Münchener Hypothekenbank

ANNUAL REPORT

2024

MÜNCHENER HYPOTHEKENBANK: A STRONG REAL-ESTATE BANK

We provide private residential property and commercial real estate financing with the help of our 664 employees.

Our mission? To be a reliable partner and maintain long-term business relationships with our customers. In private residential property financing, we work alongside Volksbanken and Raiffeisenbanken as well as with independent financial service providers in Germany and Austria and with cooperation partners in switzerland.

We manage our national and international commercial lending business centrally from Munich. Our funding focuses on mortgage bonds, and we have an outstanding reputation as an issuer of these bonds on capital markets.

468 ↗

Interest income and net commission income

in EUR million

2023: 451 (+4%)

32.5 ↘

Cost-income ratio

in %

2023: 36.5 (–4 PP*)

* percentage points

191 ↗

Income from ordinary business activities

in EUR million

2023: 171 (+12%)

54.5 ↗

Total assets

in EUR billion

2023: 54.1 (+1%)

46.2 ↘

Portfolio of mortgage loans

in EUR billion

2023: 46.5 (–1%)

3.1 ↗

New mortgage business

in EUR billion

2023: 2.9 (+7%)

CONTENT

FOREWORD

Dear Shareholders and Business Partners

Münchener Hypothekenbank performed successfully last year. We are very satisfied with the result for the 2024 financial year, in which we posted a further rise in net interest income. This had a positive impact on net income for the year, and we are therefore able once again to distribute an attractive dividend to our members.

We achieved this strong business result despite a persistently challenging market environment in property financing. Indeed, property markets remained stagnant in 2024, particularly in the commercial sector. Signs of recovery only gradually emerged as the year progressed.

In this environment, the solid portfolio of interest-bearing business that we have built up in recent years again had a positive impact on our earnings. The sustained turnaround in interest rates also continued to have a beneficial effect.

We increased new mortgage business by seven percent. This development is in line with our expectations, as we had forecast that property markets

»This solid result will enable Münchener Hypothekenbank to continue and sustain its success over the long term.«

DR HOLGER HORN | CEO

would achieve modest growth in light of market conditions. In business with public counterparties, we again seized opportunities that enabled us to bolster our profitability.

The Pfandbrief markets were marked by declining issuance and rising prices for new issues. Owing to our excellent standing as a Pfandbrief issuer, we successfully placed one classic and two green Mortgage Pfandbriefe in benchmark format. The green Pfandbriefe met with extremely strong demand from investors and this cemented our reputation also as an issuer of sustainable bonds.

Sustainability has been firmly embedded in our core business for some years. In this year's Annual Report, we are placing even greater emphasis on the importance of sustainability for Münchener Hypothekenbank by fully integrating our sustainability reporting into the management report for the first time.

We succeeded in meeting our strategic revenue goal with net income of EUR 105.6 million. This result enables us to strengthen our reserves while also making it possible to propose to the Delegates Meeting that a dividend be distributed in the amount of 4.0 percent per cooperative share.

»We have achieved our strategic earnings targets and will pay out an attractive dividend of 4.0 percent.«

ULRICH SCHEER | CFO

For 2025 we have set a target of growing new mortgage business by eight percent. This is no simple task in view of the economic situation and market conditions. A pronounced market recovery is not yet in sight for properties and property financing, meaning that demand for financing is expected to rise only moderately. To achieve our growth targets, we will therefore expand our range of products and, in addition, make loan commitments considerably faster and more efficient with innovative digital processes. Moreover, we expect that loan loss provisions will be smaller due to the quality of the properties we have financed, despite a market environment that remains challenging. We thus expect to achieve a solid, stable result again in 2025.

We would like to thank our employees, who made an important contribution to our solid result with their commitment and will to succeed. We would also like to thank the Supervisory Board and the delegates for their faithful cooperation. Finally, we would like to thank our customers, members, business partners and investors for their support and the trust they place in us.

Yours sincerely,

Dr Holger Horn
CEO

Ulrich Scheer
CFO

Markus Wirsen
CRO

»We want to increase our process efficiency, thereby strengthening our spirit of cooperation with our customers and our cooperative partner banks.«

MARKUS WIRSEN | CRO

MANAGEMENT REPORT

FUNDAMENTAL ASPECTS OF BUSINESS ACTIVITIES AND THE BUSINESS MODEL

Business model

Münchener Hypothekenbank is a credit institution specialising in residential and commercial real estate financing for retail and corporate customers. It has its registered office in Munich. The Bank also has a branch in Berlin and 10 offices across Germany. It is organised as a registered cooperative society (eingetragene Genossenschaft) under German law.

The Bank is an independent credit institution with no majority shareholder and 54,623 members (as at 31 December 2024). The majority of the Bank's members are credit unions and private individuals. With assets totalling EUR 54.5 billion as at 31 December 2024 and 664 employees, Münchener Hypothekenbank is categorised as a significant financial institution and is therefore subject to direct supervision by the European Central Bank (ECB).

Münchener Hypothekenbank belongs to the Genossenschaftliche FinanzGruppe (Cooperative Financial Network), which comprises 672 Volksbanken, Raiffeisenbanken and affiliated cooperative enterprises, such as DZ BANK, the insurer R+V Versicherung, Union Investment and the building society Bausparkasse Schwäbisch Hall.

The Bank's core areas of business are residential and commercial real estate financing in Germany and abroad. Hence, among the institutions specialising in property financing, the Bank is one of only a small number that offer private residential property financing as well as large-scale financing for commercial real estate. Another core area of business is "Capital Markets and Funding." This encompasses refinancing in the money and capital markets, as well as business in the capital markets, which includes the selective resumption of business with public-sector customers (municipal financing) and investments in highly liquid bank and government securities. The latter are acquired primarily for the purpose of managing liquidity and the cover pool.

In the residential property financing segment, Münchener Hypothekenbank lends to retail customers in Germany via its cooperation partners, including the Volksbanken and Raiffeisenbanken, other cooperative credit institutions and independent financial advisers and brokers. Münchener Hypothekenbank also works with PostFinance and Swiss Life in Switzerland and with select brokers in Austria. Cooperation with the Volksbanken and Raiffeisenbanken is managed via 11 Münchener Hypothekenbank offices located in Augsburg, Berlin, Cologne, Dresden, Frankfurt am Main, Hamburg, Hanover, Munich, Münster, Nuremberg and Stuttgart.

In the commercial real estate segment, the Bank chiefly finances residential properties, office buildings, hotels and retail and logistics properties in Germany and abroad. Besides Germany, Münchener Hypothekenbank also operates in Austria, Belgium, France, Luxembourg, the Netherlands, Spain, the United Kingdom and the United States. The business comprises direct acquisition and syndicated business and here too is partly arranged via the Volksbanken and Raiffeisenbanken in Germany.

Funding is mainly via Mortgage Pfandbriefe, which are rated Aaa, the highest possible rating, by Moody's. The Bank also issues unsecured bearer bonds on the capital market and raises funds on the money market. The Bank's securities are purchased predominantly by institutional investors such as asset managers and investment funds, pension funds, insurance companies and (central) banks, but also by private investors in some cases.

Münchener Hypothekenbank is a member of the institutional protection scheme set up by the National Association of German Cooperative Banks (Bundesverband der Deutschen Volksbanken und Raiffeisenbanken, BVR). It is run by BVR Institutssicherung GmbH, Berlin (BVR-ISG), and is classified as an officially recognised deposit protection system. The Bank is also affiliated with the protection scheme operated by the association Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. (BVR-SE), which consists of the guarantee fund and the guarantee network.

Business strategy and corporate planning

In the financial year just ended, the banking industry focused much of its attention on interest rates, which remained high, as well as on issues relating to ESG (environmental, social and governance), banking regulation and digitalisation. As momentum in these fields remains steadfast, it appears likely that existing structures will be further impacted. Münchener Hypothekenbank is continuously monitoring and assessing these developments in light of its business activities.

The fundamental aspects of Münchener Hypothekenbank's business activities are laid down in its business and risk strategy. The strategic direction is reviewed at regular intervals and revised where necessary. The Bank remains encouraged by the prospects in its current business areas.

In this regard, Münchener Hypothekenbank aims to position itself as a sustainable institution in terms of the value it contributes to the Cooperative Financial Network, its customers and its members. Münchener Hypothekenbank views itself here as an integral part of the Cooperative Financial Network. It offers its customers and partner banks financial solutions tailored to their needs. ESG is a fixed part of the Bank's core business and strategy. Münchener Hypothekenbank sees digitalisation as an opportunity to enhance the business model on a continuous basis and to create more efficient business processes.

In order to achieve its strategic objectives, the Bank has defined specific measures and will consistently implement them in the years ahead. In this regard, a key aspect is that our strategic process is compliant with the German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement, MaRisk). The starting point for the annual strategy cycle is a strategic review of the implementation and impact of the adopted measures. As part of the annual planning associated with the strategy process, sales targets are compared against centralised and decentralised components of administrative expenses. All earnings and cost components and our risk-bearing capacity are monitored continually or projected on a rolling basis, so the Bank can react promptly and appropriately to fluctuations in earnings or costs.

Planning also includes capital adequacy and liquidity management.

ECONOMIC REPORT

General economic conditions

ECONOMIC DEVELOPMENT

The world economy developed robustly, despite conflicts in the Middle East, the war in Ukraine and a decline in manufacturing output. The economy grew at a steady pace, rising 3.2 percent year on year. It benefited from strong growth in the USA, as well as from a slight improvement in China's economic situation over the course of the year. At the same time, global inflation continued to ease. It nevertheless remained well above two percent owing to the sharp rise in prices of services in developed countries. The global labour markets were stable, with low unemployment rates in many places.

Economic activity in the eurozone showed signs of improvement, despite political and geopolitical uncertainties. It was aided by an upturn in domestic demand, both from consumers and public authorities, and by an increase in inventories and investments by manufacturing companies. This was enough to offset a decline in exports, prompting the European Central Bank (ECB) to forecast a rise in gross domestic product by 0.7 percent for 2024. The modest improvement in the economic situation was accompanied by a slight dip in the unemployment rate in the eurozone. Inflation declined considerably up to September, but consumer prices then began to rise steadily for the remainder of the year. Inflation stood at 2.4 percent in December, compared with 1.7 percent in September. The rise in the fourth quarter was caused by higher prices for services and food, although energy prices fell.

By contrast, the German economy has been stagnant for two years. After falling by 0.3 percent in 2023, gross domestic product declined again by 0.2 percent in 2024. Germany's prolonged economic downturn is mainly due to the fact that, compared with other countries, it is lagging behind in its decarbonisation and digitalisation efforts and has relatively high energy costs. In addition, it is experiencing increased competition from China, especially in the manufacturing sector, which has traditionally been more important for Germany than for other large economies in the European Union. However, weakness in the construction industry and consumer hesitancy also slowed down economic development. In 2024, consumer prices increased year on year by 2.2 percent on annual average, meaning that the inflation rate was significantly lower than in the previous year. Economic stagnation was also reflected in the labour market. The unemployment rate rose year on year by 0.3 percentage points to 6.0 percent by the end of the year. Short-time work increased again.

FINANCIAL MARKETS

With inflation rates falling in the year under review, the Fed and the ECB decided to ease their restrictive monetary policies. In this capital market environment, equity markets benefited in particular due to earnings growth and falling investment income on the money market. The US economy performed well, driving up stock prices on US equity markets in particular.

On the bond market, short-dated securities were the main beneficiaries of the interest rate cuts. By contrast, longer maturities suffered from the large supply and rising public sector deficits – especially since central banks had almost entirely discontinued their bond-buying programmes. The considerably greater supply of EU bonds, as well as issues from such countries as the USA, the UK and France, caused yields for longer-dated bonds to rise.

The ECB cut interest rates by 25 basis points four times over the course of the year, with its deposit rate falling from 4.0 percent to 3.0 percent. The Fed responded to falling inflation rates with three interest rate cuts totalling 100 basis points. As a result, the federal funds target range fell from 5.25 percent to 5.50 percent to 4.25 percent to 4.50 percent.

The ECB stopped purchasing securities and reinvesting maturing bonds, and this caused a drop in excess liquidity in the euro monetary system. In this environment, bond spreads rose sharply. For instance, the spread between ten-year German government bonds and euro swaps went from minus 50 basis points to slightly positive values at the end of 2024, making the bonds cheaper from an investor standpoint.

Because yields were low at the start of 2024 and spreads rose thereafter, the yields on German government bonds rose slightly year on year, despite interest rate cuts by the ECB. Over the course of the year, yields rose from 2.02 percent to 2.70 percent in June, before falling again to 2.03 percent in early December. At the close of the year, the yield on German government bonds was back up at 2.37 percent. The highly inverted yield curve for German government bonds largely flattened

Yields on ten-year German government bonds 2024
IN %

Source: Bloomberg

over the course of the year and had normalised by the end of the year to a slightly rising yield curve two years out.

On the foreign exchange market, the US dollar benefited from a strong US economy and lower expectations of an interest rate cut compared with the euro, causing it to appreciate significantly in the fourth quarter of 2024. The euro fell from EUR/USD 1.104 at the start of the year to EUR/USD 1.035 at the end of the year. It suffered from the weak economy in the eurozone, particularly in Germany.

The Swiss franc traded against the euro virtually unchanged, having appreciated significantly in 2023. After starting the year at EUR/CHF 0.93, the euro climbed to EUR/CHF 0.99 before weakening to EUR/CHF 0.94 by the end of the year. The British pound rose somewhat against the euro, from EUR/GBP 0.87 to EUR/GBP 0.83 at the end of the year. The rate changes were moderate overall and fluctuated over the course of the year in a narrow range of EUR/GBP 0.87 to EUR/GBP 0.82.

The covered bond market experienced a high number of issues over the entire year, although not as many as in the previous year. Euro benchmark covered bonds totalling around EUR 156 billion were issued. The issue spreads for covered bonds rose over the course of the year, as did those for government and quasi-government bonds. Whereas many bonds were issued in the first half of 2024, issuers' willingness to issue new bonds waned as spreads rose in the last quarter of the year under review. As in the previous year, the countries with the highest issuance were France and Germany.

PROPERTY AND PROPERTY FINANCING MARKETS

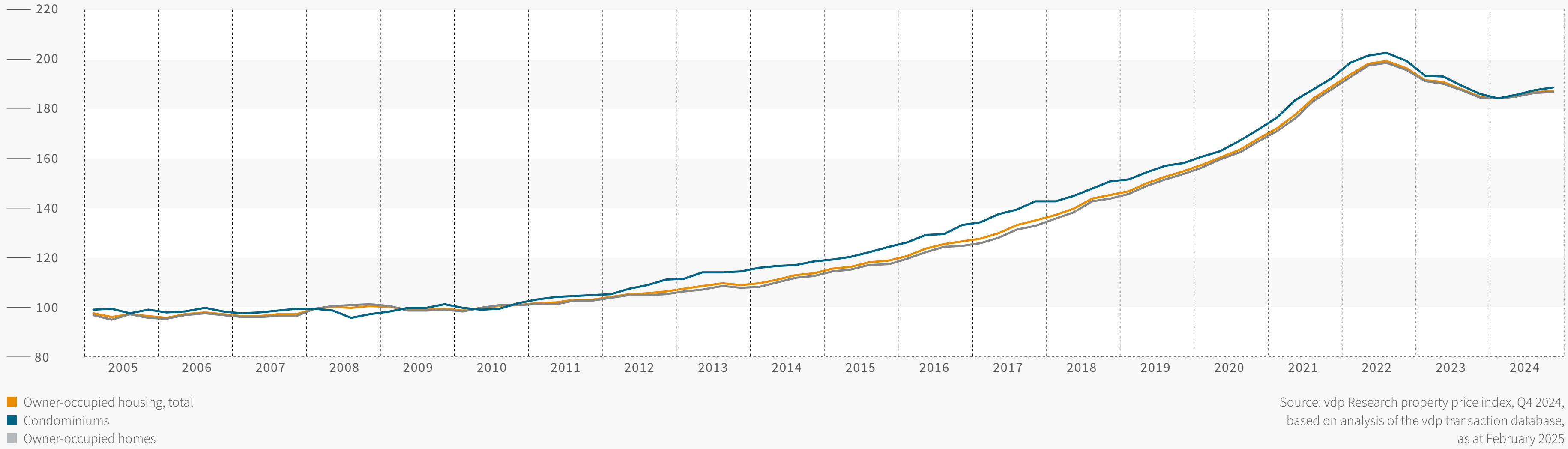
Residential property, Germany

Construction of both single-family and multifamily housing stalled in 2024 due to the general economic conditions and high land, construction and financing costs. At just 215,900, the number of building permits fell sharply year on year for the third year in a row. The number of building completions also fell to between 225,000 and 250,000 in 2024, according to forecasts. This amounted to no more than 70 percent of new housing demand, which the Cologne Institute for Economic Research estimates to be around 370,000 new homes per year.

Acquisition of owner-occupied homes and condominiums thus shifted further towards existing housing stock. In this re-

Trend in prices for owner-occupied housing

INDEX VALUES: 2010 = 100



Source: vdp Research property price index, Q4 2024, based on analysis of the vdp transaction database, as at February 2025

spect, it was evident that potential buyers paid close attention to a building's energy efficiency, and sellers of buildings with poor energy ratings had to lower their prices.

The continued shortage of housing supply drove the situation on the rental housing market, particularly in economically strong regions and university cities, which for years have fallen far short of the necessary short-term vacancy rate. As a result, new lease rents rose by nearly 6 percent on average across Germany in the first three quarters. Although this trend is disadvantageous for tenants, institutional investors view rising rents as offering the potential to achieve higher income, and housing shortages as an opportunity to reduce rent losses.

In 2024, institutional investors purchased residential property portfolios with a total volume of more than EUR 9 billion, representing a year-on-year rise of around 40 percent. Around 30 percent of the total capital was invested in residential property, making it once again the strongest asset class by far. In this respect, it was also evident that prices for multifamily homes, which had experienced a correction as a result of higher interest rates, stabilised over the course of the year. This trend was also apparent in the case of condominiums and owner-occupied homes, whose prices ticked upward in the second quarter. In the fourth quarter of 2024, prices for owner-occupied housing rose quarter on quarter by 1.2 percent, which is attributable to an upturn in demand.

The positive trend in demand both for owner-occupied homes and condominiums and for multifamily homes also had an impact on financing. In the first nine months, loans totalling nearly EUR 153 billion were granted for the construction or purchase of residential property, representing a rise of 5 percent compared with the prior-year period in 2023.

Residential property, international

The European residential property markets continued to be characterised by a significant imbalance between supply and demand. Construction activity in many markets remained at a historically low level due to high construction costs and stricter sustainability requirements, even though many European cities face a housing shortage. This trend, coupled with the fact that home ownership has not become any more affordable, caused rents to rise further. Housing prices, on the other hand, levelled off after a series of declines, which also resulted in yields stabilising to an increasing extent.

Despite economic uncertainties, European residential property represented an attractive asset class for investors. The market share of the residential sector rose to nearly one-quarter of sales in Europe.

The trend on the Swiss residential property market was stable. Prices for residential property grew at a faster rate, and the hesitant behaviour that institutional investors occasionally showed a year ago came to an end. This was partly attributable to high migration, which drives the market and exacerbates housing shortages. But it was also the result of lower interest rates, which make residential property more attractive. The Swiss economy was also stable. Inflation was low, as was the unemployment rate. Rents continued to rise due to scarce supply on the Swiss rental housing market, whereas prices for owner-occupied housing fell slightly in the fourth quarter. Compared with the prior quarter, prices for single-family homes dropped by 0.2 percent, whereas prices for condominiums rose by 0.5 percent. Over the course of the year under review, prices for single-family homes rose by 2.5 percent and for condominiums by 3.1 percent.

The Austrian housing market was once again marked by challenging general conditions and uncertainty. Transactions as well as prices showed signs of stabilising toward the end of the year. Residential construction activity remained mired in the slump seen since 2020. To counteract this trend, the government introduced a comprehensive residential construction and renovation package in 2024 to increase construction activity and support the Austrian construction industry. Demand for rental housing remained high, which put added pressure on residential rents. For instance, residential rents rose by 4.2 percent in the third quarter of 2024 compared with the prior year. A rent cap has been in effect in Austria since January 2024. It is designed to limit rent rises to at most 5 percent per year for three years, including for public housing.

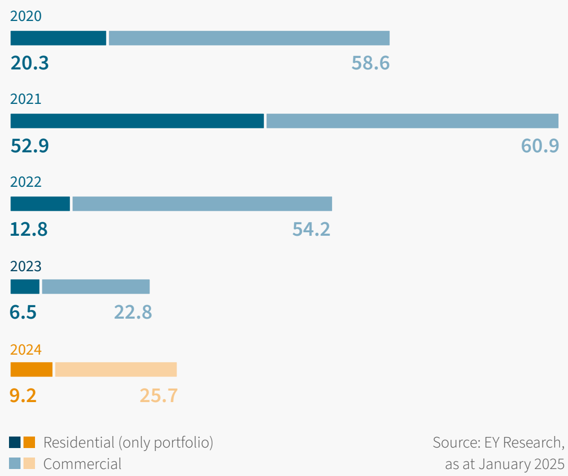
Commercial real estate, Germany

The demand from institutional investors for commercial real estate in Germany gradually increased over the course of the year, although it remained at a low level. As a result, the transaction volume rose by around EUR 3 billion to around EUR 26 billion (excluding residential), with the logistics asset class predominating with a share of 22 percent, followed by retail property and office property, which had nearly identical transaction volumes.

The demand for office property picked up somewhat in 2024. However, the rise in the transaction volume was lower than for residential, retail and logistics. In the year under review, investors continued to shy away from office property, an asset class that had long predominated. The cause of the ongoing investor uncertainty was the outlook regarding future demand for office space in the medium to long term. Cited reasons include the general geopolitical and economic conditions, the resulting demand for office staff and the continuing trend among companies to allow remote working. Users also showed some hesitancy. Although office space take-up rose slightly year on year, it was around 30 percent below average on a long-term comparison. At the same time, the vacancy rate for office space rose to nearly 7 percent. Demand from both investors and users was concentrated on sustainable, energy-efficient buildings in preferred office locations. Prices in this segment stabilised, with slightly rising rents. But the market is also characterised by price concessions and the granting of substantial incentives.

Trend in commercial real estate transaction volumes in Germany

IN EUR BILLION



Source: EY Research, as at January 2025

Demand for retail property rose slightly, due to an increased supply of large department stores and commercial buildings in city centres and several properties with grocery stores as the anchor tenant. However, the transaction volume was substantially below the long-term average. At the same time, retailers posted a slight rise in sales thanks to a decidedly positive second half of the year, which was accompanied by an upturn in demand for space due to numerous market launches by international brands. This ultimately led to a sideways movement in prime rents. However, not all market participants benefited from this trend as, once again, several retail chains filed for insolvency.

A robust final quarter led to the logistics property segment recording the highest sales in the commercial real estate category in 2024, owing to the increasing stabilisation of prices and several large-volume portfolio transactions. Space take-up again declined across Germany, which was attributable to economic uncertainty in the manufacturing sector and hesitancy on the part of transport and logistics companies. Moreover, this sub-segment had a scarce supply of modern, ESG-compliant spaces in top markets, which caused rents to rise further.

Commercial real estate, international

The international commercial real estate markets are in a state of transition. Economic uncertainties, altered work models and sustainability were the driving forces behind these changes. The market environment remained challenging and international investment markets began to recover only gradually over the course of the year. According to initial forecasts, the transaction volume for commercial real estate and housing portfolios worldwide amounted to around EUR 590 billion, representing a year-on-year increase of 4 percent. In Europe, commercial real estate sales rose by 6 percent to EUR 156 billion. The trend in rents continued in a positive direction, and purchase prices increasingly stabilised toward the end of the year. Yields in individual assets classes were also stable.

Office property is under pressure due to a shift in demand. Many companies are utilising flexible work models, such as remote working and hybrid forms of working. This has caused demand to fall for classic office spaces. Instead, the market was characterised by high demand for office property in prime locations meeting ESG criteria. Demand picked up in the retail property market, aided by higher real wages in many countries. The logistics sector was also under pressure in 2024, causing rental markets to slow down.

The UK was once again the most active property market in Europe. According to initial forecasts, the investment volume rose to EUR 45 billion, representing year-on-year growth of 14 percent. The retail and hotel sectors in particular spurred the recovery of the British property market. There continued to be little interest in the British office market, and its share of total transaction activity was again minimal.

In France, the transaction volume again declined considerably, coming in at EUR 17.6 billion, or around one-third lower than in the previous year. All asset classes were affected other than logistics property. The stagnant development of the office sector weighed more heavily in France, since the transaction market has traditionally been dominated by properties in this asset class. The share of the total transaction volume fell from over 40 percent in the previous year to 28 percent in 2024. By contrast, the market for logistics property also posted a clear upturn in France, with the share rising from 14 percent to 28 percent.

Investment activity in the Netherlands saw a pronounced upturn. A total of about EUR 9.1 billion was invested in commercial real estate, corresponding to a rise of 27 percent compared with 2023. Nevertheless, the transaction volume was still about EUR 7 billion below the ten-year average. Investors were focused on residential property, as well as industrial and logistics properties, each of which accounted for 34 percent of the total transaction volume. Investments in hotel property doubled year on year. The office market showed weaker development here, too, and its volume continued to drop. Overall, prime rents were stable across all asset classes.

In Spain, on the other hand, a turnaround on the investment market still failed to materialise. Property investments amounted to EUR 9.4 billion, which was nearly at the level of the previous year. The hotel sector received the biggest share of investment at 29 percent of the total volume, followed by the retail sector at 23 percent and the residential sector at 22 percent. Foreign investors remained the predominant force on the market, even though their share of 58 percent represents a significant decline compared with previous years. Madrid and Barcelona were once again the preferred investment targets, although locations outside those markets have become increasingly important, depending on the asset class.

In the USA, the investment market for commercial real estate, including residential portfolios, fell short of expectations. In the first three quarters, the volume stabilised at USD 270.4 billion, which was nearly the same as the volume in the prior-year period. Investments in multifamily homes were again the main focus on the market, with a share of 36 percent of the total volume, followed by industrial and logistics property, which posted a market share of 24 percent. The retail property sector posted the largest decline. The investment volume dropped by 13 percent compared with the prior-year period to USD 40 billion. The office market showed signs of recovery with a small rise in investment volume. This was also the case on the office letting markets, although high vacancy rates remained problematic in some cases.

Business development

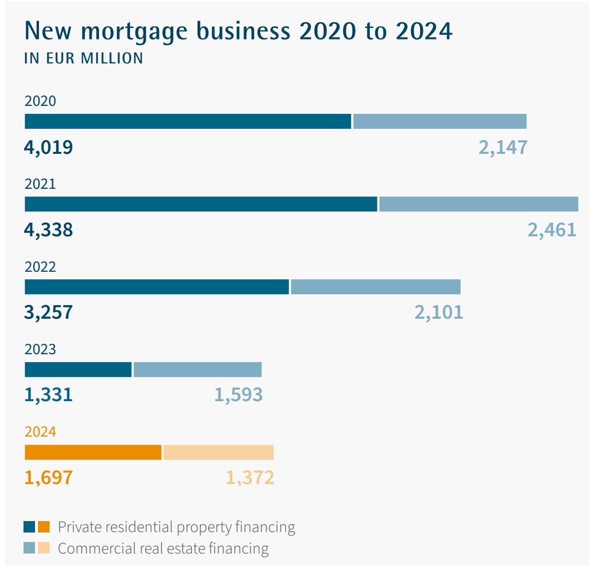
NEW MORTGAGE BUSINESS

New business amounted to EUR 3.1 billion in the year under review, representing a year-on-year rise of 7 percent. New business thus increased slightly despite the persistently challenging market situation, although not to the extent forecast. This is because residential and commercial real estate markets are recovering only slowly, leading to no more than a modest increase in transaction volumes and financing demand.

In the private residential property financing segment, Münchener Hypothekenbank had a total commitment volume of EUR 1.7 billion (2023: EUR 1.3 billion). It thus achieved its target.

Brokerage business with partner banks in the Cooperative Financial Network was influenced by customer uncertainties. Nevertheless, the Bank's new business grew as conditions on the market eased. Münchener Hypothekenbank ultimately achieved a commitment volume in the business with the Cooperative Financial Network of EUR 885 million (2023: EUR 812 million).

The demand from Volksbanken and Raiffeisenbanken customers shifted toward shorter fixed-interest rate periods due to the turnaround in interest rates, with the average fixed-interest rate period in association business falling to 14 years (2023: 18 years). Since construction costs rose again, the average loan-to-value ratios also increased to 72 percent (2023: 68 percent).



Placement via independent financial service providers rose to EUR 554 million (2023: EUR 363 million), which was attributable, as in business with the Cooperative Financial Network, to the slight upturn on the market.

New business in Switzerland and Austria rose to EUR 258 million (2023: EUR 157 million) and was thus more than 40 percent above target. This was aided in particular by successful sales campaigns with a Swiss cooperation partner and higher demand on the market.

In the commercial real estate financing segment, Münchener Hypothekenbank had a total commitment volume of EUR 1.4 billion (2023: EUR 1.6 billion). High interest rates and the attendant price adjustments once again resulted in modest transaction activity and thus weaker demand for financing. Accordingly, new business fell short of the EUR 1.8 billion in commitments expected for 2024.

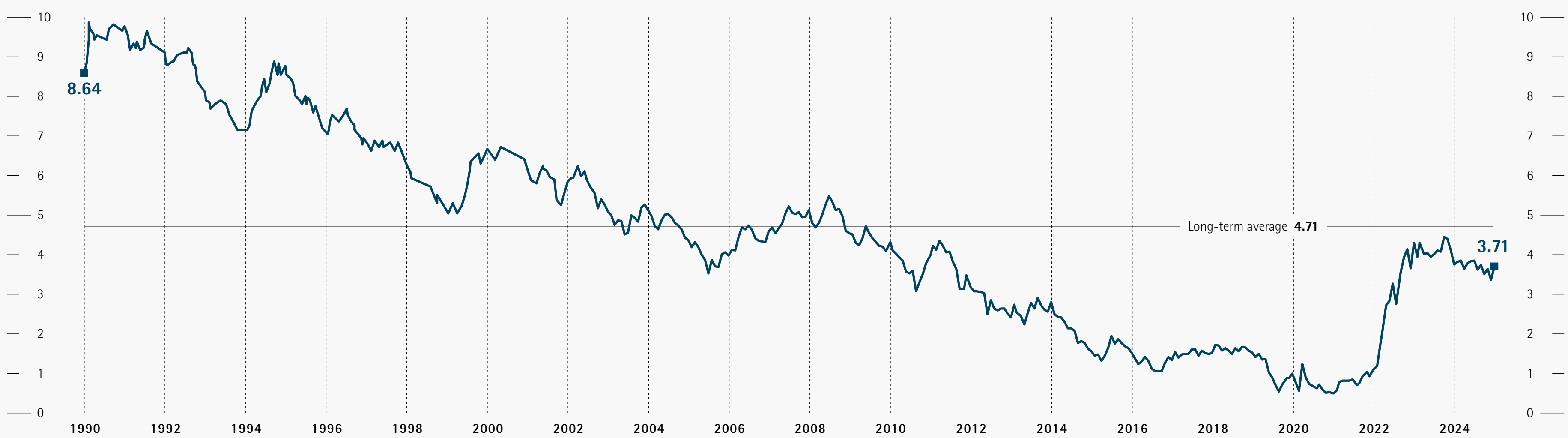
New business in the year under review was dominated once again by domestic business. Commitment volume amounted to EUR 1.1 billion, which was nearly equal to the result for 2023 (EUR 1.2 billion). Foreign business declined to EUR 0.3 billion (2023: EUR 0.4 billion). The Bank committed financing for properties in the Netherlands, Austria, Spain, France, Luxembourg and the UK.

The income situation in new commercial business was satisfactory. The plan margins were exceeded, largely compensating for the lower new business volume. This applies to domestic and foreign business. The average loan size, which had grown considerably in recent years, fell to around EUR 28 million in 2024 (2023: EUR 34 million).

From a risk perspective, the Bank maintained its conservative financing approach with a focus on conventional financing at completion, giving due consideration to adequate, sustainable minimum cash flows and locations. The average initial loan-to-value ratio fell from 86 percent to 82 percent, which the Bank views as positive.

Mortgage rates of Münchener Hypothekenbank, ten-year fixed rate

IN %



PUBLIC AND LIQUID INVESTMENTS

Public and liquid investments primarily serve to manage liquidity, provide collateral and meet regulatory requirements. Due to the significant reduction and discontinuation of ECB purchases, the market was characterised by an abundant supply of bonds and higher spreads. The ten-year German government bond-swap spread rose from negative spreads to flat by year-end, thus reaching record highs. Münchener Hypothekenbank used these attractive investment opportunities in 2024 to purchase LCR-eligible securities.

New business volume stood at EUR 1.4 billion in 2024. Taking into account disposals of EUR 0.6 billion, the total portfolio increased to EUR 6.1 billion (2023: EUR 5.3 billion).

REFINANCING

The changes and momentum on the primary market for covered bonds caused Pfandbrief spreads to widen significantly, particularly in the second half of the year. Nevertheless, Münchener Hypothekenbank consistently enjoyed access to funding on what it considered to be good terms during the year under review as compared with the market.

Münchener Hypothekenbank's funding volume on the money and capital market was lower in 2024 than in previous years. It therefore issued fewer new, large-volume bonds in the year under review.

For its large-volume funding transactions, the Bank continued to focus on the issuance of Mortgage Pfandbriefe and uncovered bonds in euros and Swiss francs.

With regard to Pfandbrief issues in euros, three Mortgage Pfandbriefe in benchmark format were noteworthy:

- In January, Münchener Hypothekenbank issued a green Mortgage Pfandbrief with a volume of EUR 500 million and a maturity of ten years at a spread of 34 basis points above the mid-swap rate. Investor demand was exceptionally strong. The order book achieved a volume of EUR 1 billion within 30 minutes. It was closed at over EUR 3.4 billion approximately two hours after opening.
- In early July, the Bank issued a classic Mortgage Pfandbrief. The issuance volume amounted to EUR 500 million and the maturity is seven years. Investor demand was very high. The order book achieved a volume of EUR 1 billion after 40 minutes. The order book was closed at a volume of about EUR 1.3 billion after approximately two hours. This enabled the spread to be reduced in the course of the transaction to 24 basis points above the mid-swap rate.

- In October, the Bank issued another green Mortgage Pfandbrief with a volume of EUR 500 million and a maturity of six years and four months at a spread of 28 basis points above the mid-swap rate. The Pfandbrief found particularly strong demand from foreign investors, and over 50 percent of the bond was placed with them.

In addition, Münchener Hypothekenbank was able to obtain further funding through top-ups of existing bonds as well as through private placement.

With regard to bonds in foreign currencies, the focus in 2024, as in previous years, was on issues in Swiss francs, which came to around CHF 285 million in 2024. These issues took place exclusively on the capital market via syndicated bonds. They had various maturities and were focused on the Pfandbrief and green senior non-preferred bond product categories.

The total issuance volume was EUR 4.9 billion as at 31 December 2024. Of this sum, EUR 3.2 billion related to Mortgage Pfandbriefe and EUR 1.7 billion to uncovered bonds. There were also Tier 2 bonds and, for the first time, Public Pfandbriefe, both in small volumes.

In the year under review, demand for Münchener Hypothekenbank's deposit products was significantly stronger than in the previous year. For instance, the volume of deposits that were acquired through the Bank's sales channels rose to more than EUR 800 million.

Financial and non-financial performance indicators

The Bank's management uses the following financial performance indicators:

- Total new business property financing
- Operating result after loan loss provisions (results from ordinary business activities)
- Administrative expenses to 31 December 2024
- Cost-income ratio (CIR)
- Return on equity (RoE) before tax

The following two sustainability values were used as non-financial performance indicators until 31 December 2024:

- Proportion of sustainable loans in the new retail business (private residential property financing)
- Proportion of green financing in the commercial real estate financing portfolio

The following three sustainability values will be used as non-financial performance indicators from 1 January 2025:

- CO_2 emission intensity in private property financing
- CO_2 emission intensity in commercial real estate financing
- Issuance of at least one green benchmark bond per calendar year

When used as a non-financial performance indicator for private and commercial real estate financing, “emission intensity” refers to the amount of greenhouse gas emissions generated per square metre by properties financed by Münchener Hypothekenbank. A lower emission intensity means that fewer greenhouse gases are emitted per square metre, which is an indication of a more efficient use of resources and lower environmental impact. It is an important indicator for measuring the progress made in reducing greenhouse gas emissions and achieving the Bank's climate target.

TOTAL NEW BUSINESS – PROPERTY FINANCING

In 2024 the Bank made property financing commitments totalling EUR 3.1 billion. In its planning, the Bank had assumed a new business volume of EUR 3.5 billion. Despite a still difficult macroeconomic environment, it was thus able to achieve 87 percent of its target.

OPERATING RESULT AFTER LOAN LOSS PROVISIONS

The operating result after loan loss provisions, i.e. the net income from ordinary business activities (item 13 of the income statement), amounted to EUR 190.9 million, compared with EUR 170.9 million in 2023, representing a rise of 12 percent.

At EUR 190.9 million, Münchener Hypothekenbank exceeded the target by 7 percent, thanks once again to solid net interest income and lower commission expenses due to the below-target level of new business. The rise in loan loss provisions had the opposite effect. This was mainly due to the creation of a management adjustment of EUR 30 million relating to the collective impairment allowance. The Bank's aim here was to protect itself against credit risks in light of the still difficult market environment for commercial real estate.

ADMINISTRATIVE EXPENSES

Administrative expenses are the sum total of item 7 "General administrative expenses" and item 8 "Amortisation / depreciation and impairment allowances on tangible and intangible assets" as shown in the income statement.

As at 31 December 2024, administrative expenses amounted to EUR 152.3 million, a year-on-year decline of 7.5 percent. This decrease was below the planned figure, which had anticipated administrative expenses of around EUR 148 million. From 1 January 2025, the current indicator "administrative expenses" will be replaced with the indicator "cost-income ratio" for the purpose of internal control.

COST-INCOME RATIO (CIR)

The cost-income ratio describes the ratio of administrative expenses to net interest and commission income. The way in which administrative expenses are calculated is described under the financial performance indicator "Administrative expenses". Net interest and commission income is calculated by netting items 1 to 5 in the income statement.

The cost-income ratio for the 2024 financial year was 32.5 percent, compared with 36.5 percent in the previous year. In its planning, the Bank assumed that the ratio would remain nearly unchanged. It aims to keep the cost-income ratio permanently under 50 percent.

RETURN ON EQUITY (ROE) BEFORE TAX

Return on equity before tax is calculated as the ratio of income statement item 13 "Results from ordinary business activities" to balance sheet liability item 9 "Fund for general banking risks" (previous year) plus liability item 10aa "Members' capital contributions" (current year) plus item 10b "Revenue reserves" (previous year) plus income statement item 20 "Profit carried forward from previous year". The return on equity before tax for the 2024 financial year was 10.3 percent, compared with 9.4 percent in the previous year. The Bank aims for an RoE before tax of at least 10 percent.

PROPORTION OF SUSTAINABLE LOANS IN THE RETAIL BUSINESS (PRIVATE RESIDENTIAL PROPERTY FINANCING)

The key objective of Münchener Hypothekenbank's sustainability strategy is to integrate and expand sustainability within the Bank's core business. Sustainable loans in private residential property financing are a cornerstone in implementing this strategic approach.

These include loans that meet the criteria for the Green Loan and Family Loan or that fulfil the criteria for the top 15 percent of building stock in Germany in accordance with the minimum standards of the Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken, vdp) "Green Pfandbrief" 2025. The target for 2024 was a share of at least 10 percent in new business, as the proportion of financing for newly built residential properties was well below average in the year under review, due to the situation on the market. In the year under review, the share was 12.1 percent.

On 1 January 2025, the Bank will switch from an indicator based on new business volume to one based on CO_2 emission intensity in private property financing. The target for 2025 is 54.2 kg CO_2/m^2.

PROPORTION OF GREEN FINANCING IN THE COMMERCIAL REAL ESTATE FINANCING PORTFOLIO

Another objective of Münchener Hypothekenbank's sustainability strategy is to expand green financing within commercial real estate financing. This includes loans for commercial properties that have been awarded a recognised sustainability certificate or that meet the criteria for the top 15 percent of building stock in Germany in terms of energy efficiency in accordance with Münchener Hypothekenbank's Green Bond Framework.

The Bank set a target of having green financing make up at least 30 percent of its total portfolio by the end of 2024. It exceeded this target with a share of 37.8 percent.

On 1 January 2025, the Bank will switch from an indicator based on new business volume to one based on CO_2 emission intensity in commercial real estate financing. The target for 2025 is 38.6kg CO_2/m^2.

NUMBER OF GREEN BENCHMARK BONDS PER CALENDAR YEAR

The Bank has set a target of issuing at least one green benchmark bond in 2025.

Financial performance, financial position and net assets

FINANCIAL PERFORMANCE

Net interest income[1] increased by EUR 14.0 million, or 2.7 percent, to EUR 532.5 million, which was attributable to the portfolio of interest-bearing business which has been built up in recent years, and higher interest rates. Münchener Hypothekenbank had expected lower interest rates and therefore had forecast a decline to around EUR 486.0 million.

Commission expenses totalled EUR 75.6 million, down by EUR 1.5 million, or 2 percent, compared with the previous year. Commission income amounted to EUR 11.3 million, resulting in a net commission expense[2] of minus EUR 64.3 million, compared with minus EUR 67.5 million the previous year. An expense of 74 million euros was forecasted. The reason for the higher-than-planned net commission income is the ongoing lower level of new business.

Net interest and commission income[3] amounted to EUR 468.1 million, which corresponds to an increase of EUR 17.2 million, or 3.8 percent, compared with the previous year. In its planning, the Bank assumed that the figure would decline by around 8 percent.

General administrative expenses fell by EUR 12.1 million to EUR 148.9 million. Personnel expense amounted to EUR 72.1 million, which was EUR 3.0 million higher than in the previous year and in line with the forecast.

