Notes to the balance sheet

22. Intangible assets

Development of intangible assets

in € thousand	Goodwill	Software	Internally developed software	Other intangible assets	Payments made on account	Total
Carrying amount as of 1 January 2019	**46,517**	**5,221**	**26,066**	**9,424**	**2,525**	**89,753**
Acquisition or production cost						
1 January 2019	46,517	62,775	74,182	11,479	2,525	197,478
Additions	9,019	1,365	6,933	666	997	18,980
Disposals		- 3,762	- 8,784			- 12,546
Reclassifications		2,001		298	- 2,415	- 116
Changes in scope of consolidation/consolidation method		47		4,001		4,048
Effects of changes in exchange rates		458		- 12	37	483
31 December 2019	**55,536**	**62,884**	**72,331**	**16,432**	**1,144**	**208,327**
Accumulated depreciation, amortisation and impairment						
1 January 2019	0	57,554	48,116	2,055	0	107,725
Additions		3,162	3,994	1,133		8,289
Disposals		- 3,758	- 8,784			- 12,542
Reclassifications						0
Changes in scope of consolidation/consolidation method						0
Effects of changes in exchange rates		346		3		349
31 December 2019	**0**	**57,304**	**43,326**	**3,191**	**0**	**103,821**
Carrying amount as of 31 December 2019	**55,536**	**5,580**	**29,005**	**13,241**	**1,144**	**104,506**
Carrying amount as of 1 January 2020	**55,536**	**5,580**	**29,005**	**13,241**	**1,144**	**104,506**
Acquisition or production cost						
1 January 2020	55,536	62,884	72,331	16,432	1,144	208,327
Additions		1,630	3,049	290	2,986	7,955
Disposals		- 295		- 4	- 5	- 304
Reclassifications		526		187	- 715	- 2
Changes in scope of consolidation/consolidation method						0
Effects of changes in exchange rates		- 784		- 152	- 67	- 1,003
31 December 2020	**55,536**	**63,961**	**75,380**	**16,753**	**3,343**	**214,973**
Accumulated depreciation, amortisation and impairment						
1 January 2020	0	57,304	43,326	3,191	0	103,821
Additions	4,037	2,336	3,187	1,670		11,230
Disposals		- 295		- 4		- 299
Reclassifications						0
Changes in scope of consolidations/consolidation method						0
Effects of changes in exchange rates		- 601		- 18		- 619
31 December 2020	**4,037**	**58,744**	**46,513**	**4,839**	**0**	**114,133**
Carrying amount as of 31 December 2020	**51,499**	**5,217**	**28,867**	**11,914**	**3,343**	**100,840**

Carrying amounts for goodwill by segments

in € thousand	31.12.2020	31.12.2019
Container	45,005	45,005
Intermodal	1,512	1,512
Logistics	4,982	9,019
	51,499	**55,536**

The goodwill of the cash-generating unit (CGU) CTT/Rosshafen in the amount of € 35,525 thousand, the CGU HHLA TK Estonia in the amount of € 7,587 thousand and the CGU HCCR in the amount of € 1,893 thousand is attributable to the Container segment.

The goodwill attributable to the Logistics segment resulted from the acquisition of Bionic Production GmbH, Lüneburg (Bionic). Due to the global impact of the coronavirus pandemic and delays to certain projects, the Executive Board of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) recalculated the recoverable amount of the CGU Bionic in the second quarter at € 15,628 thousand. An impairment loss in the amount of € 4,037 thousand was recorded for the CGU Bionic, reducing the carrying amount of the goodwill attributable to the CGU Bionic to € 4,982 thousand (previous year: € 9,019 thousand). The matter comes within the economic context of the derecognition through profit and loss of a liability arising from a contingent consideration measured at fair value, which results in other operating income in the amount of € 4,327 thousand, see also Note 11.

The recoverable amount was determined using the fair value less costs of sale. The measurement is classed as level 3 of the fair value hierarchy due to the non-observable inputs used in the measurement.

The management approach and key assumptions for determining fair value less costs to sell

Unobservable input factor	Values assigned to the key assumption as of 30 June 2020 (31 December 2019)	Approach to determining the assumption
Disposal costs	319 thousand € (516 thousand €)	Estimated on the basis of the company's experience with the sale of assets
Cash flow forecast period	9 years (10 years)	9-year forecast approved by the Executive Board of HHLA AG, prepared by the management
Capitalisation interest rate	9.12 % (11.65 %)	Illustrates the specific risks
Long term growth rate	1 % (1 %)	Denotes the weighted average growth rate used to extrapolate cash flows beyond the forecast period

As of the measurement date of 31 December 2020 and as part of the annual review of goodwill for the CGU Bionic, the recoverable amount was once again calculated as the fair value less costs of sale using the discounted cash flow method. The discount rate after tax is 8.7 % (previous year: 11.7 %). A growth factor of 1.0 % (previous year: 1.0 %) was applied.

Based on the estimate used, the recoverable amount for the CGU Bionic is approx. € 1.6 million higher than the carrying amount for valuation purposes. As the recoverable amount is close to the carrying amount, the management considers it possible that there could be a change in material assumptions which would lead to the carrying amount exceeding the recoverable amount.

The overview below shows the necessary change in the various material valuation parameters which would lead to the recoverable amount being the same as the carrying amount:

Valuation parameters

in % / pp	Necessary change
Discount rate	+ 0.5 pp
Growth factor	- 1.3 pp
EBIT*	- 6.5 %

* Change applies to the detailed planning for the first 9 years and the going concern value.

Additions of internally developed software in the reporting period mainly relate to the migration of a new terminal management system.

