to the fact that the reduction in the NPL portfolio was more pronounced than the

reduction in the relevant receivables volume in the first half of 2025. The NPL volume was reduced by € 70 million to € 580 million (31 December 2024: € 650 million). The decisive factor here was that HCOB's systematic NPL management in the reporting period enabled it to reduce NPL volumes to a greater extent than the increase in new defaults. Both the reductions and the new defaults were attributable primarily to the Real Estate segment.

- The **CET1 ratio** has increased considerably compared to the end of the previous year (17.3 %) and stood at 22.1 % as at 30 June 2025. The main reason for the increase in the ratio was the reduction in aggregate RWA, which had fallen to € 14.7 billion as at 30 June 2025 (31 December 2024: € 18.2 billion), especially due to lower RWA for credit risks. A key driver here was the initial application of the CRR III regulations, which, as anticipated, had a positive impact on financings in the Shipping and Real Estate sectors. The decline in RWA for credit risks was furthermore driven by the lower business volume, changes in the portfolio structure and the depreciation of the US dollar. CET1 capital increased slightly and amounted to € 3.3 billion as at 30 June 2025 (31 December 2024: € 3.2 billion). This was due to lower regulatory deductions than at the end of the previous year and the increase in other comprehensive income (OCI). The profit for the first half of the year was not taken into account in the CET1 capital in anticipation of a possible dividend payment for the 2025 financial year. The CET1 ratio is well above the forecast value of ~17 % at the half-year point.
- The liquidity position was managed conservatively in the reporting period in view of the global uncertainty characterizing the market environment. The liquidity coverage ratio (**LCR**), which measures the resilience of an institution's liquidity risk profile in a stress scenario, stood at 259 % as at the 2025 half-year reporting date, which was well above the good figure witnessed at the end of the previous year (216 %). The increase in the ratio is based on the fact that total net cash outflows have decreased to a greater extent than the liquidity buffer. HCOB clearly exceeded its forecast value (>180 %) for this management indicator with this ratio reported for the first half of the year, which is more than 2.5 times the regulatory minimum requirement of 100 %.

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".

Management system and defined management indicators of the IFRS Group

The Bank's integrated management system is aimed at the targeted management of key value drivers – income, efficiency/costs and profitability, risk, capital and liquidity. The Bank uses a risk-adjusted key indicator and ratio system for this purpose that ensures that the Bank is managed in a uniform and effective manner. Hamburg Commercial Bank is managed mainly on the basis of figures for the Group prepared in accordance with the International Financial Reporting Standards (IFRS) and/or the relevant prudential rules.

Within the management reporting framework, the Bank focuses on the most important key performance indicators for the individual value drivers of the IFRS Group. On the one hand, the focus is placed on the change in these key indicators compared to the same period of the previous year and, on the other, on their expected change over the remainder of 2025.

Further information on the management system and defined management indicators of the Hamburg Commercial Bank Group, as well as information on the development expected for 2025 as a whole, is set out in Hamburg Commercial Bank's Group Management Report for the 2024 financial year in the "Management System" subsection in the "Basis of the Group" section, and in the "Forecast, opportunities and risks report" section.

Earnings

Income statement

(€ mn)	January – June 2025	January – June 2024	Change in %
Net interest income	357	376	-5
Net commission income	14	12	17
Result from hedging	-1	-4	75
Result from financial instruments categorized as FVPL	18	-4	>100
Net income from financial investments	6	1	>100
Result from the disposal of financial assets classified as AC	3	2	50
Total income	397	383	4
Loan loss provisions	-57	-40	43
Total income after loan loss provisions	340	343	-1
Administrative expenses	-216	-168	29
Other operating result	23	-38	>100
Expenses for regulatory affairs, deposit guarantee fund and banking associations	-8	-8	-
Net income before taxes	139	129	8
Income tax expense	-93	-18	>100
Group net result	46	111	-59
Group net result attributable to Hamburg Commercial Bank shareholders	46	111	-59

Total income up by 4 % due to higher FVPL result

Hamburg Commercial Bank generated total income of € 397 million in the first half of 2025. This means that the earnings figure was € 14 million or 4 % higher than the level reported for the same period of the previous year (€ 383 million). With net interest income down by € 19 million, the increase in total income can be attributed, in particular, to the encouraging development in the FVPL result, which was € 22 million higher than in the same period of the previous year. In addition, the other items that make up total income, such as the solid net commission income, contributed a total of € 11 million more to total income than in the same period of the previous year. Developments in the individual main items making up total income and their causes are presented below.

In the first half of 2025, **net interest income** amounted to € 357 million, down by € 19 million (5 %) on the value for the same period of the previous year (€ 376 million). It is important to remember that net interest income in the same period of the previous year still benefited to the tune of € 21 million from an earnings effect resulting from the sale of promissory note loans. Without this effect, the net interest income was stable in the first half of 2025 compared to last year.

In the four lending units, net interest income was only € 7 million lower than in the same period of the previous year at € 327 million, despite the slightly less favorable interest rate environment for banks overall. The decline was due to moderately lower net interest income in the Corporates (mainly margin-related) and Real Estate (as a result of lower average segment assets) segments. This development was almost fully offset by the higher net interest income in the Global Transportation and Project Finance segments compared to the previous year. The increase in net interest income in the Global Transportation segment, with lower margins, was mainly due to the fact that the Shipping portfolio, which was only acquired at the end of the first half of 2024, contributed to net interest income for the full period this year. In Project Finance, net interest margins continued to show positive development alongside an increase in the average portfolio. With slightly higher average segment assets in the lending units overall despite the reduction in total assets, the net interest margin (NIM) there fell from 334 basis points to 316 basis points. Within the Group, the NIM dropped from 238 to 224 basis points.

Net commission income amounted to € 14 million (same period of the previous year: € 12 million). The increase is mainly due to higher commission income in the lending and guarantee business.

The **result from financial instruments categorized as FVPL**, which was in line with expectations, amounted to € 18 million (same period of the previous year: € –4 million), meaning that it made a significant contribution to the year-on-year increase in total income. The increase was driven by the foreign exchange result, which was influenced by the depreciation of the USD against the euro (mainly resulting from FX margin hedging) and was clearly positive in the first half of 2025, whereas it had still been negative in the first six months of the previous period. The improved foreign exchange result more than compensated for lower earnings contributions from the management of the banking book and a credit rating-induced valuation loss on a financial investment.

Loan loss provisions dominated by the Real Estate and Corporates segments

The development in loan loss provisions (income statement) totaled € 57 million (same period of the previous year: € 40 million) and remained dominated by the Real Estate segment in the first six months of 2025, although loan loss provisions in this area decreased year-on-year. The year-on-year increase is due to the Corporates segment, which was still reporting net reversals in the first six months of 2024.

The earnings item shows net additions of € 36 million to Stage 3 and net additions of € 20 million to Stages 1 and 2 of the loan loss provisions model in the first half of 2025. The result from other changes to loan loss provisions was virtually balanced.

At Stage 3, net additions totaling € 36 million were mainly attributable to the Real Estate (€ 21 million) and Corporates (€ 13 million) segments. Ongoing weak demand and sustained low market values meant that higher provisions had to be recognized in particular for financing arrangements in default involving office properties in Germany (especially for properties in need of development). 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.

At Stages 1 and 2 of the loan loss provisioning model, total net additions of € 20 million (including the change in model overlays) were also largely attributable to the Real Estate (€ 12 million) and Corporates (€ 6 million) segments. 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, this exceeded the reduction in model overlays for sub-portfolios within real estate financing. Net additions at Stages 1 and 2 in the Corporates segment are due primarily to an increase in model overlays. Within this context, these address risks potential economic implications of the current heightened geopolitical uncertainty, or possible 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 10 and 19 in the notes to the consolidated financial statements.

Administrative expenses dominated by additions to provisions for expected staff reduction costs

Administrative expenses came to € 216 million in the reporting period (same period of the previous year: € 168 million) and were dominated by the one-off effect from the strategic realignment, as described below.

Personnel expenses came to € 129 million (same period of the previous year: € 80 million). The significant increase is due almost exclusively to the expected costs of staff reduction measures. Within this context, the Bank made additions to provisions of € 45 million in total for severance payments and early retirement arrangements in the first half of 2025.

At € 87 million, non-personnel expenses (including depreciation of property, plant and equipment and amortization of intangible assets) were more or less at the same level as in the first six months of the previous year, when they came to € 88 million, and were also largely stable in terms of their structure and composition.

"Run the bank" non-personnel costs amounted to € 72 million (same period of the previous year: € 74 million). Within this category, higher depreciation and amortization was slightly overcompensated for by lower negative effects associated with legal and consultancy costs (negative one-off effect of € 6 million in the previous period). The "change the bank" costs amounted to € 15 million (same period of the previous year: € 14 million) and continued to include the Bank's project costs, primarily in the areas of IT and regulatory projects.

Other operating result positive and above plan

The positive other operating result, which was higher than planned, amounted to € 23 million (same period of the previous year: € -38 million), as other operating income (€ 34 million) exceeded other operating expenses (€ 11 million). In addition to income from the reversal of various provisions (€ 16 million in total), the earnings item also included one-off effects in the form of VAT refunds from previous assessment periods (€ 7 million net).

In the same period of the previous year, this earnings item was mainly characterized by what were, on the whole, negative one-off effects. Negative effects resulting from additions to provisions for legal risks (€ 56 million) were not offset by income from an earn-out agreement (€ 17 million).

Regulatory expenses

The expenses for regulatory affairs, deposit guarantee fund and banking associations amounted to € 8 million in total (same period of the previous year: € 8 million) and related primarily to the expected annual contributions for the Deposit Protection Fund. As in the previous year, no contributions will be 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 higher year-on-year – income tax expense hit by high deferred tax expenses

Given the above-mentioned developments in the individual items, net income before taxes as at 30 June 2025 amounted to € 139 million, up 8 % in a year-on-year comparison (€ 129 million).

Income tax expense amounted to € 93 million (same period of the previous year: € 18 million) and was dominated by expenses from deferred taxes (€ 91 million). The expense for current taxes came to € 2 million.

Deferred tax expense comprises an expense from the reversal of deferred tax assets on temporary differences (€ 33 million), as well as an expense from the reduction in deferred tax assets on loss carryforwards (€ 58 million). The reduction in deferred tax assets on loss carryforwards in the amount of € 58 million results from the update of the multi-year plan in June 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.

Positive Group net result hit by one-off effects associated with strategic realignment

After income tax expense, Hamburg Commercial Bank reported a Group net result of € 46 million as at the half-year reporting date (same period of the previous year: € 111 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 realignment process showed up in Administrative expenses and in the Income tax expense item.

The satisfactory operating business performance is reflected in total income after loan loss provisions, which was almost on a par with the first six months of the previous period despite the decline in business volume. Administrative expenses, on the other hand, rose by € 48 million in the first half of the year, which is almost exclusively due to the restructuring provisions set up as part of the decision to reduce the workforce. This increase was, however, more than fully offset by the other operating result (increase of € 61 million, in particular due to the absence of negative one-off effects incurred in the previous year). Accordingly, net income before taxes was € 10 million higher than in the same period of the previous year.

The main reason behind the € 65 million decline in the Group net result was the fact that income tax expense increased by € 75 million despite the slightly higher pre-tax result. This was mainly driven by reversals of deferred tax assets on loss carryforwards, which were necessary as part of the strategic realignment process and the associated update of the multi-year plan.

Net assets and financial position

Material items on the statement of financial position

Assets

(€ mn)	30.06.2025	31.12.2024	Change in %
Cash reserve	2,936	3,085	-5
Loans and advances to banks	398	714	-44
Loans and advances to customers	18,843	20,553	-8
Loan loss provisions	-300	-347	-14
Trading assets	320	225	42
Financial investments	7,792	8,523	-9
Deferred tax assets	420	540	-22
Other assets	406	339	20
Total assets	30,815	33,632	-8

Liabilities

(€ mn)	30.06.2025	31.12.2024	Change in %
Liabilities to banks	3,128	3,718	-16
Liabilities to customers	14,306	15,020	-5
Debt securities issued	7,942	9,128	-13
Trading liabilities	138	309	-55
Provisions	370	374	-1
Subordinated capital	899	925	-3
Equity	3,787	3,892	-3
Other liabilities	246	266	-8
Total liabilities	30,816	33,632	-8

Consolidated total assets down by 8 %

Consolidated total assets amounted to € 30,815 million at the 2025 half-year point, 8 % (around € 2.8 billion) lower than the level at 31 December 2024 (€ 33,632 million). On the assets side, the smaller balance sheet was predominantly attributable to loans and advances to customers (drop of € 1.7 billion), but financial investments (€ -0.7 billion) and loans and advances to banks (€ -0.3 billion) also fell as against 31 December 2024. On the liabilities side, the lower refinancing requirements were primarily reflected in the decrease in debt securities issued (€ -1.2 billion), liabilities to customers (€ -0.7 billion) and liabilities to banks (€ -0.6 billion) compared to 31 December 2024. In detail, the developments were as follows:

The cash reserve and loans and advances to banks were adjusted to reflect the lower balance sheet volume in the context of liquidity management, meaning that they were lower at the half-year reporting date than at 31 December 2024.

The development in loans and advances to customers reflected, among other things, moderate new business and the initial reducing effects of the strategic realignment. In the first half of 2025, scheduled and unscheduled repayments exceeded new disbursements and prolongations in total by a wide margin. The significant depreciation of the US dollar against the euro also had the effect of reducing the carrying amount of the loan book. As a result, the balance sheet item loans and advances to customers was down by 8 % as at 30 June 2025 to € 18,843 million (31 December 2024: € 20,553 million).

Total loan loss provisions (for items in the statement of financial position) fell to € -300 million (31 December 2024: € -347 million). The decrease mainly relates to provisions at Stage 3 of the loan loss

provisioning model. These were reduced by € 44 million to € 168 million thanks to the utilization of loan loss provisions in connection with the derecognition of non-performing exposures. Stage 1 and 2 loan loss provisions were only slightly changed as against 31 December 2024 (down by € 3 million to € 132 million). The model overlays included here (€ 66 million, 31 December 2024: € 77 million) primarily address the risks from sub-portfolios within Real Estate and Corporates financing in addition to potential adverse effects from the macroeconomic environment. The coverage ratio for the overall AC portfolio as at 30 June 2025 came to 1.6 % (31 December 2024: 1.7 %).

Trading assets rose on the end of the prior-year reporting period, up to € 320 million (31 December 2024: € 225 million). The increase is attributable to the carrying amounts of the positive fair values of currency and interest rate derivatives, which increased compared to 31 December 2024.

As at 30 June 2025, the carrying amount of financial investments came to € 7,792 million in total, a drop of 9 % compared to the prior-year reporting date (31 December 2024: € 8,523 million). This was mainly due to the deliberate reduction of exposure in individual asset classes in line with the strategic realignment, as well as the effect associated with the depreciation of the US dollar.

At € 420 million, deferred tax assets were down on the level seen as at 31 December 2024 (€ 540 million). € 266 million of this amount relates to deferred taxes on loss carryforwards, with € 154 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 reversal of deferred taxes on loss carryforwards as part of the updated corporate planning.

At € 406 million, other assets were € 67 million higher than the carrying amount at the end of December 2024 (€ 339 million). In this combined item, Intangible assets, property, plant and equipment and current income tax assets were roughly at the same level as at the end of the previous year. The main reason behind the increase in other assets was the € 65 million increase in the balance sheet item Other assets, mainly due to the increase in the fair value of the plan assets, which continues to exceed the pension liabilities covered by these plan assets.

On the liabilities side, at € 3,128 million, liabilities to banks were down by 16 % on the end of the previous year (31 December 2024: € 3,718 million). Within this item, liabilities from repo transactions and deposits from development banks, among other things, decreased.

The development in liabilities to customers also reflects the lower funding requirements in line with the business volume. As a result, the carrying amount of this item was down by 5 % as at 30 June 2025 to € 14,306 million (31 December 2024: € 15,020 million). The drop was due, among other things, to the deliberate reduction in deposits by corporate clients.

Debt securities issued amounted to € 7,942 million as at the half-year reporting date, 13 % 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 also to the lower refinancing requirements.

As at the reporting date, trading liabilities amounted to € 138 million, 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.

At € 370 million, provisions were down slightly on the level seen as at 31 December 2024 (€ 374 million). They were increased by the aforementioned additions to restructuring provisions in connection with the staff reduction measures adopted in the reporting period. This development was, however, slightly more than offset in the overall item by the fact that provisions in the other provision categories were down as against 31 December 2024.

The structural composition of subordinated capital has not changed. At € 899 million, its carrying amount as at 30 June 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 positive net result for the period and positive other comprehensive income (OCI), reported equity decreased compared to the end of the previous year and totaled € 3,787 million as at 30 June 2025 (31 December 2024: € 3,892 million). The dividend payment made in the second quarter in the amount of € 214 million was the decisive factor in this development.

Business volume down by 8 % in line with total assets

The business volume (total assets plus off-balance-sheet transactions) fell by 8 % from € 38,823 million (31 December 2024) to € 35,630 million. With a change of -7 %, the drop in off-balance-sheet business was slightly less pronounced than the decline in total assets and was attributable to irrevocable loan commitments. These fell by € 375 million to € 4,103 million as at 30 June 2025 (31 December 2024: € 4,478 million). At € 712 million, contingent liabilities (sureties and guarantees) were virtually on par with the end of the previous year (€ 713 million) at the half-year reporting date.

Structure of liabilities by financial instruments

(€ mn)	30.06.2025		31.12.2024	
	Total	thereof > 1 year	Total	thereof > 1 year
Secured: Pfandbriefe and asset-based funding	6,623	4,843	7,744	6,206
Covered bonds (Pfandbriefe)	3,855	2,970	4,412	3,751
Other secured funding	2,768	1,873	3,332	2,456
Unsecured liabilities (senior preferred)	17,240	3,745	18,256	3,482
Unsecured liabilities (senior non-preferred)	1,513	1,420	1,866	1,730
Profit participation certificates and other subordinated liabilities	899	893	925	918
Total	26,275	10,901	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 separately shown. The financial instruments can be reconciled to the balance sheet line items Liabilities to customers, Liabilities to banks, Debt securities issued and Subordinated capital. The carrying amounts of financial instruments excluding principal repayments and accrued interest are assigned to maturity bands in the above table.

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 amount of secured debt instruments outstanding was € 6,623 million as at 30 June 2025 (31 December 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 mainly comprising client deposits, as well as other unsecured financing instruments. They totaled € 18,753 million as at the reporting date (31 December 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 € 17,240 million in total (31 December 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 € 1,513 million as at 30 June 2025 (31 December 2024: € 1,866 million).