Other administrative expenses fell by EUR 15.1 million, or 16.5 percent. The expense for the bank levy was zero, a decline of EUR 25.6 million. Expenses for projects relating to regulatory issues and for the Bank's further strategic development increased by around EUR 7 million. The remainder of the rise was attributable to investments in IT in particular.

Depreciation, amortisation and write-downs of tangible and intangible assets fell by EUR 0.2 million year on year to EUR 3.4 million.

Total administrative expenses[4] came to EUR 152.3 million compared with EUR 164.6 million the previous year. The cost-income ratio[5] was 32.5 percent, as against 36.5 percent a year earlier.

The net result of other operating expenses and other operating income amounted to plus EUR 0.8 million.

The operating result before loan loss provisions[6] increased by 9.8 percent year on year to EUR 316.7 million.

The item "Write-downs and valuation allowances on loans and advances and on specific securities, as well as additions to loan loss provisions" amounted to minus EUR 126.8 million. Primarily due to additions to collective impairment allowances, the value exceeds the previous year's forecast of 85.0 million euros. The net result of changes in loan loss provisions (including direct write-downs) came to minus EUR 90.1 million (previous year: minus EUR 103.7 million). The changed macroeconomic environment and the associated rise in interest rates resulted in considerable declines in the value of properties, especially on foreign property markets. In line with the Bank's conservative approach, a loan loss provision was created in the amount of these declines in value.

In addition, EUR 40 million was added to the collective impairment allowance, which includes the provision for irrevocable loan commitments. These two positions thus total EUR 100 million. The addition of EUR 40 million to the collective impairment allowance includes a management adjustment of EUR 30 million to account for additional risks in commercial real estate financing.

The item "Income from reversals of write-downs on participating interests, shares in affiliated companies and securities treated as fixed assets" amounted to EUR 1.0 million.

Income from ordinary business activities totalled EUR 190.9 million.

An allocation of EUR 6 million was made to the fund for general banking risks.

After tax expenses of EUR 79.3 million, net income came to EUR 105.6 million, a year-on-year increase of 3.4 percent.

FINANCIAL POSITION

In terms of liquidity management, Münchener Hypothekenbank distinguishes between structural funding and daily liquidity management. Liquidity is at all times managed in consideration of and in compliance with the limits of the internal liquidity risk model, as well as the regulatory liquidity requirements mandated by ILAAP, particularly the LCR and the NSFR.

[1] Net interest income is calculated by adding item 1 "Interest income" plus item 3 "Current income" minus item 2 "Interest expenses" as shown in the income statement.
[2] Net commission income/expense is calculated by netting item 4 "Commission income" and item 5 "Commission expenses" as shown in the income statement.
[3] Net interest and commission income is the sum of net interest income and net commission income/expense.
[4] Total administrative expenses are the sum total of item 7 "General administrative expenses" and item 8 "Amortisation/depreciation and impairment allowances on tangible and intangible assets" as shown in the income statement.
[5] Ratio of total administrative expenses to net interest and commission income
[6] Net result of items 1 to 9 in the income statement.

Structural funding is subject to the risk that debt financing may not be sufficiently available under certain circumstances. Münchener Hypothekenbank has a licence to operate as a Pfandbrief bank, which forms the basis for covered funding and thus ensures that liquidity can be obtained at all times. Münchener Hypothekenbank continuously issues Pfandbriefe with a variety of terms to investors both within the Cooperative Financial Network and outside it. In doing so, it strives to have funding with matching maturities where possible.

The aim of ongoing liquidity management is to ensure the supply of liquidity at all times, including when there are significant and unexpected outflows of liquidity. Münchener Hypothekenbank does not offer any liquidity facilities, which means that unexpected outflows can result only from collateral requirements in the case of derivatives. Among other options, the Bank has a large portfolio of HQLAs (high-quality liquid assets) that are available to it at any time for this purpose.

Münchener Hypothekenbank's liquidity situation is more than adequate.

The Bank was able to meet its payment obligations in due form, on time and in full at all times in the last financial year. The liquidity coverage ratio (LCR) was a minimum of 174 percent and on average 381 percent in the period under review. The stress indicator was 587 percent as at the balance sheet date.

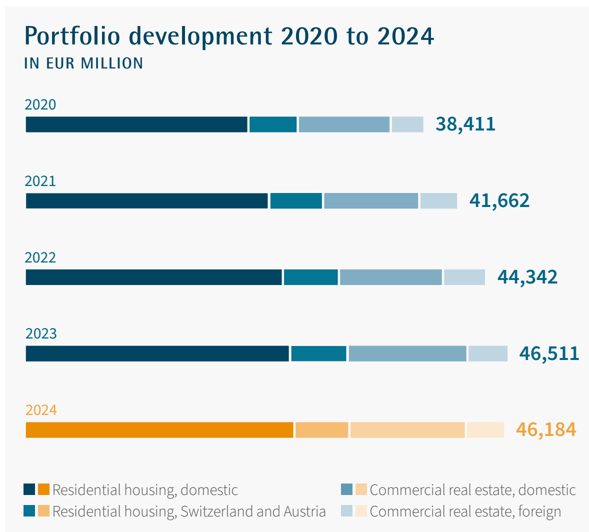
NET ASSETS

Total assets came to EUR 54.5 billion as at the end of 2024, compared with EUR 54.1 billion in the previous year.

During the course of the year, the mortgage loan portfolio decreased by EUR 0.3 billion to EUR 46.2 billion.

The portfolio of private residential property financing in Germany grew by EUR 0.4 billion. Private residential property financing in Switzerland as well as commercial real estate financing experienced declines totalling EUR 0.7 billion.

The private residential property financing portfolio is structured as follows: domestic – EUR 25.9 billion (previous year: EUR 25.5 billion); foreign – EUR 5.3 billion (previous year: EUR 5.5 billion). In addition to the financing business in Switzerland, this portfolio also includes financing in Austria. The commercial real estate financing portfolio totals EUR 15.0 billion (previous year: EUR 15.5 billion). Of this amount, EUR 3.8 billion (previous year EUR 4.0 billion) is attributable to financing outside Germany. Within this figure, around 40 percent of the portfolio in the USA (EUR 0.9 billion) consists of residential property financing, since the Bank began to shift its US portfolio away from office property in favour of residential property several years ago.



The portfolio of public and liquid investments grew to EUR 6.1 billion, including EUR 5.3 billion in securities and bonds.

At the end of 2024, the net balance of hidden charges and hidden reserves in the securities portfolio amounted to minus EUR 104 million (previous year: EUR 8 million hidden reserves).

Following a detailed examination of all bonds, Münchener Hypothekenbank has come to the conclusion that there are no permanent impairments. It aims to hold highly rated bonds on the books until maturity. There was no necessity for write-downs to a lower fair value.

The portfolio of long-term funding instruments remained level year on year at EUR 46.6 billion. Mortgage Pfandbriefe accounted for EUR 35.2 billion of this amount, Public Pfandbriefe for EUR 1.2 billion and uncovered bonds for EUR 10.2 billion. The total volume of funding instruments – including money market funds and customer deposits – amounted to EUR 50.7 billion as at 31 December 2024.

The item “Other liabilties to customers” consists of:

OTHER LIABILITIES TO CUSTOMERS
IN € THOUSAND

	Remaining term < one year	Remaining term > one year	Total
Other liabilities to customers as at 31 December 2024	**2,676,163**	**2,557,280**	**5,233,443**
Registered bonds	**33,192**	**1,607,657**	**1,640,849**
of which institutional investors	26,063	1,438,362	1,464,425
Promissory note loans on the liabilities side	**678,085**	**864,279**	**1,542,364**
of which institutional investors	75,940	524,279	600,219
Other	**1,964,886**	**85,344**	**2,050,230**
of which institutional investors	361,718	27,509	389,227

Members’ capital contributions increased by EUR 3.0 million and stood at EUR 1,274.5 million. Regulatory own funds totalled EUR 2,481.8 million (previous year: EUR 2,364.4 million). The rise was mainly the result of a reinvestment in the amount of EUR 61 million and an IRB shortfall that was lower by EUR 43 million.

Common equity Tier 1 capital rose from EUR 1,760 million in the previous year to EUR 1,864 million as at 31 December 2024. At the end of 2024, the common equity Tier 1 capital ratio was 16.7 percent (previous year: 16.5 percent), the Tier 1 capital ratio was 18.7 percent (previous year: 18.7 percent) and the total capital ratio was 22.2 percent (previous year: 22.2 percent). The leverage ratio as at 31 December 2024 was 3.9 percent (previous year: 3.7 percent).

Ratings and general legal conditions

RATINGS

Moody’s raised several of its ratings for Münchener Hypothekenbank in 2024.

Moody’s remains positive about the fact that Münchener Hypothekenbank has a strong reputation on the capital market as an issuer of Pfandbriefe, noting that it has a correspondingly high level of funding capacity, and also acknowledges the firm ties and corresponding support the Bank enjoys within the Cooperative Financial Network.

Current ratings at a glance:

RATING

Mortgage Pfandbriefe	Aaa
Junior Senior Unsecured	A1
Senior Unsecured	Aa2
Short-term liabilities	Prime-1
Tier 2	Baa2
Long-term deposits	Aa2

The long-term unsecured liabilities are rated by the other two major rating agencies, Standard & Poor’s (A+) and Fitch (AA-), on the basis of the combined rating of the Cooperative Financial Network.

Münchener Hypothekenbank's sustainability performance is measured using select ratings. The sustainability rating agency ISS ESG gave the Bank a "C+" rating, once again awarding it prime status. The agency Sustainalytics awards a risk score between 0 and 40 points using a scoring system. The lower the risk score, the stronger the sustainability management. In 2024, Münchener Hypothekenbank's risk score improved from 15.3 to 15.1. This corresponds to low risk and now puts the Bank in 9th place in the Thrifts and Mortgages peer group.[7] In the MSCI ESG ratings assessment, Münchener Hypothekenbank received an AA rating (on a scale from AAA to CCC) in the reporting year 2024.[8]

The development of the sustainability ratings at a glance:

THE DEVELOPMENT OF THE SUSTAINABILITY RATINGS SINCE 2022

	2022	2023	2024
ISS ESG	C+ (Prime Status)	C+ (Prime Status)	C+ (Prime Status)
Sustainalytics	Risk Score 16,3 (low risk)	Risk Score 15,3 (low risk)	Risk Score 15,1 (low risk)
MSCI	AA	AA	AA

GENERAL REGULATORY CONDITIONS

Capital and reserves

For the most part, Münchener Hypothekenbank calculates its capital requirements using the internal ratings-based approach (IRBA).

Single Supervisory Mechanism for EU banks

The new rules under Basel III from 1 January 2025 also include the gradual introduction of an output floor of 72.5 percent to limit the effects of internal approaches compared with standard approaches. This means that banks with low-risk weightings for their receivables, such as Münchener Hypothekenbank, will be adversely affected by the changes in particular. The introduction of this floor will also impact Münchener Hypothekenbank's capital ratios. As a result of the transition periods and the current capital ratios, the Bank will also be in compliance with the capital ratios under the changed regime.

The Bank follows discussions on the publication of new national and international regulations very closely and circulates any new regulations to the responsible departments within the Bank, where they are implemented in various measures and projects. The abundance of additional regulatory requirements imposed by supervisory authorities causes significant costs and poses a considerable challenge for the Bank's human and financial resources.

The ECB conducted the annual Supervisory Review and Evaluation Process (SREP), comprising a very detailed evaluation of the business model, internal governance, and capital and liquidity adequacy. Any additional capital and liquidity requirements will be derived from that process. The additional capital adequacy requirement (P2R) imposed within the framework of the SREP amounts to 2.25 percent of total capital from 1 January 2025. No additional requirements were set for liquidity.

Recovery and resolution plan

The recovery plan was updated and the information required for the resolution plan was sent to the resolution authority. There were no significant changes from the previous year.

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[8] THE USE BY MÜNCHENER HYPOTHEKENBANK OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF MÜNCHENER HYPOTHEKENBANK BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Executive bodies, committees and employees

EXECUTIVE BODIES AND COMMITTEES

Dr Nadine Becken and Ute Heilig were elected to the Supervisory Board of Münchener Hypothekenbank in the year under review. Anna Duchess in Bavaria was re-elected to the Supervisory Board for another term.

Thomas Höbel and Rainer Jenniches stepped down from the Supervisory Board when their terms ended on 19 April 2024.

PERSONNEL

In the year just ended, human resources work focused on enhancing the human resources strategy. In view of the challenges on the labour market, the Bank identified the following key areas of action: attracting and retaining executives and employees, intensifying staff and executive development, and the expansion of integrated performance management. In addition, the megatrends of diversity, sustainability and digitalisation were taken into account in implementing the human resources strategy.

The Bank had 664 employees[9] (previous year: 643) on average over the year.

CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTION 289F HGB[10]

The proportion of women in the Bank as a whole came to 47 percent in the year under review. At Board of Management level, the proportion came to 0 percent, while the proportion at the first management level below the Board was 11 percent, at the second level 21 percent and at the third level 40 percent. The proportion of women on the Supervisory Board was 33 percent in 2024. For the Supervisory Board, the Bank is aiming for a proportion of women of 33 percent, and for the two management levels below the Board of Management, a proportion of women of 20 percent, with a target quota for the Board of Management of 33 percent. In December 2024, the Supervisory Board's Nomination Committee again addressed the issue of the proportion of women on the Board of Management and Supervisory Board and retained the aforementioned target quotas.

[9] Number of employees in accordance with section 267(5) of the German Commercial Code (Handelsgesetzbuch, HGB); excludes trainees, employees on parental leave or in early retirement or partial retirement (non-working phase) and employees on leave of absence.
[10] not part of the annual audit.

NON-FINANCIAL STATEMENT[1]

Münchener Hypothekenbank has reported on non-financial aspects and the material economic, environmental and social impacts of its business activities every year since 2012. This non-financial statement for the 2024 financial year was prepared in accordance with sections 340a(1a) and 289b(1) of the German Commercial Code (Handelsgesetzbuch, HGB), as well as with Article 8 of Regulation (EU) 2020/852 (the 'Taxonomy Regulation'). In preparing the non-financial statement, the European Reporting Standards (ESRS) were used in part as a framework.

The following components of the non-financial statement were prepared in accordance with the ESRS:

- The chapter on general disclosures, except for disclosures relating to governance (GOV-1, GOV-2, GOV-3, GOV-4 and GOV-5)
- The chapter on environmental information, with the exception of the quantitative key figures on greenhouse gas (GHG) reduction targets (E1-4), GHG intensities (E1-6 53.–55.), information on CO_2 certificates (E1-7), carbon pricing (E1-8) and anticipated financial effects (E1-9)
- The chapter on social information, with the exception of information on non-employee workers (S1-7), compensation figures (S1-16) and the affected communities standard (S3)
- The chapter on governance information

In accordance with the results of the materiality analysis, no reporting was conducted on standards E2–E5 and S2.

The statement covers the head office in Munich, the branch in Berlin and ten regional offices in Germany. Based on the results of a careful materiality assessment, subsidiaries have not been included. Baden-Württembergischer Genossenschaftsverband e.V. (BWGV) was tasked with conducting a limited assurance audit of the non-financial statement.

ESRS 2 General disclosures

BASIS FOR PREPARATION

BP-1

General basis for preparation of sustainability statements

5(a) Scope of consolidation

The sustainability statement has been prepared on a consolidated or individual basis.	☐ Consolidated basis ☒ Individual basis

5(c) Coverage of the upstream and downstream value chain

The description of the strategy and business model, as well as the value chain, is provided in the disclosures in ESRS 2 SBM-1.

The upstream and downstream value chain is considered and covered in the 2024 materiality assessment and the description of the strategy and business model. The non-financial statement focuses on the immediate upstream and downstream value chain. More details on the methodology of the 2024 materiality assessment are provided in ESRS 2 IRO-1.

The interaction between material impacts, risks and opportunities on the one hand and the value chain on the other is described in ESRS 2 SBM-3.

5(d) Intellectual property, know-how or results of innovation

The undertaking has used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.	☐ Yes ☒ No

[1] not part of the annual audit.

5(e) Special exemptions

The undertaking made use of the exemption as provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU from disclosure of impending developments or matters in the course of negotiation.	☐ Yes ☒ No

BP-2

Disclosures in relation to specific circumstances

9. Time horizons

9(a) Definitions of medium- or long-term time horizons

The undertaking has deviated from the medium- or long-term time horizons defined in section 6.4 of ESRS 1 for reporting purposes.	☐ Yes ☒ No

10. Value chain estimation

The key figures include upstream and/or downstream value chain data estimated using indirect sources.	☒ Yes ☐ No

The following table summarises the key figures for the upstream and downstream value chain, which were estimated using indirect sources such as sector-average data or other approximate values. The table merely provides an overview of the corresponding disclosure requirements. The respective sections of the disclosure requirements provide a more detailed description of the information, assumptions and contextual details of the individual estimates.

Disclosure requirement	Datapoint
E1-6	Paragraphs 51 and 52: Scope 3 GHG emissions

11. Sources of estimation and outcome uncertainty

The following table provides an overview of the key figures in which estimates have been used and measurement uncertainties may accordingly exist. The table merely provides an overview of the corresponding disclosure requirements. The respective disclosure requirements provide a more detailed description of the information, assumptions and contextual details of the individual uncertainties and estimates.

Disclosure requirement	Datapoint
E1-5	Paragraph 37(a) – (c): Information on the total energy consumption of the undertaking related to its own operations
E1-6	Paragraphs 48, 49, 51 and 52: Scope 1, 2 and 3 GHG emissions

16. Incorporation by reference

No information has been incorporated by reference.

STRATEGY

SBM-1

Strategy, business model and value chain

40(a) i. Significant groups of products and/or services offered and any changes to these during the reporting period

All activities of Münchener Hypothekenbank fall within the ESRS sector group ‘Financial Services/Banking/FBM’ (according to the ‘[Draft] European Sustainability Reporting Standard SEC1 Sector classification standard’).

Münchener Hypothekenbank is a credit institution specialising in residential and commercial real estate financing for retail and commercial (corporate and institutional) customers. The Bank funds these assets on capital markets by issuing Pfandbriefe and unsecured bonds, as well as on the money market. Hence, the Bank operates in three core business areas: in retail residential real estate financing, in commercial real estate financing and in capital markets and funding.

The focus of the Bank’s sustainability activities is on residential and commercial real estate financing (see ESRS 2 SBM-3). Münchener Hypothekenbank’s business model provides for a cycle linking sustainable lending with sustainable funding in accordance with the Green Bond Framework[2] (see ESRS 2 E1-2).

In its **retail business,** Münchener Hypothekenbank grants loans to retail customers in Germany, Switzerland and Austria

[2] The Green Bond Framework of Münchener Hypothekenbank defines sustainable or green (re)financing products.

for residential property financing through its business partners, which include cooperative partner banks as well as independent financial advisers and brokers.

Münchener Hypothekenbank has developed sustainability loans for its retail customers that include both environmental and social aspects. The Bank has been promoting energy-efficient construction with its green loans since 2015, which support the construction and acquisition of energy-efficient, privately used residential properties with an annual maximum primary energy demand of 55 kWh/m^2 by offering a reduced interest rate. This is verified by means of an energy certificate or a certificate of compliance with KfW standards for energy-efficient construction. Münchener Hypothekenbank also offers KfW loans to promote the acquisition, new construction, conversion or renovation of buildings for energy efficiency purposes. The family loan, created especially for families, is also suitable for various residential purposes and offers favourable conditions in the form of a reduced interest rate. This loan can also be combined with the Green Loan.

In **commercial real estate financing,** the Bank chiefly finances blocks of flats, office buildings, hotels and retail and logistics properties in Germany and abroad. Münchener Hypothekenbank conducts its business in this segment primarily in Germany directly with professional (commercial and institutional) property investors. Additional channels comprise the brokerage business of cooperative banks and other brokers, as well as the syndicated business.

For financing of commercial real estate, Münchener Hypothekenbank increasingly places importance on properties that have received a recognised sustainability certificate, such as DGNB, BREEAM, LEED or HQE, with a very good rating. Furthermore, a range of transformation loans (for the energy-efficient renovation of commercial properties) is currently in the planning stage. Some of the commercial properties financed by the Bank also meet social needs, such as senior living facilities or student accommodation. These property projects will help improve the quality of life of senior citizens and create affordable housing for students. Münchener Hypothekenbank also finances housing associations and municipal housing companies, thereby making a contribution towards meeting the demand for residential housing.

The **capital markets and funding** segment comprises the funding and issuing activities of Münchener Hypothekenbank on the one hand, and its lending business on the capital market on the other. Apart from the procurement of liquidity in the narrower sense, this also includes accessing other funding sources. Münchener Hypothekenbank offers its customers covered bonds – in the form of mortgage Pfandbriefe – and unsecured bonds.

Its portfolio includes a range of sustainable capital and money market products that Münchener Hypothekenbank can draw on to sustainably fund green loans. These include green AT 1, green Tier 2, green Pfandbriefe in accordance with the minimum standards of the Association of German Pfandbrief Banks (*Verband deutscher Pfandbriefbanken,* vdp), green senior bonds, green commercial paper and green term deposits.

ALLOCATION REPORT [1]
IN € MILLION

Assets	Notional value 31.12.2024		Liabilities
Cover pool residential property	6,378.0	3,835.0	Green Pfandbriefe
Cover pool commercial real estate	3,271.2	123.1	Green Tier 2
Residential not in cover pool	1,175.9	2,295.0	Green senior bonds
Commercial not in cover pool	1,815.5	23.0	Green CP & green term money
Green portfolio balance	**6,364.5**		

Conversion into euros is carried out using the ECB foreign exchange reference rates for the euro
[1] The vdp's "Grüner Pfandbrief" minimum standards 2025 were taken into account in the calculation.

In the area of **lending** on capital markets, new investments are regularly made in public and liquid investment securities, especially to fulfil regulatory requirements. Business with public-sector customers (municipal financing) is also being selectively resumed.

40(a) ii. Significant markets and/or customer groups served and any changes to these during the reporting period.

In its **retail business,** Münchener Hypothekenbank provided property financing to retail customers in its core market of Germany as well as in Switzerland and Austria.

The target group for green loans are customers who are building or buying new properties, or renovating existing ones, and who value sustainability, environmental protection and energy efficiency, or who want to reduce energy costs. The family loan is aimed at couples or single parents with at least one child and an average income for financing their own home.

Münchener Hypothekenbank provides **commercial real estate financing** in Germany (its core market), France, the United Kingdom, Spain, the Netherlands, Belgium, Luxembourg and Austria. New business is no longer being concluded in the USA. The Bank's customers include funds, private, institutional and public investors, real estate investment trusts (REITs), family offices, housing companies and German cooperative banks that are members of the protection scheme of the National Association of German Cooperative Banks (BVR).

In its commercial real estate financing business that is classified as sustainable, the Bank does not grant loans to natural persons or legal entities that generate an appreciable proportion of their revenue in controversial sectors, such as fossil energy.

Münchener Hypothekenbank raises funds primarily through capital markets **(funding).** Funding is also acquired on the money market. The investors in the funding products are banks of the German Cooperative Financial Group, (syndicate) banks, insurance companies, pension schemes and funds, central banks, sovereign wealth funds and multilateral institutions, as well as private customers. German institutional investors, followed by central banks, are the most important investor group in terms of the total volume invested in Münchener Hypothekenbank. The majority of Münchener Hypothekenbank's investors are based in Germany and its neighbouring European countries. Funding products are also sold in the rest of Europe, Asia, the Middle East and Africa. Selling restrictions and conditions apply to certain markets.

The sustainable funding products on offer appeal to a broad range of investors. The reasons for investing in sustainable products range from ethical goals, such as contributing to climate protection, to economic considerations that include meeting regulatory requirements and high liquidity on the secondary market.

Münchener Hypothekenbank purchases public and liquid securities for its lending business in the primary and secondary markets. Our public and liquid investments are focused on central and regional governments, local public authorities and banks. The Bank's regional focus is on Germany and other Western European countries.

With regard to our own investments, the Bank does not invest in countries that, according to Democracy House and the Freedom Index,[3] violate human and civil rights.

40(a) iii. Head count of employees by geographical areas

All 740 staff members[4] of Münchener Hypothekenbank are employed in Germany.

40(a) iv. Material products and services subject to market prohibitions

None of the products and services offered by Münchener Hypothekenbank are currently subject to prohibitions.

40(e) Sustainability goals in relation to products, services, customer categories, geographical areas and relationships with stakeholders

The key objective of Münchener Hypothekenbank's Sustainability Strategy/Roadmap is to integrate and expand sustainability within the Bank's core business.

Sustainable loans in private residential property financing are a cornerstone in implementing this strategic approach. These include loans that meet the criteria for green loans and family loans (see ESRS 2 SBM-1 paragraph 40(a) i.), as well as loans that meet the criteria for the top 15 percent of existing buildings in Germany in terms of energy efficiency in accordance with the vdp minimum standards 'Green Pfandbrief' 2025.

Münchener Hypothekenbank set itself the goal of providing sustainable financing in 10 percent of new business in its retail business segment by the end of 2024. It exceeded this target in 2024, achieving a value of 22 percent (see ESRS 2 SBM-1 paragraph 40(f)).

Another objective of Münchener Hypothekenbank's Sustainability Strategy/Roadmap is to expand green financing within commercial real estate financing. This includes loans for commercial properties that have been awarded one of the recognised sustainability certificates (see ESRS 2 SBM-1 paragraph 40(a) i.) or that meet the criteria of Münchener Hypothekenbank for the top 15 percent of existing buildings in Germany in terms of energy efficiency.

The Bank's target was to increase green financing in its commercial real estate financing portfolio (actual capital) to 30 percent. It exceeded this target as well, achieving a value of 49.6 percent (see ESRS 2 SBM-1 paragraph 40(f)).

Funding by means of sustainable products is also an important part of the Bank's funding strategy. The range of sustainable loan products on the assets side of the balance sheet creates a portfolio that can be used for the regular issue of green Pfandbriefe and other sustainable funding products. Münchener Hypothekenbank intends to issue at least one green bond annually between 2024 and 2028.

[3] The Freedom House Index, which rates access to political rights and civil liberties, is published annually by the non-governmental organisation Freedom House. The Democracy Index of The Economist magazine measures the quality of democracy of countries around the world.

[4] The term 'staff members' is used synonymously with 'employees'. The number of employees is stated as at the reporting date of 31 December 2024, in contrast to the approach under Section 267(5) HGB, and comprises all employees, including working students and interns, in accordance with ESRS requirements. Further information on how the number of employees is calculated is provided in S1-6 paragraph 50(d).

40(f) Assessment of current significant products and/or services, and significant markets and customer groups, in relation to sustainability-related goals

The range of sustainable products offered is the basis for achieving the Bank's defined sustainability-related goals and will contribute to the sustainable transformation of the property industry. It is specifically designed to meet the needs of customers and their financing requirements, for example, to allow them to carry out energy-efficient renovations. The financing products thus not only help to achieve the Bank's sustainability-related goals, but also enable customers and investors to implement their sustainable projects and achieve their sustainability-related goals. In recent years, the proportion of products in the Bank's portfolio classified as sustainable has steadily increased. The product range is therefore also financially important for the Bank in order to develop new business opportunities in the area of energy-efficient renovations.

In 2024, the proportion of sustainable loans (= family loans and green loans) in private residential property financing with the banks of the German Cooperative Financial Group was roughly 12.12 percent of the new business in this segment.

The proportion of green financing in the commercial real estate financing portfolio (effective capital) was 37.8 percent in 2024.

On the funding side, the expansion of the product range to include green term deposits and green commercial paper has further strengthened the Bank's market position and met the needs of sustainability-oriented investors. In 2024, sustainable securities amounting to approximately 2.1 billion euros were placed. Green Pfandbriefe, unsecured senior preferred and senior non-preferred bonds, green commercial paper and term deposits were issued. The portfolio also includes a green Tier 2 bond in Swiss francs as an equity instrument.

40(g) Strategic elements that relate to or have an impact on sustainability matters, including the main challenges ahead

Münchener Hypothekenbank has integrated sustainability and ESG into all areas of its business. The opportunities and challenges that these present form an integral part of the business strategy in all business areas. This is essential so that Münchener Hypothekenbank can continue successfully developing its core business areas.

In order to pursue its objectives and implement its business strategy, Münchener Hypothekenbank has set out strategic guidelines. The strategic guidelines express the Bank's position on sustainability and ESG. This includes developing and providing sustainable products and solutions for customers and partners.

A full description of the extent to which the material sustainability topics are linked to the business strategy is provided in the disclosures in ESRS 2 SBM-3.

42(a) – (c) Description of the gathering, development and securing of inputs, outputs and outcomes in terms of benefits to stakeholders as well as the upstream and downstream value chain

The **upstream value chain** includes funding of loans, as well as suppliers and service providers for the Bank's own operations.[5]

The funding of loans takes place through capital and money markets, with the largest proportion being raised by issuing mortgage Pfandbriefe on capital markets (see ESRS 2 SBM-1 paragraph 40(a)). Strategically, the Bank strives to achieve the greatest possible diversification of its funding sources to keep its dependence on capital markets, counterparties or intermediaries to a minimum. Münchener Hypothekenbank's funding mix is regularly published in investor presentations on the Bank's website.

The Bank works with service providers and suppliers primarily in the IT and facility management areas. The relevant departments also procure services as required. IT Procurement Management, for example, purchases products such as hardware and software, while Facility Management purchases services such as building security and cleaning services. Individual activities (other than IT or facility management) are outsourced to external companies. Specific procurement processes, guidelines and requirements have been defined for all types of procurement.

[5] The expression 'own operations' is used synonymously with 'operating business activities of the Bank'.

The immediate **downstream value chain** is determined by the core business, which is primarily the financing of residential and commercial real estate. Through the Bank granting loans, its customers gain access to the capital they require for property projects. In the context of sustainable transformation, the banking industry, including Münchener Hypothekenbank, has a central role to play in providing liquidity for energy-efficient renovations.

The main actors in the downstream value chain are the customers in property financing and business partners who act as intermediaries in the value chain by brokering financing. These include Volksbanken, Raiffeisenbanken and other cooperative credit institutions, as well as independent financial advisors and investment sales brokers in private property financing. In addition, Münchener Hypothekenbank works together with PostFinance and Swiss Life in Switzerland. In Austria, it cooperates with selected intermediaries.

Münchener Hypothekenbank also makes investments on the capital markets to manage liquidity and the cover pool for issued Pfandbriefe, as well as to manage regulatory ratios.

The skilled trade and construction industries indirectly represent part of Münchener Hypothekenbank's downstream value chain, although the Bank has no business relationship with these businesses.

Further details on the most significant products, customer segments and distribution channels in Münchener Hypothekenbank's core business are provided in ESRS 2 SBM-1 paragraph 40(a).

SBM-2

Interests and views of stakeholders

45(a) i. – ii. Stakeholder engagement, including a disclosure of the main stakeholders, engagement with them and their categories

Münchener Hypothekenbank's stakeholder groups[6] are specified below and categorised as users of sustainability information or affected stakeholders in accordance with the requirements of the ESRS 1 standard, chapter 3.1.

Users of sustainability information:

- **Members:** This refers to the 54,623 members of Münchener Hypothekenbank (as at 31 December 2024)
- **Supervisory authorities:** These include the European Central Bank (ECB), the German Federal Financial Supervisory Authority (BaFin), the German Bundesbank and the European Banking Authority (EBA)
- **Rating agencies:** ISS ESG, Sustainalytics and MSCI, among others
- **Investors (excluding members):** These are buyers of funding and equity products (excluding cooperative shares) from Münchener Hypothekenbank
- **Business partners (excluding members):** These include cooperative partner banks, investment sales brokers, investment banks, suppliers and service providers
- **Associations:** These include the BVR, the regional cooperative associations, the vdp, the ECBC and the German Association for Environmental Management and Sustainability in Financial Institutions (*Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V.,* VfU).

Affected stakeholders:

- **Members:** This refers to the 54,623 members of Münchener Hypothekenbank (as at 31 December 2024)
- **Employees:** These are the Bank's own employees
- **Employees of external service providers:** These include employees of distribution partners (e.g. investment sales brokers, employees of cooperative and investment banks) and employees of suppliers and other service providers
- **Customers:** These include retail and commercial (corporate and institutional) customers
- **Affected communities:** This group includes all tenants who gain access to housing through the financed properties

[6] The term 'stakeholder' is used synonymously with 'interested party'.

45(a) iii. Organisation of stakeholder engagement

A range of dialogue formats exist for the various stakeholder groups, and further opportunities for engagement are continuously being explored. Apart from the usual dialogue in the context of business processes, dialogue with stakeholders also takes place in a number of other formats:

- **Members:** Participation of members at representatives' meetings, regular communication with members, sharing information via the members' portal
- **Supervisory authorities:** Continuous dialogue and ad hoc, issue-specific reviews by the Joint Supervisory Team
- **Rating agencies:** Providing information to rating agencies, checking that rating reports prepared by rating agencies are accurate and up to date, and obtaining ratings
- **Investors:** An investor presentation containing detailed information about the Bank's (sustainable) portfolio is published several times a year on Münchener Hypothekenbank's website and serves as a basis for investor meetings and discussions. Questions can be sent directly to Investor Relations by email. In compliance with the ICMA Green Bond Principles, an allocation report and impact report are published on the website annually.
- **Business partners:** Regular events and working groups with partner banks; Facility Management, IT and Compliance send questionnaires to suppliers and service providers to ensure, inter alia, respect for human rights along the entire supply chain in accordance with the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) and the Bank's Code of Conduct; regular meetings and consultations with the cooperative advisory board; integration as part of the double materiality assessment
- **Associations:** Regular meetings to exchange ideas and discuss current issues and developments (e.g. in the context of ESG regulations and the double materiality assessment)
- **Employees:** Various dialogue formats such as employee meetings, feedback meetings, target agreement and target achievement meetings, ad hoc employee surveys, information stands in the foyer and training courses, as well as the intranet and the employee magazine
- **Customers:** Customers can contact Münchener Hypothekenbank through a variety of channels, including the 'Meine MHB' portal and by phone, post or email. Customer surveys are also carried out.

45(a) iv. The purpose of stakeholder engagement

As a cooperative bank, Münchener Hypothekenbank has a special responsibility towards its customers, members and society. The aim of every cooperative is to provide its members with financial support and assistance. This principle is enshrined in the articles of association of Münchener Hypothekenbank. The cooperative principles form the central guiding principle of its business activities (see SBM-3 paragraph 48(b) and (c) ii).

One of Münchener Hypothekenbank's main objectives is to continuously improve its property financing services. In order to achieve this, the Bank not only needs to be efficient and flexible, but also has to be able to respond to changing markets and the needs of its stakeholders. To maintain its ability to convince stakeholders of the added value of Münchener Hypothekenbank as an independent institution in the future, it is of the utmost importance that it actively develops and fosters diverse levels of relationships. This is primarily dependent upon Münchener Hypothekenbank's ability to offer financial products that meet the needs and requirements of its stakeholders. Hence, Münchener Hypothekenbank relies on maintaining close relationships and on regular communication with its stakeholders.

45(a) v. Taking into account the outcome of stakeholder engagement

The responsible departments receive and carefully review the wishes and interests of stakeholders that have been identified. These reviews help determine whether measures to optimise internal activities and processes are required. In order to evaluate and implement these measures, the employees work closely and efficiently with all relevant departments, ensuring that cross-functional and non-hierarchical cooperation occurs.

Investors expect a high degree of transparency, especially with regard to ESG issues, which can give rise to wide-ranging questions at investor meetings. The topics raised are addressed internally, the availability of the data is checked and an assessment is made as to whether greater transparency can be provided in accordance with the wishes of the investors, taking into account any legal restrictions, such as the protection of sensitive customer data.

45(b) Taking into account the interests and views of key stakeholders as they relate to the business strategy

In accordance with the IRO-1 disclosure requirement, the perspectives and interests of stakeholders were always taken into account in the double materiality assessment when identifying material impacts, risks and opportunities (IROs). This ensures that the associated guidelines, measures and objectives are drawn up in accordance with the (sustainability-related) interests of the stakeholders.

The integration of the material IROs from the core business into the business strategy (see ESRS 2 SBM-3) enables the Bank to take the interests of stakeholders into account in determining its strategic direction. This makes it easier to integrate the results into the annual strategy process and make any adjustments that may be necessary to strategic guidelines and initiatives.

45(c) i. Disclosures of any amendments to the business strategy to address the interests and views of stakeholders

In order to pursue its objectives and implement its business strategy, the Bank has set strategic guidelines. This strategic framework establishes general guidelines and ensures that the Bank's activities and decisions are all mutually consistent. The core interests of various stakeholder groups are embedded in the guidelines. For example, the guidelines require that the allocation and structure of capital must always be managed in the interests of the **members. Employees** should be supported in an environment of trust and reliability.

The Bank has developed a strategic guideline to strengthen and expand its position as an indispensable partner of the **cooperative banks.** Its aim is to actively develop and maintain the wide variety of relationships that exist within the German Cooperative Financial Network.

Münchener Hypothekenbank will continue to secure returns for its **investors** in the extended capital markets and funding business, while carefully assessing and monitoring the risks involved.

The interests of the Bank's **customers** are at the centre of its strategic focus in all areas and activities. Münchener Hypothekenbank is committed supporting its customers and addressing their concerns as a strong partner.

Sustainability/ESG is becoming increasingly important for Münchener Hypothekenbank and all stakeholder groups. Given the scale of the challenge involved in limiting the effects of climate change and adapting to its consequences, the issue is receiving a great deal of attention from politicians and regulators. Consequently, the ESG regulatory framework is a key factor influencing Münchener Hypothekenbank's business activities and strategy. In its strategic guidelines, Münchener Hypothekenbank has adopted a clear position on the issues of sustainability and ESG to take advantage of the potential that the coming years offer, both for itself and for its stakeholders (see ESRS 2 SBM-1 paragraph 40(g)).

45(c) ii. Further planned steps and timeline

Sustainability/ESG will continue to shape all areas of the business and the strategic direction of the Bank in the years ahead.

The recently established strategy controlling and real-time reporting to the Strategy & Finance Board enable management to identify the causes of deviations from targets at an early stage. The Strategy & Finance Board consists of the entire Board of Management, the Head of Corporate Development, the Head of Accounting and, when necessary, the relevant team or department heads, depending on the issue involved. The Strategy & Finance Board meets quarterly and on an ad hoc basis if required. Depending on the status quo, suitable control measures can be taken based on the degree to which the target has been achieved and strategic initiatives can, for example, be revised or re-initiated.

45(c) iii. Expected changes in the relationship with stakeholders

Münchener Hypothekenbank will strengthen its dialogue with stakeholders in the area of sustainability/ESG with the aim of integrating their interests into the further development and improvement of its sustainable product portfolio.

The further development of the sustainable product portfolio and the measures and targets specified for it include, in some cases, direct customer participation, for example by supplying energy data for financed properties. Customers are specifically requested to provide (real) data. Customers and investors should also be provided with the best possible information about the features and benefits of (new) green products. Consequently, the Bank is planning to actively approach customers and launch specific marketing campaigns (in cooperation with its partner banks in distribution).

The Bank intends to remain actively involved in associations that address ESG issues, such as the development of uniform criteria and standards for the evaluation of sustainable products. This corresponds to the desire expressed by the customers surveyed as part of the double materiality assessment that standardised industry-wide definitions should be developed.

Münchener Hypothekenbank is also increasingly addressing the issues of sustainability and ESG with its employees. Specifically, employees in sales are receiving more training on sustainable products and ESG regulatory requirements to improve the service and advice they are able to offer.

45(d) Informing the administrative, management and supervisory bodies about the views and interests of stakeholders

The internal management structure of Münchener Hypothekenbank provides for various boards of the entire Board of Management to meet in addition to the Board of Management meetings. These include an ESG Board, which deals with sustainability-related developments, issues and decisions. The ESG Board consists of the entire Board of Management and the Non-Financial Risk Management Policy department. The Supervisory Board is informed of important developments at the Bank through the Board of Management's report. Moreover, the regular Supervisory Board meetings in the 2024 financial year included an agenda item dealing specifically with sustainability issues and activities.

As part of the double materiality analysis in 2024, interviews were conducted with external experts in order to validate internal findings and take appropriate account of stakeholder perspectives (see ESRS 2 IRO-1, disclosure 53(a)–(g)). Stakeholder assessments and input were presented to the Executive Board in the Steering Committee and discussed.

SBM-2 S1

Interests and views of stakeholders

12. Engaging with own workforce, including respect for their human rights, in the strategy and business model

Disclosures on engagement with the Bank's employees in its strategy and business model are provided in ESRS 2 SBM-2 paragraph 45(a) and (b).

SBM-2 S4

Interests and views of stakeholders

12. Engaging with consumers and end users, including respect for their human rights, in the strategy and business model

Disclosures on engagement with consumers and end users in the strategy and business model are provided in ESRS 2 SBM-2 paragraph 45(a) and (b).

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

48(a), (c) i., iii., iv. Description of the material impacts, risks and opportunities from the materiality assessment and their influence on the business model and the value chain

There are material impacts, risks and opportunities (IROs) in Münchener Hypothekenbank's own operations and in the upstream and downstream value chain.

In the Bank's own operations, material IROs were identified in all three ESG dimensions: In the environmental dimension, IROs relating to climate change are of crucial importance, specifically with regard to the Bank's locations. In the social dimension, the focus is on IROs in relation to the Bank's employees, while in the governance dimension, the material issues are corporate culture, corruption and bribery.

In the upstream value chain, material IROs associated with Münchener Hypothekenbank's suppliers were identified. Suppliers involved in manufacturing products and providing services are also indirectly addressed.

In the downstream value chain, material IROs arise mainly from the core business and are primarily linked to sustainability issues in relation to climate change. The core business of Münchener Hypothekenbank is private and commercial real estate financing. Material IROs were also identified in the core business for the stakeholder groups 'affected communities' and 'consumers and end users'.

The following tables list all the IROs that were identified as material in the 2024 Double Materiality Assessment.