23. Property, plant and equipment

Development of property, plant and equipment

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Payments on account and plants under construction	Total
Carrying amount as of 1 January 2019	**955,605**	**306,303**	**268,996**	**72,237**	**1,603,140**
Acquisition or production cost					
31 December 2018	848,812	906,166	561,699	81,504	2,398,181
Adjustment due to first-time adoption of IFRS 16	502,405	208	49,532	- 9,267	542,878
1 January 2019	1,351,217	906,374	611,231	72,237	2,941,059
Additions	54,055	19,943	65,479	73,890	213,367
Disposals	- 3,713	- 42,792	- 30,621	- 606	- 77,732
Reclassifications	8,961	12,361	17,770	- 38,976	116
Changes in scope of consolidation/consolidation method	328	84	142		554
Effects of changes in exchange rates	5,699	3,443	961	1,836	11,939
31 December 2019	**1,416,547**	**899,413**	**664,962**	**108,381**	**3,089,303**
Accumulated depreciation, amortisation and impairment					
1 January 2019	395,612	600,071	342,235	0	1,337,919
Additions	61,975	40,384	41,952		144,311
Disposals	- 3,501	- 41,879	- 28,529		- 73,909
Reclassifications					0
Changes to scope of consolidation/consolidation method					0
Effects of changes in exchange rates	1,162	2,139	425		3,726
31 December 2019	**455,248**	**600,715**	**356,083**	**0**	**1,412,046**
Carrying amount as of 31 December 2019	**961,299**	**298,698**	**308,879**	**108,381**	**1,677,257**
Carrying amount as of 1 January 2020	**961,299**	**298,698**	**308,879**	**108,381**	**1,677,257**
Acquisition or production cost					
1 January 2020	1,416,547	899,413	664,962	108,381	3,089,303
Additions	13,780	35,173	65,013	53,660	167,626
Disposals	- 2,340	- 10,293	- 24,202	- 112	- 36,947
Reclassifications	16,058	43,767	23,160	- 82,983	2
Changes in scope of consolidation/consolidation method					0
Effects of changes in exchange rates	- 11,563	- 6,048	- 1,871	- 4,104	- 23,586
31 December 2020	**1,432,482**	**962,012**	**727,061**	**74,842**	**3,196,398**
Accumulated depreciation, amortisation and impairment					
1 January 2020	455,248	600,715	356,083	0	1,412,046
Additions	62,080	41,306	42,667		146,053
Disposals	- 1,942	- 10,006	- 20,295		- 32,243
Reclassifications					0
Changes to scope of consolidation/consolidation method					0
Effects of changes in exchange rates	- 2,572	- 3,611	- 911		- 7,094
31 December 2020	**512,814**	**628,404**	**377,544**	**0**	**1,518,763**
Carrying amount as of 31 December 2020	**919,668**	**333,607**	**349,517**	**74,842**	**1,677,635**

See Note 45 for further details regarding the existing restrictions in connection with leases.

Additions in the reporting period primarily comprise capital expenditure for the procurement of handling equipment and the expansion of warehouse capacities at the Hamburg container terminals, as well as the capital expenditure of the METRANS Group for the acquisition of locomotives and wagons in order to increase performance capability and the reach of hinterland connections.

Disposals in the reporting period mainly relate to the sale/scrapping of handling equipment.

The effects of changes in exchange rates mainly include the exchange rate changes of the Ukrainian currency.

Impairment losses on property, plant and equipment totalling € 423 thousand (previous year: € 0 thousand) were recognised in the reporting year.

Buildings, surfacing and movable non-current assets with a carrying amount of € 4,755 thousand (previous year: € 5,251 thousand) have been pledged as collateral in connection with loans taken up by the Group.

As of the balance sheet date, the Group had obligations of € 85,030 thousand (previous year: € 87,529 thousand) from outstanding purchase commitments attributable to investments in property, plant and equipment.

Development of rights of use included in property, plant and equipment

in € thousand	Land and buildings	Technical equipment and machinery	Other plant, operating and office equipment	Total
Carrying amount as of 1 January 2019	**593,690**	**14,804**	**84,057**	**692,552**
Acquisition or production cost				
31 December 2018	108,197	16,860	45,618	170,675
Adjustment due to first-time adoption of IFRS 16	502,405	208	49,532	552,145
1 January 2019	610,602	17,068	95,150	722,820
Additions	46,334	495	9,577	56,406
Disposals			- 2,562	- 2,562
Reclassifications		2,036		2,036
Changes in scope of consolidation/consolidation method	328			328
Effects of changes in exchange rates	1,352	11	97	1,460
31 December 2019	**658,617**	**19,609**	**102,262**	**780,488**
Accumulated depreciation, amortisation and impairment				
1 January 2019	16,912	2,264	11,093	30,268
Additions	31,013	1,928	17,318	50,259
Disposals			- 1,679	- 1,679
Reclassifications		- 197		- 197
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	72		36	108
31 December 2019	**47,997**	**3,995**	**26,768**	**78,760**
Carrying amount as of 31 December 2019	**610,620**	**15,614**	**75,494**	**701,729**
Carrying amount as of 1 January 2020	**610,620**	**15,614**	**75,494**	**701,729**
Acquisition or production cost				
1 January 2020	658,617	19,609	102,262	780,488
Additions	912	642	6,188	7,742
Disposals	- 151	- 5	- 8,925	- 9,081
Reclassifications		- 628		- 628
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	- 4,052	- 54	- 292	- 4,398
31 December 2020	**655,326**	**19,564**	**99,233**	**774,123**
Accumulated depreciation, amortisation and impairment				
1 January 2020	47,997	3,995	26,768	78,760
Additions	31,271	2,011	15,757	49,039
Disposals	- 15		- 5,154	- 5,169
Reclassifications		- 101		- 101
Changes in scope of consolidation/consolidation method				0
Effects of changes in exchange rates	- 268	- 12	- 86	- 366
31 December 2020	**78,985**	**5,893**	**37,285**	**122,163**
Carrying amount as of 31 December 2020	**576,341**	**13,671**	**61,948**	**651,960**

24. Investment property

Development of investment property

in € thousand	Investment property	Payments on account and plants under construction	Total
Carrying amount as of 1 January 2019	**181,059**	**3,665**	**184,724**
Acquisition or production cost			
1 January 2019	341,095	3,665	344,760
Additions	2,478	6,743	9,221
Disposals		- 8	- 8
Reclassifications			0
31 December 2019	**343,573**	**10,400**	**353,973**
Accumulated depreciation, amortisation and impairment			
1 January 2019	160,036	0	160,036
Additions	8,788		8,788
Disposals			0
Reclassifications			0
31 December 2019	**168,824**	**0**	**168,824**
Carrying amount as of 31 December 2019	**174,749**	**10,400**	**185,149**
Carrying amount as of 1 January 2020	**174,749**	**10,400**	**185,149**
Acquisition or production cost			
1 January 2020	343,573	10,400	353,973
Additions	308	20,532	20,840
Disposals		- 302	- 302
Reclassifications	365	- 365	0
31 December 2020	**344,246**	**30,265**	**374,511**
Accumulated depreciation, amortisation and impairment			
1 January 2020	168,824	0	168,824
Additions	8,549		8,549
Disposals			0
Reclassifications			0
31 December 2020	**177,373**	**0**	**177,373**
Carrying amount as of 31 December 2020	**166,873**	**30,265**	**197,138**

Investment property mainly relates to warehouses converted to office space and other commercial real estate in Hamburg's Speicherstadt historical warehouse district, as well as logistics warehouses and surfaced areas.

