

## About us

Hamburg Commercial Bank (HCOB) is a private commercial bank and specialist financier headquartered in Hamburg, Germany. The bank offers its clients a high level of structuring expertise in the financing of commercial real estate projects with a focus on Germany as well as neighbouring European countries. It also has a strong market position in international shipping. The bank is one of the pioneers in European-wide project financing for renewable energies and is also involved in the expansion of digital and other areas of important infrastructure. HCOB offers individual financing solutions for international corporate clients as well as a focused corporate client business in Germany. The bank's portfolio is complemented by digital products and services facilitating reliable, timely domestic and international payment transactions as well as for trade finance. Hamburg Commercial Bank aligns its activities with established ESG (Environment, Social, and Governance) criteria and has anchored sustainability aspects in its business model. It supports its clients in their transition to a more sustainable future.

## Key Credit Strengths

- ✓ Robust and resilient capitalization well above regulatory requirements, significantly increasing capital generation capacity
- ✓ De-risked portfolio underpinned by legacy disposals, prudent risk appetite for new business and increasing diversification
- ✓ Strong coverage of credit risks
- ✓ Diversified funding base, leveraging its corporate focused business model & maintaining substantial liquidity buffers
- ✓ Stringent cost management while investing in IT and people

## Ownership Structure

Several funds initiated by Cerberus Capital Management, L.P.			One fund advised by J.C. Flowers & Co. LLC	One fund initiated by GoldenTree Asset Management LP	Centaurus Capital LP	BAWAG P.S.K. (inkl. P.S.K. Beteiligungs- verwaltung GmbH)	HCOB Members of the Board and senior management of the Bank (since Nov. 2018, active and inactive members)
Promontoria Holding 221 B.V. 9.59%	Promontoria Holding 231 B.V. 13.47%	Promontoria Holding 233 B.V. 18.18%	JCV IV Neptun Holdings S.à r.l.	Golden Tree Asset Management Lux S.à r.l.	Chi Centauri LLC		
41.25%			33.97%	12.22%	7.27%	2.42%	2.87%

## Segment Overview & Asset Mix

Real Estate	Shipping	Project Finance	Corporates
<ul style="list-style-type: none"> <li>• Highly recognized German real estate specialist with strong market and client coverage – franchise has view on ~1/3 of all new German CRE lending opportunities</li> <li>• Financing of existing properties, refurbishments and developments</li> <li>• Positioning to grow as ESG transition leader given expertise in refurbishments and developments</li> <li>• HCOB differentiation through tailored offerings and entrepreneurial view on value-add deals</li> <li>• Experienced market specialists with deep CRE expertise &amp; experience enable above market risk-adjusted returns</li> </ul>	<ul style="list-style-type: none"> <li>• HCOB is a leading player in global ship financing with a focus on second-hand ships with superior risk/return dynamics</li> <li>• Mix of asset-backed and corporate financings with a well-diversified portfolio of containers, bulkers and tankers</li> <li>• Participating in ESG transition financing to achieve net-zero requirements</li> <li>• Long relationships with high quality clients in Germany and Greece deliver privileged access to consistent deal flow</li> <li>• Well-established business model focused on short durations &amp; high collateral ship financings to reduce risks and quickly react to changing markets</li> </ul>	<ul style="list-style-type: none"> <li>• Focused on financing attractive infrastructure and renewables projects in Western, Northern and Southern Europe</li> <li>• Leader in digital infrastructure with strong, early-mover track record</li> <li>• Strong ESG footprint with renewable energy portfolio &amp; capabilities</li> <li>• Broad client base in chosen segments with proprietary access to deal flow (developers, PE/ infrastructure funds, manufacturers, contractors, utilities &amp; independent power producers)</li> </ul>	<ul style="list-style-type: none"> <li>• Diversifying corporate strategies by German and International Corporates</li> <li>• Focus of domestic portfolio on lending clients in Northern German region; large portion of clients in Germany being family-owned companies with typically long-standing HCOB relationships</li> <li>• Refinancing of Factoring- and Leasing companies</li> <li>• Diversified international approach with wide range of credit products, countries &amp; sectors</li> <li>• Highly skilled, lean and transaction-focused team with broad network to identify and capture market opportunities quickly in International Corporates</li> </ul>
<ul style="list-style-type: none"> <li>➔ Assets: € 7.5bn</li> <li>➔ RWA<sup>2</sup>: € 4.9bn</li> <li>➔ Net Income: € 34mn</li> <li>➔ RoE<sup>1</sup>: 11%</li> </ul>	<ul style="list-style-type: none"> <li>➔ Assets: € 2.9bn</li> <li>➔ RWA<sup>2</sup>: € 2.8bn</li> <li>➔ Net Income: € 32mn</li> <li>➔ RoE<sup>1</sup>: 17%</li> </ul>	<ul style="list-style-type: none"> <li>➔ Assets: € 3.5bn</li> <li>➔ RWA<sup>2</sup>: € 2.5bn</li> <li>➔ Net Income: € 14mn</li> <li>➔ RoE<sup>1</sup>: 9%</li> </ul>	<ul style="list-style-type: none"> <li>➔ Assets: € 5.1bn</li> <li>➔ RWA<sup>2</sup>: € 4.6bn</li> <li>➔ Net Income: € 39mn</li> <li>➔ RoE<sup>1</sup>: 13%</li> </ul>

