Disclosure Report

as at 30 June 2021
according to part 8 CRR

Content

List of tables

Due to rounding, numbers presented throughout this report may not add up precisely to the totals and percentages provided.

This report is a non-binding translation of the original German version of the Disclosure Report (Offenlegungsbericht).

1. Introduction and general principle

The disclosure is required by the Capital Requirements Regulation (CRR). The objective of disclosure is to strengthen the market discipline of the institutions. For that reason, additional information on the risk profile will be provided for market participants, exceeding the information that have already been published in the Interim Report

As of 30 June 2021, the new disclosure requirements under Part 8 of the Amendment Regulation 2019/876/EU (CRR II) have come into force. The resulting new and amended disclosure requirements are taken into account in this disclosure report.

Scope of application

Hamburg Commercial Bank AG is classified as a significant credit institution within the framework of the Single Supervisory Mechanism (SSM) and is directly supervised by the ECB. The consolidated balance sheet total amounts to more than € 30 bn. The bank is not classified as an Other Systemically Important Institution (O-SII) pursuant to Article 131(3) of Directive 2013/36/EU in conjunction with § 10g(2) KWG (German Banking Act).

Hamburg Commercial Bank AG is the superordinate credit institution (parent institution) within the Hamburg Commercial Bank Group. The disclosure according to Part 8 CRR is made pursuant to Article 13(1) CRR for the Hamburg Commercial Bank Group (hereinafter Hamburg Commercial Bank). The companies that belong to the Group within the meaning of § 10a KWG in conjunction with Article 11 CRR (regulatory scope of consolidation) must be taken into account. In contrast to this, the accounting scope of consolidation is to be seen in accordance with international accounting standards (IFRS), as reflected in the Interim Report of Hamburg Commercial Bank Group.

In principle own funds and financial resources can be transferred within Hamburg Commercial Bank pursuant to Article 436 point (f) CRR. The feasibility can be restricted due to existing regulatory requirements or other legal obligations or restrictions. With regard to the capitalization of subsidiaries in which Hamburg Commercial Bank and other shareholders have an interest, the approval of co-shareholders and their committees is also required in the event of a change in equity capital or own funds. In the case of subsidiaries which are also institutions, changes in equity capital have to be coordinated with the relevant supervisory authorities.

There is no capital shortfall for subsidiaries within the meaning of Article 436 point (g) CRR. Capital shortfall is the amount which the actual capitalization is less than the regulatory capital required.

Materiality, proprietary and confidentiality

Article 432(1) CRR allows institutions in principle to waive disclosure of one or more of the information referred to in Part 8 Title II CRR if it is not considered to be material. Generally Hamburg Commercial Bank meets all disclosure requirements without restrictions.

In addition, Article 432(2) CRR allows institutions to refrain from disclosing one or more of the items of information referred to in Part 8 Titles II and III CRR, if those items include information which is regarded as proprietary or confidential. Hamburg Commercial Bank has not made use of this option in this report.

Frequency of disclosure

In accordance with Article 433 (a) CRR, Hamburg Commercial Bank publishes the information required under Part 8 CRR fully once a year as at 12/31.

As Hamburg Commercial Bank issues on a regulated market, the relief pursuant to Article 433a (2) CRR cannot be claimed.

On a semi-annual basis, the information referred to in Article 433a(1)(b) CRR shall be disclosed.

On a quarterly basis, the information referred to in Article 433a(1)(c) CRR shall be disclosed.

In this report, therefore, the requirements of Article 433a(1)(b) and (c) CRR have to be fulfilled.

Means of disclosures

The Disclosure Report is published on Hamburg Commercial Bank's website under "Investor Relations" in accordance with Article 434(1) CRR. The timing and medium of publication are communicated to the supervisory authorities.

Non-relevance and negative declarations

In principle, Hamburg Commercial Bank discloses all information in accordance with Part 8 Titles II and III CRR. However, some of the requirements are not relevant and are therefore not disclosed. With the aim of clarity of disclosure, Hamburg Commercial Bank therefore explicitly lists a negative declaration for the information set out below:

- Hamburg Commercial Bank does not make use of Articles 7 and 9 CRR. Therefore, disclosure is not made in accordance with Article 436 point (h) CRR.
- The capital ratios are calculated exclusively using own funds calculated in accordance with CRR. Accordingly, there is no explanation under Article 437(1)(f) CRR.

- The transitional provisions introducing IFRS 9 in accordance with Article 437a CRR are not used. Therefore, there is no disclosure under EBA/GL/2018/01.
- As Hamburg Commercial Bank does not calculate risk exposure in accordance with the provisions of Article 153(5) CRR, no disclosure in accordance with the second sentence of Article 438 (b) € CRR for specialized lending is made.
- Hamburg Commercial Bank uses standard approach for determining counterparty credit risk in accordance with Article 274 CRR. Accordingly, no information according to Article 439 points (c) and (k) CRR on the correlation risk pursuant to Article 291 CRR or on the estimate of the value α under Article 284 CRR are disclosed.
- Information pursuant to Article 441 CRR is not disclosed, as Hamburg Commercial Bank has not been classified as globally systemically relevant.
- Hamburg Commercial Bank uses its own estimates of LGD and conversion factors for risk position vis-à-vis central governments, central banks, institutions and corporates. Accordingly, there is no separate disclosure under Article 452(b) and (g) subpoint (v) CRR for exposures where no own estimates of the above parameters are used.
- Hamburg Commercial Bank does not use advanced measurement approaches to calculate capital requirements for operational risk. Information pursuant to Article 454 CRR is therefore not presented.
- The assignment of the external rating to the credit quality steps according to Article 444 point (d) CRR is not disclosed as Hamburg Commercial Bank uses the standard mapping of EBA according to Article 270 CRR.
- There is no disclosure under Article 455 CRR as no internal market risk model is applied.
- Hamburg Commercial Bank does not hold any securitization positions in the trading book. For this reason, no information is provided on the specific interest rate risk pursuant to Article 445 CRR or trading book securitization positions under Article 449 CRR
- Hamburg Commercial Banks´s portfolio does not contain any re-securitization receivables. Therefore, no disclosure according to Article 449 CRR is made.
- Hedging transactions for further retained re-securitization and other securitization positions did not exist at the reporting date. Therefore, there is no disclosure under Article 449 point (b) CRR.
- Hamburg Commercial Bank does not use an internal assessment approach for securitizations pursuant to Part 3 Title II Chapter 5 Section 3 CRR. Accordingly, no information is provided in respect of Article 449 point (l) CRR.
- Hamburg Commercial Bank is not active as an originator of securitizations. Therefore, a disclosure pursuant to Article 449 points (k) and (i) CRR is omitted.
- Hamburg Commercial Bank has not provided any support under Part 3 Title II Chapter 5 CRR. Therefore, no disclosure pursuant to Article 449 (e) CRR is made.

2. Own funds and capital requirements

2.1. Own funds structure and key figures

For the disclosure of own funds pursuant to Article 437 points (a), (b), (d) and (e) CRR, Hamburg Commercial Bank follows the Implementing Regulation (EU) 1423/2013 laying down implementing technical standards for institutions´ own funds disclosure obligations pursuant to CRR. Full disclosure takes place on an annual basis. Semi-annually, in accordance with Article 433a(1)(b)(i) CRR, disclosures shall be made in accordance with Article 437(a) CRR. According to Article 433a(1)(c)(ii) CRR, information on own funds and capital ratios is disclosed on a quarterly basis. This is done with the following table KM1. As this table has been adjusted and is to be disclosed in this form for the first time, no data is shown as at 31 December 2020.

[Tab. 1] KM1: Key metrics template

		a
		30.06.2021
	Available own funds (amounts) in Mio. €	
1	Common Equity Tier 1 (CET1) capital	4,388
2	Tier 1 capital	4,388
3	Total capital	5,345
	Risk-weighted exposure amounts	
4	Total risk-weighted exposure amount	14,829
	Capital ratios (as a percentage of risk-weighted exposure amount)	
5	Common Equity Tier 1 ratio (%)	29.6
6	Tier 1 ratio (%)	29.6
7	Total capital ratio (%)	36.0
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)	
EU 7a	Additional CET1 SREP requirements (%)	2.8
EU 7b	Additional AT1 SREP requirements (%)	1.6
EU 7c	Additional T2 SREP requirements (%)	2.1
EU 7d	Total SREP own funds requirements (%)	10.8
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)	
8	Capital conservation buffer (%)	0.0
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	–
9	Institution specific countercyclical capital buffer (%)	0.0
EU 9a	Systemic risk buffer (%)	–
10	Global Systemically Important Institution buffer (%)	–
EU 10a	Other Systemically Important Institution buffer	–
11	Combined buffer requirement (%)	0.0
EU 11a	Overall capital requirements (%)	13.3
12	CET1 available after meeting the total SREP own funds requirements (%)	3,192
	Leverage ratio	
13	Leverage ratio total exposure measure	33,135
14	Leverage ratio	13.2
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)	
EU 14a	Additional CET1 leverage ratio requirements (%)	–
EU 14b	Additional AT1 leverage ratio requirements (%)	–
EU 14c	Additional T2 leverage ratio requirements (%)	3.0
	Requirements for own funds buffer to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)	
EU 14d	Total SREP leverage ratio requirements (%)	–
EU14e	Applicable leverage buffer	3.0
	Liquidity Coverage Ratio	
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	5,782
EU 16a	Cash outflows - Total weighted value	3,913
EU 16b	Cash inflows - Total weighted value	445
16	Total net cash outflows (adjusted value)	3,469
17	Liquidity coverage ratio (%)	167
	Net Stable Funding Ratio	
18	Total available stable funding	20,961
19	Total required stable funding	17,856
20	NSFR ratio (%)	117

Explanation of significant changes

Common Equity Tier 1 capital ratio by 2.6 percentage points to 29.6% compared to the reporting date 31 December 2020..
The increase in CET1 compared to the reference date is mainly due to the profit as at 30 June 2021, which was recognised in CET1 at the same reporting date (based on Article 26 (2) CRR). Positive effects in the accumulated other comprehensive income were offset by additions in the deductions from Common Equity Tier 1 capital. The changes in RWA are explained in section 2.2..

The leverage ratio increases to 13.2 % especially due to the increase in Tier 1 capital and, to a lesser extent, due to the decline in the total exposure measure. The reduction of the total exposure measure is caused by the portfolio decline.

The liquidity coverage ratio LCR is disclosed as an average value of the last 12 months. Therefore, it differs from the reporting date related disclosure in the Interim Report of Hamburg Commercial Bank as at 06/30/2021. Details are provided in sector 5.

Disclosure of the nature and amounts of specific own funds items

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

Complete reconciliation of own funds components with audited financial statements

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

The reconciliation is carried out in three steps. In the first step, a reconciliation of the scope of consolidation under commercial law to the scope of consolidation under supervisory law as at 30 June 2021 is started. Due to the fact that profit is taken into account at the same reporting date, the reconciliation is not based on the most recently audited reporting date. The equity components of the scope of consolidation under commercial law correspond to the equity information published in the interim report of Hamburg Commercial Bank as at 30 June 2021. In the second step, the own funds components are expanded and regulatory effects are taken into account. Finally, the own funds components are allocated to the own funds items of the Group's regulatory report as at 30 June 2021.

Information on transitional provisions for the disclosure of own funds

According to Article 492(4) CRR, the use of transitional provisions under Article 484 CRR are disclosed. Hamburg Commercial Bank does not make use of these transitional provisions.

2.2. Capital requirements

Table OV1 shows the own funds requirements relevant for Hamburg Commercial Bank in accordance with Article 438 (d) CRR. The own funds requirements are explained below.

Credit risk and counterparty credit risk

Following approval by the responsible authorities, Hamburg Commercial Bank determines all risk parameters required to determine the risk weight internally. The risk-weighted position amounts for credit risk are thus calculated using the IRB approach in accordance with Part 3 Title II Chapter 3 CRR.

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

Hamburg Commercial Bank uses the PD/LGD approach and the simple risk-weight approach to determine the capital requirements for equity investments using the IRB approach. In addition, significant investments in a financial sector entity are separately backed by own funds in accordance with Article 48 CRR, provided that these are not deducted from own funds.

The capital requirements for credit risk (including counterparty credit risk and securitization risk, excluding deferred taxes) amounts to € 808 m. For an overall view, capital requirement in the amount of € 151 m pursuant to Article 3 CRR must be added to the credit risk. That leads to a decrease in credit risk to € 959 m compared to the previous period. The reduction in the capital requirements for credit risk mainly results from further portfolio reductions.

The additional risk position in accordance with Article 3 CRR anticipates capital requirements resulting from forthcoming recalibrations, further developments and methodological revisions of individual IRB rating modules which have not yet been approved by the supervisory authorities in the context of the new regulatory framework and regulations that will apply from the beginning of 2022, among other things.