The additions in the reporting period relate mainly to conversion costs in connection with changes of use.

Rental income from investment property at the end of the financial year was € 51,847 thousand (previous year: € 52,870 thousand). The direct operating expenses for investment property, which are fully attributable to rental income, amounted to € 17,988 thousand in the reporting year (previous year: € 18,919 thousand).

Fair value is calculated and measured annually by HHLA's Real Estate segment. The associated inputs are classified as level 3 in the fair value hierarchy, see Note 7.

Fair value reconciliation

in € thousand	2020	2019
As of 1 January	625,006	618,616
Change in fair value (not realised)	- 20,517	6,390
As of 31 December	**604,489**	**625,006**

The valuation method used to measure the fair value of investment property as well as the key unobservable input factors applied

Valuation method	Key unobservable input factors	Relationship between key unobservable input factors and measurement at fair value The estimated fair value would increase (fall) if
Fair values are measured by applying the discounted cash flow method (DCF method) to the forecast net cash flows from managing the properties. This method is based on detailed forecasts of ten years or up to the end of the useful lives of properties with a remaining useful life of less than ten years. The cash flows are discounted using standard market interest rates. Property-specific fair value is determined on the basis of property-specific measurement criteria.	Contractually agreed rental income	the contractually agreed rental income was higher (lower)
	Expected rent increases	the expected rent increases were higher (lower)
	Vacancy periods	the vacancy periods were shorter (longer)
	Level of occupancy	the level of occupancy was higher (lower)
	Rent-free periods	the rent-free periods were shorter (longer)
	Possible termination of the tenancy agreement	tenancy agreements were not terminated (were terminated)
	Re-leasing	the property was re-leased sooner (later)
	Operating, management and maintenance costs	operating, management and maintenance costs were lower (higher)
	Rent for the land	the rent was lower (higher)
	Discount rate (4.13 to 7.51 % p.a.)	the risk-adjusted discount rate was lower (higher)

Regarding existing restrictions on the disposal and use of buildings in connection with the renting of the associated properties from the Free and Hanseatic City of Hamburg, see the explanatory remarks on leases in Note 45.

25. Associates accounted for using the equity method

Associates accounted for using the equity method

in € thousand	31.12.2020	31.12.2019
Interests in joint ventures	13,230	12,848
Interests in associates companies	4,188	4,345
	17,418	**17,193**

Interests in joint ventures comprise Hansaport Hafenbetriebsgesellschaft mit beschränkter Haftung, HHLA Frucht- und Kühl-Zentrum GmbH, Ulrich Stein Gesellschaft mit beschränkter Haftung, ARS-UNIKAI GmbH, Kombi-Transeuropa Terminal Hamburg GmbH, HVCC Hamburg Vessel Coordination Center GmbH, Spherie UG (haftungsbeschränkt) and Hyperport Cargo Solutions GmbH i. G. Third Element Aviation GmbH has been included in the HHLA Consolidated Financial Statements as of the fourth quarter of 2020.

Interests in associated companies include the shares in CuxPort GmbH and the shares in DHU Gesellschaft Datenverarbeitung Hamburger Umschlagsbetriebe mbH.

The higher interests reported than in the previous year are largely due to the earnings recorded in financial income for the various companies at equity less the dividends received, see Note 16.

For more information, please refer to Note 3.

26. Non-current financial assets

Non-current financial assets

in € thousand	31.12.2020	31.12.2019
Securities	5,779	5,677
Shares in affiliated companies	54	54
Other equity investments	98	309
Other non-current financial assets	10,496	10,137
	16,427	**16,177**

In the reporting year – as in the previous year – the securities relating to insolvency insurance for phased early retirement entitlements were netted out against the corresponding phased early retirement obligations because they fulfil the conditions for plan assets as per IAS 19 (revised 2011). The securities portfolio recognised as plan assets in the financial year amounted to € 143 thousand (previous year: € 173 thousand), see Note 37. Before offsetting, this results in a securities portfolio of € 5,922 thousand (previous year: € 5,850 thousand).

The shares in affiliated companies include shares in companies which are of minor importance for giving a true and fair view of the Group's results of operations, net assets and financial position and are therefore not consolidated.

Other long-term equity investments include shares in companies which are included in the Consolidated Financial Statements neither as an affiliate nor using the equity method due to their minor importance. Such shareholdings are usually up to 50 %. The year-on-year change results mainly from one-off valuation allowances.

Other non-current financial assets primarily include receivables from a graduated rent totalling € 3,687 thousand (previous year: € 4,006 thousand), as well as receivables from relief funds totalling € 2,614 thousand (previous year: € 2,625 thousand).

27. Inventories

Inventories

in € thousand	31.12.2020	31.12.2019
Raw materials, consumables and supplies	22,257	22,005
Work in progress	2,323	2,579
Finished products and merchandise	974	658
	25,554	**25,242**

Impairment losses on inventories recognised as an expense amount to € 1,616 thousand (previous year: € 1,111 thousand). This expense is reported under cost of materials, see Note 12.

28. Trade receivables

Trade receivables

in € thousand	31.12.2020	31.12.2019
	166,913	**168,127**

Trade receivables are receivables from customers that are fulfilled in connection with normal business operations. In respect of the overwhelming majority of customers, they are usually due within 30 days and are therefore classed as current.

No trade receivables were assigned as collateral for financial liabilities, either in the year under review or in the previous year. Collateral for trade receivables is only held to a minor extent (e.g. rental guarantees).

Details of the structure and valuation allowances for trade receivables can be found in Note 47.

29. Receivables from related parties

Receivables from related parties

in € thousand	31.12.2020	31.12.2019
Receivables from HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV)	82,000	95,000
Receivables from HHLA Frucht- und Kühl-Zentrum GmbH	1,099	952
Receivables from Kombi-Transeuropa Terminal Hamburg GmbH	1,022	1,194
Receivables from Free and Hanseatic City of Hamburg (FHH)	262	464
Receivables from other related parties	900	1,195
	85,283	**98,805**

Receivables from HGV include € 82,000 thousand from existing cash clearing (previous year: € 95,000 thousand).

30. Current financial assets

Current financial assets

in € thousand	31.12.2020	31.12.2019
Current receivables from employees	1,405	1,393
Current reimbursement claims against insurers	104	250
Other current financial assets	1,625	1,936
	3,134	**3,579**

31. Other non-financial assets

Other non-financial assets

in € thousand	31.12.2020	31.12.2019
Current tax credit	14,451	17,051
Credits issued due to contractual arrangements	4,050	103
Payments on account	2,729	3,061
Other	9,903	9,457
	31,133	**29,672**

Current tax credits fell year-on-year, mainly due to lower value added tax receivables.

