Hamburg Commercial Bank

Investor Presentation

IFRS Group Result as at 30 June 2021

19th August 2021

Agenda

Hamburg Commercial Bank

1. READY FOR THE FUTURE

Transformation in completion, BdB entrance envisaged

Comprehensive transformation following privatization delivering one of the best performing banks in Germany[1]

(Figures as of June 30, 2021 – Half Year Results)

Financials

€ 194 million	***19.8%[2]***	***136bp***	***45%***
Net Income	*Return on Equity (After-Tax)*	*Net-interest margin*	*Cost-income ratio*

Capital Management

29.6%	***€ 4.6 billion***	***13.2%***
CET1 Ratio	*Tangible Equity*	*Leverage ratio*

Leading German bank in terms of Profitability, Operational Efficiency & Capital Strength

1) HCOB ranks as top overall performing bank of Germany's top 10 banks (2021 Ranking). Source: The Banker Database, a service from the Financial Times I 2) ROE after taxes based on a 13%-ratio of invested CET 1 capital; 8.7% ROE after taxes based on reported average IFRS capital as of 30/06/2021

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Highlights 1H21

Transformation

- Nearing completion of 3 year transformation program…ahead of schedule
- Comprehensive restructuring of balance sheet and cost base…proving that aggressive restructuring programs can be successfully implemented in Germany
- Positioned as one of Germany's most operationally efficient banks…continuing to invest in IT Transformation for further efficiencies and scalability

Earnings

- € 194mn net income in 1H21…well ahead of prior guidance
- 19.8% ROE based on 13% CET1 ratio…8.7% ROE on average IFRS capital
- NIM expansion continues…136 bps NIM b/s in 1H21 (vs. 113 bps in H1 2020)
- Full effects of cost restructuring being reflected in 2021… € 153mn OPEX in 1H21 (down 15%)
- Strong segment results, with all lending segments improving in returns

Balance Sheet & Capital

- De-risking efforts & improved profitability deliver one of the best capitalized banks in Europe, 29.6% CET1 (vs. 27.0% at YE20)
- Successful issuance of 5 year senior preferred benchmark bond (€ 500mn)
- Resilient under ECB stress test[1]…Top quadrant of banks for CET1 & leverage ratios under stress following adverse stress scenario
- Capital levels well in excess of SREP requirements

Outlook

- Very well positioned for BdB entry following 2021
- Rating agencies reflecting improved profile…Moody's upgraded stand-alone rating (BCA) by 1 notch to ba1, lifting issuer rating to Baa1, "positive". S&P improved outlook to "developing"
- Investing in our core franchises…Real Estate, Shipping and Project Finance & Corporates
- New segment reporting for 1H21 to improve transparency & rationale for capital allocation, including positive diversification & improved risk-return profile on ~€ 30bn b/s

1) ECB Stress Test 2021 published on July 30, 2021

HCOB Transformation nearing completion…building track record of execution and consistently delivering on our commitments

Q4 2018 — **Privatization**

Nearly Complete — **Transformation**

2021+ — **Envisaged BdB Entry & start "Business as Usual"**

Game plan Privatization:

- Create a capital efficient and profitable German bank with strong client franchise
- Data driven and cloud enabled operating company (IT Transformation in process)
- **Rapid and extremely successful transformation delivered ahead of plan**

Cost Savings & Operational Efficiency

- ✓ Employee Restructuring (reduced from 1700+ FTEs to ~800 target end of 2022)
- ✓ HQ Facility Rationalization (14 to 2 buildings)
- ✓ Closed Asian operations (Singapore & Hong Kong)
- ✓ Self-Help (Sharp reduction in mgmt. consultants)
- • IT Transformation (€40mn+ run rate savings)

De-Risking & Capital Efficiency

- ✓ Balance sheet reduction (€ 55.1bn to € 31.6bn)
- ✓ RWA reduction (€ 22.1bn to € 14.8bn)
- ✓ CET1 build (18.5% to 29.6%)
- ✓ 19.8% after tax ROE for 1H21 at 13% CET1
- ✓ Capital structure optimization
- • Implementation of Future Model Landscape started

NIM Expansion & Liability Optimization

- ✓ Pricing disciple, including SVA hurdles
- ✓ Exited low returning, non-core lines of business
- ✓ Revised asset allocation, incl. strong reduction of NIB[1] assets
- ✓ Cost of funds reduced by ~70 bps to 31bps for 1H21
- ✓ NIM b/s: 61bps increase since 2019 to 136bps (1H21)

Invest in Technology & People

- ✓ Strengthened & redesigned management board & MD's
- ✓ Delivery of new International Payments platform
- • € 120mn+ IT investment including transition to cloud enabled operating model
- • Targeted new hires in commercial & technology leadership roles

Transformation delivering SVA positive business model

1) NIB – Non Interest Bearing

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Pillars of our transformation yield significant change in performance – 3 year transformation ahead of schedule

(Figures in €)		2019	2020	1H21	1H21 vs. 2019	Comments
Increase Profitability & Returns	**Net Interest Margin**[1] (bps)	75	117	136	+61 bps	• Strict pricing discipline, improved asset allocation and b/s efficiency, and reduced funding costs (both smaller b/s & reduced cost of funds) • 1H21 performance with limited one-time effects
	Net Income (mn)	12	102	194	> 100%	
	Return on Equity[2] (%)	0.4	4.3	19.8	+19.4 pts	
Reduce Expenses	**Headcount**[3] (FTEs)	1,482	1,122	947	-36%	• Comprehensive restructuring, lead by organizational & process efficiencies • Continuing to invest in IT Transformation to deliver 40mn+ cost savings & scalable operating platform
	Cost-Income Ratio (%)	69	42	45	-24 pts	
De-risk & Build Capital	**Total Assets**[4] (bn)	47.7	33.8	31.6	-34%	• De-risking started in 2019, including selective new business & prolongations • Proactive NPE action plans keep NPE ratio flat despite Covid-19 impact and smaller b/s • Excellent capital position & substantial buffer to SREP requirements • Very well positioned for BdB entry
	Tangible Equity (bn)	4.4	4.3	4.6	+5%	
	RWA (bn)	21.0	15.5	14.8	-30%	
	NPE Ratio[5] (%)	1.8	1.8	1.9	+0.1 pts	
	CET1 Ratio (%)	18.5	27.0	29.6	+11.1 pts	
	Leverage Ratio (%)	8.2	12.2	13.2	+5.0 pts	

1) Net Interest Margin equals core Net Interest Income divided by average balance sheet | 2) ROE after taxes based on a 13%-ratio of invested CET 1 capital; 8.7% ROE after taxes based on reported average IFRS capital as of 30/06/2021 (2.3% as of 31/12/2020) | 3) Headcount: 1,716 FTEs as of YE18. 45% decrease from YE18 to 1H21 | 4) Total Assets: € 55.1bn at YE18. 43% decrease from YE18 to 1H21 I 5) 2019 figures including events after reporting date

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Guidance 2021/22 – HCOB focusing on recurring profitability & projecting higher Net Income for 2021

(Figures in €)

		2020	2021e	2022e	
Increase Profitability & Returns	**Total Income** (mn)	656	~600	>600	• Core income supported by NIM b/s expansion to >150bp (YE) & improving asset mix with increased share of productive assets on smaller b/s • Benefits of cost restructuring realized in run rate • Revised guidance for net income 2021 from >€ 200mn to >€ 250mn
	Net Income (mn)	102	>250	>250	
	Return on Equity[1] (%)	4.3	>12.0	>12.0	
Reduce Expenses	**Headcount** (FTEs)	1,122	~900	~800	• Strict cost management continues driven by employee restructuring & reduced facility footprint while investing in IT • Moving towards target CIR driven by recurring income, not one-offs
	Cost-Income Ratio (%)	42	~50	40-42	
De-risk & Build Capital	**Total Assets** (bn)	33.8	~30	~30	• Strict return thresholds…build/grow SVA positive asset classes…exit lower performing segments • RWA increase due to change in rating model landscape, main impact to be reflected in 2022 • Stable asset quality & resilient capital levels • Strong capital & recurring earnings reduce the economic rational for issuing an AT1 bond medium term
	Tangible Equity (bn)	4.3	>4.6	>4.9	
	RWA (bn)	15.5	~15	~18	
	NPE Ratio (%)	1.8	<2.0	<2.0	
	CET1 Ratio (%)	27.0	~30	~25	

1) ROE after taxes based on a 13%-ratio of invested CET 1 capital

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Recent upgrade by Moody's to Baa1 reflects excellent capital position, de-risked portfolio and strong profitability trajectory

Key Credit Strengths

- Robust and resilient capitalization, well above regulatory requirements and peers
- Substantially de-risked and simplified asset portfolio underpinned by legacy disposals and conservative new business with prudent risk appetite and improving diversification, amid macroeconomic uncertainty
- Strong coverage of credit risks
- Progress towards diversifying the funding base, extending the maturity profile & maintaining substantial liquidity buffer
- Demonstrated expertise of owners drives best practices

Upside Drivers

- Demonstrating underlying franchise strength, with further improvement in risk-adjusted profitability
- Continued diversification by reducing concentration risks from cyclical assets
- Further maturity extension and diversified funding
- Admission to BdB's (Association of German Banks) Deposit Guarantee Fund (ESF)