1) RoE after taxes based on CET1 ratio of 13% 2) Risk Weighted Assets

# Factsheet

August 24, 2023

## Highlights H1 2023

**Earnings:** € 230mn profit before tax (€ 178mn post tax), driven by solid recurring earnings

**RoE:** 16.8% RoE after tax (21.7% before tax) based on 13% CET1 ratio...1.1% RoA highlights profitability of b/s

**NIM:** Expansion continues through pricing discipline & favourable duration profile...182 bps b/s in H1 2023 (vs. 164 bps in H1 2022)

**NPE:** Risk well managed...NPE ratio slightly increased to 1.5% (vs. 1.2% at YE22)

**Expenses:** Investing in IT and people, while maintaining cost discipline in inflationary environment...€ 156mn OpEx (+4% gg. Vj.)

**New Business:** € 3.0bn gross new business...€ 0.2bn increase from H1 2022





**Capital:** 18.5% CET1 ratio post dividend payment and shift to risk model foundation approach ...Leverage ratio at 9.4%

**Committed to moderate balance sheet growth in mid-term** plan lead by our core franchises...Real Estate, Shipping, Project Finance & Corporates and diversifying the business model

## Key Financials: H1 2023 Results and Outlook 2023 – Further strengthened recurring profitability

Key figures in %, unless stated		2021	2022	H1 2023	Guidance 2023	Perspectives 2023
Profitability & Efficiency	Profit before tax (€mn)	299	363	230	~350	<ul style="list-style-type: none"> <li>Leveraging successfully transformed business and operating model. Increasing operating leverage will provide for strong profitability metrics</li> <li>Solid revenue growth further supported by tailwind from interest rate environment benefitting NIM and NII</li> </ul>
	RoE post tax <sup>1</sup>	18.4	20.8	16.8	>11	
	CIR	50	44	39	45	
Risk Management	NPE ratio	1.4	1.2	1.5	~1.5	<ul style="list-style-type: none"> <li>Stringent cost management resulting in sound efficiency ratio, despite material investment in IT and people</li> <li>Sound risk management, reflected increasingly diversified and granular portfolio, sound asset quality and significant LLP overlays</li> </ul>
	CET1 ratio	28.9	20.5	18.5	>17	
Credit Profile	Issuer Rating, Moody's	Baa1, pos.	Baa1, pos.	A3, sta.	A3	<ul style="list-style-type: none"> <li>Fortress b/s and strong capital position, underlined by leverage ratio of 9.4%</li> <li>Steadily strengthening credit profile and lengthened track record support solid rating position</li> </ul>