32. Income tax receivables

Income tax receivables

in € thousand	31.12.2020	31.12.2019
	1,369	**2,201**

Income tax receivables consist of tax receivables resulting from tax assessments and advance tax payments.

33. Cash, cash equivalents and short-term deposits

Cash, cash equivalents and short-term deposits

in € thousand	31.12.2020	31.12.2019
Cash and cash equivalents with a maturity of up to 3 months	5,975	23,131
Short-term deposits with a maturity of 4–12 months	40,000	45,000
Bank balances and cash in hand	80,883	89,910
	126,858	**158,041**

Cash, cash equivalents and short-term deposits are made up of cash in hand and various bank balances in different currencies.

Cash and short-term deposits of € 3,679 thousand (previous year: € 9,147 thousand) are subject to foreign exchange outflow restrictions.

As of the balance sheet date, the Group had unused lines of credit amounting to € 54,309 thousand (previous year: € 3,063 thousand) and had met all the conditions for their use. Due to sufficient liquidity, the line of credit in the amount of € 50,000 thousand was not used.

34. Non-current assets held for sale

There were no non-current assets held for sale either in the reporting period or in the previous year.

35. Equity

Changes in the individual components of equity for the reporting period and the previous year are shown in the statements of changes in equity.

Subscribed capital

As of the balance sheet date, HHLA's share capital consists of two different share classes: Class A shares and Class S shares. Subscribed capital totals € 74,405 thousand (31 December 2019: € 72,753 thousand), divided into 71,700,215 Class A shares (31 December 2019: 70,048,834 Class A shares) and 2,704,500 Class S shares; each no-par-value share represents € 1.00 of the share capital on paper. The share capital has been fully paid in.

In the course of the stock flotation on 2 November 2007, 22,000,000 Class A shares were placed on the market. This corresponds to a free float of approx. 30 % of the company's share capital. As of the balance sheet date, the Free and Hanseatic City of Hamburg holds 70.11 % of the voting rights through the company HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (31 December 2019: 69.58 %).

In the financial year, a capital increase was carried out in connection with the dividend distribution to holders of Class A shares. A resolution was passed at the Annual General Meeting held on 20 August 2020 to distribute a portion of the distributable profit for the 2019 financial year through the payment of a dividend to holders of common shares in the amount of € 0.70 per Class A share and € 2.10 per Class S share. On the basis of a subscription offer to all holders of Class A shares, Class A shareholders were granted the right to assert the dividend entitlements arising from the resolution on the appropriation of net income on a pro rata basis in the amount of € 0.49 (pro rata dividend entitlement) as a contribution in kind for the granting of new Class A shares from a capital increase from Authorised Capital I (Section 3 [4] of the articles of association) (share dividend). The remaining portion of the dividend in the amount of € 0.21 was paid in cash – irrespective of the exercise of the option right by Class A shareholders. No corresponding option right was granted to holders of Class S shares.

The option right in favour of the share dividend was exercised for a total of 51,357,949 Class A shares. On the basis of the subscription ratio, the subscription price and further regulations governing the share dividend, a total of 1,651,381 new Class A shares, each representing € 1.00 of the company's share capital, were issued from Authorised Capital I. The share capital of Hamburger Hafen und Logistik Aktiengesellschaft (HHLA) now amounts to 74,404,715 shares: 71,700,215 Class A shares and an unchanged 2,704,500 Class S shares. For further information, please refer to Note 21. The remaining undistributed profit was carried forward to new account.

In September 2020, shareholder dividend entitlements in the amount of € 25,165 thousand were thus asserted from Authorised Capital I. Following deduction of the incurred transaction costs recognised directly in equity, capital reserves rose by € 23,015 thousand to € 164,599 thousand.

Authorised capital

As of the balance sheet date, the company has Authorised Capital I for the issue of Class A shares and Authorised Capital II for the issue of Class S shares.

Authorised Capital I

Using Authorised Capital I (cf. Article 3 [4] of the articles of association) and subject to the approval of the Supervisory Board, the Executive Board is still authorised – following the partial utilisation of Authorised Capital I in connection with the scrip dividend – to increase the company's share capital until 20 June 2022 by up to € 33,373,036.00 by issuing up to 33,373,036 new registered Class A shares for subscription in cash and/or in kind in one or more stages. The statutory subscription rights of holders of Class S shares shall be excluded. The Executive Board is additionally authorised, subject to the approval of the Supervisory Board, to exclude the statutory subscription rights of holders of Class A shares in those cases covered in more detail in the resolution, such as issue for contributions in kind. Furthermore, the issue of new Class A shares while excluding the subscription rights of Class A shareholders is limited to a total of 20 % of the share capital attributable to Class A shares. All Class A shares issued or that could be issued under other authorisations with the exclusion of subscription rights count towards this 20 % limit.

Authorised Capital II

Using Authorised Capital II (cf. Article 3 [5] of the articles of association), the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's share capital until 20 June 2022 by up to € 1,352,250.00 by issuing up to 1,352,250 new registered Class S shares for subscription in cash and/or in kind in one or more stages. The statutory subscription rights of holders of Class A shares shall be excluded. The Executive Board is authorised, with the approval of the Supervisory Board, to exclude the statutory subscription rights of holders of Class S shares as is necessary to equalise fractional amounts.

Other authorisations

The Annual General Meeting of HHLA held on 18 June 2019 authorised the Executive Board, subject to the approval of the Supervisory Board, to issue on one or more occasions up to 17 June 2024 bearer or registered bonds with warrants and/or convertible bonds or combinations of these instruments (hereinafter known collectively as "debenture bonds") with a total nominal value of up to € 300,000,000.00 and to grant the bearers or creditors of the debenture bonds warrants or conversion rights for up to 10,000,000 new registered Class A shares in the company, each representing € 1.00 of the share capital, subject to the detailed terms of the bonds with warrants and/or convertible bonds. The respective terms may also provide for a warrant or conversion obligation as well as an issuer put option to provide Class A shares in the company as of the end of the term or at an earlier date. The detailed terms of the resolution state that shareholders' subscription rights may also be excluded when the debenture bonds are issued. As per Article 3 (6) of the articles of association, conditional capital of € 10,000,000.00 is available to service warrants and conversion rights and obligations as well as any tender rights. This is made up of 10,000,000 new registered Class A shares.