Market risk

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

The capital requirements for market risks of € 30 m are comprised for position risk for foreign exchange risk. There is no commodity risk.

Operational risk

Hamburg Commercial Bank uses the standardized approach pursuant to Article 317 CRR to determine the capital requirement for operational risks. As at the reporting date, the capital requirement amounts to € 76 m.

Overall capital requirements

In addition to credit risk, market risk and operational risk, Hamburg Commercial Bank also considers the risk of an adjustment to credit valuation (CVA risk) with own funds in accordance with Part 3 Title VI CRR. As at the reporting date, the capital requirements amounts to € 14 m.

There were no capital requirements for the settlement risk pursuant to Part 3 Title V CRR and large exposures according to Article 92(3) point (b) subpoint (ii) CRR.

There are further capital requirements pursuant to Articles 48 and 60 CRR amounting to € 90 m, which mainly result from deferred taxes. Deferred taxes are included in Table OV1 in row 24.

As at the reporting date, total own funds requirements amounted to € 1,186 m.

[Tab. 2] OV1: Overview of risk weighted exposure amounts in € m

		a	b	c
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		30.06.2021	31.12.2020[1]	30.06.2021
1	Credit risk (excluding CCR)	12,122	10,156	970
2	Of which the standardised approach	2,159	367	173
3	Of which the foundation IRB (FIRB) approach	-	-	-
4	Of which: slotting approach	-	-	-
EU 4a	Of which: equities under the simple riskweighted approach	407	113	33
5	Of which the advanced IRB (AIRB) approach	6,363	9,675	509
6	Counterparty credit risk - CCR	1,233	730	99
7	Of which the standardised approach	840	561	67
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	7	9	1
EU 8b	Of which credit valuation adjustment - CVA	386	160	31
9	Of which other CCR	-	-	-
10	Not applicable	-	-	-
11	Not applicable	-	-	-
12	Not applicable	-	-	-
13	Not applicable	-	-	-
14	Not applicable	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	148	110	12
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	33	23	3
19	Of which SEC-SA approach	115	86	9
EU 19a	Of which 1250%/ deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	380	34	30
21	Of which the standardised approach	380	34	30
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	946	1,366	76
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	946	1,366	76
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	1,125	1,054	90
25	Not applicable	-	-	-
26	Not applicable	-	-	-
27	Not applicable	-	-	-
28	Not applicable	-	-	-
	Additional risk exposure amount due to Article 3 CRR	1,893	2,074	151
29	**Total**	**14,829**	**15,523**	**1,186**

1) Disclosure as of 31.12.2020.

3. Countercyclical capital buffer

The amount of the institution specific countercyclical capital buffer and the geographical breakdown of the credit risk exposures relevant for the calculation of the countercyclical capital buffer is disclosed in accordance with Article 440 CRR. The disclosure of the geographical distribution of credit risk exposures in accordance with Article 440(a) CRR in conjunction with Article 2 of Delegated Regulation (EU) 2015/1555 is provided in CCyB1.

The exposure is disclosed in columns a to e divided into general credit exposure, trading book exposure (i.e. specific market risk) and securitization exposure. The corresponding capital requirements are displayed in columns g to j. In column l the weights are shown, which apply to every country specific ratio for the countercyclical capital buffer. The ratio results from the sum of capital requirements per country divided by the sum of all capital requirements of the relevant credit exposures. In column m, the countercyclical capital buffer rate of each country is shown. These have to be published by the countries themselves.

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

[Tab. 3] CCyB2: Amount of institution-specific countercyclical capital buffer

		a
1	Total risk exposure amount (in € m)	14,829
2	Institution specific countercyclical capital buffer rate (in %)	0.062
3	Institution specific countercyclical capital buffer requirement (in € m)	9

[Tab. 4] CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer in € m

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
010	Breakdown by country[1]	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	"Own fund requirements weights	"Countercyclical buffer rate"
020	AE	2	12	–	–	–	14	1	–	–	1	13	0.13%	0.00%
030	AT	95	51	–	–	–	147	4	–	–	4	45	0.47%	0.00%
040	AU	–	2	–	–	–	2	0	–	–	0	6	0.06%	0.00%
050	BE	104	608	–	–	–	712	17	–	–	17	210	2.16%	0.00%
060	BM	–	108	–	–	–	108	3	–	–	3	39	0.40%	0.00%
070	BR	–	–	–	–	–	–	–	–	–	–	–	-	0.00%
080	CA	–	4	–	–	–	4	0	–	–	0	2	0.02%	0.00%
090	CH	34	294	–	–	–	328	19	–	–	19	240	2.47%	0.00%
100	CY	0	80	–	–	–	80	4	–	–	4	45	0.46%	0.00%
110	DE	1,330	10,663	3	–	–	11,996	324	0	–	324	4,054	41.70%	0.00%
120	DK	–	243	–	–	–	243	8	–	–	8	101	1.04%	0.00%
130	EE	–	64	–	–	–	64	3	–	–	3	38	0.39%	0.00%
140	ES	25	251	–	–	–	276	10	–	–	10	129	1.33%	0.00%
150	FI	90	356	–	–	–	446	5	–	–	5	68	0.70%	0.00%
160	FR	221	718	–	–	–	939	25	–	–	25	314	3.23%	0.00%
170	GB	110	529	–	–	–	639	37	–	–	37	461	4.74%	0.00%
180	GG	–	–	–	–	–	–	–	–	–	–	–	-	0.00%
190	GR	0	581	–	–	–	581	33	–	–	33	412	4.23%	0.00%
200	HK	–	6	–	–	–	6	0	–	–	0	5	0.05%	1.00%
210	HR	–	18	–	–	–	18	0	–	–	0	1	0.01%	0.00%
220	IE	–	188	–	–	62	250	6	–	1	7	93	0.95%	0.00%
230	IL	–	47	–	–	–	47	2	–	–	2	23	0.24%	0.00%
240	IM	–	43	–	–	–	43	1	–	–	1	9	0.10%	0.00%
250	IN	–	4	–	–	–	4	0	–	–	0	0	0.00%	0.00%
260	IT	0	154	–	–	–	154	6	–	–	6	80	0.83%	0.00%
270	JE	47	0	–	–	–	47	3	–	–	3	40	0.41%	0.00%
280	JP	7	8	–	–	–	16	1	–	–	1	15	0.15%	0.00%
290	KY	–	35	–	–	402	437	1	–	5	6	75	0.78%	0.00%
300	LR	0	145	–	–	–	145	2	–	–	2	31	0.32%	0.00%
310	LU	308	2,692	–	–	199	3,199	70	–	6	75	940	9.67%	0.50%
320	LV	0	–	–	–	–	0	0	–	–	0	0	-	0.00%
330	MH	0	938	–	–	–	938	39	–	–	39	491	5.05%	0.00%
340	MT	0	–	–	–	–	0	0	–	–	0	0	0.00%	0.00%
350	NL	435	851	–	–	–	1,286	38	–	–	38	481	4.94%	0.00%
360	NO	330	93	–	–	–	423	10	–	–	10	124	1.28%	1.00%
370	NZ	–	49	–	–	–	49	2	–	–	2	21	0.21%	0.00%
380	PA	0	43	–	–	–	43	1	–	–	1	18	0.19%	0.00%
390	PL	35	–	–	–	–	35	2	–	–	2	30	0.31%	0.00%
400	PT	–	133	–	–	–	133	7	–	–	7	87	0.90%	0.00%
410	QA	–	–	–	–	–	–	–	–	–	–	–	-	0.00%
420	RU	–	17	–	–	–	17	0	–	–	0	1	0.01%	0.00%
430	SA	–	4	–	–	–	4	0	–	–	0	0	0.00%	0.00%
440	SE	130	398	–	–	–	528	18	–	–	18	219	2.25%	0.00%
450	SG	0	170	–	–	–	170	5	–	–	5	57	0.59%	0.00%
460	SK	36	–	–	–	–	36	1	–	–	1	7	0.07%	1.00%
470	TR	0	84	–	–	–	84	2	–	–	2	20	0.21%	0.00%
480	US	342	61	–	–	–	403	29	–	–	29	358	3.69%	0.00%
490	VC	–	11	–	–	–	11	0	–	–	0	1	0.01%	0.00%
500	VG	0	56	–	–	–	56	2	–	–	2	19	0.20%	0.00%
510	x2	–	–	–	–	–	–	–	–	–	–	–	-	0.00%
520	ZA	351	–	–	–	–	351	24	–	–	24	298	3.07%	0.00%
530	Sum	4,035	20,811	3	–	664	25,512	766	0	12	778	9,722	100.00%	

[1] Country code according to ISO 3166-1 ALPHA-2

4. Leverage ratio

According to Article 451 CRR, information on the leverage ratio must be disclosed. The leverage ratio is determined in accordance with Articles 429 and 429a to 429g CRR in conjunction with the Implementing Regulation (EU) 2016/200.

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

As a risk-independent leverage ratio, the leverage ratio supplements the risk-based capital requirements. CRR II introduced a mandatory minimum ratio in June 2021, which is 3 % for the Hamburg Commercial Bank.

In the following, the components of the leverage ratio are disclosed. In doing so, the option from Article 499 (2) CRR is used to disclose the Tier 1 capital only in accordance with Article 499 (1) (b) CRR, i.e. taking into account the Basel III transitional regulations.

As part of the transition to CRR II, LRCom was also adjusted. As this table is to be disclosed in this form for the first time, no data is shown as at 31.12.2020.

[Tab. 5] LRSum: Summary reconciliation of accounting assets and leverage ratio exposures in € m

		Applicable Amount
1	Total assets as per published financial statements	31,605
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	26
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	254
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,005
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-9
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	-747
13	Total exposure measure	33,135

[Tab. 6] LRCom: Leverage ratio common disclosure in € m

		CRR leverage ratio exposures
	On-balance sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	29,747
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-84
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-
5	(General credit risk adjustments to on-balance sheet items)	-
6	(Asset amounts deducted in determining Tier 1 capital)	-168
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**29,494**
	Derivative exposures	
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1,148
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	479
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-
EU-9b	Exposure determined under Original Exposure Method	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-
11	Adjusted effective notional amount of written credit derivatives	10
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
13	**Total derivatives exposures**	**1,636**
	Securities financing transaction (SFT) exposures	
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
16	Counterparty credit risk exposure for SFT assets	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-
17	Agent transaction exposures	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-
18	**Total securities financing transaction exposures**	**-**
	Other off-balance sheet exposures	
19	Off-balance sheet exposures at gross notional amount	4,468
20	(Adjustments for conversion to credit equivalent amounts)	2,464
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-
22	**Off-balance sheet exposures**	**2,005**
	Excluded exposures	
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-

EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-
EU-22k	(Total exempted exposures)	-
	Capital and total exposure measure	
23	Tier 1 capital	4,388
24	Total exposure measure	33,135
	Leverage ratio	
25	Leverage ratio (%)	13.2%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	-
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	13.2%
26	Regulatory minimum leverage ratio requirement (%)	3.0%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-
EU-26b	of which: to be made up of CET1 capital	-
27	Leverage ratio buffer requirement (%)	-
EU-27a	Overall leverage ratio requirement (%)	3.0%
	Choice on transitional arrangements and relevant exposures	
EU-27b	Choice on transitional arrangements for the definition of the capital measure	transitional
	Disclosure of mean values	
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	33,135
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	33,135
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	13.2%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	13.2%

[Tab. 7] LRSpl: Split-up of on-balance-sheet exposures (excluding derivatives, SFTs and exempted exposures) in € m

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	29,662
EU-2	Trading book exposures	3
EU-3	Banking book exposures, of which:	29,660
EU-4	Covered bonds	1,795
EU-5	Exposures treated as sovereigns	6,634
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	125
EU-7	Institutions	1,131
EU-8	Secured by mortgages of immovable properties	7,581
EU-9	Retail exposures	1
EU-10	Corporates	11,637
EU-11	Exposures in default	256
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	500

5. Liquidity risk

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

The insolvency risk is the risk that current or future payment obligations cannot be met in part or in full. This is referred to as liquidity risk in the narrower sense. The key driver of this liquidity risk is the cash flow structure in the liquidity maturity statement (LMS), which is determined by the assets (maturity/currency structure) and liabilities (funding structure by maturity/currencies/investors). In this context, the market liquidity risk, i.e. the risk that transactions cannot be sold or only at unfavorable conditions due to insufficient market depth, is taken into account in the LMS as a component of the insolvency risk. Another component of insolvency risk is the refinancing risk, i.e. the risk of not being able to procure liquidity or not being able to do so to the expected conditions if required. The refinancing risk is determined by the refinancing structure. Information on the refinancing structure can be found in Note 49 to the consolidated financial statements "Residual maturity breakdown of financial instruments" in the Hamburg Commercial Bank's Annual Report.