MATERIAL IROS IN THE DOWNSTREAM VALUE CHAIN

No.	Overview of material impacts, risks and opportunities	IRO dimension	Expected time horizon	Extent of impact / justification of materiality
Climate change & energy (E1)				
1	Financing activities with high CO_2 emissions/intensities and high energy consumption	Negative impact	Short/medium term	A central component of the Bank's business model is financing properties, the construction, operation and renovation of which are sometimes associated with high GHG emission intensities and high energy consumption.
2	Climate change mitigation through issuing green loans	Positive impact	Short/medium term	Significant reductions in CO_2 emissions have already been achieved by issuing green loans, for example to finance energy-efficient renovations.
3	Increased revenue potential through climate-friendly products and services	Opportunity	Short/medium term	The rising demand for green financial products entails increased revenue potential for Münchener Hypothekenbank.
Climate change adaptation (E1)				
4	Physical risks in the portfolio	Risk	Short/medium term	Various relevant physical risk drivers were identified in the portfolio.
5	Transition risks in the portfolio	Risk	Short/medium term	Various relevant transition risk drivers were identified in the portfolio.
6	Opportunity costs due to customers' risk aversion with regard to modernisation measures in the financing business	Risk	Short/medium term	Uncertainty and hesitation can potentially cause financial losses due to a decline in new business.
Rights and concerns of affected populations (S3)[7]				
7	Improvement in the quality of life of local communities and populations	Positive impact	Short/medium term	The financing of residential portfolios makes an important contribution towards meeting the demand for residential housing.
Consumer protection (S4)				
8	Responsible marketing	Positive impact	Short/medium term	Münchener Hypothekenbank considers the financial situation of its customers in its marketing activities. Furthermore, cooperative values are fundamental to how Münchener Hypothekenbank does business.

MATERIAL IROS IN THE UPSTREAM VALUE CHAIN

No.	Overview of material impacts, risks and opportunities	IRO dimension	Expected time horizon	Extent of impact / justification of materiality
Management of suppliers (G1)				
9	Fairness and transparency in procurement	Positive impact	Short/medium term	Transparency in procurement is of the utmost importance to the Bank. The Bank's standards are enforced through continuous dialogue with the suppliers concerned.
10	Resilience of the supply chain through long-term contractual relationships	Opportunity	Short/medium term	Long-term contractual relationships with suppliers constitute the basis for trust and rapid support in emergencies.
11	Risks due to decentralised procurement measures	Risk	Short/medium term	Decentralised procurement processes increase complexity and result in higher costs and longer processing times.

[7] Reporting in accordance with the S3 standard is planned for the future.

MATERIAL IROS IN OWN OPERATIONS

No.	Overview of material impacts, risks and opportunities	IRO dimension	Expected time horizon	Extent of impact / justification of materiality
Climate change & energy (E1)				
12	CO_2 emissions and energy consumption in own operations	Negative impact	Short/medium term	In the operation of its portfolio properties, rented properties and vehicle fleet, Münchener Hypothekenbank consumes energy and emits CO_2.
13	Reduction of CO_2 emissions and energy consumption in own operations and rented properties	Positive impact	Short/medium term	Various measures have already resulted in CO_2 and energy savings.
14	High financial costs due to measures for energy efficiency	Risk	Short/medium term	Energy-efficient conversions and bad investments can cause significant additional costs.
Climate change adaptation (E1)				
15	Increased operational risk due to physical risks	Risk	Long term	In the long term, physical risk drivers were classified as a risk for Münchener Hypothekenbank in the ESG risk inventory.
16	Increased operational risk due to transition risks	Risk	Short/medium term	In the short and long term, various transition risk drivers are considered to be material for the Bank's operations.
Attracting, developing and retaining staff (S1)				
17	Health care offerings for employees	Positive impact	Short/medium term	Münchener Hypothekenbank's health care offerings exceed the legal requirements.
18	Better employee performance through flexible working models and skills development ('new work')	Opportunity	Short/medium term	Various options for employees contribute to the Bank's success.
19	Loss of experienced employees	Risk	Long term	Due to the shortage of skilled workers and the age structure within the Bank, this poses a potential risk in the long term.
20	Support for and recruitment of new talent	Opportunity	Short/medium term	Supporting the development of all employees is a vital component in recruitment.
Diversity & equal opportunities (S1)				
21	Low proportion of women in management positions	Negative impact	Short/medium term	The percentage of women in upper management is currently low (Board of Management: 0%; first management level: 11%).
22	Fair compensation	Positive impact	Short/medium term	Münchener Hypothekenbank pays competitive wages. Remuneration is an important issue in relation to equal opportunities.
23	Promotion of diversity in the Bank	Positive impact	Short/medium term	Münchener Hypothekenbank supports its employees (for example, with language courses and career programmes for women) to an extent well beyond the legal requirements.
24	Increased business success through diverse teams	Opportunity	Short/medium term	Diversity has a significant influence on the Bank's success; for example, vacancies can be filled more easily and quickly while maintaining the same quality.
Business conduct (G1)				
25	Potentially inadequate implementation of internal guidelines and codes	Risk	Short/medium term	Inadequate information security in particular can potentially result in negative consequences and fines.
26	Successful integration of the guiding principles into the corporate culture	Opportunity	Short/medium term	A corporate culture that is clearly communicated and practised forms the basis for long-term and sustainable economic activity.
Corruption & bribery (G1)				
27	Compliance risks	Risk	Short/medium term	Compliance risks are latent threats, as infringements can occur at any time, regardless of whether they have occurred in the past.

48(b), (c) ii. Effect and connection of material impacts on the business model and strategy, including any changes made as part of the actions

The results of the double materiality assessment of the downstream value chain and the core business of Münchener Hypothekenbank have been integrated directly into the business strategy, along with the material IROs for each business area. Starting in 2025, the progress made in managing these IROs, for example in terms of CO_2 reductions, will be considered annually as part of the strategy process and evaluated in terms of its potential impact on the business strategy. In the future, material IROs in the Bank's own operations and in the upstream value chain will be taken into account in the respective functional strategies, such as the HR Strategy, which are linked to the business strategy.

Currently, the material IROs in relation to **climate change** have the greatest influence on the business model and business strategy of Münchener Hypothekenbank. According to the European Climate Law, all buildings in the EU should be emission-free by 2050, and new buildings from 2030. All countries relevant to Münchener Hypothekenbank's real estate portfolio are signatories to the Paris Agreement on climate change and support the 1.5-degree target. Achieving this target requires emission savings, which can be achieved in the property financing business by improving the energy efficiency of buildings. The relevance of energy efficiency as the crucial element is emphasised in the political and legal context.

Identifying the resulting opportunities and risks at an early stage and managing them as part of a strategic approach is crucial for Münchener Hypothekenbank.

To be able to respond to climate change and environmental risks and to proactively identify and assess potential risks and opportunities at an early stage, a business environment assessment based on the ECB's guide on climate-related and environmental risks was carried out in 2024. The purpose of the assessment is to consider risks and opportunities in the business strategy and to take appropriate action. The Bank will conduct and evaluate such an assessment annually as a fundamental component of future strategy processes. Detailed descriptions of the procedure and the results of the business environment assessment are provided in ESRS 2 SBM-3 E1.

The material climate-related impacts in the core business of Münchener Hypothekenbank, such as CO_2 emissions and carbon savings, are managed primarily through the climate transition plan. In addition, the material climate-related impacts in the Bank's own operations, including CO_2 emissions and carbon savings, are managed in a similar way through the transition plan. The key elements of the transition plan will be integrated into the business strategy from 2025 onwards.

The opportunities and risks in the area of **human resources** are treated as an interdisciplinary issue at Münchener Hypothekenbank, which represents an integral part of the business strategy and extends to all business areas. It is essential to ensure that the Bank remains successful in its core business areas in the future.

Münchener Hypothekenbank is facing the challenge of addressing the growing shortage of skilled labour. This applies to all areas, in particular IT, commercial real estate financing and specialised skills in regulatory matters. Material IROs in the area of human resources are closely linked to the shortage of skilled workers and are therefore of central importance for the future success of Münchener Hypothekenbank.

To meet these challenges and opportunities, the Bank has developed a human resources strategy that focuses on securing the required workforce in terms of quality and quantity. This includes the continued development of the corporate and management culture to meet future challenges. The megatrends of digitalisation, sustainability and diversity are being appropriately integrated into the human resources work of the Bank.

With regard to the sustainability issue of the **rights and concerns of affected populations,** Münchener Hypothekenbank's commercial real estate financing makes an important contribution to meeting the demand for residential housing by providing liquidity to residential construction companies. Among Münchener Hypothekenbank's customers are members of the Federal Association of German Housing and Real Estate Companies (*Bundesverband deutscher Wohnungs- und Immobilienunternehmen e. V.,* GdW), who are committed to providing good, safe and affordable housing. Furthermore, some of the properties financed by the Bank have tangible social benefits, such as senior living facilities (assisted living) or student accommodation.

The decline in the number of building permits granted in Germany since 2022 has increased the pressure on the housing market, which is characterised by demand outstripping supply in metropolitan areas and economically vibrant regions. Because building completions are not expected to rise until 2026 at the earliest, the supply of housing will not increase sufficiently. The rental housing market is especially affected. A significant risk factor for future residential investments is regulatory intervention, such as rent control, in the individual federal states, which could inhibit investments in this segment of the market.

Consumer protection plays a crucial role in all activities of Münchener Hypothekenbank. Furthermore, cooperative values are fundamental to how the Bank does business. The Bank is committed to responsible marketing in order to build trusting, reliable and long-term customer relationships.

These principles are also enshrined in the Bank's Code of Conduct. Strict compliance with the principles of responsible marketing makes a positive contribution to consumer protection.

Münchener Hypothekenbank has developed guiding principles that put the customer first. The aim of focusing on the customer is to improve the quality of the relationship and to align internal value creation with customer needs. Recognising these needs makes it possible to design customer-focused processes, develop high-quality products and expand the Bank's market position. This is one of the Bank's strategic fields of action and a central component of its business strategy.

48(d) Current financial effects from material risks and opportunities on financial position, earnings and cash flows

During the year under review, Münchener Hypothekenbank did not identify any significant current risks and opportunities that had a demonstrable material impact on its financial position, financial performance or cash flow. No adjustments were made to carrying values that were solely attributable to ESG risks, and no such information is currently available for the next reporting year.

48(f) Resilience of the strategy and business model

Münchener Hypothekenbank's resilience to ESG risks is reviewed in various assessments. In the 2024 reporting year, a business environment assessment was carried out for the first time to monitor climate-related and environmental risks in the core business (see ESRS 2 SBM-3 paragraph 48(c) ii). Potential ESG risks are also evaluated as part of the annual risk analysis for business continuity management (BCM) and the self-assessment of operational risks. These assessments help to identify and evaluate potential threats to Münchener Hypothekenbank's own operations at an early stage.

To assess the resilience of the strategy and business model in relation to the material risks identified in the double materiality assessment, in accordance with the disclosure required by ESRS 2 SBM-3 paragraph 48(b), the material risks of the core business were correlated with the results of the business environment assessment.

The risks from the double materiality assessment in the core business are largely covered by the various relevant 'phenomena' (events, developments, possible trends) from which follow-up measures for the strategy are derived. The following table shows these:

Material risks from the double materiality assessment in the core business	Phenomena identified in the business environment assessment	Key phenomenon (x)
Physical risks (E1)	Insurance risks: Non-insurability, rising premiums (regional)	X
	Impairments and special write-downs on properties due to physical risks (regional)	
Transition risks (E1)	Tightening of requirements for CO_2 emission intensity and energy efficiency	X
	Changing customer preferences for sustainable and climate-resilient properties	X
Opportunity costs due to customers' risk aversion with regard to modernisation measures in the financing business (E1)	Regulatory initiatives unsettle customers and investors	

Detailed descriptions of the scope, methodology and results of the business environment assessment are provided in ESRS 2 SBM-3 E1.

Material risks in the Bank's own operations were linked to the results of the BCM risk analysis and the operational risk self-assessment. As part of the BCM risk analysis, possible threats to time-critical business processes and supporting resources are identified, analysed and evaluated. In the operational risk self-assessment, the risk potential (in €) is quantified for these risks. If a risk potential is classified as relevant for the Bank's operations, various risk management options and possible risk-reducing measures are identified. The BCM risk analysis draws on the IT Grundschutz Compendium of the German Federal Office for Information Security, an established, freely accessible and continuously evolving standard. The 'elementary threats' described in it are used as a risk catalogue. Based on the results, emergency preparedness measures are identified and emergency strategies developed.

The risk potential for Münchener Hypothekenbank's own operations arising from physical and transition (climate) risks is assessed as part of the BCM risk analysis. The Bank's buildings and IT infrastructure are included in the analysis. Both types of risk, physical and transition, are also considered as part of the regular outsourcing risk assessment (see ESRS 2 SBM-1 42(a) and (c)). Physical (climate) risks are taken into account directly via the elementary threat 'G 0.5 Natural Disasters' and indirectly via other elementary threats that may be triggered by physical climate and environmental risks. These include:

- 'G 0.8 Failure or Disruption of the Power Supply'
- 'G 0.10 Failure or Disruption of Supply Networks'
- 'G 0.11 Failure or Disruption of Service Providers'

Transition ESG risks are considered when assessing the elementary threat 'G 0.11'.

Social and governance risks arising from improper business practices are also assessed in relation to their risk potential in the event of individual incidents. If a risk potential is classified as relevant for the Bank's operations, various risk management options and possible risk-reducing measures are identified.

The risk potential of the material risk in the area of human resources, namely the loss of experienced employees, is covered by the elementary threat 'G0.33 Shortage of Personnel' in the BCM risk analysis. Material risks in the area of governance, such as 'potentially inadequate implementation of internal guidelines and codes' and 'compliance risks', are also included in various threat categories (e.g. 'G0.35 Coercion, Blackmail or Corruption', 'G0.29 Violations of Laws or Regulations'). These cover risks arising from intentional acts, human error or organisational deficiencies.

SBM-3 E1

Material impacts, risks and opportunities and their interaction with strategy and business model

19(a) Scope of the resilience analysis of strategy and business model in relation to climate change

A business environment assessment was carried out to assess the resilience of the business strategy and business model to material climate-related risks in Münchener Hypothekenbank's core business. It paid particular attention to monitoring the impact of climate-related and environmental risks on the Bank's business environment. Accordingly, both physical risk drivers (e.g. flooding or heat waves) and transition risk drivers (e.g. carbon pricing or changes in demand) were considered.

The assessment was carried out for the lending business in respect of the 'Property and housing' industry, as well as seven sub-portfolios and the funding side. The seven sub-portfolios were defined as follows:

- Residential properties – retail banking business excluding small and medium-sized enterprises
- Residential properties – small and medium-sized enterprises in retail banking business
- Commercial properties – retail trade
- Commercial properties – residential properties financed for letting purposes
- Commercial properties – logistics
- Commercial properties – office buildings
- Commercial properties – hotels

In relation to physical phenomena, the industry and the seven sub-portfolios were assessed individually in each of the eight relevant geographical regions. For example, the Bank assessed the phenomenon of 'insurability of properties' individually for each of the eight regions and for each sub-portfolio, as well as for the entire industry.

19(b) Conducting the resilience analysis and use of climate scenarios

The business environment assessment was conducted for the first time in the first quarter of 2024.

The risk drivers were modelled using 94 different phenomena, with each of these phenomena describing potential climate- and environmentally-induced events. These may be based on current observations or on projected developments that could give rise to changes in existing (social, regulatory) systems or behaviours. Each phenomenon was categorised as either 'physical' or 'transition-related'.

The phenomena were categorised in advance into five different environmental factors (competition, technological change, macroeconomic variables, social or demographic developments, and regulatory developments). Each of the 94 phenomena was analysed and assessed in terms of risk. The phenomena were uniformly structured and, in addition to a short description, provided with a non-exhaustive list of potential impacts on the business environment.

The Network for Greening the Financial System (NGFS) framework was used to create a consistent narrative in presenting the various phenomena. The NGFS climate scenarios 'Current Policies', 'Below 2 °C' and 'Delayed Transition' were used to carry out the analysis. These macroeconomic scenarios depict various climate developments depending on the extent and speed of climate policy measures. While 'Current Policies' were analysed exclusively for physical phenomena, 'Below 2 °C' and 'Delayed Transition' provided the basis for establishing and evaluating transition-related phenomena.

Internal experts estimated the earliest possible onset of the phenomena and distinguished between short-term phenomena (< 1 year), medium-term phenomena (1 to 5 years) and long-term phenomena (5 to at least 10 years).

The experts' assessment was evaluated by categorising the relevance of the phenomena based on the probabilities of occurrence and the respective potential severity of the impacts.

A relevance value was derived from the combination of these values using a risk matrix. The relevance of a risk driver is assessed on a scale of 0 to 4, where 0 represents no risk and 4 a high risk for the Bank. All ratings of relevance level 3 or higher were identified as potentially relevant for Münchener Hypothekenbank.

In order to develop specific follow-up measures for each environmental factor, key phenomena were identified from the list of relevant phenomena (for level 3 and above). According to the experts, these are the most important drivers of change for each environmental factor.

19(c) Results of the resilience analysis, including scenario analyses

In the area of macroeconomic variables, two phenomena were identified as short- and medium-term key phenomena:

- A decline in demand in the property sector, specifically in the commercial sector, could be triggered by an economic recession resulting from rising carbon pricing and mandatory investments in climate change mitigation and environmental protection measures.
- Sudden interest rate changes were identified as a key risk in the medium term, which could be triggered by rising carbon and commodity costs and EU-wide climate change mitigation and environmental protection measures resulting in higher inflationary pressure.

In the area of social developments, two transition-related phenomena were also identified as key phenomena:

- Greenwashing was identified as a key risk in the medium term, as products that were initially classified as sustainable may no longer meet future ESG requirements. Furthermore, inaccurate or incomplete information on ESG features of sustainable products could result in financial and reputational risks.
- Potential changes in consumer preferences with regard to sustainable and climate-resilient properties are deemed a key phenomenon in the medium to long term in the Bank's business environment.

The insurability of properties and rising insurance premiums were identified as key physical phenomena in the area of technological developments.

Due to the increased potential for extreme weather events or possible chronic changes (such as a rise in sea levels), insurance premiums could increase in the long term or result in higher loss given default (LGD) rates if insurability can no longer be guaranteed.

In relation to regulatory developments, the tightening of measures and requirements regarding the CO_2 emission intensity and energy efficiency of properties has been identified as a key phenomenon in the short to medium term. In this phenomenon, sanctions or restrictions on properties with high emissions were of particular importance (see the example in Figure 2).

In the context of competition, Münchener Hypothekenbank could find itself at a disadvantage if its green image is perceived as inadequate. The increasing focus on sustainability by many customers could result in the Bank being regarded as less attractive than its more sustainable competitors if expectations of green initiatives and practices are not met. This phenomenon could become relevant for the business environment in the short term, as some competitors are already actively establishing a green image and corresponding practices.

Overall, the business environment assessment reveals that various phenomena in the form of climate-related and environmental risks could change the Bank's business environment in the short term. The phenomena described above, such as a possible decline in demand or increasing competitive pressure, clearly illustrate this. Accordingly, the Bank's business strategy takes these developments into account, through steps such as the definition of a climate target (including the development of a transition plan) that is intended to pay particular attention to its competitive position and minimise any reputational risk (especially greenwashing risks). However, the identified risks can also be reduced by ESG risk management measures, such as an ESG score and ESG pricing in its business. These two instruments also allow the Bank to respond to changes in the business environment at short notice.

Based on the risk level and the need for urgent action in relation to the key phenomena identified, possible follow-up measures were investigated and defined to counter the potential changes in the business environment (e.g. rigorous screening of the insurance market).

In addition to the follow-up measures, further ESG-related objectives are being formulated and implemented in stages to promote the Bank's strategic decision-making processes. These include plans to expand the ESG score, integrate climate and environmental risks into the ICAAP and conduct more in-depth analyses of environmental issues such as biodiversity. The business environment assessment is gradually expanding to include further risk drivers, such as social and governance risks and other biodiversity-related risks.

SBM-3 S1

Material impacts, risks and opportunities and their interaction with strategy and business model

13. Connection between the actual and potential impacts on the Bank's own workforce and the strategy and business model, as well as the relationship between the material risks and opportunities associated with the Bank's own workforce and the strategy and business model

The information contained in the report is provided in ESRS 2 SBM-3 paragraph 48(b), (c) ii.

14(a) Description of the types of employees and non-employee workers affected by material impacts

The employees of Münchener Hypothekenbank include salaried employees with either permanent or temporary employment contracts, working students, dual study programme students, interns and trainees. External staff, such as the employees of consulting firms, count among the non-employee workers of the Bank. They are not significantly affected by the material impacts relating to personnel identified in the materiality assessment.

14(b) Material negative impacts, both widespread or systemic negative impacts and individual incidents with negative impacts

The fact that women are currently underrepresented in management positions was identified as a material negative impact. This impact is due to both systemic factors and individual circumstances. At the systemic level, it is evident that structural conditions and historical developments in the industry have impeded gender equality in management positions. Münchener Hypothekenbank is aware of its responsibility and has taken appropriate measures to actively address this issue. These include targeted programmes to promote female talent (see ESRS 2 S1-4 (Female Empowerment Programme)) and flexible working models that enable a better work-life balance.

14(c) Positive material impacts on own workforce

The identified positive material impacts can be attributed to the health care offerings for employees, fair remuneration and measures to promote diversity at Münchener Hypothekenbank. All employees benefit from these conditions and programmes, including trainees, interns, dual study programme students and working students.

The increased focus of HR policy on diversity means that specific groups benefit from the positive measures. The planned increase in the proportion of women in management positions is aimed at female employees, while employees who do not speak German are offered support in the form of language courses. The Bank covers the cost of the language courses.

14(d) Material risks and opportunities for the undertaking in relation to its own workforce

The success of Münchener Hypothekenbank is based on the knowledge, commitment and skills of its employees. The Bank recognises that actively promoting the development of skills and offering flexible working models represent material opportunities for retaining employees in the long term while also attracting new talent from the labour market.

A diverse hiring policy that is inclusive of different age groups and (educational) backgrounds also gives the Bank access to a larger pool of potential qualified new employees. Hence, diversity can have a significant influence on corporate success, for example, because vacancies can be filled more quickly and efficiently while maintaining the same high quality of employees. Münchener Hypothekenbank recognises that diversity is becoming an important factor in its success.

At the same time, the departure of experienced employees represents a potential risk for Münchener Hypothekenbank, given the general shortage of skilled labour. The shortage of skilled labour affects all areas of the Bank. Professionals in the fields of IT, commercial real estate financing and regulatory compliance are particularly sought after.

14(e) Effects of transition plans to reduce negative environmental impacts on own workforce

The materiality assessment did not identify any material impacts on Münchener Hypothekenbank's workforce arising from transition plans to reduce negative environmental impacts and promote environmentally friendly, climate-neutral activities.

The measures adopted by Münchener Hypothekenbank to reduce CO_2 emissions are in line with international agreements and can have a positive impact on employees. For example, the Bank offers in-house training in commercial real estate financing to develop and expand its employees' skills. Employee capacity expansions are also being considered.

14(f) – (g) Operations at significant risk of incidents of forced or compulsory labour and child labour, indicating the type of operation and the countries or geographical areas

Münchener Hypothekenbank operates as an employer exclusively in Germany and complies with the stringent regulations and standards that apply to working conditions.

15. Description of the types of employees and their vulnerability to negative impacts

The materiality assessment in accordance with ESRS 2 IRO-1 did not identify any people or groups of employees who are at greater risk from negative impacts.

16. Disclosure of material risks and opportunities for specific groups of people in own workforce

The main risks and opportunities arising under the 'Diversity & Equal Opportunity' sustainability topic relate to specific groups within the workforce. These include female employees and employees whose first language is not German.

SBM-3 S3

Material impacts, risks and opportunities and their interaction with strategy and business model

8(a) Connection of the impacts on affected communities with the strategy and business model

The information contained in the report is provided in ESRS 2 SBM-3 paragraph 48(b), (c) ii.

9(a) Description of the types of communities affected

The affected communities, the tenants of (commercial) residential properties, are included in the category under 9(a) ii ('Communities along the undertaking's value chain').

9(c) Description of the activities that result in material positive impacts and the types of communities that are, or could be, positively affected

The relevant stakeholder group of affected communities is made up of tenants of housing cooperatives or municipal housing companies. In this regard, Münchener Hypothekenbank only enters into contractual relationships with the housing associations to which the Bank provides funds for the construction or management of residential properties. Although Münchener Hypothekenbank has no direct contractual relationship with tenants, it benefits this stakeholder group by facilitating the provision of (additional) residential housing through its financing.

The financing of property projects in the senior living (assisted living) segment contributes to improving the quality of life of older people, while student accommodation creates affordable housing for students.

SBM-3 S4

Material impacts, risks and opportunities and their interaction with strategy and business model

9(a) Connection between significant impacts and business strategy

The information contained in the report is provided in ESRS 2 SBM-3 paragraph 48(b), (c) ii.

10(a) Description of the types of consumers and/or end users affected by material impacts

The consumers are retail customers or natural persons in the business of private residential property financing. The customers of Münchener Hypothekenbank depend on the protection of their personal data (in accordance with category ii) and accurate product information (in accordance with category iii).

10(c) Description of the activities that result in positive impacts and the type of consumers and/or end users affected

Compliance with the provisions of the Responsible Marketing guidelines for private residential property financing supports the positive impact (see ESRS S4-1).

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IRO-1

Description of the process to identify and assess material impacts, risks and opportunities

53(a) – (g) Overview of the process to identify, assess, prioritise and monitor actual impacts, financial effects, risks and opportunities

The following methodology was used to perform the double materiality assessment:

First, a long list of sustainability topics to be evaluated was compiled, taking into account all sub-topics according to ESRS 1 AR 16.

The impacts, risks and opportunities were determined for each sustainability topic. The following sources were considered:

- Sustainability Strategy/Roadmap 2023/24
- Functional strategies (e.g. human resources strategy)
- Non-Financial Report
- Annual Report
- Business environment assessment
- Disclosure Report
- Risk inventory and risk materiality assessment
- Market information and trends
- Opinions of experts in specialist fields
- External databases (e.g. UNEP FI, ENCORE)

External experts from universities and associations, as well as competitors and commercial customers, were also involved in the identification of possible key topics by means of expert interviews.

The long list was then reduced to a short list with the assistance of the relevant departments and finalised. Representatives from all relevant departments were involved in the process, so the entire value chain (upstream, downstream and internal) was considered. This covered all activities and business areas, as well as Münchener Hypothekenbank's own operations.

The process included all stakeholder groups, both 'users of sustainability statements' and 'affected stakeholders' (see ESRS 2 SBM-2). Some external stakeholder groups were represented by internal stakeholders ('proxies'); for example, retail lending departments represented the interests of retail customers. In addition, the Chairman of the Supervisory Board of Münchener Hypothekenbank and a cooperative bank (a member of Münchener Hypothekenbank) was consulted. Based on the criteria set out in ESRS 1 3.4 Impact materiality and ESRS 1 3.5 Financial materiality, the short-listed IROs were assessed on a four-point scale in terms of their materiality. The short, medium and long-term time horizons (in accordance with ESRS 1 section 6.4) were assessed separately for each IRO. The financial materiality threshold was selected in accordance with the threshold of the ad hoc reporting requirement to the Supervisory Board (≥ €3 million).

If an IRO was assessed to be material, then the corresponding sustainability topic was also considered material. A distinction was also made between core business and own operations, because the IROs in these two areas can differ within a sustainability topic.

Throughout the entire process, the consistency of the content with the results of other assessments, such as the risk inventory or the business environment assessment, was ensured. Transferability to existing methods was also assured when the methodology was defined.

All stakeholders involved were included in the acceptance process for the results. The methodology and results of the materiality assessment were also presented to the Board of Management.

From now on, the results of the double materiality assessment will be continuously taken into account in the strategy process, which ensures that the material IROs are considered in the (further) development of strategic guidelines and initiatives (see ESRS 2 SBM-3).

IRO-1 E1

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

20. – 21. Description of the process to identify and assess the material climate-related impacts, risks and opportunities and the climate-related scenario analysis to identify material risks

The Bank's implementation of ESG risk management ensures that all ESG risks are identified and managed. Climate and environmental risks are not a separate risk type, but have an impact on the existing risk types (e.g. credit risk) in the risk inventory. However, a separate assessment is necessary to determine the impacts. A materiality assessment of climate-related and environmental risks was carried out for this purpose (hereinafter referred to as the 'risk materiality assessment'). The overarching double materiality assessment relies on the results of this assessment (see ESRS 2 IRO-1).

Climate-related and environmental risks were assessed for each risk type using the following methodology:

The risk materiality assessment is an institution-specific evaluation that takes into account the Bank's business model, business environment and risk profile. The assessments took into account the political environment and past and future developments in terms of physical and transition risks. The risk materiality assessment was carried out in two steps, referred to below as Stage I and Stage II.

In Stage I, the relevant risk drivers (e.g. CO_2 emissions) were initially evaluated in terms of the transmission channels (e.g. change in the value of the secured asset) in order to determine the extent to which the various risk types are affected by climate and environmental risks (relevance assessment). This assessment is based as far as possible on quantitative evaluations. Alternatively, or as a supplement to this, an assessment is undertaken based on qualitative evaluations by experts from various departments of the Bank, including the ESG risk manager. In the process, different time horizons are considered: short- and medium-term effects and long-term changes are assessed for each risk driver and risk type.

An assessment for each physical risk driver (e.g. flooding) in the credit risk was conducted during Stage I, based on site-specific risk data for the secured assets. In the case of the transition risk driver CO_2 emissions, asset-specific energy efficiency was taken into account in Stage I. The following methods were used:

- K.A.R.L. – the portfolio's exposure to physical risks was analysed using data provided by Köln Assekuranz (K.A.R.L.).
- CO_2 calculator – the Bank uses a CO_2 calculator developed according to the PCAF standard (a standard for measuring GHG emissions of portfolios from the Partnership for Carbon Accounting Financials) to determine the CO_2 emissions in its portfolio and for the assessment of the transition risk driver CO_2 emissions. This CO_2 calculator makes use of actual energy efficiency data and, where this is not available, estimated data.

In Stage II of the materiality assessment, a detailed risk-type-specific assessment was carried out using scenarios. Its aim is to derive quantitative statements regarding materiality by quantifying the potential impact of climate-related and environmental risks in euros.

The results of Stage I provided the starting point for Stage II, in which the relevant identified risk drivers were analysed in more detail using scenarios. At least two scenarios were derived for each type of risk identified as relevant in the context of climate change. In Stage II, a distinction was also made between the short-to-medium term and the long term. The macroeconomic scenarios of the Network for Greening the Financial System (NGFS) are used to better assess the impacts in the various time horizons.

In relation to credit risk, an expected loss was determined in the various scenarios as part of the quantification of climate and environmental risks. Specifically, physical risks were taken into account by adjusting the loss given default rates and transition risks by adjusting the probabilities of default and the default simulations (x largest borrowers).

Alongside the statistical, data-based process, an expert elicitation approach was used for all other types of risk relevant in the context of climate change (e.g. reputational risk and operational risk). This is a formal, structured procedure for translating expert knowledge into quantitative results and figures.

IRO-1 E2

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

11(a) – (b) Description of the process to identify and assess pollution-related impacts, risks and opportunities

The methodology for determining materiality in topics E2, E3, E4 and E5 corresponds to the general approach (see ES-RS 2 IRO-1). Scientific databases (ENCORE, UNEP FI) were also used as a technical basis to determine material aspects of the environmental topics in order to identify the impact of the property industry and the dependencies on ecosystem services.

IRO-1 E3

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

8(a) – (b) Description of the process to identify and assess water and marine resources-related impacts, risks and opportunities

The description of the process to identify and assess water and marine resources-related impacts, risks and opportunities is provided in IRO-1 E2.

IRO-1 E4

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

17. – 19. Processes to identify impacts, risks and opportunities related to biodiversity and ecosystems

In addition to the general approach (see ESRS 2 IRO-1 and IRO-1 E2, E3, E5), the following procedure was used in the assessment of biodiversity:

As part of the risk materiality assessment of environment-related risk drivers, the relevance of the 'biodiversity' risk driver, among others, was identified at the country level in Stage I. It was then determined that a detailed assessment of the topic of biodiversity was required in order to do justice to the scope and complexity of the risk driver. The assessment was carried out in two stages, with the first focusing on the identification of relevant risk indicators (e.g. water quality, air pollution) for each sub-portfolio.

In the second stage of the assessment, the most relevant indicators were quantified using scenario analyses. This makes it possible to derive a quantitative statement regarding the materiality of biodiversity risks. In the second stage, the biodiversity indicators identified as relevant to reputational risk and credit risk were examined in more detail.

IRO-1 E5

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

11. Screening of assets and business activities with regard to resource inflows, outflows and waste as well as consultations with affected communities

As part of the risk materiality assessment of environment-related risk drivers, the relevance of the 'circular economy' risk driver was identified, among other factors. This indicated that it was necessary to examine the 'circular economy' risk driver more closely using scenarios. In the case of property renovations, the use of closed-loop methods and materials can result in significant additional costs compared to conventional methods. In order to identify the portion of the portfolio affected by renovations, the remaining useful life of the properties in the sub-portfolios was assessed according to the German Regulation on the Mortgage Lending Value (*Beleihungswertverordnung,* BelWertV).

The investment cost premium used in stress testing for renovations to improve the energy efficiency of commercial properties was applied in the further course of the assessment. A further premium for sustainable renovation materials was determined and added to the original calculation.

This allowed the impact of increased renovation costs in relation to credit risk for commercial real estate to be determined.

IRO-1 G1

Description of the processes to identify and assess material impacts, risks and opportunities

6. Disclosure of relevant criteria in the process to identify material impacts, risks and opportunities in business conduct, including location, activity, sector and structure of the transaction

The materiality assessment for the topic of governance was conducted in line with the general approach (see ESRS 2 IRO-1).

IRO-2

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

59. Explanation of how the material information was determined and the materiality criteria implemented

The disclosures relating to paragraph 56 (datapoints according to ESRS 2 Appendix B) are provided in the Annex.

Münchener Hypothekenbank has used the 'Flowchart for determining disclosures to be included under ESRS' (pursuant to ESRS 1 Appendix E) to determine the relevant disclosure requirements and information. This is based on the results of the 2024 Double Materiality Assessment.

ESRS 1 section 3.2 *Material matters and materiality of information* has been implemented by not disclosing information (datapoints or disclosure requirements) that are not relevant to Münchener Hypothekenbank's business model and the identified impacts, risks and opportunities.

Environmental information

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

Regulatory principles

The Taxonomy Regulation (Regulation (EU) 2020/852) aims to encourage sustainable development initiatives in Europe's finance industry in the sense of the EU Green Deal and contribute to the achievement of the Paris climate targets. The Taxonomy Regulation is intended to help channel the flow of finance to sustainable economic activities and establish uniform criteria for their evaluation. Reporting requirements are defined in Article 8 of the Taxonomy Regulation and in the Disclosures Delegated Act (EU) 2021/2178 and are to be implemented in line with the gradual introduction of Taxonomy alignment. The technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation are set out in the Climate Delegated Act (EU) 2021/2139. Further economic activities were added in Delegated Regulation (EU) 2023/2485 and Delegated Regulation (EU) 2022/1214. Delegated Regulation (EU) 2023/2486 (Environmental Delegated Act) also amended and supplemented the Disclosures Delegated Act (DDA) and defined the technical screening criteria for economic activities in relation to environmental objectives 3 to 6.

The Taxonomy Regulation defines criteria for environmentally sustainable economic activities in relation to the following environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

The Taxonomy Regulation applies to both non-financial and financial undertakings that are subject to the disclosure requirements of the Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD) or its predecessor, the Non-Financial Reporting Directive (EU) 2014/95. As at the end of 2024, the CSRD had not been transposed into German law.

The approach of Münchener Hypothekenbank

Münchener Hypothekenbank discloses the templates in accordance with Annex VI of the DDA, which contain additional key figures besides the Green Asset Ratio (Main KPI). In addition, further qualitative information must be reported in accordance with Annex XI of the DDA. Information on Taxonomy alignment was required for the first time in the 2023 reporting year. Taxonomy-aligned business activities are deemed to be sustainable within the meaning of EU Taxonomy.

The assessment of an economic activity for Taxonomy alignment comprises the following three tests:

- Substantial contribution: The financed economic activity must make a substantial contribution to at least one of the environmental objectives.
- Do no significant harm (DNSH): Significant harm to another environmental objective must be ruled out.
- Minimum safeguards: The financed economic activity must meet minimum safeguards. These include respect for human rights, fair taxation and the avoidance of corruption and bribery.

Besides the disclosure of Taxonomy-aligned economic activities for the environmental objectives of climate change mitigation and adaptation, Taxonomy eligibility was also assessed in terms of the other four environmental objectives for the 2024 reporting year. The full reporting requirements on Taxonomy alignment for the other four environmental goals apply from the 2025 reporting year onwards.

Due to the lack of clarity that still exists in some areas of the legislation implementing the Taxonomy Regulation and the related delegated acts, the calculation of the KPIs is based on several fundamental assumptions.

Existing definitions and reporting items from financial reporting (FINREP) or other regulations are used wherever possible. The FINREP (gross) carrying values as at the reporting date of 31 December 2024 are the basis for calculating the KPIs for both the numerator and the denominator.

The assumptions and interpretations made were subject to a comprehensive validation in the reporting year 2024 based on the latest available information, which also took into account the Commission Notice on EU Taxonomy published in November 2023.

The following additional items (compared to the disclosure for the 2023 reporting year) are included in the numerator of the GAR:

- Commercial real estate financing for undertakings subject to CSRD requirements and property companies (specialised lending)
- Securities on the asset side issued by undertakings subject to CSRD requirements
- Counterparties outside the EEA

In addition, the methodology for calculating the new business KPIs and the information on the percentage coverage (of total assets) has been adjusted (see Template 0).

For the 2024 reporting year, the CSRD requirement is determined on the basis of the thresholds for the size of an undertaking (number of employees in combination with turnover or total assets) and the country of domicile of the counterparties (EU). The majority of counterparties currently subject to CSRD requirements in the portfolio of Münchener Hypothekenbank are credit institutions.

Procedure for identifying Taxonomy-eligible economic activities

An economic activity is Taxonomy-eligible if it is described in the delegated acts adopted pursuant to the Taxonomy Regulation. This is true regardless of whether the economic activity fulfils all the technical screening criteria set out in these delegated acts (see Art. 1(5) of Delegated Regulation (EU) 2021/2178 and Art. 8 of the Taxonomy Regulation (EU) 2020/852).

Business activities with a purpose that cannot be clearly assigned to an economic activity are therefore not Taxonomy-eligible. If business activities contribute to multiple environmental objectives, they must be assigned to the most relevant environmental objective. The lending process at Münchener Hypothekenbank (mandatory submission of documents focusing on energy efficiency, etc.) emphasises the substantive and economic aspects of environmental objective 1. Loans were therefore assigned to the first environmental objective (climate change mitigation).

The relevant counterparties are households, undertakings subject to CSRD requirements (financial and non-financial undertakings), local authorities and property companies (specialised lending).

Households

One of Münchener Hypothekenbank's core business areas is lending to households. The household group is analysed on the basis of FINREP data. In accordance with the Disclosures Delegated Act, the following transactions from Münchener Hypothekenbank's loan portfolio are taken into account:

- Loans collateralised by residential immovable property
- Loans granted for house renovation purposes

Against this background, Münchener Hypothekenbank has identified the following Taxonomy-eligible economic activities:

- Economic activity 7.1: Construction of new buildings
- Economic activity 7.2: Renovation of existing buildings
- Economic activity 7.7: Acquisition and ownership of buildings

Review of further counterparties with reference to Taxonomy-eligible economic activities

In commercial real estate financing, the Bank also grants a large proportion of the loans to property companies (specialised lending) and to companies not subject to CSRD requirements. This specialised lending is Taxonomy-eligible. As the CSRD reporting requirement expands in the coming years, further counterparties are expected to be included in the Taxonomy assessment. Münchener Hypothekenbank has not currently granted any loans to regional or local authorities with a designated purpose, so these are not taken into account.

Procedure for identifying Taxonomy-aligned economic activities

An economic activity qualifies as 'Taxonomy-aligned' if it meets the requirements set out in Article 3 of the Taxonomy Regulation (see Article 1(2) of the Delegated Regulation in relation to Article 8 of the Taxonomy Regulation). This includes compliance with the 'technical screening criteria' referred to in Article 3(d).

The assessment focuses on economic activity 7.7 ('Acquisition and ownership of buildings').

The substantial contribution made by property loans to environmental objective 1 is examined on the basis of the technical screening criteria of the Climate Delegated Act.

Transactions are predominantly assessed on the basis of their ‘substantial contribution’ to economic activity 7.7 ‘Acquisition and ownership of buildings’ if they finance a property that was completed by 31 December 2020 at the latest. If an energy performance certificate exists with an energy efficiency class of at least A, the transaction is deemed to be Taxonomy-aligned. If no energy performance certificate exists, or if an energy efficiency class of at least A is not achieved, a transaction can still be Taxonomy-aligned if it is among the top 15 percent of the national or regional building stock. This is assessed using thresholds based on the Drees & Sommer study[8] for properties in Germany and a study[9] commissioned by IAZI for properties in Switzerland. According to the Climate Delegated Act, transactions that finance a property built in 2021 or later are assessed on the basis of the ‘substantial contribution’ of economic activity 7.1 ‘Construction of new buildings’. The primary energy demand of these properties must be at least 10 percent below the requirements for nearly zero-energy buildings. The current NZEB standard according to the German Building Energy Act (Gebäudeenergiegesetz, GEG) is applied and verified by the energy performance certificate.

In the second step of the Taxonomy alignment assessment, the DNSH criteria must be met in accordance with the Climate Delegated Act for economic activities that contribute to environmental objective 1. As a general rule, to evaluate the DNSH criteria, it is necessary to perform a climate risk and vulnerability assessment. An external provider performed this assessment for Münchener Hypothekenbank using an assessment tool.

The third step of the Taxonomy alignment assessment for alignment with minimum safeguards is not applicable for households.[10] In the Bank’s commercial business, proven tools such as the Know Your Customer process, Negative News Screening and ESG scores are used for the assessment. The country in which counterparties are domiciled is also checked to determine whether they are already subject to legal constraints that require them to comply with the minimum standards. Furthermore, Münchener Hypothekenbank has defined its expectations of employees, business partners and service providers in a Policy on Human Rights and Diversity. In the event that Münchener Hypothekenbank becomes aware of any indication that a potential commercial business partner has violated human rights, it may, after investigating the matter, decline to do business with that party. Furthermore, the exclusion of sanctioned customers is assured by established processes. Additional information is provided in ‘ESRS G1-1 Business conduct policies and corporate culture’.