The Annual General Meeting held on 16 June 2016 additionally authorised the company's Executive Board to purchase Class A treasury shares up to a maximum of 10 % of the portion of the company's share capital accounted for by Class A shares at the time of the resolution or, if lower, at the time the authorisation is exercised. In addition to being sold on the stock exchange or offered to all shareholders in line with their shareholdings, the Class A treasury shares acquired under this authorisation or previous authorisations may – subject to the approval of the Supervisory Board – be used in the cases stipulated by the resolution excluding other shareholders' subscription rights and/or be redeemed either in whole or in part without the need for an additional resolution by the Annual General Meeting. This authorisation expires on 15 June 2021. The authorisation may be used for any legally permissible purpose, except for trading in treasury shares.

HHLA does not currently hold any treasury shares. There are no plans to buy back shares.

Capital reserve

The Group's capital reserve includes premiums from share issues and the associated costs of issue, which are deducted from the capital reserve. It also comprises premiums from capital increases at subsidiaries with non-controlling interests, premiums from a reserve increase from an employee stock purchase plan and premiums from a capital increase in connection with a dividend distribution for Class A shares for contributions in kind.

Retained earnings

Retained earnings include net profits from prior years for companies included in the Consolidated Financial Statements, insofar as these were not distributed as dividends. This item also encompasses differences between HGB and IFRS as of 1 January 2006 (the transitional date).

Other comprehensive income

In accordance with the currently applicable version of IAS 19 (revised 2011), the HHLA Group's other comprehensive income includes all actuarial gains and losses from defined benefit pension plans. This item additionally comprises changes in the fair value of hedging instruments (cash flow hedges) and the corresponding tax effects.

The reserve for translation differences enables the recognition of differences arising on the translation of financial statements for foreign subsidiaries.

Non-controlling interests

Non-controlling interests comprise outside interests in the Group companies' consolidated equity.

As per the provisions of IAS 32, non-controlling interests are reduced mainly by the reclassification of a minority shareholder's future estimated entitlements to financial settlements as financial liabilities for the term of the profit and loss transfer agreement, see Note 6 and Note 38. This was chiefly offset by the inclusion of current total comprehensive income.

Notes on capital management

Capital management at the HHLA Group aims to ensure the Group's long-term financial stability and flexibility in order to safeguard the Group's growth and enable its shareholders to reasonably participate in its success. Balance sheet equity is the primary benchmark in this regard. The key value-oriented performance indicator at the HHLA Group is the return on capital employed (ROCE). The equity ratio is also monitored in order to maintain a stable capital structure.

Equity ratio

in %	**31.12.2020**	31.12.2019
Equity in € thousand	567,003	578,862
Total assets in € thousand	2,591,123	2,610,019
	21.9 %	**22.2 %**

The decline in equity is primarily attributable to the dividend payouts of € 55,741 thousand, the reclassification of a future financial settlement totalling € 23,377 thousand as a non-current financial liability, the interest-related change of € 15,155 thousand in actuarial losses including tax effects not recognised in profit or loss and the change of € 16,221 thousand in the reserve for translation differences. This was offset by the capital increase from the dividend payment in return for non-cash contributions amounting to € 24,666 thousand and the pandemic-related decline in net income of € 74,133 thousand in the reporting period.

External minimum capital requirements were fulfilled at all agreed audit points throughout the reporting year. See Note 38 for more information.

36. Pension provisions

Pension provisions

Provisions for pensions and similar obligations are formed for commitments arising from both vested rights to future pension payments and current payments to active and former members of HHLA Group companies in Germany and any surviving dependants who are entitled to receive such benefits. A distinction is made between defined benefit and defined contribution company pension plans.

Defined benefit pension plans

In the case of defined benefit plans, the Group is obliged to make the agreed payments to current and former employees. HHLA's pension scheme is financed by both provisions and funds.

Company retirement benefits are paid on the basis of various entitlements. As well as individual agreements, this is primarily the collective company pension agreement (BRTV). As part of the harmonisation of existing pension schemes, the "HHLA capital plan" labour agreement has also been introduced with effect from 1 January 2018.

The BRTV is a total benefit plan. HHLA guarantees the participating employees a certain amount of benefits, which are made up of the statutory pension and the company pension. The amount of total benefits is determined by a variable percentage (according to years of service) of a fictitious net payment in the final wage or salary band based on the applicable social security data contribution levels for the year 1999. The current contribution assessment ceiling is always taken into account.

The HHLA capital plan provides employees with a uniform and transparent pension scheme that offers a high degree of flexibility, both in terms of paying in and in the payout/benefit phase. Payments made into the HHLA capital plan are funded from gross income (deferred compensation). As such, the employees forgo a part of their untaxed income at the time they pay into the scheme in favour of future retirement savings. 27.50 % is added to the contributions paid in as part of the deferred compensation scheme. Furthermore, an annual interest rate of 3.00 % is guaranteed in respect of the contributions.

Based on these pension plans, the Group forms provisions for pensions and similar obligations for the amount of expected future retirement and surviving dependants' pensions and/or savings for future retirement and surviving dependants. External actuaries calculate the amount of the obligation using the projected unit credit method.

Amounts recognised for pension commitments

in € thousand	**31.12.2020**	31.12.2019
Present value of pension obligations	530,771	502,874
Obligations from working lifetime accounts	373	365
	531,144	**503,239**

Pension obligations

The balance sheet shows the full present value of pension obligations including actuarial gains and losses. The reported pension obligation relates to an unfinanced plan.

Development of the present value of pension obligations

in € thousand	**2020**	2019
Present value of pension obligations as of 1 January	**502,874**	**448,161**
Contributions of capital plan participants	7,899	6,247
Current service expense	13,891	12,627
Past service expense	168	2,466
Interest expense	3,537	7,191
Pension payments	- 20,053	- 19,781
Actuarial gains (-), losses (+) due to amendments in experience-based assumptions	- 8,407	- 12,077
Actuarial gains (-), losses (+) due to amendments in financial assumptions	30,862	58,040
Present value of pension obligations as of 31 December	**530,771**	**502,874**

Present value of the defined benefit pension obligations split by various groups of beneficiaries

in %	**2020**	2019
Current employees	39.9	40.3
Former employees	1.4	1.3
Pensioners	58.7	58.4
	100.0	**100.0**

As of 31 December 2020, the weighted average term of the defined benefit obligation was 13.4/17.4 years (previous year: 13.9/18.3 years).

In addition, reimbursement rights of € 2,672 thousand (previous year: € 2,625 thousand) were concluded to cover the corresponding pension obligations. The expected income from these reimbursement rights amounts to € 18 thousand in the year under review, whereas the actual income amounts to € 184 thousand. In the 2020 financial year, € 137 thousand was paid out in reimbursement rights.