The liquidity maturity transformation risk describes the risk that a loss will result from a mismatch in the contractual maturities of assets and liabilities, the so-called liquidity maturity transformation position, and the change in the Bank's own refinancing premium, which depends on its credit rating and which the Bank has to pay on the market.

Liquidity ratios

Regulation (EU) 2019/876 contains the disclosure on liquidity ratios in Part 8 of the CRR specified under Implementing Regulation (EU) 2021/637.

Under the Basel 3 rules, the Basel Committee on Banking Supervision has set two minimum liquidity standards for banks.

Liquidity Coverage Ratio – LCR

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

This requirement was transposed into European law as part of Commission Delegated Regulation (EU) 2015/61 in October 2014. Compliance with the LCR has had to take place in Europe since 1 October 2015.

Our average minimum liquidity ratio as at 30 June 2021 of 167% (twelve-month average) has been calculated in accordance with Commission Delegated Regulation (EU) 2015/61 and the EBA guidelines on the disclosure of the Liquidity Coverage Ratio to complement the liquidity risk management disclosure under Article 435 CRR.

The LCR is disclosed as an average value for the last 12 months. In the course of the Bank's ongoing transformation process, the balance sheet volume decreased further in the reporting period. Due to the almost synchronised reduction in the liquidity buffer relative to net cash outflows, the LCR ratio remains at a relatively high level in relation to the regulatory minimum size requirement of 100 %.

The LCR as at 30 June 2021 is 170%, which is close to the figure at the end of the previous year's reporting period (171%). The ratio is therefore significantly above the regulatory minimum requirement of 100 %.

Table LIQ1 discloses quantitative information on the LCR. The table includes the values for the second calendar quarter of 2021 and the three preceding calendar quarters. The values are calculated as a simple average of the twelve month-end values before the respective quarter-end.

Structural liquidity ratio (Net Stable Funding Ratio - NSFR)

The NSFR requirements are a stable funding profile relative to its on-balance sheet and off-balance sheet activities. The ratio is defined as the amount of stable funding available (proportion of equity and debt considered to be a stable source of funding) relative to the amount required for stable funding (a function of the liquidity characteristics of the various asset classes held).
The NSFR as at 30 June 2021, calculated in accordance with Article 451a (3) CRR, amounts to 117% and is thus significantly above the regulatory minimum requirement of 100%, which has been binding since June 2021.
Table LIQ2 shows the assets, liabilities and off-balance sheet items in relation to the structural liquidity ratio as at 30.06.2021. As this table is to be disclosed in this form for the first time, no data is shown as at 31.12.2020.

[Tab. 8] LIQ1: Quantitative information of LCR in € m

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2021	31.03.2021	31.12.2020	30.09.2020
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					5,782	6,122	6,770	7,505
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:	176	199	225	243	21	24	28	31
3	Stable deposits	42	45	47	50	2	2	2	3
4	Less stable deposits	127	149	176	192	19	22	26	28
5	Unsecured wholesale funding	6,199	6,688	7,337	8,204	2,683	2,941	3,262	3,618
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	539	548	560	925	133	135	138	228
7	Non-operational deposits (all counterparties)	5,584	6,050	6,678	7,167	2,474	2,716	3,025	3,278
8	**Unsecured debt**	76	90	99	112	76	90	99	112
9	Secured wholesale funding					7	14	14	12
10	Additional requirements	3,901	4,060	4,448	5,031	1,053	1,046	1,135	1,240
11	Outflows related to derivative exposures and other collateral requirements	525	575	701	781	520	554	662	724
12	Outflows related to loss of funding on debt products	16	45	43	34	16	45	43	34
13	Credit and liquidity facilities	3,360	3,440	3,704	4,216	517	447	430	482
14	Other contractual funding obligations	96	104	101	129	67	75	70	98
15	Other contingent funding obligations	1,985	2,260	2,559	2,831	82	94	107	121
16	TOTAL CASH OUTFLOWS					3,913	4,194	4,616	5,120
CASH - INFLOWS									
17	**Secured lending (e.g. reverse repos)**	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	632	700	768	775	388	428	462	464
19	Other cash inflows	57	92	166	223	57	91	166	223
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	689	792	934	998	445	519	628	687
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	689	792	934	999	445	519	628	686
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER					5,782	6,122	6,770	7,505
22	TOTAL NET CASH OUTFLOWS					3,469	3,675	3,990	4,432
23	LIQUIDITY COVERAGE RATIO					166.9%	166.5%	170.2%	170.4%

[Tab. 9] LIQ2: Net Stable Funding Ratio in € m

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	4,556	-	-	903	5,459
2	Own funds	4,556	-	-	903	5,459
3	Other capital instruments		-	-	0	0
4	Retail deposits		130	-	1	120
5	Stable deposits		40	-	1	39
6	Less stable deposits		90	-	0	82
7	**Wholesale funding:**		9,623	2,318	9,349	14,634
8	Operational deposits		543	12	25	66
9	Other wholesale funding		9,080	2,306	9,323	14,568
10	Interdependent liabilities		195	86	2,751	-
11	Other liabilities:	-	384	0	747	747
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		384	0	747	747
14	Total available stable funding (ASF)					20,961
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					642
EU-15a	Assets encumbered for more than 12m in cover pool		561	241	4,787	4,751
16	Deposits held at other financial institutions for operational purposes		251	-	-	126
17	Performing loans and securities:		1,994	1,161	10,432	10,823
18	Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		259	105	962	1,040
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		1,700	1,037	8,439	9,071
21	**With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk**		**8**	**84**	**1,463**	**1,571**
22	Performing residential mortgages, of which:		24	2	211	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		24	2	211	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		11	17	820	712
25	Interdependent assets		213	87	2,758	-
26	Other assets:		1,800	1,716	2,042	1,241
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		175	-	-	149
29	NSFR derivative assets		603			603
30	NSFR derivative liabilities before deduction of variation margin posted		927			46
31	All other assets not included in the above categories		95	11	337	443
32	Off-balance sheet items		334	245	4,427	273
33	Total RSF					**17,057**
34	**Stable Funding Ratio (%)**					**117.4%**

6. Default risk

Hamburg Commercial Bank differentiates the default risk according to credit, settlement, country and investment risk.

In addition to classical credit risk, components of credit risk are counterparty default risk (see section 7) and issuer risk. Traditional credit risk is the risk of total or partial loss due to a deterioration in the creditworthiness of the counterparty in lending transactions. Issuer risk is the risk of loss of value in a financial transaction due to default or deterioration in the creditworthiness of an issuer.

Settlement risk consists of settlement risk and advance performance risk. The settlement risk consists of a possible loss in value if delivery or acceptance claims exist from a transaction that is already due and has not yet been fulfilled by both parties. An advance performance risk exists if Hamburg Commercial Bank has already fulfilled its obligation in accordance with the contract, but the counter-performance by the contractual partner is still outstanding.

Hamburg Commercial Bank defines country risk as the risk that agreed payments are not made or are made incompletely or late due to government-imposed restrictions on cross-border payments (transfer risk). The risk is not based on the creditworthiness of the debtor.

Investment risk is the risk of financial loss due to impairment of the investment.

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

Hamburg Commercial Bank follows the requirements of the Implementing Regulation (EU) 2021/637 in conjunction with EBA/ITS/2020/04 for the disclosure of default risk and the requirements of EBA/GL/2018/10 for the disclosure of non-performing and deferred risk exposures. Counterparty default risk and securitisations are generally not taken into account in the tables in the default risk section as they are presented separately. Exceptions are explicitly described. The "Other assets excluding credit commitments" are shown in this section without the values for deferred taxes.

6.1. Credit risk adjustments

Table CR1 discloses performing and non-performing exposures and related provisions per exposure class in accordance with Article 442(c) and (e) CRR in conjunction with EBA/GL/2018/10.

[Tab. 10] CR1: Performing and non-performing exposures and related provisions in € m

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
005	Cash balances at central banks and other demand deposits	3,508	3,508	-	-	-	-	0	0	0	-	-	-	-	-	-
010	Loans and advances	21,068	18,315	2,463	620	0	587	-269	-90	-179	-241	-	-237	-72	12,166	291
020	Central banks	6	6	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	1,033	990	0	-	-	-	-0	-0	-	-	-	-	-	39	-
040	Credit institutions	597	596	0	-	-	-	-0	-0	-	-	-	-	-	-	13
050	Other financial corporations	1,722	1,404	144	78	-	78	-4	-2	-2	-19	-	-19	-	802	126
060	Non-financial corporations	17,517	15,130	2,313	535	0	505	-265	-89	-177	-220	-	-216	-72	11,146	152
070	Of which: SMEs	8,845	7,500	1,296	321	0	304	-139	-36	-103	-122	-	-122	-5	5,668	70
080	Households	193	188	5	7	-	4	-0	-0	-0	-2	-	-2	-	179	0
090	Debt Securities	5,026	4,493	-	-	-	-	-1	-1	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	1,892	1,581	-	-	-	-	-0	-0	-	-	-	-	-	-	-
120	Credit institutions	2,760	2,624	-	-	-	-	-0	-0	-	-	-	-	-	-	-
130	Other financial corporations	296	209	-	-	-	-	-0	-0	-	-	-	-	-	-	-
140	Non-financial corporations	79	79	-	-	-	-	-0	-0	-	-	-	-	-	-	-
150	Off-balance sheet exposures	4,775	4,057	237	93	-	72	-5	-3	-1	-45	-	-37	-	204	6
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	15	15	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	15	0	-	-	-	-	-0	-0	-	-	-	-	-	-	-
190	Other financial corporations	610	599	4	12	-	4	-0	-0	-0	-24	-	-18	-	0	-
200	Non-financial corporations	4,112	3,421	232	81	-	68	-5	-2	-1	-21	-	-19	-	204	6
210	Households	23	22	1	0	-	-	-0	-0	-0	-0	-	-	-	-	-
220	**Total**	30,868	26,864	2,700	713	0	659	-275	-94	-180	-286	-	-274	-72	12,370	297

Table CR2 shows the changes in the stock of non-performing loans and advances in accordance with Article 442 subparagraph (f) CRR in conjunction with EBA/GL/2018/10. All defaulted loans and debt instruments are shown, irrespective of whether there is impairment or not.

[Tab. 11] CR2: Changes in the stock of non-performing loans and advances

		a
		Gross carrying amount
010	**Initial stock 31.12.2020**	**595**
020	Inflows to non-performing portfolios	157
030	Outflows from non-performing portfolios	0
040	Outflows due to write-offs	– 43
050	Outflow due to other situations	– 89
060	**Final stock 30.06.2021**	**620**

6.1.1. Definition of "past due" and "impaired" for accounting purposes

A claim is overdue if a counterparty has not made a payment in accordance with the contract. The overdue period begins on the first calendar day on which the first significant overdraft occurred. All calendar days are taken into account when determining the days in arrears.

The bank´s definition of non-performing exposure is consistent with its definition of default under Article 178 CRR. A default has occurred if the criterion "90-day-delay" and/or the criterion "unlikeliness to pay" applies to the debtor. Purely technical overdrafts, which are not credit rating related, do not represent a default. All defaulting transactions that are not measured at fair value are considered impaired from the outset and are allocated to Level 3 of IFRS 9 impairment model. In addition, in the risk provisioning process, non-default restructuring cases and relevant intensive support cases are examined to determine whether there is an objective indication (impairment trigger) of an impairment and thus a need for individual risk provisioning. The formation of an individual risk provision in turn lead to the default of the business partner.

Apart from transactions measured at fair value, there are no receivables which are overdue by more than 90 days and which are not considered impaired due to the system described above.

Thereby, Hamburg Commercial Bank does not use any own definition with regard to restructuring of a risk exposure which differs from Annex V of the Commission Implementing Regulation (EU) No. 680/2014.

6.1.2. Description of the approaches and methods of specific and general credit risk adjustments

As foreign original exposures across all countries and exposure classes amount to 10% or more of total (domestic and foreign) origi-nal exposures at the reporting date, Table CQ4 requires disclosure of the quality of non-performing exposures by geographical area in accordance with Article 442(c) and (e) CCR.

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

The classification of a counterparty shall be based on the immediate counterparty only. The rows shall be used to disclose the material economic sectors or types of counterparties to which institutions have exposures. Materiality shall be assessed in accordance with Article 432 CRR and non-material economic sectors or types of counterparties shall be disclosed on an aggregated basis in the line 'Other services'.