The assessment of non-earmarked transactions (securities on the asset side issued by undertakings subject to CSRD requirements) is based on the Taxonomy ratios published by the issuers for the previous financial year. Due to the low number of counterparties subject to CSRD requirements, an external data provider was not engaged and the rates were recorded manually.

As at 31 December 2024, Münchener Hypothekenbank has not entered into any transactions for specific purposes with local and regional authorities. German federal states are treated in the same way as countries.[11]

The Taxonomy-aligned loans identified in this way are included in the calculation of the Green Asset Ratio (GAR), which amounts to 14.31 percent (turnover and CapEx) for 2024.

Key figures and templates

Münchener Hypothekenbank’s Taxonomy-eligible and Taxonomy-aligned transactions are presented below using the framework of the templates in Annex VI of the Disclosures Delegated Act (EU) 2021/2178.

Template 0

Summary of the KPIs to be disclosed by credit institutions in accordance with Article 8 of the Taxonomy Regulation; includes the Green Asset Ratio (GAR) as the central KPI plus additional KPIs.

Münchener Hypothekenbank takes into account the securities of issuers subject to CSRD requirements whose KPIs are included in the Green Asset Ratio of Münchener Hypothekenbank. Consequently, Münchener Hypothekenbank reports a slightly different Green Asset Ratio for flow (columns b and c) after CapEx and turnover of counterparties. Only an absolute value of the taxonomy-aligned assets (€7,049.70 million in the portfolio and €166.65 million in flow) is shown, without distinguishing CapEx from turnover of counterparties (column a). The GAR portfolio is 14.31 percent (turnover and CapEx). The increase compared to 31 December 2023 arises from the expansion of the transactions included in the numerator (see above). The FINREP classification of households has also been adjusted, which increased the number of counterparties assessed. However, in comparison to the implementation as of 31 December 2023, stricter quality requirements apply for

8 Drees & Sommer; VDP (2023) EU Taxonomy: Acquisition and Ownership of Buildings. Derivation of Top 15 % of existing building stock in Germany
9 Assessment of CO_2 M-value as of 31 December 2023; issued January 2025
10 Final Report on Minimum Safeguards der Sustainable Finance Platform S. 11: https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf
11 IDW FAQ of 1 December 2023, section 3.2.2.3, pp. 59 f.

providing proof for buildings constructed in or after 2021; for these, an energy performance certificate is required.

The calculation of the GAR flow was adjusted to the procedure described in the non-financial report as at 31 December 2023. Significantly lower GAR flow (3.45 percent (turnover) and 3.46 percent (CapEx) resulted from the stricter quality requirements for providing proof for buildings constructed in or after 2021 (primary energy demand at least 10 percent below the threshold for nearly zero-energy buildings and an energy performance certificate must be available), the delays due to the fact that the energy performance certificates are not received until the loans are disbursed, and a relatively low level of new business that fell under the simplified test rule for the top 15 percent of the national building stock. Due to the adjusted methodology, the figures are not comparable with those as at 31 December 2023.

The KPIs in columns d to f report the economic activities included in the GAR (d), those excluded from the numerator (e) and those excluded from the denominator (f), which are measured by the total assets. The calculation of the percentage of total assets was adjusted to reflect current market practice and now shows coverage of 77.47 percent for the GAR portfolio and 69.11 percent for the GAR flow.

The KPIs relating to off-balance-sheet exposures (financial guarantees, assets under management) amount to 0 percent, as Münchener Hypothekenbank has not conducted any such business. The KPIs for the trading portfolio, as well as for fees and commission income from services other than lending and asset management, will be disclosed for the first time as at 31 December 2025.

TEMPLATE 0: SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION

		Total environmentally sustainable assets	KPI[4]	KPI[5]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**7,049.70**	**14.31**	**14.31**	**77.47**	**12.90**	**9.63**
		Total environmentally sustainable activities	**KPI**	**KPI**	**% coverage (over total assets)[3]**	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Additional KPIs	GAR (flow)	166.65	3.45	3.46	69.11	14.92	15.97
	Trading book[1]						
	Financial guarantees						
	Assets under management						
	Fees and commissions income[2]						

1 For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
2 Fees and commissions income from services other than lending and AuM
Instutitons shall dislcose forward-looking information for this KPI, including information in terms of targets, together with relevant explanations on the methodology applied.
3 % of assets covered by the KPI over banks' total assets
4 based on the Turnover KPI of the counterparty
5 based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in light blue should not be reported.
Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. The inclusion of SMEs in these KPIs will only apply subject to a positive result of an impact assessment.

Template 1

The assets for the calculation of GAR (total GAR assets) and the transactions excluded from GAR. The exposures are broken down by counterparty or product type. The comparative information for the 2023 reporting year has been provided. Münchener Hypothekenbank's economic activities are assigned to environmental objective 1 (climate change mitigation), as Münchener Hypothekenbank sees this as its main contribution. The analysis of Münchener Hypothekenbank's business activities has not yet revealed any activities that specifically address environmental objective 2 (climate change adaptation). In the assessment of securities from issuers subject to CSRD requirements, a small amount of Taxonomy-eligible business is attributable to environmental objective 2.

Template 1: » See Appendix

Template 2

Information on transactions in sectors covered by the Taxonomy based on NACE codes of the counterparty's central business. As commercial real estate financing provided to undertakings subject to CSRD requirements and to property companies (specialised lending) was included in the numerator of the GAR as at 31 December 2024, this information is being disclosed in the template for the first time.

Template 2: » See Appendix

Template 3

Taxonomy-aligned portfolio business in relation to the assets covered by the denominator from Template 1.[12] This reporting covers the comparison period of the 2023 reporting year.

Template 3: » See Appendix

Template 4

Taxonomy-aligned new business from the reporting year 2024 in relation to the flow to the assets covered by the denominator in the 2024 reporting year. Although the template provides for Taxonomy-eligible business in the denominator, the prevailing opinion supports using the flow to the assets covered in the denominator instead due to better comparability with the GAR portfolio (cf. Template 3). Despite the reference to the net flow in the template, based on the European Commission's FAQ,[13] the new business arises from the actual new business in 2024, without taking into account any partial payments of transactions existing as at the previous year's reporting date.

Template 4: » See Appendix

Template 5

Information on off-balance-sheet exposures (financial guarantees, assets under management). As Münchener Hypothekenbank has no such pertinent business, the template is disclosed without values.

Template 5: » See Appendix

Template 6

KPI on fees and commissions income from services other than lending and asset management. As disclosure of the template is not required until 31 December 2025, it does not contain any figures in the current reporting year.

Template 6: » See Appendix

Template 7

KPI trading book portfolio. As disclosure of the template is not required until 31 December 2025, it does not contain any figures in the current reporting year. As there were no financial instruments in Münchener Hypothekenbank's trading portfolio as at 31 December 2024, neither the quantitative reporting nor the accompanying qualitative information in accordance with Annex XI of the Disclosures Delegated Act (EU) 2021/2178 is disclosed.

Template 7: » See Appendix

[12] Within the template, line-by-line offset against the gross carrying values of the respective items from column a of Template 1.
[13] Question 65, COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice), 8 November 2024

Münchener Hypothekenbank's nuclear energy and fossil gas transactions are presented below using the framework of the templates in Annex XII of the Disclosures Delegated Act (EU) 2021/2178.

Template 1 (nuclear energy and fossil gas)

There are five further templates for disclosures relating to economic activities within the meaning of Regulation 2022/1214 (nuclear energy and fossil gas). The activities financed in relation to nuclear energy and fossil gas must be disclosed in Template 1. As at 31 December 2024, Münchener Hypothekenbank's portfolio continued not to include any transactions tied to the use of nuclear energy or fossil gas.

In assessing the non-earmarked securities on the assets side, Münchener Hypothekenbank uses the templates on nuclear energy and fossil gas published by the issuers subject to CSRD requirements for the previous financial year. Based on the rates recorded in those templates, a 'Yes' is filled in on Template 1 for activities 4.28, 4.29, 4.30 and 4.31, and the relevant figures and rates are disclosed in Templates 2–5.

Template 1 (nuclear energy and fossil gas): » See Appendix

Template 2 (nuclear energy and fossil gas)

In Template 2, the amounts and ratios of the Taxonomy-aligned economic activities in relation to the denominator of the total GAR assets for environmental objectives 1 and 2 are disclosed on the basis of the turnover and CapEx ratios used for the portfolio and flow.

Template 2 (nuclear energy and fossil gas): » See Appendix

Template 3 (nuclear energy and fossil gas)

In Template 3, the amounts and ratios of the Taxonomy-aligned economic activities in relation to the numerator of the total GAR assets for environmental objectives 1 and 2 are disclosed on the basis of the turnover and CapEx ratios used for the portfolio and flow.

Template 3 (nuclear energy and fossil gas): » See Appendix

Template 4 (nuclear energy and fossil gas)

In Template 4, the amounts and ratios of the Taxonomy-eligible but not Taxonomy-aligned economic activities in relation to the denominator of the total GAR assets for environmental objectives 1 and 2 are disclosed on the basis of the turnover and CapEx ratios used for the portfolio and flow.

Template 4 (nuclear energy and fossil gas): » See Appendix

Template 5 economic activities that are not Taxonomy-eligible

Template 5 provides information on economic activities in the areas of nuclear energy and fossil gas that are not taxonomy-eligible and discloses the denominator of the total GAR assets for environmental objectives 1 and 2 based on the turnover and CapEx ratios used for the portfolio and the flow.

Template 5 (nuclear energy and fossil gas): » See Appendix

Outlook

In its sustainability strategy, Münchener Hypothekenbank has set itself the objective of promoting climate-friendly financing and introducing products for building renovation. The climate target developed in 2024, which is also part of the Bank's business strategy, and the associated action plan also contribute towards achieving this objective.

In consequence, Münchener Hypothekenbank is constantly working to improve its data management. For example, improved data availability should make it possible to include renovation loans in the assessment of Taxonomy alignment in future reporting periods. Furthermore, new processes are being introduced to improve the dataset. In future, new business will reflect the higher quality of data on the energy efficiency of the financed properties, as the submission of an energy performance certificate is now mandatory for all customers in order to obtain a loan. From the 2024 reporting year onwards, the documents required for the Taxonomy assessment in commercial transactions will be requested from customers prior to the conclusion of a loan agreement.

Although the EU CSRD has not yet been transposed into national law, it can be assumed that the reporting requirement under Art. 8 of the Taxonomy Regulation will gradually be extended to more undertakings. This means that in future it will be possible for the Green Asset Ratio to incorporate financed economic activities that are currently not included due to the lack of a CSRD obligation for counterparties.

The further development of Taxonomy disclosure depends largely on the European Commission's plans for an omnibus regulation combining the reporting requirements of the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Taxonomy Regulation.

E1 CLIMATE CHANGE

E1-1

Transition plan for climate change mitigation

16(a) Explanation of the compatibility of the undertaking's targets with the Paris Agreement

Loan portfolio:
Münchener Hypothekenbank has defined GHG emission reduction targets in support of limiting global warming to 1.5 °C. The current focus is on refining the details of these targets and optimising the dataset. Accordingly, the publication of the targets for the coming reporting year is planned. The targets are based on the following key assumptions and parameters:

- **Alignment with the 1.5-degree target**
  Münchener Hypothekenbank aligns its climate targets with the science-based decarbonisation pathways of the Carbon Risk Real Estate Monitor (CRREM), currently oriented towards the 1.5-degree CRREM pathway.
- **Portfolio simulation**
  A simulation of the loan portfolio was modelled to develop realistic industry-specific emission reduction targets for the Bank's retail and commercial business. It simulates the possible development of GHG emission intensity up to 2030 based on current statistical surveys, external studies, internal expert assessments and legal requirements. This process involves forecasting and taking into account relevant internal factors (e.g. new business development) and external factors (e.g. the heating mix), together with their impact on GHG intensity.
- **Decarbonisation pathways**
  The simulation generates decarbonisation pathways, which are compared with the CRREM reduction pathways to ensure that the emission reduction targets are consistent with the 1.5-degree target.
- **Specific measures**
  Münchener Hypothekenbank has defined appropriate measures to achieve the emission targets (see ESRS E1-3).
- **Integration into the business strategy**
  The climate targets are already integrated into Münchener Hypothekenbank's business strategy. They are supported by a management, reporting and governance model that is regularly reviewed and adjusted as needed.

By developing GHG reducing measures and aligning them with the CRREM decarbonisation pathways, Münchener Hypothekenbank ensures that its targets for limiting global warming to 1.5 °C are in line with the Paris Agreement.

Capital markets and funding:
In the capital markets and funding business segment, only the lending business is considered in the GHG calculation. Positions in the asset classes of banks, government bonds, municipal loans, funds and investments are managed along the planned net-zero pathways up to 2050, taking into account the climate targets and GHG emissions of the issuers. In this regard, Münchener Hypothekenbank is guided by the methodological requirements of the Partnership for Carbon Accounting Financials (PCAF (2022), The Global GHG Accounting and Reporting Standard Part A: Financed Emissions (Second Edition)).

All the countries of the European Union, including the issuers of government bonds, are subject to the European Climate Law, which requires net zero emissions by 2050 (European Union Regulation 2021/1119). This supports the climate targets of the portfolio and enables alignment with the Paris Agreement to limit global warming to 1.5 °C.

Own operations:
Münchener Hypothekenbank has set itself the target of achieving net zero for its own operations by 2050. The pathway of the Science Based Targets initiative (SBTi), which is integrated into the tool of the German Association for Environmental Management and Sustainability (VfU) in financial institutions, is used for alignment.

16(b) Identified decarbonisation levers and planned measures

The identified decarbonisation levers and corresponding planned measures differ for the loan portfolio, capital markets and funding, as well as for the Bank's own operations, and are presented separately below. A detailed description of the measures is provided in chapter E1-3, paragraph 29(a).

Loan portfolio – retail business

Decarbonisation lever: Increasing the rate of modernisation and renovation

- **Measure 1:** Introduction of financing products that favour the renovation of properties
- **Measure 2:** Targeted identification of high-GHG-intensity properties in the existing portfolio
- **Measure 3:** Increased range and use of current funding programmes from the Kreditanstalt für Wiederaufbau (KfW) for climate-friendly financing solutions

Decarbonisation lever: Promoting and managing climate-friendly financing

- **Measure 1:** Further development of the range of climate-friendly financing products (green loans)
- **Measure 2:** Management and monitoring of the portfolio in terms of energy efficiency and GHG intensity
- **Measure 3:** Taking non-financial aspects into account in the lending process

Loan portfolio – commercial business

Decarbonisation lever: Increasing the rate of modernisation and renovation

- **Measure 1:** Standardisation and further development of green financing products for climate-friendly renovation measures
- **Measure 2:** Targeted approach to more GHG intensive properties in the existing portfolio

Decarbonisation lever: Promoting and managing climate-friendly financing

- **Measure 1:** Introduction of the 'Commercial Green Loan' product for reducing the intensity of GHG emissions
- **Measure 2:** ESG score as a control mechanism
- **Measure 3:** Management and monitoring of the portfolio in terms of energy efficiency and GHG intensity of the portfolio
- **Measure 4:** Exclusion of (particularly) energy-inefficient financing in the client segment of housing companies
- **Measure 5:** Expansion of business activities in the area of development financing

Capital markets and funding

Decarbonisation lever: Integration of climate-related criteria into processes

- **Measure 1:** Extension of the limit process for new customers and ongoing creditworthiness analysis on an individual basis to include quantitative and qualitative factors related to GHG emissions
- **Measure 2:** Active monitoring of investments in the portfolio through quarterly portfolio reviews with regard to the development of the issuers' climate targets

Own operations:

Decarbonisation lever: Reduction of building emissions

- **Measure 1:** Reduction of the consumption of electricity and heat at the head office
- **Measure 2:** Adjustment of the electricity mix for rented buildings, leased space and leased regional offices

Decarbonisation lever: Reduction of emissions in information technology and resource management

- **Measure 1:** Digitalisation of processes
- **Measure 2:** Achieving GHG neutrality for the data centres used in cooperation with external service providers

Decarbonisation lever: Reduction of mobility emissions

- **Measure 1:** Bonus programme for lower-emissions vehicles in the fleet
- **Measure 2:** A 'digital first' approach for non-customer-related travel
- **Measure 3:** Electrification of the delivery vehicle in the upstream supply chain by the service provider (for transporting files)

16(d) Qualitative assessment of the potential locked-in GHG emissions associated with assets and products

Locked-in GHG emissions in the loan portfolio:
Locked-in GHG emissions refer to emissions caused by financing and investment activities (according to ESRS E1-1 16(d)).

Loan portfolio

The assessment of whether locked-in GHG emissions in Münchener Hypothekenbank's loan portfolio are to be classified as material is based on the contractually agreed loan terms (not the fixed-interest period).

In this regard, no material component of the loan portfolio has currently been identified that could have a significant negative impact on the achievement of the emission reduction targets.

At present, the identified locked-in GHG emissions are not expected to jeopardise the climate targets for the following reasons:

- **Net zero targets for new buildings**
  The stricter requirements of the European Union's Energy Performance of Buildings Directive (EPBD) and of the GEG are intended to ensure higher efficiency standards from 2025 and emission-free new buildings from 2030. The requirements support the long-term reduction of GHG emissions in Münchener Hypothekenbank's loan portfolio.
- **Improvement of existing buildings**
  The legal requirements and incentives for energy efficiency of the European Union and Germany are intended to make the building stock climate-neutral by 2045 and significantly reduce energy consumption and emissions of existing buildings by 2050.
- **Legal requirements and political initiatives**
  European and national legislation has been introduced to promote the decarbonisation of the property sector. The 2021 Climate Change Act aims to make the building sector carbon neutral by 2045 and to reduce emissions by at least 66 percent by 2030 compared to 1990.

Capital markets and funding

In the capital markets and funding business segment, there are no significant locked-in GHG emissions. The values are not significant in relation to the total volume.

Potential risks to the achievement of the climate targets due to the identified locked-in GHG emissions are considered low. The issuers of the government bonds, such as Germany and France, have committed to achieving their climate targets and climate neutrality by 2045 and 2050 respectively. These obligations form an integral part of these countries' national climate plans and legislation. Therefore, within the framework of the regulatory requirements and the existing obligations of the issuers, the capital market lending business of the capital markets and funding segment can be managed in line with climate targets.

16(g) Disclosures on whether or not the undertaking is excluded from the EU Paris-aligned benchmarks

Münchener Hypothekenbank is not excluded from the EU Paris-aligned benchmarks in terms of Article 12(1) points (d) to (g) of Delegated Regulation (EU) 2020/1818 (Benchmark Regulation).

16(h) Explanation of how the transition plan is embedded in the overall business strategy and financial planning

Starting in 2025, the climate targets included in the business strategy (alignment with the Paris Agreement) will be integrated into the loan portfolio, broken down by industry and volume. The business strategy refers to the transition plan[14] and will be successively expanded over the next few years to include its contents. In parallel with this, the level of integration with the financial planning will gradually be increased. No adverse effects on financial planning are currently expected in the capital market lending business of the capital markets and funding segment. Adjustments will be made if necessary.

16(i) Information on approval by the administrative, management and supervisory bodies

The transition plan was approved by a resolution of the Board of Management on 19 December 2024. Approval by the Supervisory Board occurred during the Supervisory Board meeting on 24 and 25 March 2025.

16(j) Explanation of the progress in implementing the transition plan

The transition plan was prepared for the first time for the reporting date of 31 December 2024.

[14] The term 'transition plan' is used synonymously with the term 'transitional plan'.

E1-2

Policies related to climate change mitigation and adaptation

Loan portfolio

24. – 25. Policies for managing material climate change mitigation and adaptation measures in accordance with ESRS 2 MDR-P

POLICY – RISK STRATEGY 2025

Contents, objectives and monitoring process	The risk strategy sets out the risk policy and describes how the risks incurred are managed. The initial situation, objectives and measures for dealing with these risks are derived from the business strategy and the main business activities. The aim of the risk strategy is to establish a strategic framework for risk management and to promote risk awareness among all employees as part of the corporate culture and risk culture. The Bank’s risk-bearing capacity and liquidity are to be assured in the long term by means of risk strategy guidelines. ESG risks must not be regarded as a separate risk type, but rather as having an impact on the existing risk types in the risk inventory. Nevertheless, a separate consideration of ESG risks is ensured by analysing them for each risk type. Climate risks, in turn, are a significant component of ESG risks and are subdivided into transition and physical risks. Climate risks are reviewed as part of a comprehensive analysis for **credit risk,** among other risks. In the first step, an assessment of the relevance of each risk driver is carried out. Based on these results, scenario analyses are carried out for the risk drivers identified as relevant in order to determine their materiality. The results of the analysis and the corresponding measures are incorporated into the risk strategy and are taken into account in all risk-related decisions. The risk strategy is regularly reviewed and adjusted. It is reviewed at least once a year regarding the achievement of objectives and effectiveness, and, if necessary, updated and submitted to the Supervisory Board for their attention. The assessment of climate risks is subject to an update at least once a year, with associated reporting as part of ESG reporting.
Scope of application	The risk strategy applies to the entire Bank.
Responsible organisational level	The Board of Management is responsible for reviewing and adjusting the risk strategy and ensures that appropriate rules are in place to manage, monitor and control risk. At the operational level, the risk strategy, including the updating process, is the responsibility of the Risk Controlling department. The Non-Financial Risk Management department is responsible for integrating and updating non-financial risks.
Availability of the policy to stakeholders	The risk strategy is available to employees on the intranet. In accordance with the Capital Requirements Regulation (CRR), the contents of the risk strategy are also published in the disclosure report on the website.

	(‘x’)
(a) Climate change mitigation	
(b) Climate change adaptation	x
(c) Energy efficiency	
(d) Renewable energy deployment	
(e) Other	

POLICY – SUSTAINABILITY STRATEGY/ROADMAP 2023/24

Contents, objectives and monitoring process	The Sustainability Strategy/Roadmap 2023/24 defines the targets, KPIs and measures in seven fields of action. In the field of action related to our sustainable business model, the focus is on long-term economic success and creating added value for the environment and society. In this context, the proportion of green financing in new and existing business is to be increased and the proportion of green funding expanded. Accordingly, measures were implemented as part of the effort to improve the energy certification rates; as a KPI, this process used the percentage of green loans in new business, for example. In the field of action related to climate change and CO_2 emissions, the aim is to make a measurable contribution to the decarbonisation of the loan portfolio. Measures have been implemented to determine the carbon footprint of the loan portfolio, which is a central KPI in this area. In the field of action related to risk management, the implementation of various measures ensures that physical and transition climate risks are systematically taken into account in risk management and lending. Measures and KPIs have, for example, been defined for ESG scoring in the retail business. The Bank's primary objective is to continue its evolution into a sustainable bank. The business activities should contribute to achieving the targets of the Paris Agreement. Sustainability Management monitors the achievement of targets and records the defined KPIs. Sustainability Management is also responsible for the overall coordination and control of the implementation of the strategy and forwards the implementation requirements to the relevant departments or market segments, including with regard to products and communication. The Non-Financial Risk Management department ensures that the measures and objectives defined by the departments in the core business are aligned with each other and are strategically coherent. In order to carry out this task, the department has the right, if necessary, to issue a statement or call for a vote by the ESG Board to preserve the overall strategic direction.
Scope of application	The Sustainability Strategy/Roadmap applies to the entire core business of Münchener Hypothekenbank.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring compliance with the Sustainability Strategy/Roadmap. As a functional strategy, it falls within the remit of the Non-Financial Risk Management Policy department, which is responsible for its creation, updating and monitoring. The implementation of the associated measures and objectives is the responsibility of the respective departments.
Consideration of stakeholders' interests	The Sustainability Strategy/Roadmap 2023/2024 is based on a materiality assessment carried out in 2021. In this materiality assessment, 17 interviews were conducted with (11 internal and 6 external) stakeholders to determine which sustainability topics they considered relevant for Münchener Hypothekenbank. Based on the results, seven fields of action were identified. The current significance of the objectives and content in the fields of action referred to here in the area of climate change mitigation and adaptation was confirmed by the internal and external stakeholders surveyed in the 2024 Double Materiality Assessment.
Availability of the policy to stakeholders	Employees can view the Sustainability Strategy/Roadmap in the Bank's written rules.

	('x')
(a) Climate change mitigation	x
(b) Climate change adaptation	x
(c) Energy efficiency	x
(d) Renewable energy deployment	
(e) Other	

POLICY – GREEN BOND FRAMEWORK

Contents, objectives and monitoring process	Münchener Hypothekenbank has decided to develop a Green Bond Framework in line with the latest ICMA Green Bond Principles to ensure that its sustainable financing meets international standards. The framework creates the basis and the conditions for sustainability to be anchored in the core business of the Bank in the form of a closed-loop mechanism, whereby sustainable property financing is provided on the assets side, which in turn is sustainably funded on the liabilities side. The Green Bond Framework thus defines the conditions for the specification of green investments. All sustainable funding products are used for the funding and/or financing of green loans as part of sustainable lending in residential property financing and for commercial loans certified as sustainable. Münchener Hypothekenbank's Green Bond Framework considers and reports on the following components of the ICMA Green Bond Principles: (1) use of the issue proceeds, (2) project evaluation and selection, (3) management of the proceeds, (4) reporting and (5) external review. The Bank's Green Bond Framework has been independently reviewed in a second party opinion provided by ISS ESG, which confirmed compliance with the ICMA Green Bond Principles.
Scope of application	The Green Bond Framework encompasses the sustainable product portfolio of Münchener Hypothekenbank and is aimed primarily at investors.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring compliance with the Green Bond Framework. The current Green Bond Framework was created in collaboration with the Non-Financial Risk Management Policy and Treasury departments.
Reference to third-party standards or initiatives	The framework was created in accordance with the ICMA Green Bond Principles.
Availability of the policy to stakeholders	The *» Green Bond Framework* is publicly available on the Münchener Hypothekenbank website.

	('x')
(a) Climate change mitigation	x
(b) Climate change adaptation	
(c) Energy efficiency	x
(d) Renewable energy deployment	
(e) Other	

POLICY – LOAN MANUAL (INCLUDING ASSOCIATED PROCESS INSTRUCTIONS)	
Contents, objectives and monitoring process	The Bank's Loan Manual sets out the authorities and procedural rules for the departments involved in the loan portfolio, their responsibilities and the loan products. The Loan Manual specifies the organisational structure responsible for internal risk management as well as the relevant processes and responsibilities with regard to credit risks. It draws on organisational guidelines, process descriptions, manuals and rating-specific instructions. The purpose of the Loan Manual is to define standardised guidelines and procedures for granting loans and managing risk. The Loan Manual contains organisational security measures, ongoing automatic measures and controls that are integrated into the workflow. These include the separation of functions, the dual control principle, access restrictions, payment guidelines, a new product process and balance confirmations. The guidelines in the Loan Manual support Münchener Hypothekenbank's ESG risk management. Physical and transition (climate change) risks must be taken into account when determining the value of the financed properties in valuations and valuation updates in accordance with the provisions of the Loan Manual. These risks are also taken into account in the creditworthiness check for new business, with relevant KPIs being identified through the ESG scoring process in the individual transactions of the Bank for each loan decision. Obtaining and recording energy-related property data from loan applicants is mandatory for new business. Process instructions have been drawn up to obtain and record energy efficiency data and certificates and to determine the ESG score; compliance with these instructions is mandatory for employees in the front and back office. The guidelines for ESG risk management set out in the Loan Manual are designed to limit the risk of default and impairment of financed properties in the portfolio that can arise from physical and transition climate risks. The relevant process instructions provide the employees with additional notes and background information on the issues involved, as well as specific advice and instructions on how to implement the guidelines in practice, in terms of both the technology and the relevant systems.
Scope of application	The scope of application includes the loan portfolio of Münchener Hypothekenbank.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring compliance with the Loan Manual. At the operational level, responsibility for updating and developing the Loan Manual is decentralised and is managed by the front and back office and Treasury. The Non-Financial Risk Management Policy department is responsible for sustainability criteria and ESG risk management.
Availability of the policy to stakeholders	The Loan Manual is available to employees on the intranet.

	('x')
(a) Climate change mitigation	x
(b) Climate change adaptation	x
(c) Energy efficiency	
(d) Renewable energy deployment	
(e) Other	

Capital markets and funding

24. – 25. Policies for managing material climate change mitigation and adaptation measures in accordance with ESRS 2 MDR-P

The risk strategy, the Sustainability Strategy/Roadmap 2023/24 and the Green Bond Framework (see ESRS E1-2 Loan portfolio) apply to the capital markets and funding business segment.

Own operations

24. – 25. Policies for managing material climate change mitigation and adaptation measures in accordance with ESRS 2 MDR-P

POLICY – RISK STRATEGY 2025

Contents, objectives and monitoring process	The risk strategy sets out the risk policy and describes how the risks incurred are managed. The aim of the risk strategy is to create a strategic framework for risk management and to promote the risk awareness of all employees within the framework of the corporate culture and risk culture. The Bank's risk-bearing capacity and liquidity are to be assured in the long term by means of risk strategy guidelines. ESG risks are assessed from an operational risk and legal risk perspective as part of the materiality assessment. Operational risks arising from physical risks and transition climate risks are reviewed and assessed in terms of their relevance for Münchener Hypothekenbank's own operations. The results and the associated mitigating measures are part of the risk strategy. With respect to the risk appetite for operational risks, the Bank's strategic policy aims to minimise these as far as possible and to assess them accordingly. The periodic self-assessment for the systematic collection, evaluation and review of all potential risks as an ex-ante procedure and the continuous expansion of the loss database as an ex-post procedure are essential for monitoring operational risks in the Bank. A quarterly overall risk report is submitted to the Board of Management and the Supervisory Board. An annual operational risk report is also prepared. Significant losses must be reported immediately to the relevant member of the Board of Management. The risk strategy is regularly reviewed and adjusted. It is reviewed at least once a year regarding the achievement of objectives and effectiveness, and if necessary, updated and submitted to the Supervisory Board for their attention.
Scope of application	The risk strategy applies to the entire Bank.
Responsible organisational level	The Board of Management is responsible for reviewing and adjusting the risk strategy and ensures that appropriate rules are in place to manage, monitor and control risk. At the operational level, the risk strategy, including the updating process, is the responsibility of the Risk Controlling department. The Non-Financial Risk Management department is responsible for integrating and updating non-financial risks.
Availability of the policy to stakeholders	The risk strategy is available to employees on the intranet. In accordance with the Capital Requirements Regulation (CRR), the contents of the risk strategy are published in the disclosure report on the website.

	('x')
(a) Climate change mitigation	
(b) Climate change adaptation	x
(c) Energy efficiency	
(d) Renewable energy deployment	
(e) Other	

POLICY – SUSTAINABILITY STRATEGY/ROADMAP 2023/24

Contents, objectives and monitoring process	The Sustainability Strategy/Roadmap 2023/24 defines the targets, KPIs and measures in seven fields of action. In the field of climate change and CO_2 emissions, targets, KPIs and measures for climate change mitigation were defined for our **own operations.** The target in the field of climate change and CO_2 emissions is to continuously reduce the CO_2 emissions caused by Münchener Hypothekenbank's own operations. In this way, the Bank seeks to contribute actively towards achieving the objectives of the Paris Agreement. The Non-Financial Risk Management Policy department conducts a status check every three months to determine whether the defined targets have been met. In addition, the departments responsible for implementation proactively seek to achieve the defined targets and KPIs. If necessary, the departments can initiate adjustments in consultation with the relevant member of the Board of Management. As part of the sustainability strategy, the Non-Financial Risk Management department has the operational responsibility of ensuring that the measures and objectives defined by the departments for their own operations are aligned with each other and strategically coherent. In order to carry out this task, the department has the right, if necessary, to issue a statement or call for a vote by the ESG Board to preserve the overall strategic direction.
Scope of application	The targets, KPIs and measures defined for the Bank's own operations include its own locations, such as its head office and regional offices, its vehicle fleet and sustainable mobility concepts, for example guidelines for business trips or providing company bicycles for employees.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring compliance with the Sustainability Strategy/Roadmap. As a functional strategy, it falls within the remit of the Non-Financial Risk Management Policy department, which is responsible for its creation, updating and monitoring. The implementation of the associated measures and objectives is the responsibility of the respective departments.
Consideration of stakeholders' interests	The Sustainability Strategy/Roadmap 2023/2024 is based on a materiality assessment carried out in 2021. In this materiality assessment, 17 interviews were conducted with (11 internal and 6 external) stakeholders to determine which sustainability topics they considered relevant for Münchener Hypothekenbank. Based on the results, seven fields of action were identified. The current significance of the objectives and content in the field of action referred to here concerning climate change mitigation was confirmed by the internal and external stakeholders surveyed in the 2024 Double Materiality Assessment.
Availability of the policy to stakeholders	Employees can view the Sustainability Strategy/Roadmap in the Bank's written rules.

	('x')
(a) Climate change mitigation	x
(b) Climate change adaptation	
(c) Energy efficiency	x
(d) Renewable energy deployment	
(e) Other	

POLICY – BUSINESS TRIP GUIDELINE

Contents, objectives and monitoring process	The Business Trip guideline sets out the principles applicable to business trips. The purpose of business trips must be reviewed, and they must be replaced by telephone or video conferencing whenever possible. The review must take into account the requirements of the specific tasks to be performed by the employees. In addition, the CO_2 emissions of trips that cannot be avoided must be documented. The guideline is intended to help reduce CO_2 emissions and costs arising from business trips. The responsible managers review the purpose and reasonableness of business trips. If the responsible manager is uncertain about the necessity of a business trip, the responsible member of the Board of Management can be consulted regarding the decision if necessary.
Scope of application	The guideline applies to all employees of Münchener Hypothekenbank.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring that the guideline is implemented. The management of the Property Management Service – Facility Management department is responsible at the operational level.
Availability of the policy to stakeholders	The guideline is available to employees on the intranet.

	(‘x’)
(a) Climate change mitigation	x
(b) Climate change adaptation	
(c) Energy efficiency	x
(d) Renewable energy deployment	
(e) Other	

E1-3

Actions and resources in relation to climate change policies

29(a) – (c) Key actions with decarbonisation levers and description of the outcomes in accordance with ESRS 2 MDR-A

Loan portfolio

DECARBONISATION LEVERS – INCREASING THE RATE OF MODERNISATION AND RENOVATION

Description of the decarbonisation lever	The renovation rate indicates the percentage of properties in the portfolio for which extensive renovation work has been carried out and entered in the loan book. To define the target values, internal expert assessments, external studies and historical portfolio data were taken into account.
Description of the actions and expected outcomes	**Retail business:** **Measure 1:** Introducing financing products that favour building renovation, have a positive impact on GHG intensity and focus on new business. **Measure 2:** Targeted engagement with customers with GHG-intensive properties in the existing portfolio by the Sales department (investment sales brokers and cooperative banks) to increase/place renovation products in line with demands. **Measure 3:** Increased range and use of current KfW funding programmes in combination with financing by Münchener Hypothekenbank. **Commercial business:** **Measure 1:** Standardisation and further development of green financing products for climate-friendly modernisation/renovation measures. **Measure 2:** Targeted engagement with customers with GHG-intensive properties in the existing portfolio by the Sales department to increase/place renovation products in line with demands.
Scope	The measures were defined transnationally and across sectors for the loan portfolio in the business areas of commercial and retail business of Münchener Hypothekenbank.
Time horizon	Implementation of the first measures was initiated in 2024. The operationalisation and development of all measures is planned in the short to medium term. The measures are continuously monitored and, if necessary, optimised to ensure that the objectives are achieved.

DECARBONISATION LEVERS – PROMOTING AND MANAGING CLIMATE-FRIENDLY FINANCING

Description of the decarbonisation lever	Green new business is defined in the product portfolio as the financing of properties that meet specific energy efficiency requirements. The defined energy limits differ depending on the business area and are adjusted in line with Münchener Hypothekenbank's climate target for reducing GHG intensity. For example, properties in retail banking with energy efficiency classes A and A+ (up to 55 kWh/m^2 annual primary energy demand) and the Green Loan financing product are currently defined as 'green'.
Description of the actions and expected outcomes	**Retail business:** **Measure 1:** Further development of climate-friendly financing products: Green loans – this financing product for properties with a low primary energy demand (max. primary energy demand of 55 kWh/m^2 per year) offers an interest rate advantage in order to increase the proportion of energy-efficient properties in new business and thus in the portfolio as a whole. **Measure 2:** Managing the portfolio through measures such as adjusting the conditions and differentiating prices in the conventional product range in terms of energy efficiency and GHG intensity, for example in relation to energy sources. **Measure 3:** Assessment of non-financial considerations in the lending process based on the ESG score and risk management through loan quotas. **Commercial business:** **Measure 1:** The launch of the 'Commercial Green Loan' product aims to reduce the emission intensity in the portfolio of Münchener Hypothekenbank. Maximum acceptable energy consumption and primary energy demand values were defined accordingly for the financing of existing buildings up to and including those built in 2020 for the office, retail and logistics asset classes. The Commercial Green Loan is based on the minimum standards for green Pfandbriefe issued by the Association of German Pfandbrief Banks (vdp). The market entry took place in January 2025. **Measure 2:** Since 2023, all financing in the lending approval process has been subject to an internally developed ESG score that takes into account not only physical and transition-related environmental factors, but also social and governance factors. Since 2024, this score has had an impact on the pricing of the financing. **Measure 3:** Monitoring and actively managing the GHG intensity and energy efficiency of the portfolio in new and existing business in the future, taking into account the climate targets of Münchener Hypothekenbank. **Measure 4:** Exclusion of (particularly) energy-inefficient properties from financing under the commercial residential property initiative. **Measure 5:** Expansion of business activities in the area of development financing in the direction of providing targeted financing and support for climate-friendly construction of new properties.
Scope	The measures were defined transnationally and across sectors for the loan portfolio in the business areas of commercial and retail business of Münchener Hypothekenbank.
Time horizon	Implementation of the first measures was initiated in 2024. The operationalisation and development of all measures is planned in the short to medium term. The measures are continuously monitored and, if necessary, optimised so that the objectives can be achieved.

Capital markets and funding

29(a) – (c) Key actions with decarbonisation levers and description of the outcomes in accordance with ESRS 2 MDR-A

DECARBONISATION LEVERS – INTEGRATION OF CLIMATE-RELATED CRITERIA INTO PROCESSES

Description of the decarbonisation lever	The objective is to continuously reduce GHG emissions by reducing or excluding bonds that are particularly emission-intensive. The extension of the limit process and active portfolio monitoring are based on the corresponding climate targets of Münchener Hypothekenbank.
Description of the actions and expected outcomes	**Measure 1:** Extension of the limit process for new customers and the ongoing creditworthiness analysis on an individual counterparty basis to include quantitative and qualitative factors related to GHG emissions. Qualitative considerations include compliance with the Paris Agreement, corporate commitments, transition plans and customers' net-zero targets. Quantitative factors include the intensity of emissions over time and in comparison to the Bank's own portfolio. The assessment is carried out at individual counterparty level and at overall portfolio level. **Measure 2:** Active monitoring of investments in the portfolio through quarterly portfolio reviews in terms of the development of the issuers' climate targets. If the actual figures deviate by more than 10 percent from the GHG reduction pathway for the overall portfolio, suitable measures are considered.
Scope	Capital market lending business of the capital markets and funding segment
Time horizon	The measures were defined in 2024 and initiated in 2025. Optimisation of the approach is reviewed as required to ensure target achievement.

Own operations

29(a) – (c) Key actions with decarbonisation levers and description of the outcomes in accordance with ESRS 2 MDR-A

DECARBONISATION LEVERS – REDUCTION OF BUILDING EMISSIONS

Description of the decarbonisation lever	Building emissions include the head office in Munich, leased space and regional offices, as well as buildings owned by the Bank and rented out.
Description of the actions and expected outcomes	**The following measures are planned for implementation in the Bank's own operations:** **Measure 1:** Reducing electricity consumption at the head office through steps such as converting the building management system, including new software, installing high-efficiency pumps, optimising the air conditioning units at the head office, training employees, setting all technical heating, ventilation and air conditioning units to energy-saving mode, converting the lighting to light-emitting diode (LED) technology and installing a lighting control system at the head office. The digitalisation of these processes is expected to reduce paper procurement (2023: 1.5 million sheets of paper per year) until the 2030 target is met (procurement of only 800,000 sheets of paper per year). **Measure 2:** Reducing heat consumption at the head office through steps such as converting the building control system, including new software, installing high-efficiency pumps, optimising the air conditioning units at the head office and training employees. **Measure 3:** Changing the electricity mix for various leased spaces and regional offices. **Measure 4:** Changing the electricity mix for the common areas of rented buildings.
Scope	Building emissions include the head office in Munich, leased space and leased regional offices, as well as buildings owned by the Bank and rented out in Germany.
Time horizon	Implementation of the first measures was initiated in 2024. The operationalisation and development of all measures is planned in the short to medium term. The measures are continuously monitored and, if necessary, optimised so that the targets can be achieved.

DECARBONISATION LEVERS – REDUCTION OF EMISSIONS IN IT AND RESOURCE MANAGEMENT

Description of the decarbonisation lever	This includes purchased IT products as part of office equipment and external server services (data centres).
Description of the actions and expected outcomes	**The following measures are planned for implementation in the Bank's own operations:** **Measure 1:** The digitalisation of processes through steps such as introducing electronic files for commercial real estate financing and capital markets business and, in future, rolling out electronic files for other business areas, introducing qualified electronic signatures and expanding the 'Meine MHB' portal to include an electronic mailbox with self-service for customers and members. **Measure 2:** Achieving GHG neutrality for the data centres used in cooperation with external service providers.
Scope	This decarbonisation lever refers to activities in the Bank's own operations.
Time horizon	Implementation of the first measures was initiated in 2024. The operationalisation and development of all measures is planned in the short to medium term. The measures are continuously monitored and, if necessary, optimised so that the targets can be achieved.