HCOB's subordinated liabilities are reported under "Profit participation certificates and other subordinated liabilities" (€ 899 million, 31 December 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**

	30.06.2025 ¹	31.12.2024 ²
Risk-weighted assets (RWA) (€ bn)	14.7	18.2
Regulatory capital (€ bn)	3.9	4.1
thereof: CET1 capital (€ bn)	3.3	3.2
Overall capital ratio (%)	26.2	22.4
Tier 1 capital ratio (%)	22.1	17.3
CET1 capital ratio (%)	22.1	17.3
Leverage ratio (%)	10.1	9.0

¹⁾ Profits for the first half of 2025 have not been taken into account.

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

Capital ratios at a very high level

The CET1 ratio was up considerably to 22.1 % as at 30 June 2025 (31 December 2024: 17.3 %). This development is due primarily to the drop in RWA for credit risks, largely due to the introduction of the CRR III regulations. At € 3.3 billion, Common Equity Tier 1 capital was up slightly on the end of the previous year (€ 3.2 billion). The Tier 1 capital ratio and the overall capital ratio developed in line with the Common Equity Tier 1 ratio compared with 31 December 2024. It should be noted that capital ratios are shown before taking the half-year profit achieved in 2025 into account.

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 was up as against 31 December 2024 (9.0 %) to 10.1 %. The development is due primarily to the drop in the total leverage exposure. The value reported as at 30 June 2025 means that the leverage ratio is still significantly higher than the regulatory requirement of 3 % and, together with the high capital ratios, pays testimony to the Bank's very robust capital position.

Distribution policy

In line with the distribution policy for 2024, the Management Board and Supervisory Board of Hamburg Commercial Bank AG had proposed to the Bank's Annual General Meeting to make dividend payments of around € 214 million (equivalent to around € 0.71 per share) from the accumulated HGB profit for the 2024 financial year. On 29 April 2025, the Annual General Meeting approved this proposal for the appropriation of profits and the dividend was distributed to the Bank's shareholders immediately afterwards.

The distribution policy was reviewed again by the Management Board in June 2025 as part of the adjusted 'Franchise Focus' corporate strategy. Based on this strategy, the Bank is now aiming to further normalize its capital buffers in the context of its distribution policy, initially 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 as set out in the current business plan.

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.

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. As the tariff dispute appeared to be easing slightly and the military conflict started to settle, however, the financial markets stabilized significantly over the course of the first half of 2025.

Fundraising is in line with the Bank's expectations. In total, the Bank raised around € 0.6 billion in long-term funds in the first half of 2025. During the reporting period, the Bank completed a € 500 million benchmark transaction. 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. The Bank is planning further benchmark issues in the unsecured segment as well as Pfandbrief issues in the coming years. Further refinancing funds were raised through private placements, including a € 300 million floating rate bond with a two-year term and a value date in early July.

In the first half of 2025, as part of the diversified refinancing structure, the Bank paid out a dividend of around € 0.2 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 € 10.9 billion from the Bank's client business (Corporate Deposits), and an around € 300 million increase in the volume of retail deposits, also contributed to the implementation of the funding strategy.

Key liquidity ratios

	30.06.2025	31.12.2024
Corporate Deposits (€ bn)	10.9	11.3
LCR (%)	259	216
NSFR (%)	121	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 30 June 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 30 June 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 17 February 2023.

Information on the sustainability ratings for Hamburg Commercial Bank AG can be found in the summarized separate non-financial report (CSR Report) and on the Bank's website.

Segment results

Segment overview Januar – Juni 2025

(€ mn/%)		Real Estate	Global Trans- porta- tion	Project Finance	Corpo- rates	Lending Units	Treasury & Group Func- tions	Recon- ciliation	Group
Total income	2025	109	90	65	127	391	6	-	397
	2024	98	74	50	122	344	55	-16	383
Loan loss provisions	2025	-36	-3	-1	-18	-58	1	-	-57
	2024	-50	3	-4	9	-42	1	1	-40
Administrative expenses & regulatory costs	2025	-49	-46	-29	-49	-173	-51	-	-224
	2024	-46	-37	-23	-56	-162	-13	-1	-176
Net income after taxes	2025	16	29	24	48	117	-14	-57	46
	2024	2	32	18	60	112	4	-5	111
RoE after taxes (%) ¹⁾	2025	4.6	13.2	12.5	11.3	9.8	-12.2		2.5
	2024	0.4	17.2	9.8	14.6	9.6	2.6		6.0
Segment assets (€ bn)	30.06.2025	6.8	3.2	3.6	6.0	19.6	11.2	-	30.8
	31.12.2024	7.4	3.7	3.9	6.6	21.6	12.0	-	33.6
New business (€ bn)	2025	0.2	0.9	0.6	0.9	2.6			2.6
	2024	0.3	0.7	0.6	1.3	2.9			2.9

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. The "Reconciliation" column is used to express 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 35 in the notes to the consolidated financial statements.

Further information on the segments and their strategic orientation can be found in Hamburg Commercial Bank's combined management report for the 2024 financial year in the "Strategic direction for the business areas" section of the chapter entitled "Basis of the Group". Information on the strategic realignment (franchise focus) adopted in the reporting period can be found in the "Business development" section.

Business development in the segments

Against the backdrop of an interest rate environment that remained favorable and asset allocation that was systematically focused on profitability, as well as an improved FVPL result, which largely includes positive effects from FX margin hedging in the reporting period, total income increased significantly across all lending units (€ 391 million, +14 % compared to the prior-year period). With slightly higher average segment assets in the lending units, the net interest margin NIM was down slightly (3.2 % as against 3.3 % in the same period of the previous year). The increase in average segment assets is mainly due to the fact that the shipping portfolio acquired in the previous year was not acquired until the end of the first half of 2024. By contrast, segment assets as at the 2025 half-year reporting date were substantially lower than at the end of 2024, as new business, focusing on the franchise portfolios (€ 2.6 billion as against € 2.9 billion as at 30 June 2024) did not compensate for the deliberate reduction of non-franchise exposures within the business portfolio and the impact of the depreciation of the US dollar. In view of the difficult economic environment and the cautious risk policy, loan loss provisions were dominated by the Real Estate and Corporates segments. While there was a moderate decline in

the Real Estate segment, net additions were reported in the Corporates segment (following net reversals in the same period of the previous year). Encouraging earnings performance compensated for the higher loan loss provisions and higher costs, such that, in combination with the RWA relief effects resulting from Basel IV, the profitability of the lending units as a whole, measured in terms of RoE after taxes, increased slightly to 9.8 % (same period of the previous year: 9.6 %).

The **Real Estate** segment reported positive net income after taxes of € 16 million in the first half of 2025 (same period of the previous year: € 2 million), even though the difficult market environment characterized by high interest rates once again left a clear mark overall. The operating business was once again characterized by the risk-conscious further development of the portfolio, the aim being to optimize earnings, in a challenging market environment, with less of an emphasis on new business and more emphasis on portfolio management. As a result, a number of non-performing exposures were successfully reduced, as was the Bank's exposure in the US. With segment assets down to € 6.8 billion (31 December 2024: € 7.4 billion), total operating income increased slightly due to FVPL-result benefiting from FX margin hedging and despite lower net interest income due to volume-related factors. The higher net income after taxes also reflects the lower, albeit still relatively high, loan loss provisions compared to the first half of 2024. Gross new business, which was focused on Germany and Europe, remained subdued at € 0.2 billion due to the low demand for loans (in view of the interest rate environment) and the conservative business approach (same period of the previous year: € 0.3 billion). With margins that remained good, the cautious and selective approach is particularly evident in new business. The moderate increase in segment RoE to 4.6 % (same period of the previous year: 0.4 %) reflects what is still, overall, a challenging situation on the real estate market, but also indicates that a turnaround is starting to emerge.

In the **Global Transportation** segment, net income after taxes amounted to € 29 million (same period of the previous year: € 32 million). The increase in total income was driven by the expansion of business over the past 12 months, particularly as a result of the acquisition of a shipping loan portfolio and the growth in the aviation portfolio [which was started up at the beginning of 2024]. Net interest income, for example, rose despite a marked decline in margins, while net commission income and the FVPL result, which benefited from FX margin hedging, were also higher than in the first six months of the previous year. In net income after taxes, the increase in total income was more than offset by higher administrative expenses, increased risk costs at a low level and higher income taxes. In line with this trend, operating profitability, measured in terms of RoE, was weaker (due to margin pressures and a higher tax rate) but remained at a solid level of 13.2 % (same period of the previous year: 17.2 %). At € 0.7 billion, the focused gross new shipping business with national and international shipping companies with good credit ratings was up slightly on the previous year's level (€ 0.6 billion), but was unable to compensate for the decline in volume due to the weaker US dollar and a good liquidity situation at shipping companies. With new business that was deliberately subdued in the period before new business activities ceased entirely, totaling € 0.1 billion, the Aviation portfolio contributed € 0.4 billion to the segment assets of € 3.2 billion (31 December 2024: € 3.7 billion).

The **Project Finance** segment reported net income after taxes that was higher year-on-year at € 24 million (same period of the previous year: € 18 million). This was mainly due to the positive development in the operating business. Total income, for example, increased considerably to € 65 million (same period of the previous year: € 50 million), also supported by the increase in net interest income as a result of a slight increase in the NIM. Administrative expenses were slightly higher overall than in the first six months of 2024 but cost-income-ratio improved. Loan loss provisions decreased to € -1 million; same period of the previous year € -4 million). The improved net income before taxes resulted in higher income tax expense, meaning that the € 6 million increase in net income after taxes was lower than the increase in total income. Segment assets fell to € 3.6 billion (31 December 2024: € 3.9 billion), while new business remained on a par with the previous year (€ 0.6 billion). Driven by the increase in total income, the segment's profitability of 12.5 % was above the level seen in the same period of the previous year (9.8 %) and reflects the fundamentally positive outlook in this sector, not least due to the high financing requirements for infrastructure projects in the market.

In the **Corporates** segment, net income after taxes fell to € 48 million in the first half of the year (same period of the previous year: € 60 million) as a result of the normalization of loan loss provisions from a reversal last year to a net addition to loan loss provisions in the first half of 2025. Total operating income increased compared to the first half of 2024 despite lower net interest income due to margins.

Administrative expenses in this segment also decreased. These positive aspects in net income after taxes were more than offset by the change in loan loss provisions. Whereas the same period of the previous year had benefited from net reversals, the first half of 2025 saw net additions at Stages 1/2 and for NPE exposures (Stage 3) – also in view of the difficult market environment, which was dominated by considerable uncertainty. New business development was characterized by significantly reduced activities in Structured Portfolio Finance in line with the realignment of the bank's strategy on franchise business. As a result, gross new business was down considerably year on year to € 0.9 billion (prior-year figure: € 1.3 billion). In line with this trend, segment assets also dropped significantly to € 6.0 billion (31 December 2024: € 6.6 billion). In view of the higher loan loss provisions compared to the previous period, the segment's operating profitability, measured in terms of RoE, decreased overall to 11.3 % (same period of the previous year: 14.6 %).

The **Treasury & Group Functions** segment generated net income after taxes of € -14 million (same period of the previous year: € 4 million). Despite difficult market conditions, positive, albeit significantly lower year-on-year total operating income was generated in the strategic investment portfolio and in capital market-related asset liability management. Overall, total income amounted to € 6 million compared to € 55 million in the same period of the previous year. The latter also included a positive interest rate effect of € 21 million from the sale of promissory note loans. Net income after taxes reflects the decline in total income and the negative impact of the one-off effect in administrative expenses in connection with the planned staff reduction measures (€ -45 million). This was offset by the clearly positive development in the other operating result (€ 23 million; same period of the previous year: € -38 million), which in the previous year included net negative one-off effects.

The difference between the taxation recognized in the segments based on a uniform imputed tax rate and actual income taxes at Group level is shown in the Reconciliation item within net income after taxes. The main reconciliation item relates to the write off of deferred taxes for carry loss forwards to the tune of € 58 million.

Detailed information on the methodology and included effects can be found in Note 35 in the notes to the consolidated financial statements.

Final assessment of the situation of Hamburg Commercial Bank

The market environment was characterized by a particularly high degree of uncertainty and volatility in the reporting period due to the mounting number of geopolitical trouble spots and the escalation of global trade conflicts caused by the new US administration. Under these very challenging external conditions, the Bank was able to maintain its market position, which is reflected in satisfactory operating performance in line with its plan overall.

Satisfactory **operating profitability** was evident on both the income and cost side. In terms of the earnings base, the Bank was able to record a 4 % increase in total income in the past six months compared to the same period of the previous year. Operating performance in the lending units, as measured by the development in the net interest margin, was in line with expectations despite the slight decline. In terms of cost development, the Bank is clearly on track at the half-year point to achieve its targets for administrative expenses for the year as a whole – excluding the negative one-off effects from the decision to reduce the workforce (additions to provisions) – which underlines the effectiveness of systematic cost management. The strategic realignment will result in unplanned and temporary negative effects on earnings in the 2025 financial year – these were already evident at the end of the first half. Irrespective of this, the solid operating performance seen in the first six months provides a solid foundation to forge ahead with the strategic realignment initiated in the reporting period.

In the period under review, the Bank once again managed to successfully counter the persistently challenging environment on the real estate markets and the resulting pressure on **asset quality**. Individual new defaults in the Bank's real estate portfolio were more than offset by the systematic implementation of the NPL reduction plan, resulting in a slight decline in the NPL ratio as at the reporting date.

With the **capital** ratios reported at the end of the first half of the year, which were up considerably on the end of 2024, the Bank is one of the banks with the strongest capital resources in the European banking market. The introduction of the CRR III regulations on 1 January 2025 had a significant positive impact on the level of RWA for credit risks, as was to be expected. As part of its distribution policy, the Bank will further normalise its capital buffers, initially taking into account a CET1 capitalisation of at least 16 %, while simultaneously reducing credit and liquidity risk by winding down non-strategic business activities as set out in the current corporate plan.

With central **liquidity metrics** (LCR and NSFR) based on prudent liquidity management which are, in some cases, very significantly higher than the regulatory requirements and further improved as against 31 December 2024, the Bank considers itself to be in a solid position, even in a market environment characterized by significant uncertainty.

In view of the developments and positioning outlined above, Hamburg Commercial Bank considers itself well positioned overall as at the reporting date to achieve its objectives, even in the current difficult environment. 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 interim management report. The forward-looking statements contained in this forecast report are generally based on assumptions and conclusions based on information available to the Bank at the time this interim management report was prepared. The statements are based on a series of assumptions that relate to future events and are incorporated in Hamburg Commercial Bank's corporate planning. The occurrence of future events is subject to uncertainty, risks and other factors, many of which are beyond Hamburg Commercial Bank's control. Actual events may therefore differ considerably from the following forward-looking statements below.

Anticipated underlying conditions

Forecasts on economic growth and inflation come from national and international institutions (Germany: Bundesbank, eurozone: ECB, USA: Fed, China: OECD, world: calculation of Hamburg Commercial Bank on the basis of IMF weights and growth forecasts specified above, as well as IMF forecasts for the rest of the world). 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).

ECONOMY AS A WHOLE AND FINANCIAL MARKETS

Global economy: According to our forecasts, global economic output is only expected to expand by 2.8 % in 2025, a slower pace than in 2024 (3.3 %). One driver behind this development will be the fact that the US will not be able to maintain its growth rate. Not only is private consumption weakening, but the current US tariff policy is also causing further uncertainty. Our forecast now only expects to see full-year growth of 1.4 % for the United States in 2025 (2024: 2.8 %). We also, however, anticipate weaker growth momentum for China and forecast a decline in economic growth to 4.0 % (2024: 5.0 %). After growing by just 0.7 % in the previous year, the eurozone, on the other hand, is expected to see slightly greater momentum in 2025 with an anticipated increase of 0.9 %, albeit at a weak level. We expect the German economy to stagnate in 2025 (2024: -0.2 %).

Monetary policy: Headline inflation came to 2 % (eurozone) and 2.4 % (US) at the end of June 2025. Due to geopolitical uncertainty, particularly as a result of the US tariff policy, it is not certain whether the US Federal Reserve will still achieve its 2 % target in 2025. We also expect the US economy to weaken in the second half of the year. In the eurozone, the ECB has already reached its inflation target. We do not expect eurozone inflation to rise significantly as a result of geopolitical uncertainties. The ECB's main refinancing rate is 2.15 %, while the Fed Funds Rate ranges from 4.25 % to 4.50 %. While further interest rate cuts are expected for both economic areas in 2025, there is likely to remain a considerable interest rate gap between the US and the eurozone. Long-term yields on German government bonds (Bunds) stood at 2.59 % on the reporting date, slightly higher than at the end of 2024 (2.36 %). Ten-year US Treasury Notes (T-notes) were yielding around 4.23 %, lower than at the turn of the year (4.58 %). The EUR/USD exchange rate has risen significantly in recent months from just under 1.04 to almost 1.18 and could rise further, at least in the short term.

MARKETS/SECTORS

Following developments in the first half of 2025, the Bank is making marginal downward adjustments to the forecast statements made in the combined management report for the 2024 financial year with regard to the development of the relevant markets/sectors for a small number of sub-sectors of the real estate markets, while it is adjusting its forecasts for the shipping markets to varying degrees on an asset class-specific basis. For industry and the other relevant sectors, the rather muted expectations and the positive outlook for the renewable energy sector can be confirmed. In detail, the Bank now expects to see the following development:

Real Estate: As far as the German real estate markets are concerned, the Bank is largely confirming its forecasts from the end of 2024. Only the market value forecasts for German office and retail properties have been adjusted downwards slightly. Even in central locations, slight drops in the value of office properties can now no longer be ruled out, with at least marked drops in value possible in peripheral locations. The stabilization in prices for shopping centers and commercial buildings is also likely to be delayed somewhat, meaning that moderate losses are to be expected. This is mainly due to ongoing investor restraint and the slightly higher expected long-term interest rates.

Global Transportation: The forecasts for the development of the shipping markets in 2025, as set out in the combined management report as at 31 December 2024, are being adjusted downward for bulkers. This is primarily due to lower expected raw material imports from China. In the case of container vessels, the forecast decline in rates to historically average levels is being postponed further into the future. The effect of the trade conflicts will depend to a considerable degree on the outcome of the ongoing negotiations.

Global aviation is expected to continue to show positive development in the second half of 2025. Market values of used aircraft are likely to remain relatively stable.

Project Finance: In spite of the considerable uncertainty caused by geopolitical tension and the US tariff policy, the expansion of renewable energies is likely to continue on its positive trajectory. This is expected to be driven by efforts towards "green transformation" and the implementation of measures motivated by the pressure to act and shift the focus of energy sources following Russia's war of aggression against Ukraine.