[Tab. 12] CQ4: Quality of non-performing exposures by geography in € m

		a	b	c	d	e	f	g
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: subject to impairment			
				of which: defaulted				
010	**On balance sheet exposures**	26,713	620	620	25,873	-511		-7
020	DE	13,668	497	497	13,538	-332		-7
030	LU	2,858	-	-	2,847	-25		-
040	MH	1,114	15	15	1,114	-20		-
050	NL	1,250	16	16	1,232	-6		-
060	FR	933	-	-	909	-3		-
070	GB	862	-	-	815	-2		-
080	FI	451	-	-	449	-1		-
090	LR	330	0	0	329	-6		0
100	SE	518	-	-	511	-3		-
110	PA	264	3	3	264	-4		-
120	BE	698	0	0	373	-1		-
130	SG	259	23	23	259	-11		-
140	VG	212	-	-	212	-27		-
150	DK	192	1	1	191	-2		-
160	IT	215	31	31	189	-33		-
170	IE	261	-	-	255	-8		-
180	ES	210	-	-	203	-4		-
190	CY	147	-	-	147	-2		-
200	US	421	2	2	263	-2		-
210	NO	416	-	-	416	-1		-
220	Other countries	1,434	32	32	1,357	-18		-
230	**Off balance sheet exposures**	4,871	93	93			50	
240	DE	3,094	64	64			47	
250	LU	628	-	-			0	
260	KY	303	-	-			0	
270	MH	133	-	-			0	
280	GB	112	-	-			0	
290	LR	94	-	-			0	
300	NL	84	-	-			0	
310	CH	79	-	-			0	
320	SE	102	-	-			0	
330	Other countries	242	29	29			1	
340	**Total**	31,584	713	713	25,873	-511	50	31,584

[Tab. 13] CQ5: Credit quality of loans and advances to non-financial corporations by industry in € m

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
				of which: defaulted			
010	Agriculture, forestry and fishing	7	-	-	7	-0	-
020	Mining and quarrying	0	-	-	0	-0	-
030	Manufacturing	432	48	48	432	-30	-
040	Electricity, gas, steam and air conditioning supply	2,804	36	36	2,797	-54	-0
050	Water supply	32	-	-	32	-0	-
060	Construction	707	1	1	707	-4	-
070	Wholesale and retail trade	528	44	44	528	-40	-
080	Transport and storage	3,563	100	100	3,559	-75	-0
090	Accommodation and food service activities	256	31	31	256	-25	-
100	Information and communication	220	0	0	220	-3	-
110	Real estate activities	-	-	-	-	-	-
120	Financial and insurance activities	7,743	218	218	7,696	-163	-4
130	Professional, scientific and technical activities	1,403	57	57	1,372	-87	-0
140	Administrative and support service activities	148	-	-	148	-1	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	0	-	-	0	-	-
170	Human health services and social work activities	170	-	-	170	-1	-
180	Arts, entertainment and recreation	16	-	-	16	-2	-
190	Other services	23	-	-	23	-0	-
200	**Total**	**18,052**	**535**	**535**	**17,964**	**-486**	**-5**

Table CR1-A discloses net expsure values by maturity bands in accordance with Article 442(g) CRR in conjunction with paragraphs 82 and 83 of EBA/GL/2016/11.The risk positions were determined using a FINREP-based reconciliation.

[Tab. 14] CR1-A: Maturity of exposures in € m

		a	b	c	d	e	f
		Net exposure value					
	Exposure class	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	**Total**
1	Loans and advances	3,646	3,367	9,692	7,760	-	24,466
2	Debt securities	-	1,037	2,289	1,639	-	**4,965**
3	**Total**	**3,646**	**4,404**	**11,981**	**9,399**	**-**	**29,431**

6.2. Forborne and non-performing exposures

Hamburg Commercial Bank is complying with the requirements of EBA/GL/2018/10 for the disclosure of forborne and non-performing exposures. Hamburg Commercial Bank is significant within the meaning of paragraph 12 of this guideline. However, as the NPL ratio (FINREP) as defined in paragraph 12 of EBA/GL/2018/06 was below the threshold of 5 % at the four quarterly closing dates prior to the reporting date (current NPL ratio: 2.9%), tables CQ2, CQ6, CQ8 and CR2a are not required to be disclosed in accordance with the requirements of the Implementing Regulation (EU) 2021/637 in conjunction with EBA/ITS/2020/04.
Table CQ7 is not disclosed due to the bank´s approach to the realization of collateral. In the sense of a "taking possession and execution"-process no collateral is taken possession of and the table would therefore always remain empty.

The following tables CQ1 and CQ3 are filled from the FINREP database, as provided for in EBA/GL/2018/10. The data are therefore not comparable with the tables based on the COREP report due to the different presentation of, for example, securitized positions and different consideration of loan loss provisions.

Table CQ1 shows the credit quality of forborne exposures in accordance with Article 442(c) CRR. Depending on whether forborne exposures satisfy the required conditions set out in Article 47a and 47b, they can be identified as performing or non-performing.

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

[Tab. 15] CQ1: Credit quality of forborne exposures in € m

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	702	445	445	427	-70	-216	609	158
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	49	78	78	78	-1	-19	85	49
060	Non-financial corporations	653	362	362	347	-68	-194	522	108
070	Households	0	5	5	2	-0	-3	1	1
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	57	40	40	40	-1	-8	-	-
100	**Total**	**759**	**485**	**485**	**467**	**-70**	**-224**	**609**	**158**

[Tab. 16] CQ3 Credit quality of performing and non-performing exposures by past due days in € m

		a	b	c
			Gross carrying amount/nominal amount	
			Performing exposures	
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days
005	Cash balances at central banks and other demand deposits	3,508	3,508	-
010	Loans and advances	21,068	21,058	9
020	Central banks	6	6	-
030	General governments	1,033	1,033	-
040	Credit institutions	597	597	-
050	Other financial corporations	1,722	1,715	7
060	Non-financial corporations	17,517	17,516	1
070	Of which SMEs	8,845	8,845	-
080	Households	193	192	2
090	Debt securities	5,026	5,026	-
100	Central banks	-	-	-
110	General governments	1,892	1,892	-
120	Credit institutions	2,760	2,760	-
130	Other financial corporations	296	296	-
140	Non-financial corporations	79	79	-
150	Off-balance-sheet exposures	4,775		
160	Central banks	-		
170	General governments	15		
180	Credit institutions	15		
190	Other financial corporations	610		
200	Non-financial corporations	4,112		
210	Households	23		
220	**Total**	**30,868**	**26,084**	**9**

6.3. COVID-19

As at 06/02/2020, the European Banking Authority introduced new guidelines with regard to regulatory reporting and disclosure of exposures in response to the COVID-19 pandemic.

The following tables are subject to the COVID-19 measures according to EBA/GL/2020/07 and provide an overview of legislative and non-legislative moratoria on loan repayments and public guarantees.

According to EBA/GL/2020/02 seleceted positions of the monthly reported FINREP COVID-19 Tables (F90 to F93) are disclosed within the following tables. The valuation of the individual transactions is made in connection with EBA/GL/2020/07.

The majority of the moratoria and public state guarantees was granted within the sector other professional, scientific and technical activities. Another significant part was granted within wholesale.

Table 17 provides an overview of the credit quality with regard to loans subject to moratoria in connection with COVID-19 (legislative and non-legislative). The disclosure is only made for loans for which the measure is classified as approved and ongoing.

Currently, the Hamburg Commercial Bank has two applicable moratoria subject to the COVID-19 crisis. First, a moratorium that is applicable for consumer loans according to article 240 EGBGB comprising a deferral of repayments and interest repayments. Second, a non-legislative private moratorium granting a postponement for repayments subject to commercial property financing.

Table 18 indicates a breakdown of the loans by the residual maturity of the moratoria. Hereby, the entirety is related to the loans that are indicated in Table 30.

Table 19 shows newly originated loans subject to public guarantee schemes in response to the COVID-19 pandemic. These guarantees exclusively relate to collateralised loans by the KfW. The maximum guaranteed amount is based on a potential drawdown and thereby does not reflect the current called guarantees. The total amount of newly originated loans and advances subject to public guarantee schemes amounts to € 127 m of which € 111 m is assigned to non-financial corporations.

[Tab. 17] COVID-19-Template 1: Information on loans and advances subject to legislative and non-legislative moratoria in € m

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non performing				Performing			Non performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	of which: Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	of which: Collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	of which: Small and Medium-sized Enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	of which: Collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[Tab. 18] COVID-19-Template 2:Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria in € m

		a	b	c	d	e	f	g	h	i
			Gross carrying amount							
						Residual maturity of moratoria				
		Number of obligors		Of which: legislative moratoria	Of which: expired	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	12	157							
2	Loans and advances subject to moratorium (granted)	9	133	-	133	-	-	-	-	-
3	of which: Households		-	-	-	-	-	-	-	-
4	of which: Collateralised by residential immovable property		-	-	-	-	-	-	-	-
5	of which: Non-financial corporations		132	-	132	-	-	-	-	-
6	of which: Small and Medium-sized Enterprises		103	-	103	-	-	-	-	-
7	of which: Collateralised by commercial immovable property		132	-	132	-	-	-	-	-

[Tab. 19] COVID-19-Template 3:Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis in € m

		a	b	c	d
		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	**Newly originated loans and advances subject to public guarantee schemes**	127	60	102	-
2	of which: Households	-			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	111	60	89	-
5	of which: Small and Medium-sized Enterprises	5			-
6	of which: Collateralised by commercial immovable property	3			-

6.4. Use of credit risk mitigation techniques

The disclosure of qualitative information concerning credit risk mitigation is based on Article 453 points (f) CRR.

6.4.1. Collateralised exposure values

The following table CR3 shows the scope of used credit risk mitigation techniques in accordance with Article 453 point (f) CRR.

This template captures all credit risk mitigation techniques recognised under the applicable accounting framework, irrespective of whether these techniques are recognised under the CRR, including, inter alia, all types of collateral, financial guarantees and credit derivatives used for all collateralised exposures, irrespective of whether the risk weighted exposure amount (RWEA) is calculated using the Standardised Approach or the IRB Approach.

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[Tab. 20] CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques in € m

	Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees	
					Of which secured by credit derivatives
	a	b	c	d	e
Loans and advances	12,739	12,457	12,166	291	-
Debt securities	5,026	-	-	-	-
Total	17,764	12,457	12,166	291	-
Of which non-performing exposures	438	183	183	-	-
Of which defaulted	302	183	183	-	-

6.4.2. CRSA exposure under regulatory risk weights

In order to determine the capital requirements, the standardized approach for credit risk require risk-weighted exposures (the product of risk weight and exposure value) to be created. The risk weights have to be used, that depend on exposure classes and the published standard assignments of external ratings in accordance with Article 270 CRR.

Table CR4 shows - in accordance with Article 453(g), (h) and (i) CRR in conjunction with Article 444(e) CRR – the effect of credit risk mitigation techniques for the standardized approach for the calculation of capital requirements, broken down by exposure class.

[Tab. 21] CR4: standardised approach – Credit risk exposure and CRM effects in € m

		a	b	c	d	e	f
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWEA	RWEA density (%)
1	Central governments or central banks	115	-	142	-	0	0.0
2	Regional government or local authorities	183	-	183	-	22	10.7
3	Public sector entities	615	0	614	0	0	0.0
4	Multilateral development banks	83	-	83	-	0	0.0
5	International organisations	29	-	29	-	0	0.0
6	Institutions	1,100	18	1,085	8	244	18.4
7	Corporates	1,671	253	1,590	116	1,584	49.9
8	Retail	1	1	0	0	0	54.3
9	Secured by mortgages on immovable property	221	3	221	2	92	29.4
10	Exposures in default	20	3	20	1	26	57.0
11	Exposures associated with particularly high risk	1	2	1	1	4	73.8
12	Covered bonds	1,795	-	1,795	-	186	9.4
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	-	-	-	-	-	-
17	**TOTAL**	**5,834**	**280**	**5,764**	**128**	**2,159**	**27.2**

Table CR5 shows exposure values under the standardised approach per exposure class and risk weight in accordance with Article 444 subparagraph (e) CRR as required by the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04. Substitution effects result in originally higher risk weights being replaced by lower risk weights. CR5 only implements the part of the requirement under Article 444 subparagraph (e) CRR that relates to the exposure values after credit risk mitigation. The disclosure of the exposure values by credit quality steps before credit risk mitigation is waived for reasons of materiality.

The allocation of positions to risk weights shall be made without taking into account the deduction under Article 501(1) CRR.

[Tab. 22] CR5: standardised approach – Credit risk exposures in € m

		Risk weight								
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%
1	Central governments or central banks	142	–	–	–	–	–	–	–	–
2	Regional government or local authorities	73	–	–	–	110	–	–	–	–
3	Public sector entities	614	–	–	–	1	–	–	–	–
4	Multilateral development banks	83	–	–	–	–	–	–	–	–
5	International organisations	29	–	–	–	–	–	–	–	–
6	Institutions	–	–	–	–	1,042	–	31	–	–
7	Corporates	–	–	–	–	–	–	–	0	–
8	Retail	–	–	–	–	–	–	–	–	1
9	Secured by mortgages on immovable property	–	–	–	–	–	17	206	–	–
10	Exposures in default	–	–	–	–	–	–	–	–	–
11	Exposures associated with particularly high risk	–	–	–	–	–	–	–	–	–
12	Covered bonds	–	–	–	1,733	62	–	–	–	–
13	Institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–
14	Unit or shares in collective investment undertakings	–	–	–	–	–	–	–	–	–
15	Equity	–	–	–	–	–	–	–	–	–
16	Other items	–	–	–	–	–	–	–	–	–
17	**TOTAL**	**941**	**–**	**–**	**1,733**	**1,214**	**17**	**237**	**0**	**1**

6.5. IRB approach

6.5.1. Quantitative information on the use of the IRB approach

Table CR6 shows the credit risk exposures in accordance with Article 452(g) CRR as required by the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04.