DECARBONISATION LEVERS – REDUCTION OF MOBILITY EMISSIONS

Description of the decarbonisation lever	Mobility emissions include the Bank's vehicle fleet, employee mobility (business trips and commuting) and the upstream supply chain.
Description of the actions and expected outcomes	**The following measures are planned for implementation in the Bank's own operations:** **Measure 1:** Bonus programme for lower-emissions vehicles in the fleet. **Measure 2:** A 'digital first' approach for non-customer-related travel. **Measure 3:** Electrification of the delivery vehicle in the upstream supply chain by the service provider for transporting files.
Scope	This decarbonisation lever refers to activities in the Bank's own operations.
Time horizon	Implementation of the first measures was initiated in 2024; the operationalisation and development of all measures is planned for the short to medium term, with these being continuously monitored and, if necessary, optimised so that the targets can be achieved.

E1-5

Energy consumption and mix

37. Disclosure of the total energy consumption from fossil, nuclear and renewable sources related to own operations

Energy consumption and mix	2024
a. Total energy consumption from fossil sources (MWh)	3,051
b. Total energy consumption from nuclear sources (MWh)	0
c. Total energy consumption from renewable sources (MWh) disaggregated by:	1,084
i. Fuel consumption from renewable sources, including biomass (as well as industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources, etc.	0
ii. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	1,084
iii. Consumption of self-generated non-fuel renewable energy	0
Total energy consumption (MWh)	**4,136**

The information was calculated for the year 2024 (as at the reporting date of 31 December 2024).

Diesel and petrol consumption was recorded in litres and converted into kWh using the VfU tool based on its energy content (1 litre petrol = 8.6 kWh, 1 litre diesel = 9.9 kWh). No distinction was made between private and business use of the fleet, which means that the estimate of energy consumption is conservative.

Although other consumption data relating to the energy consumption of buildings and floor space was provided in kWh, this was subject to significant assumptions that were made in the initial calculations. Specifically, incomplete consumption figures for individual months were extrapolated on the basis of the months with available data, and consumption was determined based on average values. Consumption values that were entirely unavailable as of the reporting date of 31 December 2024 are based on the previous year's values. Insofar as no consumption data for buildings was available, the consumption was calculated according to the average consumption of other comparable buildings based on the floor space.

E1-6

Gross Scope 1, 2, 3 and total GHG emissions

48. – 52. Disclosure of total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3 in accordance with the table below

Column N contains the GHG emissions for the reporting year 2024. To avoid duplication, no information has been provided in the comparative column, because in the first reporting year 2024, the previous year coincides with the base year 2023. Starting from the 2025 reporting year, the GHG emissions of the previous reporting year are included here as comparative values, together with corresponding milestones and target years.

TOTAL GHG EMISSIONS

	Retrospective				Milestones and target years			
	Base year (2023)	Comparative	N	% N / N-1	2025	2030	(2050)	Annual % target / base year
Gross Scope 1 GHG emissions (tCO_2eq)								
Gross Scope 1 GHG emissions	543		542					
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0		0					
Gross Scope 2 GHG emissions (tCO_2eq)								
Gross location-based Scope 2 GHG emissions	845		697					
Gross market-based Scope 2 GHG emissions	113		93					
Significant Scope 3 GHG emissions (tCO_2eq)								
Total gross indirect (Scope 3) GHG emissions (tCO_2eq)	1,464,819		1,697,504					
1 Purchased goods and services	23		28					
1 Cloud computing and data centre services	36		36					
2 Capital goods	62		26					
3 Fuel and energy-related activities	528		517					
4 Upstream transportation and distribution	4		4					
5 Waste generated in operations	22		18					
6 Business travel	178		178					
7 Employee commuting	440		455					
7 Working from home	26		27					
15 Financed emissions								
(a) Loan portfolio	653,290		798,809					
(b) Capital markets and funding	810,210		897,406					
Total GHG emissions (location-based)	**1,466,207**		**1,698,743**					
Total GHG emissions (market-based)	**1,465,475**		**1,698,139**					

AR 39. Methodologies and significant assumptions used to calculate GHG emissions

In calculating the absolute GHG emissions for the year 2024 (as at the reporting date of 31 December 2024), various methodologies were used and assumptions made, which are explained below, broken down by loan portfolio, capital markets and funding, and own operations.

Loan portfolio

When calculating Scope 3.15 GHG emissions, attention was paid to compliance with the Partnership for Carbon Accounting Financials (PCAF) standard. Münchener Hypothekenbank has developed a PCAF-based tool to calculate the GHG emissions financed and the emissions intensity of the properties in the loan portfolio. All datapoints required for the calculation are retrieved from the internal databases and filled in along a predefined decision tree. If the Bank has no real data in the form of an energy certificate (PCAF data quality score 3) or only has incomplete customer data, the calculation is carried out using proxy or estimated values. These are based on statistical surveys or average values, which in turn are based on real properties or the Bank's risk-averse assumptions, and thus enable the financed GHG emissions to be quantified even when the data is incomplete. Data provided by the customer overrides proxy values. The increase in the financed emissions compared to the previous year is primarily due to changes in data collection and more accurate information in the portfolio.

Capital markets and funding

When calculating Scope 3.15 GHG emissions, attention was paid to compliance with the PCAF standard. The GHG emissions data was obtained from publicly available reports from counterparties and is therefore subject to their disclosure requirements.

Scope 1 GHG emissions, excluding land use, land-use change and forestry (LULUCF), were used to calculate the financed GHG emissions from government bonds and municipal loans (including cities) in accordance with the UNFCCC national emissions inventory recommended by PCAF. Scope 2 and 3 emissions were not included in the calculation of financed emissions from government bonds and municipal loans. The purchasing-power-adjusted gross domestic product required for calculating the attribution factor was obtained from the publicly accessible database of the World Bank.

In calculating the financed GHG emissions from bank bonds, only Scope 1 and Scope 2 GHG emissions were taken into account, as the data quality for Scope 3 GHG emissions is currently insufficient. The data on the financed emissions of credit institutions is expected to improve, so in future it will be possible include this data in the calculation. The calculation for investments was carried out in the same way as for bank bonds, as a financial services provider is involved in the case of significant investments.

In the case of government bonds, municipal loans and funds, a PCAF score of 1 was used. This also applies to bank bonds. No GHG emissions data of the counterparties was disclosed for two bank bonds, so these calculations were based on a PCAF score of 5.

Own operations

Münchener Hypothekenbank used the CSRD-compliant VfU tool to calculate its Scope 1, 2 and 3.1-14 GHG emissions and produce its GHG balance sheet. The tool calculates a GHG balance that is compliant with the GHG Protocol and provides the metrics for reporting in accordance with the ESRS standards. Münchener Hypothekenbank's consumption data was entered into the VfU tool in accordance with the requirements of the VfU tool's emission factors, i.e. in kilometres, kilowatt-hours or litres. Some of this consumption data was converted into the unit required to input the data. The VfU tool includes additional control mechanisms for data quality. An external review conducted by Öko-Institut e. V. verified the GHG balance calculated with the VfU tool.

The emission factors used in the VfU tool were obtained from the Ecoinvent database (Ecoinvent v3.10). Ecoinvent is a platform of scientific and public institutions that operates one of the largest environmental accounting databases. The VfU tool allows the inclusion of further Scope 3 emissions that Münchener Hypothekenbank has defined as significant. Emission factors from the supplier were used for coffee consumption, and an emission factor from the 'UK Government GHG Conversion Factors for Company Reporting' was adopted for newly procured information technology products.

Significant assumptions were made in the course of the preliminary calculations. Insofar as consumption data for the period ending 31 December 2024 was not available, it was based on the previous year's figures. This occurred when invoices from energy suppliers or service providers had not yet been received at the time of reporting, for example. Incomplete consumption data for building emissions and data centres was extrapolated for the year as a whole. Insofar as no consumption data for buildings was available, the consumption was calculated according to the average consumption of other comparable buildings based on the floor space. A variety of usage data and activities are based on surveys, averages and industry-specific studies. The distances travelled for business trips were calculated on the basis of business travel expenses.

GHG reduction targets

Loan portfolio

Methods, guidelines and assumptions

Münchener Hypothekenbank has defined climate targets for its loan portfolio based on the International Energy Agency's (IEA) Net Zero Emissions by 2050 (NZE) scenario. This scenario forms the basis of the Carbon Risk Real Estate Monitor (CRREM), which represents a sector-specific approach for the property industry. The loan portfolio is aligned with the 1.5 °C CRREM scenario and includes the following sub-portfolios: retail business excluding SMEs, SMEs in the retail business, commercial residential property, hotels and restaurants, trade and storage, shopping centres, and offices and administration.

Internal assumptions

A portfolio simulation was developed for setting targets that takes the status quo of the portfolio (as at 31 December 2023) as a starting point and simulates possible decarbonisation pathways up to 2030 based on various assumptions. The Bank's own calculations of GHG emissions, internal data sources and assumptions by the departments are used. The simulation considers business development based on multi-year planning, including redemption factors.

The distribution of new and existing buildings in new business also plays a role. Historical renovation data is used to determine the level of renovation of existing properties.

External assumptions

In defining the climate targets, four key external factors were also taken into account. The first key assumption involves the requirements of the EU Energy Performance of Buildings Directive (EPBD), which stipulates a 16 percent reduction in energy consumption by 2030.

The second assumption relates to the increase in the proportion of renewable energy in the electricity mix set by the German government in the Renewable Energy Sources Act 2023 (*Erneuerbare-Energien-Gesetz,* EEG) to at least 80 percent by 2030. This assumption is taken into account in relation to the development of properties in the portfolio. Real data on the heating technologies used is applied for new business.

In the third assumption, the heating technology mix is also modelled in the portfolio simulation up to 2030 in order to capture the emissions of various heating types.

The fourth assumption is that the energy performance certificate requirement under the GEG, which has been in force since 2023, will be taken into account for financing, modernisations, new construction and sales, thereby improving data quality in the portfolio.

An external validation of the targets, for example by the SBTi, was not carried out.

Decarbonisation levers

The decarbonisation levers are defined broadly for the loan portfolio, but with different measures for the retail and commercial business, as these also have different targets.

Alignment with the strategy's targets

The GHG reduction targets are an essential part of the climate strategy and the transition plan for the implementation of the targets. The climate strategy, including the climate targets for the loan portfolio, also forms part of the business strategy as of 2025.

Monitoring mechanisms

The Strategy & Finance Board provides the Board of Management with quarterly reports on the status of the climate targets, and the Supervisory Board receives biannual reports at its summer and winter meetings.

Capital markets and funding

Methods, guidelines and assumptions

Positions in the asset classes of banks, government bonds, municipal loans, funds and investments are summarised in the portfolio of the capital market lending business of the capital markets and funding segment. The International Energy Agency (IEA) has not provided any reduction pathways for these asset classes. Other industry standards, such as those of the Transition Pathway Initiative (TPI), also fail to provide any information in this regard. The reduction pathways and the climate targets derived from them are simulated linearly as a net-zero pathway to 2050 based on the published climate targets and GHG emissions of the counterparties. It is assumed that the portfolio will remain constant over time; this is also due to legal requirements regarding the composition of the portfolio.

It should be noted that every country in the European Union, and hence also the issuers of government bonds, are subject to the European Climate Law Regulation (EU) 2021/1119 that seeks to achieve net-zero emissions by 2050. However, its implementation depends on its consistent transposition into the laws of the individual member states, so the effects on government bonds cannot be predicted with certainty. The targets were calculated on the basis of the methodological guidelines of the Partnership for Carbon Accounting Financials (PCAF).

Decarbonisation levers
The decarbonisation levers and measures defined for the capital markets and funding segment are described in chapter E1-3, paragraph 29(a).

Alignment with the strategy's targets
The GHG reduction targets are an essential part of the climate strategy and the transition plan for the implementation of the targets.

Monitoring mechanisms
The measures and targets are reviewed on an ad hoc basis as well as at least once a year and submitted to the Board of Management at the ESG Board meeting.

Own operations

Methods, guidelines and assumptions
Münchener Hypothekenbank has set itself the target of striving to achieve net zero in its own operations by 2050. The Bank uses the CSRD-compliant tool of the German Association for Environmental Management and Sustainability in Financial Institutions (VfU) for its own operations. In this process, the SBTi-based pathway that is integrated into the VfU tool is used as a guide.

The VfU tool is based on the Greenhouse Gas Protocol, the world's most widely used standard for corporate accounting and reporting of greenhouse gas emissions. The emissions factors are taken from the recognised life cycle assessment (LCA) database ecoinvent 3.8.2 or directly from LCA assessments of suppliers and, in some cases, from the United Kingdom Government Greenhouse Gas Protocol Conversion Factors for Company Reporting where suppliers were unable to provide emission values. Consequently, the accounting of greenhouse gas emissions is science-based. A simulation was developed for setting targets that takes the status quo of the Bank's own operations (as at 31 December 2023) as a starting point and simulates it up to 2030, taking various assumptions into account. The Bank's own targets – for example, those of its digital strategy or environmental management system – are used, along with internal data sources, e.g. energy consumption information, and assumptions made by the departments up to 2030, such as potential changes in business travel or in electricity and heating requirements.

The GHG reduction targets of direct service providers were used as passive influencing factors on the decarbonisation pathway, and their own reduction pathway was integrated into the calculation as a reduction assumption.

Decarbonisation levers
The decarbonisation levers and measures defined for the Bank's own operations are described in chapter E1-3, paragraph 29(a).

Alignment with the strategy's targets
The GHG reduction targets are an essential part of the climate strategy and the transition plan for the implementation of the targets.

Monitoring mechanisms
The measures and targets are reviewed on an ad hoc basis at least once a year and submitted to the Board of Management as part of the management review of the environmental management system.

Social information

S1 OWN WORKFORCE

S1-1

Policies related to own workforce

19., 21. – 22. Policies in relation to the management of material impacts, risks and opportunities related to an undertaking's own workforce in accordance with ESRS 2 MDR-P

POLICY – SUSTAINABILITY STRATEGY/ROADMAP 2023/24

Contents, objectives and monitoring process	The Sustainability Strategy/Roadmap 2023/24 defines the targets, key figures and measures for seven fields of action in the area of sustainability. The 'Employees' field of action focuses on the satisfaction and well-being of employees, as well as on providing them with fair opportunities to develop their own talent and careers. The Sustainability Strategy/Roadmap aims to achieve the following: ■ Ensure equal opportunities in the development of talent and careers ■ Expand the measures for employee professional development and to support employee satisfaction ■ Promote employee health ■ Further development of skills related to sustainability Various measures have been proposed to achieve this, for example, expanding health care offerings, or offering employees more training and seminars. Specific KPIs have been defined to measure progress towards these targets. The proportion of women at different levels of the hierarchy and progress made in implementing the Diversity Strategy serve as key figures in relation to the target of equal opportunities. In the area of employee health, the number of measures implemented is used to assess the effectiveness and range of the programmes. The Non-Financial Risk Management department conducts a status check every three months to determine whether the defined targets have been met. The results are presented to the Bank's ESG Board. In addition, the departments responsible for implementation proactively track the defined targets and KPIs. If necessary, the departments can initiate adjustments in consultation with the relevant member of the Board of Management. The Non-Financial Risk Management department can submit comments and express its views as part of this process.
Scope of application	This field of action applies to all employees of Münchener Hypothekenbank.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring compliance with the Sustainability Strategy/Roadmap. As a functional strategy, it falls within the remit of the Non-Financial Risk Management Policy department, which is responsible for its creation, updating and monitoring. The implementation of the associated measures and objectives is the responsibility of the respective departments.
Consideration given to the interests of key stakeholders in setting the policy	The Sustainability Strategy/Roadmap 2023/2024 is based on a materiality assessment carried out in 2021. In this materiality assessment, 17 interviews were conducted with (11 internal and 6 external) stakeholders to determine which sustainability topics they considered relevant for Münchener Hypothekenbank. Based on the results, seven fields of action were identified. The current significance of the targets and content from the 'Employees' field of action was confirmed by the internal and external stakeholders surveyed in the 2024 Double Materiality Assessment.
Availability to potentially affected stakeholders	The Sustainability Strategy/Roadmap is available on the intranet in the Bank's written rules.

POLICY – DIVERSITY STRATEGY

Contents, objectives and monitoring process	The Diversity Strategy is aligned with the Sustainability Strategy/Roadmap and the remuneration strategy of Münchener Hypothekenbank. It also ensures that the German General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz, AGG) continues to be implemented. As Münchener Hypothekenbank understands diversity, the Bank will be able to achieve its strategic business objectives if the diversity of current and future employees, with their different abilities and talents, is regarded, recognised, promoted and harnessed as a valuable contribution. The Diversity Strategy encompasses the following dimensions of diversity: gender and sexual orientation, ethnic/cultural origin and affiliation, physical and mental abilities, faiths and beliefs, social origin and status, age. The objectives are: ▪ Creating a corporate and management culture that is sensitive to diversity ▪ Preventing all forms of discrimination and respecting the diversity of individuals ▪ Enabling fair opportunities for all, regardless of their diversity characteristics ▪ Utilising and promoting all forms of talent and potential in a profitable and constructive manner, regardless of their diversity characteristics in all dimensions ▪ Meeting the expectations of stakeholders in relation to diversity The HR department conducts quarterly strategy reviews, which are submitted to the Board of Management. A core element of strategy controlling is the review by the HR department of the progress in implementing the measures set out in the Diversity Strategy (e.g. to implement the Female Empowerment Programme (see ESRS S1-4).
Scope of application	The direct scope of the Diversity Strategy is the employees. The principles of diversity also apply to the non-employee workers of Münchener Hypothekenbank.
Addressing the issues of human trafficking, forced labour and child labour	The Diversity Strategy is based on international agreements and guidelines, such as the Universal Declaration of Human Rights, the conventions of the International Labour Organization (ILO) and the United Nations Global Compact.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring that the Diversity Strategy is implemented. At the operational level, the management of the HR department is responsible.
Policy in relation to recognised standards	In 2014, Münchener Hypothekenbank signed the Diversity Charter[15], thereby committing to promoting diversity and respect. Furthermore, Münchener Hypothekenbank has endorsed the UN Global Compact.
Consideration given to the interests of key stakeholders in setting the policy	In determining the Diversity Strategy, the expectations of current and potential employees, investors and the ECB were taken into account.
Availability to potentially affected stakeholders	The Diversity Strategy is available on the intranet in the Bank's written rules.

[15] The Diversity Charter is a corporate initiative to promote diversity in companies and institutions. It is committed to an inclusive working environment that is free of prejudice and aims to promote the diversity of the workforce in terms of gender, nationality, ethnic origin, religion, disability, age, sexual orientation and identity.

POLICY – CODE OF CONDUCT

Contents, objectives and monitoring process	As a general guideline, the Code of Conduct sets out binding standards for lawful, responsible, ethical and sustainable conduct in business transactions. It applies to all employees, including the members of the Board of Management of Münchener Hypothekenbank and the employees of its subsidiaries. The Code of Conduct does not attempt to provide instructions for every situation, but rather sets out a standard for all employees to use as a guide for appropriate and responsible conduct. Its purpose is to ensure compliance with laws, regulations and internal guidelines, as well as providing a uniform awareness of risk to protect Münchener Hypothekenbank and its employees from harm. Compliance with the Code of Conduct is supported by a whistleblowing system. Reports of non-compliance or violations of the principles of the Code of Conduct can be submitted in writing, by telephone, by email, by fax or in person to the Non-Financial Risk Management department. The anonymity of the whistleblower is guaranteed, provided that the Non-Financial Risk Management department is not obliged by law to disclose the information. No disciplinary or other adverse measures will be taken against a whistleblower, except in the case of demonstrably intentional abuse of the whistleblower system. Any discrimination, retaliation or other type of unfair treatment of the whistleblower is prohibited.
Scope of application	The Code of Conduct applies to all employees of Münchener Hypothekenbank.
Addressing the issues of human trafficking, forced labour and child labour	The Code of Conduct is based on international agreements and guidelines, such as the Universal Declaration of Human Rights, the conventions of the International Labour Organization (ILO) and the United Nations Global Compact.
Responsible organisational level	The Board of Management bears the ultimate responsibility for the content of the Code of Conduct. The contact person for questions regarding the Code of Conduct is the Compliance function in the Non-Financial Risk Management department.
Availability of the policy to stakeholders	The *» Code of Conduct* is published on the Münchener Hypothekenbank website. Furthermore, new employees receive a copy of the Code of Conduct for their information when they are hired.

POLICY – POLICY ON HUMAN RIGHTS AND DIVERSITY

Contents, objectives and monitoring process	The guideline sets out the ethical framework for dealing with employees, customers, business partners and suppliers. It defines the minimum requirements in terms of equal opportunities, diversity and human rights. Various company guidelines and agreements are in place for putting the guideline into operation, for example, Münchener Hypothekenbank's sustainability mission statement, the Code of Conduct or Münchener Hypothekenbank's employee handbook.
Scope of application	All employees, including members of the Board of Management and the Supervisory Board, on all management levels, as well as all employees and non-employee workers of Münchener Hypothekenbank.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring that the guideline is implemented. At the operational level, the management of the Non-Financial Risk Management division is responsible.
Policy in relation to recognised standards	Münchener Hypothekenbank signed the Diversity Charter in 2014. Furthermore, the Bank is unequivocally committed to respecting international human rights standards, specifically the United Nations Universal Declaration of Human Rights and the Covenant on Economic, Social and Cultural Rights and the Covenant on Civil and Political Rights, as well as the core labour standards of the International Labour Organization (ILO).
Consideration given to the interests of key stakeholders in setting the policy	A risk analysis of the potential impact on human rights was carried out internally, involving several departments and our own document-based research and drawing on external expertise. Based on the analysis, the guidelines focus on two areas that are considered to be of particular relevance to the Bank and its stakeholders: employees and customers.
Availability to potentially affected stakeholders	The *» Policy on Human Rights and Diversity* is published on the Münchener Hypothekenbank website.

POLICY – HR STRATEGY

Contents, objectives and monitoring process	The HR Strategy defines the vision and mission of Münchener Hypothekenbank from the perspective of the HR department, as well as the objectives of the work carried out by HR. It defines the fields of action and the corresponding measures. It also governs the measurement of the effectiveness of the HR Strategy by means of appropriate key figures. The five fields of action in the HR Strategy are: a. Strengthening the employer brand, attracting talent b. Creating an attractive work culture and favourable conditions c. Improving employee development, identifying and facilitating development opportunities d. Designing attractive remuneration systems while preserving the structures of a medium-sized company e. Optimising operational HR activities and utilising digitalisation Its objectives are as follows: ■ Securing the required workforce. Achieving this objective depends on Münchener Hypothekenbank being perceived as an attractive employer by applicants and employees alike. ■ Developing a corporate and management culture that fosters a sense of community and success, as well as promoting professional and management skills. ■ Establishing a performance management system that sets clear objectives and responsibilities, carries out regular evaluations and creates fair reward systems. Progress of implementation is documented, for example, in an HR and social report that will be made available to the entire workforce and the Board of Management.
Scope of application	The HR Strategy applies to all the Bank's employees.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring that the HR Strategy is implemented. At the operational level, the management of the HR department is responsible.
Availability to potentially affected stakeholders	The HR Strategy is published on the intranet.

20. Processes and mechanisms to monitor compliance with human rights policy commitments relevant to the undertaking's own workforce

Münchener Hypothekenbank is committed to the United Nations Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO). Furthermore, Münchener Hypothekenbank's actions are guided by the principles of the UN Global Compact. Acting in an ethically and socially responsible manner is of great importance to the Bank. In keeping with the principles of the UN Global Compact, the Bank attaches great importance to complying with internationally recognised standards concerning human rights, environmental protection, decent working conditions and the prohibition of child labour. The Code of Conduct and the Policy on Human Rights and Diversity reflect this stance and define what the Bank expects of its employees, business partners and service providers.

Münchener Hypothekenbank operates as an employer exclusively in Germany and complies with the stringent regulations and standards that apply to working conditions and equality. Comprehensive guidelines ensure that the rules are implemented in the Bank, while clear processes are followed in the event of violations or abuses, such as discrimination.

23. Availability of a workplace accident prevention policy or management system

Münchener Hypothekenbank complies with the statutory occupational health and safety regulations. Mandatory training on occupational health and safety is also provided. Münchener Hypothekenbank also has a digital accident record book. Near misses must also be reported to improve preventive measures for avoiding accidents.

24(a) Specific policies for the elimination of discrimination, promoting equal opportunities or other ways to advance diversity and inclusion

The Diversity Strategy and the Policy on Human Rights and Diversity (see ESRS S1-1 paragraph 19.).

24(b) Identifying the grounds for discrimination in the policy

The following dimensions are included in the Diversity Strategy: gender and sexual orientation, ethnic/cultural origin and affiliation, physical and mental abilities, faiths and beliefs, social origin and status, age (see ESRS S1-1, Policies related to own workforce, Diversity Strategy).

24(c) Existence of specific policy commitments related to inclusion or positive action for vulnerable groups in the workforce

Münchener Hypothekenbank fulfils the legal requirements for the integration and advancement of people with severe disabilities. Moreover, the bank has a representative for disabled employees who safeguards the interests of and promotes the integration of employees with severe disabilities and similarly disadvantaged employees.

24(d) Implementation of policies to prevent discrimination and advance diversity and inclusion

Whenever complaints from employees come to the attention of managers in the HR department or the whistleblowing system, appropriate action is taken to resolve them. This may include measures such as fact-finding discussions, third-party mediation or disciplinary action, as appropriate to the situation.

S1-2

Processes for engaging with own workforce and workers' representatives about impacts

27(a) Integrating the perspectives of the undertaking's own workforce or workers' representatives in the undertaking's decisions or activities managing the actual and potential impacts on its own workforce

Münchener Hypothekenbank obtains the views of its employees directly, for example through employee surveys or regular feedback meetings, and indirectly, for example through employee representatives on the Supervisory Board or the Works Council. This ensures that the concerns of employees are taken into account.

The HR department, the Works Council, the representatives for disabled employees and, since 2023, a diversity officer are available to employees as internal points of contact. The youth and trainee representatives of Münchener Hypothekenbank represent the interests of trainees and interns. The nature of the involvement (directly or through proxies) varies depending on the format.

The following formats and channels are used for integrating the views of employees.

Direct involvement:

- Regular formal and informal feedback meetings (including annual appraisals)
- Direct dialogue between employees and the HR department, as well as the Works Council
- Employee surveys
- Employee and staff meetings
- Whistleblowing system (see ESRS S1-3)
- Programmes to advance and develop the skills of the Bank's employees (see ESRS S1-1 and S1-4)
- Intranet
- Events held as part of the MHB United initiative and information events within the MHB Insight programme

Indirect involvement:

- Regular dialogue among the youth and trainee representatives, the training management, the Works Council and the Board of Management in accordance with the German Works Constitution Act (*Betriebsverfassungsgesetz,* BetrVG)
- Monthly meetings between the Works Council and the HR department

Most of the formats for engagement are embedded at the organisational level and include the employees of Münchener Hypothekenbank. Other formats, such as employee surveys, are often targeted at specific groups of employees depending on the topic.

27(b) Stages, type and frequency of the engagement

The stages at which engagement with employees takes place and the type and frequency of the engagement depend on the format.

Annual appraisals of employees by their immediate managers take place between December and February. An annual appraisal includes a review of the past year and provides an opportunity to discuss tasks, goals and prospects for the coming year. The satisfaction of employees with Münchener Hypothekenbank as an employer and with their personal situation in the bank is also discussed. A **feedback session** is held in the middle of the year. It is intended to provide mutual feedback and behavioural feedback, and hence also allows an individual comparison between how employees see themselves and how others see them. Content from feedback meetings relevant to the HR department – for example, about qualification programmes or the staffing situation of teams – are discussed in a **reflection session** held in autumn. Participants include the HR department, the respective team leaders and, if necessary, their immediate managers. Where required, measures are adopted following the reflection session, for example to promote identified high-potential employees.

The Works Council meets with the Board of Management and the HR department every month and on an ad hoc basis. Employees can contact the HR department and the Works Council directly at any time with their concerns and requests. Employee meetings take place at least once a year. Employee surveys are conducted infrequently or as warranted.

Some formats are used for information purposes, such as employee meetings or intranet messages, for example regarding organisational or personnel changes or events. Employee representatives exercise co-determination rights on behalf of employees in accordance with statutory provisions. Employees are immediately informed of any personnel policy decisions or organisational changes. The Bank places a high value on early involvement of employees in order to take their needs into account.

Employees from the loan portfolio, capital markets and funding business segments, as well as from the Bank's own operations, were involved in a series of workshops to draw up the transition plan for climate change and to define the decarbonisation levers and measures. Training programmes are also reviewed and revised where necessary.

27(c) Function and most senior role with operational responsibility for the engagement

Operational responsibility for the engagement formats rests with various departments at Münchener Hypothekenbank, depending on the channel. For example, the Board of Management staff and the head of the communications and marketing team are responsible for informational formats, such as the intranet or employee meetings. The HR department supports departments in the operational implementation and is in contact with employee representatives, such as the Works Council.

27(d) Global framework agreement with workers' representatives

A global framework agreement or similar agreement for the entire Bank relating to the respect of human rights of employees has not been concluded with employee representatives.

The Health & Safety Committee, which is chaired by a member of the Board of Management, deals with occupational health and safety issues together with the Works Council, the HR department and the relevant departments. The safety officers support the Health & Safety Committee in implementing processes and measures.

27(e) Assessment of the effectiveness of the engagement with own workforce

Measures that emerge from employee surveys are implemented. An example of this is a company bicycle leasing scheme that was introduced in 2024. By the end of the year, 78 leasing contracts had been concluded, meaning that more than one in ten employees now uses a company bicycle.

The annual feedback meetings provide insights into the Bank's working relationship with its employees. Based on the results, targeted personal development measures are agreed in reflection sessions between the HR department and managers. These meetings offer employees tangible development opportunities that can then be pursued and implemented through agreed measures. Internal guidelines help to promote a culture of feedback and dialogue.

S1-3

Processes to remediate negative impacts and channels for own workforce to raise concerns

32(a) General approach and process to remedy or contribute to remedying material negative impacts, including assessing their effectiveness

The human resources work of Münchener Hypothekenbank focuses on taking social responsibility for its employees. The Bank regards the well-being of its employees as essential for sustainable, long-term corporate success.

Potentially adverse consequences could take the form of psychological strain, such as increased stress levels or a poor work-life balance. Similarly, physical impairments can occur as a result of working at a computer screen for long periods without adequate ergonomic support or due to a lack of noise protection in offices.

Consequently, Münchener Hypothekenbank provides a comprehensive range of health care offerings, psychological counselling and flexible working arrangements to protect the health of its employees, as well as providing support when needed (see ESRS S1-2). Where necessary, the Bank supports its employees with measures tailored to meet their individual needs.

The effectiveness of the remedial measures can be assessed on the basis of the use that is made of the offerings. These include the use of work-from-home options and part-time working models that promote a healthy work-life balance. Participation rates in counselling programmes, such as the family service or consulting the company doctor as part of health care, also serve as indicators.

32(b) Specific channels for own workforce to raise their concerns and have them addressed

Various channels are available to employees to raise their concerns or needs with the Bank or independent third parties or to have them assessed.

One of the procedures that have been implemented and that employees can take advantage of is the option to approach the Works Council. Furthermore, each employee is assigned a personnel officer in the HR department, whom they can contact directly. As part of the target-setting process, employees have the opportunity to provide feedback to managers in their annual feedback session (see ESRS S1-2). A whistleblowing hotline is available for employees to report serious violations of internal codes (see ESRS G1-1).

Münchener Hypothekenbank offers its employees and their family members a comprehensive counselling service through the Employee Assistance Program (EAP). The EAP provides support in crises. Counselling is provided exclusively by qualified psychologists and is available to employees in an emergency. Until 31 March 2025, employees will also be able to take advantage of further services provided by the family service, such as specialist advice or referrals for children, family, housekeeping and nursing care.

32(c) Grievance / complaints handling mechanism related to employee matters

Employees can communicate their complaints directly to their managers and employee representatives. Depending on the nature of the complaint, it may be appropriate to involve other employee representatives or experts, such as the diversity officer or the representative for disabled employees.

A centralised structure to handle complaints exists in the form of the whistleblowing hotline for complaints related to breaches of internal codes (see ESRS G1-1).

32(d) Processes to support the availability of such channels in the workplace

Information on the processes and channels mentioned in 32(a) and (b) is available to all employees on the intranet.

Münchener Hypothekenbank also proactively draws attention to the availability of the channels. For example, as part of the onboarding process for new employees, each new employee must acknowledge in writing that they have read the employee handbook, which lists all the available channels. Digital and analogue information events are also held as and when required, for example as part of the launch of the EAP.

32(e) Tracking, monitoring the issues addressed and ensuring the effectiveness of the channels

There is usually no standardised documentation, unless the matter goes before an industrial tribunal. In that case, comprehensive documentation is prepared to ensure that the facts can be verified.

In the context of whistleblowing, Münchener Hypothekenbank adheres to the process defined in the Bank's written rules.

33. The undertaking's workforce's awareness of and trust in the structures and processes, as well as protection policies against retaliation

The disclosures in ESRS G1-1 paragraph 10(c), refer to the whistleblower procedure and protection against retaliation, and reference is also made to these here. In addition to the disclosures in ESRS G1-1, new employees are made aware of the structures and procedures at onboarding events. The HR department and the Works Council are also mentioned as further points of contact. The EAP is offered to employees as a point of contact for anonymously asking questions.

S1-4

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

38., 40., 43. Management of material impacts, risks and opportunities related to an undertaking's own workforce in accordance with ESRS 2 MDR-AA

MEASURE(S) – INTRODUCTION OF THE FEMALE EMPOWERMENT PROGRAMME

Expected outcomes	This measure contributes to the implementation of the Diversity Strategy. The Female Empowerment Programme of Münchener Hypothekenbank is a development programme specifically for female employees. Its primary objective is to increase the proportion of women in management positions. The additional objectives are as follows: ■ Enhancing the attractiveness of the employer, both externally and internally ■ Meeting the requirements of stakeholders ■ Positive effects on employer branding ■ Stabilisation or reduction of costs for recruitment and materials ■ Attracting and retaining skilled employees and young talent ■ Securing succession planning ■ Increasing employee satisfaction ■ Reducing employee turnover ■ Increasing public awareness by joining the F!F (Women in Leadership) network ■ Positive impacts on corporate culture: Promoting a contemporary leadership culture, establishing a modern image with which managers and employees can identify A key component of the programme is the range of specialist and management seminars aimed specifically at women, which are designed to develop skills for management roles. Membership of the F!F (Frauen in Führung) network also allows employees to attend lectures and events, as well as regular best-practice exchange formats, to network and learn from each other. Furthermore, a mentoring programme has been set up for potential female junior managers. In regular discussions with experienced mentors, the mentees receive valuable input and feedback on career and management topics to prepare them for future management tasks. The programme also includes services that provide support for childcare, family, housekeeping and nursing care. These offerings are available to female and male employees alike and are designed to help them achieve a sustainable work-life balance.
Scope	The measure is aimed at female employees. It consists of two stages. The programme was first implemented in the second quarter of 2024 and the second in the fourth quarter of 2024. Both programmes are designed to last 18 months.
Time horizon	The duration of the programmes is limited to 18 months in each case. They will then be conducted again with new participants.
Measurement of effectiveness	A specific timetable for implementing the various (sub-)measures was developed. The implementation progress is incorporated into strategy controlling by the HR department (see the measurement of the effectiveness of the Diversity Strategy).

MEASURE(S) – INTRODUCTION OF ‘MEINEAP’ (EMPLOYEE ASSISTANCE PROGRAMME)	
Expected outcomes	The measure contributes to the implementation of the Diversity Strategy and the HR Strategy. ‘meinEAP’ is available to all employees and their immediate family members. It offers support in the event of work-related problems and personal issues, such as conflict, stress, exhaustion, parenting or nutrition-related issues, separations, everyday worries, anxiety, grief or addiction. Special counselling and coaching services are also available for managers and other persons in positions of authority. ‘meinEAP’ is free and confidential. Münchener Hypothekenbank does not receive any information about who makes use of the counselling service nor the reason for their doing so. The objective of the measure is to reduce the amount of sick leave, to enhance the attractiveness of the employer and provide managers with a new impetus.
Scope	The programme is available to the Bank’s employees.
Time horizon	The programme was launched in April 2024 and will initially run for an indefinite period.
Measurement of effectiveness	The success of the measure is assessed in terms of the degree to which it is utilised annually.

39. Processes for identifying and managing negative impacts on workforce

Münchener Hypothekenbank uses key figures in HR controlling, such as the employee turnover rate, 100-day reviews with new employees, exit interviews, reflection sessions, counselling sessions and regular communication with the Works Council to gain well-founded insight into employee opinion and satisfaction trends. This provides the Bank with better insight into what measures appeal to employees and what is causing negative impacts. The information can then be used to derive measures and implement improvements.

41. Reviewing and ensuring the prevention of negative impacts through business practices

Potential impacts are assessed before implementing a new or adapted process. The Bank uses a variety of methods to achieve this, including communicating with the Works Council and engaging external consultants.

S1-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

46. Targets set to manage material impacts, risks and opportunities related to the undertaking's own workforce in accordance with ESRS 2 MDR–T

Objective	Proportion of women in management
Scope of the objective	This key figure pertains to the Board of Management and the first and second levels of management.
Base year	2020
Baseline value	Percentage of women in management positions
Target level	Board of Management: 33% Up to 2026 The target rates for the 1st and 2nd levels of management are defined as follows: ■ Target rate for 1st level of management: 20% ■ Target rate for 2nd level of management: 20% The defined target rates are to be achieved by the end of 2028 in accordance with the German Cooperative Societies Act (*Genossenschafts-gesetz,* GenG; analysis including FY 2024).
Alignment with strategy	This key figure contributes to the implementation of the Diversity Strategy.
Engagement with stakeholders	The objective was supported by initiatives from the European Central Bank (ECB) and investors.
Methodologies and significant assumptions	/
Measurement of progress	This key figure is determined annually as part of the HR and social report.

47(a) Process for setting the targets

Input from employees was incorporated into the decision-making process. The Works Council was informed about the setting of the target.

47(b) Tracking performance in relation to the achievement of targets

The achievement of targets is monitored as part of quarterly strategy controlling.

47(c) Identifying any lessons or improvements as a result of the undertaking's performance

Whether and to what extent adjustments are needed is determined as part of the annual review of the Diversity Strategy.

S1-6

Characteristics of the undertaking's employees

50(a) Total number of employees

Gender	Number of employees (head count)
Male	385
Female	355
Other	
Not reported	
Total number of employees	740

50(b) Total number of employees by head count or full time equivalent (FTE), including employees with permanent and temporary contracts and non-guaranteed hours employees, broken down by gender

50(c) Total number of employees who have left the undertaking during the reporting period and rate of employee turnover

Total number of employees who have left the undertaking during the reporting period	53
Rate of employee turnover during the reporting period	7.2%

50(d) Description of the methodologies and assumptions used to compile the data, including details on how the data and figures are reported

To calculate the key figures in accordance with ESRS S1-6 paragraph 50(a), all figures were determined by head count as at the reporting date of 31 December 2024. The figures include all employees, including temporary staff, working students, the Board of Management and trainees, but exclude the subsidiaries of Münchener Hypothekenbank.

To calculate the key figures in accordance with ESRS S1-6 paragraph 50(b), all figures were determined by full time equivalent as at the reporting date of 31 December 2024. The full-time equivalent corresponds to a 39-hour week. The figures include all employees, including temporary staff, working students, the Board of Management and trainees, but exclude the subsidiaries of Münchener Hypothekenbank.

To calculate the key figures in accordance with ESRS S1-6 paragraph 50(c), all figures were determined by head count for the reporting period. The figures include all employees, including temporary staff, the Board of Management and trainees, but exclude working students and the subsidiaries of Münchener Hypothekenbank.

NUMBER OF EMPLOYEES
(HEAD COUNT / FTE)

	Female	Male	Other[1]	Not disclosed	Total
Number of employees (head count / FTE)	**301.36**	**372.50**	**0**	**0**	**673.87**
Number of employees with permanent employment contracts	286.48	362.08	0	0	648.56
Number of employees with temporary employment contracts	14.88	10.42	0	0	25.31
Number of non-guaranteed hours employees	0	0	0	0	0
Number of full-time employees[2]	197	330	0	0	527
Number of part-time employees[2]	104.37	42.50	0	0	146.87

1 Gender as indicated by the employees themselves.
2 The disclosures of full-time and part-time employees are voluntary.

S1-8

Collective bargaining coverage and social dialogue

60(a) Information on the percentage of employees covered by collective bargaining agreements

Percentage of total employees covered by collective bargaining agreements	86%

To calculate the key figure in accordance with ESRS 2 S1-8 paragraph 60(a), the figure as at 31 December 2024 was determined without including the subsidiaries of Münchener Hypothekenbank. All employees of the Münchener Hypothekenbank employed in Germany are covered by the Collective Bargaining Agreement in accordance with section 1 'Scope of Application' thereof. This does not apply to members of the Board of Management, senior executives in active employment or employees not covered by collective bargaining agreements who are not members of a trade union and whose contracts were concluded after 1 April 2022.

60(b) & 63(a) Information on the overall percentage of employees covered by collective bargaining agreements within the European Economic Area and the percentage of employees covered by employee representatives, including disclosure of the EEA countries

Coverage Rate	Employees – EEA (for countries with > 50 empl. representing > 10% of total empl.)	Employees – non-EEA (estimate for regions with > 50 empl. representing > 10% of total empl.)	Workplace representation (EEA only) (for countries with > 50 empl. representing > 10% of total empl.)
0–19%			
20–39%			
40–59%			
60–79%			
80–100%	635		

S1-9

Diversity metrics

66(a) Gender distribution at the top management level

	Board of Management		1st level of management		2nd level of management		3rd level of management	
Gender	number	percentage	number	percentage	number	percentage	number	percentage
Male	3	100	16	88.9	22	78.6	29	60.4
Female	0	0	2	11.1	6	21.4	19	39.6
Other	0	0	0	0	0	0	0	0
Not reported	0	0	0	0	0	0	0	0

To calculate the key figures in accordance with ESRS S1-9 paragraph 66(a), the figures as at 31 December 2024 were determined without including the subsidiaries of Münchener Hypothekenbank.