Ratings Overview[1]	Moody's	S&P
Issuer Ratings		
Deposit Rating	Baa1	–
Issuer Credit Rating (Long-Term)	Baa1 / positive	BBB / developing
Short-term Debt	P-2	A-2
Stand-alone Rating	ba1	bbb-
Instrument Ratings (Unsecured Issuances)		
"Preferred" Senior Unsecured Debt	Baa1	–
"Non-Preferred" Senior Unsecured Debt	Baa2	–
Subordinated Debt (Tier 2)	Ba2	–
Instrument Ratings (Secured Issuances)		
Mortgage Covered Bonds	Aa1	–
Ship Covered Bonds	A2	–

1) Latest publications by rating agencies available on Hamburg Commercial Bank's website: https://www.hcob-bank.de/en/investoren/rating/rating/

Strong financials well above German peers – HCOB with excellent metrics for capital and profitability

In %

Key Metrics	Ratios (in %)	HCOB H1 2021	HCOB Target 2022	GER	Deutsche Bank	Commerz-bank	Aareal Bank	Deutsche Pfandbrief-bank	IKB Deutsche Industrie-bank	BayernLB	EU
Capital	CET1 ratio	29.6	~25	16.2	13.2	13.4	19.2	15.4	14.8	15.6	15.6
	Leverage ratio	13.2	>12	5.0	4.8	4.6	5.7	5.9	7.5	4.4	5.6
Asset Quality	NPE / NPL ratio	1.9[1]	<2[1]	1.2	1.4	0.8	6.0	0.9	1.8	0.5	2.5
Liquidity	LCR	170	~140	166	143	-	>100	>150	205	-	174
Profitability	CIR	45	40-42	73	78	82	45	39	60	55	64
	ROE[2]	19.8	>12	4.7	6.5	-3.8	1.9	6.0	8.8	9.5	7.6
	NIM	1.4	>1.5	1.0	1.2	0.9	1.2	0.8	1.3	0.7	1.3
Long-Term Rating	Moody's / S&P	Baa1 / BBB	A3 / BBB+		A2 / BBB+	A1 / BBB+	A3/ -	- / BBB+	Baa1 / -	Aa3 / -	

Profitability	✓ Key profitability metrics (CIR, ROE, NIM) well above German peers, due to selective new business, NIM expansion, B/S optimization & decreasing funding costs – expanding successfully started track record will be major rating driver
Capital	✓ Excellent capitalization, well above average for higher-rated peers, excess capital will be managed over time
Asset Quality	✓ De-risked, sound, well-performing portfolio with manageable exposure in key Covid-19 impacted sectors & strong loss coverage
Liquidity	✓ Substantial liquidity buffer provide robust cushion for adverse scenarios, funding structure increasingly diversified

Source: Company reports on H1 2021 and EBA Risk Dashboard, 2021-Q1 for GER and EU comparisons | 1) NPE for HCOB | 2) ROE after taxes based on a 13%-ratio of invested CET 1 capital as reported for HCOB (8.7% ROE after taxes based on reported average IFRS capital as of H1 2021)

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HCOB outperforming German financial institutions… expanding leadership position in H1 2021

FY 2020 Figures[1]	Size	Capital Position		Profitability			Rating[2]		
Top 20 Banks	Total Assets (€ mn)	Tangible Equity (€ mn)	CET1 FL (%)	ROE (post, %)	CIR (%)	Net Interest Margin (%)	Moody's	S&P	Fitch
Deutsche Bank	1,325,259	55,471	13.6	3.3	88.3	1.3	A2	BBB+	BBB
DZ Bank	594,573	28,473	13.2	3.4	65.4	0.8	Aa1	A+	AA-
KfW	546,384	31,625	14.8	1.7	41.8	0.5	Aaa	AAA	AAA
Commerzbank	506,916	27,180	15.2	-11.9	81.5	1.4	A1	BBB+	WD
HypoVereinsbank	338,124	17,867	15.9	3.8	60.5	0.9	A2	BBB+	BBB
LBBW	276,449	13,814	14.8	1.3	70.4	0.7	Aa3	NR	A-
BayernLB	256,271	11,432	14.7	4.3	66.0	0.7	Aa3	NR	A-
Helaba	219,325	8,708	14.7	5.6	73.5	0.6	Aa3	A-	A+
NRW.Bank	155,787	18,990	43.9	0.0	47.0	0.5	Aa1	AA	AAA
NordLB	139,619	5,699	16.1	-4.6	71.7	0.7	A3	NR	A-
Landwirt. Rentenbank	95,287	4,662	13.1	0.7	28.2	0.3	Aaa	AAA	AAA
DekaBank	85,509	5,463	18.5	3.8	70.2	0.2	Aa2	A	NR
Deutsche Pfandbriefbank	58,859	3,254	16.1	4.7	42.2	1.0	NR	BBB+	WD
Hamburger Sparkasse	55,157	3,543	13.3	0.3	93.0	1.3	Aa2	NR	A+
Münchener Hyp	48,558	1,598	20.6	2.5	54.0	0.8	Aa3	NR	AA-
Aareal Bank	45,478	2,760	20.4	-2.6	44.2	1.4	A3	NR	BBB+
Berlin Hyp	27,021	1,323	13.4	0.0	52.9	1.2	Aa2	NR	A+
Oldenburgische LB	21,475	1,150	14.2	6.9	65.6	1.8	Baa2	NR	NR
IKB Deutsche Industriebank	16,622	1,372	14.3	0.5	56.0	1.2	Baa1	NR	BBB
Average (median)	**95,287**	**5,463**	**14.8**	**2.5**	**65.4**	**0.9**			
HCOB[3]	**33,815**	**4,329**	**27.7**	**4.3**	**69.3**	**1.2**	**Baa1**	**BBB**	**WD**
HCOB (H1 2021)[3]	**31,605**	**4,552**	**29.6**	**19.8**	**45.0**	**1.4**	**Baa1**	**BBB**	**WD**

1) Source: Latest available figures on Bloomberg (FY 2020), Company reports for FY 2020; Top 20 German banks by total assets, excluding German subsidiaries of internationally domiciled banks I 2) Ratings as at August 9th, 2021 I 3) ROE after taxes based on a 13%-ratio of invested CET 1 capital / standardized regulatory capital commitment; 8.7% ROE after taxes based on reported average IFRS capital as of H1 2021 (2.3% as of FY 2020)

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Sustainability – Key achievements and next steps in embedding ESG into company's strategic framework

HCOB integrates sustainability considerations and objectives into its business strategy and actively manages social and environmental risks associated with business engagements. **We regard ourselves responsible to limit potential negative impact, to be a driver for positive change, and to be a reliable partner to advise and finance our clients ESG transition activities.** Thereby, we mitigate risks, contribute to positive change and seek for continuous improvement in environmental and social practices. In addition, we strive to be a 'Net Zero Bank' by 2050 the latest.

2020

- ✓ **Principles for Responsible Banking** and **UNEP FI membership** signed
- ✓ ESG applied to **credit standards** and **Black List** established
- ✓ **ESG Scoring** of new business and simulation of total loan book
- ✓ First **sustainability rating assessments** with significant improvements for Sustainalytics and IMUG

H1 2021

- ✓ **Comprehensive ESG Roadmap** finalized
- ✓ **CSR Report 2020** published on 1st April
- ✓ **Sustainability Governance** – Sustainability Committee & Office established on 1st April
- ✓ **Black List** enhancement and operationalization completed
- ✓ **Investment Policy** with respective ESG considerations approved
- ✓ **Signed PCAF** as carbon accounting standard

H2 2021

- ✓ Updated **ESG Factbook** published
- **ESG related strategy approach and target setting/ambition levels** for Group HCOB and by business unit aligned with supporting our clients energy transition priorities
- **ESG Scoring** on single loan basis of entire loan portfolio
- **Green Bond issuance** capability
- **2nd Sustainability Rating Assessment** with focus on ISS and MSCI

	imug		Sustainalytics		ISS ESG		MSCI	
	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**
	CCC	**BB**	28	**14**	C-	**C-**	BB	**BB**

Legend: ● HCOB ⬚ Average range of peers rating results

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2. FINANCIAL GROUP RESULTS

H1 2021

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Solid revenues, lower LLPs and decisively managed costs drive profitability – overhaul of b/s increasingly bearing fruit

€ mn	H1 2021	H1 2020	Δ
Net interest income	269	351	-23
Net commission income	22	27	-19
Result from hedging	-2	2	>-100
Result from financial instruments categorised as FVPL	28	-149	>100
Net income from financial investments	2	5	-60
Result from the disposal of financial assets classified as AC	19	44	-57
Total Income	**338**	**280**	21
Loan loss provisions	22	-94	>100
Total income after loan loss provisions	**360**	**186**	94
Administrative expenses	-153	-181	-15
Other operating result	5	100	-95
Expenses for regulatory affairs, deposit guarantee fund and banking associations	-31	-29	7
Net income before restructuring and transformation	**181**	**76**	>100
Result from restructuring and transformation	-13	-5	>-100
Net income before taxes	**168**	**71**	>100
Income tax expense	26	-67	>-100
Group net result	**194**	**4**	>100