In addition to the credit risk exposures, parameters for calculating capital requirements using IRBA models are disclosed for each exposure class and rating range. As Hamburg Commercial Bank does not calculate retail business using the IRB approach and does not use internal models under Article 155(4) CRR, these rows remain empty. The bank uses only the advanced IRB approach (AIRB). Therefore, a separate table for the foundation IRB approach (FIRB) is not presented.

[Tab. 23] CR6: IRB approach – credit risk exposures by exposure class and PD range in € m

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l	m
Central governments or central banks													
	0.00 bis < 0.15	5,670	9	0.93	5,679	0.00	6	20.72	2.03	75	0.01	0	0
	0.00 bis < 0.10	5,660	9	0.93	5,669	0.00	5	20.70	2.04	73	0.01	0	0
	0.10 bis < 0.15	10	–	–	10	0.12	1	30.00	1.00	1	0.15	0	0
	0.15 bis < 0.25	–	–	–	–	–	–	–	–	–	–	–	–
	0.25 bis < 0.50	22	–	–	22	0.36	3	38.19	2.47	12	0.52	0	0
	0.50 bis < 0.75	–	–	–	–	–	–	–	–	–	–	–	–
	0.75 bis < 2.50	–	–	–	–	–	–	–	–	–	–	–	–
	0.75 bis < 1.75	–	–	–	–	–	–	–	–	–	–	–	–
	1.75 bis < 2.5	–	–	–	–	–	–	–	–	–	–	–	–
	2.50 bis < 10.00	–	–	–	–	–	–	–	–	–	–	–	–
	2.5 bis < 5	–	–	–	–	–	–	–	–	–	–	–	–
	5 bis < 10	–	–	–	–	–	–	–	–	–	–	–	–
	10.00 bis <100.00	–	–	–	–	–	–	–	–	–	–	–	–
	10 bis < 20	–	–	–	–	–	–	–	–	–	–	–	–
	20 bis < 30	–	–	–	–	–	–	–	–	–	–	–	–
	30.00 bis < 100.00	–	–	–	–	–	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
	Subtotal	**5,693**	**9**	**0.93**	**5,701**	**0.00**	**9**	**20.79**	**2.04**	**86**	**0.02**	**0**	**0**
Institutions													
	0.00 bis < 0.15	14	–	–	14	0.03	4	47.24	3.02	2	0.17	0	0
	0.00 bis < 0.10	14	–	–	14	0.03	4	47.24	3.02	2	0.17	0	0
	0.10 bis < 0.15	–	–	–	–	–	–	–	–	–	–	–	–
	0.15 bis < 0.25	–	–	–	–	–	–	–	–	–	–	–	–
	0.25 bis < 0.50	12	3	0.37	13	0.39	1	35.41	1.00	5	0.38	0	0
	0.50 bis < 0.75	–	–	–	–	–	–	–	–	–	–	–	–
	0.75 bis < 2.50	–	–	–	–	–	–	–	–	–	–	–	–
	0.75 bis < 1.75	–	–	–	–	–	–	–	–	–	–	–	–
	1.75 bis < 2.5	–	–	–	–	–	–	–	–	–	–	–	–
	2.50 bis < 10.00	–	–	–	–	–	–	–	–	–	–	–	–
	2.5 bis < 5	–	–	–	–	–	–	–	–	–	–	–	–
	5 bis < 10	–	–	–	–	–	–	–	–	–	–	–	–
	10.00 bis <100.00	–	–	–	–	–	–	–	–	–	–	–	–
	10 bis < 20	–	–	–	–	–	–	–	–	–	–	–	–
	20 bis < 30	–	–	–	–	–	–	–	–	–	–	–	–
	30.00 bis < 100.00	–	–	–	–	–	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	–
	Subtotal	**26**	**3**	**0.37**	**27**	**0.20**	**5**	**41.65**	**2.06**	**7**	**0.27**	**0**	**0**
Corporates - Specialised lending													
	0.00 bis < 0.15	3,271	331	0.42	3,410	0.09	165	19.22	2.57	318	0.09	1	3
	0.00 bis < 0.10	2,048	139	0.43	2,108	0.07	117	19.32	2.57	171	0.08	0	2
	0.10 bis < 0.15	1,223	192	0.41	1,302	0.12	48	19.06	2.56	147	0.11	0	2
	0.15 bis < 0.25	1,194	120	0.40	1,242	0.17	53	20.81	2.48	181	0.15	0	3
	0.25 bis < 0.50	2,479	881	0.39	2,820	0.33	123	23.76	2.83	795	0.28	2	23
	0.50 bis < 0.75	1,251	193	0.36	1,320	0.59	53	23.72	2.57	412	0.31	2	8
	0.75 bis < 2.50	3,201	300	0.38	3,314	1.33	138	22.91	2.56	1,428	0.43	10	52
	0.75 bis < 1.75	2,174	270	0.38	2,276	1.04	93	23.57	2.61	940	0.41	6	25
	1.75 bis < 2.5	1,027	31	0.36	1,038	1.98	45	21.46	2.45	488	0.47	4	27
	2.50 bis < 10.00	320	3	0.36	321	3.75	30	18.88	2.48	142	0.44	2	54
	2.5 bis < 5	296	2	0.36	297	3.51	25	19.81	2.47	136	0.46	2	51
	5 bis < 10	24	1	0.37	24	6.67	5	7.52	2.60	6	0.24	0	3
	10.00 bis <100.00	5	–	–	5	20.00	1	40.44	2.50	7	1.48	0	3
	10 bis < 20	–	–	–	–	–	–	–	–	–	–	–	–

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l	m
	20 bis < 30	5	–	–	5	20.00	1	40.44	2.50	7	1.48	0	3
	30.00 bis < 100.00	–	–	–	–	–	–	–	–	–	–	–	–
	100.00 (Default)	179	1	0.23	180	100.00	14	55.42	2.41	89	0.50	92	86
	Subtotal	**11,900**	**1,829**	**0.39**	**12,611**	**2.06**	**577**	**22.35**	**2.61**	**3,373**	**0.27**	**110**	**232**
Corporates - SMEs													
	0.00 bis < 0.15	355	49	0.37	373	0.06	27	9.91	2.62	13	0.03	0	0
	0.00 bis < 0.10	347	31	0.36	358	0.05	21	9.22	2.64	11	0.03	0	0
	0.10 bis < 0.15	8	18	0.38	15	0.12	6	26.37	2.11	2	0.15	0	0
	0.15 bis < 0.25	186	46	0.42	205	0.17	5	11.24	2.50	15	0.07	0	0
	0.25 bis < 0.50	222	37	0.34	235	0.28	16	17.23	2.82	39	0.17	0	0
	0.50 bis < 0.75	85	2	0.37	86	0.59	4	9.57	2.50	10	0.12	0	0
	0.75 bis < 2.50	242	58	0.41	266	1.15	17	20.60	2.68	90	0.34	1	2
	0.75 bis < 1.75	240	56	0.41	263	1.14	15	20.73	2.68	90	0.34	1	2
	1.75 bis < 2.5	2	2	0.32	3	1.98	2	7.83	2.50	0	0.14	0	0
	2.50 bis < 10.00	11	7	0.32	13	4.64	6	32.34	2.50	12	0.87	0	2
	2.5 bis < 5	6	7	0.32	8	3.50	5	18.45	2.50	4	0.43	0	0
	5 bis < 10	5	0	0.37	5	6.67	1	56.92	2.50	8	1.64	0	2
	10.00 bis <100.00	9	–	–	9	16.97	2	4.42	3.68	2	0.18	0	1
	10 bis < 20	5	–	–	5	15.00	1	4.62	5.00	1	0.19	0	0
	20 bis < 30	3	–	–	3	20.00	1	4.12	1.64	1	0.15	0	0
	30.00 bis < 100.00	–	–	–	–	–	–	–	–	–	–	–	–
	100.00 (Default)	64	2	0.20	65	100.00	9	51.80	2.72	38	0.58	30	29
	Subtotal	**1,174**	**201**	**0.38**	**1,251**	**5.72**	**86**	**16.12**	**2.65**	**218**	**0.17**	**32**	**35**
Corporates - other													
	0.00 bis < 0.15	1,005	343	0.41	1,146	0.07	45	24.50	3.29	173	0.15	0	2
	0.00 bis < 0.10	846	238	0.43	947	0.06	25	19.75	3.47	102	0.11	0	0
	0.10 bis < 0.15	159	105	0.38	199	0.12	20	47.07	2.41	71	0.36	0	2
	0.15 bis < 0.25	537	328	0.36	656	0.18	42	38.10	2.24	223	0.34	0	2
	0.25 bis < 0.50	1,134	539	0.36	1,330	0.36	95	26.24	2.45	433	0.33	1	5
	0.50 bis < 0.75	683	343	0.36	805	0.62	42	32.48	2.70	480	0.60	2	6
	0.75 bis < 2.50	918	404	0.37	1,069	1.29	61	26.64	2.56	663	0.62	4	17
	0.75 bis < 1.75	856	254	0.36	948	1.17	51	25.22	2.59	530	0.56	3	16
	1.75 bis < 2.5	63	149	0.39	121	2.23	10	37.81	2.32	133	1.10	1	1
	2.50 bis < 10.00	247	23	0.35	255	3.39	16	24.27	2.11	188	0.74	2	13
	2.5 bis < 5	241	21	0.36	248	3.30	13	23.51	2.13	176	0.71	2	11
	5 bis < 10	6	2	0.20	6	6.67	3	54.02	1.23	12	1.89	0	2
	10.00 bis <100.00	207	125	0.28	243	15.95	19	28.67	2.70	372	1.53	12	32
	10 bis < 20	122	119	0.28	156	13.65	11	19.81	3.39	168	1.07	4	13
	20 bis < 30	85	6	0.28	87	20.10	7	44.66	1.44	204	2.36	8	20
	30.00 bis < 100.00	–	–	–	–	–	1	–	–	–	–	–	–
	100.00 (Default)	180	73	0.43	211	100.00	38	39.30	2.60	148	0.70	71	90
	Subtotal	**4,910**	**2,177**	**0.37**	**5,715**	**4.96**	**358**	**28.70**	**2.65**	**2,679**	**0.47**	**93**	**166**
Total		**23,703**	**4,220**	**0.38**	**25,305**	**2.43**	**1,035**	**23.14**	**2.49**	**6,363**	**0.25**	**234**	**433**

In accordance with Article 453 (g) CRR, the following table CR7-A discloses information on the scope of the credit risk mitigation techniques used under the A-IRB approach per exposure class in accordance with Article 155 CRR. In this presentation, the restrictions imposed for CR3 by the requirements of the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04 do not apply, so that this presentation also includes counterparty default risk positions. Securitisations are not taken into account. The Bank uses the advanced IRB approach (AIRB) exclusively. Therefore, a separate table for the foundation IRB approach (FIRB) is not shown.

[Tab. 24] CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques

			Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
				Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
					Part of exposures covered by Other eligible collaterals (%)				Part of exposures covered by Other funded credit protection (%)							
	A-IRB	Total exposures in € m	Part of exposures covered by Financial Collaterals (%)		Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)		Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only) in € m	RWEA with substitution effects (both reduction and sustitution effects) in € m
		a	b	c	d	e	f		g	h	i	j	k	l	m	n
1	Central governments and central banks	5,701	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	86	86
2	Institutions	27	0.00%	22.34%	0.00%	22.34%	0.00%		0.00%	0.00%	0.00%	0.00%	10.23%	0.00%	7	7
3	Corporates	19,577	0.90%	57.93%	42.27%	0.82%	14.85%		0.00%	0.00%	0.00%	0.00%	1.92%	0.00%	6,270	6,270
3.1	Of which Corporates – SMEs	1,251	0.28%	78.51%	66.12%	1.62%	10.78%		0.00%	0.00%	0.00%	0.00%	1.86%	0.00%	218	218
3.2	Of which Corporates – Specialised lending	12,611	0.16%	59.48%	49.43%	0.00%	10.05%		0.00%	0.00%	0.00%	0.00%	1.42%	0.00%	3,373	3,373
3.3	Of which Corporates – Other	5,715	2.67%	50.01%	21.25%	2.44%	26.32%		0.00%	0.00%	0.00%	0.00%	3.04%	0.00%	2,679	2,679
4	Retail															
5	Of which Retail – Immovable property SMEs	25,305	0.69%	44.84%	32.70%	0.65%	11.49%		0.00%	0.00%	0.00%	0.00%	1.50%	0.00%	6,363	6,363

Credit derivatives

Table CR7 shows the effect of credit derivatives purchased for hedging the loan portfolio on the capital requirements according to the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04.