66(b) Distribution of employees by age group

Gender / age	Under 30 years old	30–50 years old	Over 50 years old
Male	36	186	163
Female	36	185	134
Other			
Not reported			

To calculate the key figures in accordance with ESRS S1-9 paragraph 66(b), the figures were determined as at the reporting date of 31 December 2024. The figures include all employees, including temporary staff, working students, the Board of Management and trainees, but exclude the subsidiaries of Münchener Hypothekenbank.

S1-10

Adequate wages

69. Disclosure of whether an adequate wage is paid in line with the applicable benchmarks

Münchener Hypothekenbank's remuneration systems are in compliance with the German Remuneration Regulation for Institutions (Institutsvergütungsverordnung, InstitutsVergV) and are published annually in the Bank's disclosure report, in accordance with section 16 InstitutsVergV. The salary of 50.6 percent of the employees is based on collective bargaining agreements, while all other employees' remuneration is not covered by collective bargaining agreements. The Bank's remuneration strategy and principles define the framework for appropriate compensation. Münchener Hypothekenbank attaches a particularly high value to ensuring that no incentives are created that could encourage employees to take excessive risks.

S1-11

Social protection

74. Covering employees against loss of income due to major life events

74(a) – (c) Sickness, unemployment, employment injury and acquired disability

All employees of Münchener Hypothekenbank are covered by social security and are insured through the employers' liability insurance association. All employees are also covered by a private accident insurance policy as a voluntary social benefit.

74(d) Parental leave

Parental leave is regulated by the German Federal Parental Leave Act (Bundeselternzeitgesetz, BEEG). Münchener Hypothekenbank offers its employees additional solutions, such as various flexible working time models, as well as flexitime and time-in-lieu accounts. The objective is to assist with re-entry following parental or caregiver leave.

74(e) Retirement

In addition to the mandatory social security contributions to the statutory pension scheme, employees receive a subsidy for the company pension plan.

S1-12

Persons with disabilities

79. Percentage of persons with disabilities among employees

Proportion of persons with disabilities among employees	4.1%

To calculate the key figure in accordance with ESRS S1-12 paragraph 79, the figure as at 31 December 2024 was determined without including the subsidiaries of Münchener Hypothekenbank. The information is obtained during the assessment of the annual compensation levy for failure to employ the legally required number of severely disabled persons *(Ausgleichsabgabe)*.

S1-13

Training and skills development metrics

83. Information on performance and career development reviews, as well as training hours

Gender	Proportion of employees who have taken part in regular performance and career development reviews (in percent)	Number of training hours per employee (on average)
Male	100%	3.34
Female	100%	4.47
Other	0	0
Not reported	0	0
Total number of employees	100%	3.88

S1-15

Work-life balance metrics

93. Percentage of employees entitled to take family-related leave and the percentage of entitled employees that took family-related leave

Gender	Proportion of entitled employees that took family-related leave (in percent)
Male	5%
Female	14%
Other	
Not reported	

94. Entitlement of all employees to family-related leave through social policy and/or collective bargaining agreements

All employees of Münchener Hypothekenbank are entitled to take time off work for family-related reasons.

Statutory forms of leave of absence, such as entitlement to parental leave, are also granted to senior executives.

S1-17

Incidents, complaints and severe human rights impacts

103(a) – (c) Information on the nature and handling of incidents of discrimination, complaints and penalties

Total number of reported incidents of discrimination, including harassment	0
Number of complaints via appropriate channels and, where applicable, OECD contact points, excluding reported cases of discrimination	0
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints	€0

104. Information on severe human rights incidents

Number of severe human rights incidents connected to the undertaking's workforce in the reporting period	0
Number of those that are violations of the UN Guiding Principles for Businesses and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints	€0

S4 CONSUMERS AND END-USERS

S4-1

Policies related to consumers and end-users

15. Information on the policies adopted by the undertaking to manage its material impacts, risks and opportunities related to consumers and/or end-users in dealing with material sustainability matters in accordance with the ESRS 2 MDR-P

Münchener Hypothekenbank complies with the legal requirements for consumer protection, in particular the EU Consumer Rights Directive, the EU Mortgage Credit Directive, the German Consumer Dispute Resolution Act (*Verbraucherstreitbeilegungsgesetz,* VSBG), the GDPR, the German Accessibility Strengthening Act (*Barrierefreiheitsstärkungsgesetz,* BFSG), the EU Product Oversight and Governance of EU AI Act and the German Risk Limitation Act (*Risikobegrenzungsgesetz,* RisikoBegrG).

Furthermore, Münchener Hypothekenbank has introduced guidelines on 'Responsible Marketing in Residential Property Financing'.

POLICY – RESPONSIBLE MARKETING IN RESIDENTIAL PROPERTY FINANCING GUIDELINE

Contents, objectives and monitoring process	The Responsible Marketing in Residential Property Financing guideline defines requirements and provides guidance on how to conduct marketing in private property financing. The emphasis is on consumer protection: The financial circumstances of customer groups are always considered when approaching them, and incentives for inappropriately high borrowing and aggressive advertising are avoided. The aim of every cooperative is to strengthen the personal economic independence of its members, which is why Münchener Hypothekenbank is committed to responsible marketing. Part of the integrated communication strategy is to present Münchener Hypothekenbank's advertising messages consistently across all communication and marketing channels. It is ensured that the information on financing products is presented in a way that is factually correct, comprehensible and transparent, so that customers can recognise and understand the features and risks of the desired financing product. In private residential property financing, there is no direct contact with the end customer during the sales process. All marketing activities are carried out by the cooperative partner banks in co-branding with Münchener Hypothekenbank. Various monitoring measures have been introduced to ensure that distribution partners adhere to the marketing principles for consumer protection: ■ Regularly providing information and training to the employees of distribution partners to familiarise them with the characteristics and risks of the financing products. ■ Regularly analysing the content and messages in advertising to ensure they comply with the law and the Bank's policy. ■ If the assessment of the content, statements and risks necessitate an adjustment, the advertising is changed accordingly.
Scope of application	The Responsible Marketing in Residential Property Financing guideline applies to the residential property financing business. It describes the normative principles that distribution partners (partner banks) must observe in their marketing. No joint advertising campaigns are carried out in the brokerage business. The guideline applies to the markets in Germany and Austria. In Switzerland, the partners (PostFinance AG and Swiss Life AG) conduct their marketing independently without mentioning the Münchener Hypothekenbank brand.
Responsible organisational level	The Board of Management is ultimately responsible for ensuring that the Responsible Marketing in Residential Property Financing guideline is implemented. At the operational level, the management of the Marketing and Communications department is responsible.
Policy in relation to standards or initiatives of third parties	In Germany, property financing is subject to statutory regulations governing marketing activities, such as the provisions of the German Federal Data Protection Act (*Bundesdatenschutzgesetz,* BDSG) and the EU General Data Protection Regulation (GDPR). In this regard, Münchener Hypothekenbank also adheres to the European Commission's Code of Conduct for Mortgage Lenders.
Availability to potentially affected stakeholders	The guideline is published on the Münchener Hypothekenbank website and is available to the public.

16. – 17. Human rights policy commitments that are relevant to consumers and/or end-users and alignment of these policies for consumers and/or end-users with international instruments

The activities of Münchener Hypothekenbank as a credit institution, as well as the impacts and risks arising from its customer relationships, are not directly related to human rights. Consequently, this information is not applicable.

S4-2

Processes for engaging with consumers and end-users about impacts

20(a) Engaging directly with consumers and/or end-users or their legitimate representatives

The business transaction is carried out by brokerage partners. Münchener Hypothekenbank only assumes responsibility for the customer relationship after it has been established.

Direct engagement with consumers and end-users takes place in the course of the customer relationship when necessary or in the event of customer complaints.

If the complaints relate to the loan processing procedure, these issues are addressed by the complaints management system and used to optimise the process. Regular topic- and process-related customer satisfaction surveys are carried out.

20(b) Stage(s), type and frequency of the engagement

As part of regular customer surveys and if there is a cluster of complaints.

20(c) Function and most senior role with operational responsibility for the engagement

The designated representative of the central complaints management department of Münchener Hypothekenbank is operationally responsible for the internal distribution of complaints, for example, when they are received via the contact form on the website or directly by the complaints management department. Rules also exist for an escalation process. In exceptional cases, the Board of Management can be brought in.

S4-3

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

25(a) General approach and processes to remedy material negative impacts on consumers and/or end-users, including an assessment of the effectiveness of the remedy

The complaints mechanisms require each incident to first be reviewed individually and for any measures to be determined individually according to those findings.

If the evaluation of the complaints reveals that there are recurring complaints about certain issues (complaint clusters), these are addressed internally and assessed to determine the extent to which processes need to be adapted.

25(b) Specific channels for consumers and/or end-users to raise their concerns and have them addressed

Münchener Hypothekenbank has established various channels through which retail customers can communicate their concerns during the business relationship. Since 2019, the subsite ‘Mein Darlehen’ has been available via the Bank’s website to deal with concerns raised by phone or email. The customer portal ‘Meine MHB’ was launched at the beginning of 2024, enabling online communication between Münchener Hypothekenbank and its retail customers. Customers can also raise their concerns by email, telephone or post. Customers can also file a complaint with an independent third party, such as the German Federal Financial Supervisory Authority (BaFin) or the ombudsman of the Federal Association of German Cooperative Banks (BVR).

25(c) Processes for supporting or requiring the availability of such channels as part of business relationships

Münchener Hypothekenbank uses various methods to draw customers’ attention to the ‘Meine MHB’ portal. The portal is referred to in correspondence with customers and on account statements. The portal’s landing page is also publicly accessible to all interested groups.

25(d) Tracking, monitoring and ensuring the effectiveness of the channels

The central complaints department of Münchener Hypothekenbank receives customers’ suggestions and complaints and forwards them to the appropriate department for processing.

26. Consumers’ and/or end-users’ awareness of and trust in the structures and processes, as well as protection policies against retaliation

The registration figures indicate that the new ‘Meine MHB’ portal was quickly accepted by customers shortly after its introduction.

Governance information

The disclosures ‘G1-2 Management of relationships with suppliers’ paragraph 14 and ‘G1-6 Payment practices’ are not provided, based on the principle of the ‘materiality of information’.

G1-1

Business conduct policies and corporate culture

9. How the corporate culture is established, developed, promoted and evaluated in accordance with ESRS 2 MDR-P

The core elements of Münchener Hypothekenbank’s corporate culture are set out in the Code of Conduct and the Values, Leadership and Cooperation guideline. They play an extremely important role in promoting the Bank’s corporate culture. Various programmes, such as training courses and team events, are also offered to promote Münchener Hypothekenbank’s corporate culture. The Code of Conduct and guideline define the manner in which employees are expected to conduct themselves in their daily interaction with members, customers, business partners, suppliers, colleagues and public institutions.

POLICY – CODE OF CONDUCT

Contents, objectives and monitoring process	The Code of Conduct sets out standards to ensure that business activities are conducted in a lawful, responsible, ethical and sustainable manner. The objective of the Code of Conduct is to ensure compliance with laws, regulations and internal guidelines, as well as to provide a uniform awareness of risk to protect Münchener Hypothekenbank and its employees from detrimental consequences. To verify compliance with the Code of Conduct, reports of non-compliance with or violations of the principles can be reported to the Compliance function in writing, by telephone, by email, by fax or in person.
Scope of application	The Code of Conduct applies to all employees, including the members of the Board of Management of Münchener Hypothekenbank and the employees of its subsidiaries. Münchener Hypothekenbank also expects its external business partners to comply with the principles of the Code of Conduct.
Responsible organisational level	The Board of Management bears the ultimate responsibility for the content of the Code of Conduct. The contact person for questions regarding the Code of Conduct is the Compliance function in the Non-Financial Risk Management department.
Reference to third-party standards or initiatives	The Code of Conduct is based on international agreements and guidelines, the Universal Declaration of Human Rights, the conventions of the International Labour Organization (ILO) and the United Nations Global Compact.
Availability of the policy to stakeholders	The *» Code of Conduct* is publicly available on the Münchener Hypothekenbank website.

POLICY – VALUES, LEADERSHIP AND COOPERATION GUIDELINE

Contents, objectives and monitoring process	The guideline sets out core values and rules for standardised management behaviour. It defines the responsibilities and expectations of employees and managers alike. Hence, it provides guidance for consistent conduct within the Bank. The aim is to promote a corporate culture characterised by respect and trust through consistent adherence to the defined principles. Its purpose is also to strengthen the Münchener Hypothekenbank brand in the competition for talent and customers by presenting the bank as an attractive employer and enabling it to retain experts and talent in the long term. Compliance with the guideline is reviewed in annual meetings between employees and managers. These formal annual appraisals are specified in the company agreement on annual appraisals and feedback meetings. Their implementation must be reported to the HR department. The appraisal can be conducted according to an internal guideline. In addition, feedback meetings take place outside of traditional hierarchies, between employees and HR in reflection sessions.
Scope of application	The Values, Leadership and Cooperation guideline applies to all locations, all departments and all employees, including members of management, at Münchener Hypothekenbank.
Responsible organisational level	The Board of Management and all managers are responsible for implementing the Values, Leadership and Cooperation guideline. At the operational level, the management of the HR department is responsible for ensuring that it is up to date and appropriate.
Availability of the policy to stakeholders	The Values, Leadership and Cooperation guideline is provided to all employees.

10(a) Description of the mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of the code of conduct

The Compliance function provides a central point of contact to receive information regarding actual, potential or planned infringements of internal rules, the Code of Conduct or applicable laws and legal standards. Employees can anonymously submit reports of suspected fraud or other illegal activities via the whistleblowing system of Münchener Hypothekenbank. Information about the system and its channels is provided in the Bank's written rules. The whistleblower system is intended for employees of Münchener Hypothekenbank.

In the event of a well-founded suspicion, an investigation is initiated and, if necessary, further measures taken. A working group is formed, consisting of the compliance and anti-money laundering officers, internal audit, the legal department and the affected department of the Bank. The representatives of the affected department must not be directly or indirectly involved in the incident. The members of the working group investigate the information in their area of responsibility and evaluate it according to established criteria. Based on the results of the investigation, the members of the working group decide by majority vote on further measures and, if necessary, consult external advisors, such as specialised lawyers. Depending on the circumstances, measures of a legal, business-related or financial nature may need to be taken. The working group regularly exchanges information on the status of the investigations and individual measures. Other groups, such as the Board of Management, the HR department, the operational risk coordinators or the office of the Board of Management, are consulted where appropriate. The working group prepares a final write-up for each investigated report, documenting the nature and results of the enquiry. The documentation of the report and the final write-up are archived at the reporting office after the investigations have been completed.

10(b) Information on the existence of anti-corruption and anti-bribery policies in line with the UN Convention against Corruption

The policies of Münchener Hypothekenbank to combat corruption and bribery are in line with the United Nations Global Compact. These are set out in Münchener Hypothekenbank's Code of Conduct and the Other Criminal Offences manual.

The Bank has a strict zero-tolerance policy towards corruption and bribery, both internal and external. In its Supplier Code of Conduct (see ESRS G1-2), Münchener Hypothekenbank has stated its commitment to supporting international efforts to prevent bribery and corruption (e.g. the United Nations Convention against Corruption) and applying correspondingly high standards when working with business partners. Incidents of bribery or corruption are regarded as extremely serious breaches of the Supplier Code of Conduct.

10(c) Measures to protect whistleblowers

The whistleblower procedure of Münchener Hypothekenbank protects employees and Münchener Hypothekenbank from penalties, sanctions, reputational damage and loss of assets. The whistleblower system provides an easy way for employees to provide information. To ensure additional protection, whistleblowers are able to choose whether they wish to submit their report anonymously or provide their contact details.

10(c) i. Establishment of and training on internal reporting channels for whistleblowers

The Whistleblower Procedure manual is freely accessible to all employees and is part of the Code of Conduct. All persons entrusted with the compliance function regularly participate in training to ensure and update their expertise.

10(c) ii. Measures for protection against retaliation in accordance with Directive (EU) 2019/1937

Whistleblowers are protected in accordance with the applicable legal provisions and cannot be held legally accountable for obtaining or passing on information in connection with a report or disclosure. No disciplinary or other adverse measures are taken against whistleblowers, unless there is demonstrable intentional abuse of the whistleblower system. Münchener Hypothekenbank prohibits any discrimination, retaliation or other forms of unfair treatment of whistleblowers by third parties.

10(e) Procedures to follow up on reports and investigate incidents related to business conduct

Münchener Hypothekenbank has procedures in place for the prompt, independent and objective investigation of incidents relating to corporate policy, including corruption and bribery. These procedures are set out in the Whistleblower Procedure manual and Other Criminal Offences manual and are in line with current requirements and applicable laws.

10(g) Policy for training within the organisation on business conduct

Münchener Hypothekenbank provides its employees with a copy of the Code of Conduct when they are hired, and it can also be consulted internally at a central location. Employees are obliged to confirm that they have received and read the Code of Conduct.

A special onboarding programme for managers is in place to promote the management culture. Further development of managers is provided in selected external seminars and a comprehensive internal management training programme. This programme includes ‘Leadership Days’ that provide new managers with information on new company agreements and HR management tools. Besides that, the Bank’s management principles are taught in additional modules and coaching elements.

To prevent instances of fraud, all employees of Münchener Hypothekenbank are informed about the potential risks and provided with training and information materials. Various methods and media are used to prevent money laundering and terrorist funding, such as in-person training, external seminars, web-based training, circulars and warning messages. All employees of Münchener Hypothekenbank and its subsidiaries are obliged to take part in these training courses. Furthermore, regular follow-up training is mandatory, with the frequency and content tailored to the specific areas in which employees work. In certain areas, employee awareness-raising activities are carried out for issues around gifts and benefits, and specific training is provided when the need arises.

10(h) Functions within the undertaking that are most at risk in respect of corruption and bribery

The above-mentioned policies on business conduct issues apply to the entire Bank. Consequently, all functions within the Bank are equally subject to these requirements, including those that are potentially most at risk in terms of corruption and bribery. The assessment of which functions are most at risk will be finalised in 2025.

G1-2

Management of relationships with suppliers

15(a) The undertaking's approach to its relationships with its suppliers, taking account of risks to the undertaking related to its supply chain and of impacts on sustainability matters

Münchener Hypothekenbank expects its suppliers to comply with the provisions of the Code of Conduct (see ESRS S1-1 and G1-1). When a contract is concluded, suppliers in outsourcing management and for significant other third-party purchases receive the Supplier Code of Conduct, which is based on the contents of the Code of Conduct and other prevailing market standards relating to sustainable supplier management. This policy must be countersigned by suppliers to ensure that they have read and accept the contents of the Code of Conduct and the sustainability objectives of Münchener Hypothekenbank.

Münchener Hypothekenbank expects its suppliers to act in an ethically and socially responsible manner and comply with internationally recognised standards on human rights and decent working conditions, which includes ensuring freedom of association and the prohibition of forced and child labour, as well as any form of discrimination.

Münchener Hypothekenbank is entitled to require written information on compliance with the Code of Conduct by suppliers once a year, giving reasonable prior notice, and at any time if there are indications of an infringement on the part of suppliers. Münchener Hypothekenbank is entitled to terminate any or all contractual relationships with suppliers without prior notice in writing if a supplier seriously breaches the Supplier Code of Conduct.

15(b) Information on how social and environmental criteria are taken into account in the selection of suppliers

When selecting suppliers in outsourcing management, the focus is on companies in Germany, the European Union and the European Economic Area (EEA). Based on the legal framework in these countries, compliance can be assumed with recognised standards, such as occupational health and safety, health protection, freedom to unionise and freedom of assembly, as well as environmental protection. Since the 2022 financial year, our regular risk assessment of outsourced activities has also taken into account the issues of ensuring compliance with minimum social safeguards, assessing physical risks for the provision of the service by the service provider (owing to the location or the business model) and assessing transition risks in relation to the service provider's business model. The principles of cost-effectiveness and sustainability are taken into account by outsourcing management when selecting new and existing suppliers. These include issues such as respect for human rights, compliance with labour and social standards, anti-discrimination and anti-corruption requirements, and environmental protection.

G1-3

Prevention and detection of corruption and bribery

18(a) Description of the procedures in place to prevent, detect, and combat corruption and bribery

Münchener Hypothekenbank has established measures to prevent and combat corruption and bribery. There are centralised preventive measures in place for all employees, as well as decentralised measures that are tailored to specific areas within the Bank.

Key measures include developing guidelines, providing training and raising employee awareness, as well as the option of reporting suspicious cases through the whistleblower procedure. The compliance and anti-money laundering officer reviews new business activities and products as part of the new product process and addresses any risks identified by issuing statements.

Decentralised measures include the implementation of fraud prevention principles by the respective Bank departments based on general frameworks. These include the involvement of the compliance and anti-money laundering officers in the event of significant changes, background checks on employees, ensuring the confidentiality of information and implementing customer due diligence requirements. There are also rules for accepting and granting gifts, both material and immaterial, such as presents, dinner invitations and invitations to events. These rules are set out in the Gifts and Benefits manual and ensure compliance with the legal requirements and prevailing market standards. The Compliance function monitors adherence to these requirements. In the case of gifts in excess of the permissible limit of €50, written consent of the employee's manager and the Compliance function is required. Employees must immediately record all gifts with a value above the de minimis threshold of €15 in the compliance tool. They are then checked by the Compliance function to determine whether they constitute a possible violation.

Any attempt at bribery or corruption, as well as any related incidents, must be reported to the compliance function via the whistleblower procedure. Infringements of the rules on gifts and benefits may result in disciplinary action under labour law, in addition to any civil or criminal proceedings. Depending on the severity and recurrence of the violation, such violations may be sanctioned with a reprimand, written warning or termination of employment. The procedure regarding the investigation of the reports is described in the ESRS G1-1 paragraph 10(a).

18(b) Information on the separation of the investigators or the investigation committee from the chain of management involved

Detailed information on the composition and operation of the working group is provided in ESRS G1-1, paragraph 10(a).

The involvement of various functions and departments, as well as representatives of the affected department who were not involved in the incident, ensures an objective and neutral investigation of the incident. Since the affected department is involved, there is no complete separation of the investigation committee from the chain of management involved.

18(c) Process to report outcomes to the administrative, management and supervisory bodies

The Board of Management receives information annually in the compliance report of the number and type of reports received, the investigations carried out, their results and the measures taken; the reports do not include the names of the persons making the reports or those of the alleged perpetrators.

16. & 20. Communication and accessibility of the undertaking's policies, as well as understanding of their implications

In addition to the rules and procedures relating to the Code of Conduct, other relevant frameworks and information material, such as the Gifts and Benefits manual, the Other Criminal Offences manual and the Whistleblower Procedure manual, are made available centrally to all employees. In accordance with the employee handbook, employees are required to keep themselves continuously informed about the applicable provisions. Additional information in connection with the Code of Conduct is provided in ESRS G1-1, paragraph 10(g).

21(a) – (b) The nature, scope and depth of anti-corruption and anti-bribery training programmes, as well as the percentage of functions-at-risk covered by training programmes

Münchener Hypothekenbank does not currently offer any training programmes to combat corruption and bribery. The training programmes for employees are planned for the 2025 financial year.

21(c) Extent of training for members of the administrative, management and supervisory bodies

The members of the Management and Supervisory Boards are required to review and acknowledge the Bank's internal policy for dealing with conflicts of interest once a year to raise awareness of this issue among the members of the administrative, management and supervisory bodies. This policy contains rules on conflicts of interest, including corruption and bribery. The most recent such review and acknowledgment took place at the Supervisory Board meeting in March 2024. No additional training on corruption and bribery has taken place.

G1-4

Incidents of corruption or bribery

24(a) The number of convictions and the amount of fines for violations of anti-corruption and anti-bribery laws

There have been no convictions at Münchener Hypothekenbank for violations of anti-corruption or bribery laws.

24(b) Any actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery

No incidents involving breaches of procedures and standards for combating corruption and bribery were identified at Münchener Hypothekenbank. Consequently, there was no need to take any action to address such breaches.

25(a) Total number and nature of confirmed incidents of corruption or bribery

There are no confirmed cases of corruption or bribery at Münchener Hypothekenbank.

25(b) Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents

There are no confirmed cases at Münchener Hypothekenbank in which employees of the Bank have been dismissed or disciplined for corruption or bribery.

25(c) Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery

There are no confirmed cases at Münchener Hypothekenbank of contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery.

25(d) Details of public legal cases regarding corruption or bribery brought against the undertaking and its own workers and the outcomes of such cases

At Münchener Hypothekenbank, there are no public court proceedings pending against the undertaking or its employees for corruption or bribery.

Appendix

TEMPLATES OF DELEGATED REGULATION (EU) 2021/2178 (EU TAXONOMY)

Annex VI templates[16,17]

[16] Across the reporting templates: cells shaded in light blue should not be reported.
[17] Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. The inclusion of SMEs in these KPIs will only apply subject to a positive result of an impact assessment.

TEMPLATE 1: ASSETS FOR THE CALCULATION OF GAR – TURNOVER

DISCLOSURE REFERENCE DATE 31.12.2024

IN MILLION EUR

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	42,235.03	27,091.74	7,049.70	7,045.71	0.15	0.24	**0.00**																				27,091.74	7,049.70	7,045.71	0.15	0.24
2 Financial undertakings	**1,209.04**	**331.37**	**39.00**	**35.01**	**0.15**	**0.24**	**0.00**																				331.37	39.00	35.01	0.15	0.24
3 Credit institutions	561.10	117.91	3.98		0.15	0.24	0.00																				117.91	3.98		0.15	0.24
4 Loans and advances	32.88	2.57	0.08		0.03	0.03																					2.57	0.08		0.03	0.03
5 Debt securities, including UoP	511.95	115.35	3.91		0.13	0.21	0.00																				115.35	3.91		0.13	0.21
6 Equity instruments	16.28																														
7 Other financial corporations	647.93	213.46	35.01	35.01																							213.46	35.01	35.01		
8 of which investment firms																															
9 Loans and advances																															
10 Debt securities, including UoP																															
11 Equity instruments																															
12 of which management companies	123.72																														
13 Loans and advances																															
14 Debt securities, including UoP																															
15 Equity instruments	123.72																														
16 of which insurance undertakings																															
17 Loans and advances																															
18 Debt securities, including UoP																															
19 Equity instruments																															
20 Non-financial undertakings	**9,375.53**	**4,790.77**	**966.41**	**966.41**																							4,790.77	966.41	966.41		
21 Loans and advances	9,375.53	4,790.77	966.41	966.41																							4,790.77	966.41	966.41		
22 Debt securities, including UoP																															
23 Equity instruments																															
24 Households	**31,281.41**	**21,969.59**	**6,044.29**	**6,044.29**																							21,969.59	6,044.29	6,044.29		
25 of which loans collateralised by residential immovable property	31,110.10	21,889.85	6,044.29	6,044.29																							21,889.85	6,044.29	6,044.29		
26 of which building renovation loans	2,195.93	2,195.93																									2,195.93				
27 of which motor vehicle loans																															
28 Local governments financing	**369.05**																														
29 Housing financing																															
30 Other local government financing	369.05																														
31 Collateral obtained by taking possession: residential and commercial immovable properties																															
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	7,030.84																														
33 Financial and Non-financial undertakings	**5,539.32**																														
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5,453.25																														
35 Loans and advances	5,236.97																														
36 of which loans collateralised by commercial immovable property	2,107.24																														
37 of which building renovation loans	148.06																														
38 Debt securities	216.28																														
39 Equity instruments																															
40 Non-EU country counterparties not subject to NFRD disclosure obligations	86.07																														
41 Loans and advances	22.94																														
42 Debt securities	63.14																														
43 Equity instruments																															
44 Derivatives	**481.44**																														
45 On demand interbank loans	**537.66**																														
46 Cash and cash-related assets																															
47 Other categories of assets (e.g. Goodwill, commodities etc.)	**472.42**																														
48 Total GAR assets	**49,265.86**	**27,091.74**	**7,049.70**	**7,045.71**	**0.15**	**0.24**	**0.00**																				**16,018.15**	**5,792.97**	**5,792.97**		
49 Assets not covered for GAR calculation	**5,249.36**																														
50 Central governments and Supranational issuers	**5,058.01**																														
51 Central banks exposure	**191.34**																														
52 Trading book																															
53 Total assets	**54,515.22**																														
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
54 Financial guarantees																															
55 Assets under management																															
56 Of which debt securities																															
57 Of which equity instruments																															

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

TEMPLATE 1: ASSETS FOR THE CALCULATION OF GAR – TURNOVER

DISCLOSURE REFERENCE DATE 31.12.2023

IN MILLION EUR

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,924.98	16,018.15	5,792.97	5,792.97																							16,018.15	5,792.97	5,792.97		
2 Financial undertakings																															
3 Credit institutions																															
4 Loans and advances																															
5 Debt securities, including UoP																															
6 Equity instruments																															
7 Other financial corporations																															
8 of which investment firms																															
9 Loans and advances																															
10 Debt securities, including UoP																															
11 Equity instruments																															
12 of which management companies																															
13 Loans and advances																															
14 Debt securities, including UoP																															
15 Equity instruments																															
16 of which insurance undertakings																															
17 Loans and advances																															
18 Debt securities, including UoP																															
19 Equity instruments																															
20 Non-financial undertakings																															
21 Loans and advances																															
22 Debt securities, including UoP																															
23 Equity instruments																															
24 Households	**21,759.58**	**16,018.15**	**5,792.97**	**5,792.97**																							16,018.15	5,792.97	5,792.97		
25 of which loans collateralised by residential immovable property	21,734.79	15,993.36	5,792.97	5,792.97																							15,993.36	5,792.97	5,792.97		
26 of which building renovation loans	1,798.27	1,798.27																									1,798.27				
27 of which motor vehicle loans																															
28 Local governments financing	**165.40**																														
29 Housing financing																															
30 Other local government financing	165.40																														
31 Collateral obtained by taking possession: residential and commercial immovable properties																															
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	**27,371.79**																														
33 Financial and Non-financial undertakings																															
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
35 Loans and advances																															
36 of which loans collateralised by commercial immovable property																															
37 of which building renovation loans																															
38 Debt securities																															
39 Equity instruments																															
40 Non-EU country counterparties not subject to NFRD disclosure obligations																															
41 Loans and advances																															
42 Debt securities																															
43 Equity instruments																															
44 Derivatives																															
45 On demand interbank loans																															
46 Cash and cash-related assets																															
47 Other categories of assets (e.g. Goodwill, commodities etc.)																															
48 Total GAR assets	**49,296.77**	**16,018.15**	**5,792.97**	**5,792.97**																							**16,018.15**	**5,792.97**	**5,792.97**		
49 Assets not covered for GAR calculation																															
50 Central governments and Supranational issuers																															
51 Central banks exposure																															
52 Trading book																															
53 Total assets																															
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
54 Financial guarantees																															
55 Assets under management																															
56 Of which debt securities																															
57 Of which equity instruments																															

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

TEMPLATE 1: ASSETS FOR THE CALCULATION OF GAR – CAPEX

DISCLOSURE REFERENCE DATE 31.12.2024

IN MILLION EUR

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	42,235.03	27,090.10	7,050.11	7,045.71	0.19	0.35	**0.15**																				27,090.26	7,050.11	7,045.71	0.19	0.35
2 **Financial undertakings**	**1,209.04**	**329.74**	**39.41**	**35.01**	**0.19**	**0.35**	**0.15**																				329.90	39.41	35.01	0.19	0.35
3 Credit institutions	561.10	116.28	4.39		0.19	0.35	0.15																				116.44	4.39		0.19	0.35
4 Loans and advances	32.88	1.61	0.10		0.03	0.03	0.03																				1.64	0.10		0.03	0.03
5 Debt securities, including UoP	511.95	114.67	4.29		0.16	0.33	0.13																				114.80	4.29		0.16	0.33
6 Equity instruments	16.28																														
7 Other financial corporations	647.93	213.46	35.01	35.01																							213.46	35.01	35.01		
8 of which investment firms																															
9 Loans and advances																															
10 Debt securities, including UoP																															
11 Equity instruments																															
12 of which management companies	123.72																														
13 Loans and advances																															
14 Debt securities, including UoP																															
15 Equity instruments	123.72																														
16 of which insurance undertakings																															
17 Loans and advances																															
18 Debt securities, including UoP																															
19 Equity instruments																															
20 **Non-financial undertakings**	**9,375.53**	**4,790.77**	**966.41**	**966.41**																							4,790.77	966.41	966.41		
21 Loans and advances	9,375.53	4,790.77	966.41	966.41																							4,790.77	966.41	966.41		
22 Debt securities, including UoP																															
23 Equity instruments																															
24 **Households**	**31,281.41**	**21,969.59**	**6,044.29**	**6,044.29**																							21,969.59	6,044.29	6,044.29		
25 of which loans collateralised by residential immovable property	31,110.10	21,889.85	6,044.29	6,044.29																							21,889.85	6,044.29	6,044.29		
26 of which building renovation loans	2,195.93	2,195.93																									2,195.93				
27 of which motor vehicle loans																															
28 **Local governments financing**	**369.05**																														
29 Housing financing																															
30 Other local government financing	369.05																														
31 **Collateral obtained by taking possession: residential and commercial immovable properties**																															
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	7,030.84																														
33 **Financial and Non-financial undertakings**	**5,539.32**																														
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5,453.25																														
35 Loans and advances	5,236.97																														
36 of which loans collateralised by commercial immovable property	2,107.24																														
37 of which building renovation loans	148.06																														
38 Debt securities	216.28																														
39 Equity instruments																															
40 Non-EU country counterparties not subject to NFRD disclosure obligations	86.07																														
41 Loans and advances	22.94																														
42 Debt securities	63.14																														
43 Equity instruments																															
44 **Derivatives**	**481.44**																														
45 **On demand interbank loans**	**537.66**																														
46 **Cash and cash-related assets**																															
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**	**472.42**																														
48 **Total GAR assets**	**49,265.86**	**27,090.10**	**7,050.11**	**7,045.71**	**0.19**	**0.35**	**0.15**																				**27,090.26**	**7,050.11**	**7,045.71**	**0.19**	**0.35**
49 Assets not covered for GAR calculation	5,249.36																														
50 **Central governments and Supranational issuers**	**5,058.01**																														
51 **Central banks exposure**	**191.34**																														
52 **Trading book**																															
53 Total assets	54,515.22																														
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
54 Financial guarantees																															
55 Assets under management																															
56 Of which debt securities																															
57 Of which equity instruments																															

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

TEMPLATE 1: ASSETS FOR THE CALCULATION OF GAR – CAPEX

DISCLOSURE REFERENCE DATE 31.12.2023

IN MILLION EUR

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,924.98	16,018.15	5,792.97	5,792.97																							16,018.15	5,792.97	5,792.97		
2 **Financial undertakings**																															
3 Credit institutions																															
4 Loans and advances																															
5 Debt securities, including UoP																															
6 Equity instruments																															
7 Other financial corporations																															
8 of which investment firms																															
9 Loans and advances																															
10 Debt securities, including UoP																															
11 Equity instruments																															
12 of which management companies																															
13 Loans and advances																															
14 Debt securities, including UoP																															
15 Equity instruments																															
16 of which insurance undertakings																															
17 Loans and advances																															
18 Debt securities, including UoP																															
19 Equity instruments																															
20 **Non-financial undertakings**																															
21 Loans and advances																															
22 Debt securities, including UoP																															
23 Equity instruments																															
24 **Households**	**21,759.58**	**16,018.15**	**5,792.97**	**5,792.97**																							16,018.15	5,792.97	5,792.97		
25 of which loans collateralised by residential immovable property	21,734.79	15,993.36	5,792.97	5,792.97																							15,993.36	5,792.97	5,792.97		
26 of which building renovation loans	1,798.27	1,798.27																									1,798.27				
27 of which motor vehicle loans																															
28 **Local governments financing**	**165.40**																														
29 Housing financing																															
30 Other local government financing	165.40																														
31 **Collateral obtained by taking possession: residential and commercial immovable properties**																															
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)																															
33 **Financial and Non-financial undertakings**																															
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
35 Loans and advances																															
36 of which loans collateralised by commercial immovable property																															
37 of which building renovation loans																															
38 Debt securities																															
39 Equity instruments																															
40 Non-EU country counterparties not subject to NFRD disclosure obligations																															
41 Loans and advances																															
42 Debt securities																															
43 Equity instruments																															
44 **Derivatives**																															
45 **On demand interbank loans**																															
46 **Cash and cash-related assets**																															
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**																															
48 **Total GAR assets**	**49,296.77**	**16,018.15**	**5,792.97**	**5,792.97**																							**16,018.15**	**5,792.97**	**5,792.97**		
49 Assets not covered for GAR calculation																															
50 **Central governments and Supranational issuers**																															
51 **Central banks exposure**																															
52 **Trading book**																															
53 Total assets																															
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
54 Financial guarantees																															
55 Assets under management																															
56 Of which debt securities																															
57 Of which equity instruments																															

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure

TEMPLATE 2: GAR SECTOR INFORMATION – TURNOVER

DISCLOSURE REFERENCE DATE 31.12.2024

BREAKDOWN BY SECTOR – NACE 4 DIGITS LEVEL (CODE AND LABEL) IN MILLION EUR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
			Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	41.00 Construction of residential and non-residential buildings	8.39																								8.39			
2	68.11 Buying and selling of own real estate	4,707.04	966.41																							4,707.04	966.41		
3	70.10 Activities of head offices	72.62																								72.62			
4	96.99 Other personal service activities n.e.c.	2.73																								2.73			

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty
2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

TEMPLATE 2: GAR SECTOR INFORMATION – CAPEX

DISCLOSURE REFERENCE DATE 31.12.2024

BREAKDOWN BY SECTOR – NACE 4 DIGITS LEVEL (CODE AND LABEL) IN MILLION EUR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
			Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	41.00 Construction of residential and non-residential buildings	8.39																								8.39			
2	68.11 Buying and selling of own real estate	4,707.04	966.41																							4,707.04	966.41		
3	70.10 Activities of head offices	72.62																								72.62			
4	96.99 Other personal service activities n.e.c.	2.73																								2.73			

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty
2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

TEMPLATE 3: GAR KPI STOCK – TURNOVER

DISCLOSURE REFERENCE DATE 31.12.2024

% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	64.15	16.69	16.68	0.00	0.00	**0.00**																				64.15	16.69	16.68	0.00	0.00	77.47
2	**Financial undertakings**	**27.41**	**3.23**	**2.90**	**0.01**	**0.02**	**0.00**																				**27.41**	**3.23**	**2.90**	**0.01**	**0.02**	**2.22**
3	Credit institutions	21.01	0.71		0.03	0.04	0.00																				21.01	0.71		0.03	0.04	1.03
4	Loans and advances	7.81	0.23		0.08	0.08																					7.81	0.23		0.08	0.08	0.06
5	Debt securities, including UoP	22.53	0.76		0.03	0.04	0.00																				22.53	0.76		0.03	0.04	0.94
6	Equity instruments																															0.03
7	Other financial corporations	32.94	5.40	5.40																							32.94	5.40	5.40			1.19
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															0.23
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															0.23
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**	**51.10**	**10.31**	**10.31**																							**51.10**	**10.31**	**10.31**			**17.20**
21	Loans and advances	51.10	10.31	10.31																							51.10	10.31	10.31			17.20
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	**70.23**	**19.32**	**19.32**																							**70.23**	**19.32**	**19.32**			**57.38**
25	of which loans collateralised by residential immovable property	70.36	19.43	19.43																							70.36	19.43	19.43			57.07
26	of which building renovation loans	100.00																									100.00					4.03
27	of which motor vehicle loans																															
28	**Local governments financing**																															**0.68**
29	Housing financing																															
30	Other local government financing																															0.68
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**54.99**	**14.31**	**14.30**	**0.00**	**0.00**	**0.00**																				**54.99**	**14.31**	**14.30**	**0.00**	**0.00**	**77.47**

1. Institution shall dislcose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentatlly sustainable assets compared to total covered assets
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

TEMPLATE 3: GAR KPI STOCK – TURNOVER

% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)

DISCLOSURE REFERENCE DATE 31.12.2023

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73.06	26.42	26.42																							73.06	26.42	26.42			44.48
2	**Financial undertakings**																															
3	Credit institutions																															
4	Loans and advances																															
5	Debt securities, including UoP																															
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	**73.61**	**26.62**	**26.62**																							**73.61**	**26.62**	**26.62**			**44.14**
25	of which loans collateralised by residential immovable property	73.58	26.65	26.65																							73.58	26.65	26.65			44.14
26	of which building renovation loans	100.00																									100.00					3.65
27	of which motor vehicle loans																															
28	**Local governments financing**																															**0.34**
29	Housing financing																															
30	Other local government financing																															0.68
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**32.49**	**11.75**	**36.17**																							**32.49**	**11.75**	**36.17**			**100.00**

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentatlly sustainable assets compared to total covered assets
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

TEMPLATE 3: GAR KPI STOCK – CAPEX

% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)