	H1 2021	H1 2020	Δ
ROE before taxes[1]	17.1%	5.5%	11.6pts
ROE after taxes[1]	19.8%	0.3%	19.5pts
NIM[2]	136	113	23bp
CIR	45%	48%	-3pts
Risk Costs[3]	-19	59	-78bp
NPE Coverage Ratio AC[4]	45%	48%	-3pts

- Total income (€ 338mn) driven by solid recurring earnings, in particular sound trend in NII and NIM, and positive FVPL result
- Better than expected LLP (€ 22mn net reversal) due to sound risk development. Strong LLP buffers to mitigate Covid-19 driven impact - potential upside for full year if positive development continues
- OPEX decline by 15%, reflecting decisive cost management
- Other operating result significantly lower, reflecting nearly neutral impact of one-off effects (e.g. building sales dominated last year)
- Overall, strong financial metrics from increasingly strong NIM, downward trend for CIR and strong ROE reflect upward profitability trend

1) ROE before / after taxes based on a 13%-ratio of invested CET 1 capital as reported; 8.7% ROE after taxes based on reported average IFRS capital as of 30/06/2021 I 2) NIM: Core NII / avg. B/S I 3) Risk Costs: LLP/ avg. loans I 4) Previous year as of 31.12.2020

Increasingly productive balance sheet built on strong capital and liquidity position, risks are well covered

€ mn	H1 2021	YE 2020	Δ
Cash reserve	2,770	1,741	59
Loans and advances to banks	1,346	1,558	-14
Loans and advances to customers	21,069	22,478	-6
Loan loss provisions	-510	-569	-10
Trading assets	1,002	1,544	-35
Financial investments	5,059	5,459	-7
Non-current assets held for sale and disposal groups	98	634	-85
Other assets	771	970	-21
Total assets	**31,605**	**33,815**	**-7**
Liabilities to banks	6,535	7,478	-13
Liabilities to customers	12,174	13,104	-7
Securitised liabilities	5,753	5,670	1
Trading liabilities	504	686	-27
Provisions	502	634	-21
Subordinated capital	942	940	0
Equity	4,576	4,344	5
Other liabilities	619	959	-35
Total equity and liabilities	**31,605**	**33,815**	**-7**

	H1 2021	YE 2020	Δ
CET1 capital	4.4	4.2	5%
RWA	14.8	15.5	-4%
CET1 Ratio[1]	29.6%	27.0%	+2.6pts
Leverage Ratio	13.2%	12.2%	+1.0pts
NPE Ratio	1.9%	1.8%	+0.1pts
NPE Coverage Ratio AC	45%	48%	-3pts
LCR	170%	171%	-1pts
NSFR	117%	111%	+6pts

- Close to achieving the strategic target on balance sheet total of ~ € 30bn, H1 2021 was characterized by the continuing optimization of the balance sheet structure to further increase profitability
- Moderate decrease in total assets is attributable in particular to loans & advances to customers and trading assets, the latter reflecting reduced derivatives exposure
- Excellent capital position reflected in strong CET1 ratio and leverage ratio
- Potential portfolio risks are well covered by total LLPs amounting to 2.4% of customer loan book
- Sound liquidity ratios (LCR, NSFR) reflect prudent liquidity steering

1) CET1 ratios same-period

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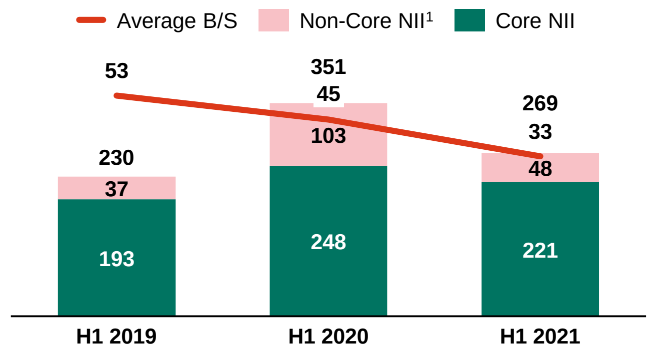
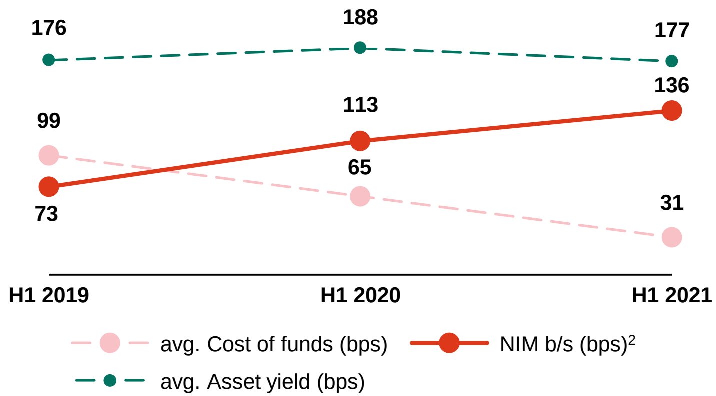
P&L driver – Net Interest Income driven by reduced cost of funds and selective business, fee income to be developed





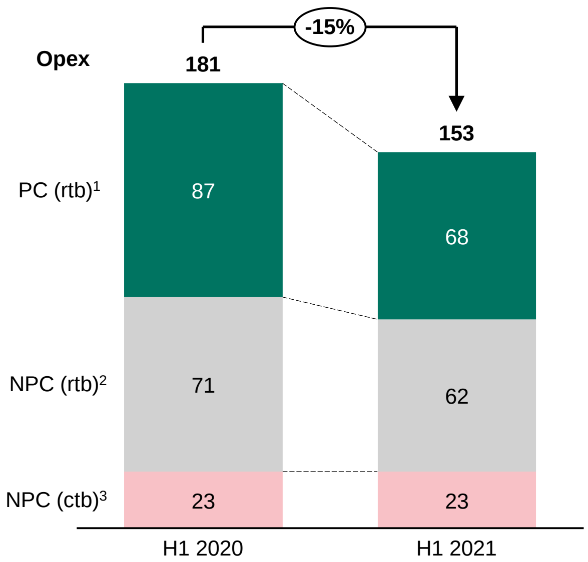
- Productivity of balance sheet increased as Core NII decreased by 10% versus H1 2020, while balance sheet was managed down by more than 25%
- This resulted in a further increase of NIM b/s to 136 bps, up 63 bps versus H1 2019
- Strategy to buy-back high priced legacy instruments and focus on organic funding led to significant decrease of average cost of funds
- Although interest rates declined, average asset yield remained relatively stable reflecting the bank's pricing discipline in new business
- Fee income lower in H1 2021 due to lower loan structuring and guarantee fees. Payment /documentary fees flat despite reduced b/s

By products in € mn	H1 2021	H1 2020	Δ
Fee income	22	27	-19
Lending business	11	14	-21
Payment business / documentary business	8	8	0
Guarantee business	3	5	-40
Securities business	1	-	100
Other	-1	-	-100

1) Non-Core NII comprises valuation effects in NII, unwinding, pensions, effects of security sales / buy-backs I 2) NIM b/s equals core NII divided by average balance sheet

Operating expenses – significantly reduced RTB costs and temporarily elevated CTB costs due to IT transformation

in € mn, rounding differences may occur



	H1 2020	H1 2021
Restruc/Transf.[4]	5	13
Regulatory costs	29	31
CAPEX	5	9
CIR	48%	45%
FTE	1,215	947

- OPEX reduced by 15% to € 153mn, thereof reduction run the bank (rtb) costs by -18% (€ 130mn)
  - PC (rtb)1 reduction due to staff downsizing linked to reduction in balance sheet volume, lower new business, simplification of processes, outsourcing
  - NPC (rtb)2 initial reductions especially due to lower building costs and legal advice
  - NPC (ctb)3 temporary additional requirements due to IT transformation projects
- Moderate temporary Restructuring/Transformation costs for e.g. decommissioning of legacy IT
- Stable regulatory costs despite increasing target volumes for bank levy
- Limited use of CAPEX especially for IT transformation
- Improved CIR development below 50%

1) PC (rtb): personnel costs – run the bank | 2) NPC (rtb): non personnel costs - run the bank | 3) NPC (ctb): non personnel costs - change the bank (projects) | 4) Restruc/Transf.: restructuring / transformation costs

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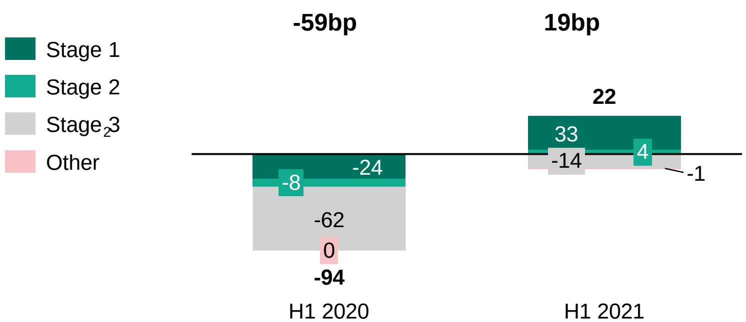
Moderate LLP reversals in H1 2021, strong coverage of portfolio risks by total LLP amounting to 2.4% of loan book