Hedging with regard to credit risk mitigation only occurs with cash collaterals resulting from credit linked notes. According to Article 218 CRR collaterals resulting from credit linked notes are not treated as credit derivatives but as cash collaterals. Therefore, credit derivatives have currently no impact on the capital requirements and Table CR7 is omitted.

RWA flow statements

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

[Tab. 25] CR8: RWA flow statements of credit risk exposures under the IRB approach in € m

		a
		RWA amounts
1	**RWAs as at the end of the previous reporting period 12/31/2020**	**9,700**
2	Asset size	-1,281
3	Asset qualitiy	-464
4	Model updates	1
5	Methodology and policy	-
6	Acquisitions and disposals	67
7	Foreign exchange movements	48
8	Other	-1,223
9	**RWAs as at the end of the reporting period 06/30/2021**	**6,846**

As required by the requirements of the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04, significant changes to the RWA flow statement during the reporting period and their main drivers are explained below.

Hamburg Commercial Bank successfully implemented the first step in simplifying its model landscape in the first half of 2021. The aim is to simplify the models for mapping credit risk from the Advanced Internal Ratings Based Approach (A-IRB) in the direction of the Foundation Internal Ratings Based Approach (F-IRB) and the Credit Risk Standard Approach (CRSA) and thus, in particular, to dispense with internal loss ratio estimates. The majority of the rating modules used were migrated in the reporting period, so that the proportion of A-IRB rating modules has been significantly reduced as a result of the shift to the CRSA.

The effect in terms of asset size results in particular to declining balance sheet assets. Asset quality includes the effects of all parameter changes that lead to a change in the risk weight of a transaction. Changes in LGD values also result in changes in collateralisation and valuation of collateral. In addition to the value shown in the table above, the adjustments to model parameters currently anticipated in the additional risk position in accordance with Article 3 CRR (see Section 2.2) must also be taken into account when considering asset quality. In the overall view, there is a decline in RWA in the reporting period. As soon as the anticipated model adjustments become effective, they will be included in the RWA flow statements.

The effect of foreign exchange movements results primarily from the USD exchange rate, which rose from 1.2271 EUR/USD to 1.1884 EUR/USD.

The position "Oher" includes exposure changing from the standardized approach to the IRB approach (and vice versa) due to adjusted rating conditions.

Simple risk-weight approach

The IRB approach always calculates the risk weights using parameters assessed internally. Equity exposure and specialized lending exposure are exceptions. In these cases it is possible to determine risk weight using the simple risk-weight approach. Risk weighting is set by the supervisory authorities depending on fixed criteria. However, Hamburg Commercial Bank currently only partially uses the simple risk-weight approach for equity exposures. Depending on whether the equity exposure is not quoted on the stock exchange but is diversified sufficiently, or represents a quoted or another equity exposure, a risk weight of 190 %, 290 % and/or 370 % in accordance with Article 155(2) CRR is allocated.

Table CR10.5 shows quantitative information concerning equity exposure for which the simple risk-weight approach is used according to Article 438(e) CRR as required by the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04. Significant equity holdings in a financial sector entity receive a risk weight of 250 % subject to Article 155(1) CRR in conjunction with Article 48(4) CRR. These exposures are not disclosed in Table CR10.

No information is disclosed concerning specialized lending exposure as Hamburg Commercial Bank does not calculate these exposures under the requirements of Article 153(5) CRR.

[Tab. 26] CR10.5: IRBA-Equity exposures under the simple risk-weighted approach in € m

	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Categories	a	b	c	d	e	f
Private equity exposures	–	–	190 %	–	–	–
Exchange-traded equity exposures	85	–	290 %	85	246	1
Other equity exposures	26	17	370 %	44	161	1
Total	**111**	**17**		**128**	**407**	**2**

7. Counterparty credit risk

Hamburg Commercial Bank follows the requirements of EBA/GL/2016/11 for the disclosure of counterparty default risk.

Quantitative disclosure on counterparty default risk

Table CCR1 presents, in accordance with Article 439(f), (g) and (k) CRR, information on the measures of counterparty credit risk expo-sure according to the methodology applied, as required by the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04.

Hamburg Commercial Bank has exclusively used the standardised approach for counterparty credit risk (SA-CCR) in accordance with Article 274 ff. CRR for derivatives since 30 June 2021 and the comprehensive method for taking into account financial collateral in accordance with Article 223 CRR for securities financing transactions. Therefore, rows 2 to 3 and 5 in table CCR1 remain empty. In accordance with the EBA requirement, positions vis-à-vis central counterparties are not to be taken into account.

[Tab. 27] CCR1: Analysis of CCR exposure by approach in € m

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)	–	–		1.40	–	–	–	–
EU2	EU - Simplified SA-CCR (for derivatives)	–	–		1.40	–	–	–	–
1	SA-CCR (for derivatives)	818	264		1.40	1,514	1,514	1,473	840
2	IMM (for derivatives and SFTs)			–	1.40	–	–	–	–
2a	Of which securities financing transactions netting sets			–		–	–	–	–
2b	Of which derivatives and long settlement transactions netting sets			–		–	–	–	–
2c	Of which from contractual cross-product netting sets			–		–	–	–	–
3	Financial collateral simple method (for SFTs)					–	–	–	–
4	Financial collateral comprehensive method (for SFTs)					–	–	–	–
5	VaR for SFTs					–	–	–	–
6	**Total**					**1,514**	**1,514**	**1,473**	**840**

Table CCR2 discloses information on own funds requirements from the credit valuation adjustment (CVA Capital Charge) in accordance with Article 439(h) CRR as required by the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04.

Hamburg Commercial Bank uses only the standard method to determine these own funds requirements. Therefore, lines 1 to 3 and EU4 remain empty.

[Tab. 28] CCR2: Transactions subject to own funds requirements for CVA risk in € m

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	–	–
2	(i) VaR component (including the 3× multiplier)		–
3	(ii) stressed VaR component (including the 3× multiplier)		–
4	Transactions subject to the Standardised method	317	386
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	–	–
5	**Total transactions subject to own funds requirements for CVA risk**	**317**	**386**

Table CCR3 presents exposure values for counterparty credit risk determined under the standardised approach in accordance with Article 444(e) CRR as required by the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04. For credit risk there is an analogous presentation in table CR5.

[Tab. 29] CCR3: Standardised approach – CCR exposures by regulatory exposure class and risk weights in € m

		Risk weight											
	Risk position class	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	other	**Total**
1	Central governments or central banks	--	--	--	--	--	--	--	--	--	--	--	**--**
2	Regional or local authorities	--	--	--	--	--	--	--	--	--	--	--	**--**
3	Public bodies	--	--	--	--	0	--	--	--	--	--	--	**0**
4	Multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	**--**
5	InternationalOrganizations	--	--	--	--	--	--	--	--	--	--	--	**--**
6	Institutes	--	253	--	--	326	7	--	--	--	--	--	**586**
7	Company	--	9	--	--	--	--	--	--	222	--	--	**231**
8	Retail business	--	--	--	--	--	--	--	1	--	--	--	**1**
9	Risk positions with short-term credit assessment	--	--	--	--	--	--	--	--	--	--	--	**--**
10	Other items	--	--	--	--	--	2	--	--	--	0	--	**2**
11	**Total**	**--**	**262**	**--**	**--**	**326**	**9**	**--**	**1**	**222**	**0**	**--**	**820**

In accordance with Article 439 subparagraph (l) CRR, information for the counterparty default risk calculated under the IRB Approach excluding positions vis-à-vis central counterparties is presented in Table CCR4 in line with the requirements of the Implementing Regulation (EU) 2021/637 in conjunction with the EBA/ITS/2020/04. A supplementary presentation of the geographical location pursuant to Article 452 subparagraph (g) CRR is waived for the counterparty default risk, as under the IRB Approach more than 99% of the counterparty default risk is held domestically.

[Tab. 30] CCR4: IRB approach – CCR exposures by exposure class and PD scale in € m

		a	b	c	d	e	f	g
Exposure Classes	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Central governments and central banks								
	0.00 bis < 0.15	13	–	1	20	4.2	–	–
	0.15 bis < 0.25	–	–	–	–	–	–	–
	0.25 bis < 0.50	–	–	–	–	–	–	–
	0.50 bis < 0.75	–	–	–	–	–	–	–
	0.75 bis < 2.50	–	–	–	–	–	–	–
	2.50 bis < 10.00	–	–	–	–	–	–	–
	10.00 bis <100.00	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	**13**	**–**	**1**	**20**	**4.2**	**–**	**–**
Institutions								
	0.00 bis < 0.15	–	–	–	–	–	–	–
	0.15 bis < 0.25	–	–	–	–	–	–	–
	0.25 bis < 0.50	2	0.4	1	55	4.5	2	114.5
	0.50 bis < 0.75	–	–	–	–	–	–	–
	0.75 bis < 2.50	–	–	–	–	–	–	–
	2.50 bis < 10.00	–	–	–	–	–	–	–
	10.00 bis <100.00	–	–	–	–	–	–	–
	100.00 (Default)	–	–	1	–	–	–	–
	Sub-total	**2**	**0.4**	**2**	**55**	**4.5**	**2**	**114.5**
Corporates - Specialised lending								
	0.00 bis < 0.15	133	0.1	84	53	2.6	27	20.7
	0.15 bis < 0.25	319	0.2	27	57	2.6	125	39.2
	0.25 bis < 0.50	58	0.3	53	56	3.5	41	70.8
	0.50 bis < 0.75	43	0.6	33	57	2.9	34	77.4
	0.75 bis < 2.50	62	1.1	55	34	2.6	31	49.7
	2.50 bis < 10.00	21	4.4	14	63	4.3	46	220.7
	10.00 bis <100.00	-	-	1	-	-	-	-
	100.00 (Default)	1	100.0	6	100	2.5	-	-
	Sub-total	**638**	**0.6**	**273**	**54**	**2.7**	**304**	**47.7**
Corporates - SME								
	0.00 bis < 0.15	1	0.0	9	4.3	2.5	0	1.2
	0.15 bis < 0.25	0	0.2	3	10.9	2.5	0	22.3
	0.25 bis < 0.50	34	0.3	9	47.6	2.5	14	42.0
	0.50 bis < 0.75	-	-	2	-	-	-	-
	0.75 bis < 2.50	2	1.3	10	38.7	2.5	2	64.1
	2.50 bis < 10.00	0	4.4	3	63.8	2.5	0	162.4
	10.00 bis <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	5	-	-	-	-
	Sub-total	**37**	**0.3**	**41**	**45.9**	**2.5**	**16**	**42.9**
Corporates - others					4.3			
	0.00 bis < 0.15	50	0.1	35	38.3	4.6	17	34.7
	0.15 bis < 0.25	20	0.2	28	14.0	4.6	3	16.1
	0.25 bis < 0.50	49	0.4	60	37.1	3.8	26	53.5
	0.50 bis < 0.75	52	0.6	31	52.5	4.4	59	115.4
	0.75 bis < 2.50	10	1.0	34	34.4	3.1	8	81.9
	2.50 bis < 10.00	0	3.0	11	60.7	2.5	0	182.9
	10.00 bis <100.00	45	11.2	10	59.3	4.6	139	312.6
	100.00 (Default)	1	100.0	13	21.8	2.5	1	62.0

		a	b	c	d	e	f	g
Exposure Classes	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
	Sub-total	**225**	**3.0**	**222**	**43.0**	**4.3**	**254**	**112.7**
Retail								
Equity exposures Art, 155(3) CRR								
	0.00 bis < 0.15	–	–	–	–	–	–	–
	0.15 bis < 0.25	–	–	–	–	–	–	–
	0.25 bis < 0.50	–	–	–	–	–	–	–
	0.50 bis < 0.75	–	–	–	–	–	–	–
	0.75 bis < 2.50	–	–	–	–	–	–	–
	2.50 bis < 10.00	–	–	–	–	–	–	–
	10.00 bis <100.00	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Equity exposures Art, 155(2) CRR		**–**	**–**	**–**	**–**	**–**	**–**	**–**
Equity exposures Art, 155(4) CRR								
Other non credit-obligation assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total		**915**	**1.2**	**539**	**50.7**	**3.1**	**576**	**63.0**

Gross positive fair value and net default risk positions

In accordance with Article 439 subparagraph (e) CRR, table CCR5 shows the extent of Hamburg Commercial Bank's exposure to derivatives and securities financing transactions and the extent to which netting is used in accordance with the requirements of Implementing Regulation (EU) 2021/637 in conjunction with EBA/ITS/2020/04. In addition, the collateral charges and the net default risk positions are shown. Only the collateral eligible under the standardised approach for credit risk directly reduces the default risk positions. In the Advanced IRB Approach, on the other hand, the collateral reported is included in the LGD calculation.