DISCLOSURE REFERENCE DATE 31.12.2024

		a	b	c	d	e
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	64.14	16.69	16.68	0.00	0.00
2	**Financial undertakings**	**27.27**	**3.26**	**2.90**	**0.02**	**0.03**
3	Credit institutions	20.72	0.78		0.03	0.06
4	Loans and advances	4.90	0.31		0.08	0.08
5	Debt securities, including UoP	22.40	0.84		0.03	0.06
6	Equity instruments					
7	Other financial corporations	32.94	5.40	5.40		
8	of which investment firms					
9	Loans and advances					
10	Debt securities, including UoP					
11	Equity instruments					
12	of which management companies					
13	Loans and advances					
14	Debt securities, including UoP					
15	Equity instruments					
16	of which insurance undertakings					
17	Loans and advances					
18	Debt securities, including UoP					
19	Equity instruments					
20	**Non-financial undertakings**	**51.10**	**10.31**	**10.31**		
21	Loans and advances	51.10	10.31	10.31		
22	Debt securities, including UoP					
23	Equity instruments					
24	**Households**	**70.23**	**19.32**	**19.32**		
25	of which loans collateralised by residential immovable property	70.36	19.43	19.43		
26	of which building renovation loans	100.00				
27	of which motor vehicle loans					
28	**Local governments financing**					
29	Housing financing					
30	Other local government financing					
31	**Collateral obtained by taking possession: residential and commercial immovable properties**					
32	**Total GAR assets**	**54.99**	**14.31**	**14.30**	**0.00**	**0.00**

		f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z
		Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator																					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**0.00**																			
2	**Financial undertakings**	**0.01**																			
3	Credit institutions	0.03																			
4	Loans and advances	0.08																			
5	Debt securities, including UoP	0.03																			
6	Equity instruments																				
7	Other financial corporations																				
8	of which investment firms																				
9	Loans and advances																				
10	Debt securities, including UoP																				
11	Equity instruments																				
12	of which management companies																				
13	Loans and advances																				
14	Debt securities, including UoP																				
15	Equity instruments																				
16	of which insurance undertakings																				
17	Loans and advances																				
18	Debt securities, including UoP																				
19	Equity instruments																				
20	**Non-financial undertakings**																				
21	Loans and advances																				
22	Debt securities, including UoP																				
23	Equity instruments																				
24	**Households**																				
25	of which loans collateralised by residential immovable property																				
26	of which building renovation loans																				
27	of which motor vehicle loans																				
28	**Local governments financing**																				
29	Housing financing																				
30	Other local government financing																				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																				
32	**Total GAR assets**	**0.00**																			

		aa	ab	ac	ad	ae	af
		Total (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
GAR – Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	64.15	16.69	16.68	0.00	0.00	77.47
2	**Financial undertakings**	**27.41**	**3.23**	**2.90**	**0.01**	**0.02**	**2.22**
3	Credit institutions	21.01	0.71		0.03	0.04	1.03
4	Loans and advances	7.81	0.23		0.08	0.08	0.06
5	Debt securities, including UoP	22.53	0.76		0.03	0.04	0.94
6	Equity instruments						0.03
7	Other financial corporations	32.94	5.40	5.40			1.19
8	of which investment firms						
9	Loans and advances						
10	Debt securities, including UoP						
11	Equity instruments						
12	of which management companies						0.23
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						0.23
16	of which insurance undertakings						
17	Loans and advances						
18	Debt securities, including UoP						
19	Equity instruments						
20	**Non-financial undertakings**	**51.10**	**10.31**	**10.31**			**17.20**
21	Loans and advances	51.10	10.31	10.31			17.20
22	Debt securities, including UoP						
23	Equity instruments						
24	**Households**	**70.23**	**19.32**	**19.32**			**57.38**
25	of which loans collateralised by residential immovable property	70.36	19.43	19.43			57.07
26	of which building renovation loans	100.00					4.03
27	of which motor vehicle loans						
28	**Local governments financing**						**0.68**
29	Housing financing						
30	Other local government financing						0.68
31	**Collateral obtained by taking possession: residential and commercial immovable properties**						
32	**Total GAR assets**	**54.99**	**14.31**	**14.30**	**0.00**	**0.00**	**77.47**

1. Institution shall dislcose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentatlly sustainable assets compared to total covered assets
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

TEMPLATE 3: GAR KPI STOCK – CAPEX

% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)

DISCLOSURE REFERENCE DATE 31.12.2023

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
GAR	Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73.06	26.42	26.42																							73.06	26.42	26.42			44.48
2	**Financial undertakings**																															
3	Credit institutions																															
4	Loans and advances																															
5	Debt securities, including UoP																															
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	**73.61**	**26.62**	**26.62**																							**73.61**	**26.62**	**26.62**			**44.14**
25	of which loans collateralised by residential immovable property	73.58	26.65	26.65																							73.58	26.65	26.65			44.14
26	of which building renovation loans	100.00																									100.00					3.65
27	of which motor vehicle loans																															
28	**Local governments financing**																															**0.34**
29	Housing financing																															
30	Other local government financing																															0.34
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**32.49**	**11.75**	**36.17**																							**32.49**	**11.75**	**36.17**			**100.00**

1. Institution shall dislcose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentatlly sustainable assets compared to total covered assets
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

TEMPLATE 4: GAR KPI FLOW – TURNOVER

DISCLOSURE REFERENCE DATE 31.12.2024

% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
GAR – Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	50.93	4.20	4.13	0.00	0.00	**0.00**																				50.93	4.20	4.13	0.00	0.00	69.11
2 Financial undertakings	**27.18**	**1.07**				**0.00**																				**27.18**	**1.07**				**4.21**
3 Credit institutions	20.10	1.25				0.00																				20.10	1.25				3.62
4 Loans and advances																															
5 Debt securities, including UoP	20.10	1.25		0.03	0.06	0.00																				20.10	1.25		0.03	0.06	3.62
6 Equity instruments																															
7 Other financial corporations	70.28																									70.28					0.59
8 of which investment firms																															
9 Loans and advances																															
10 Debt securities, including UoP																															
11 Equity instruments																															
12 of which management companies																															
13 Loans and advances																															
14 Debt securities, including UoP																															
15 Equity instruments																															
16 of which insurance undertakings																															
17 Loans and advances																															
18 Debt securities, including UoP																															
19 Equity instruments																															
20 Non-financial undertakings	**29.49**	**3.49**	**3.49**																							**29.49**	**3.49**	**3.49**			**21.86**
21 Loans and advances	29.49	3.49	3.49																							29.49	3.49	3.49			21.86
22 Debt securities, including UoP																															
23 Equity instruments																															
24 Households	**67.65**	**5.13**	**5.13**																							**67.65**	**5.13**	**5.13**			**40.81**
25 of which loans collateralised by residential immovable property	68.60	5.21	5.21																							68.60	5.21	5.21			40.23
26 of which building renovation loans	100.00																									100.00					4.21
27 of which motor vehicle loans																															
28 Local governments financing																															**2.23**
29 Housing financing																															
30 Other local government financing																															2.23
31 Collateral obtained by taking possession: residential and commercial immovable properties																															
32 Total GAR assets	**41.89**	**3.45**	**3.40**	**0.00**	**0.00**	**0.00**																				**41.89**	**3.45**	**3.40**	**0.00**	**0.00**	**69.11**

1. Institution shall dislcose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

TEMPLATE 4: GAR KPI FLOW – CAPEX

DISCLOSURE REFERENCE DATE 31.12.2024

% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)

		a	b	c	d	e	f	g	h	i
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	50.91	4.20	4.13	0.00	0.00	0.00			
2	Financial undertakings	26.87	1.13				0.01			
3	Credit institutions	19.74	1.32				0.01			
4	Loans and advances									
5	Debt securities, including UoP	19.74	1.32		0.03	0.07	0.01			
6	Equity instruments									
7	Other financial corporations	70.28								
8	of which investment firms									
9	Loans and advances									
10	Debt securities, including UoP									
11	Equity instruments									
12	of which management companies									
13	Loans and advances									
14	Debt securities, including UoP									
15	Equity instruments									
16	of which insurance undertakings									
17	Loans and advances									
18	Debt securities, including UoP									
19	Equity instruments									
20	Non-financial undertakings	29.49	3.49	3.49						
21	Loans and advances	29.49	3.49	3.49						
22	Debt securities, including UoP									
23	Equity instruments									
24	Households	67.65	5.13	5.13						
25	of which loans collateralised by residential immovable property	68.60	5.21	5.21						
26	of which building renovation loans	100.00								
27	of which motor vehicle loans									
28	Local governments financing									
29	Housing financing									
30	Other local government financing									
31	Collateral obtained by taking possession: residential and commercial immovable properties									
32	Total GAR assets	41.87	3.46	3.40	0.00	0.00	0.00			

		j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
2	Financial undertakings																
3	Credit institutions																
4	Loans and advances																
5	Debt securities, including UoP																
6	Equity instruments																
7	Other financial corporations																
8	of which investment firms																
9	Loans and advances																
10	Debt securities, including UoP																
11	Equity instruments																
12	of which management companies																
13	Loans and advances																
14	Debt securities, including UoP																
15	Equity instruments																
16	of which insurance undertakings																
17	Loans and advances																
18	Debt securities, including UoP																
19	Equity instruments																
20	Non-financial undertakings																
21	Loans and advances																
22	Debt securities, including UoP																
23	Equity instruments																
24	Households																
25	of which loans collateralised by residential immovable property																
26	of which building renovation loans																
27	of which motor vehicle loans																
28	Local governments financing																
29	Housing financing																
30	Other local government financing																
31	Collateral obtained by taking possession: residential and commercial immovable properties																
32	Total GAR assets																

		aa	ab	ac	ad	ae	af
		Total (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
GAR – Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	50.91	4.20	4.13	0.00	0.00	69.11
2	Financial undertakings	26.89	1.13				4.21
3	Credit institutions	19.76	1.32				3.62
4	Loans and advances						
5	Debt securities, including UoP	19.76	1.32		0.03	0.07	3.62
6	Equity instruments						
7	Other financial corporations	70.28					0.59
8	of which investment firms						
9	Loans and advances						
10	Debt securities, including UoP						
11	Equity instruments						
12	of which management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertakings						
17	Loans and advances						
18	Debt securities, including UoP						
19	Equity instruments						
20	Non-financial undertakings	29.49	3.49	3.49			21.86
21	Loans and advances	29.49	3.49	3.49			21.86
22	Debt securities, including UoP						
23	Equity instruments						
24	Households	67.65	5.13	5.13			40.81
25	of which loans collateralised by residential immovable property	68.60	5.21	5.21			40.23
26	of which building renovation loans	100.00					4.21
27	of which motor vehicle loans						
28	Local governments financing						2.23
29	Housing financing						
30	Other local government financing						2.23
31	Collateral obtained by taking possession: residential and commercial immovable properties						
32	Total GAR assets	41.87	3.46	3.40	0.00	0.00	69.11

1. Institution shall dislcose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures

TEMPLATE 5: KPI OFF-BALANCE SHEET EXPOSURES

DISCLOSURE REFERENCE DATE 31.12.2024

% (COMPARED TO TOTAL ELIGIBLE OFF-BALANCE SHEET ASSETS)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)																														
2	Assets under management (AuM KPI)																														

1. Institution shall dislcose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures

TEMPLATE 6: KPI ON FEES AND COMMISSIONS INCOME FROM SERVICES OTHER THAN LENDING AND ASSET MANAGEMENT

DISCLOSURE REFERENCE DATE 31.12.2024

F&C KPI

		a	b	c	d	e	f	g	i	j	k	m	n	o	q	r	s	u	v	w	y	z	aa	ab	ac
			Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			Total (CCM + CCA + WTR + CE + PPC + BIO)			
			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			
				Of which environmentally sustainable (%)(Taxonomy-aligned)				Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)		
		Total (Million EUR)			Of which transitional	Of which enabling			Of which enabling			Of which enabling			Of which enabling			Of which enabling			Of which enabling			Of which transitional	Of which enabling
1	Fees and commission income from NFRD corporates – Services other than lending																								
2	Services towards financial undertakings																								
3	Credit institutions																								
4	Other financial undertakings																								
5	of which investment firms																								
6	of which management companies																								
7	of which insurance insurance unertakings																								
8	Non-financial undertakings																								
9	Counterparties not subject to NFRD disclosure obligations, including third-country counterparties																								

1. Institutions shall dislcose in this template information on the percentage (%) of fees and commission income related to taxonomy relevant sectors and environmentally sustainable activities (with breakdown for transitional and enabling activities) compared to total fees and commission income from NFRD corporates for services other than lending and asset management

TEMPLATE 6: KPI ON FEES AND COMMISSIONS INCOME FROM SERVICES OTHER THAN LENDING AND ASSET MANAGEMENT

DISCLOSURE REFERENCE DATE 31.12.2023

F&C KPI

		a	b	c	d	e	f	g	i	j	k	m	n	o	q	r	s	u	v	w	y	z	aa	ab	ac
			Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			Total (CCM + CCA + WTR + CE + PPC + BIO)			
			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)			
				Of which environmentally sustainable (%)(Taxonomy-aligned)				Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)			Of which environmentally sustainable (%)(Taxonomy-aligned)		
		Total (Million EUR)			Of which transitional	Of which enabling			Of which enabling			Of which enabling			Of which enabling			Of which enabling			Of which enabling			Of which transitional	Of which enabling
1	Fees and commission income from NFRD corporates – Services other than lending																								
2	Services towards financial undertakings																								
3	Credit institutions																								
4	Other financial undertakings																								
5	of which investment firms																								
6	of which management companies																								
7	of which insurance insurance unertakings																								
8	Non-financial undertakings																								
9	Counterparties not subject to NFRD disclosure obligations, including third-country counterparties																								

1. Institutions shall dislcose in this template information on the percentage (%) of fees and commission income related to taxonomy relevant sectors and environmentally sustainable activities (with breakdown for transitional and enabling activities) compared to total fees and commission income from NFRD corporates for services other than lending and asset management

Note: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. The inclusion of SMEs in these KPIs will only apply subject to a positive result of an impact assessment.

TEMPLATE 7: KPI TRADING BOOK PORTFOLIO

» Table continues on the bottom half of the page

		a	b	c	d	e	f	g	h
		Fair value	Climate Change Mitigation (CCM)						
			Absolute purchases	Of which environmentally sustainable (Taxonomy-aligned)	Absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Absolute purchases plus absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) – NFRD corporates**								
2	**Financial undertakings**								
3	Credit institutions								
4	Debt securities								
5	Equity instruments								
6	Other financial undertakings								
7	of which investment firms								
8	Debt securities								
9	Equity instruments								
10	of which asset managers								
11	Debt securities								
12	Equity instruments								
13	of which insurance companies								
14	Debt securities								
15	Equity instruments								
16	**Non-financial undertakings**								
17	Debt securities								
18	Equity instruments								
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**								
20	Debt securities								
21	Equity instruments								

		i	j	k	l	m	n	o
		Climate Change Adaptation (CCA)						
		Absolute purchases	Of which environmentally sustainable (Taxonomy-aligned)	Absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Absolute purchases plus absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) – NFRD corporates**							
2	**Financial undertakings**							
3	Credit institutions							
4	Debt securities							
5	Equity instruments							
6	Other financial undertakings							
7	of which investment firms							
8	Debt securities							
9	Equity instruments							
10	of which asset managers							
11	Debt securities							
12	Equity instruments							
13	of which insurance companies							
14	Debt securities							
15	Equity instruments							
16	**Non-financial undertakings**							
17	Debt securities							
18	Equity instruments							
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**							
20	Debt securities							
21	Equity instruments							

		p	q	r	s	t	u	v
		Water and marine resources (WTR)						
		Absolute purchases	Of which environmentally sustainable (Taxonomy-aligned)	Absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Absolute purchases plus absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) – NFRD corporates**							
2	**Financial undertakings**							
3	Credit institutions							
4	Debt securities							
5	Equity instruments							
6	Other financial undertakings							
7	of which investment firms							
8	Debt securities							
9	Equity instruments							
10	of which asset managers							
11	Debt securities							
12	Equity instruments							
13	of which insurance companies							
14	Debt securities							
15	Equity instruments							
16	**Non-financial undertakings**							
17	Debt securities							
18	Equity instruments							
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**							
20	Debt securities							
21	Equity instruments							

		w	x	y	z	aa	ab	ac
		Circular economy (CE)						
		Absolute purchases	Of which environmentally sustainable (Taxonomy-aligned)	Absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Absolute purchases plus absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) – NFRD corporates**							
2	**Financial undertakings**							
3	Credit institutions							
4	Debt securities							
5	Equity instruments							
6	Other financial undertakings							
7	of which investment firms							
8	Debt securities							
9	Equity instruments							
10	of which asset managers							
11	Debt securities							
12	Equity instruments							
13	of which insurance companies							
14	Debt securities							
15	Equity instruments							
16	**Non-financial undertakings**							
17	Debt securities							
18	Equity instruments							
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**							
20	Debt securities							
21	Equity instruments							

Continuation of the table above »

		ad	ae	af	ag	ah	ai	aj
		Pollution (PPC)						
		Absolute purchases	Of which environmentally sustainable (Taxonomy-aligned)	Absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Absolute purchases plus absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) – NFRD corporates**							
2	**Financial undertakings**							
3	Credit institutions							
4	Debt securities							
5	Equity instruments							
6	Other financial undertakings							
7	of which investment firms							
8	Debt securities							
9	Equity instruments							
10	of which asset managers							
11	Debt securities							
12	Equity instruments							
13	of which insurance companies							
14	Debt securities							
15	Equity instruments							
16	**Non-financial undertakings**							
17	Debt securities							
18	Equity instruments							
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**							
20	Debt securities							
21	Equity instruments							

		ak	al	am	an	ao	ap	aq
		Biodiversity and Ecosystems (BIO)						
		Absolute purchases	Of which environmentally sustainable (Taxonomy-aligned)	Absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Absolute purchases plus absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) – NFRD corporates**							
2	**Financial undertakings**							
3	Credit institutions							
4	Debt securities							
5	Equity instruments							
6	Other financial undertakings							
7	of which investment firms							
8	Debt securities							
9	Equity instruments							
10	of which asset managers							
11	Debt securities							
12	Equity instruments							
13	of which insurance companies							
14	Debt securities							
15	Equity instruments							
16	**Non-financial undertakings**							
17	Debt securities							
18	Equity instruments							
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**							
20	Debt securities							
21	Equity instruments							

		ar	as	at	au	av	aw	ax
		Total (CCM + CCA + WTR + CE + PPC + BIO)						
		Absolute purchases	Of which environmentally sustainable (Taxonomy-aligned)	Absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Absolute purchases plus absolute sales	Of which environmentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) – NFRD corporates**							
2	**Financial undertakings**							
3	Credit institutions							
4	Debt securities							
5	Equity instruments							
6	Other financial undertakings							
7	of which investment firms							
8	Debt securities							
9	Equity instruments							
10	of which asset managers							
11	Debt securities							
12	Equity instruments							
13	of which insurance companies							
14	Debt securities							
15	Equity instruments							
16	**Non-financial undertakings**							
17	Debt securities							
18	Equity instruments							
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**							
20	Debt securities							
21	Equity instruments							

Note: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. The inclusion of SMEs in these KPIs will only apply subject to a positive result of an impact assessment.

Annex XII templates
(nuclear energy and fossil gas)

TEMPLATE 1: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) – STOCK TURNOVER
AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.34	0.00	0.34	0.00		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7,049.36	14.31	7,049.36	14.31		
8.	**Total applicable KPI**	**7,049.70**	**14.31**	**7,049.70**	**14.31**		

TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) – STOCK CAPEX
AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.31	0.00	0.31	0.00		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7,049.79	14.31	7,049.79	14.31		
8.	**Total applicable KPI**	**7,050.11**	**14.31**	**7,050.11**	**14.31**		

TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) – FLOW TURNOVER

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.32	0.01	0.32	0.01		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	166.34	3.45	166.34	3.45		
8.	**Total applicable KPI**	**166.66**	**3.46**	**166.66**	**3.46**		

TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) – FLOW CAPEX

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.31	0.01	0.31	0.01		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	166.48	3.45	166.48	3.45		
8.	**Total applicable KPI**	**166.80**	**3.46**	**166.80**	**3.46**		

TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) – STOCK TURNOVER

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.34	0.00	0.34	0.00		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	7,049.36	100.00	7,049.36	100.00		
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**7,049.70**	**100.00**	**7,049.70**	**100.00**		

TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) – STOCK CAPEX

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.31	0.00	0.31	0.00		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	7,049.79	100.00	7,049.79	100.00		
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**7,050.11**	**100.00**	**7,050.11**	**100.00**		

TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) – FLOW TURNOVER

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.32	0.19	0.32	0.19		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	166.34	99.81	166.34	99.81		
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**166.65**	**100.00**	**166.65**	**100.00**		

TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) – FLOW CAPEX

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.31	0.19	0.31	0.19		
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	166.48	99.81	166.48	99.81		
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**166.80**	**100.00**	**166.80**	**100.00**		

TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – STOCK TURNOVER

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.92	0.00	1.92	0.00		
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.11	0.00	0.11	0.00		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.23	0.00	0.23	0.00		
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.05	0.00	0.05	0.00		
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	20,039.72	40.68	20,039.72	40.68	0.00	0.00
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**20,042.04**	**40.68**	**20,042.04**	**40.68**	**0.00**	**0.00**

TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – STOCK CAPEX

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00	0.01	0.00		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.27	0.00	0.27	0.00		
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	20,039.88	40.68	20,039.72	40.68	0.15	0.00
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**20,040.15**	**40.68**	**20,040.00**	**40.68**	**0.15**	**0.00**

TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – FLOW TURNOVER

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.92	0.04	1.92	0.04		
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.04	0.00	0.04	0.00		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.06	0.00	0.06	0.00		
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00	0.03	0.00		
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,851.99	38.39	1,851.99	38.39	0.00	0.00
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,854.04**	**38.43**	**1,854.04**	**38.43**	**0.00**	**0.00**

TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – FLOW CAPEX

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b	c	d	e	f
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00	0.01	0.00		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.14	0.00	0.14	0.00		
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,853.04	38.41	1,853.01	38.41	0.03	0.00
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,853.19**	**38.41**	**1,853.16**	**38.41**	**0.03**	**0.00**

TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES – STOCK TURNOVER

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	22,174.13	45.01
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**22,174.13**	**45.01**

TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES – STOCK CAPEX

AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	22,175.61	45.01
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**22,175.61**	**45.01**

TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES – FLOW TURNOVER
AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,803.52	58.11
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**2,803.52**	**58.11**

TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES – FLOW CAPEX
AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)

		a	b
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,804.26	58.13
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**2,804.26**	**58.13**

DATAPOINTS ACCORDING TO ESRS 2 APPENDIX B (ESRS 2 IRO-2)

	Disclosure requirement	Related datapoint	Disclosed in Non-Financial Statement 31 December 2024	Paragraph
ESRS 2 GOV-1	Board's gender diversity	paragraph 21(d)	Not disclosed due to partial application of ESRS	/
ESRS 2 GOV-1	Percentage of board members who are independent	paragraph 21(e)	Not disclosed due to partial application of ESRS	/
ESRS 2 GOV-4	Statement on due diligence	paragraph 30	Not disclosed due to partial application of ESRS	/
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities	paragraph 40(d) i	Not applicable	/
ESRS 2 SBM-1	Involvement in activities related to chemical production	paragraph 40(d) ii	Not applicable	/
ESRS 2 SBM-1	Involvement in activities related to controversial weapons	paragraph 40(d) iii	Not applicable	/
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco	paragraph 40(d) iv	Not applicable	/
ESRS E1-1	Transition plan to reach climate neutrality by 2050	paragraph 14	Material	E1-1 Transition plan for climate change mitigation
ESRS E1-1	Undertakings excluded from Paris-aligned benchmarks	paragraph 16(g)	Material	E1-1 Transition plan for climate change mitigation
ESRS E1-4	GHG emission reduction targets	paragraph 34	Material, but no disclosure in accordance with ESRS, rather an undertaking-specific disclosure	/
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	paragraph 38	Not applicable	/
ESRS E1-5	Energy consumption and mix	paragraph 37	Material	E1-5 Energy consumption and mix
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors	paragraphs 40 to 43	Not applicable	/
ESRS E1-6	Gross Scope 1, 2, 3 and total GHG emissions	paragraph 44	Material	E1-6 Gross Scope 1, 2, 3 and total GHG emissions
ESRS E1-6	Gross GHG emissions intensity	paragraphs 53 to 55	Not disclosed due to partial application of ESRS	/
ESRS E1-7	GHG removals and carbon credits	paragraph 56	Not disclosed due to partial application of ESRS	/

	Disclosure requirement	Related datapoint	Disclosed in Non-Financial Statement 31 December 2024	Paragraph
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks	paragraph 66	Not disclosed due to partial application of ESRS	/
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk	paragraph 66(a)	Not disclosed due to partial application of ESRS	/
ESRS E1-9	Location of significant assets at material physical risk	paragraph 66(c)	Not disclosed due to partial application of ESRS	/
ESRS E1-9	Breakdown of the carrying value of real estate assets by energy-efficiency classes	paragraph 67(c)	Not disclosed due to partial application of ESRS	/
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities	paragraph 69	Not disclosed due to partial application of ESRS	/
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	paragraph 28	Not material	/
ESRS E3-1	Water and marine resources	paragraph 9	Not material	/
ESRS E3-1	Dedicated policy	paragraph 13	Not material	/
ESRS E3-1	Sustainable oceans and seas	paragraph 14	Not material	/
ESRS E3-4	Total water recycled and reused	paragraph 28(c)	Not material	/
ESRS E3-4	Total water consumption in m³ per net revenue on own operations	paragraph 29	Not material	/
ESRS 2 – SBM-3 – E4		paragraph 16(a) i	Not material	/
ESRS 2 – SBM-3 – E4		paragraph 16(b)	Not material	/
ESRS 2 – SBM-3 – E4		paragraph 16(c)	Not material	/
ESRS E4-2	Sustainable land / agriculture practices or policies	paragraph 24(b)	Not material	/
ESRS E4-2	Sustainable oceans / seas practices or policies	paragraph 24(c)	Not material	/
ESRS E4-2	Policies to address deforestation	paragraph 24(d)	Not material	/
ESRS E5-5	Non-recycled waste	paragraph 37(d)	Not material	/
ESRS E5-5	Hazardous waste and radioactive waste	paragraph 39	Not material	/
ESRS 2 SBM-3 – S1	Risk of incidents of forced labour	paragraph 14(f)	Material	SBM-3 S1 Material impacts, risks and opportunities and their interaction with strategy and business model

	Disclosure requirement	Related datapoint	Disclosed in Non-Financial Statement 31 December 2024	Paragraph
ESRS 2 SBM-3 – S1	Risk of incidents of child labour	paragraph 14(g)	Material	SBM-3 S1 Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S1-1	Human rights policy commitments	paragraph 20	Material	S1-1 Policies related to own workforce
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8	paragraph 21	Material	S1-1 Policies related to own workforce
ESRS S1-1	Processes and measures for preventing trafficking in human beings	paragraph 22	Material	S1-1 Policies related to own workforce
ESRS S1-1	Workplace accident prevention policy or management system	paragraph 23	Material	S1-1 Policies related to own workforce
ESRS S1-3	Grievance/complaints handling mechanisms	paragraph 32(c)	Material	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-14	Number of fatalities and number and rate of work-related accidents	paragraph 88(b) and (c)	Not material	/
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness	paragraph 88(e)	Not material	/
ESRS S1-16	Unadjusted gender pay gap	paragraph 97(a)	Not disclosed due to partial application of ESRS	/
ESRS S1-16	Excessive CEO pay ratio	paragraph 97(b)	Not disclosed due to partial application of ESRS	/
ESRS S1-17	Incidents of discrimination	paragraph 103(a)	Material	S1-17 Incidents, complaints and severe human rights impacts
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	paragraph 104(a)	Material	S1-17 Incidents, complaints and severe human rights impacts
ESRS 2 SBM3 – S2	Significant risk of child labour or forced labour in the value chain	paragraph 11(b)	Not material	/
ESRS S2-1	Human rights policy commitments	paragraph 17	Not material	/
ESRS S2-1	Policies related to value chain workers	paragraph 18	Not material	/

	Disclosure requirement	Related datapoint	Disclosed in Non-Financial Statement 31 December 2024	Paragraph
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	paragraph 19	Not material	/
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8	paragraph 19	Not material	/
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain	paragraph 36	Not material	/
ESRS S3-1	Human rights policy commitments	paragraph 16	Not disclosed due to partial application of ESRS	/
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	paragraph 17	Not disclosed due to partial application of ESRS	/
ESRS S3-4	Human rights issues and incidents	paragraph 36	Not disclosed due to partial application of ESRS	/
ESRS S4-1	Policies related to consumers and end-users	paragraph 16	Material	S4-1 Policies related to consumers and end-users
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	paragraph 17	Material	S4-1 Policies related to consumers and end-users
ESRS S4-4	Human rights issues and incidents	paragraph 35	Not disclosed due to partial application of ESRS	/
ESRS G1-1	United Nations Convention against Corruption	paragraph 10(b)	Material	G1-1 Business conduct policies and corporate culture
ESRS G1-1	Protection of whistleblowers	paragraph 10(d)	Not applicable	/
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws	paragraph 24(a)	Material	G1-4 Incidents of corruption or bribery
ESRS G1-4	Standards of anti-corruption and anti-bribery	paragraph 24(b)	Material	G1-4 Incidents of corruption or bribery

RISK, OUTLOOK AND OPPORTUNITIES REPORT

Risk report

The continuous control and monitoring of risks is essential to the management of business development at Münchener Hypothekenbank. Risk management is therefore a high priority in terms of the overall management of the Bank.

The framework governing business activities is laid down in the business and risk strategy. The Board of Management is responsible for this strategy, which is reviewed regularly to ensure its objectives are being met, revised where necessary and discussed with the Supervisory Board at least once a year.

The Supervisory Board's Risk Committee is informed of the Bank's risk profile at least once a quarter and additionally as necessary so that it can exercise its supervisory function. This takes place quarterly based on the overall risk report, which presents a summary view of all of the Bank's risks. Ad hoc issues such as the creation of higher individual impairment allowances, are discussed and communicated separately.

Risk management is based firstly on the analysis and presentation of existing risks, and secondly on comparing these risks with the available risk coverage potential (risk-bearing capacity). There are also various other relevant analyses that need to be viewed as a whole, to enable adequate management of the Bank. Extensive control procedures involving internal, process-dependent monitoring are employed for this purpose. The Internal Audit department, which is independent of all processes, has an additional supervisory role in this respect.

When analysing and presenting the existing risks, a distinction is made between counterparty risks, market price risks, credit spread risks, liquidity risks, migration risks, participation risks, model risks, property risks, reputation risks, funding risks and operational risks. With the exception of liquidity risks, which are covered by the Internal Liquidity Adequacy Assessment Process (ILAAP), these risks are measured from an economic perspective to determine whether they comply with the limit specified for the type of risk. Additional risks such as placement risks, business risks, ESG risks etc.are each seen as elements of the above risks and are taken into account at the appropriate point in the respective calculations.

COUNTERPARTY RISK

The counterparty risk (credit risk) is of major importance for Münchener Hypothekenbank. The counterparty risk is the risk that a counterparty will fail to meet its payment obligations towards the Bank by paying late or by defaulting completely or in part.

The Credit Manual sets forth the credit approval procedures and process regulations for those units involved in the lending business and the permissible credit products. The business and risk strategy also contains more detailed explanations of the sub-strategies for target customers and target markets, as well as basic specifications for measuring and managing credit risks at individual transaction and portfolio level. Individual limits and limits for the asset classes have been set for all types of lending. Another factor is regional diversification, which is ensured by country limits.

In mortgage business, the Bank ensures that it grants senior loans predominantly with moderate loan-to-value ratios; in commercial business, limits also apply with regard to the debt service capacity, exit yield, debt service coverage ratio (DSCR) and loan to value (LTV). The current loan-to-value ratios break down as follows:

TOTAL PORTFOLIO OF MORTGAGES AND OTHER LOANS [11]

	31 December 2024		31 December 2023	
Loan-to-value ratio	**€**	**Relative**	**€**	**Relative**
Up to 60%	18,717,098,428	39.3%	18,910,633,729	39.2%
> 60% and ≤ 70%	7,248,490,421	15.2%	7,227,826,115	15.0%
> 70% and ≤ 80%	7,513,490,561	15.8%	7,891,055,770	16.4%
> 80% and ≤ 90%	5,113,280,314	10.7%	4,936,391,362	10.2%
> 90% and ≤ 100%	3,720,376,216	7.8%	3,932,960,120	8.2%
Over 100%	5,308,243,282	11.1%	5,301,495,978	11.0%
Without	1,639,994	0.0%	26,598,424	0.1%
Total	**47,622,619,217**	**100.0%**	**48,226,961,499**	**100.0%**

[11] The total portfolio of mortgages and other loans essentially comprises item 3a. on the assets side of the balance sheet in the amount of EUR 45.8 billion, plus EUR 1.4 billion in irrevocable loan commitments under "2. Other liabilities" that are to be disbursed within the next 12 months and EUR 0.4 billion in loan loss provisions.

The average loan-to-value ratio stood at approximately 61 percent in retail business and at approximately 87 percent in individual business. Münchener Hypothekenbank grants loans up to at most the amount of the purchase price and does not finance other costs.

The regional breakdown within Germany and internationally is summarised below:

TOTAL PORTFOLIO OF MORTGAGES AND OTHER LOANS [12]

	31 December 2024		31 December 2023	
Region	€	Relative	€	Relative
Baden-Württemberg	3,980,625,631	8.4%	4,008,195,363	8.3%
Bavaria	8,693,575,461	18.3%	8,921,489,311	18.5%
Berlin	2,943,428,736	6.2%	2,912,114,153	6.0%
Brandenburg	915,500,043	1.9%	889,956,143	1.8%
Bremen	192,939,855	0.4%	198,689,754	0.4%
Hamburg	1,251,076,103	2.6%	1,287,044,713	2.7%
Hesse	3,417,975,139	7.2%	3,453,589,650	7.2%
Mecklenburg-West Pomerania	620,061,648	1.3%	622,533,995	1.3%
Lower Saxony	3,450,024,523	7.2%	3,462,236,530	7.2%
North Rhine-Westphalia	6,043,787,715	12.7%	5,885,499,259	12.2%
Rhineland-Palatinate	1,860,117,013	3.9%	1,887,313,069	3.9%
Saarland	402,255,006	0.8%	413,980,541	0.9%
Saxony	1,480,243,316	3.1%	1,386,609,059	2.9%
Saxony-Anhalt	804,112,673	1.7%	800,081,694	1.7%
Schleswig-Holstein	1,997,255,977	4.2%	2,056,155,720	4.3%
Thuringia	494,045,256	1.0%	478,396,213	1.0%
Total domestic	**38,547,024,094**	**80.9%**	**38,663,885,167**	**80.2%**
Austria	329,480,741	0.7%	314,875,927	0.7%
France	343,400,028	0.7%	385,652,662	0.8%
United Kingdom	418,345,669	0.9%	431,616,559	0.9%
Spain	560,840,851	1.2%	710,224,093	1.5%
Luxembourg	140,712,443	0.3%	152,859,212	0.3%
Switzerland	5,244,353,378	11.0%	5,491,981,269	11.4%
Netherlands	999,627,977	2.1%	1,004,203,423	2.1%
Belgium	105,585,843	0.2%	105,493,567	0.2%
USA	933,248,194	2.0%	966,169,620	2.0%
Total foreign	**9,075,595,123**	**19.1%**	**9,563,076,331**	**19.8%**
Total domestic and foreign	**47,622,619,217**	**100.0%**	**48,226,961,499**	**100.0%**

[12] The total portfolio of mortgages and other loans essentially comprises item 3a. on the assets side of the balance sheet in the amount of EUR 45.8 billion, plus EUR 1.4 billion in irrevocable loan commitments under “2. Other liabilities” that are to be disbursed within the next 12 months and EUR 0.4 billion in loan loss provisions.

Credit risk management starts with the drafting of loan terms and conditions when the target transaction is selected. Regularly reviewed risk cost functions are used for this purpose. Depending on the type and risk level of the transaction, various rating and scoring procedures are used.

In property financing, a broadly diversified portfolio of mainly residential property finance and credit approval processes that have been tried and tested for years are reflected in a portfolio with a manageable credit risk. The difficult situation on the property markets is also affecting the portfolio of Münchener Hypothekenbank. In 2024, risks rose predominantly in individual business:

PARAMETER ON CREDIT RISK (TOTAL PORTFOLIO)
IN EUR MILLION

Parameter	31 December 2024	31 December 2023
Default volume	823.7	744.4
thereof retail business	187.5	130.4
thereof individual business – Germany	166.1	129.9
thereof individual business – USA	339.7	354.1
thereof individual business – foreign, excluding USA	130.3	129.9
Expected loss	284.4	191.9
thereof retail business	43.3	37.7
thereof individual business – Germany	45.4	11.0
thereof individual business – USA	124.6	75.4
thereof individual business – foreign, excluding USA	71.1	67.7
Unexpected loss	177.6	169.2
thereof retail business	26.2	29.6
thereof individual business – Germany	73.4	48.4
thereof individual business – USA	33.2	39.0
thereof individual business – foreign, excluding USA	44.8	52.2
Individual impairment allowance	227.7	153.1
thereof retail business	18.9	11.3
thereof individual business – Germany	27.9	0.4
thereof individual business – USA	119.9	84.5
thereof individual business – foreign, excluding USA	61.0	56.9

Mortgage loans are checked for the need to create an individual impairment allowance based on their rating, any payment arrears and other negative factors. Workout Management carries out more extensive monitoring of individual impairment allowances, especially in non-retail business.

The portfolio distribution broken down by rating category is as follows and also shows that risks rose year on year. In addition, the new score cards that are now being used for retail business in Germany also shift the distribution slightly toward poorer rating classes, whereas the score cards for retail business in Switzerland, which have also been revised, show no effects in this direction.

TOTAL PORTFOLIO OF MORTGAGES AND OTHER LOANS[13]

	31 December 2024		31 December 2023	
Rating category	€	Relative	€	Relative
0a to 0b	982,489,026	2.1%	0	0.0%
0c to 0e	8,754,351,378	18.4%	9,921,666,301	20.6%
1a to 1c	20,114,908,244	42.2%	21,491,954,175	44.6%
1d to 2a	10,552,877,815	22.2%	11,050,538,857	22.9%
2b to 2c	3,379,106,260	7.1%	2,783,048,982	5.8%
2d to 2e	1,608,891,788	3.4%	1,009,277,829	2.1%
3a to 3b	1,086,224,109	2.3%	951,902,168	2.0%
3c to 3d	157,980,799	0.3%	247,452,360	0.5%
3e	162,027,575	0.3%	25,893,862	0.1%
4a to 4e	823,658,177	1.7%	744,354,783	1.5%
no rating	104,046	0.0%	872,181	0.0%
Total	**47,622,619,217**	**100.0%**	**48,226,961,499**	**100.0%**

[13] The total portfolio of mortgages and other loans essentially comprises item 3a. on the assets side of the balance sheet in the amount of EUR 45.8 billion, plus EUR 1.4 billion in irrevocable loan commitments under “2. Other liabilities” that are to be disbursed within the next 12 months and EUR 0.4 billion in loan loss provisions.

The property types can be broken down as follows:

DISTRIBUTION OF PROPERTY TYPES IN THE PORTFOLIO
IN EUR MILLION

	Retail business			Individual business				
Property type	Germany	Switzerland	Austria	Germany	Eurozone	Switzerland	United Kingdom	USA
Residential home	19,316.8	3,227.4	61.5	42.3	0.2	0	0	0
Condominium	5,393.4	2,017.0	25.8	51.8	0.2	0	0	0
Rental housing, multifamily home	2,338.6	0	0.4	4,314.2	413.3	0	119.0	379.7
Office	63.4	0	0	4,799.2	1,011.7	0	229.1	518.7
Commercial building	4.3	0	0	481.3	500.8	0	0	0
Warehouses/logistics properties	35.7	0	0	1,344.3	439.1	0	44.7	34.9
Hotels/restaurants	7.1	0	0	315.2	26.6	0	25.5	0
Other commercial properties	6.3	0	0	33.0	0	0	0	0
Without	0.1	0	0	0	0	0	0	0
Total	**27,165.7**	**5,244.4**	**87.8**	**11,381.3**	**2,391.9**	**0**	**418.3**	**933.2**
non-performing loans	154.5	2.3	1.0	128.9	58.1	0	72.2	329.3
Individual impairment allowances	14.9	0.4	0.3	20.7	16.3	0	43.8	97.4
Ø LTV	53%	57%	65%	55%	52%	66%	106%	82%

Because of the current situation on the office property market in particular, the individual impairment allowances created by the Bank are higher than in the previous year, as well as appreciably above the long-term average.

The Bank creates a collective impairment allowance as a precaution to cover latent credit risks. In accordance with IDW RS BFA 7, the collective impairment allowance is calculated using an expected credit loss model, with the IFRS 9 methodology being adopted for Stages 1 and 2 and applied to the HGB assessment basis. Taking into account the probability of default, the loss given default and the exposure at default, collective impairment allowances are created for latent default risks for all transactions reported under the balance sheet items “Claims on banks” and “Claims on customers”, as well as for irrevocable loan commitments. Collective impairment allowances for irrevocable loan commitments are reported in the balance sheet in the form of a provision. All transactions that are not required to be tested for the need to take an individual impairment allowance are assigned to Stage 1 and 2, with the expected 12-month credit loss being calculated for Stage 1 and the lifetime expected credit loss being calculated for Stage 2. As a general rule, transactions are assigned to Stage 1 when they are booked. If a transaction’s risk of default has increased significantly since the time of initial recognition (significance threshold: 200 percent), or if criteria apply for manually changing the stage assignment (30 days in arrears, status “watchlist”, status “forbearance”, status “deferral”), the transaction is assigned to Stage 2 on the reporting date. The relevant point-in-time parameters for calculating loan loss provisions are determined on the basis of macroeconomic forecasts, which are updated quarterly by Münchener Hypothekenbank’s stress testing committee on the basis of external macroeconomic data. The collective impairment allowance is calculated using probability-weighted results from three scenarios: the baseline scenario, at 70 percent; the downside scenario, at 30 percent; and the upside scenario, at 0 percent.

The management then decides whether an adjustment needs to be made to supplement the collective impairment allowance calculated using this standard process. As a general rule, this decision is based on an analysis of a defined catalogue of criteria and a subsequent determination of whether economic, technical or procedural issues prevent the model from accounting for risks in full.

Individual and collective impairment allowances changed as follows in the year under review. The increase in the collective impairment allowance is attributable to an increase in the number of transactions assigned to Stage 2, as well as to the management adjustment of EUR 30 million that was made on 31 December 2024. This adjustment was made in order to account for potentially increased risks due to current uncertainties relating to market developments affecting individual business on the office property market in Germany.

The public and liquid investments are focused on central and regional governments, public local authorities and Western European banks (covered bonds only). The regional focus is on Germany and Western Europe, respectively. Highly liquid sovereign bonds and other highly rated securities will be needed in order to guarantee compliance with CRR liquidity requirements.

Business relations in derivative business with financial institutions are based on master agreements that allow the netting of receivables from, and liabilities to, the other institution. Collateral agreements exist with all derivative counterparties. Derivative transactions, insofar as they are subject to clearing, are settled via a central counterparty (CCP).