Corporates: As far as industry and the other relevant sectors are concerned, the Bank is largely sticking to its 2024 year-end forecasts. The ongoing high level of uncertainty, particularly with regard to trade policy issues, the ongoing war in Ukraine and its implications, geopolitical risks and, last but not least, the potential for escalation due to the conflicts in the Middle East, are all putting a certain damper on global growth, such that, despite a strong first quarter, the individual sectors are set to see rather subdued development for the remainder of the year, even though sentiment surveys are increasingly pointing to acclimatization effects and positive expectations regarding the future. The potential for setbacks remains and – given the uncertainty – is currently substantial.

Expected business development of Hamburg Commercial Bank and outlook

Hamburg Commercial Bank currently assumes that operating business development in the second half of 2025 will be similar to the first six months.

The focus for the second half of the year will be on continuing to implement the strategic realignment process. A Transformation Office (TMO) was set up in the first half of the year as a central point of contact and coordination in order to provide strategic and operational support for the relevant changes at the Bank (also with regard to organizational structure, portfolio and refinancing structure, and processes) and the individual measures.

The strategic realignment process includes, among other things, adjusting new business planning and asset allocation as well as broadening the refinancing base. At the end of 2024, the Bank had forecast that the gross volume of new business in 2025 as a whole would exceed the previous year's contracted business totaling € 6.1 billion. HCOB now expects development in the second half of 2025 to match that seen in the first half. Accordingly, taking into account the business already contracted in the first half of the year (€ 2.6 billion), a new business volume of around € 5 billion should have been achieved by the end of the year. The main drivers behind the adjusted expectations are the discontinuation of new business in Aviation and International Real Estate and the deliberate reduction in Structured Portfolio Finance.

The Bank now expects the Group's total assets (with an increasing weight of the core business lines) to be below € 30 billion at the end of 2025, which is around 10 % lower than the original forecast figure of around € 33 billion. On the assets side, the decline compared to the original plan is mainly attributable to the loan book. In line with the strategic approach of focusing on the future core areas (franchise focus), the updated corporate planning provides for smaller portfolios in those business areas/asset classes that are no longer considered part of the core business, such as Aviation, International Real Estate, and parts of Structured Portfolio Finance. At the same time, the refinancing structure on the liabilities side is being realigned. The updated corporate planning envisages a gradual increase in the share of funding via deposits from retail customers, while at the same time reducing reliance on capital market funding and corporate deposits. This is intended to make liquidity management more resilient and cost effective. A new initiative has also been launched for an independent funding channel for deposits from retail customers.

With regard to the Group income statement, the Bank essentially expects to see the following developments for the second half of the year:

- As outlined above, the implementation of the measures associated with the strategic realignment will lead to a reduction in total assets. In conjunction with a slightly lower than expected net interest margin (NIM), the Bank is expected to fall short of its total income forecast published in the combined management report for 2024, namely total income at the 2024 level, by a mid to high single-digit percentage.
- As part of the projections for loan loss provisions, the Bank assumes that loan loss provisions (income statement) for 2025 as a whole – based on the development seen in the first six months – will be moderately above the level seen in 2024 and will continue to be dominated by the Real Estate segment.
- Excluding the provisions set up in the first half of the year for the staff reduction measures that have been adopted, administrative expenses in the second half of 2025 should develop largely in line with the first six months. Due to the aforementioned one-off effect alone, administrative expenses for the 2025 financial year will be more than 10 % higher than in 2024. Adjusted to reflect this extraordinary effect, however, the Bank expects total costs to be below the 2024 level. The savings from the staff reduction measures, which will be fully implemented by the end of 2027, will be gradually realized in subsequent years. After the half-year reporting date, agreements have already been reached in principle with employees who altogether account for around 2/3 of the targeted staff reduction measures of 190 FTEs.
- For the earnings items "Other operating result" and "Expenses for regulatory affairs, deposit guarantee fund and banking associations", the Bank does not expect to see any significant effects in the second half of the year.
- Given the exceptionally high income tax rate of 67 % already reported at the end of the first half of the year, taxes for the 2025 financial year will be significantly higher than in the previous year and than in the prior year's forecast. The main reason for this is the update of the corporate planning in June and its impact on the scope of the recognition of deferred taxes on loss carryforwards.

Updated forecast for development in key performance indicators in the 2025 financial year

	Latest Forecast	Original forecast
RoE after taxes @equity (%) ¹⁾	~3 with net income before taxes of ~250 Mio. €	>7 with net income before taxes of >€ 300 million
CIR (%)	<50	<45
CET1 capital ratio (%)	16	~17
LCR (%)	unchanged	>180
NPL ratio (%)	~3.2	~3
Rating	unchanged	A3, stable

¹⁾ The RoE after taxes @equity is based on the reported equity at the beginning of the year less the proposed dividend.

Against the backdrop of the effects associated with the strategic realignment, in particular:

- the one-off effect in administrative expenses due to the staff reduction measures,
- the write-downs of deferred taxes on loss carryforwards,
- the lower balance sheet volume with the implications for the earnings base and
- the reduced strategic target for capital resources,

HCOB is adjusting its forecasts for the development of RoE after taxes @equity, CIR and the CET1 capital ratio in the 2025 financial year as published in the combined management report for 2024. The Bank is confirming its original forecasts for the performance indicators LCR and rating respectively slightly raises the forecast for the NPL ratio.

The Bank is adjusting its forecast for IFRS net income before taxes from € >300 million to € ~250 million. The lower expectations are almost exclusively due to the effects of the strategic realignment. On the one hand, these relate to the negative effects already recognized in the half-year financial statements resulting from the decision to reduce headcount (negative impact in administrative expenses amounting to € 45 million). In addition, net interest income and, as a result, total income will be lower than assumed at the end of 2024 due to the lower balance sheet volume. In contrast, the other operating result is likely to be better than planned due to the income generated in the first half of the year. Despite an expected pre-tax result that should be comparable to that of the 2024 financial year (2024: € 248 million), income taxes will be significantly higher than assumed at the end of 2024 due to the reversals of deferred taxes on loss carryforwards. As a result, the forecast for **RoE after taxes** has been adjusted downward from the original >7 % to ~3 %.

The Bank expects operating administrative expenses to be slightly lower than planned at the end of 2024. This development will, however, be clearly offset by the one-off effects from the provisions set up for staff reduction measures. In addition, total income will be lower compared to the original planning assumptions, in particular due to the lower business volume. In light of the aforementioned aspects, the Bank is adjusting its forecast for the **CIR** for 2025 as a whole from <45 % to <50 %.

As part of the realignment process and the commensurate reduction in its risk profile and strong capital generating capacity, providing sound buffer against adverse developments, the Bank has reduced its strategic target for capital resources (measured using the **CET1** ratio) from ~17 % to 16%. The RWA have been significantly reduced mainly due to the introduction of the CRR III regulations and lower business volume. With regard to Common Equity Tier 1 capital, the Bank will manage its surplus capital as part of its distribution policy and will ensure that a CET1 ratio of at least 16 % will be achieved as at 31 December 2025.

The Bank is also confirming its forecasts published in the combined management report for the 2024 financial year with regard to **LCR** (above 180 % as at 31 December 2025) and its **rating** position (stable at the current level). With regard to the **NPL ratio**, the bank is slightly raising its forecast for the end of 2025 from ~3% to ~3.2% to take into account the continuing difficult conditions on the real estate markets.

When considering the forecasts set out above, it is important to remember that the current economic environment remains challenging and characterized by high levels of uncertainty. The ultimate impact of geopolitical and macroeconomic uncertainties remains difficult to predict and could affect Hamburg Commercial Bank's ability to meet its financial targets.

Overall appraisal and net income forecast

As part of the outlook for the second half of 2025, the Bank expects the external environment to remain challenging overall and subject to uncertainty. Internally, HCOB is focusing on continuing to implement the strategic transformation process towards a less risky and more focused franchise operating model that has been initiated, the measures for which were incorporated into the updated corporate planning in June. While the Bank expects to see similar operating performance (new business, net interest margins, operating costs) in the second half of the year as in the first six months, the strategic transformation process in the 2025 financial year will be reflected in the earnings situation and, as a result, in its most important profitability-related key performance indicators (RoE after taxes and CIR). This is due to the deliberately reduced balance sheet volume in line with the adjusted strategy as well as the one-off effects from the staff reduction measures and the write-downs on deferred tax assets. Accordingly, the Bank has adjusted the forecasts for these two key performance indicators downwards for the 2025 financial year. HCOB has also adjusted its strategic target for the CET1 ratio. The Bank is confirming its forecasts from the 2024 combined management report for the other key performance indicators respectively slightly raises the NPL ratio.

Taking into account the aforementioned aspects, first and foremost the negative effects on the earnings situation in 2025 as a result of the strategic realignment process, the Bank is revising its forecast for IFRS net income before taxes from previously over € 300 million to € ~250 million.

This earnings forecast is subject to adverse developments in the internal transformation process, the emergence of a trade war as a result of the US administration's tariff policy and potential countermeasures taken by its trading partners, and an escalation of existing geopolitical crises and tensions (in particular Middle East, Ukraine).

The earnings forecast and future development of Hamburg Commercial Bank are associated with challenges overall which are described in detail in the combined management report as at 31 December 2024. In addition to the opportunities and risks mentioned there, the challenge for the Bank will lie in successfully implementing the transformation process to support the strategic realignment in line with the plan.

Risk Report

Risk management system

Active risk management represents a core component of the Overall Bank management at Hamburg Commercial Bank. The methods, instruments and processes used to manage the risks are explained in detail in the risk report contained in the combined management report for the 2024 financial year.

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. Through its guidelines, which are aligned with the business strategy and Bank planning, 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.

The SRF is the subject of a resolution passed by the Management Board and is reviewed at least once a year. 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.

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

(%)	30.06.2025	31.12.2024
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	10.8	10.6
Total capital	13.4	13.1

¹⁾ Total differences are rounding differences.

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

(%)	30.06.2025 ²	31.12.2024 ³
Overall capital ratio	26.2	22.4
Tier 1 capital ratio	22.1	17.3
CET1 capital ratio	22.1	17.3

¹⁾ Regulatory group according to CRR

²⁾ Profits for the first half of 2025 have not been taken into account.

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)	30.06.2025 ²	31.12.2024 ³
Regulatory capital	3.9	4.1
thereof: Tier 1 capital	3.3	3.2
thereof: CET1 capital	3.3	3.2
thereof: additional Tier 1 capital	–	–
thereof: Tier 2 capital	0.6	0.9

¹⁾ Regulatory group according to CRR

²⁾ Profits for the first half of 2025 have not been taken into account.

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)	30.06.2025	31.12.2024
Credit risks	13.3	16.5
Market risks	–	–
Operational risks	1.3	1.4
Other RWA	0.1	0.3
Total RWA	14.7	18.2

¹⁾ Regulatory group according to CRR²⁾ Total differences are rounding differences

The CET1 ratio has increased considerably compared to the end of the previous year (17.3 %) and stood at 22.1 % as at 30 June 2025. The reason for the increase in the ratio was the reduction in aggregate risk-weighted assets (RWA), which had fallen to € 14.7 billion as at 30 June 2025 (31 December 2024: € 18.2 billion). This was driven by the reduction in RWA for credit risks, which fell significantly as anticipated due to the initial application of the CRR III regulations. The decline in RWA for credit risks was exacerbated by the lower business volume and the depreciation of the US dollar. CET1 capital increased slightly and amounted to € 3.3 billion as at 30 June 2025 (31 December 2024: € 3.2 billion). This was due to lower regulatory deductions than at the end of the previous year and the increase in other comprehensive income (OCI). The profit for the first half of the year was not taken into account in the CET1 capital in anticipation of a possible dividend payment for the 2025 financial year.

The regulatory CET1 ratio for the single entity in accordance with HGB accounting standards was 21.3 % as at 30. Juni 2025 (31. Dezember 2024: 17.1 %). The corresponding Tier 1 capital ratio reached 21.3 % (31. Dezember 2024: 17.1 %), and the overall capital ratio amounted to 25.3 % (31. Dezember 2024: 22.2 %). The capital ratios for the single entity as at 30. Juni 2025 are also reported without taking the half-year profit for the period into account. 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 30. Juni 2025, the MREL ratio was 61.8 % of the total risk exposure amount (TREA) and the leverage ratio exposure (LRE) was 28.5 %. 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.

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 economic perspective is used to check whether all material risks are backed by internal capital at a specific point in time. 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.

The economic capital requirements for default risk, market risk, operational risk, and liquidity maturity transformation risk as an element of liquidity risk are aggregated into the overall economic risk, without risk-reducing correlations between the risk types.

Utilization of risk coverage potential decreased compared to the end of the previous year and amounted to 54 % as at the reporting date (31 December 2024: 60 %).

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

ICAAP/risk-bearing capacity of the Group¹

(€ bn)	30.06.2025	31.12.2024
Economic risk coverage potential	3.4	3.2
Total economic risk	1.8	1.9
thereof: default risks	1.0	1.1
thereof: market risks	0.7	0.7
thereof: liquidity risks	–	0.02
thereof: operational risks	0.1	0.1
Utilization of risk coverage potential (%)	54 %	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).

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.

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 EAD of the total exposure amounted to €33,633 million as at 30 June 2025 (31 December 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 (31 December 2024: 69 %).

Hamburg Commercial Bank reduced its NPE portfolio to € 628 million in the first half of 2025 (31 December 2024: € 686 million). The Bank more than compensated for isolated new defaults, mainly in the real estate portfolio, through the consistent winding-down of non-performing exposures. With a simultaneous decrease in total exposure, the NPE ratio of 1.9 % and the NPL ratio of 3.2 % as at 30 June 2025 were at the same level as at the end of the previous year (NPE: 1.9 %/NPL: 3.3 %).

Default risk structure by rating category¹

	30.06.2025		31.12.2024	
	EAD (€ mn)	relative share (%)	EAD (€ mn)	relative share (%)
1 (AAAA) to 1 (AA+)	6,184	18.4	5,764	15.7
1 (AA) to 1 (A-)	9,512	28.3	11,237	30.6
2 to 5	7,722	23.0	8,320	22.7
6 to 9	7,488	22.3	8,705	23.7
10 to 12	1,515	4.5	1,140	3.1
13 to 15	486	1.4	746	2.0
16 to 18 (failure classes)	628	1.9	686	1.9
Other ²	97	0.3	94	0.3
Total	33,633	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.

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

Default risk structure by sector

	30.06.2025		31.12.2024	
	EAD (€ mn)	relative share (%)	EAD (€ mn)	relative share (%)
Public sector	6,785	20.2	6,446	17.6
Land and buildings	5,465	16.2	6,085	16.6
Credit institutions	5,042	15.0	6,046	16.5
Other financial institutions	4,256	12.7	5,846	15.9
Other services	5,220	15.5	4,592	12.5
Shipping	2,581	7.7	3,058	8.3
Industry	2,661	7.9	2,753	7.5
Trade and transport	1,505	4.5	1,742	4.7
Private households	103	0.3	103	0.3
Aviation	16	–	21	0.1
Other	–	–	–	–
Total	33,633	100	36,692	100

The following table shows EAD broken down by residual maturities:

Default risk structure by residual maturity

	30.06.2025		31.12.2024	
	EAD (€ mn)	relative share (%)	EAD (€ mn)	relative share (%)
<3 months	4,671	13.9	4,736	12.9
3 months to <6 months	672	2.0	1,273	3.5
6 months to <1 year	2,461	7.3	1,979	5.4
1 year to <5 years	14,882	44.2	16,940	46.2
5 years to ≤10 years	6,875	20.4	6,969	19.0
>10 years	4,071	12.1	4,795	13.1
Total	33,633	100	36,692	100

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

Default risk structure by region

	30.06.2025		31.12.2024	
	EAD (€ mn)	relative share (%)	EAD (€ mn)	relative share (%)
Eurozone	21,994	65.4	23,316	63.5
thereof: Germany	11,467	34.1	11,885	32.4
thereof: Greece	-	-	-	-
thereof: Italy	187	0.6	227	0.6
thereof: Portugal	87	0.3	104	0.3
thereof: Spain	506	1.5	661	1.8
Western Europe	4,247	12.6	4,521	12.3
Eastern Europe ¹	48	0.1	47	0.1
African countries ²	421	1.3	487	1.3
North America	4,866	14.5	6,108	16.6
Latin America	819	2.4	777	2.1
Middle East	-	-	-	-
Asia Pacific region ³	1,036	3.1	1,255	3.4
International stock exchanges	202	0.6	181	0.5
Total	33,633	100	36,692	100

¹⁾ 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.

²⁾ 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.

³⁾ 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.

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 realignment of Hamburg Commercial Bank, there was already a stronger focus on business in Germany and Europe in the first half of 2025. In particular, the Bank began reducing its exposure to North America.

Hamburg Commercial Bank has no gross exposure to Russia, Belarus or Ukraine. New business with 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 one million euros.

In the countries affected by the ongoing Middle East conflict, which has widened at times since mid-June, 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 regional escalation.

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

Loan loss provisions

The change in loan loss provisions amounted to a net addition of € 57 million as at the reporting date (same period of the previous year: net addition of € 40 million).

At Stage 3, net additions totaling € 36 million were mainly attributable to the Real Estate (€ 21 million) and Corporates (€ 13 million) segments. Ongoing weak demand and the sustained low market values meant that higher provisions had to be recognized in particular for financing arrangements in default involving office properties in Germany (especially for properties in need of development). 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.

At Stages 1 and 2 of the loan loss provisioning model, total net additions of € 20 million (including the change in model overlays) were also largely attributable to the Real Estate (€ 12 million) and Corporates (€ 6 million) segments. 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 heightened 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 10 and 19 in the notes to the consolidated financial statements.

Changes in loan loss provisions in the lending business

(€ mn)	January – June 2025			
	Loan loss provisions Stage 3 incl. POCI	Loan loss provisions Stages 1 and 2	Other ¹	Total
Corporates	-13	-6	1	-18
Project Finance	-3	2	-	-1
Real Estate	-21	-12	-3	-36
Global Transportation	-	-3	-	-3
Treasury & Group Functions	-	-	1	1
Reconciliation	1	-1	-	-
Group	-36	-20	-1	-57

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)

Changes in loan loss provisions in the lending business

(€ mn)	January – June 2024			
	Loan loss provisions Stage 3 incl. POCI	Loan loss provisions Stages 1 and 2	Other ¹	Total
Corporates	15	-6	-	9
Project Finance	-1	-3	-	-4
Real Estate	-36	-13	-1	-50
Global Transportation	-	-1	4	3
Treasury & Group Functions	-	-	1	1
Reconciliation	-	-	1	1
Group	-22	-23	5	-40

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)

Total loan loss provisions

(€ mn)	30.06.2025	31.12.2024
Volume of receivables AC	18,746	20,731
thereof: volume of impaired loans (gross carrying amount Stage 3) ¹	604	670
thereof: gross carrying amount (Stage 2)	2,544	2,696
thereof: gross carrying amount (Stage 1)	15,598	17,365
Total loan loss provisions for balance sheet items	-300	-347
thereof: total loan loss provisions (Stage 3) ¹	-168	-212
thereof: total loan loss provisions (Stage 2)	-92	-93
thereof: total loan loss provisions (Stage 1)	-40	-42

¹⁾ Stage 3 including POCI

The total loan loss provisions for balance sheet items determined under IFRS 9 amounted to € 300 million as at 30. Juni 2025 (31. Dezember 2024: € 347 million). In addition, provisions for off-balance-sheet items amounted to € 26 million as at the reporting date (31. Dezember 2024: € 28 million).