Credit loss expense & risk costs[1]

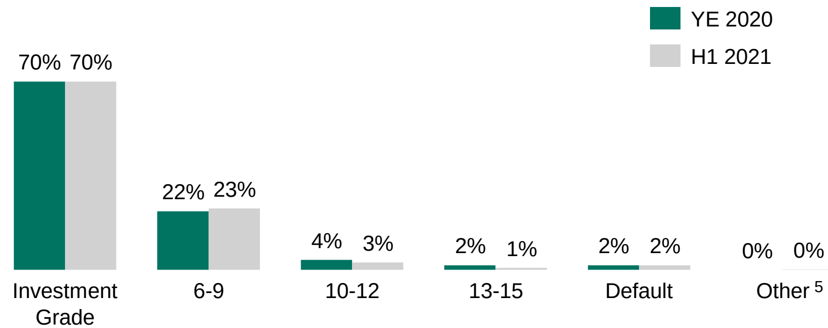
in € mn, in bp



Portfolio structure by rating

in %

EAD total: € 33.8bn (2020: € 35.4bn)



Balance sheet view and coverage ratios

KPIs	H1 2021	2020	2019
NPE	645	624	872
NPE coverage ratio (AC) in %	45.2	47.9	57.1
NPE ratio in %	1.9	1.8	1.8[3]
Total LLP b/s	510	569	708
Total LLP coverage in %	2.4	2.5	2.3
Stage 1 LLP b/s	91	91	57
Stage 1 coverage in %	0.5	0.5	0.2
Stage 2 LLP b/s	179	216	308
Stage 2 coverage in %	7.3	7.9	11.2
Stage 3 SLLP [4] b/s	240	262	343

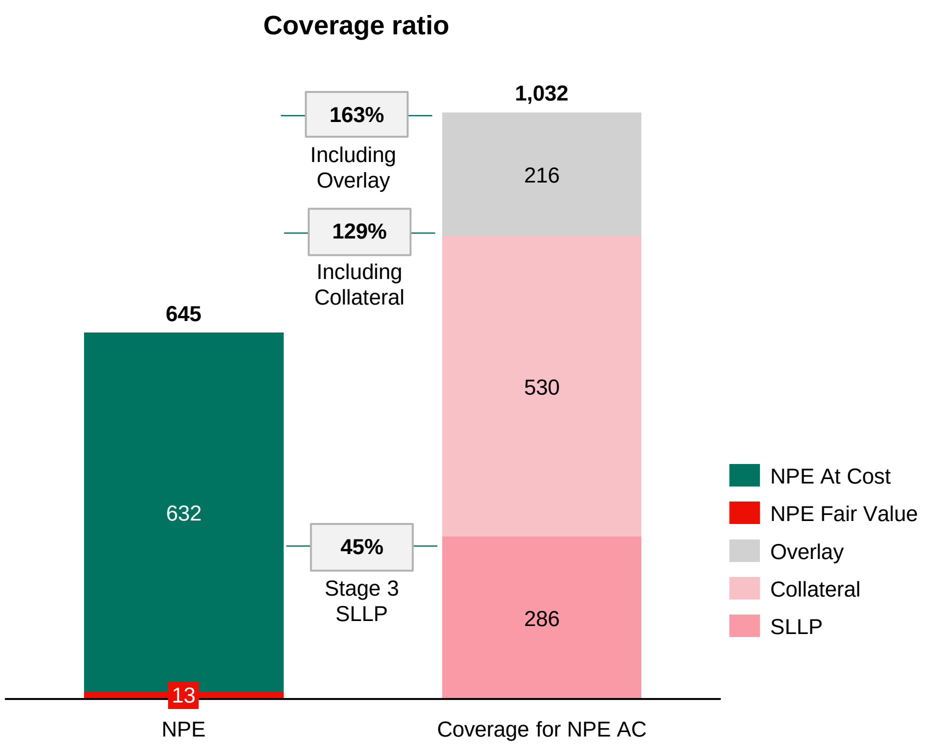
- Slight NPE increase due to new COVID-19 induced defaults particularly in Real Estate, partially compensated by ongoing NPE Action Plan
- Slight increase of NPE ratio from 1.8% to 1.9% on back of lower b/s volumes
- Solid level of risk coverage as total LLP on b/s cover 2.4% of total loan book. Coverage ratio on NPE by SLLP (stage 3) is sound 45%

Rounding differences possible | 1) Risk Costs (Loan loss provisions / avg. loans) I 2) Other incl. FX, FVOCI, Direct write-downs, Non-substantial modifications, payments received on loans and advances previously written down I 3) 2019 figures including events after reporting date I 4) Stage 3 incl. POCI | 5) Transaction for which there is no internal or external rating available are reflected in the "Other" line item, such as receivables from third parties of the Bank's consolidated equity holdings

Solid NPE coverage based on SLLP, collateral and overlays with comfortable buffer for potential implications from Covid-19

Portfolio is well covered by SLLP, Collateral, and Overlays

in € mn



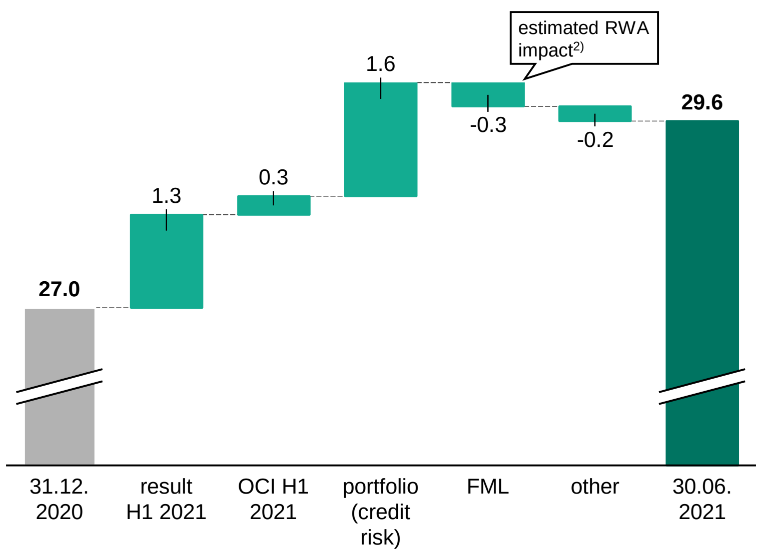
- NPE of € 632mn NPE_{AC} and € 13mn NPE FV
- Solid NPE_{AC} coverage of::
  - **SLLP** (stage 3) with a coverage ratio of 45%
  - **Incl. collateral** the coverage ratio amounts to 129%
  - **Incl. overlays** for additional portfolio risks the coverage ratio amounts to 163%

1) Risk Costs: LLP/ avg. loans

Capital position further strengthened by retained earnings due to increasing profitability, rigorous de-risking supportive

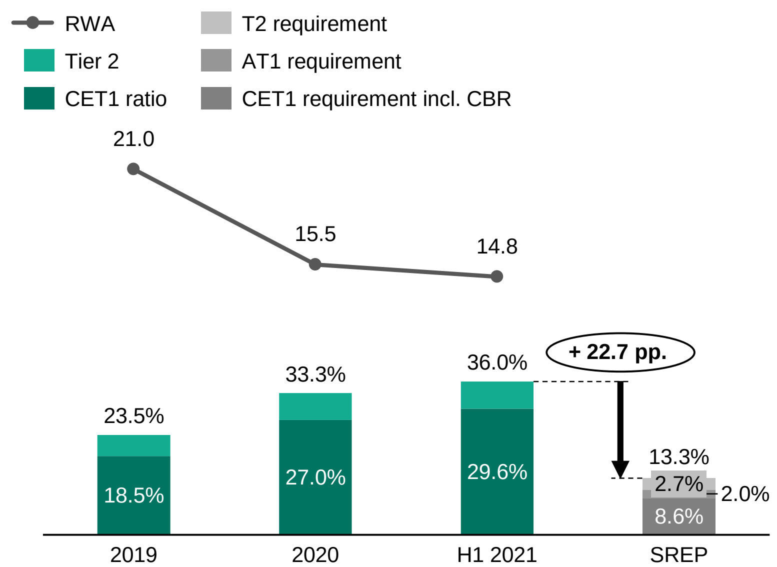
Drivers of CET1 Ratio development[3]

in %



Development of RWA / capital ratios

in € bn



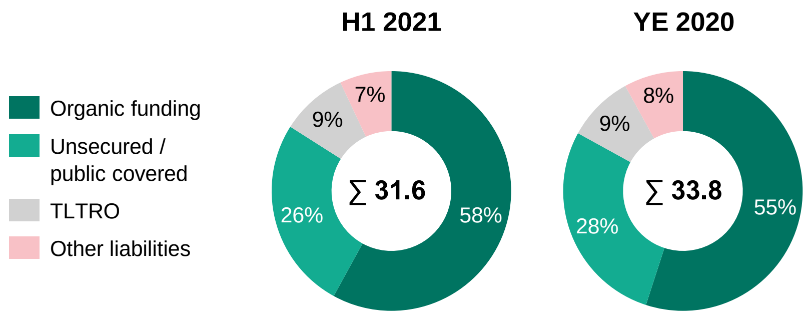
- Further increased CET1 ratio of 29.6% underlines strong capital position with capital surplus well above regulatory requirements
- CET1 capital increased by positive P&L result of H1 2021 and an increased other comprehensive income (OCI)
- Leverage ratio further strengthened to very strong 13.2% (12.2%)
- RWA significantly reduced by de-risking started in 2019 and careful new business selection

