

## 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. Aviation finance is a new addition to HCOB's diversified business strategy. 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
- ✓ Prudent risk appetite for new business and increasing diversification of asset allocation
- ✓ Strong coverage of credit risks by SLLP, collateral and LLP overlays
- ✓ 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. 9.44%	Promontoria Holding 231 B.V. 13.26%	Promontoria Holding 233 B.V. 17.89%	JCV IV Neptun Holdings S.à r.l.	Golden Tree Asset Management Lux S.à r.l.	Chi Centauri LLC		
40.60%			33.30%	11.94%	7.13%	2.38%	4.66%

## 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>• Global aviation finance is a new addition to HCOB's diversified business strategy, supporting airlines and lessors as well as the broader aviation ecosystem</li> </ul>
<ul style="list-style-type: none"> <li>➔ Assets: € 7.8bn</li> <li>➔ Net Income: € -53mn</li> <li>➔ RoE<sup>1)</sup>: -8.3%</li> </ul>	<ul style="list-style-type: none"> <li>➔ Assets: € 2.4bn</li> <li>➔ Net Income: € 81mn</li> <li>➔ RoE<sup>1)</sup>: 22.9%</li> </ul>	<ul style="list-style-type: none"> <li>➔ Assets: € 3.4bn</li> <li>➔ Net Income: € 69mn</li> <li>➔ RoE<sup>1)</sup>: 22.2%</li> </ul>	<ul style="list-style-type: none"> <li>➔ Assets: € 6.0bn</li> <li>➔ Net Income: € 102mn</li> <li>➔ RoE<sup>1)</sup>: 17.0%</li> </ul>

1) RoE after taxes based on CET1 ratio of 13%

# Factsheet

February 15, 2024

## Highlights 2023

**Earnings:** € 427mn profit before tax (€ 271mn post tax), driven by solid recurring earnings

**RoE:** 12.5% RoE after tax (19.7% before tax) based on 13% CET1 ratio...0.9% RoA highlights profitability of b/s

**NIM:** Expansion continues through pricing discipline & favourable duration profile...204 bps b/s in YE 2023 (vs. 168 bps in YE 2022)

**NPE:** NPE ratio increased to 2.3% (vs. 1.2% at YE2022), risks well covered

**Expenses:** Investing in IT and people, while maintaining cost discipline in inflationary environment...€ 332mn OpEx (+/-0% YE 2022)

**New Business:** € 6.2bn gross new business...€ 0.6bn above previous year





**Capital:** 19.5% CET1 ratio highlights strong capital position...Leverage ratio at 9.1%

**Diversification of business model** is progressing well with decreasing shares for cyclical assets in CRE and Shipping

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

Key figures in %, unless stated		2022	2023	Delta Guidance 2023	Guidance 2024	Perspectives 2024
Profitability & Efficiency	Profit before tax (€mn)	363	427	+77	>300	<ul style="list-style-type: none"> <li>Leveraging successfully transformed business and operating model. Increasing operating leverage provides strong profitability metrics</li> <li>High capital generation capacity and strong capital position</li> <li>Solid revenue growth further supported by tailwind from interest rate environment benefitting NIM and NII</li> <li>Stringent cost management resulting in sound efficiency ratio, despite material investment in IT and people</li> </ul>
	RoE post tax <sup>1</sup>	20.8	12.5	+1.5PP	>11	
	NIM	168	204	-	>200	
	CIR	44	39	-6PP	<45	
Risk Management	NPE ratio	1.2	2.3	+0.8PP	~2.5	<ul style="list-style-type: none"> <li>Sound risk management, reflected increasingly diversified and granular portfolio, sound asset quality and significant LLP overlays</li> <li>Fortress b/s and strong capital position, underlined by strong leverage ratio</li> </ul>
	CET1 ratio	20.5	19.5	+2.5PP	>17	
Credit Profile	Issuer Rating, Moody's	Baa1, pos.	A3, sta.	-	A3	<ul style="list-style-type: none"> <li>Solid rating position benefitting from credit profile and lengthening track record</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
Stand-alone Rating	baa3		
"Preferred" Senior Unsecured Debt	A3	 MSCI	BB
"Non-Preferred" Senior Unsecured Debt	Baa2		
Subordinated Debt (Tier 2)	Ba1	 MOODY'S	29
Mortgage Covered Bonds	Aaa		
Ship Covered Bonds	Aa3	 ISS ESG	C-

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

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## KPI Overview 2020 – 2023

Capital (€bn)	2020	2021	2022	2023
IFRS Equity	4.3	4.7	5.2	4.0
Tangible Common Equity	3.8	4.1	4.4	3.4
CET1 <sup>1</sup>	4.2	4.1	3.2	3.2
RWA	15.5	14.0	15.4	16.5
CET1 Quote <sup>1</sup> (%)	27.0	28.9	20.5	19.5
Total Capital Ratio <sup>1</sup> (%)	33.3	35.7	26.8	25.0
Leverage Ratio <sup>1,2</sup> (%)	12.2	12.7	9.5	9.1
MREL (TREA) (%)	56.7	70.5	46.5	40.5

Profitability / Efficiency (€mn)	2020	2021	2022	2023
Profit before tax	257	299	363	427
Net Income	102	351	425	271
OpEx	-365	-328	-332	-332
RoE post tax @13% (%)	4.3	18.4	20.8	12.5
RoA (%)	0.3	1.1	1.4	0.9
CIR (%)	42	50	44	39
NIM (bps)	117	145	168	204
FTE	1,122	919	868	907

Asset Quality / Liquidity (%)	2020	2021	2022	2023
NPE (€bn)	0.6	0.5	0.4	0.8
NPE Ratio	1.8	1.4	1.2	2.3
LLP (€bn)	0.6	0.4	0.4	0.4
NPE Coverage Ratio	47.9	55.8	68.9	33.9
LLP / Loan Book	2.5	2.2	2.1	2.0
LCR	171	164	197	184
NSFR	111	114	113	116
AE	42	37	34	35

Asset Allocation (€bn)	2020	2021	2022	2023
CRE	9.5	8.0	8.1	7.8
Shipping	3.3	3.7	3.5	2.4
Project Finance	5.1	3.9	3.4	3.4
Energy	3.5	2.4	2.0	1.8
Infrastructure	1.6	1.6	1.4	1.5
Corporates	3.7	3.9	4.6	6.0
TSY & Group Functions	12.2	10.8	12.2	11.9
Total Balance Sheet	33.8	30.3	31.8	31.5

1) YE 2022 post dividend, YE 2023 incl. planned dividend deduction | 2) Technical correction of Leverage ratio for FY 2022