[Tab. 31] CCR5: Composition of collateral for CCR exposures in € m

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions	Collateral used in SFTs						
		Fair value of collateral received	Fair value of posted collateral	Fair value of collateral received	Fair value of posted collateral				
	Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	–	79	348	382	–	–	–	–
2	Cash – other currencies	53	29	77	–	–	–	–	–
3	Domestic sovereign debt	–	–	–	–	–	–	–	–
4	Other sovereign debt	–	–	–	–	–	–	–	–
5	Government agency debt	–	–	–	–	–	–	–	–
6	Corporate bonds	–	–	–	–	–	–	–	–
7	Equity securities	–	–	–	–	–	–	–	–
8	Other collateral	–	–	–	–	–	–	–	–
9	**Total**	**53**	**108**	**425**	**382**	**–**	**–**	**–**	**–**

Credit derivatives

Hamburg Commercial Bank discloses in Table CCR6 the use of credit derivatives in accordance with Article 439(j) CRR in conjunction with paragraph 123 of EBA/GL/2016/11.

In the case of credit derivatives, Hamburg Commercial Bank generally acts as collateral taker (buyer) and collateral provider (seller). There are no transactions from intermediary activities. As at the reporting date 30 June 2021, there are no derivative credit risk positions from credit derivatives, which is why Table CCR6 does not show any values.

[Tab. 32] CCR6: Credit derivatives exposures in € m

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

Central counterparties

In addition to the disclosure of counterparty credit risk in tables CCR1 and CCR2, table CCR8 discloses information on business with central counterparties in accordance with Article 439(i) CRR in conjunction with paragraph 116 of EBA/GL/2016/11. This table discloses both the direct exposure to Central Counterparties and the business concluded via clearing members.

[Tab. 33] CCR8: Exposures to CCPs in € m

		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**7**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	263	5
3	(i) OTC derivatives	262	5
4	(ii) Exchange-traded derivatives	1	0
5	(iii) SFTs	–	–
6	(iv) Netting sets where cross-product netting has been approved	–	–
7	Segregated initial margin	162	–
8	Non-segregated initial margin	–	–
9	Prefunded default fund contributions	10	2
10	Unfunded default fund contributions	20	0
11	**Exposures to non-QCCPs (total)**		**–**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	–	–
13	(i) OTC derivatives	–	–
14	(ii) Exchange-traded derivatives	–	–
15	(iii) SFTs	–	–
16	(iv) Netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	
18	Non-segregated initial margin	–	–
19	Prefunded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

8. Securitizations

8.1. Type and extent of securitization activities and risks involved

8.1.1. Objectives, roles and extent of securitization activities

Securitizations are an important instrument for banks in refinancing, capital relief and risk management. Companies in the financial sector can act in different positions in a securitization transaction, transferring credit risk themselves as originators, managing the portfolio to be securitized as sponsors in the function of servicers respectively managers, or acquiring securities from the securitization as investors.

Hamburg Commercial Bank is involved in various activities which have securitization structures. In this process, Hamburg Commercial Bank takes the role of the sponsor. Hamburg Commercial Bank only in exceptional cases enter into any new transactions in this business field. Furthermore, Hamburg Commercial Bank´s role of investor has sharply declined.

Hamburg Commercial Bank takes the role of the sponsor in order to satisfy the demand for financing alternatives in the small- and medium-sized customer segment.

Hamburg Commercial Bank takes the sponsor position for the special purpose vehicle, Smartfact S.A. (Luxembourg) and undertakes as well activities of an advisory and administrative nature in this connection and acts as an intermediary for the receivables purchased by Smartfact. Furthermore, Hamburg Commercial Bank supports the special purpose vehicle through the provision of funding required for the purchase by means of a credit line or bearer bond respectively.

Overall, the CRSA value of all securitization positions retained or sold by Hamburg Commercial Bank as at the reporting date having a total of € 664 m.

Hamburg Commercial Bank held no securitizations in its trading book as well as took it no role as originator at the reporting date.

8.1.2. Types and extent of risks

Credit risk

Hamburg Commercial Bank's securitization transactions are subject to the credit monitoring processes (in addition to market risk monitoring by Risk Control) with regard to their credit risks (change in performance and composition of the underlying transactions). The credit analysis of the position is conducted by the appropriate division. Finally, decisions are made with respect to the completed monitoring forms on the basis of the dual control principle pursuant to loan competences which have been fixed and which have been published in the Credit Manual.

For purposes of calculating intrinsic values, the cash flow structure of the underlying assets is first modeled and then applied to the contractual payment system of the securitization transactions. These values are calculated quarterly. The process described for credit monitoring is likewise suitable for re-securitizations and securitizations, which is why no further differentiation is made. By means of regularly updating repayment cash flows and on-going loan monitoring, changes in value of the underlying receivables are generally reflected directly in the value of the securitization positions.

Market risk

Hamburg Commercial Bank's securitization transactions are subject to market risk monitoring with regard to their interest rate risks (changes in interest rates and credit spreads) and foreign exchange risks. Calculating the market risk of the securitization transactions, the repayment structure and the termination rights are considered. Interest rate and foreign exchange risks are then calculated using the same method applicable to all trading transactions after taking into account hedge transactions. The credit spread risks are determined on the basis of credit spread curves which are purchased from providers of market data and which are broken down by asset class, rating class and country.

The process described for market risk monitoring is likewise suitable for re-securitizations and securitizations, which is why no further differentiation is made. By means of regularly updating repayment cash flows and credit spread curves, changes in value of underlying receivables are generally reflected directly in the value of the securitization positions to the extent there are no other hedge relationships.

Liquidity risk

The following distinction is made for purposes of liquidity risk monitoring in relation to securitizations:

- Accounting-related liquidity risks may arise in the form of time lags (mismatch) between incoming and outgoing cash flows.
- Market-related liquidity risks may arise, for example in cases where issued bonds cannot be fully placed on the market or where price losses are realized on the liquidation of assets.

Accounting-related liquidity risks are avoided by coordinating the fixed/determinable payments over the course of the transactions. If this cannot be accomplished (e.g. via short-term refinancing via asset backed commercial paper (ABCP) programs), the market-related liquidity risks are hedged via liquidity facilities.

8.2. Risk weighting and accounting of securitization transactions

Determination of risk-weighted exposure amounts for securitization transactions

The methods to be used in calculating the regulatory capital for securitization positions are stated in Article 449 point (c) CRR and the names of the applied rating agencies are disclosed according to Article 449 point (h) CRR. Because there are no issued securities by Hamburg Commercial Bank, information about rating agencies are only for investments in external securitization transactions.

The determination of the risk weighted assets in CRSA will be used according to Article 251 CRR. The bank uses the external ratings (ECAI) from Fitch, Moody´s and S & P.

In accordance with Article 266(3) CRR, there is the option for CRSA and IRBA securitization positions for which a risk weight of 1,250 % has been calculated of making a capital deduction or applying this risk weight to determine the risk weighted capital charge.

Accounting methods for securitization activities

Accounting methods

Acquired securitization positions which meet the definition of securities in the German Ordinance on the Accounting System for banks are recognized and measured in accordance with the standard methods for securities.

Primary receivables of Hamburg Commercial Bank which the bank allocates to securitizations without a significant transfer of risk or with regard to which a transfer is made to Special Purpose Vehicles (SPV) still included in the consolidated financial statements, continue to be reported under the original exposure class. Assumption of risks by third parties is taken into account as collateral when calculating impairments. If the risk has not been transferred through securitization or if the guarantee is impaired, the receivable is written down. Receivables transferred under securitizations are shown as disposals in the balance sheet.

Sales proceed from reference assets (e.g. loans, promissory notes, securities) which are a component of a securitization are accounted for corresponding to the balance sheet item of the reference asset. In this manner, sales proceeds are accounted for independent of their inclusion in a securitization.

Financial backing for securitization transactions is provided in the form of liquidity facilities or guarantees. In the event a down writing is likely, the risk is covered by creating an impending loss provision.

Valuation methods

The fair value of securitization transactions is calculated using market prices.

Various market data providers and quotes from other market participants are used as sources of data. Models are used in cases where no valid market data is available. If price information is available from several providers, a procedure for selecting a valid market price is applied. For quality assurance purposes, all valuation results are validated by experts.

8.3. Exposure values and capital requirements of securitized receivables

Exposure values of securitized receivables

For securitizations, a distinction must be made between securitizations with transfer of receivables (traditional or true sale securitizations) and securitizations without transfer of receivables (synthetic securitizations). Depending on the nature of the securitized receivables, securitizations are also allocated to different product classes, which have the characteristics of specific receivables.

In accordance with Article 449(j) CRR, Table SEC1 shows the exposure value at the reporting date of the securitized receivables at Hamburg Commercial Bank, broken down by securitization transaction with and without transfer of receivables and the nature of the securitized receivables. The Bank currently holds securitizations in the banking book as a sponsor and investor. The securitization pool contains loans to corporates. These securitizations are not classified as STS.

In connection with Article 449 point (i) CRR the sponsor exposures of € 199 m comprise via SPV Smartfact S.A. on- and off-balance-sheet exposures of € 150 m and € 49 m, respectively.

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

There were no securitisation positions pursuant to Article 449 (n) (v) CRR (deduction from own funds or risk weight of 1,250%) as at the reporting date.

The securitisation where the bank is in the role of sponsor has a wholesale pool and the risk weight is determined using the SEC-SA approach.

In accordance with Article 449(k)(ii) CRR, Table SEC4 shows the bank's individual securitisation exposures, where the institution acts as an investor, in risk weighting bands and the resulting capital requirements.

There were no securitisation positions pursuant to Article 449 (n) (v) CRR (deduction from own funds or risk weight of 1,250%) as at the reporting date.

The securitisation where the bank is in the role of investor has a wholesale pool and the risk weight is determined in the SEC-ERBA approach for those securitisations that have an external rating and in the SEC-SA approach for others.

As of the reporting date, Hamburg Commercial Bank does not have any securitisations in the trading book in accordance with Article 449(j) CRR and no securitised exposures in default or with specific credit risk adjustments in accordance with Article 449(l) CRR, which is why tables SEC2 and SEC5 are not shown.

8.4. Securitization activities in the reporting year and important changes

Securitization activities in the reporting year

In the reporting year, the Bank purchased CLO securitisations in the role of investor. There were no securitisation activities within the meaning of Article 449 (n) (vi) CRR.

Significant changes to quantitative disclosures

In accordance with Article 449 (m) CRR, the material changes in quantitative information that occurred during the reporting period must be explained. The changes in securitisation positions are predominantly attributable to the investment in CLOs transactions in the amount of € 349 million.

Planned securitization activities

In the 2021 business plan, the Bank plans to invest in a senior securitisation tranche. There are no securitisation transactions planned for capital charge relief. Therefore, the disclosure under Article 449(n)(iii) CRR is not relevant.

[Tab. 34] SEC1: Securitisation exposures in the non-trading book in € m

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthe-tic	Sub-to-tal	Traditional		Synthe-tic	Sub-to-tal
		STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
			of which SRT		of which SRT											
1	Total expo-sures	–	–	–	–	–	–	–	–	199	–	–	–	465	–	–
2	Retail (to-tal)		–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	residen-tial mort-gage	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	credit card	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	other retail expo-sures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	re-securi-tisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Wholesale (total)	–	–	–	–	–	–	–	–	199	–	–	–	465	–	–
8	loans to corporates	–	–	–	–	–	–	–	–	199	–	–	–	465	–	–
9	commer-cial mort-gage	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	lease and receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	other wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	re-securi-tisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

[Tab. 35] SEC3: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor in € m

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ de-ductions	SEC-IRBA	SEC-ERBA (inclu-ding IAA)	SEC-SA	1250% RW/ deduc-tions	SEC-IRBA	SEC-ERBA (in-clu-ding IAA))	SEC-SA	1250% RW/ de-ductions	SEC-IRBA	SEC-ERBA (inclu-ding IAA))	SEC-SA	1250% RW/ de-ductions
1	Total exposures	–	199	–	–	–	–	–	199	–	–	–	70	–	–	–	6	–
2	Traditional transactions	–	199	–	–	–	–	–	199	–	–	–	70	–	–	–	6	–
3	Securitisation	–	199	–	–	–	–	–	199	–	–	–	70	–	–	–	6	–
4	Retail	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Wholesale	–	199	–	–	–	–	–	199	–	–	–	70	–	–	–	6	–
7	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Re-securitisa-tion	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Synthetic transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Retail un-derlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Re-securitisa-tion	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

[Tab. 36] SEC4: Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor in € m

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50 % to 100 % RW	>100% to <1250 % RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	Total exposures	465	–	–	–	–	–	161	304	–	–	33	46	–	–	3	4	–
2	Traditional securitisation	465	–	–	–	–	–	161	304	–	–	33	46	–	–	3	4	–
3	Securitisation	465	–	–	–	–	–	161	304	–	–	33	46	–	–	3	4	–
4	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Wholesale	465	–	–	–	–	–	161	304	–	–	33	46	–	–	3	4	–
7	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Synthetic securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

9. Market risk

9.1. Market risk

Capital requirements

Hamburg Commercial Bank applies the prescribed or selectable standard procedure pursuant to Part 3 Title IV Chapters 2 to 4 CRR for the regulatory calculation of capital requirements for market risk. The bank does not apply its own risk model under Part 3 Title IV Chapter 5 CRR and does not hold a correlation trading portfolio.