1) Minor fluctuations due to change of counter-cyclical buffer possible; as of ECB letter 2020 additionally Pillar 2 Guidance (P2G) of 1.0% generally applies I 2) Estimated impact of approx. € 175mn RWA add-on by FML I 3) Rounding differences possible

Liability strategy linked to core business – 58% of funding sources are organic funding from clients & deliver franchise value

€ bn	H1 2021	YE 2020	Δ
Capital	4.5	4.4	+0.1
Development Banks	3.0	3.8	-0.8
Mortgage covered bonds	2.9	2.9	-
Shipping covered bonds	0.1	0.1	-
Franchise deposits	7.6	7.3	+0.3
Organic funding	**18.1**	**18.4**	**-0.3**
Other deposits[1]	1.3	1.9	-0.6
Public covered bonds[2]	1.0	1.2	-0.2
Unsecured Funding (SP/SNP)	5.2	5.4	-0.2
Tier 2	0.9	0.9	-
Unsecured / public covered	**8.4**	**9.5**	**-1.1**
TLTRO	3.0	3.0	-
Other liabilities[3]	2.1	2.9	-0.8
HCOB Group	**31.6**	**33.8**	**-2.2**

Funding Composition HCOB
in € bn



Maturity profile senior non-preferred / preferred / Tier 2

in € bn	H2-2021	2022	2023	2024
Senior non-preferred	0.3	0.4	0.7	0.2
Senior preferred	0.3	0.6	0.3	0.5
Tier 2	0.0	0.0	0.0	0.0
Total	**0.6**	**1.0**	**1.0**	**0.8**

- Funding strategy of HCOB focusses on increasing the organic funding as it leverages on banks core business and leads to increased franchise value
- Other liabilities have been actively reduced by over 25%
- As a result of this strategy, organic funding significantly increased from 55% to 58% during H1 2021
- Share of organic funding will increase before expected BdB entrance. Going forward, share of organically sourced liabilities will be expanded further (e.g. by lower TLTRO, further leveraging of covered bond franchise)

Rounding differences possible 1) Non-core deposits, mainly to non BdB eligible clients I 2) Public financing is not part of HCOB's core business I 3) Derivatives, received cash collaterals, provisions

Hamburg Commercial Bank

3. SEGMENT OVERVIEW

H1 2021

Segment Reporting - Changes in segment structure & methodology

Real Estate	Shipping	Project Finance & Corporates	Treasury & Group Functions	Reconciliation

- The new segment structure is derived from the new management board organizational structure, which focusses all market facing units under the CIO and changes on BU level
- The number of market segments is reduced from 4 to 3. Diversified lending is merged with Corporates and Project Finance in the segment “Project Finance & Corporates”
- Capital Markets is part of the new segment “TSY & Group Functions”, which incorporates the overlay portfolios owned by the ALCO and the central results from service functions
- To achieve a higher level of transparency and show external stakeholders the rationale of HCOB’s capital allocation with regards to profitability the reporting of business segment results is aligned with the internal management reporting and therefore changed in several areas:
  - Use of portfolio model for risk costs [standard risk costs: PD X LGD X EAD]; the deviation to the P&L risk provision is shown in the column reconciliation
  - Use of internal allocations for opex [CIR approach with target costs 2022]; the legacy costs (actual cost vs. 255mn€ target costs 2022) are shown in the segment TSY & Group Functions
  - After tax results for segments with minimum tax 12.8% (due to existing high loss carry forwards); the deviation to the group tax is shown in the column reconciliation
  - Capital usage and ROE after tax is based on 13% CET1 ratio as reported

Business segments well positioned for growth – Deep market expertise & good client relationships basis for value creation

As of June 30th, 2021[1]

Lending Functions			Investment Functions
Real Estate	**Shipping**	**Project Finance & Corporates**	**TSY & Group Functions**
• Well-established, risk-conscious business, primarily in Germany • Expanding new business with appropriate risk/return requirements • Structuring competence for tailor-made financing • Selective expansion of international business in neighbouring European countries	• Focus on diversification of portfolio through domestic and international counterparties with good credit ratings • Strategic partner based on long-term market expertise • New business under strict margin and risk conditions (focus on secondary market, no spot market financing) • New risk culture and new underwriting standards in place since 2018	• Renewable Energy & Infrastructure focus European and, selectively non-European markets • Corporate Finance for German MidCaps combined with high competence in Working Capital/Factoring and Cash & Trade • Corporates International diversifies selectively in European and North American market on base of sound risk/return profiles	• Treasury and active liability management focused on providing stable liquidity and funding structure at competitive costs • Payment services for all client segments, leveraging new technology platform • Liquidity buffer forms major part of asset base, supplemented by strategic investment portfolio • Group functions include all other central functions such as risk control, legal etc.
High-performance suite of payment transaction services for all customer segments			
Segment assets: € 9.1bn **RWA: € 3.0bn** **Net Income: € 37mn**	**Segment assets: € 3.2bn** **RWA: € 2.1bn** **Net Income: € 30mn**	**Segment assets: € 7.9bn** **RWA: € 5.2bn** **Net Income: € 24mn**	**Segment assets: € 11.4bn** **RWA: € 4.5bn** **Net Income : € 37mn**

1) Segments excl. reconciliation

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Segment Reporting – Starting new reporting of results H1 2021

€ mn / %	Project Finance & Corporates		Real Estate		Shipping		Treasury & Group Functions		Reconciliation		Group	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Net interest income	71	79	89	116	44	61	15	71	50	24	269	351
Net commission income	14	14	4	6	6	8	-0	0	2	-1	22	27
Other income[1]	5	6	4	-1	21	-34	95	16	-78	-85	47	-98
Total income	**90**	**99**	**97**	**121**	**71**	**35**	**110**	**87**	**-30**	**-62**	**338**	**280**
Risk costs (expected loss)	-14	-16	-8	-11	-7	-15	-1	-1	52	-51	22	-94
Administrative expenses & regulatory costs	-48	-51	-47	-58	-30	-29	-59	-72	0	0	-184	-210
Other operating result	0	0	0	0	0	0	5	100	0	0	5	100
Result from restructuring & transformation	0	0	0	0	0	0	-13	-5	0	0	-13	-5
Net income before taxes	28	32	42	52	34	-9	42	109	22	-113	168	71
Income tax expense	-4	-4	-5	-7	-4	1	-5	-14	44	-43	26	-67
Net income after taxes	24	28	37	45	30	-8	37	95	66	-156	194	4
Cost/income ratio (CIR - %)	48	46	42	42	39	75	35	31			45	48
ROE after taxes (%)[2]	7.0	6.3	17.2	13.6	20.8	-3.7	13.2	32.5			19.8	0.3
Risk costs (expected loss - %)[3]	0.32	0.32	0.17	0.19	0.44	0.64	0.02	0.01			-0.14	0.43
Average segment assets - € bn	8.5	10.1	9.4	11.8	3.3	4.6	11.3	17.4	0.0	0.0	32.5	43.9
Loan loss provisions (income statement)	-13	-114	-1	-49	34	66	2	2	0	1	22	-94
€ bn / %	H1 2021	YE 2020	H1 2021	YE 2020	H1 2021	YE 2020	H1 2021	YE 2020	H1 2021	YE 2020	H1 2021	YE 2020
Segment assets – € bn	7.9	8.9	9.1	9.5	3.2	3.3	11.4	12.1	0.0	0.0	31.6	33.8
Risk Weighted Assets (RWA)	5.2	5.5	3.0	3.6	2.1	2.2	4.5	4.2	0.0	0.0	14.8	15.5
Loan loss provisions (balance sheet)	0.2	0.3	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.5	0.6
NPE Ratio (%)	2.9	2.8	2.6	1.3	3.3	5.4	0.0	0.0			1.9	1.8

- ▶ Lending units with improved profitability metrics (ROE) due to more selective business approach and lower funding costs
- ▶ Net income in Treasury & Group functions lower vs. prior year, which benefited from building sales and hybrid valuation effect

1) Other income includes the other results items within the total income (IFRS) I 2) ROE after taxes based on a 13%-ratio of invested CET 1 capital as reported | 3) Risk Costs (Loan loss provisions / b/s)

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Net result excluding non-recurring items improved in H1 2021 to € 191mn compared to prior year (€ -162mn)

€ mn	Client Business		Treasury & Group Functions		Reconciliation		Group	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Net result	91	65	37	95	66	-156	194	4
Sale of assets (e.g. buildings - other results)				71				71
Valuation effect Hedge Accounting and hybrids				74	2	17	2	91
Tax reimbursements			14				14	
Reversal of litigation provision			0	9	0	0	0	9
Restructuring	0	0	-13	-5	0	0	-13	-5
Net result w/o non-recurring items	91	65	36	-53	64	-173	191	-162