At 1.6% % as at 30. Juni 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 was increased to 2.7 % during the reporting period (31. Dezember 2024: 2.7 %). The total loan loss provisions at Stages 1 and 2 serve to mitigate the impact of potential future negative influences.

The NPE coverage ratio AC decreased from the prior-year level (33 %) to 30 % as at 30. Juni 2025 due to further changes in the NPE portfolio.

Details regarding the total loan loss provisions in the lending business are presented in Notes 10 and 19 in the notes to the consolidated financial statements.

Market risk

The economic (present value) daily result and a value-at-risk (VaR) approach form the basis of the system for measuring and managing market risk. 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 its portfolio structure that differs significantly from the rest of the Group, the CTA uses a Cornish-Fisher VaR approach with a holding period of one year and a confidence level of 99.9 %, which in line with the long-term investment horizon is based on market data history going right back to 2008, and it thus also takes into account the period of the financial crisis. This value is included as an add-on in the Group VaR with appropriate scaling.

As at 30 June 2025, the daily market risk of the trading book positions was € 0.7 million and that of the banking book positions was € 36.4 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 € 34.9 million. In addition to the risk determined by the system, the VaR of Hamburg Commercial Bank as at 30 June 2025 includes a VaR add-on of € 1.4 million to take into account the current backtesting results. As at 30 June 2025, the CTA has an add-on of € 13.9 million. Developments with respect to the daily VaR for individual market risk types during the first six months of 2025 are presented in the table below. The main driver for the increase in VaR compared to the end of 2024 was a slight increase in VaR add-ons.

Daily value at risk of the Group

(€ mn)	Interest rate risk ¹		Credit spread risk ¹		Foreign exchange risk		Equity/funds risk		Total ²	
	Jan. – June 2025	Jan. – Dec. 2024	Jan. – June 2025	Jan. – Dec. 2024	Jan. – June 2025	Jan. – Dec. 2024	Jan. – June 2025	Jan. – Dec. 2024	Jan. – June 2025	Jan. – Dec. 2024
Average	18.7	24.7	6.2	5.8	2.0	3.5	13.9	12.7	34.2	36.3
Maximum	25.8	30.3	6.8	9.0	4.9	9.1	14.3	14.8	37.8	39.9
Minimum	13.4	14.9	5.0	3.9	0.2	0.2	13.2	10.9	28.6	30.2
Period end value	18.6	21.5	6.2	6.0	0.9	1.7	13.9	13.2	34.9	32.4

¹⁾ Interest rate risk excluding credit spread risk

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

Liquidity risk

Hamburg Commercial Bank assesses liquidity adequacy from both a normative and an economic perspective in accordance with the ECB Guide to the internal liquidity adequacy assessment process (ILAAP).

The normative perspective covers a multi-year assessment period, and thereby focusses 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.

Hamburg Commercial Bank's risk appetite with regard to liquidity risk is reflected, amongst other things, in the definition of a minimum survival period.

All limits were complied with in the 12-month period under review. In the scenario that is relevant from a management perspective, the stress case liquidity maturity profile shows a survival period of more than 9 months as at 30 June 2025. Critical limit utilization levels were not reported in the normal case nor in the stress case liquidity maturity profile during the period under review.

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 30 June 2025, it amounted to 259 % (31 December 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 30 June 2025, the Bank's NSFR amounted to 121 % under the CRR (31 December 2024: 116 %).

Refinancing situation

Hamburg Commercial Bank successfully implemented its funding strategy in the first half of the 2025 financial year. The refinancing situation in the reporting period was 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. As the tariff dispute appeared to be easing and the military conflict started to settle, the financial markets stabilized significantly over the course of the first half of 2025.

Fundraising is in line with the Bank's expectations. In total, the Bank has raised around € 0.6 billion in long-term funds in 2025. During the reporting period, the Bank successfully placed a benchmark issue of € 500 million on the capital market. This bond will strengthen the Bank's funding base in the long term and further broaden the investor base. The Bank is planning further benchmark issues in the unsecured segment as well as Pfandbrief issues in the coming years. Further refinancing funds were raised through private placements, including a € 300 million floating rate bond with a two-year term and a value date in early July.

In the first half of 2025, as part of the diversified refinancing structure, the Bank paid out a dividend of around € 0.2 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 € 10.9 billion from the Bank's client business (Corporate Deposits), and a € 300 million increase in the volume of retail deposits, also contributed to the implementation of the funding strategy.

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 30 June 2025, 69 % (31 December 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 client 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. In order to adequately address the diversity of these risks, the current geopolitical challenges and the regulatory requirements, the Bank has adopted a corresponding NFR Framework, which provides an overview of the roles and responsibilities within a Three Lines of Defense model, and the procedures, methods and implementation of the Bank's NFR management.

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 also a focus of the attacks, although there is currently no increased threat situation facing 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 changes 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

€ 141 million (31 December 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.

Further information on non-financial risks can be found in the combined management report for the 2024 financial year.

Hamburg, 15 August 2025

Luc Popelier

Ulrik Lackschewitz

Christopher Brody

Marc Ziegner



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Group income statement

for the period from 1 January to 30 June 2025

(€ mn)	Note	January – June 2025	January – June 2024	Change in %
Interest income from financial assets categorized as AC and FVOCI		756	849	-11
Interest income from other financial instruments		45	45	-
Interest expenses		-444	-518	-14
Net interest income	(4)	357	376	-5
Net commission income	(5)	14	12	17
Result from hedging	(6)	-1	-4	75
Result from financial instruments categorized as FVPL	(7)	18	-4	>100
Net income from financial investments	(8)	6	1	>100
Result from the disposal of financial assets classified as AC	(9)	3	2	50
Total income		397	383	4
Loan loss provisions	(10)	-57	-40	43
Total income after loan loss provisions		340	343	-1
Administrative expenses	(11)	-216	-168	29
Other operating result	(12)	23	-38	>100
Expenses for regulatory affairs, deposit guarantee fund and banking associations	(13)	-8	-8	-
Net income before taxes		139	129	8
Income tax expenses	(14)	-93	-18	>100
Group net result		46	111	-59
Group net result attributable to Hamburg Commercial Bank shareholders		46	111	-59

Earnings per share

(€)	Note	30.06.2025	30.06.2024
Undiluted	(15)	0.15	0.37
Diluted	(15)	0.15	0.37
Number of shares (millions)		302	302

Group statement of comprehensive income

for the period from 1 January to 30 June 2025

Reconciliation with total comprehensive income/loss

(€ mn)	January – June 2025	January – June 2024
Group net result	46	111
Income and expenses that have been reclassified to the income statement or may be reclassified at a later date		
Changes in the fair value of financial assets categorized as FVOCI as a mandatory requirement (before taxes)		
Unrealized gains and loss (before taxes)	51	-55
Gains and losses (before taxes) reclassified to the income statement	-6	-26
Income taxes recognized	-15	25
	30	-56
Differences resulting from currency translation	-	-1
Subtotal	30	-57
Income and expenses that will not be reclassified to the income statement at a later date		
Credit risk-induced changes in the value of liabilities designated at fair value (before taxes)	3	1
Income taxes recognized	-1	-
	2	1
Changes resulting from the revaluation of net defined benefit pension obligations (before taxes)	44	22
Income taxes recognized	-14	-7
	29	15
Subtotal	32	16
Other comprehensive income	62	-41
Total comprehensive income	108	70
Total comprehensive income attributable to Hamburg Commercial Bank shareholders	108	70

Group statement of financial position

on the 30. Juni 2025

Assets

(€ mn)	Note	30.06.2025	31.12.2024	Change in %
Cash reserve	(16)	2,936	3,085	-5
Loans and advances to banks	(17)	398	714	-44
Loans and advances to customers	(18)	18,843	20,553	-8
Loan loss provisions	(10)	-300	-347	-14
Trading assets	(21)	320	225	42
Financial investments	(22)	7,792	8,523	-9
Intangible assets	(23)	78	81	-4
Property, plant and equipment	(24)	19	22	-14
Investment property	(24)	1	1	-
Current tax assets		24	16	50
Deferred tax assets	(25)	420	540	-22
Other assets	(26)	284	219	30
Total assets		30,815	33,632	-8

Liabilities

(€ mn)	Note	30.06.2025	31.12.2024	Change in %
Liabilities to banks	(27)	3,128	3,718	-16
Liabilities to customers	(28)	14,306	15,020	-5
Debt securities issued	(29)	7,942	9,128	-13
Negative fair value of hedging derivatives	(20)	48	58	-17
Trading liabilities	(30)	138	309	-55
Provisions	(31)	370	374	-1
Current tax liabilities		81	94	-14
Other liabilities	(32)	116	114	2
Subordinated capital	(33)	899	925	-3
Equity	(34)	3,787	3,892	-3
Share capital		302	302	-
Capital reserve		1,538	1,536	-
Retained earnings		1,859	1,815	2
Revaluation reserve		42	9	393
Currency conversion reserve		-1	1	>-100
Group net result		46	228	-80
Total before non-controlling interests		3,786	3,891	-3
Non-controlling interests		1	1	-56
Total liabilities		30,815	33,632	-8

Group statement of changes in equity

(€ mn)	Note	Share capital	Capital reserve	Retained earnings	Currency conversion reserve	Revaluation reserve	Group net result	Total before non-controlling interests	Non-controlling interests	Total
As at 1 January 2024		302	1,533	1,838	-1	65	271	4,008	1	4,009
Group net result		-	-	-	-	-	111	111	-	111
Changes resulting from the revaluation of net defined benefit pension obligations		-	-	15	-	-	-	15	-	15
Credit risk-induced changes in the value of liabilities designated at fair value ¹		-	-	-	-	1	-	1	-	1
Changes in the fair value of financial assets categorized as FVOCI as a mandatory requirement		-	-	-	-	-57	-	-57	-	-57
Exchange rate changes ²		-	-	-	1	-	-	1	-	1
Other comprehensive income		-	-	15	1	-56	-	-40	-	-40
Comprehensive income as at 30 June 2024		-	-	15	1	-56	111	71	-	71
Dividend distributions to the shareholders of Hamburg Commercial Bank AG		-	-	-302	-	-	-	-302	-	-302
Compensation for the Group net loss for the previous year		-	-	271	-	-	-271	-	-	-
Share-based remuneration		-	2	-	-	-	-	2	-	2
As at 30 June 2024		302	1,535	1,822	-	9	111	3,779	1	3,780
As at 1 January 2025		302	1,536	1,815	1	9	228	3,891	1	3,892
Group net result		-	-	-	-	-	46	46	-	46
Changes resulting from the revaluation of net defined benefit pension obligations		-	-	30	-	-	-	30	-	30
Credit risk-induced changes in the value of liabilities designated at fair value ¹		-	-	-	-	2	-	2	-	2
Changes in the fair value of financial assets categorized as FVOCI as a mandatory requirement		-	-	-	-	32	-	32	-	32
Exchange rate changes ²		-	-	-	-2	-	-	-2	-	-2
Other comprehensive income		-	-	30	-2	34	-	62	-	62
Comprehensive income as at 30 June 2025		-	-	30	-2	34	46	108	-	108
Dividend distributions to the shareholders of Hamburg Commercial Bank AG		-	-	-214	-	-	-	-214	-	-214
Compensation for the Group net loss for the previous year		-	-	228	-	-	-228	-	-	-
Share-based remuneration		-	2	-	-	-	-	2	-	2
As at 30 June 2025	(34)	302	1,538	1,859	-1	42	46	3,786	1	3,787

¹⁾ The reclassification of the credit risk-induced changes in the value of liabilities designated at fair value to retained earnings is due to the repurchase of issues/promissory note loans.
²⁾ Including the hedge adjustment from hedging net investments in foreign operations in accordance with IFRS 9.6.5.13.

Group cash flow statement

Condensed cash flow statement

(€ mn)	January – June 2025	January – June 2024
Cash and cash equivalents as at 1 January	3,085	3,857
Cash flow from operating activities	–328	–327
Cash flow from investing activities	395	–384
Cash flow from financing activities	–216	–304
Cash and cash equivalents as at 30 June	2,936	2,842

Cash and cash equivalents are equivalent to the Cash reserve item in the statement of financial position and comprise cash on hand, balances with central banks, treasury bills, discounted treasury notes and similar debt instruments issued by public-sector bodies and bills of exchange.

The cash flow from operating activities is calculated using the indirect method, whereby the Group net income/loss for the year is adjusted for non-cash expenses (increased) and non-cash income (reduced), and cash changes in assets and liabilities used in operating activities are taken into account.

During the reporting period, there were significant new issues with a volume of € 910 million (previous year: € 2,365 million). The volume of repayments/repurchases in this period amounted to € 14 million (previous year: € 66 million) and the volume of issues due amounted to € 2,049 million (previous year: € 1,101 million).

The cash flow from financing activities was influenced by the dividend of € 214 million that was distributed in the reporting period (previous year: € 302 million).

Further information on the liquidity position of Hamburg Commercial Bank is presented in the Group management report under Net assets and financial position and in the risk report.

Notes to the consolidated financial statements

Group notes (selected explanatory notes)

General information

1. Accounting principles

As the ultimate parent company, Hamburg Commercial Bank AG, which has its registered office in Hamburg, prepares consolidated financial statements for the Group.

Hamburg Commercial Bank AG has issued debt instruments as defined in § 2 (1) sentence 1 of the German Securities Trading Act (WpHG) on an organized market as defined in § 2 (11) WpHG and is thus obliged, as a publicly traded company as defined in Regulation (EC) 1606/2002 (IAS Regulation) of the European Parliament and of the Council of 19 July 2002 in conjunction with § 315e (1) of the German Commercial Code (HGB) to prepare its Group financial statements in accordance with the International Financial Reporting Standards. International accounting standards, hereinafter IFRS or standards, refer to the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) and the associated interpretations by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), published by the International Accounting Standards Board (IASB) and adopted under the IAS Regulation as part of the EU endorsement.

Taking into account the requirements set out in IAS 34, the half-year financial report consists of condensed interim Group financial statements and an interim Group management report. The condensed interim Group financial statements consist of an income statement, a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a condensed cash flow statement and selected explanatory notes.

The interim Group financial statements as at 30 June 2025 were prepared in accordance with IFRS, as published by the International Accounting Standards Board (IASB), and adopted as European law by the European Union (EU). They take into account in particular the requirements set out in IAS 34 (Interim Financial Reporting).

This half-year financial report has not been reviewed or audited by an auditor.

In the interim Group financial statements, the same accounting policies have been applied as in the consolidated financial statements of Hamburg Commercial Bank AG as at 31 December 2024.

In accordance with IAS 34.C4, Hamburg Commercial Bank does not prepare any expert opinions for pension obligations during the year and takes the data from the last expert opinion as at 31 December 2024 as a basis. Every quarter, pension provisions are reviewed for changes in key parameters, which are then adjusted if necessary and taken into account for accounting purposes (in particular changes in the discount rate). Plan assets are measured at fair value and netted with the pension provisions.

The following accounting standards are applicable for the first time in the current financial year:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability

The amendments to IAS 21 supplement the standard with regulations on currency translation, which are to be applied if a currency cannot be converted into another currency. The amendments have no impact on the consolidated financial statements of Hamburg Commercial Bank.

In addition to the IFRS, Hamburg Commercial Bank has also complied with the German Accounting Standard GAS 16 Interim Financial reporting in preparing the interim management report.

All findings up until 12 August 2025 have been taken into account.

Going concern assumption

Accounting and valuation are based on the assumption that HCOB is a going concern. HCOB's corporate planning forms the basis for the going concern assumption.

2. Events after the balance sheet date

On 11 July 2025, the Bundestag passed a new tax law (Law for a tax Immediate investment program to strengthen Germany as a business location). Corporate tax rate in Germany over a five-year period from 2028 to 2032 from the current 15 % to 10 %. Deferred income tax assets and liabilities in connection with the German HCOB companies whose reversal is expected after 31 December 2027 are based on the reduced tax rates.

According to current estimates, the adjustments to be made in the course of the revaluation are expected to have an impact in the low double-digit million range on the consolidated financial statements of HCOB for the 2025 financial year.

3. Scope of consolidation

In addition to the parent company, Hamburg Commercial Bank AG, Hamburg, the scope of consolidation includes 14 fully consolidated subsidiaries (31 December 2024: 13).

As at 31 December 2024, there are no associates or joint ventures accounted for using the equity method.

The only change in the scope of consolidation in the first half of 2025 relates to the subsidiary stated below.

I. Disclosures on subsidiaries – Changes in the scope of consolidation

A) ADDITIONS

The following companies are fully consolidated and included for the first time as subsidiaries in the Group financial statements as at 30 June 2025:

- Pemberton Volkspark Unlevered Direct Lending Fund, SCSp, Luxembourg

Due to contractual obligations, the Bank has been exercising control over Pemberton Volkspark Unlevered Direct Lending Fund SCSp since 28 May 2025, as these regulations mean that the operating decision-makers of the company must be classified as agents of Hamburg Commercial Bank. The primary business purpose of this special fund (loan fund) is the investment in third-party receivables. It was established for the purpose of the Bank diversifying its activities in the international corporates business through the loan fund, with a focus on borrowers from North America and Western Europe.

B) DISPOSALS

There was no disposal of a subsidiary from the scope of consolidation in the reporting period.

II. Information on consolidated structured entities

Hamburg Commercial Bank's scope of consolidation includes eight fully-consolidated structured entities. HCOB exercises control over these companies on the basis of contractual rights and/or principal-agent relationships. In three of these companies, HCOB also holds the majority of voting rights.

Notes to the Group income statement

4. Net interest income

Net interest income

(€ mn)	January – June 2025	January – June 2024
Interest income from		
lending and money market transactions categorized as AC and FVOCI	610	697
fixed-interest securities categorized as AC and FVOCI	136	137
impaired financial assets	8	13
Discounting of provisions	2	2
Interest income from financial assets categorized as AC and FVOCI	756	849
thereof attributable to financial assets measured at AC	606	666
thereof attributable to financial assets measured at fair value in OCI as a mandatory requirement	150	183
Interest income from		
other lending and money market transactions	1	4
other fixed-interest securities	7	15
derivative financial instruments	37	26
Interest income from other financial instruments	45	45
Interest expenses for		
Liabilities to banks	45	66
Liabilities to customers	190	233
Debt securities issued	125	118
Subordinated capital	17	21
derivative financial instruments	67	80
Interest expenses	444	518
thereof attributable to financial liabilities not measured at fair value through profit or loss	357	462
Total	357	376

Net interest income includes income and expenses from the amortization of the line item of hedged items from portfolio fair value hedge relationships as well as corresponding reversal amounts on disposals of these hedged items, provided that the realized result is to be recognized in the Net interest income.