Table MR1 shows the own funds requirements for market risk in accordance with Article 445 CRR in conjunction with paragraph 127 of EBA/GL/2016/11.

In the semi-annual reporting period, the interest rate decreased. In contrast foreign exchange risk and equity risk increased. As the 2% threshold in accordance with Article 351 CRR was exceeded at the reporting date, the foreign exchange risk has increased compared to the previous period and is reported as of 30.06.2021.

[Tab. 37] MR1: Market risk under the standardized approach in € m

		a	b
		RWAs	Capital requirements
	Outright products		
1	Interest rate risk (general and specific)	15	1
2	Equity risk (general and specific)	2	0
3	Foreign exchange risk	363	29
4	Commodity risk	–	–
	Options		
5	Simplified approach	–	–
6	Delta-plus method	–	–
7	Scenario approach	–	–
8	Securitisation (specific risk)	–	–
9	**Total**	**380**	**30**

9.2. Interest rate risk in the banking book

The management of interest rate risk in the banking book is an integral part of market risk management. Interest rate risk refers to the loss potential of an open interest rate position that arises as a result of a possible change in market or present value of a payment series due to a potential change in yields or discount factors. Discount factors result from the corresponding yield curve. Credit spreads are also taken into account for single name bonds and credit default swaps.

The interest rate risks in the banking book is represented by the strategically held positions in the banking book of Hamburg Commercial Bank. The investor behavior of customer deposits is only modelled with regard to the earnings risk. Subsidiary agreements in the lending business, including special repayment or termination rights and rollover loans, are taken into account in both present value and income-oriented risk measurement. Risk measurement and stress testing are carried out by the Risk Control division on the basis of the transactions recorded in the trading and portfolio management systems.

The Capital Markets division manages the interest rate risk in the banking book arising from the bank´s client business. The aim here is to bundle interest rate risks and usually transfer them directly to the trading book in order to manage them within the framework of the specified market price risk limits. Interest rate risks in the banking book are measured daily. The VaR is calculated using a confidence level of 99 %, a holding period of one day and a data history of 250 trading days. As part of the of the implementation of IRRBB Guidelines, VaR figures have been calculated in the risk-bearing capacity calculation on the basis of the strict alignment of VaR to the Gone Concern perspective.

In addition to determining the interest rate risk on a daily basis as part of the VaR calculation, Hamburg Commercial Bank also measures the interest rate risk in the event of an interest rate shock. For this special analysis of the interest rate risks of the banking book items, the bank uses the net present value analysis, i.e. it evaluates which net present value change would result from defined changes in interest rates, provided that all financial instruments are valued using risk-free yield curves (i.e. without any spreads). The figures for the year under review have shown that Hamburg Commercial Bank would lose significantly less than 20 % of its liable own funds in an interest rate shock of + 200 and – 200 basis points and thus the requirements of the BaFin circular as of 06/2019 (BA) are met.

The effects of an interest rate shock of + 200 and – 200 basis points at the reporting date in accordance with Article 448 point (b) CRR are shown in the following table.

[Tab. 38] 448b: Interest rate risk in the banking book in € m

	Change in net present value	
Currency	+200 bp	-200 bp
EUR	345	-113
USD	-13	26
GBP	11	-2
Other	-3	2
Total	**340**	**-87**

The total amount of € +340 m and € -87 m, respectively, represents the balance of the present value changes from the interest rate shocks in the event of a parallel shift in the yield curve of all currencies. For greater transparency, interest rate risks in the banking book are broken down by currency as at the reporting date.

10. Annex

Own Funds requirements according to Article 437 CRR

[Tab. 39] CC1: Composition of regulatory own funds in € m

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
Hartes Kernkapital (CET1): Instrumente und Rücklagen			
1	Capital instruments and the related share premium accounts	3,102	EU CC2 row 5 + 6
2	of which: Instrument type 1	1,269	EU CC2 row 8 + 9
3	of which: Instrument type 2	-9	EU CC2 row 10 + 11 + 12
EU-3a	of which: Instrument type 3	0	
4	Retained earnings	0	
5	Accumulated other comprehensive income (and other reserves)	0	
EU-5a	Funds for general banking risk	194	EU CC2 row 13
6	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	**4,556**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-9	
8	Intangible assets (net of related tax liability) (negative amount)	-24	EU CC2 row 1
10	Empty set in the EU	-115	EU CC2 row 2
11	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	
12	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-2	
13	Negative amounts resulting from the calculation of expected loss amounts	0	
14	Any increase in equity that results from securitised assets (negative amount)	0	
15	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-9	EU CC2 row 3
16	Defined-benefit pension fund assets (negative amount)	0	
17	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0	
18	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
EU-20a	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
EU-20b	Empty set in the EU	0	
EU-20c	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	
EU-20d	of which: qualifying holdings outside the financial sector (negative amount)	0	
21	of which: securitisation positions (negative amount)	0	EU CC2 row 2
22	of which: free deliveries (negative amount)	0	

23	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	
25	Amount exceeding the 17,65% threshold (negative amount)	0	
EU-25a	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	
EU-25b	Empty set in the EU	0	
27	of which: deferred tax assets arising from temporary differences	0	
27a	Losses for the current financial year (negative amount)	-10	
28	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	**-168**	
29	Empty set in the EU	**4,388**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	0	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	0	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	0	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	
35	of which: instruments issued by subsidiaries subject to phase out	0	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	**0**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	0	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
42	Empty set in the EU	0	
42a	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	0	
43	Other regulatory adjustments to AT1 capital	**0**	
44	Total regulatory adjustments to Additional Tier 1 (AT1) capital	**0**	
45	Additional Tier 1 (AT1) capital	**4,388**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	905	EU CC2 row 4
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	0	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	0	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	0	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	
49	of which: instruments issued by subsidiaries subject to phase out	0	
50	Credit risk adjustments	52	
51	Tier 2 (T2) capital before regulatory adjustments	**957**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	

54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	0	
56b	Other regulatory adjusments to T2 capital	0	
57	Total regulatory adjustments to Tier 2 (T2) capital	**0**	
58	**Tier 2 (T2) capital**	**957**	
59	**Total capital (TC = T1 + T2)**	**5,345**	
60	**Total risk exposure amount**	**14,829**	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	29.59	
62	Tier 1 (as a percentage of total risk exposure amount)	29.59	
63	Total capital (as a percentage of total risk exposure amount)	36.04	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	8.61	
65	of which: capital conservation buffer requirement	0.03	
66	of which: countercyclical buffer requirement	0.00	
67	of which: systemic risk buffer requirement	0.00	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00	
EU-67b	Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)	0.22	
68	**Common Equity Tier 1 (as a percentage of total risk exposure amount)**		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	264	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	20	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	430	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	30	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	193	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	52	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	
82	Current cap on AT1 instruments subject to phase out arrangements	221	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on T2 instruments subject to phase out arrangements	9	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	

[Tab. 40] CC2: reconciliation of regulatory own funds to balance sheet in the audited financial statements in € m

		a	b	c	
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference	Ursache der Differenz zu EU CC1
Assets - Breakdown by asset clases according to the balance sheet in the published financial statements					
1	Immaterielle Vermögenswerte	24	24	EU CC1 Zeile 8	Aufsichtsrechtliche Verrechnung von latenten Steuerverpflichtungen
2	Latente Steueransprüche	559	544	EU CC1 Zeile 10 + 21	Aufsichtsrechtlich abweichende Verrechnung von latenten Steuerverpflichtungen und Aufteilung in nicht temporäre Differenzen und temporäre Differenzen
3	Sonstige Aktive davon: Aktiviertes Planvermögen	9	9	EU CC1 Zeile 15	
	Total assets	**592**	**577**		
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements					
4	Nachrangige Verbindlichkeiten	942	942	EU CC1 Zeile 46	Amortisierung nach Art, 64 CRR
	Total liabilities	**942**	**942**		
Shareholders' Equity					
5	Grundkapital	3,018	3,018	EU CC1 Zeile 1	
6	Kapitalrücklage	83	83	EU CC1 Zeile 1	
7	Gewinnrücklagen	1,162	1,143		
8	davon: andere Gewinnrücklage	436	426	EU CC1 Zeile 2	
9	davon: Konzernrücklage	852	844	EU CC1 Zeile 2	
10	davon: erfolgsneutrale Gewinne/Verluste aus Pensionsverpflichtungen incl, Latente Steuern	-126	-126	EU CC1 Zeile 3	
11	Neubewertungsrücklage	116	116	EU CC1 Zeile 3	Keine Berücksichtigung der kreditrisikoinduzierten Wertänderungen der zum FV designierten Verbindlichkeiten
12	Rücklage aus der Währungsumrechnung	2	2	EU CC1 Zeile 3	
13	Konzernergebnis	194	195	EU CC1 Zeile EU-5a	Aufsichtsrechtlich nur Anrechnung des Gewinns gemäß IFRS möglich aufgrund Antrag gemäß Art, 26 (2) CRR
	Total shareholders' equity	**4,575**	**4,557**		

11. List of abbreviations

ABF	Asset Backed Funding
ABS	Asset Backed Securities
AIRB	Advanced Internal Ratings Based
ALCO	Asset Liability Committee
AMM	Additional Monitoring Metrics for Liquidity Reporting
AT1	Additional Tier 1 Capital
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority)
BCBS	Basel Committee on Banking Supervision
CCF	Credit Conversion Factor
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CM	Capital Markets
COREP	Common Solvency Ratio Reporting
CRD IV	Capital Requirements Directive (2013/36/EU)
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation (Regulation (EU) No. 575/2013)
CRSA	Credit Risk Standardized Approach
CVA	Credit Valuation Adjustments
DSGV	Deutscher Sparkassen- und Giroverband (German Association of Savings Banks and Giro Banks)
EaD	Exposure at Default
EBA	European Banking Authority
ECA	Export Credit Agency
ECAI	External Credit Assessment Institutions
EGBGB	Einführungsgesetz zum Bürgerlichen Gesetzbuche (Introductory law to the German Civil Code)
ECB	European Central Bank
EKU	Eigenkapitalunterlegung (own funds requirements)
EL	Expected Loss
EMIR	European Market Infrastructure Regulation
FINREP	Financial Reporting
FIRB	Foundation Internal Ratings Based
Fitch	Fitch Ratings
FVPL	Fair Value through Profit or Loss
FX risk	Foreign Exchange risk
GL	Guideline
HGB	Handelsgesetzbuch (German Commercial Code)
ICRE	International Commercial Real Estate
IFRS	International Financial Reporting Standard
ILAAP	Internal Liquidity Adequacy Assessment Process
IRB	Internal Rating Based
IRBA	Internal Rating Based Approach
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association
KfW	Kreditanstalt für Wiederaufbau (German Reconstruction Loan Corporation)

KWG	Gesetz über das Kreditwesen/Kreditwesengesetz (German Banking Act)
LCH	London Clearing House
LCR	Liquidity Coverage Ratio
LFT Risk	Liquidity Value at Risk
LGD	Loss Given Default
LMS	Liquidity Maturity Statement
Ltd.	Limited
LVaR	Liquidity Value at Risk
MaRisk	Mindestanforderungen an das Risikomanagement (Minimum Requirements for Risk Management)
Moody's	Moody's Investors Service
NPL	Non-performing Loan
NSFR	Net Stable Funding Ratio
OTC	Over the Counter
PD	Probability of Default
P&L	Profit and Loss
RC	Risk Control
RSU	RSU Rating Service Unit GmbH & Co. KG
RWA	Risk Weighted Assets
RWEA	Risk Weighted Exposure Amount
SFA	Supervisory Formula Approach
SFT	Securities Financing Transactions
SME	Small and medium-sized Enterprises
SolvV	Solvabilitätsverordnung (German Solvency Regulation)
SPV	Special Purpose Vehicle
SR	S Rating und Risikosysteme GmbH
SRF	Strategic Risk Framework
S & P	Standard & Poor's
T1	Tier 1 Capital
T2	Tier 2 Capital
VaR	Value-at-Risk

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