Pension obligations recognised in the income statement

in € thousand	2020	2019
Current service expense	13,891	12,627
Past service expense	168	2,466
Interest expenses	3,537	7,191
	17,596	**22,284**

Development of actuarial gains / losses from pensions obligations

in € thousand	2020	2019
Actuarial gains (+), losses (-) as of 1 January	**- 114,657**	**- 68,694**
Changes in the financial year due to amendments in experience-based assumptions	8,407	12,077
Changes in the financial year due to amendments in financial assumptions	- 30,862	- 58,040
Actuarial gains (+), losses (-) as of 31 December	**- 137,112**	**- 114,657**

Key actuarial assumptions to determine the present value of the pension obligations

in %	31.12.2020	31.12.2019
Discount rate (capital plan)	0.30	0.80
Discount rate (others)	0.20	0.70
Projected salary increase	2.00	3.00
Adjustment of current pensions (excluding BRTV)	2.00	2.00
Adjustment of social security pension according to pension insurance report of the year	2020	2019

The biometric data is drawn from the 2018 G mortality tables by Professor Klaus Heubeck.

For shorter maturities, HHLA derives the interest rates used for discounting from high-quality corporate bonds. For longer maturities, the forward projection of the interest rate curve reflects the Deutsche Bundesbank’s curve for German government bonds.

Sensitivity analysis: pension obligations

	Change in parameter			Effect on present value		
		31.12.2020	31.12.2019	in € thousand	**31.12.2020**	31.12.2019
Discount rate	Increase of	0.5 %	0.5 %	Decrease of	35,183	32,990
	Decrease of	0.5 %	0.5 %	Increase of	39,268	36,781
Payment trend	Increase of	0.5 %	0.5 %	Increase of	2,078	2,675
	Decrease of	0.5 %	0.5 %	Decrease of	2,050	2,634
Adjustment to social security	Decrease of	20.0 %	20.0 %	Increase of	829	1,145
Expected mortality	Decrease of	10.0 %	10.0 %	Increase of	13,629	12,696
Contributions of capital plan participants	Increase of	50.0 %	50.0 %	Increase of	9,746	7,490
	Decrease of	50.0 %	50.0 %	Decrease of	9,380	7,306
Adjustment of current pensions (excluding BRTV)	Increase of	0.5 %	0.5 %	Increase of	776	756
	Decrease of	0.5 %	0.5 %	Decrease of	713	695

Actuarial calculations for the valuation parameters classed as material are performed in isolation, i.e. if several parameters change simultaneously, the individual effects are not cumulative due to correlation. In the case of a change to the parameters, a linear trend for the defined benefit obligation cannot be drawn from the sensitivities stated.

Payments for pension obligations

In the 2020 financial year, HHLA made pension payments for plans totalling € 20,053 thousand (previous year: € 19,781 thousand). HHLA anticipates the following payments for pension plans over the next five years.

Expected pension payments

in years in € thousand	
2021	20,602
2022	20,658
2023	20,553
2024	20,253
2025	19,927
	101,993

Obligations from working lifetime accounts

In the 2006 financial year, the affiliated companies in Germany undertook to set up working lifetime accounts due to collective labour agreements. Staff could elect to have time and remuneration components deposited in money market or investment funds by the Group until 31 December 2013. Capital has been invested within the company since 1 January 2014. The funds saved in the employee's account are used to give them paid leave before they enter retirement. The amount of pay to which employees are entitled during their early retirement depends on the amount of funds saved, which in turn depends on the performance of the fund assets – based on the model for contributions up to 31 December 2013 and taking the 3.00 % return guaranteed in the collective labour agreement into account for contributions as of 1 January 2014 – plus other contractually agreed social benefits during the early retirement phase.

The portion of the obligation covered by the funds saved is reported at the funds' fair value. The additional benefits arising from collective labour agreements which are not covered by the funds saved are reported at the full present value of the obligation including actuarial gains and losses.

As part of the harmonisation of existing pension schemes, which was completed in 2018, the existing funds from working lifetime accounts were largely transferred to the HHLA capital plan. The obligations arising from the remaining existing funds will fall steadily over time.

Allocation of benefit commitments from working lifetime accounts

in € thousand	**31.12.2020**	31.12.2019
Present value of obligations from working lifetime accounts	607	626
Present value of plan assets from working lifetime accounts (fund shares)	- 234	- 261
Uncovered allocations	**373**	**365**

Development of the present value of the obligations from working lifetime accounts

in € thousand	**2020**	2019
Present value of the obligations from working lifetime accounts as of 1 January	**626**	**1,124**
Current service expense	3	4
Interest expenses	2	7
Actuarial gains (-), losses (+) due to amendments in experience-based assumptions	20	- 229
Actuarial gains (-), losses (+) due to amendments in financial assumptions	8	8
Capital payments	- 52	- 288
Present value of the obligations from working lifetime accounts as of 31 December	**607**	**626**

As of 31 December 2020, the weighted average term of the defined benefit obligation was 5.9 years (previous year: 6.3 years).

Development of the fair value of plan assets from working lifetime accounts

in € thousand	2020	2019
Fair value of plan assets from working lifetime accounts as of 1 January	**261**	**355**
Expected income from plan assets	1	2
Actuarial gains (+), losses (-) due to amendments in experience-based assumptions	4	46
Capital payments	- 32	- 142
Fair value of plan assets from working lifetime accounts as of 31 December	**234**	**261**

The plan assets consist solely of shares in money market and investment funds. Losses of € 27 thousand were recorded on the plan assets in the financial year (previous year: € 93 thousand).

Obligations from working lifetime accounts recognised in the income statement

in € thousand	2020	2019
Current service expense	3	4
Interest expenses	2	7
Expected income from the plan assets	- 1	- 2
	4	**9**

Development of actuarial gains/losses of obligations from working lifetime accounts

in € thousand	2020	2019
Actuarial gains (+), losses (-) as of 1 January	**178**	**- 89**
Changes in the financial year due to amendments in experience-based assumptions	- 16	275
Changes in the financial year due to amendments in financial assumptions	- 8	- 8
Actuarial gains (+), losses (-) as of 31 December	**154**	**178**

Key actuarial assumptions to determine obligations from working lifetime accounts

in %	31.12.2020	31.12.2019
Discount rate	- 0.10	0.30
Projected salary increase	2.00	3.00

The biometric data is drawn from the 2018 G mortality tables by Professor Klaus Heubeck, taking into account age-related fluctuation.