For receivables subject to specific loan loss provisions, both the interest income and the loan loss provisions have to be adjusted by multiplying them by the original effective interest rate in Net interest income.

5. Net commission income

Net commission income

(€ mn)	January – June 2025	January – June 2024
Commission income from		
Lending business	9	8
Guarantee business	4	2
payments and account transactions as well as documentary business	10	10
Other commission income	1	1
Commission income	24	21
Commission expenses from		
Lending business	2	2
payments and account transactions as well as documentary business	1	1
Other commission expenses	7	6
Commission expenses	10	9
Total	14	12

Net commission income relates entirely to financial instruments not measured at fair value through profit or loss.

6. Result from hedging

The change in value attributable to the hedged risk for designated underlying and hedging transactions in effective hedging relationships is reported under the item Result from hedging. The item contains the profit contributions from micro and portfolio fair value hedges. Hedge accounting is used solely for interest rate risks.

Result from hedging

(€ mn)	January – June 2025	January – June 2024
Fair value changes from hedging transactions	39	-52
Micro fair value hedge	5	11
Portfolio fair value hedge	34	-63
Fair value changes from underlying transactions	-40	48
Micro fair value hedge	-5	-12
Portfolio fair value hedge	-35	60
Total	-1	-4

7. Result from financial instruments categorized as FVPL

The result from financial instruments categorized as FVPL includes the realized result and the valuation result of financial instruments in the FVPL Held For Trading, FVPL Designated and FVPL Other categories. The interest income and expense and results from current dividends in these holding categories are reported under the Net interest income item.

Gains and losses arising on currency translation are generally disclosed under this line item of the income statement.

Other products comprises income from foreign exchange transactions and credit derivatives.

Result from financial instruments categorized as FVPL

(€ mn)	January – June 2025	January – June 2024
Loans, bonds and interest rate derivatives		
FVPL Held For Trading	-18	3
FVPL Designated	-1	1
FVPL Other	4	7
Total	-15	11
Equities and equity derivatives		
FVPL Other	-	-1
Total	-	-1
Other products		
FVPL Held For Trading	4	1
FVPL Other	29	-15
Total	33	-14
Total	18	-4

The result from financial instruments categorized as FVPL includes net income from foreign currency of € 29 million (previous year: € -14 million).

In the reporting period, as in the same period of the previous year, no changes in the fair value of financial assets categorized as "FVPL designated" were determined that were due to changes in the credit spread and not to changes in market interest rates. Cumulatively, an amount of € 7 million (previous year: € 6 million) is attributable to the credit spread changes.

8. Net income from financial investments

This realized results of the FVOCI-categorized financial investments, including the reversal amounts from portfolio fair value hedges, are shown here.

Net income from financial investments

(€ mn)	January – June 2025	January – June 2024
Realized results from financial assets categorized as FVOCI	6	1
Total	6	1

9. Result from the disposal of financial assets classified as AC

This item comprises realized results from the sale and premature repayment of, as well as substantial modifications to, financial assets categorized at amortized cost.

In the reporting period, the "Result from the disposal of financial assets classified as AC" mainly comprises income from early repayments of loans and advances to customers, and from financial investments.

Result from the disposal of financial assets classified as AC

(€ mn)	January – June 2025	January – June 2024
Gains from the disposal of financial assets classified as AC		
Loans and advances to customers	2	1
Financial investments	1	1
Total	3	2

10. Loan loss provisions

This item shows the change in loan loss provisions for all loans and advances to banks, loans and advances to customers and financial investments, as well as leasing receivables, categorized as AC or FVOCI.

Loan loss provisions

(€ mn)	January – June 2025	January – June 2024
Loans and advances to customers		
Insignificant increase in the loan default risk (Stage 1/12M ECL)	2	5
thereof AC	2	5
Significant increase in the loan default risk (Stage 2/lifetime ECL)	-25	-26
thereof AC	-25	-26
Credit-impaired (Stage 3/lifetime ECL)	-35	-36
thereof AC	-35	-36
Result from the change in loan loss provisions on loans and advances to customers	-58	-57
Financial investments		
Insignificant increase in the loan default risk (Stage 1/12M ECL)	1	-
thereof FVOCI	1	-
Result from the change in loan loss provisions for financial investments	1	-
Off-balance-sheet transactions		
Insignificant increase in the loan default risk (Stage 1/12M ECL)	-	2
Significant increase in the loan default risk (Stage 2/lifetime ECL)	2	-4
Credit-impaired (Stage 3/lifetime ECL)	-1	14
Result from changes in provisions in the lending business	1	12
– Direct write-downs	-1	-2
Recoveries on loans and advances previously written off	2	7
Result of non-substantial modifications	-2	-
Result from other changes to loan loss provisions	-1	5
Total loan loss provisions	-57	-40

11. Administrative expenses**Administrative expenses**

(€ mn)	January – June 2025	January – June 2024
Personnel expenses	129	80
thereof restructuring expenses	45	–
Operating expenses	78	83
Depreciation on property, plant and equipment, leasing assets, investment properties and amortization on intangible assets	9	5
Total	216	168

The increase in personnel expenses can almost exclusively be attributed to the restructuring expenses included here. These are the result of the anticipated costs associated with staff reduction measures, for which additions to provisions for severance payments and early retirement arrangements were made in the reporting period.

12. Other operating result**Other operating result**

(€ mn)	January – June 2025	January – June 2024
Other operating income	34	29
Other operating expenses	11	67
Total	23	-38

Other operating income includes, in particular, income from VAT refunds from previous years in the amount of € 8 million and income from the reversal of provisions in the amount of € 16 million.

Other operating expenses mainly consist of legal costs incurred in the amount of € 4 million and interest on disputed amounts in the amount of € 3 million, as well as value-added tax back payments of around € 1 million.

13. Expenses for regulatory affairs, deposit guarantee fund and banking associations**Expenses for regulatory affairs, deposit guarantee fund and banking associations**

(€ mn)	January – June 2025	January – June 2024
Expenses for deposit guarantee fund	5	6
Expenses for banking supervisory authority	2	1
Expenses for banking associations	1	1
Total	8	8

The Bank reports regulatory expenses (European bank levy and contributions paid to the supervisory authorities), the Deposit Protection Fund and membership fees paid to banking associations under this item. As the set-up phase of the resolution fund has been completed, the bank levy no longer applies to 2024 or 2025.

14. Income tax expenses

The income tax expenses of € 93 million (same period of the previous year: € 18 million) is made up of current tax expenses of € 2 million and deferred tax expenses of € 91 million.

The current tax expenses relates in particular to taxes for the financial year at the head office. Deferred tax expenses result from expenses relating to deferred tax assets on loss carryforwards of € 58 million and the reversal of deferred tax assets on temporary differences of € 33 million. The corporate planning update performed in June had a significant effect on the level of tax expenses, which led to a reduction in the recognition in deferred taxes on loss carryforwards at the head office and in Luxembourg.

15. Earnings per share

To calculate earnings per share, the Group net result attributable to Hamburg Commercial Bank shareholders is divided by the weighted average number of ordinary shares outstanding during the year under review.

As in the previous year, Hamburg Commercial Bank AG has not issued any diluted forms of capital as at the reporting date, i.e. the diluted and undiluted earnings are the same. The calculation was based on non-rounded values.

Earnings per share

	January – June 2025	January – June 2024
Attributable Group net result (€ mn) – undiluted/diluted	46	111
Number of shares (millions)		
Average number of ordinary shares outstanding undiluted/diluted	302	302
Earnings per share (€)		
Undiluted	0.15	0.37
Diluted	0.15	0.37

Notes to the Group statement of financial position

16. Cash reserve

Cash reserve

(€ mn)	30.06.2025	31.12.2024
Balances with central banks	2,936	3,085
thereof at the Deutsche Bundesbank	2,936	3,085
Total	2,936	3,085

17. Loans and advances to banks

Loans and advances to banks

(€ mn)	30.06.2025	31.12.2024
Payable on demand	344	659
Other loans and advances	54	55
Total	398	714

The development of the carrying amounts of loans and advances to banks is shown in Note 36.

18. Loans and advances to customers

Loans and advances to customers

(€ mn)	30.06.2025	31.12.2024
Retail customers	86	97
Corporate clients	18,305	20,006
Public authorities	452	450
Total	18,843	20,553

The development of the carrying amounts of loans and advances to customers is shown in Note 36.

19. Loan loss provisions

Loan loss provisions

(€ mn)	30.06.2025	31.12.2024
Loan loss provisions for loans and advances to customers classified as AC, incl. leasing	300	347
Loan loss provisions in the lending business	300	347
Loan loss provisions for items in the statement of financial position	300	347
Provisions in the lending business	26	28
Loan loss provisions for items in the statement of financial position and off-balance-sheet risk in the lending business	326	375

In accordance with IFRS 9, the Loan loss provisions item is only set up for transactions categorized as AC and FVOCI. As in the previous year, loan loss provisions as at 30. Juni 2025 relate mainly just to transactions categorized as AC.

Of the total of € 326 million as at the balance sheet date (31. Dezember 2024: € 375 million), € 66 million (31. Dezember 2024: € 77 million) is attributable to adjustments to loan loss provisions due to model overlays. Of this amount, € 20 million is allocated to Stage 1 loan loss provisions and € 46 million to Stage 2 loan loss provisions. No model overlays have been formed for Stage 3 loan loss provisions. 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").

As at the reporting date, € 168 million of the loan loss provisions for balance sheet items were attributable to loan commitments allocated to Stage 3 (incl. POCI) in the IFRS 9 loan loss provisioning model (31. Dezember 2024: € 212 million), while € 132 million were attributable to commitments allocated to Stage 1 and Stage 2 (31. Dezember 2024: € 135 million).

For off-balance-sheet items classified as Stage 3, loan loss provisions of € 14 million (31. Dezember 2024: € 12 million) were created, while the corresponding provisions for off-balance sheet items classified as Stage 1 or 2 amount to € 12 million (31. Dezember 2024: € 16 million).

The development of loan loss provisions over time in connection with the development of the gross carrying amounts, broken down by item in the statement of financial position, is shown in Note 36.

I. 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 "Macroeconomic forecasts for 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.

As at the reporting date, the model overlays are structured as follows:

Composition of model overlays

(€ mn)	30.06.2025	31.12.2024
Effect of macroeconomic forecasts	21	18
Address and portfolio related adjustments		
Office buildings sub-portfolio	20	28
Retail sub-portfolio	2	10
Land financing sub-portfolio	1	1
Corporates sub-portfolio Cyclically sensitive	19	15
Additions to ECL method	3	5
Total	66	77

II. 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 2025 (as at 30.06.2025)

	Base scenario	Stress scenario
GDP USA (%)	1.40	0.20
GDP Eurozone (%)	0.90	0.00
GDP Germany (%)	0.00	-0.30
Fed Funds Rate (%)	3.88	3.38
ECB MRO rate (%)	1.90	1.65
3M EURIBOR (%)	1.79	1.45
10Y Bunds (%)	2.58	2.20
EUR/USD-exchange rate	1.18	1.25
Unemployment rate Germany (%)	6.30	6.60
Inflation rate Germany (%)	2.20	1.90

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 € 21 million (31. Dezember 2024: € 18 million).

III. 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 in particular 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 as well as land financing 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, as well as refinancing problems with older properties are further drivers of the deteriorating market conditions. In total, the sub-portfolio comprises an EAD of € 2,611 million (31. Dezember 2024: € 2,811 million), with model overlays totaling € 20 million (31. Dezember 2024: € 28 million). The decline is mainly due to isolated 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, shopping centers and specialist shops) 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 € 1,206 million (31. Dezember 2024: € 1,400 million). The corresponding model overlays amount to € 2 million (31. Dezember 2024: € 10 million). This decline can also be attributed mainly to new defaults that are not allocated any overlays in Stage 3.

Land financing was identified as another portfolio particularly affected by high inflation, rising construction costs and, above all, the increase in interest rates. The underlying EAD of € 236 million (31. Dezember 2024: € 273 million) includes overlays totaling € 1 million (31. Dezember 2024: € 1 million).

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 € 19 million (31. Dezember 2024: € 15 million) for a sub-portfolio with an EAD of € 3,656 million (31. Dezember 2024: € 4,056 million).

IV. Additions to 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 upcoming model changes in the rating modules for both national and international properties (31. Dezember 2024: € 5 million).

V. 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 model overlays of € 48 million, while a downgrade by one notch would result in an increase of € 21 million. A rating upgrade by two notches would reduce the model overlays by € 33 million, while an upgrade by one notch would lead to a reduction of € 19 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 € 4 million.

20. Hedge accounting

Hamburg Commercial Bank continues to apply the portfolio fair value hedge approach in accordance with IAS 39, making use of the option under IFRS 9.6.1.3. Furthermore, Hamburg Commercial Bank now uses the micro fair value hedge approach in accordance with IFRS 9 for financial instruments measured at fair value directly in equity under IFRS 9.

In addition, Hamburg Commercial Bank manages its foreign exchange risk by hedging net investments in foreign operations in accordance with IFRS 9.6.5.13.

The following section provides a description of the hedging and underlying transactions used for hedging purposes, including the risk management strategy, the impact on cash flows and the effects on the net assets, statement of comprehensive income and statement of changes in equity.

I. Risk management strategy

In order to avoid distortions in the income statement resulting from interest-bearing financial instruments, micro and portfolio fair value hedge accounting is used to hedge the market price risk interest.

For micro fair value hedges, structured euro swaps are designated as hedging instruments for structured euro underlying transactions. These designated hedges correspond to economic back-to-back hedges which neutralize the market price risks associated with the underlying transactions. The effectiveness of these hedges is ensured by a critical term match and ineffectiveness is expected from model adjustments, measurement mismatches and the inclusion of tenor basis spreads.

In portfolio fair value hedges on interest rate risks, the underlying transactions as a whole are hedged by means of interest rate swaps. Effectiveness is measured in accordance with the rules set out in IAS 39 and the hedge ratio is calculated using the dollar offset method. Ineffectiveness can result from maturities of assets and liabilities that do not match, and from the reference interest rate of the hedging transactions.

Hedge accounting is exclusively used to hedge interest and foreign exchange risks in connection with net investments in foreign operations.

II. Effects on cash flows

In order to assess the cash flows to be expected, the nominal and average prices of the hedging instruments in micro fair value hedges are presented in the following table.

Micro fair value hedges

(€ mn)	Maturity date	
	2037	2038
Nominal value of hedging instruments	100	200
Average swap rate	3.770	3.633

1. Effects on net assets and statement of comprehensive income

The effects on net assets and statement of comprehensive income are presented separately for hedging transactions and underlying transactions.

HEDGING INSTRUMENTS

This section presents the nominal values, hedge adjustment and the positive and negative fair values of derivatives used in hedge accounting. At present, only interest rate swaps are taken into account as hedging instruments for interest rate risks. If a derivative is only designated pro rata in hedge accounting, the positive/negative fair value of hedging derivatives item contains the corresponding share of the derivative's fair value, nominal value and hedge adjustment. The remaining balance is reported under trading assets/liabilities or in the result from financial instruments categorized as FVPL.

Bearer bonds and time deposits are currently taken into account as hedging instruments for the hedging of net investments in foreign operations in accordance with IFRS 9.6.5.13.

Hedging instruments¹⁾

(€ mn)		30.06.2025			31.12.2024		
Hedge type/type of risk	Balance sheet item	Nominal value	Carrying amount	Hedge adjustment (ytd)	Nominal value	Carrying amount	Hedge adjustment (ytd)
Fair value hedge /interest rate risk							
Interest rate derivatives (assets side)	Positive market value of hedging derivatives	-8,841	-	7	-9,808	-	-29
Interest rate derivatives (liabilities side)	Negative market value of hedging derivatives	4,227	48	-28	4,822	58	12
Hedging of net investments in foreign operations/foreign exchange risk							
Time deposits (liabilities side)	Liabilities to customer	651	651	81	642	642	-34
Debt securities	Subordinated	175	175	22	201	201	-12

¹⁾ The portfolios are newly designated/redesignated on a monthly basis at the time of the integration of the new business. This leads to a change in the composition of the hedging relationship between the underlying and hedging transactions.

Asset-side transactions to hedge interest rate risks are reported in the balance sheet item Positive fair values of hedging derivatives, and derivatives on the liabilities side to hedge interest rate risks are shown in the balance sheet item Negative fair values of hedging derivatives. The overall changes in these items are mainly due to changes in the portfolio compositions and movements in interest rates in the euro and US dollar capital markets.

At present, foreign exchange risks from net investments in foreign operations are exclusively hedged with liability-side transactions in the Subordinated capital and Liabilities to customers items in the statement of financial position.

UNDERLYING TRANSACTIONS

This section presents financial instruments on the assets and liabilities side used in hedge accounting. The following table shows the carrying amounts, accumulated changes in value (ltd) and since the beginning of the financial year (ytd). The underlying transactions currently include assets (receivables and securities) and liabilities. Hedge accounting is exclusively used to hedge interest and foreign exchange risks in connection with net investments in foreign operations.

Underlying transactions¹

(€ mn)		30.06.2025			31.12.2024		
Hedge type/type of risk	Balance sheet item	Carrying amount	Cum. hedge adjustment (ltd)	Hedge adjustment (ytd)	Carrying amount	Cum. hedge adjustment (ltd)	Hedge adjustment (ytd)
Fair value hedge/interest rate risk							
Portfolio fair value hedge: Fixed-interest rate loans, debentures, securities	Loans and advances to customer/banks Financial investments	7,452	-31	16	7,163	-47	68
Micro fair value hedge	Loans and advances to	320	42	5	326	37	-19
Portfolio fair value hedge: Fixed-interest issues	Liabilities due to customer/banks, securitised liabilities, Subordinated capital	9,633	92	20	9,707	72	84
Portfolio fair value hedge (inactive)	Loans and advances to customer/banks	51	1	-	57	1	-1
Micro fair value hedge (inactive)	Loans and advances to	-	-	-	-	-	-1
Micro fair value hedge (inactive)	Subordinated capital	23	3	-	24	3	-
Hedging of net investments in foreign operations/foreign exchange risk							
USD hedging	Equity (currency conversion reserve)	826	69	104	843	-35	-46

¹⁾ The portfolios are newly designated/redesignated on a monthly basis at the time of the integration of the new business. This leads to a change in the composition of the hedging relationship between the underlying and hedging transactions.