## Ratings

Credit-Ratings <sup>2</sup>	Moody's	Sustainability-Ratings	
		2020	2023
Deposit Rating	A3		
Issuer Credit Rating (Long-Term)	A3, stable		
Short-term Debt	P-2	 SUSTAINALYTICS	14.0   13.1
Stand-alone Rating	baa3	 MSCI	BB   BBB
"Preferred" Senior Unsecured Debt	A3	 MOODY'S	29   56
"Non-Preferred" Senior Unsecured Debt	Baa2	 ISS ESG	C-   C-
Subordinated Debt (Tier 2)	Ba1		
Mortgage Covered Bonds	Aaa		
Ship Covered Bonds	Aa3		

1) RoE after taxes based on CET 1 ratio of 13% | 2) See also latest publications by the rating agencies on the Hamburg Commercial Bank's website: <https://www.hcob-bank.de/en/investoren/rating/rating/>

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## KPI Overview 2020 – H1 2023

Capital	2020	2021	2022	H1 2023
<b>IFRS Equity</b> (in €bn)	4.3	4.7	5.2	3.8
<b>Tangible Equity</b> (in €bn)	3.8	4.1	4.4	3.1
<b>CET1<sup>1</sup></b> (in €bn)	4.2	4.1	3.2	3.1
<b>RWA</b> (in €bn)	15.5	14.0	15.4	16.5
<b>CET1 Quote<sup>1</sup></b> (in %)	27.0	28.9	20.5	18.5
<b>Total Capital Ratio<sup>1</sup></b> (in %)	33.3	35.7	26.8	24.4
<b>Leverage Ratio<sup>1,2</sup></b> (in %)	12.2	12.7	9.5	9.4
<b>MREL (TREA)</b> (in %)	56.7	70.5	46.5	41.1

Asset Quality / Liquidität	2020	2021	2022	H1 2023
<b>NPE</b> (in €bn)	0.6	0.5	0.4	0.5
<b>NPE Ratio</b> (in %)	1.8	1.4	1.2	1.5
<b>LLP</b> (in €bn)	0.6	0.4	0.4	0.3
<b>NPE Coverage Ratio</b> (in %)	47.9	55.8	68.9	37.0
<b>LLP / Loan Book</b> (in %)	2.5	2.2	2.1	1.7
<b>LCR</b> (in %)	171	164	197	157
<b>NSFR</b> (in %)	111	114	113	113
<b>AE</b> (in %)	42	37	34	36

Profitability / Efficiency	2020	2021	2022	H1 2023
<b>Profit before tax</b> (in €mn)	257	299	363	230
<b>Net Income</b> (in €mn)	102	351	425	178
<b>OpEx</b> (in €mn)	-365	-328	-332	-158
<b>RoE post tax @13%</b> (in %)	4.3	18.4	20.8	16.8
<b>RoA</b> (in %)	0.3	1.1	1.4	1.1
<b>CIR</b> (in %)	42	50	44	39
<b>NIM</b> (in bps)	117	145	168	182
<b>FTE</b>	1,122	919	868	863

Asset Allocation	2020	2021	2022	H1 2023
<b>CRE</b> (in €bn)	9.5	8.0	8.1	7.5
<b>Shipping</b> (in €bn)	3.3	3.7	3.5	2.9
<b>Project Finance</b> (in €bn)	5.1	3.9	3.4	3.5
<b>Energy</b> (in €bn)	3.5	2.4	2.0	1.9
<b>Infrastructure</b> (in €bn)	1.6	1.6	1.4	1.5
<b>Corporates</b> (in €bn)	3.7	3.9	4.6	5.1
<b>TSY &amp; Group Functions</b> (in €bn)	12.2	10.8	12.2	11.8
<b>Total Balance Sheet</b> (in €bn)	33.8	30.3	31.8	30.8

1) YE 2021 excludes results from FY 2021; YE 2022 post dividend, H1 2023 excl. HY net result | 2) Technical correction of Leverage ratio for FY 2022