Sensitivity analysis: obligations from working lifetime accounts

	Change in parameter			Effect on present value			
		31.12.2020	31.12.2019	in € thousand	**31.12.2020**		31.12.2019
Discount rate	Increase of	0.5 %	0.5 %	Decrease of	9	Decrease of	10
	Decrease of	0.5 %	0.5 %	Increase of	10	Increase of	11
Expected mortality	Decrease of	10.0 %	10.0 %	Decrease of	16	Decrease of	18

Actuarial calculations for the valuation parameters classed as material are performed in isolation, i.e. if several parameters change simultaneously, the individual effects are not cumulative due to correlation. In the case of a change to the parameters, a linear trend for the defined benefit obligation cannot be drawn from the sensitivities stated.

Until 31 December 2013, the obligations from working lifetime accounts were financed by paying a portion of employees' remuneration into the unit-linked pension plan. Capital has been invested within the company since 1 January 2014.

Portfolio for obligations from working lifetime accounts

in %	2020	2019
Money market funds/Annuity funds	100	99
Mixed funds	0	1
	100	**100**

Payments for obligations from working lifetime accounts

In the financial year under review, HHLA made payments for plans totalling € 52 thousand (previous year: € 288 thousand). In return, the company acquired corresponding securities holdings worth € 32 thousand (previous year: € 142 thousand). The outflow of funds therefore amounted to € 20 thousand in the year under review (previous year: € 146 thousand).

Expected payments for obligations from working lifetime accounts related to the existing pension scheme which are not hedged by securities

in years in € thousand	
2021	45
2022	27
2023	21
2024	16
2025	18
	127

Defined contribution pension plans

In the case of defined contribution plans, the relevant companies merely make payments to dedicated funds. There are no further obligations. HHLA does not incur any financial or actuarial risks arising from these commitments.

The costs incurred in connection with pension funds which are to be regarded as defined contribution pension plans amounted to € 3,196 thousand in the reporting year (previous year: € 3,518 thousand).

HHLA paid € 30,509 thousand (previous year: € 29,759 thousand) into the state pension system as its employer's contribution.

37. Other non-current and current provisions

Other non-current and current provisions

	Non-current provisions		Current provisions		Total	
in € thousand	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019
Demolition obligations	86,490	83,100	0	0	86,490	83,100
Restructuring reserve	52,883	15,475	8,551	6,030	61,434	21,505
Bonuses and single payments	0	0	9,220	8,832	9,220	8,832
Insurance excesses	0	0	4,073	2,496	4,073	2,496
Anniversaries	3,496	3,262	241	167	3,737	3,429
Legal fees and litigation expenses	0	0	1,110	620	1,110	620
Phased early retirement	98	81	90	67	188	148
Other	12,691	12,175	2,296	5,793	14,987	17,968
	155,658	**114,093**	**25,581**	**24,005**	**181,239**	**138,098**

Demolition obligations

The demolition obligations relate to HHLA's Container, Logistics and Real Estate segments and are discounted at a rate of 1.5 % p.a. (previous year: 1.5 % p.a.). In the reporting year, an anticipated price increase of 2.0 % (previous year: 2.0 %) was used to calculate the provisions shown. This rate is derived from the German construction cost index. The outflow of these resources is expected in the period 2025–2045.

Restructuring provisions

The restructuring provisions relate to reorganising the Logistics segment and organisational restructuring in the Container segment. The outflow of funds will take place between 2021 and 2031. For further information on the additions, please refer to Note 13.

Bonuses and single payments

Provisions for bonuses and one-off payments largely consist of provisions for Executive Board members and other senior staff. The funds will become payable in the 2021 financial year.

Insurance excesses

This obligation relates to provisions largely created by the Group's parent company to allow for potential cases of damage or loss which go beyond the existing insurance cover. The funds will become payable in the 2021 financial year.

Anniversaries

The provisions for anniversaries relate to Group employees' contractual entitlement to anniversary gratuities. The amount recognised is determined by an actuarial opinion. A discount rate of 0.20 % p.a. (previous year: 0.70 % p.a.) was used for the calculation. The outflow of these resources is expected to take place in the period 2021–2060.

Legal fees and litigation expenses

As of the balance sheet date and as in the previous year, the obligations reported consisted mainly of provisions for legal risks associated with pending proceedings. The outflow of these resources is expected in the 2021 financial year.

Phased early retirement

Provisions for phased early retirement consist of HHLA's obligations from the entitlements accrued during the beneficiaries' working period, plus a supplementary amount added pro rata temporis.

The securities holdings acquired in connection with phased early retirement contracts are classified as plan assets under IAS 19 (revised 2011). They were therefore offset against the phased early retirement obligations included in the provisions. The corresponding figure of € 143 thousand (previous year: € 173 thousand) therefore reduces the provisions reported, see Note 26. In addition to this, pledged bank balances serve to cover the obligations in existence as of the balance sheet date. The amount of the provision was determined using a discount rate of - 0.2 % p.a. (previous year: - 0.2 % p.a.). The outflow of these resources is expected in the period 2021–2026.

Other

Other provisions relate largely to obligations arising from individual contractual agreements with members of staff. The main outflow of funds will take place between 2021 and 2028.

Development of other non-current and current provisions

in € thousand	01.01.2020	Additions	Accured interest	Used	Reversed	Currency translation effects	31.12.2020
Demolition obligations	83,100	3,093	977	421	258		86,490
Restructuring reserve	21,505	44,376	5	3,130	1,323		61,434
Bonuses and single payments	8,832	9,220		8,543	289		9,220
Insurance excesses	2,496	2,276		676	22		4,073
Anniversaries	3,429	595	24	311			3,737
Legal fees and litigation expenses	620	490					1,110
Phased early retirement	148	303		262			188
Other	17,968	4,211	6	6,873	326		14,987
	138,098	**64,565**	**1,012**	**20,217**	**2,218**	**0**	**181,239**

38. Non-current and current financial liabilities

Non-current and current financial liabilities as of 31 December 2020

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liabilities from bank loans	22,569	125,497	147,034	295,100
Lease liabilities	22,811	80,416	161,286	264,513
Liabilities arising from settlement obligations	24,584	23,377	0	47,961
Other loans	0	656	15,000	15,656
Liabilities towards employees	10,069	0	0	10,069
Other non-current and current financial liabilities	8,042	5,126	301	13,469
	88,075	**235,072**	**323,621**	**646,768**

Non-current and current financial liabilities as of 31 December 2019

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liabilities from bank loans	22,771	115,071	193,945	331,787
Lease liabilities	26,017	98,924	157,842	282,783
Liabilities arising from settlement obligations	35,170	30,492	0	65,662
Other loans	0	282	15,500	15,782
Liabilities towards employees	10,223	0	0	10,223
Other non-current and current financial liabilities	8,170	14,118	161	22,449
	102,351	**258,887**	**367,448**	**728,686**

Amounts due to banks include interest of € 938 thousand accrued up to the balance sheet date (previous year: € 1,017 thousand).