21. Trading assets

Only financial assets in the FVPL Held For Trading category are reported under the Trading assets item. Mainly included in this category are original financial instruments held for trading purposes, including accrued interest, and derivatives with a positive fair value which are either not designated as a hedge derivative or are used as hedging instruments but do not meet the requirements of IFRS 9 for hedge accounting.

Trading assets

(€ mn)	30.06.2025	31.12.2024
Positive fair value of financial derivatives		
Interest-related transactions	192	148
Currency-related transactions	115	37
Other transactions	13	11
Positive fair value of financial derivatives	320	196
Receivables from syndication transactions	-	29
Total	320	225

22. Financial investments

In particular, financial instruments not held for trading purposes are reported as financial investments. This item includes debentures and other fixed-interest securities, shares and other non-fixed-interest securities, holdings in unconsolidated affiliated companies, holdings in joint ventures and associates not carried at equity in the Group financial statements.

Financial investments

(€ mn)	30.06.2025	31.12.2024
Debentures and other fixed-interest securities	7,760	8,463
Shares and other non-fixed-interest securities	25	53
Equity holdings	7	7
Total	7,792	8,523

The development of the carrying amounts of financial investments for the current year is shown in Note 36.

23. Intangible assets

Intangible assets

(€ mn)	30.06.2025	31.12.2024
Software	73	79
developed in-house	3	4
acquired	70	75
Software in development	5	2
developed in-house	2	1
acquired	3	1
Total	78	81

Intangible assets include in particular the depreciable investments from the multi-year transformation phase to modernize the bank-wide IT landscape, which was completed at the end of 2024 and is reported under the Software item.

24. Property, plant and equipment and investment property**Property, plant and equipment**

(€ mn)	30.06.2025	31.12.2024
Land and buildings	8	8
Plant and equipment	3	3
Rights of use from leasing	8	11
Total	19	22

The decrease in rights of use from leasing results from the scheduled amortization of their present value for the leases of Hamburg Commercial Bank and its branches.

Investment property

(€ mn)	30.06.2025	31.12.2024
Investment property	1	1
Total	1	1

Under the item Investment property, all property (land or buildings) is recorded that is held to earn rent or for capital appreciation but is not used in the production or supply of goods or services of the Bank. Properties leased, in the capacity of lessor, under operating leases are also included in this item.

25. Deferred tax assets

Of the deferred tax assets amounting to € 420 million (31. Dezember 2024: € 540 million), an amount of € 266 million (31. Dezember 2024: € 323 million) is attributable to tax loss carryforwards.

As at 30. Juni 2025, these are attributable to the head office in the amount of € 173 million (31. Dezember 2024: € 217 million) and to the Luxembourg branch in the amount of € 93 million (31. Dezember 2024: € 106 million).

The value of deferred tax assets results from the positive future tax results expected in the tax planning as derived from corporate planning.

On 11 July 2025, the Bundestag passed a new tax law (law for an immediate tax investment program to strengthen Germany as a business location). According to this, the corporation tax rate in Germany will fall from the current 15 % to 10 % over a five-year period from 2028 to 2032. Deferred income tax assets and liabilities in connection with the German companies of HCOB, which are expected to reverse after 31 December 2027, will be remeasured in future on the basis of the reduced tax rates.

The adjustments made in the course of the revaluation are made according to current assessment Expected impact in the low double-digit million range on HCOB's consolidated financial statements for the 2025 financial year.

26. Other assets

Other assets

(€ mn)	30.06.2025	31.12.2024
Prepaid expenses	14	10
Capitalized plan assets	208	161
Claim for reimbursement from plan assets	47	31
Claims from legal disputes	4	3
Own foreign currency holdings	-	3
Other assets	11	11
Total	284	219

Of the assets reported here, € 73 million (31. Dezember 2024: € 58 million) relate to financial instruments. As at 30. Juni 2025, the fair value of plan assets exceeds the pension obligations covered by the plan assets. The excess amount of € 208 million (31. Dezember 2024: € 161 million) is reported under Other assets as Capitalized plan assets.

The Bank has contractual rights to reimbursement from the plan assets in the amount of the pension benefits paid. The remaining reimbursement claims amounting to € 47 million (31. Dezember 2024: € 31 million) are reported under Other assets.

27. Liabilities to banks

Liabilities to banks

(€ mn)	30.06.2025	31.12.2024
Payable on demand	97	28
Other term liabilities	3,031	3,690
Total	3,128	3,718

28. Liabilities to customers

Liabilities to customers

(€ mn)	30.06.2025	31.12.2024
Other liabilities		
Payable on demand	3,207	4,985
Term liabilities	11,099	10,035
Total	14,306	15,020

29. Debt securities issued

Debt securities issued

(€ mn)	30.06.2025	31.12.2024
Debentures issued	7,942	9,128
Total	7,942	9,128

30. Trading liabilities

The Trading liabilities item comprises exclusively financial obligations of the FVPL Held For Trading category. Mainly included in this category are derivatives with a negative fair value which are either not designated as a hedge derivative or are used as hedging instrument but do not meet the requirements of IFRS 9 for hedge accounting.

Trading liabilities

(€ mn)	30.06.2025	31.12.2024
Negative fair value from derivative financial instruments		
Interest-related transactions	33	142
Currency-related transactions	64	122
Other transactions	38	41
Other	3	4
Total	138	309

31. Provisions

Provisions

(€ mn)	30.06.2025	31.12.2024
Provisions for pension obligations and similar obligations	53	61
Other provisions		
Provisions for personnel expenses	66	80
Provisions in the lending business	26	28
Provisions for restructuring	43	4
Provisions for litigation risks and costs	141	151
Other provisions	41	50
Total	370	374

A contractual trust agreement has been arranged between HCOB AG and HCOB Trust e.V. to provide an independent legal structure for pension obligations. HCOB Trust e.V. takes on the role of a trustee towards the beneficiaries. The assets transferred to HCOB Trust e.V. are plan assets under IAS 19. As at June 30, 2025, plan assets amount to € 870 million (31 December 2024: € 863 million), which are netted against the pension obligations. The net change in pension provisions in the amount of € 9 million refers mainly to payments for pension obligations in the amount of € 26 million and service and interest expenses of € 14 million. Due to the reduction in the discount rate, pension obligations declined by € 39 million. The value of plan assets increased by € 5 million in the reporting period. Despite the reclassification of reimbursement claims of the Bank in the amount of € 16 million for pension benefits already paid in the 2024 financial year, which are to be reported as

receivables as they are not considered plan assets within the meaning of IAS 19, the plan assets have increased. This was due to valuation income of € 6 million and interest income of € 15 million, which were recognized in plan assets. Plan assets exceed the defined benefit liabilities covered by € 208 million (31 December 2024: € 161 million). This is reported as capitalized plan assets under Other assets.

The increase in provisions for restructuring relates to the anticipated costs for the expected reduction in headcount, which was approved in the reporting period.

32. Other liabilities

Other liabilities

(€ mn)	30.06.2025	31.12.2024
Collateral provided for liabilities assumed	48	47
Liabilities for outstanding invoices	23	33
Liabilities for restructuring	4	3
Personnel liabilities	11	6
Deferred income	1	2
Other tax liabilities	6	5
Liabilities from leases (lessee)	10	12
Own foreign currency holdings	8	-
Other	5	6
Total	116	114

The collateral provided for liabilities assumed serves to hedge leasing transactions of our clients with third parties.

Of the assets reported here, € 89 million (31. Dezember 2024: € 77 million) relate to financial instruments.

33. Subordinated capital

Subordinated capital

(€ mn)	30.06.2025	31.12.2024
Subordinated liabilities	899	925
Total	899	925

34. Equity

Equity

(€ mn)	30.06.2025	31.12.2024
Share capital	302	302
Capital reserve	1,538	1,536
Retained earnings	1,859	1,815
thereof: cumulative gains and losses arising from the revaluation of net defined benefit pension obligations recognized in OCI	48	4
thereof: deferred taxes on cumulative gains and losses arising on the revaluation of net defined benefit pension obligations recognized in OCI	-16	-1
Revaluation reserve	42	9
thereof: credit risk-induced changes in the value of liabilities designated at fair value (after taxes)	4	2
thereof: valuation results relating to financial assets classified as FVOCI as a mandatory requirement (after taxes)	38	7
Currency conversion reserve	-1	1
Group net result	46	228
Total before non-controlling interests	3,786	3,891
Non-controlling interests	1	1
Total	3,787	3,892

Changes in ordinary shares

(Number of shares)	30.06.2025	31.12.2024
Number at the beginning of the year	301,822,453	301,822,453
Number at the end of the year	301,822,453	301,822,453

By resolution of the Annual General Meeting held on 29 April 2025, a dividend of € 214 million or € 0.71 per no-par share was approved for distribution. The distribution was made from retained earnings.

Segment reporting

35. Segment report

January – June 2025 (€ mn/%)	Real Estate	Global Trans- porta- tion	Project Finance	Corpo- rates	Lending Units	Trea- sury & Group Func- tions	Reconcilia- tion	Group
Net interest income	90	72	52	113	327	30	-	357
Net commission income	2	7	3	3	15	-1	-	14
Other income	17	11	10	11	49	-23	-	26
Total income	109	90	65	127	391	6	-	397
Loan loss provisions	-36	-3	-1	-18	-58	1	-	-57
Administrative expenses & regulatory costs	-49	-46	-29	-49	-173	-51	-	-224
Other operating result	-	-	-	-	-	23	-	23
Net income before taxes	24	41	35	60	160	-21	-	139
Income tax expense	-8	-12	-11	-12	-43	7	-57	-93
Net income after taxes	16	29	24	48	117	-14	-57	46
NIM – Net interest margin (%)	2.50	4.25	2.76	3.58	3.16	0.54		2.24
Cost/income ratio (CIR – %)	44	50	42	37	43	171		51
RoE after taxes (%)	4.6	13.2	12.5	11.3	9.8	-12.2		2.5
Average segment assets (€ bn)	7.2	3.4	3.8	6.3	20.7	11.2	-	31.9
30.06.2025								
(€ bn/%)								
Segment assets (€ bn)	6.8	3.2	3.6	6.0	19.6	11.2	-	30.8
NPE ratio (%)	6.1	-	2.6	1.1	2.9	-		1.9

January – June 2024 (€ mn/%)	Real Estate	Global Trans- porta- tion	Project Finance	Corpo- rates	Lending Units	Trea- sury & Group Func- tions	Reconcilia- tion	Group
Net interest income	97	68	47	122	334	42	–	376
Net commission income	3	5	4	1	13	–	–1	12
Other income	–2	1	–1	–1	–3	13	–15	–5
Total income	98	74	50	122	344	55	–16	383
Loan loss provisions	–50	3	–4	9	–42	1	1	–40
Administrative expenses & regulatory costs	–46	–37	–23	–56	–162	–13	–1	–176
Other operating result	–	–	–	–	–	–38	–	–38
Net income before taxes	2	40	23	75	140	5	–16	129
Income tax expense	–	–8	–5	–15	–28	–1	11	–18
Net income after taxes	2	32	18	60	112	4	–5	111
NIM – Net interest margin (%)	2.52	5.35	2.64	3.90	3.34	0.72		2.38
Cost/income ratio (CIR – %)	46	49	46	45	46	54		49
RoE after taxes (%)	0.4	17.2	9.8	14.6	9.6	2.6		6.0
Average segment assets (€ bn)	7.7	2.5	3.5	6.3	20.0	11.6	–	31.6

31.12.2024 (€ bn/%)								
Segment assets (€ bn)	7.4	3.7	3.9	6.6	21.6	12.0	–	33.6
NPE ratio (%)	5.8	–	3.2	1.1	2.9	–	–	1.9

General information

Segment reporting is prepared in accordance with the provisions of IFRS 8. The segments reflect the Bank's internal organizational structure, which is based on product and customer groups and which corresponds to the delimitation for internal Group management purposes. The formation of the segments is intended to achieve the greatest possible homogeneity of customer groups with regard to a focused loan financing product range as well as other products and services. Total income reported for the segments was exclusively generated from transactions with external customers.

Geographical information and information on income with external clients for each product and service is not collected for management reporting purposes due to a lack of management relevance and disproportionately high costs, which means that a disclosure in accordance with IFRS 8.32 and 8.33 is not required.

Segment structure

In line with the responsibilities of the Chief Investment Officer (CIO) on the Management Board, the segment structure bundles all credit-related units in the four segments "Real Estate", "Global Transportation", "Project Finance" and "Corporates". The four credit-related segments are additionally presented together as "lending units". Main focus of the credit-related segments' business activities is on offering financing solutions in the lending business.

The remaining segment "Treasury & Group Functions" comprises the capital market activities that focus on the management of strategic investments, and the Treasury function as well as the remaining staff and service functions. The capital market activities comprise the management of the portfolios in the banking book (liquidity buffer, cover pools, strategic investment portfolio and management of pension obligations) as well as the bank-wide asset liability management (ALM) and the management of the cash position. The financing business with institutional clients as well as the bank-wide syndication activities are also reported in the "Treasury & Group Functions" segment.

Segment reporting methodology

Segment earnings are recognized on the basis of internal performance measurement. For the purpose of internal reporting, net interest income is calculated in accordance with Fund Transfer Pricing (FTP). In addition, the net interest margin (NIM) is reported as a basis for the assessment of the net interest income. The NIM puts the net interest income in relation to the average segment assets.

In the segments, administrative expenses and regulatory costs are reported based on the regulatory costs allocated in the internal performance measurement (expenses for regulatory affairs, deposit guarantee fund and banking associations) and the standard processing costs applied (for administrative expenses). The difference to the administrative expenses at Group level is reported in the Treasury & Group Functions segment. In the reporting period, the difference essentially relates to the charges recognized under administrative expenses from the approved staff reduction measures, see Note 11.

Reconciliation effects in accordance with IFRS 8.28

In accordance with IFRS 8.28, the corresponding reconciliation effects on the individual items of the Group income statement (IFRS) are shown separately under the "Reconciliation" item.

The income taxes of the segments were calculated using an imputed tax rate differentiated by country on the respective net income before taxes. The difference to actual income taxes at Group level is reported in the Reconciliation item.

The return on equity (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. The adjusted calculation of RoE after taxes compared to the segment reporting as at 30 June 2024 was also applied to the previous year's results for reasons of comparability.

Definitions

For the definition of the KPIs CIR and NPE ratio, please refer to the explanations provided in the Combined management report (Chapter "Basis of the Group", Section "Management system").

Disclosures on financial instruments

36. Information on the development of loan loss provisions and the carrying amounts of financial instruments not measured at fair value through profit or loss

The following table shows the development of the gross carrying amounts of financial instruments classified as FVOCI in the following items of the statement of financial position: Loans and advances to banks, Loans and advances to customers, Financial investments, Non-current assets held for sale and disposal groups, and the off-balance-sheet business.

The development of loan loss provisions for financial instruments classified as FVOCI is also shown separately by balance sheet item.

Development of gross carrying amounts for loans and advances to banks

(€ mn)	30.06.2025				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Carrying amounts as at 1 January 2025	714	-	-	-	714
thereof AC	709	-	-	-	709
thereof FVOCI	5	-	-	-	5
Other changes	-316	-	-	-	-316
thereof AC	-315	-	-	-	-315
thereof FVOCI	-1	-	-	-	-1
Carrying amounts as at 30 June 2025	398	-	-	-	398
thereof AC	394	-	-	-	394
thereof FVOCI	4	-	-	-	4

Development of gross carrying amounts for loans and advances to banks

(€ mn)	31.12.2024				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Carrying amounts as at 1 January 2024	492	-	-	-	492
thereof AC	483	-	-	-	483
thereof FVOCI	9	-	-	-	9
Other changes	222	-	-	-	222
thereof AC	226	-	-	-	226
thereof FVOCI	-4	-	-	-	-4
Carrying amounts as at 31 December 2024	714	-	-	-	714
thereof AC	709	-	-	-	709
thereof FVOCI	5	-	-	-	5

Like in the previous year, there were no significant loan loss provisions for loans and advances to banks in the year under review.

Development of gross carrying amounts for loans and advances to customers

(€ mn)	30.06.2025				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Carrying amount as at 1 January 2025	17,052	2,696	670	-	20,418
thereof AC	16,655	2,696	670	-	20,021
thereof FVOCI	372	-	-	-	372
thereof receivables under finance leases	25	-	-	-	25
Transfer to LECL Stage 2	-1,091	1,091	-	-	-
thereof AC	-1,091	1,091	-	-	-
Transfer to LECL Stage 3	-	-228	228	-	-
thereof AC	-	-228	228	-	-
Transfer to 12M ECL	550	-550	-	-	-
thereof AC	550	-550	-	-	-
Other changes	-922	-465	-294	-	-1,681
thereof AC	-910	-465	-294	-	-1,669
thereof FVOCI	-7	-	-	-	-7
thereof leasing	-5	-	-	-	-5
Carrying amounts as at 30 June 2025	15,589	2,544	604	-	18,737
thereof AC	15,204	2,544	604	-	18,352
thereof FVOCI	365	-	-	-	365
thereof receivables under finance leases	20	-	-	-	20

Development of gross carrying amounts for loans and advances to customers

(€ mn)	31.12.2024				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Carrying amount as at 1 January 2024	15,321	2,261	787	-	18,369
thereof AC	14,635	2,260	787	-	17,682
thereof FVOCI	658	1	-	-	659
thereof receivables under finance leases	28	-	-	-	28
Transfer to LECL Stage 2	-2,115	2,115	-	-	-
thereof AC	-2,115	2,115	-	-	-
Transfer to LECL Stage 3	-8	-322	330	-	-
thereof AC	-8	-322	330	-	-
Transfer to 12M ECL	1,258	-1,258	-	-	-
thereof AC	1,258	-1,258	-	-	-
Other changes	2,596	-100	-447	-	2,049
thereof AC	2,885	-99	-447	-	2,339
thereof FVOCI	-286	-1	-	-	-287
thereof leasing	-3	-	-	-	-3
Carrying amounts as at 31 December 2024	17,052	2,696	670	-	20,418
thereof AC	16,655	2,696	670	-	20,021
thereof FVOCI	372	-	-	-	372
thereof receivables under finance leases	25	-	-	-	25

Development of loan loss provisions for loans and advances to customers

(€ mn)	30.06.2025				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Loan loss provisions as at 1 January 2025	42	93	212	-	347
Transfer to LECL Stage 2	-9	9	-	-	-
Transfer to LECL Stage 3	-	-21	21	-	-
Transfer to 12M ECL	12	-12	-	-	-
Reversals due to disposals, repayments and other reductions	-35	-30	-39	-	-104
Additions due to new additions and other increases	33	55	74	-	162
Utilization	-	-	-91	-	-91
Other changes incl. exchange rate changes	-3	-2	-9	-	-14
Loan loss provisions as at 30 June 2025	40	92	168	-	300

Development of loan loss provisions for loans and advances to customers

(€ mn)	31.12.2024				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Loan loss provisions as at 1 January 2024	35	89	242	-	366
Transfer to LECL Stage 2	-11	11	-	-	-
Transfer to LECL Stage 3	-	-29	29	-	-
Transfer to 12M ECL	21	-21	-	-	-
Reversals due to disposals, repayments and other reductions	-61	-83	-102	-	-246
Additions due to new additions and other increases	56	125	180	-	361
Utilization	-	-	-136	-	-136
Other changes incl. exchange rate changes	2	1	-1	-	2
Loan loss provisions as at 31 December 2024	42	93	212	-	347

As in the prior-year period, changes in loan loss provisions for customers in the reporting period relate only to transactions classified as AC.