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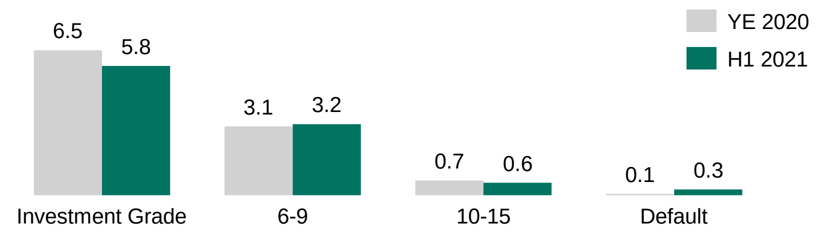
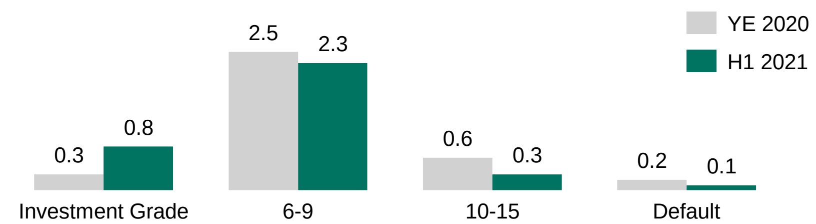
Asset allocation towards core business – sound asset quality of more focused portfolio, despite Covid-19

EAD in € bn	H1 2021	YE 2020	Δ
Residential	1.7	2.0	-16%
Office	3.9	3.7	+6%
Retail	2.7	2.9	-7%
Hotel	0.8	0.8	1%
Other	0.9	1.0	-17%
Commercial Real Estate	**9.9**	**10.4**	**-5%**
Container	1.3	1.3	0%
Bulker	0.9	1.0	-5%
Tanker	0.7	0.8	-13%
Other	0.6	0.5	+15%
Shipping	**3.5**	**3.6**	**-2%**
Corporates	3.6	4.2	-14%
Syndication	0.0	0.1	-69%
Corporates International	0.7	0.4	+70%
Infrastructure	1.8	1.8	1%
Renewable Energy	3.2	3.7	-16%
Project Finance & Corporates	**9.4**	**10.3**	**-9%**
Cash / Liquidity buffer	6.0	5.3	13%
Financial Investments & Loans	3.2	3.2	3%
Other (e.g. Cash Collat., Derivatives)	1.9	2.7	-31%
TSY & Group Functions	**11.1**	**11.1**	**-1%**
HCOB Group	**33.8**	**35.4**	**-4%**

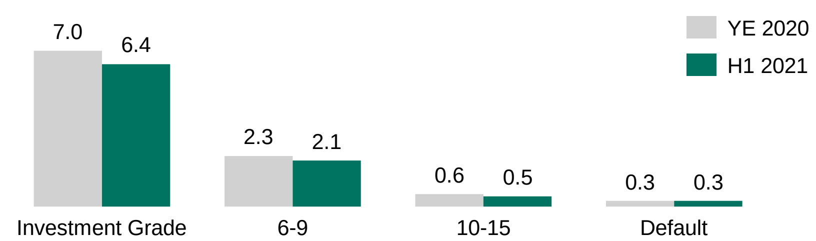
Commercial Real Estate: Rating (EAD; in € bn)



Shipping: Rating (EAD; in € bn)



Project Finance & Corporates[1]: Rating (EAD; in € bn)



Rounding differences possible | 1) Excl. Syndication

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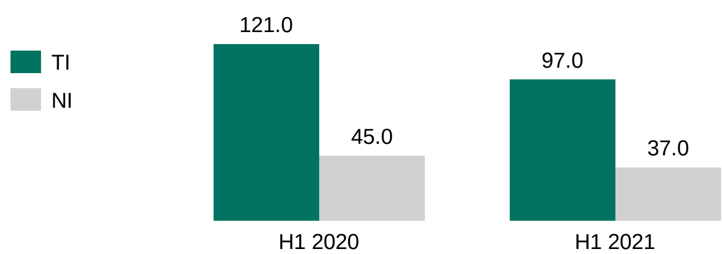
Real Estate – Operating business characterized by risk-conscious & earnings-optimizing development of the portfolio

TI, NI & ROE[1]: Sound operating performance

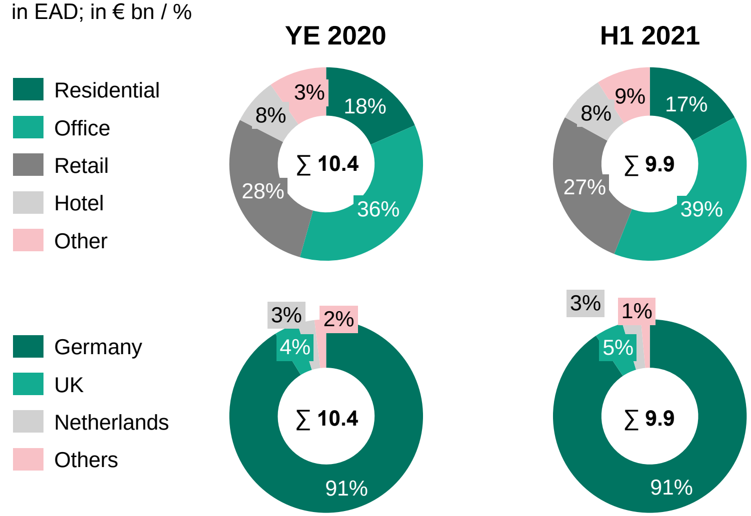
in € mn / %



ROE (%)	13.6	17.2

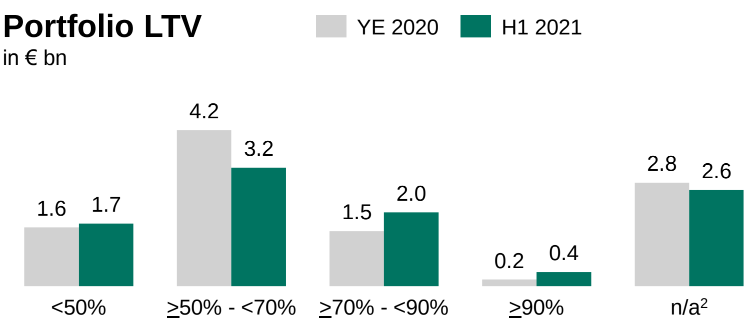
Portfolio by segment and region

in EAD; in € bn / %



Portfolio LTV

in € bn



- Increased ROE[1] reflects more selective approach for new business with higher margins and lower funding costs
- Gross New Business is recovering following crisis-driven lower credit demand last year
- Asset quality overall at sound levels, some weakening for hotels and retail exposures
- Moderately higher average LTVs, increasing from 61% to 62%, remaining at sound levels

Rounding differences possible | 1) Total Income, Net Income, ROE after taxes based on a 13%-ratio of invested CET 1 capital as reported I 2) Property-developments monitored separately

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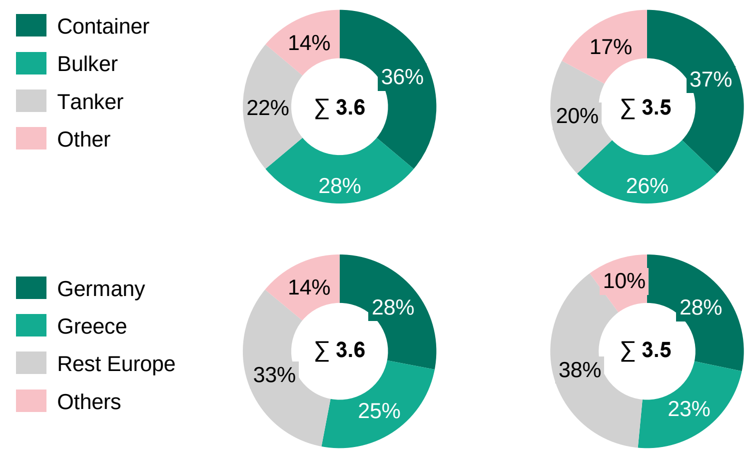
Shipping – Strong improvement of results due to significant increase in total income and lower risk costs

TI, NI & ROE[1]: Sound operating performance

in € mn / %

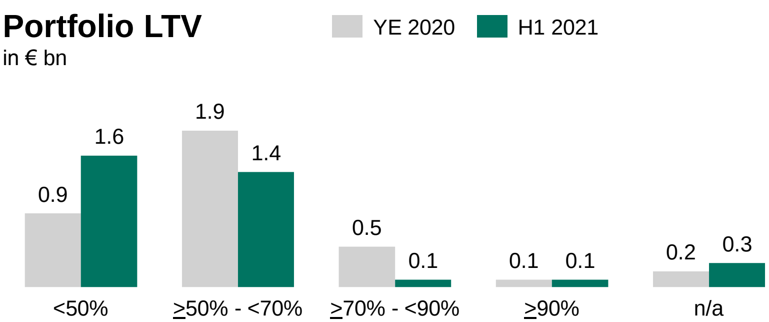
Portfolio by segment and region

in EAD; in € bn / %



Portfolio LTV

in € bn



- Encouraging earnings development was driven by the significant increase in total income, which also benefited e.g. from positive valuation effects on customer derivatives and loans, coupled with strong operating performance
- Lower risk costs also contributed to earnings improvement
- Encouraging overall development on the shipping markets despite Covid-19 crisis, favored increase in New Business
- Average LTV improved from 61% to 50% as secondhand values for Container and Bulker increased

