

Factsheet

February 20, 2023

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 neighboring 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 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. 13.86%	Promontoria Holding 233 B.V. 18.69%	JCV IV Neptun Holdings S.à r.l.	Golden Tree Asset Management Lux S.à r.l.	Chi Centauri LLC		
42.41%			34.93%	12.47%	7.48%	2.49%	0.20%

Segment Overview & Asset Mix

Real Estate	Shipping	Project Finance	Corporates
<ul style="list-style-type: none"> ▪ 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 ▪ Financing of existing properties, refurbishments and developments ▪ Positioning to grow as ESG transition leader given expertise in refurbishments and developments ▪ HCOB differentiation through tailored offerings and entrepreneurial view on value-add deals ▪ Experienced market specialists with deep CRE expertise & experience enable above market risk-adjusted returns 	<ul style="list-style-type: none"> ▪ HCOB is a leading player in global ship financing with a focus on second-hand ships with superior risk/return dynamics ▪ Mix of asset-backed and corporate financings with a well-diversified portfolio of containers, bulkers and tankers ▪ Participating in ESG transition financing to achieve net-zero requirements ▪ Long relationships with high quality clients in Germany and Greece deliver privileged access to consistent deal flow ▪ Well-established business model focused on short durations & high collateral ship financings to reduce risks and quickly react to changing markets 	<ul style="list-style-type: none"> ▪ Focused on financing attractive infrastructure and renewables projects in Western, Northern and Southern Europe ▪ Leader in digital infrastructure with strong, early-mover track record ▪ Strong ESG footprint with renewable energy portfolio & capabilities ▪ Broad client base in chosen segments with proprietary access to deal flow (developers, PE/ infrastructure funds, manufacturers, contractors, utilities & independent power producers) ▪ Extraordinary loss experience...no losses in Project Finance in over 10 years 	<ul style="list-style-type: none"> ▪ Diversifying corporate strategies by German and International Corporates ▪ Focus on lending clients in Northern German region with service & expertise approach ▪ Large portion of clients in Germany are family-owned companies with typically long-standing HCOB relationships ▪ Diversified international approach with wide range of credit products, countries & sectors ▪ Highly skilled, lean and transaction-focused team with broad network to identify and capture market opportunities quickly in International Corporates
<ul style="list-style-type: none"> ➔ Assets: € 8.1bn ➔ RWA: € 4.8bn ➔ Net Income: € 74mn ➔ RoE¹: 11% 	<ul style="list-style-type: none"> ➔ Assets: € 3.5bn ➔ RWA: € 2.9bn ➔ Net Income: € 77mn ➔ RoE¹: 19% 	<ul style="list-style-type: none"> ➔ Assets: € 3.4bn ➔ RWA: € 2.1bn ➔ Net Income: € 25mn ➔ RoE¹: 8% 	<ul style="list-style-type: none"> ➔ Assets: € 4.6bn ➔ RWA: € 4.0bn ➔ Net Income: € 42mn ➔ RoE¹: 8%

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

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Highlights YE 2022 Preliminary





- **Earnings:** € 363mn profit before tax...€ 425mn net income in YE 22 due to tax refunds
- **RoE:** 20.8% RoE after tax (17.8% before tax) based on 13% CET1 ratio...1.4% RoA highlights profitability of b/s
- **NIM:** Expansion continues through pricing discipline & favorable duration profile...168 bps b/s in YE 22 (vs. 145 bps in YE 21)
- **NPE:** Risk well managed...NPE ratio reduced to 1.2% at YE 22 (vs. 1.4% at YE21)
- **Expenses:** Investing in IT and people, while maintaining cost discipline...€ 332mn OpEx in YE 22 (stable vs. YE 21, +1%)
- **New Business:** € 5.6bn gross new business in 22...€ 0.2bn increase from YE 21
- **Capital:** 20.5% CET1 ratio reflects dividend payment and shift to risk model foundation approach ...Leverage ratio at 9.8%
- **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: YE 22 and Outlook 23 – Measured growth & strengthened recurring profitability