Development of gross carrying amounts for financial investments

(€ mn)	30.06.2025				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Carrying amount as at 1 January 2025	8,147	-	-	-	8,147
thereof AC	131	-	-	-	131
thereof FVOCI	8,016	-	-	-	8,016
Other changes	-617	-	-	-	-617
thereof AC	-28	-	-	-	-28
thereof FVOCI	-589	-	-	-	-589
Carrying amounts as at 30 June 2025	7,530	-	-	-	7,530
thereof AC	103	-	-	-	103
thereof FVOCI	7,427	-	-	-	7,427

Development of gross carrying amounts for financial investments

(€ mn)	31.12.2024				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Carrying amount as at 1 January 2024	7,180	-	-	-	7,180
thereof AC	166	-	-	-	166
thereof FVOCI	7,014	-	-	-	7,014
Other changes	967	-	-	-	967
thereof AC	-35	-	-	-	-35
thereof FVOCI	1,002	-	-	-	1,002
Carrying amounts as at 31 December 2024	8,147	-	-	-	8,147
thereof AC	131	-	-	-	131
thereof FVOCI	8,016	-	-	-	8,016

Development of loan loss provisions for financial investments

(€ mn)	30.06.2025				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit- impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Loan loss provisions as at 1 January 2025	1	-	-	-	1
Loan loss provisions as at 30 June 2025	1	-	-	-	1

Development of loan loss provisions for financial investments

(€ mn)	31.12.2024				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit- impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Loan loss provisions as at 1 January 2024	1	-	-	-	1
Reversals due to disposals and other reductions	-2	-	-	-	-2
Additions due to new additions and other increases	2	-	-	-	2
Loan loss provisions as at 31 December 2024	1	-	-	-	1

As in the prior-year period, changes in financial investments in the reporting period relate only to transactions classified as FVOCI.

There were no non-current assets held for sale and disposal groups in the year under review.

Carrying amounts off-balance-sheet transactions

(€ mn)	30.06.2025				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit- impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Carrying amount as at 1 January 2025	4,824	327	40	-	5,191
Transfer to LECL Stage 2	-540	540	-	-	-
Transfer to LECL Stage 3	-	-121	121	-	-
Transfer to 12M ECL	186	-186	-	-	-
Other changes	11	-268	-118	-	-375
Carrying amounts as at 30 June 2025	4,481	292	42	-	4,815

Carrying amounts off-balance-sheet transactions

(€ mn)	31.12.2024				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit- impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Carrying amount as at 1 January 2024	4,021	738	38	-	4,797
Transfer to LECL Stage 2	-827	827	-	-	-
Transfer to LECL Stage 3	-1	-50	51	-	-
Transfer to 12M ECL	1,076	-1,076	-	-	-
Other changes	555	-112	-49	-	394
Carrying amounts as at 31 December 2024	4,824	327	40	-	5,191

Development in loan loss provisions for off-balance-sheet transactions

(€ mn)	30.06.2025				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Loan loss provisions as at 1 January 2025	4	12	12	-	28
Transfer to LECL Stage 3	-	-1	1	-	-
Reversals due to disposals and other reductions	-4	-10	-5	-	-19
Additions due to new additions and other increases	3	8	6	-	17
Loan loss provisions as at 30 June 2025	3	9	14	-	26
thereof provisions for contingent liabilities	-	-	5	-	5
thereof provisions for irrevocable loan commitments	3	9	9	-	21

Development in loan loss provisions for off-balance-sheet transactions

(€ mn)	31.12.2024				
	Insignificant increase in the loan default risk (12M ECL)	Significant increase in the loan default risk (LECL Stage 2)	Credit-impaired (LECL Stage 3)	Loans purchased or originated credit-impaired (POCI)	Total
Loan loss provisions as at 1 January 2024	4	9	30	-	43
Transfer to LECL Stage 2	-1	1	-	-	-
Transfer to 12M ECL	7	-7	-	-	-
Reversals due to disposals and other reductions	-15	-11	-17	-	-43
Additions due to new additions and other increases	9	20	5	-	34
Utilization	-	-	-6	-	-6
Loan loss provisions as at 31 December 2024	4	12	12	-	28
thereof provisions for contingent liabilities	-	-	7	-	7
thereof provisions for irrevocable loan commitments	4	12	5	-	21

37. Disclosure of fair value in accordance with IFRS 7 and IFRS 13**I. Fair values of financial instruments**

The following section shows the fair values of the financial assets and liabilities presented by category of financial instrument, compared with the carrying amounts and divided into the three levels of the measurement hierarchy in accordance with IFRS 13.

Fair values of financial instruments**Assets**

30.06.2025	Buchwert	Fair Value	Level 1	Level 2	Level 3
FVOCI mandatory	7,796	7,796	4,597	2,962	237
Loans and advances to banks	4	4	–	4	–
Loans and advances to customers	365	365	–	365	–
Financial investments	7,427	7,427	4,597	2,593	237
FVPL designated	39	39	–	39	–
Financial investments	39	39	–	39	–
FVPL Held For Trading	320	320	–	316	4
Trading assets	320	320	–	316	4
FVPL Other	328	328	129	34	165
Loans and advances to customers	105	105	–	–	105
Financial investments	223	223	129	34	60
AC assets	21,559	21,682	n.r.	n.r.	n.r.
Cash reserve	2,936	2,936	–	–	–
Loans and advances to banks	394	394	–	–	–
Loans and advances to customers	18,053	18,175	–	–	–
Financial investments	103	104	–	–	–
Other assets	73	73	–	–	–
No IFRS 9 category	20	20	n.r.	n.r.	n.r.
Receivables under finance leases	20	20	n.r.	n.r.	n.r.
Total assets	30,062	30,185	4,726	3,351	406

Fair values of financial instruments

Assets

31.12.2024	Carrying amount	Fair Value	Level 1	Level 2	Level 3
FVOCI mandatory	8,392	8,392	4,496	3,444	452
Loans and advances to banks	5	5	–	5	–
Loans and advances to customers	371	371	–	371	–
Financial investments	8,016	8,016	4,496	3,068	452
FVPL designated	38	38	–	38	–
Financial investments	38	38	–	38	–
FVPL Held For Trading	225	225	–	195	30
Trading assets	225	225	–	195	30
FVPL Other	472	472	200	72	200
Loans and advances to customers	134	134	–	1	133
Financial investments	338	338	200	71	67
AC assets	23,658	23,754	–	4,433	19,321
Cash reserve	3,085	3,085	–	3,085	–
Loans and advances to banks	709	709	–	700	9
Loans and advances to customers	19,675	19,769	–	521	19,248
Financial investments	131	133	–	69	64
Other assets	58	58	–	58	–
No IFRS 9 category	26	26	–	–	–
Receivables under finance leases	26	26	n.r.	n.r.	n.r.
Total assets	32,811	32,907	4,696	8,182	20,003

The carrying amounts of loans and advances to banks and loans and advances to customers classified as AC HTC are shown less the loan loss provisions disclosed on the balance sheet, since fair value also reflects possible impairments.

Fair values of financial instruments

Liabilities

30.06.2025	Carrying amount	Fair Value	Level 1	Level 2	Level 3
FVPL designated	288	288	-	211	77
Liabilities to banks	13	13	-	9	4
Liabilities to customers	160	160	-	97	63
Debt securities issued	115	115	-	105	10
FVPL Held For Trading	138	138	-	135	3
Trading liabilities	138	138	-	135	3
AC liabilities	26,075	26,013	n.r.	n.r.	n.r.
Liabilities to banks	3,114	3,020	-	-	-
Liabilities to customers	14,146	14,145	-	-	-
Debt securities issued	7,827	7,829	-	-	-
Other liabilities	89	89	-	-	-
Subordinated capital	899	930	-	-	-
No IFRS 9 category	48	48	-	48	-
Negative fair value of hedging derivatives	48	48	-	48	-
Total liabilities	26,549	26,487	-	394	80

Fair values of financial instruments

Liabilities

31.12.2024	Carrying amount	Fair Value	Level 1	Level 2	Level 3
FVPL designated	272	272	-	188	84
Liabilities to banks	4	4	-	-	4
Liabilities to customers	145	145	-	75	70
Debt securities issued	123	123	-	113	10
FVPL Held For Trading	309	309	-	306	3
Trading liabilities	309	309	-	306	3
AC liabilities	28,596	28,514	-	24,687	3,827
Liabilities to banks	3,714	3,598	-	1,190	2,408
Liabilities to customers	14,875	14,881	-	14,803	78
Debt securities issued	9,005	8,997	-	7,656	1,341
Other liabilities	77	77	-	77	-
Subordinated capital	925	961	-	961	-
No IFRS 9 category	58	58	-	58	-
Negative fair value of hedging derivatives	58	58	-	58	-
Total liabilities	29,235	29,153	-	25,239	3,914

At the end of the period under review, financial instruments measured at fair value were transferred from one hierarchy level to another. These transfers are shown in the following table, together with the carrying amounts at the time of transfer for each class of financial instruments.

Transfer, assets

(€ mn) 30.06.2025	Transfer to Level 1	Transfer from Level 1	Transfer to Level 2	Transfer from Level 2	Transfer to Level 3	Transfer from Level 3
Financial investments						
thereof FVOCI mandatory	38	-31	208	-38	-	-177
thereof FVPL Other	8	-	-	-8	-	-
Total	46	-31	208	-46	-	-177

Transfer, assets

(€ mn) 31.12.2024	Transfer to Level 1	Transfer from Level 1	Transfer to Level 2	Transfer from Level 2	Transfer to Level 3	Transfer from Level 3
Trading assets (FVPL Held For Trading)	-	-	1	-	-	-1
Financial investments						
thereof FVOCI mandatory	-205	-500	563	129	76	-63
thereof FVPL Other	-4	-41	41	4	-	-
Total	-209	-541	605	133	76	-64

There were no transfers on the liabilities side in the reporting period or in the same period of the previous year.

IFRS 13 contains the requirements for determining fair value, which are further specified by IDW RS HFA 47. They also include the guidelines for assigning input factors to the fair value hierarchy levels. Hamburg Commercial Bank uses prices obtained from pricing services such as Bloomberg or Reuters to measure interest-bearing securities that are commonly traded on the OTC market. Average prices determined on the basis of binding offers or transaction-based prices are Level 2 input factors within the meaning of IFRS 13 and IDW RS HFA 47.

Interest-bearing securities were accordingly transferred from Level 1 to Level 2 or vice versa in the reporting period – depending on the prices used for measurement.

The following shows the reconciliation for all assets and liabilities recognized at fair value and assigned to Level 3 in the fair value hierarchy. The data is presented from the start to the end of the period. The table takes into account all movements of assets and liabilities that were or are allocated to Level 3 during the reporting period.

RECONCILIATION, ASSETS

(€ mn)		Change in balance affecting income		Quantitative changes		Quantitative changes		Transfers						Net income from assets held as at 30 June 2025
		Realized net income (income statement)	OCI reserve	Purchases	Sales	Issues	Settlements	From Level 3	To Level 3	Transfer/recat-egorization	Exchange rate changes	30 June 2025		
30.06.2025	1 January 2025													
Balance sheet item/category/instrument type														
Loans and advances to customers														
thereof FVPL Other	133	2	-	-	-	-	-19	-	-	-	-11	105	2	
Trading assets														
thereof FVPL Held For Trading	30	3	-	-	-19	-	-7	-	-	-	-3	4	2	
Financial investments														
thereof FVOCI mandatory	452	-	-1	60	-90	-	-	-176	-	-	-8	237	-	
thereof FVPL Other	67	-6	-	1	-1	-	-	-	-	-	-1	60	-	
Total	682	-1 ¹	-1	61	-110	-	-26	-176	-	-	-23	406	4	

¹⁾ Of the net income in the income statement recognized in profit or loss, € -4 million relate to the result from financial instruments categorized as FVPL and € 3 million to the net interest result.

RECONCILIATION, ASSETS

(€ mn)		Change in balance affecting income		Quantitative changes		Quantitative changes		Transfers					Net income from assets held as at 31 December 2024
		Realized net income (income statement)	OCI reserve	Purchases	Sales	Issues	Settlements	From Level 3	To Level 3	Transfer/recat-egorization	Exchange rate changes	31 December 2024	
31.12.2024	1 January 2024												
Balance sheet item/category/instrument type													
Loans and advances to customers													
thereof FVPL Other	136	11	-	-	-8	-	-12	-	-	-	6	133	3
Trading assets													
thereof FVPL Held For Trading	3	-1	-	29	-	-	-	-1	-	-	-	30	-1
Financial investments													
thereof FVOCI mandatory	515	-	3	-	-5	105	-184	-63	76	-	5	452	-
thereof FVPL Other	92	6	-	-	-30	-	-1	-	-	-	-	67	6
Total	746	16 ¹	3	29	-43	105	-197	-64	76	-	11	682	8

¹⁾ Of the net income in the income statement recognized in profit or loss, € 12 million relate to the result from financial instruments categorized as FVPL and € 4 million to the net interest result.

RECONCILIATION, LIABILITIES

(€ mn)		Change in balance affecting income		Quantitative changes		Quantitative changes		Transfers				30 June 2025	Net income from assets held as at 30 June 2025
	1 January 2025	Realized net income (income statement)	OCI reserve	Purchases	Sales	New business	Settlements	From Level 3	To Level 3	Transfer/recat-egorization	Exchange rate changes		
30.06.2025													
Balance sheet item/category/instrument type													
Liabilities to banks													
FVPL designated	4	-	-	-	-	-	-	-	-	-	-	4	-
Liabilities to customers													
FVPL designated	70	3	-	-	-	-	-10	-	-	-	-	63	2
Debt securities issued													
FVPL designated	10	-	-	-	-	-	-	-	-	-	-	10	-
Trading liabilities													
FVPL Held For Trading	3	-	-	-	-	-	-	-	-	-	-	3	-
Total	87	3 ¹	-	-	-	-	-10	-	-	-	-	80	2

¹⁾ Of the net income in the income statement, € 2 million relates to the net interest result and € 1 million to the result from financial instruments categorized as FVPL.

RECONCILIATION, LIABILITIES

(€ mn)		Change in balance affecting income		Quantitative changes		Quantitative changes		Transfers				31 December 2024	Net income from assets held as at 31 December 2024
	1 January 2024	Realized net income (income statement)	OCI reserve	Purchases	Sales	New business	Settlements	From Level 3	To Level 3	Transfer/recat-egorization	Exchange rate changes		
31.12.2024													
Balance sheet item/category/instrument type													
Liabilities to banks													
FVPL designated	3	1	-	-	-	-	-	-	-	-	-	4	1
Liabilities to customers													
FVPL designated	72	-	-	-	-	-	-2	-	-	-	-	70	-
Debt securities issued													
FVPL designated	10	-	-	-	-	-	-	-	-	-	-	10	-
Trading liabilities													
FVPL Held For Trading	4	-1	-	-	-	-	-	-	-	-	-	3	-1
Total	89	-	-	-	-	-	-2	-	-	-	-	87	-

II. Information on significant unobservable inputs

QUANTITATIVE INFORMATION ON SIGNIFICANT UNOBSERVABLE INPUTS

The following overview contains quantitative information on significant unobservable inputs.

Fair Value

(€ mn)				Measurement procedures	Significant unobservable inputs (Level 3)	Margin
		Assets	Liabilities			
30.06.2025						
Loans and advances to customers	FVPL Other	105		DCF method	Spread loans (bps)	663 – 1,403.38
				DCF method	Spread bonds (bps)	0 – 315
Trading assets/trading liabilities	FVPL Held For Trading	4	3	Options pricing model	Swaption volatility	11,55% – 16,31%
Financial investments	FVPL Other	60		Price	Price (bps)	1 – 99
				DCF method	Spread bonds (bps)	0 – 315
	FVOCI mandatory	237		Price	Price (bps)	1 – 99
Liabilities to banks	FVPL designated		4	Options pricing model	Swaption volatility	11,55% – 16,31%
Liabilities to customers	FVPL designated		63	Options pricing model	Swaption volatility	11,55% – 16,31%
Debt securities issued	FVPL designated		10	Options pricing model	Swaption volatility	11,55% – 16,31%
Total		406	80			

Fair Value

(€ mn)						
31.12.2024		Assets	Liabilities	Measurement procedures	Significant unobservable inputs (Level 3)	Margin
Loans and advances to customers	FVPL Other	133		DCF method	Spread Loans (bps)	450 – 1,649
				DCF method	Spread bonds (bps)	0 – 315
Trading assets/ trading liabilities	FVPL Held For Trading	30	3	DCF method	Spread loans (bps)	450 – 1,649
				Options pricing model	Swaption volatility	11.55 % – 16.31 %
Financial investments	FVPL Other	67		Price	Price (bps)	1 – 99
				DCF method	Spread bonds (bps)	0 – 315
	FVOCI mandatory	452		Price	Price (bps)	1 – 99
Liabilities to banks	FVPL designated		4	Options pricing model	Swaption volatility	11,55% – 16,31%
Liabilities to customers	FVPL designated		70	Options pricing model	Swaption volatility	11,55% – 16,31%
Debt securities issued	FVPL designated		10	Options pricing model	Swaption volatility	11.55 % – 16.31 %
Total		682	87			

The correlation and volatility ranges shown for derivatives cover derivatives with different types of underlying, tenors and exercise prices.

The overview also includes financial instruments whose change in value resulting from inputs unobservable in the market does not give rise to any P&L effect due to economic hedging relationships (at the micro level). Changes in value attributable to the respective relevant inputs are offset for these financial instruments by the changes in value of the hedging derivatives.

SENSITIVITIES OF FAIR VALUE IN RELATION TO UNOBSERVABLE INPUT

The following describes how the fair values of financial instruments can change as a result of fluctuations in significant unobservable inputs.

