

Factsheet

As at: 16.04.2020

The Commercial Bank

Hamburg Commercial Bank is a privately-owned commercial bank. As specialists with clear vision and proximity to the client, we have experience together with being inquisitive and bold. We act with engagement and always at eye level. The roots of our bank are in the North; we are also represented in Germany's metropolitan regions and in selected markets of Europe and Asia.

Business segments

Corporates & Structured Finance	Real Estate	Shipping	Diversified Lending & Markets
<ul style="list-style-type: none"> Corporate Banking & Advisory: Structured Finance, Leveraged Buy-out, M&A, Factoring and Leasing, Business Development & Financial Institutions Group Project Finance – Energy & Infrastructure: Exploit potential in domestic and European markets, selectively non-European markets, generally under high standards of sustainability Originate-to-Distribute (OtD) to actively shape and steer the portfolio 	<ul style="list-style-type: none"> Risk-conscious business orientation regarding the development of domestic real estate market Selective new business under consideration of appropriate risk/return requirements Expand OtD approach Cautious expansion of international business 	<ul style="list-style-type: none"> Strategic partner based on long-term expertise New business under strict margin and risk conditions Focus on diversification of portfolio through domestic and international counterparties with good credit ratings to generate sustainably viable business 	<ul style="list-style-type: none"> Diversified Lending newly established for international Corporates business as well as for “Special Solutions” in the form of opportunistic business potential in Europe Capital Markets: Steering strategic investments Treasury steering liquidity and market price risks, funding activities

Ownership structure

Several funds initiated by Cerberus Capital Management, L.P.			One fund initiated by J.C. Flowers & Co. LLC	One fund initiated by GoldenTree Asset Management LP	Centaurus Capital LP	BAWAG P.S.K. <i>Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft</i>
Promontoria Holding 221 B.V. 9.89%	Promontoria Holding 231 B.V. 13.88%	Promontoria Holding 233 B.V. 18.73%	JCF IV Neptun Holdings S.à r.l.	GoldenTree Asset Management Lux S.à r.l.	Chi Centauri LLC	
42.5%			35.0%	12.5%	7.5%	2.5%

Highlights 2019

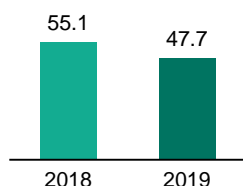
- Significant progress of the transformation
- Strong capital and liquidity positions: CET1 ratio of 18.5%, Leverage ratio of 8.2%, LCR of 165%
- Portfolio improved by strong new business at significantly improved risk return profile
- Good asset quality with a NPE ratio of 1.8%
- Funding costs reduced significantly, capital structure improved
- Successful agreement with investors in hybrid capital instruments
- Cost program systematically implemented
- New business areas developed cautiously
- Project HCOB@Sustainability set up
- Well-positioned to successfully complete transformation; envisaged CET ratio of ~20%

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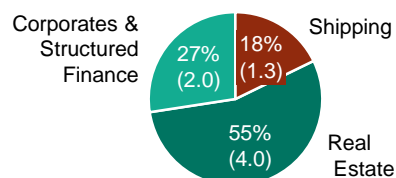
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Financials as at 31 December 2019 (Group, IFRS)

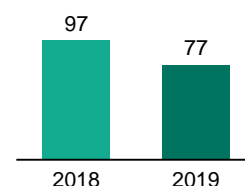
Total assets
in EUR bn



Gross new business of EUR 7.2bn
(PY: EUR 8.4bn); in % / EUR bn



Net income before taxes
in EUR mn



Targets for transformation

	2019	Objectives 2022	
Capital CET1 ratio	18.5%	~20%	... prudent approach, strong and resilient capital position is key
Asset quality NPE ratio ¹	1.8%	<2.0%	... solid asset quality other key pillar of sound b/s management, high risk coverage
Costs CIR	69.3%	mid 40%	... proven track-record in cost reduction, further measures are being implemented
Profitability RoE before taxes	1.8%	>8%	... focus on profitable growth, cost reduction and operational efficiency
Total assets in EUR bn	47.7	~30	... further de-risking planned
Liquidity LCR	165%	>140%	... sound liquidity position underpins solid foundation
Rating² Moody's/S&P	Baa2/BBB	Baa1/BBB+	... upward rating trajectory based on strong financial metrics

1) As at 31 December 2019, taking into account adjusting events after the reporting date | 2) Issuer credit rating

Rating

Ratings Overview ¹	Moody's	S&P
Issuer Credit Rating (Long-Term)	Baa2 / Stable	BBB / neg. o. ²
Short-term Debt	P-2	A-2
"Preferred" Senior Unsecured Debt	Baa2	–
"Non-Preferred" Senior Unsecured Debt	Baa3	–
Subordinated Debt (Tier 2)	Ba3	–
Public Sector Covered Bonds	Aa2	–
Mortgage Covered Bonds	Aa2	–
Ship Covered Bonds	A3	–

Key Credit Strengths

- ✓ Robust and resilient capitalization, well above minimum regulatory requirements
- ✓ Substantially de-risked asset portfolio, new business with prudent risk appetite and improving diversification amid macroeconomic uncertainty
- ✓ Strong loss coverage of residual NPEs
- ✓ Diversifying the funding base, lengthening the maturity profile and maintaining substantial liquidity buffer

1) See also latest publications by the rating agencies on the Hamburg Commercial Bank's website: www.hcob-bank.de/en/investorrelations/rating/rating.jsp | 2) Negative outlook