Key figures in %, unless stated		2021	Prelim 2022	Guidance 2023	Perspectives 2023
Profitability & Efficiency	Profit before tax (€mn)	299	363	~350	<ul style="list-style-type: none"> ▪ Leveraging successfully transformed business and operating model. Increasing operating leverage will provide for strong profitability metrics ▪ Solid revenue growth due to tailwind from interest rate environment becoming increasingly visible, benefitting NIM and NII
	RoE post tax ¹	18.4	20.8	>11	
	CIR	50	44	45	
Risk Management	NPE ratio	1.4	1.2	1.3	<ul style="list-style-type: none"> ▪ Stringent cost management resulting in sound efficiency ratio, despite material investment in IT and people, enabling growth ▪ Sound risk management, reflected increasingly diversified portfolio, sound asset quality and significant LLP overlays
	CET1 ratio	28.9	20.5	>17	
Credit Profile	Issuer Rating	Baa1, pos.	Baa1, pos.	A3	<ul style="list-style-type: none"> ▪ Fortress b/s and strong capital position, also reflected in Leverage ratio of 9% ▪ Steadily strengthening credit profile and lengthened track record will lead to further improved rating position

Ratings

Credit-Ratings ⁴	Moody's
Deposit Rating	A3
Issuer Credit Rating (Long-Term)	A3, stable
Short-term Debt	P-2
Stand-alone Rating	baa3
"Preferred" Senior Unsecured Debt	A3
"Non-Preferred" Senior Unsecured Debt	Baa2
Subordinated Debt (Tier 2)	Ba1
Mortgage Covered Bonds	Aaa
Ship Covered Bonds	Aa3

	Sustainability-Ratings	
	2020	2022
 SUSTAINALYTICS	14.0	13.1
 MSCI	BB	BBB
 MOODY'S	29	46
 ISS ESG	C-	C-

1) Net interest margin equals core net interest income divided by avg balance sheet | 2) RoE after taxes based on CET 1 ratio of 13% | 3) CET1 guidance including dividend assumptions and subject to dividend policy based on YE22 financial results | 4) 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 2019-2022 Preliminary

Capital	2019	2020	2021	2022
IFRS Equity (in €bn)	4.4	4.3	4.7	5.2
Tangible Equity (in €bn)	3.7	3.8	4.1	4.4
CET1* (in €bn)	3.9	4.2	4.1	3.2
RWA (in €bn)	21.0	15.5	14.0	15.4
CET1 Ratio* (in %)	18.5	27.0	28.9	20.5
Total Capital Ratio* (in %)	23.5	33.3	35.7	26.8
Leverage Ratio* (in %)	8.2	12.2	12.7	9.8
MREL (TREA) (in %)	54.7	56.7	70.5	52.0**

Profitability / Efficiency	2019	2020	2021	2022
Profit before tax (in €mn)	77	257	299	363
Net Income (in €mn)	12	102	351	425
OpEx (in €mn)	-413	-365	-328	-332
RoE post tax @13% (in %)	0.4	4.3	18.4	20.8
RoA (in %)	0.0	0.3	1.1	1.4
CIR (in %)	69	42	50	44
NIM (in bps)	75	117	145	168
FTE	1,482	1,122	919	868

Asset Quality / Liquidity	2019	2020	2021	2022
NPE (in €bn)	0.9	0.6	0.5	0.4
NPE Ratio (in %)	1.8	1.8	1.4	1.2
LLP (in €bn)	0.7	0.6	0.4	0.4
NPE Coverage Ratio (in %)	57.1	47.9	55.8	68.9
LLP / Loan Book (in %)	2.3	2.5	2.2	2.1
LCR (in %)	165	171	164	197
NSFR (in %)	114	111	114	113
AE (in %)	38	42	37	31**

Asset Allocation	2019	2020	2021	2022
CRE (in €bn)	12.5	9.5	8.0	8.1
Shipping (in €bn)	4.6	3.3	3.7	3.5
Project Finance (in €bn)	5.7	5.1	3.9	3.4
Energy (in €bn)	3.8	3.5	2.4	2.0
Infrastructure (in €bn)	1.8	1.6	1.6	1.4
Corporates (in €bn)	4.8	3.7	3.9	4.6
TSY & Group Functions (in €bn)	20.2	12.2	10.8	12.2
Total Balance Sheet (in €bn)	47.7	33.8	30.3	31.8

* Voluntarily excludes results from FY 2021; FY 2022 post dividend

** as of 30.09.2022