CORRELATION

Correlation can represent an important unobservable input for the measurement of derivatives. It is a measure of the degree to which two reference values move in relation to each other. Correlation is an important input for the model-based determination of the fair value of derivatives with more than one underlying. Financial instruments of this type include, for example, derivatives with several currencies ("FX basket" derivatives) or several shares as the underlyings ("equity basket" derivatives). Currency correlations describe the relationship between changes in value of several currencies. Share correlations express the relationship between yields on different shares. A high degree of correlation means that there is a close relationship between the changes in value of the respective underlyings.

Depending on the type of derivative, changes in correlation can have a positive or negative effect on the fair value. For example, in the case of a "best of two" derivative, an increase in the correlation between two underlyings results in a decrease of the fair value of the derivative from the perspective of the purchaser.

VOLATILITY

Volatility can also represent an important unobservable input for the measurement of options. It expresses how strongly the value of the underlying fluctuates over time. The amount of volatility depends on the type of the underlying, its tenor and the exercise price agreed for the option.

The fair value of options typically increases if volatility increases. The sensitivity of the fair value of options to changes in volatility can vary considerably. For example, the sensitivity of the fair value to changes in volatility is

comparatively high, if the price of the underlying is close to the agreed exercise price ("at-the-money"). By contrast, sensitivity to changes in volatility is lower, if the price of the underlying is far from the exercise price ("far-out-of-the-money" or "far-in-the-money").

PRICE

Prices can represent an important unobservable input for the measurement of financial instruments. These prices represent pricing information of third parties within the meaning of IFRS 13.93(d) sentence 4, whereby the Bank does not produce any quantitative, unobservable input factors for measuring the fair value of the respective financial instrument. More detailed quantitative information on these input factors is therefore not required. The fair value increases, if the price increases, and it falls, if the price declines.

Reciprocal effects between unobservable inputs

Reciprocal effects between unobservable inputs can exist in principle. Insofar as multiple unobservable inputs are used in determining fair value, the range of the possible characteristics for another unobservable input can be restricted or increased by the characteristic used for one of the relevant unobservable inputs.

Effects of unobservable inputs

If the measurement of a financial instrument is based partly on unobservable inputs, the fair value determined is the best estimated value in accordance with a discretionary decision made by the Bank. However, it remains subjective in that there may be alternative input selection options that cannot be refuted by observable market data. For many of the financial instruments included (such as derivatives), the unobservable inputs only represent a subset of the total inputs required for the measurement. The remaining inputs are observable inputs.

An alternative choice of inputs for the unobservable inputs depending on the limits of a possible range would have had certain effects on the fair values of the financial instruments in question. Advantageous and disadvantageous changes to fair value have been determined by recalculating the fair values based on possible alternative values to the relevant unobservable inputs. The interest volatilities were changed by +/-5 %, all correlations by +/-20 % (capped at +/-100 %), price parameters by +/-2 % and spreads by +/-50 bp. Overall, this would then have had a positive/negative effect on the fair values of the financial instruments in question in the amount of € 5 million (previous year: € 16 million). Of this amount, € 2 million (previous year: € 6 million) was recognized in the income statement as income/expense and € 3 million (previous year: € 10 million) in the revaluation reserve.

III. Day one profit and loss

The day one profit and loss reserve developed as follows:

(€ mn)	30.06.2025	31.12.2024
Holdings as at 1 January	4	4
Additions not recognized in profit or loss	-	-
Reversals recognized in profit or loss	-1	-
Holdings as at 30 June	3	4

The day one profit and loss reserve is solely attributable to financial instruments classified as FVPL Held For Trading.

38. Credit risk analysis of financial assets

I. Credit quality

The following table contains information on the credit quality of all financial instruments held by the Bank. It shows the credit risk exposures by classifying the gross carrying amounts of financial assets and the nominal amounts of off-balance-sheet transactions by credit risk stage and assigning them to rating categories. This is based on the DSGVO master scale, which is used in all rating procedures.

Credit quality

(€ mn) 30.06.2025	1(AAA) to 1(AA+)	1(AA) to 1(A–)	2 to 5	6 to 9	10 to 12	13 to 15	16 to 18	Total
Financial instruments without any significant deterioration in credit quality (12M ECL)								
Cash reserve								
thereof AC assets	2,936	–	–	–	–	–	–	2,936
Loans and advances to banks								
thereof AC assets	62	320	1	11	–	–	–	394
thereof FVOCI Mandatory	4	–	–	–	–	–	–	4
Loans and advances to customers								
thereof AC assets	307	2,388	6,279	5,678	511	42	–	15,205
thereof FVOCI Mandatory	320	45	–	–	–	–	–	365
Financial investments								
Other assets								
thereof AC assets	–	73	–	–	–	–	–	73
No holding category								
Receivables under finance leases	–	20	–	–	–	–	–	20
Contingent liabilities	26	221	230	170	1	–	–	648
Irrevocable loan commitments	79	1,026	1,569	1,057	95	7	–	3,833
Financial instruments with a significant deterioration in credit quality (LECL Stage 2)								
Loans and advances to customers								
thereof AC assets	–	–	136	1,119	876	414	–	2,545
thereof FVOCI Mandatory	–	–	–	–	–	–	–	–
Financial investments								
thereof FVOCI Mandatory	–	–	–	–	–	–	–	–
No holding category								
Contingent liabilities	–	–	–	24	20	2	–	46
Irrevocable loan commitments	–	–	15	108	84	39	–	246
Credit-impaired (LECL Stage 3)								
Loans and advances to customers								
thereof AC assets	–	–	–	–	–	–	604	604
No holding category								
Contingent liabilities	–	–	–	–	–	–	17	17
Irrevocable loan commitments	–	–	–	–	–	–	24	24
Gesamt	6,197	8,691	8,642	8,224	1,587	504	645	34,490

The Bank does not apply the simplified approach under IFRS 9.5.5.15, meaning that the disclosure under IFRS 7.35 M(b)(iii) is not relevant.

Credit quality

(€ mn) 31.12.2024	1(AAA) to 1(AA+)	1(AA) to 1(A–)	2 to 5	6 to 9	10 to 12	13 to 15	16 to 18	Total
Financial instruments without any significant deterioration in credit quality (12M ECL)								
Cash reserve								
thereof AC assets	3,085	–	–	–	–	–	–	3,085
Loans and advances to banks								
thereof AC assets	62	626	5	16	–	–	–	709
thereof FVOCI Mandatory	5	–	–	–	–	–	–	5
Loans and advances to customers								
thereof AC assets	188	2,588	6,772	6,539	335	233	–	16,655
thereof FVOCI Mandatory	326	45	–	–	–	–	–	371
Financial investments								
thereof AC assets	–	63	69	–	–	–	–	132
thereof FVOCI Mandatory	1,951	5,474	534	58	–	–	–	8,017
Other assets								
thereof AC assets	–	58	–	–	–	–	–	58
No holding category								
Receivables under finance leases	–	26	–	–	–	–	–	26
Contingent liabilities	27	229	217	155	2	–	–	630
Irrevocable loan commitments	22	1,190	1,513	1,334	113	22	–	4,194
Financial instruments with a significant deterioration in credit quality (LECL Stage 2)								
Loans and advances to customers								
thereof AC assets	–	11	136	1,239	681	630	–	2,697
Financial investments								
No holding category								
Contingent liabilities	–	–	6	21	28	7	–	62
Irrevocable loan commitments	–	–	11	135	98	22	–	266
Credit-impaired (LECL Stage 3)								
Loans and advances to customers								
thereof AC assets	–	–	–	–	–	22	648	670
No holding category								
Contingent liabilities	–	–	–	–	–	–	22	22
Irrevocable loan commitments	–	–	–	–	–	–	18	18
Gesamt	5,666	10,310	9,263	9,497	1,257	936	688	37,617

II. Credit risk exposure

With the exception of loans and advances to banks and customers, the credit risk exposure as at the reporting date corresponds to the carrying amount of financial assets, as presented in Note 36, as well as the nominal value of off-balance-sheet liabilities as presented in Note 40.

In the case of loans and advances to banks and customers, the credit risk exposure corresponds to the carrying amount after loan loss provisions as presented in Note 19. The maximum default risk of the loans and advances recognized at fair value through profit or loss (FVPL) is not reduced by associated credit derivatives.

Collateral and other risk-reducing agreements are not reflected in these amounts.

III. Collateral received**A) COLLATERAL VALUES OF FINANCIAL ASSETS THAT MINIMISE THE DEFAULT RISK AND ARE NOT SUBJECT TO THE IMPAIRMENT PROCEDURE**

The following information quantifies the extent to which the collateral retained and other loan collateralization reduce the maximum default risk for financial instruments that are not subject to the impairment procedure pursuant to IFRS 9. The amount of risk reduction from the value of each form of collateral is indicated for each class of financial instruments.

The value of collateral received is determined directly on the basis of the objective market value, provided that such a value can be determined. The reliability of the collateral value is ensured by the fact that it is recognized as risk-reducing only up to the level of the applicable collateral-specific recovery ratio.

The following table shows the respective carrying amount for each class of financial instrument as well as the collateral value that reduces default risk.

Financial assets and associated collateral

(€ mn)		Value of collateral received		
	Carrying amount	Real estate and registered liens	Sureties and guarantees	Other collateral
30.06.2025				
FVPL designated				
Financial investments	39	-	-	-
FVPL Other				
Loans and advances to customers	105	-	-	-
Financial investments	223	-	-	-
FVPL Held For Trading				
Trading assets	320	7	2	100
Total assets	687	7	2	100

Financial assets and associated collateral

(€ mn)		Value of collateral received		
	Carrying amount	Real estate and registered liens	Sureties and guarantees	Other collateral
31.12.2024				
FVPL designated				
Financial investments	38	-	-	-
FVPL Other				
Loans and advances to customers	134	-	-	-
Financial investments	338	-	-	-
FVPL Held For Trading				
Trading assets	225	34	2	21
Total assets	735	34	2	21

B) IMPAIRED FINANCIAL ASSETS AND ASSOCIATED COLLATERAL

The following overview shows the volume and concentration of collateral held by Hamburg Commercial Bank to reduce the default risk and other loan collateralization for impaired financial assets.

(€ mn)		Value of collateral received		
	Carrying amount	Real estate and registered liens	Sureties and guarantees	Other collateral
30.06.2025				
AC assets				
Loans and advances to customers	604	320	3	53
No holding category				
Contingent liabilities	17	2	8	-
Irrevocable loan commitments	24	15	-	-
Total assets	645	337	11	53

(€ mn)		Value of collateral received		
	Carrying amount	Real estate and registered liens	Sureties and guarantees	Other collateral
31.12.2024				
AC assets				
Loans and advances to customers	670	390	1	65
No holding category				
Contingent liabilities	22	-	2	9
Irrevocable loan commitments	18	-	-	-
Total assets	710	390	3	74

Collateral is a key instrument for managing default risks. They are included in the main procedures for managing and monitoring default risks to reduce risks. The methods and processes for the valuation and management of collateral are set out in Hamburg Commercial Bank's Collateral Guideline.

The value of collateral received is determined directly on the basis of the objective market value, provided that such a value can be determined. The reliability of the collateral value is ensured by the fact that it is recognized as risk-reducing only up to the level of the applicable collateral-specific recovery ratio. Only collateral listed in the collateral catalogue is included as valuable collateral. Upon initial recognition, the value of movable property and real estate recognized as collateral is determined by appraisers that are independent of

the market. Depending on the type of collateral, the recoverability and realization options are reviewed regularly at set intervals, and more frequently in the event of considerable market fluctuations.

Collateral values are predominantly provided by domestic collateral providers. The creditworthiness of the collateral providers is mainly in the 1(AAA) to 1(A-) rating categories.

Information on the risk concentrations for the collateral provided can be found in the Risk Report in the Default risk section.

C) THEREOF COLLATERAL RECEIVED FOR WHICH THERE ARE NO RESTRICTIONS ON DISPOSAL OR REALISATION EVEN IF THERE IS NO DEFAULT IN PAYMENT

Hamburg Commercial Bank has received cash collateral from counterparties with a total fair value of € 73 million (31. Dezember 2024: € 22 million). The collateral received is attributable to OTC derivatives and structured transactions.

Collateral received was not resold or pledged. There are no restrictions on disposal or realization. Hamburg Commercial Bank is obliged to return all collateral resold or pledged to the guarantor without exception.

Hamburg Commercial Bank carries out securities repurchase and lending transactions as well as tri-party repo transactions under standard master agreements with selected counterparties. The same conditions and collateralization methods apply as for collateral transferred and received.

D) OTHER COLLATERAL RECEIVED

As in the previous year, no assets from the realization of collateral were capitalized in the reporting period.

IV. Assets that have been written off and are still subject to an enforcement measure

In the current reporting period, financial assets that are still subject to an authorizations measure were written off in the amount outstanding under contract law of € 0 million (31. Dezember 2024: € 289 million).

39. Restructured or modified loans

The following table shows the carrying amounts of loans and loan commitments that have been restructured or whose contractual terms and conditions have been modified in order to place the debtor in a position to continue to service or resume servicing its capital debt despite financial difficulties.

Forbearance exposure

(€ mn)	Rating class 1–15	Rating class 16–18	Total
30.06.2025			
Loans and advances to customers	614	491	1,105
Irrevocable and revocable loan commitments	20	14	34
Total	634	505	1,139

Forbearance exposure

(€ mn) 31.12.2024	Ratingklasse 1–15	Ratingklasse 16–18	Gesamt
Loans and advances to customers	389	537	926
Irrevocable and revocable loan commitments	57	17	74
Total	446	554	1,000

For the volume of receivables shown here, which is subject to forbearance measures, loan loss provisions of € 141 million have already been set up for the portfolios measured at amortized cost (previous year: € 183 million).

40. Contingent liabilities and irrevocable loan commitments

(€ mn)	30.06.2025	31.12.2024
Contingent liabilities	712	713
Loan commitments	4,103	4,478
Total	4,815	5,191

In addition to the values shown in the table, there are other contingent liabilities arising from legal disputes. The legal disputes giving rise to these litigation risks comprise several claims. Provisions have been set up for litigation risks for some of these disputes, while contingent liabilities are in place for others. The Bank does not present the information required under IAS 37 as this could adversely affect the Bank's position in the underlying legal disputes.

Other disclosures

41. Related parties

Hamburg Commercial Bank does business with related parties and companies.

These include the funds and accounts managed by Cerberus Capital Management, L.P. and J.C. Flowers & Co. LLC, which exert a significant influence over the Bank.

Furthermore, business relationships exist with subsidiaries which are controlled but not included in the Group financial statements, for reasons of materiality, associates, joint ventures, individuals in key positions and their relatives and companies controlled by these individuals. Individuals in key positions comprise exclusively the members of the Management and Supervisory Boards of Hamburg Commercial Bank AG.

The Bank maintains pension plans for employees that are utilized after employment has ended.

In the course of the normal business operations, transactions are entered into at arm's length with companies and parties that are related parties. These transactions include loans, call and fixed-term deposits, derivatives and securities transactions.

I. Companies with a significant influence over HCOB

The following table shows transactions with companies with a significant influence over the Bank:

Companies with a significant influence – Assets

(€ mn)	30.06.2025	31.12.2024
Loans and advances to customers	71	82
Total	71	82

Companies with a significant influence – Income statement

(€ mn)	30.06.2025	30.06.2024
Net interest income	2	4
Total	2	4

II. Subsidiaries

As in the prior-year period, there were no significant transactions with unconsolidated subsidiaries in the reporting period.

III. Associates

As in the prior-year period, there were no significant transactions with associated subsidiaries in the reporting period.

IV. Joint ventures

The following table shows the transactions with unconsolidated joint ventures:

Joint ventures – Assets

(€ mn)	30.06.2025	31.12.2024
Loans and advances to customers	2	2
Total	2	2

Joint ventures – Liabilities

(€ mn)	30.06.2025	31.12.2024
Liabilities to customers	1	2
Total	1	2

V. Other related parties and companies

No significant transactions have been entered into with individuals in key positions at Hamburg Commercial Bank AG and their close relatives or companies controlled by these individuals as at the reporting date.

VI. Pension plans

To cover its pension obligations independently, Hamburg Commercial Bank has transferred assets to HCOB Trust e.V. (Hamburg) under a contractual trust agreement as at the balance sheet date. For further details and the amount of plan assets, please refer to Note 31.

Members of the Management Board

LUC POPELIER

Born in 1964
Chief Executive Officer

ULRIK LACKSCHEWITZ

Born in 1968
Chief Risk Officer (CRO)

MARC ZIEGNER

Born in 1975
Chief Financial Officer (CFO)

CHRISTOPHER BRODY

Born in 1968
Chief Investment Officer (CIO)

Hamburg, 15 August 2025

Luc Popelier

Ulrik Lackschewitz

Christopher Brody

Marc Ziegner

Responsibility statement by the Management Board

We hereby affirm that to the best of our knowledge the interim Group 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 Group and that the interim Group management report presents the course of business, including the results of the business and the Hamburg Commercial Bank Group'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 Group's foreseeable performance.

Hamburg, 15 August 2025

Luc Popelier

Ulrik Lackschewitz

Christopher Brody

Marc Ziegner

Contact

Hamburg Commercial Bank AG

Gerhart-Hauptmann-Platz 50
D 20095 Hamburg

Phone +49 40 3333-0
info@hcob-bank.com
www.hcob-bank.com

Investor Relations

Phone +49 40 3333-11500/-25421
investor-relations@hcob-bank.com

Press & Public Relations

Phone +49 40 3333-11130/-11334
presse@hcob-bank.com

Imprint

Concept & Design

HCOB Marketing

Production

HCOB Marketing

Notice

If only the masculine form is mentioned in certain terms that refer to groups of people, this is not meant to be gender-specific, but is done exclusively for reasons of better readability.

This Interim Report was published on 21 August 2025 and is available for download on the Internet at www.hcob-bank.com. This is an English translation of the original German version of the Interim Report.

Reservation of Forward-Looking Statements

This Interim Report contains forward-looking statements. These statements are based on our beliefs and assumptions and conclusions from information currently available to us from sources that we believe to be reliable. Forward-looking statements include all information that is not purely historical fact, including information regarding possible or expected future growth prospects and future economic developments.

Such forward-looking statements are based on a number of assumptions relating to future events and depend on uncertainties, risks and other factors, many of which are beyond our control. Accordingly, actual events may differ materially from the forward-looking statements made previously. In light of the foregoing, you should never place undue reliance on forward-looking statements. We cannot accept any liability for the accuracy or completeness of these statements or the actual occurrence of the predictions made herein. Further, we undertake no obligation to update any forward-looking statements after the date of this information. In addition, the information contained in this Interim Report does not constitute an offer to buy or sell 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, Germany, that provides customized financing solutions for German and European companies. HCOB has a strong position in structured real estate and project finance and is a reliable financing partner for the shipping sector. Efficient and secure payment transaction 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. For more information, please visit www.hcob-bank.com.