Rounding differences possible | 1) Total Income, Net Income, ROE after taxes based on a 13%-ratio of invested CET 1 capital as reported

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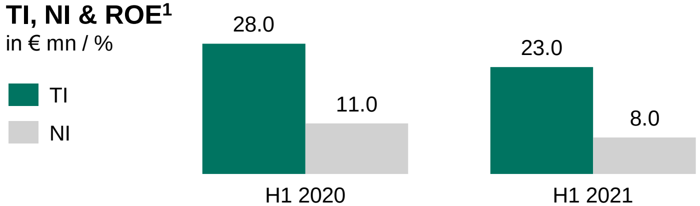
Project Finance – Domestic and international project focus contributes strongly to income and portfolio risk diversification

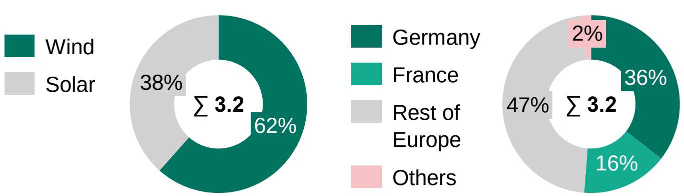
Renewable Energy

TI, NI & ROE[1]
in € mn / %

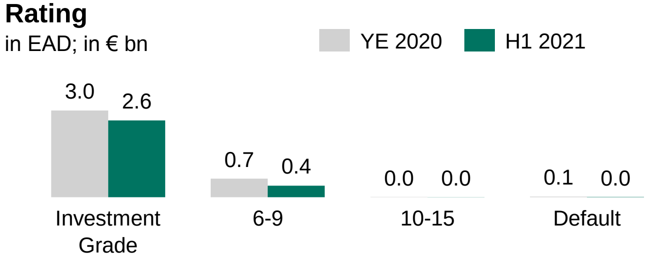


ROE (%)	10.1	9.9

EAD by Asset Class and Region
in € bn

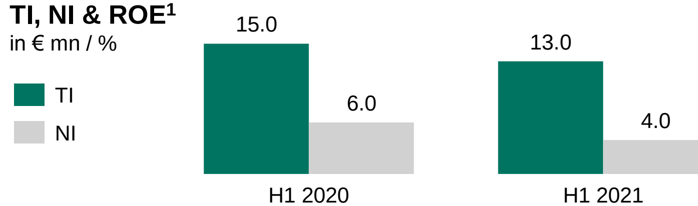


Rating
in EAD; in € bn



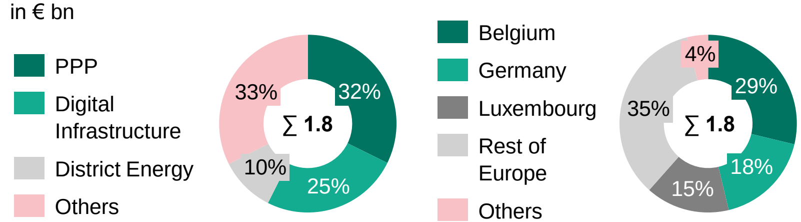
Infrastructure

TI, NI & ROE[1]
in € mn / %

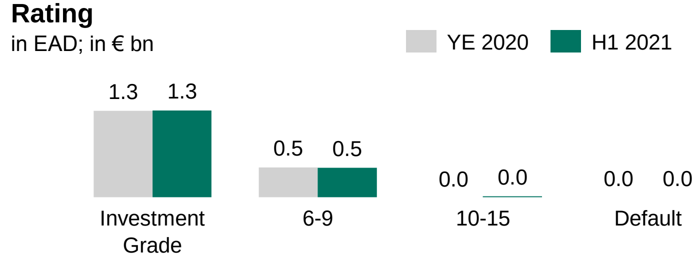


ROE (%)	7.8	6.5

EAD by Asset Class and Region
in € bn



Rating
in EAD; in € bn



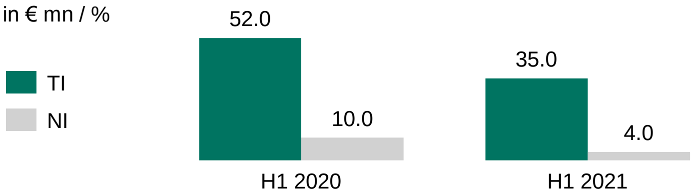
Rounding differences possible | 1) Total Income, Net Income after taxes, ROE after taxes based on a 13%-ratio of invested CET 1 capital as reported

Hamburg Commercial Bank

Corporates – Ongoing de-risking with simultaneous development of Corporates International as strong new segment

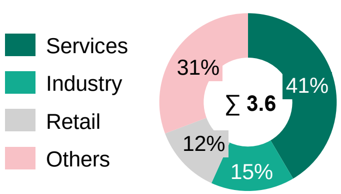
Corporates

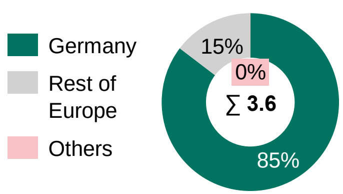
TI, NI & ROE[2]
in € mn / %



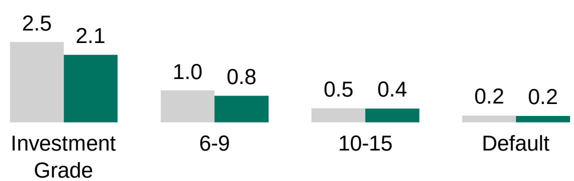
ROE (%)	3.8	2.2

EAD by Asset Class and Region
in € bn



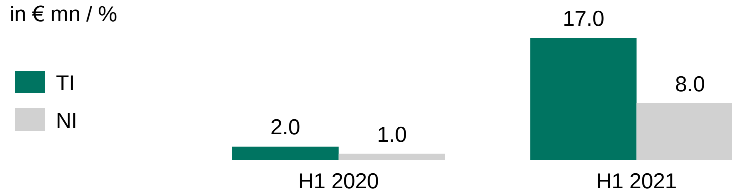


Rating
in EAD; in € bn



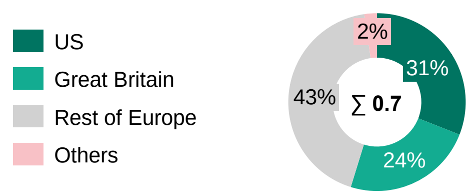
Corporates International[1]

TI, NI & ROE[2]
in € mn / %

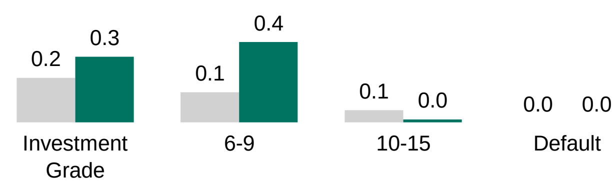


ROE (%)	22.6	22.2

EAD by Region
in € bn



Rating
in EAD; in € bn



Rounding differences possible | 1) Former “Diversified Lending” | 2) Total Income, Net Income, ROE after taxes based on a 13%-ratio of invested CET 1 capital as reported

Hamburg Commercial Bank

4. HCOB AT A GLANCE

A private commercial bank and specialist financier

HCOB as the first successfully privatized Landesbank – comprehensive transformation plan established in Q4 2018

Predecessor & Foundation of HSH Nordbank | **(Financial) Crisis / Restructuring** | **Privatization / Transformation**

1917: Foundation of Landesbank Schleswig-Holstein

1938: Foundation of Hamburgische Landesbank

2003: On 2 June 2003, HSH Nordbank AG is established as the result of the merger between Hamburgische Landesbank and Landesbank Schleswig-Holstein

2009 / 2011 / 2013:

- **2009:** In the financial crisis, HSH receives state support in the form of a capital increase of €3bn and a second loss guarantee amounting to €10bn
- **2011:** In order to save guarantee fees, the guarantee volume is reduced to ultimately €7bn
- **2013:** In the context of the worsening shipping crisis and stabilizing the capital ratios, the guarantee is increased to the original amount of €10bn as of 30 June 2013. The guarantee increase constitutes a new case for state aid

2016: The European Commission concludes its state aid proceedings (2 May 2016) with a sale obligation for the public owners

2018: **Sale of HSH Nordbank** in Q4 2018 and renamed to Hamburg Commercial Bank in Feb 2019

2022: **BdB entrance envisaged**

Seamless transmission process from the DSGV to the BdB deposit protection scheme. Final decision from the BdB body expected in Q4 2021. Envisaged entrance date 1st January 2022 as a full member of the ESF of the BdB

HCOB – Our strategy and value proposition

Growth in our core markets

We aim to leverage our deep asset expertise and strong heritage for profitable growth in Germany, and selected European and international markets that provide sufficient room to grow. Our focus is on attractive niche segments and client situations that play to our strengths and expertise.