The liabilities from leases represent the discounted value of future payments for movable non-current assets.

More information on the settlement obligation can be found in Note 6 and Note 35.

Other loans chiefly comprise a € 5,500 thousand loan granted to a minority shareholder (previous year: € 6,000 thousand) as well as promissory note loans of € 9,500 thousand (previous year: € 9,500 thousand) issued to other creditors.

Buildings, surfacing and movable non-current assets with a carrying amount of € 4,755 thousand (previous year: € 5,251 thousand) have been pledged as collateral for interest-bearing loans. The collateral agreements provide that the assets are transferred to the banks until the loans and interest have been repaid in full and that they have a right to dispose of the assets if the borrower is in arrears with payments of interest and principal.

The liabilities towards employees consist primarily of wages and salaries.

Terms of liabilities from bank loans

Interest condition	Interest rate	Currency	Remaining fixed interest period	Nominal value in TCU[1]	Carrying amount as of 31.12.2020 in € thousand
fixed	0,00 – 2,36 %	EUR	2025 and later	193,966	170,011
fixed	n/a	EUR	2024	0	0
fixed	1.46 %	EUR	2023	15,000	15,000
fixed	1,28 – 4,22 %	EUR	2022	102,926	43,735
fixed	2.83 %	EUR	2021	34,257	13,703
floating	floating + margin	EUR	2021	123,791	51,713
					294,162

1 TCU = Thousand Currency Units

The floating interest rates are EURIBOR rates with maturities of one to six months.

Financial liabilities for which fair value is not equivalent to the carrying amount

	Carrying amount		Fair value	
in € thousand	**31.12.2020**	31.12.2019	**31.12.2020**	31.12.2019
Fixed-interest bearing loans	**242,449**	**253,927**	**243,277**	**267,627**

Interest rates of 1.5 to 2.4 % p.a. (previous year: 0.5 to 1.4 % p.a.) were used to measure the fair value of fixed interest-bearing loans. The interest rates are derived from the risk-free rate depending on maturity plus a premium according to the credit rating and maturity. They therefore constitute market rates. The average interest rate for the reported liabilities from bank loans was 1.6 % in the reporting year (previous year: 1.6 %).

As a result of borrowing, certain affiliates have covenants linked to key balance sheet figures and collateral. Violating these covenants would authorise the lender to demand additional collateral, a change to the conditions or the repayment of the loan. In order to prevent such steps, HHLA constantly monitors compliance with the covenants and, where required, implements measures to ensure that all conditions of the loan are met. As of the balance sheet date, the corresponding borrowings totalled € 45,601 thousand (previous year: € 72,401 thousand).

Maturity of bank loans

in € thousand	
Up to 1 year	21,630
1 year to 2 years	38,713
2 years to 3 years	27,922
3 years to 4 years	12,826
4 years to 5 years	46,037
Over 5 years	147,034
	294,162

For more details of the liquidity risk, please refer to Note 47.

39. Trade liabilities

Trade liabilities

in € thousand	31.12.2020	31.12.2019
	90,913	**74,879**

Trade liabilities from the financial year are only owed to third parties. As in the previous year, the total amount is due within one year.

40. Non-current and current liabilities to related parties

Non-current and current liabilities to related parties as of 31 December 2020

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liabilities from leases to HPA	27,295	94,700	350,932	472,927
Liabilities from leases to FEG Fischereihafenentwicklungsgesellschaft mbH & Co. KG	860	3,576	2,780	7,216
Liabilities from leases to Landesbetrieb Immobilienmanagement und Grundvermögen	1,229	3,563	1,598	6,390
Liabilities from leases to related parties	**29,384**	**101,839**	**355,310**	**486,533**
Other Liabilities to HHLA Frucht- und Kühl-Zentrum GmbH	5,000	0	0	5,000
Other liabilities to other related parties	5,168	0	0	5,168
Other liabilities to related parties	**10,168**	**0**	**0**	**10,168**
	39,552	**101,839**	**355,310**	**496,701**

Non-current and current liabilities to related parties as of 31 December 2019

in € thousand	Maturity up to 1 year	Maturity 1 to 5 years	Maturity over 5 years	Total
Liabilities from leases to HPA	21,897	94,306	374,102	490,305
Liabilities from leases to Landesbetrieb Immobilienmanagement und Grundvermögen	1,741	5,871	3,947	11,559
Liabilities from leases to FEG Fischereihafenentwicklungsgesellschaft mbH & Co. KG	848	3,522	3,694	8,064
Liabilities from leases to related parties	**24,486**	**103,699**	**381,743**	**509,928**
Other liabilities to HPA	3,691	0	0	3,691
Other Liabilities to HHLA Frucht- und Kühl-Zentrum GmbH	3,044	0	0	3,044
Other liabilities to related parties	5,931	0	0	5,931
Other liabilities to related parties	**12,666**	**0**	**0**	**12,666**
	37,152	**103,699**	**381,743**	**522,594**

The decline in recognised liabilities is primarily due to the planned redemption of lease liabilities and the expiry of lease terms. For more details, see also Note 45 and Note 48.

For more details of the liquidity risk, please refer to Note 47.

41. Other non-financial liabilities

Other non-financial liabilities

in € thousand	**31.12.2020**	31.12.2019
Liabilities to employees	14,627	13,817
Tax liabilities	9,827	9,931
Employers' liability insurance premiums	4,540	4,663
Social security payables	2,559	2,618
Advance payments received for orders	2,759	2,104
Port workers' welfare fund (Hafenfonds)	1,216	1,342
Other	1,984	2,292
	37,512	**36,767**

Liabilities towards employees include liabilities arising from accrued leave and outstanding bonus payments.

All other non-financial liabilities have a remaining term of up to one year.

42. Income tax liabilities

Income tax liabilities

in € thousand	**31.12.2020**	31.12.2019
	17,774	**6,190**

Income tax liabilities result from expected additional payments for corporation tax, solidarity surcharge and trade tax.

When preparing the Annual Financial Statements, provisions are made for the corresponding amounts of corporation tax, solidarity surcharge and trade tax on the basis of the tax and legal situation known at the time of preparation.