Focus on delivering customer solutions

We provide tailored solutions to our clients and apply an entrepreneurial view on transactions throughout the value chain. As a result, we strengthen long term and reliable client relationships and accompany our clients on their evolving needs (e.g. ESG). We are active in key trending areas and meet our client's requirements.

Efficiency in everything we do

We are committed to continuously optimize our processes, technology, and organization to increase customer satisfaction and to ensure our organization's competitiveness in a challenging banking environment. We aim to leverage data and speed as a differentiator to serve our customers and for own operational excellence.

Safe and well-balanced risk profile

Our strong capital position provides strategic flexibility. A balanced risk profile, selective portfolio growth and high degree of diversification within and across asset classes ensures high resilience and is the basis for our risk-adjusted business strategy.

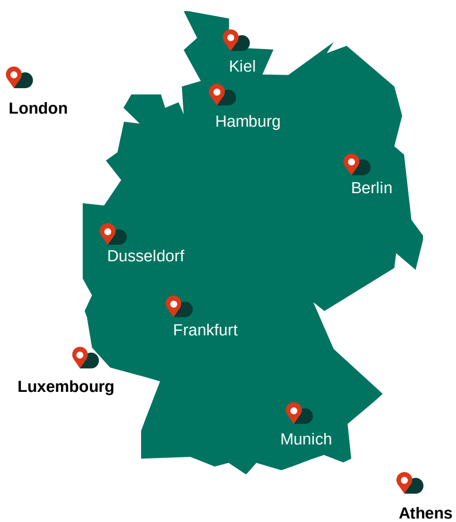
"Hamburg Commercial Bank AG (HCOB) is a private commercial bank and specialist financier headquartered in Hamburg, Germany. HCOB offers its clients a high level of structuring expertise in real estate financing with a focus on Germany and has a strong market position in international shipping. The bank is one of the pioneers in the pan-European market for project financing of renewable energies and is also involved in the expansion of digital infrastructure. HCOB offers individual solutions for international corporate clients and specialty lending as well as a focused corporate business in Germany. Digital products for reliable and timely domestic and international payments and deposits as well as other trade finance solutions also support the needs of the bank's customers. HCOB is increasingly aligning its activities with established ESG criteria and has anchored sustainability aspects in its business model."

Hamburg Commercial Bank

HCOB - Providing specialized financial solutions in selected segments to our clients

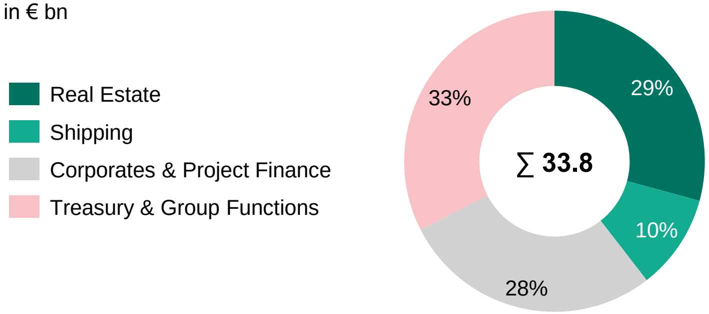
What we offer

- HCOB is a private commercial bank that works with and supports its clients at eye level while offering efficient solutions to complex challenges
- We are characterized by our experience and sector knowledge in our clients businesses, which is supported by our focused capital markets products and services
- Business areas: Commercial project finance in the real estate, renewable energies and infrastructure segments; Shipping; Tailored finance for medium-sized businesses; Structured Finance, including syndications; Payment services and transaction banking products as well as expert advice in corporate finance

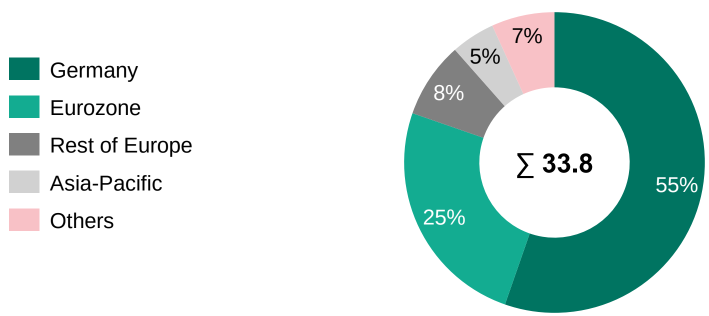


HCOB is engaged in & across various segments & countries

EAD by Segment
in € bn



EAD by Region
in € bn



Hamburg Commercial Bank

Management Board and Shareholder Structure – Experienced international management team & strong ownership

Stefan Ermisch
CEO

- Born in 1966 in Bonn, Germany
- Chief Executive Officer (CEO) since June 2016
- More than eighteen years of leading management board positions as CEO, CFO and COO at private commercial banks and in the public sector, in Germany, Austria and Italy

Ulrik Lackschewitz
CRO and Deputy CEO

- Born in 1968 in Bro, Sweden
- Chief Risk Officer (CRO) since October 2015 and deputy CEO since December 2018
- Before that, Ulrik Lackschewitz was Group Head of Financial and Risk Control at NordLB (2011) and reported directly to the Management Board

Ian Banwell
CFO

- Born 1963 in Uganda
- Chief Financial Officer (CFO) since September 2020, before (since April 2019) Chief Operating (COO)
- Earlier, Ian Banwell was Senior Managing Director at Cerberus and is currently Chief Executive Officer (CEO) and owner of Round Table Investment Management Company, LP.

Christopher Brody
CIO

- Born 1968 in the US
- Chief Investment Officer (CIO) since July 2019
- From 2012 to June 2019 Christopher Brody was President and Chief Investment Officer of a US family office and from 2008 to 2011, he held the position of Chief Investment Officer at the Austrian bank BAWAG P.S.K.

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.**	**HCOB** *Current and former Management Board Members (who are or were in office from November 2018)*
Promontoria Holding 221 B.V. 9.87%	Promontoria Holding 231 B.V. 13.87%	Promontoria Holding 233 B.V. 18.71%	JCV IV Neptun **Holdings S.à r.l.**	Golden Tree Asset **Management Lux S.à r.l.**	Chi Centauri LLC		
42.45%			**34.96%**	**12.49%**	**7.49%**	**2.50%**	**0.11%**

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Hamburg Commercial Bank

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Management system and defined management indicators of the IFRS Group
The Bank's integrated management system is aimed at the management of key value drivers on a targeted basis. The Bank (which was operating under the name HSH Nordbank AG up until February 4, 2019) uses a risk-adjusted key indicator and ratio system for this purpose that ensures that the Overall Bank are managed in a uniform and effective manner. The Hamburg Commercial Bank Group is managed mainly on the basis of figures for the Group prepared in accordance with the International Financial Reporting Standards (IFRS) and/or the relevant prudential rules.
Within the management reporting framework, the Bank focuses on the most important management indicators for the individual value drivers of the IFRS Group. On the one hand, the focus is on how these key indicators changed compared to the previous year and, on the other, on how they are expected to change in the future. The Group management report for the 2020 financial year contains further information on the management system and defined management parameters of the Hamburg Commercial Bank Group as well as disclosures.

5. APPENDIX

List of acronyms

Acronyms	Long term
AC	At cost
Avg. or ∅	Average
BAU	Business as usual
BdB	Bundesverband deutscher Banken (Association of German Banks)
b/s	Balance sheet
BPS	Base points
BU	Business Unit
CAPEX	Capital expenditures
CoF	Cost of funds
CET1	Common Equity Tier 1
CIR	Cost-Income-Ratio
CRE	Commercial Real Estate
CRM	Credit Risk Management
CRR	Capital Requirements Regulation
CSR	Corporate Social Responsibility
CTB	Change-the-bank
Δ	Delta
EAD	Exposure at Default
ESG	Environmental, Social, Governance
FC	Forecast
FTE	Full time employees
FVPL	Fair value through profit or loss
FY	Full year
GHG	Greenhouse gas
H1	First half year
IFRS	International Financial Reporting Standards
KPI	Key performing indicator
LaR	Loans and Receivables
LCR	Liquidity Coverage Ratio
(S)LLP	(Single) Loan Loss Provision
LTV	Loan to value
M&A	Mergers & Acquisition
MB	Management Board

Acronyms	Long term
NI	Net Income
NIB	Non-interest bearing
NIM	Net Interest Margin
NPC	Non personnel cost
NPE	Non Performing Exposure
NPL	Non-performing loan
NSFR	Net Stable Funding Ratio
OCI	Other comprehensive income
OPEX	Operating expenses / Administrative expenses
PCAF	Partnership for Carbon Accounting Financials
Pbt	Profit before taxes
PC	Personnel cost
P&L	Profit & Loss
PP	Percent point
PY	Previous year
Q1	First quarter
OTD	Originate-to-distribute
ROE	Return on Equity
RTB	Run-the-bank
RWA	Risk-weighted assets
Saki	Regulatory reporting local gaap
SB	Supervisory board
SREP	Supervisory Review and Evaluation Process
SVA	Shareholder value added
TI	Total Income
TLTRO	Targeted longer-term refinancing operations
TSY	Treasury
UNEP FI	United Nations Environment Programme Finance Initiative
wrt	With respect to
w/o	Without
YE	Year end
YTD	Year to date
YTG	Year to go

Hamburg Commercial Bank