TOTAL LENDING BUSINESS
IN EUR MILLION

	Opening balance	Additions	Reversals	Utilisation	Exchange rate-related and other changes	Closing balance
Individual impairment allowance / Stage 3	153.1	91.8	–4.4	–21	8.2	227.7
	Opening balance / carrying amount[1]		Change +/–		Closing balance[1] / carrying amount	
Collective impairment allowance	60.0	48,877	40.0		47,908	100.0
thereof Stage 1	28.0	45,979	–5.0		43,838	23.0
thereof Stage 2	32.0	2,898	15.0		4,070	47.0
thereof adjustment	0.0		0			30.0

[1] Weighted pro-rata for the baseline and downside scenarios for the purpose of calculating the collective impairment allowance.

MARKET PRICE RISK

Market price risks include the risks to the value of positions due to changes in market parameters, including interest rates, volatility and exchange rates. They are quantified as a potential present value loss using a present value model. This distinguishes between interest rate, option and currency risks.

In the case of the interest rate risk, a distinction is made between general and specific interest rate risks. General interest rate risk is the risk that the market value of investments or liabilities that depend on general interest rates will be adversely affected if interest rates change.

Specific interest rate risk, also known as credit spread risk, is likewise included under market price risk. The credit spread is defined as the difference in yield between a risk-free and a risky bond. Spread risks take account of the risk that the spread may change even without any change to the rating. The reasons for a change to yield spreads may include:

- varying opinions among market participants regarding positions;
- an actual change in the creditworthiness of the issuer not already reflected in its rating;
- macroeconomic aspects that influence creditworthiness categories.

The risks inherent in options include volatility risk (vega: the risk that the value of a derivative instrument will change due to increasing or decreasing volatility), time risk (theta: the risk that the value of a derivative instrument will change over time), rho risk (the risk of change to the value of the option if the risk-free interest rate changes) and gamma risk (the risk of a change to the option delta if the price of the underlying asset changes; the option delta describes the change in value of the option due to a change in price of the underlying asset). Options in capital market business are not contracted for the purposes of speculation. All option positions arise implicitly as a result of borrower's option rights (e.g. statutory termination rights under section 489 of the German Civil Code (*Bürgerliches Gesetzbuch,* BGB) or the right to make unscheduled repayments) and are hedged where necessary. These risks are monitored in the daily risk report and are limited.

Currency risk is the risk that the market value of investments or liabilities that depend on exchange rates will be adversely affected due to changes in exchange rates. Foreign currency transactions of Münchener Hypothekenbank are hedged to the maximum possible extent against currency risks; only the margins included in interest payments are not hedged.

The share price risk for Münchener Hypothekenbank is low and results almost exclusively from participations in companies in the Cooperative Financial Network. In addition, the Bank has invested in a mixed fund (as a special fund of Union Investment), in which a mix of shares is also possible. Responsibility for calculating risk ratios is transferred to the investment fund company; the results are reviewed for plausibility and then input into the Bank's systems.

In order to manage market price risks, the present value of all Münchener Hypothekenbank transactions is determined on a daily basis. All transactions are valued using the Summit IT programme. The interest rate risk is managed on the basis of the BPV vector (Base Point Value), which is calculated daily from the change in present value per maturity band that would occur if the mid-swap curve changed by one basis point. Sensitivities to exchange rates and in relation to rotations in the interest rate curve and changes to the base spread and volatilities are also determined. In addition to the BPV, the daily sensitivities are:

- Exchange rates: all foreign currencies change by minus 10 percent.
- Volatilities: all volatilities increase by 1 percentage point.
- Steepening/flattening: a moderate steepening/flattening of the yield curve is simulated, i.e. at the short end by up to +/-10 basis points, at the long end by up to +/-20 basis points, with rotation around the 5-year grid point

At Münchener Hypothekenbank, market risks are recorded and limited using the value at risk (VaR) parameter. The VaR calculation takes account of both linear and non-linear risks by means of a historic simulation. The impact of extreme movements in risk factors is also measured here and for other types of risks using various stress scenarios. The daily stress scenarios (others are tested with less frequency) are:

- Supervisory requirements:
  - » Six stress tests (parallel shift up/down, steepening/flattening, parallel shift up/down in the short-term segment) are calculated. The worst result is taken into account and limited (SOT – supervisory outlier test).
  - » The stress tests are prescribed by the EBA in Guidelines (EBA/GL/2022/14) and Regulatory Technical Standards (EBA/RTS/2022/10).
- Parallel shifting: the current yield curve is shifted up and down completely by 50 basis points across all currencies at the same time. The worst of the two results is taken into account.
- Parallel shifting – interest rates and volatilities: here as well, the current yield curve is shifted down by 50 basis points across all currencies at the same time. In addition, all volatilities are increased by 20 basis points.
- Historic simulation:
  - » 2008 financial market crisis: changes in interest rates between 12 September 2008 (the last banking day before the collapse of the investment bank Lehman Brothers) and 10 October 2008 are applied to the current level.
  - » Brexit: change in interest rates and exchange rates due to the Brexit referendum on 23 and 24 June 2016.
  - » COVID-19 scenario (worst case): worst case from four scenarios that depict the market data movements within the days/weeks after the start of the COVID-19 pandemic in Germany (5 March 2020).

The most important parameters are presented in the following table:

PARAMETER MARKET PRICE RISK
IN EUR MILLION

Parameter	Average 2024	Max. 2024	Min. 2024
BPV	–0.69	–0.45	–0.89
VaR entire portfolio 10d / 99%	–43	–25	–60
SOT – supervisory outlier test	–213	–159	–280
Interest rates +50 BP	–18	–5	–43
Interest rates –50 BP	–7	27	–25

Although Münchener Hypothekenbank is a trading book institution, it has not concluded any trading transactions since 2012.

In order to manage credit spread risks, the present value of asset-side capital market transactions of Münchener Hypothekenbank is calculated and the credit spread risks are determined on a daily basis. The credit spread VaR, credit spread sensitivities and various credit spread stress scenarios are calculated in the Summit valuation system. In addition, starting 31 December 2024, a credit spread VaR will be calculated each quarter for the total portfolio and limited as part of the ICAAP.

At Münchener Hypothekenbank, credit spread risks are recorded and limited using the VaR parameter. The VaR is calculated based on a historic simulation.

The current (daily) credit spread stress scenarios are:

- Parallel shifting: all credit spreads are shifted up and down by 100 basis points. The worse of the two results is taken into account.
- Historic simulation of the collapse of the investment bank Lehman Brothers: the scenario assumes an immediate change in spreads based on the change that was measured in the period from one banking day before the collapse of Lehman Brothers to four weeks after this date.
- Flight to government bonds: this scenario simulates a highly visible risk aversion seen on the markets in the past. The spreads of risky security classes widen, while the spreads of safe sovereign bonds narrow.
- Euro crisis: this scenario replicates the change in spreads during the euro crisis between 1 October 2010 and 8 November 2011. During that period, the spreads of poorly rated sovereign bonds in particular increased sharply.
- Downgrade for Germany: this hypothetical scenario is based on the assumption that the spreads for German government bonds rise to the level of the “PIIGS” countries. These countries were hit particularly hard by the euro crisis and still have much higher credit spreads than Germany. This scenario therefore involves a significant increase in spreads for Germany. This increase is also applied to the portfolio of German states, which constitutes the largest portfolio at Münchener Hypothekenbank.
- COVID-19 crisis: this scenario reflects the change in credit spreads in the wake of the COVID-19 crisis between 28 February and 18 March 2020. Spreads increased significantly in all asset classes during this period.

The credit spread VaR for the capital market portfolio (assets) at a 99.9 percent confidence level and with a holding period of one year and the stress test at plus 100 basis points is presented in the following table:

CREDIT SPREAD (TOTAL PORTFOLIO)
IN EUR MILLION

Parameter	Average 2024	Max. 2024	Min. 2024
Credit Spread VaR 1Y / 99.9%	–272	–227	–385
Credit Spreads +100 BP	–460	–398	–499

The credit spread VaR for the total portfolio amounted to minus EUR 340 million as at 31 December 2024.

LIQUIDITY RISK

Liquidity risk basically comprises the following risks:

- Inability to honour payment obligations on time (liquidity risk in the narrower sense).
- Inability to procure sufficient liquidity on the expected terms when needed (funding risk).
- Inability to close out, extend or settle transactions without incurring a loss due to insufficient market depth or market disruptions (market liquidity risk).

Münchener Hypothekenbank distinguishes between short-term solvency measures and medium-term structural liquidity planning.

Short-term solvency measures

The purpose of short-term solvency measures is to ensure that the Bank is able to honour payment obligations in due form, in time and in full on a daily basis, even during stress situations (willingness to pay). All supervisory requirements regarding bank liquidity reserves have been implemented.

Münchener Hypothekenbank classes itself as a capital market-oriented institution within the meaning of MaRisk and therefore also fulfils the requirements of BTR 3.2.

MaRisk distinguishes between five different scenarios, which have been implemented accordingly:

1) Baseline scenario: corresponds to normal management of the Bank.
2) Bank stress: the reputation of the institution deteriorates, for example due to large on-balance-sheet losses.
3) Market stress: short-term event affecting one part of the financial market. Examples of this include the terrorist attack on 11 September 2001 and the financial market/sovereign debt crisis.
4) Combined stress: simultaneous occurrence of bank and market stress.
5) Combined stress without countermeasures: it is assumed that it is no longer possible to obtain any liquidity at all.

According to MaRisk, the Bank must meet the liquidity requirements arising from scenarios 1 to 4 for a minimum of 30 days. Scenario 5 is the worst-case scenario for internal management purposes.

Depending on the scenario, various modelling assumptions have been deduced for all important cash flows, such as drawdowns of loan commitments already made or changes to collateral. In addition, all securities were allocated to various liquidity classes in order to deduce the volume in each scenario that could be sold or placed in a securities repurchase agreement, and in what time frame, in order to generate additional liquidity. Statutory restrictions, such as the 180-day rule in the German Pfandbrief Act (*Pfandbriefgesetz,* PfandBG), were met at all times. The result is a day-by-day presentation of available liquidity over a three-year horizon in three currencies (euros, US dollars and Swiss francs). There are no positions in other currencies. Limits are set in the stress scenarios across various horizons as early warning indicators for each scenario.

In addition, the liquidity coverage ratio (LCR) and a forecast in accordance with CRD IV are calculated across all currencies at least once a week.

Medium-term structural liquidity planning

The purpose of structural liquidity planning is to safeguard medium-term liquidity. The legal basis for this is both MaRisk BTR 3 and CRD IV on the net stable funding ratio (NSFR).

Medium-term liquidity management in accordance with MaRisk is based on short-term liquidity management in accordance with MaRisk, i.e. both use the same scenarios and modelling assumptions. In view of the longer observation period, however, additional modelling that is not critical to short-term liquidity management is taken into account, including new business planning and current expenses such as salaries and taxes.

Medium-term liquidity planning has the following liquidity ratios over time as profit or loss components:

- cumulative overall cash flow requirement;
- available covered and uncovered funding potential, including planned new business and extensions;
- other detailed data for planning and management activities.

Liquidity risks are limited via the structural liquidity forecast and stress scenarios, based on available liquidity within a year.

In addition, the NSFR is computed monthly across all currencies in accordance with CRD IV. Forecasts are also created for monitoring purposes.

In order to reduce the funding risk, Münchener Hypothekenbank strives to refinance loans with matching maturities where possible. The Bank continuously checks if its relevant funding sources (especially those within the Cooperative Financial Network) are still available. In order to limit the market liquidity risk in its business with governments and banks, the Bank predominantly acquires ECB-eligible securities that can be used as collateral for ECB open market operations at any time.

To diversify its funding sources, the Bank has built up a modest deposit business. It can now accept deposits from Weltsparen and Deutsche Bank in addition to those from the cooperative banks. At the end of 2024, the portfolio volume was EUR 845 million.

The indicators LCR and NSFR are presented in the following table:

INDICATOR LCR AND NSFR
IN EUR MILLION

Indicator	Average 2024	Min. 2024
LCR	386%	174%
NSFR	112%	109%

INVESTMENT RISK

This describes the risk of potential losses if the price of investments falls below their carrying amount. It applies to participating interests held by Münchener Hypothekenbank for strategic reasons in companies of the Cooperative Financial Network and, to a small extent, positions within its special mixed fund.

OPERATIONAL RISK

Operational risk means the risk of potential losses caused by human error, process or project management weaknesses, technical failures or negative external factors. Human error includes unlawful actions, inappropriate selling practices, unauthorised actions, transactional errors and information and communication risks. Losses that result from reputation risks are also identified and assessed here.

Münchener Hypothekenbank minimises its operational risk by using skilled staff, transparent processes, automated standard workflows, written work instructions, IT system function tests, contingency plans and preventive measures. Insurable risks are covered by insurance policies to the normal extent required by banks.

The materiality of all services outsourced by Münchener Hypothekenbank in connection with banking transactions and financial services or other standard banking services has been examined in a risk analysis. All outsourcing arrangements and IT services are monitored in accordance with the ECB's regulatory guidelines and included in the risk management process.

MIGRATION RISK

Migration risks describe the risk that borrower ratings may be downgraded, which would reduce the cash reserves of Münchener Hypothekenbank. The measures and arrangements described in the section "Counterparty risk" limit migration risks in an analogous manner.

PROPERTY RISK

Property risk means the risk that properties in Münchener Hypothekenbank's own portfolio may lose value. Property risk is negligible for the Bank.

MODEL RISK

Model risk means the risk that the assessment of the risks mentioned in the previous sections may have been too low due to simplistic assumptions/processes, flawed input data or insufficiently valid parameters. Münchener Hypothekenbank manages and limits this risk by applying the dual control principle, as well as through independent validation, conservative assumptions and safety buffers that can be suitably applied depending on the type of risk.

RISK-BEARING CAPACITY

The technical concepts and models used to calculate risk-bearing capacity, known as the ICAAP, are continually updated in accordance with supervisory requirements. Münchener Hypothekenbank calculates its risk-bearing capacity in accordance with the requirements of the ECB in both the normative and the economic perspective.

Market risks, loan default risks, operational risks, spread risks, migration risks, funding risks, participation risks, property risks, reputation risks and model risks, which include other risks not specifically listed, are considered in the economic perspective. Risks are allocated to risk-coverage potential conservatively, disregarding any diversification effects between different types of risks.

In the economic perspective, loan default risks and spread risks increased in 2024. The causes of loan default risks are described in the section "Counterparty risk". The reason for the rise in spread risks was the larger portfolio of long-term bonds issued by German state governments, which were purchased on favourable terms. None of the risk types exceeded their limit in 2023 under any scenario or stress test. Thus, the Bank maintained its risk-bearing capacity at all times throughout the year under review in the economic perspective.

In the normative perspective, a multi-year planning horizon is used to verify that the Bank continuously meets all quantitative regulatory and supervisory capital requirements, both as part of basic planning as well as under adverse scenarios.

The Bank maintained its risk-bearing capacity at all times throughout the year under review in the normative perspective. Limit utilisation per risk type as at 31 December 2024 is presented in the following table. The term "macro stress" refers to the so-called “Macroeconomic Stress Scenario,” which was created by the bank primarily for the normative ICAAP and includes a severe initial shock followed by a global macroeconomic downturn.

LIMIT UTILISATION AS AT 31 DECEMBER 2024
IN EUR MILLION

Risk type	Limit	Standard scenario	Macro stress	
Market risks	531	168	108	●
Credit risks	600	381	406	●
Operational risks	100	72	67	●
Spread risks	550	340	128	●
Migration risks	150	93	120	●
Investment risks	30	23	21	●
Property risks	20	11	11	●
Funding risks	15	4	1	●
Reputation risks	20	4	0	●
Model risks and other risks	70	53	51	●

● In the target range
▲ Approaching to limit

USE OF FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES

We engage in hedging activities – interest rate and currency derivatives – in order to further reduce our risks and to hedge our business activities. We do not use credit derivatives. Asset swaps are used as micro-hedges in larger individual transactions. Structured underlying transactions, such as callable securities, are hedged accordingly with structured swaps. Exchange rate risks for exposures in foreign currency are hedged primarily by endeavouring to secure funding in matching currencies; any remaining transactions are hedged using (interest rate) cross-currency swaps. At portfolio level, the Bank prefers to use interest rate swaps and swaptions as hedging instruments. Bermuda options on interest rate swaps (swaptions) are used in addition to linear instruments to hedge embedded statutory termination rights or interest rate cap agreements.

Accounting-related internal control and risk management processes

The accounting-related internal control system is documented in organisational guidelines, process descriptions, accounting manuals and operating instructions. It comprises organisational security measures and ongoing automatic measures and controls that are integrated into work processes. The main controls are segregation of functions, the dual control principle, access restrictions, payment guidelines, the new product and new structure processes and balance confirmations. Non-process-specific audits are conducted primarily by Internal Audit.

The risk management methods described in the risk report provide ongoing qualitative and quantitative information on the financial situation of Münchener Hypothekenbank, such as performance development. Aspects of all types of risks are included in this assessment.

At Münchener Hypothekenbank, there is close coordination between the risk control and financial reporting units.

The output from the risk management system is used as a basis for multi-year planning calculations, year-end projections and reconciliation procedures for the accounting ratios calculated in the Bank’s financial reporting process.

Outlook – opportunities and risks

ECONOMY AND FINANCIAL MARKETS

Economic forecasts are subject to uncertainty in view of geopolitical tensions and the possible consequences for the world economy entailed by the policies of the new US government. Risks may also result from an escalation of tensions at other geopolitical flashpoints, disruptions on financial markets and changes to international trade relations. Economic experts nevertheless expect the world economy to grow moderately, thanks in large part to the USA and China, whose economic growth is likely to be aided in the coming years by expansive fiscal policies and, in the case of China, a government support package. The International Monetary Fund (IMF) therefore expects stable global economic growth of 3.3 percent in 2025.

For the eurozone, the ECB is forecasting a significant increase in consumer spending and a noticeable rise in investments for housing construction, although it expects corporate investment to remain subdued in view of economic and geopolitical uncertainties. The IMF is predicting that gross domestic product in the eurozone will grow by 1.1 percent, a somewhat stronger rate than in 2024. At the same time, employment growth is expected to weaken, with the unemployment rate remaining stable at 6.5 percent. Inflation should settle within the target corridor of 2 percent over the course of the year, aided by a further drop in energy prices.

The German economy is expected to grow slightly. However, a forecast of economic performance is subject to uncertainty, given that Germany will be forming a new government following the parliamentary elections. At the start of 2025, forecasts predicted economic growth of less than 1 percent, with Germany hardly benefiting from the stable global economic development expected by the IMF, as the country is highly dependent on exports. Companies are unsettled by this outlook, which could have a negative impact on the labour market. Therefore, taking the foregoing expectations into account, the unemployment rate can be expected to rise. In view of the sharp increase in prices for services in the second half of 2024, the Deutsche Bundesbank expects an inflation rate of 2.4 percent for 2025, somewhat higher than the target figure.

With inflation abating and economic development remaining modest in Europe, the ECB is likely to continue to cut interest rates. However, high budget deficits in the eurozone mean a large supply of bonds. With the ECB discontinuing its purchases, private buyers will have to make up for the shortfall. This trend is depressing the bond market and driving up yields in this segment. Despite further interest rate cuts by the ECB, interest rates for longer maturities could rise, leading to worsening long-term credit conditions.

Uncertainties about future US economic policy make it difficult to forecast how the Fed will act on interest rates. The Fed is expected to cut interest rates by 25 to 50 basis points in 2025, thus bringing current rates down to a level of 3.75 percent to 4.25 percent. As inflation continues to ease, the ECB will loosen its monetary policy and lower the deposit rate from the current 3.00 percent to a level of between 2.00 percent to 2.25 percent.

Current expectations for the economy and elevated interest rates will likely benefit the US dollar on the foreign exchange market. Since the ECB will presumably respond to a rather weak economy and lower inflation with further interest rate cuts, the interest rate difference between investments in US dollars and in euros will probably widen somewhat. The British pound could suffer from the weak economy and high deficits in the UK, whereas rates are expected to remain mostly unchanged for the Swiss franc.

The funding spreads for banks should stabilise at the level seen at the end of 2024, since economic development in the eurozone is dampening the demand for loans and causing consumers to save more. A low level of new lending business will likely be offset by covered bond maturities, leading to an issuance volume of around EUR 160 billion in euro-denominated benchmark covered bonds in 2025, similar to that recorded in 2024. Issue spreads for covered bonds could stabilise in 2025.

PROPERTY MARKETS AND PROPERTY FINANCING MARKETS

Underlying economic and political data harbour national and international uncertainties for the property markets. Current and expected interest rate trends could have a positive impact on purchase prices, which should then continue to stabilise. If interest rates fall, financing costs will drop, and this could also stimulate the investment market and lead to a moderate rise in investment volume. However, this development would not benefit all asset classes equally, since their attractiveness is closely related to the respective user market.

The residential property market stands to benefit the most from the described scenario. In view of the considerable drop in the number of building permits, the number of completed buildings will continue to decline in the coming years and lag behind demand. As the imbalance between supply and demand continues to grow, new lease rents will rise. With yields and interest rates falling again slightly in 2025, the general conditions are favourable for an upturn in transactions by institutional investors in the residential property asset class. The same applies to the owner-occupied market, where lower mortgage interest rates will likely stimulate demand further, especially since rising purchase prices are expected in the coming years in light of the prolonged shortage of supply.

The energy efficiency of a building or apartment will become more important in future in terms of price trends.

For commercial properties too, ESG factors are becoming increasingly important both to users and to investors. In older, less energy-efficient buildings, vacancy rates will rise further, putting pressure on rents in this sub-segment. In modern buildings, rents will continue to rise, with low vacancy rates. However, we do not expect the demand for space to pick up appreciably in the near term, given the economic forecasts. As a result, institutional investors will remain sceptical about this asset class for the time being, and prices will remain under pressure for buildings that are not ESG-compliant.

In Germany, retail continues to suffer from consumer uncertainty, due in part to announced cuts in manufacturing jobs. High operating costs and a shortage of staff are additional challenges for bricks and mortal retail, meaning that the transformation process is set to continue. Retail grocery is largely excluded from this trend. Investors will therefore continue to focus on this asset class.

The demand for logistics space may pick up in the second half of the year if Germany’s economic development is more positive than expected. Investors also continue to have confidence in this asset class and intend to expand their purchasing activities, which should then lead to a further rise in transaction volume.

DEVELOPMENT OF BUSINESS AT MÜNCHENER HYPOTHEKENBANK

Münchener Hypothekenbank has set a growth target of 8 percent for new business in the 2025 financial year. This equates to a commitment volume totalling EUR 3.4 billion. The planning assumes a slow market recovery, as described in the preceding chapter, with continuing uncertainties on the markets for residential and commercial real estate. It therefore expects that demand for property financing will rise only moderately.

In private residential property financing, Münchener Hypothekenbank is planning new business totalling EUR 1.8 billion in Germany, Switzerland and Austria. It assumes that interest rate trends and uncertainties with respect to energy-related requirements and regulations will depress demand in Germany. In order to grow new business under these general conditions, the Bank will further expand its range of products, especially in the area of renovation loans, optimise processes, products and prices for loans over EUR 1 million and strengthen its market position in platform business in cooperation with the Volksbanken and Raiffeisenbanken. In addition, it will enhance its digital lending processes. The new business target for Switzerland is EUR 200 million.

In commercial real estate financing, Münchener Hypothekenbank is planning a moderately higher new business volume of EUR 1.6 billion for 2025. However, achieving the planned figure depends on how the transaction market develops, as it is expected to pick up only gradually. The Bank therefore continues to assume that investor portfolios will generate the majority of financing revenues in the near term. It furthermore expects that with inflation easing, interest rates will be more stable, thus providing greater planning certainty.

In the case of public and liquid investments, the Bank will continue to seize opportunities to increase income if the market environment is favourable. Under these conditions, it anticipates that new investments will amount to EUR 0.5 billion to EUR 1.0 billion in 2025.

Münchener Hypothekenbank believes that its financial position will remain adequate in 2025, enabling it to meet its payment obligations and comply with regulatory requirements for banks.

Münchener Hypothekenbank’s overall liquidity requirements (money market and capital market) will range from around EUR 5.0 billion to EUR 7.0 billion in 2025, EUR 2 billion to EUR 3 billion of which it expects to raise on the capital market and the remainder on the money market (including tenders and repos) and through deposits. Mortgage Pfandbriefe remain the Bank’s most important source of funding.

In 2025 Münchener Hypothekenbank may look to further strengthen its subordinated capital (Tier 2 capital) and senior non-preferred instruments to support the planned growth of new business.

Münchener Hypothekenbank is expecting net interest income of EUR 472 million for 2025, assuming that the 6-month Euribor rate settles at around 2 percent. If interest rates change, this plan figure may change as well. However, any impact from possible changes in interest rates in 2025 will only be marginal. An increase in interest rates would lead to a slight rise in interest income, while a fall in interest rates would have the opposite effect.

In its planning, the Bank is forecasting a net commission expense of minus EUR 56 million. This item changes on a one-to-one basis in line with business development in private residential property financing. If this business increases by 10 percent, the net commission expense also rises by around 10 percent. If new business declines, commission expenses will fall accordingly.

Münchener Hypothekenbank expects the cost-income ratio to rise to around 40 percent. Besides lower net interest income, an increase in administrative expenses, including project costs, to around EUR 169 million is the reason for this increase compared with 2024.

The Bank expects loan loss provisions to decrease compared with 2024 and anticipates that they will be up to EUR 85 million. In this respect the Bank assumes that the economic situation in Europe will remain unfavourable, with a difficult property market.

The Bank expects the operating result after loan loss provisions (income from ordinary business activities) to amount to EUR 162 million and thus to be around 14 percent lower than in 2024. Münchener Hypothekenbank considers its earnings to be sufficient to ensure a decent return on equity and an adequate allocation to reserves.

No significant capital measures are planned for 2025. The Bank expects the total capital ratio to be between 24 percent and 25 percent and thus considers it to be adequate.

In the current market environment, Münchener Hypothekenbank is confident that it will attain its targets for the 2025 financial year, and it anticipates that net income will come in slightly below the level of the previous year.

With regard to performance indicators, its planning assumes the following figures for 2025:

- Total new property financing business: EUR 3.4 billion
- Operating result after loan loss provisions (net income from ordinary business activities): EUR 162 million
- Cost-income ratio (CIR): around 40 percent
- Return on equity (RoE) before tax: around 9 percent

- CO_2 emission intensity in private property financing: around 54.2 kg CO_2/m^2
- CO_2 emission intensity in commercial real estate financing: around 38.6kg CO_2/m^2
- Number of green benchmark bonds per calendar year: at least one green benchmark bond in 2025

As Münchener Hypothekenbank specialises in providing long-term loans, any changes in the environment will not have a direct impact on net interest income for 2025. A change in interest rates entails opportunities and risks for the Bank. In all probability, a further rise in interest rates would result in new business being lower than forecast. A drop in interest rates would have the opposite effect. Any changes in new business figures would have only a minor impact on net interest income in 2025. Changes in retail business, on the other hand, impact net commission income. If new business were above forecast in this area, this would lead to a proportionate increase in commission expenses. The reverse would be the case if new business were lower than forecast. The percentage change in new business can thus be applied proportionately to the percentage change in commission income. In view of the current situation on the property markets, the Bank expects loan loss provisions to be in line with its planned figures. If the situation improves, this will have a positive impact on loan loss provisions. If the market situation deteriorates further, loan loss provisions may have to increase.

Overall, the Bank considers the risks outlined here to be acceptable, based on its internal management.

FORWARD-LOOKING STATEMENT DISCLAIMER

This management report contains statements concerning our expectations and forecasts for the future. These forward-looking statements, in particular those regarding Münchener Hypothekenbank's business development and earnings performance, are based on planning assumptions and estimates and are subject to risks and uncertainties. Our business is influenced by a large number of factors, most of which are beyond our control. These mainly include economic developments, the state and further development of financial and capital markets in general and our funding conditions in particular, as well as unexpected defaults by our borrowers. Actual results and developments may therefore differ from the assumptions that have been made today. Such statements are therefore valid only at the time this report was prepared.

ANNUAL STATEMENT OF ACCOUNTS

BALANCE SHEET

as at 31 December 2024

ASSETS
IN €

		31 Dec. 2024	€ 000 31 Dec. 2023
1. Cash reserves			
a) Cash on hand	0.00		0
b) Balances with central banks	31,343,620.40		51,309
thereof: with Deutsche Bundesbank €31,343,620.40			
		31,343,620.40	**51,309**
2. Claims on banks			
a) Mortgage loans	14,725,467.39		13,888
b) Municipal loans	25,167,600.70		25,220
c) Other loans and advances	1,290,477,881.22		1,212,561
thereof: payable on demand €705,295,076.45			
		1,330,370,949.31	**1,251,669**
3. Claims on customers			
a) Mortgage loans	45,797,057,258.78		46,231,703
b) Municipal loans	1,030,457,884.79		1,191,676
c) Other loans and advances	54,809,212.98		54,079
		46,882,324,356.55	**47,477,458**
4. Debt securities and other fixed-income securities			
a) Bonds and debt securities	5,192,857,368.35		4,168,879
aa) From public issuer €4,308,855,128.67			(3,548,610)
thereof: eligible as collateral for Deutsche Bundesbank advance €4,272,254,237.27			
ab) From other issuers €884,002,239.68			(620,269)
thereof: eligible as collateral for Deutsche Bundesbank advance €695,247,284.27			
b) Own debt securities	502,611,659.72		503,415
Nominal value €500,000,000.00			
		5,695,469,028.07	**4,672,294**
Carryover:		**53,939,507,954.33**	**53,452,730**

ASSETS
IN €

		31 Dec. 2024	€ 000 31 Dec. 2023
Carryover:		**53,939,507,954.33**	**53,452,730**
5. Equities and other variable-yield securities		**140,000,000.00**	**147,000**
6. Participating interests and shares in cooperatives			
a) Participating interests	109,692,967.61		102,724
thereof: credit institutions €41,478,482.04			
b) Shares in cooperatives	18,500.00		18
thereof: in credit cooperatives €15,500.00			
		109,711,467.61	**102,742**
7. Shares in affiliated companies		**1,141,088.34**	**1,151**
8. Intangible assets			
Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licences to such rights and assets		**150,220.67**	**348**
9. Tangible assets		**92,139,253.21**	**93,034**
10. Other assets		**114,633,833.91**	**128,268**
11. Deferred income			
a) From issuing and lending business	116,508,546.21		133,054
b) Other	1,427,483.18		2,208
		117,936,029.39	**135,262**
Total assets		**54,515,219,847.46**	**54,060,535**

LIABILITIES
IN €

		31 Dec. 2024	€ 000 31 Dec. 2023
1. Liabilities to credit institutions			
a) Registered Mortgage Pfandbriefe in issue	942,110,317.73		961,255
b) Registered Public Pfandbriefe in issue	83,373,778.11		65,763
c) Other liabilities	3,698,958,187.32		3,201,184
thereof: payable on demand €845,138,290.60			
		4,724,442,283.16	**4,228,202**
2. Liabilities to customers			
a) Registered Mortgage Pfandbriefe in issue	10,242,423,825.91		10,232,021
b) Registered Public Pfandbriefe in issue	1,059,436,553.62		1,147,009
c) Other liabilities	5,233,443,357.10		5,177,335
thereof: payable on demand €47,498,188.40			
		16,535,303,736.63	**16,556,365**
3. Certified liabilities			
a) Bonds issued	30,163,702,275.69		30,236,758
aa) Mortgage Pfandbriefe €24,277,435,805.06			(24,329,701)
ab) Public Pfandbriefe €40,785,184.64			(40,964)
ac) Other debt securities €5,845,481,285.99			(5,866,093)
b) Other certified liabilities	117,838,804.43		171,927
		30,281,541,080.12	**30,408,685**
4. Other liabilities		**201,730,821.45**	**207,741**
Carryover:		**51,743,017,921.36**	**51,400,993**

LIABILITIES
IN €

		31 Dec. 2024	€ 000 31 Dec. 2023
Carryover:		**51,743,017,921.36**	**51,400,993**
5. Deferred income from issuing and lending business	46,129,182.88		46,999
		46,129,182.88	**46,999**
6. Provisions			
a) Provisions for pensions and similar obligations	31,977,072.00		32,900
b) Tax provisions	4,150,000.00		11,047
c) Other provisions	54,363,907.82		51,334
		90,490,979.82	**95,281**
7. Subordinated liabilities		**449,384,445.39**	**391,390**
8. Instruments of the additional regulatory core capital		**222,494,687.63**	**225,983**
9. Fund for general banking risks		**120,000,000.00**	**114,000**
10. Capital and reserves			
a) Subscribed capital	1,274,455,700.00		1,271,496
aa) Members' capital contributions €1,274,455,700.00			(1,271,496)
b) Revenue reserves	513,000,000.00		463,000
ba) Legal reserves €507,000,000.00			(457,000)
bb) Other revenue reserves €6,000,000.00			(6,000)
c) Unappropriated profit	56,246,930.38		51,393
		1,843,702,630.38	**1,785,889**
Total liabilities		**54,515,219,847.46**	**54,060,535**
1. Contingent liabilities			
Liabilities under sureties and indemnity agreements		766.94	1
2. Other obligations			
Irrevocable loan commitments		2,471,489,708.68	3,239,164

INCOME STATEMENT

for the period from 1 January 2024 to 31 December 2024

INCOME STATEMENT
IN €

			1 Jan. to 31 Dec. 2024	€ 000 1 Jan. to 31 Dec. 2023
1. Interest income from			**1,591,955,930.65**	**1,417,981**
a) Lending and money market transactions		1,429,247,357.35		1,291,285
thereof: negative interest on financial assets	0.00			0
b) Fixed-income securities and debt register claims		162,708,573.30		126,696
2. Interest expenses			**1,061,331,652.61**	**902,137**
thereof: positive interest on financial liabilities	0.00			204
3. Current income from			**1,833,082.11**	**2,602**
a) Equities and other variable-yield securities		0.00		0
b) Participating interests and shares in cooperatives		1,833,082.11		2,602
c) Shares in affiliated companies		0.00		0
4. Commission income			**11,284,892.10**	**9,555**
5. Commission expenses			**75,611,750.10**	**77,085**
6. Other operating income			**4,755,184.54**	**5,529**
7. General administrative expenses			**148,871,387.77**	**161,020**
a) Personnel expense		72,134,952.01		69,175
aa) Wages and salaries	59,596,124.17			58,516
ab) Social insurance contributions and expenses for pensions and other employee benefits	12,538,827.84			10,658
thereof: for pensions €2,929,184.02				(1,770)
b) Other administrative expense		76,736,435.76		91,845
8. Amortisation / depreciation and impairment allowances on tangible and intangible assets			**3,401,104.25**	**3,600**
9. Other operating expenses			**3,930,500.47**	**3,411**
10. Write-downs on and valuation allowances of loans and advances and specific securities, as well as additions to loan loss provisions			**126,774,382.09**	**118,037**
11. Depreciation, amortisation and write-downs of participating interests, shares in affiliated companies and securities treated as fixed assets			**952,366.11**	**506**

INCOME STATEMENT
IN €

			1 Jan. to 31 Dec. 2024	€ 000 1 Jan. to 31 Dec. 2023
12. Expenses from assumption of losses			**22,525.02**	**12**
13. Net income from ordinary business activities			**190,848,153.20**	**170,871**
14. Extraordinary income			**0.00**	**85,428**
15. Extraordinary expenses			**0.00**	**28,936**
16. Net extraordinary income			**0.00**	**56,491**
17. Allocations to the fund for general banking risks			**6,000,000.00**	**59,000**
18. Income taxes			**79,281,244.21**	**66,242**
19. Net income for the year			**105,556,908.99**	**102,121**
20. Profit carried forward from the previous year			**690,021.39**	**272**
21. Allocations to revenue reserves			**50,000,000.00**	**51,000**
a) Legal reserve		50,000,000.00		51,000
b) Other revenue reserves				0
22. Unappropriated profit			**56,246,930.38**	**51,393**

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

STATEMENT OF CHANGES IN CAPITAL AND RESERVES 2024

IN € 000

	Subscribed capital				
	Members' capital contributions	Silent participations	Revenue reserves	Unappropriated profit	Total capital and reserves
Capital and reserves as at 1 Jan. 2023	1,272,003		412,000	38,432	1,722,435
Net change in capital	–507				–507
Dividends paid				38,160	38,160
Net income for the year			51,000	51,121	102,121
Capital and reserves as at 31 Dec. 2023	1,271,496		463,000	51,393	1,785,889
Net change in capital	2,960				2,960
Dividends paid				50,703	50,703
Net income for the year			50,000	55,557	105,557
Capital and reserves as at 31 Dec. 2024	1,274,456		513,000	56,247	1,843,703

CASH FLOW STATEMENT 2024

IN € MILLION

		31. Dec. 2024
1.	Period net income	105.6
2.	Amortisation / depreciation, impairment allowances/write-ups on loans and advances and non-current assets	143.0
3.	Increase / decrease in provisions	3.0
4.	Other non-cash expenses / income	–4.5
5.	Gain / loss from the disposal of non-current assets	0.0
6.	Other adjustments (net)	0.0
7.	Increase / decrease in claims on banks	–97.6
8.	Increase / decrease in claims on customers	497.2
9.	Increase / decrease in securities (other than financial assets)	5.8
10.	Increase / decrease in other assets relating to operating activities	–623.5
11.	Increase / decrease in liabilities to credit institutions	505.9
12.	Increase / decrease in liabilities to customers	–23.0
13.	Increase / decrease in certified liabilities	–156.0
14.	Increase / decrease in other liabilities relating to operating activities	–524.8
15.	Interest expenses / income	–250.3
16.	Income tax expense / income	0.0
17.	Interest and dividends received	1,052.9
18.	Interest paid	–270.1
19.	Income taxes paid	–79.3
20.	**Cash flow from operating activities (sum of lines 1 to 19)**	**284.4**
21.	Cash inflows from the disposal of financial assets	72.6
22.	Cash outflows for investments in financial assets	–327.0
23.	Cash inflows from the disposal of tangible assets	0.0
24.	Cash outflows for investments in tangible assets	–2.2
25.	Cash inflows from the disposal of intangible assets	0.0
26.	Cash outflows for investments in intangible assets	–0.1
27.	**Cash flow from investing activities (sum of lines 21 to 26)**	**–256.7**
28.	Cash inflows from additions to capital and reserves	3.0
29.	Dividends paid to members	–50.7
30.	Net change in cash and cash equivalents from other capital	0.0
31.	**Cash flow from financing activities (sum of lines 28 to 30)**	**–47.7**
32.	Net change in cash and cash equivalents	–20.0
33.	Changes in cash and cash equivalents due to exchange rates and valuation	0.0
34.	Cash and cash equivalents at the start of the period	51.3
35.	**Cash and cash equivalents[1] at the end of the period (sum of lines 32 to 34)**	**31.3**

[1] Assets, item 1 – Cash reserves

NOTES

General disclosures concerning accounting policies

The annual financial statements of Münchener Hypothekenbank eG as at 31 December 2024 were drawn up in conformity with the provisions of the German Commercial Code (*Handelsgesetzbuch,* HGB) in conjunction with the German Regulation on the Accounting of Credit Institutions (*Kreditinstituts-Rechnungslegungsverordnung,* RechKredV), and in observance of the rules contained in the German Cooperatives Act (*Genossenschaftsgesetz,* GenG) and the German Pfandbrief Act (*Pfandbriefgesetz,* PfandBG).

As drawn up, the balance sheet reflects partial appropriation of the net income for the year.

The following accounting policies were applied when drawing up the balance sheet and the income statement. Where we derogated from the accounting policies of the previous year, this is discussed at the end of this section under "Derogations from accounting policies". No such derogations were made in 2024.

In accordance with section 340e(2) HGB, all loans and advances are recognised at nominal value. The difference between the amount disbursed and the nominal value is recognised as an accrual. All identifiable individual risks in lending business are taken into account by creating individual impairment allowances and provisions covering claims to principal and interest. Latent risks are taken into account by creating collective impairment allowances. In accordance with IDW RS BFA 7, collective impairment allowances are calculated using an expected credit loss model, with the IFRS 9 methodology being adopted for Stages 1 and 2 and applied to the HGB assessment basis. Taking into account the probability of default, the loss given default and the expected exposure at default, collective impairment allowances are created for latent default risks for all transactions recognised under the balance sheet items "claims on banks" and "claims on customers". In the case of irrevocable loan commitments, latent default risks are accounted for in the form of a provision. All transactions that are not required to be tested for the need to create an individual impairment allowance are assigned to Stage 1 or 2, with the expected 12-month credit loss being calculated for Stage 1 and the lifetime expected credit loss being calculated for Stage 2. As a general rule, all transactions are assigned to Stage 1 when they are booked. If a transaction's risk of default increases significantly compared with its initial recognition, it is assigned to Stage 2 as at the reporting date. The relevant point-in-time parameters for calculating loan loss provisions are determined on the basis of macroeconomic forecasts, which are updated quarterly by Münchener Hypothekenbank's stress-testing committee on the basis of external macroeconomic data. Collective impairment allowances are calculated using probability-weighted results from three scenarios: the baseline scenario, at 70%; the downside scenario, at 30%; and the upside scenario, at 0%.

After a collective impairment allowance is calculated using this standard process, management will evaluate whether it needs to be adjusted. As a general rule, it makes this determination by consulting a specified catalogue of criteria and then evaluating whether economic, technical or procedural issues prevent risks from being fully accounted for by the model. As at 31 December 2024, management made an adjustment totalling EUR 30 million in order to account for potentially increased risks due to current uncertainties relating to market developments affecting individual business in the office property sector in Germany. In determining the amount of the adjustment, it was assumed that the probability of default had increased for this market segment at the individual transaction level.

In addition, contingency reserves were held pursuant to section 340f HGB.

Securities held in the liquidity reserve are measured at cost, at the exchange or market price or at fair value, whichever figure is lower (strict lower of cost or market rule).

Securities held as non-current assets, which are mainly acquired as cover for Public Pfandbriefe and for other coverage purposes, are measured at cost. Discounts and premiums are recognised in net interest income over the term of the securities. Securities associated with swap agreements are measured together with those agreements as a single item. Where derivatives are used for hedging purposes, they are not measured individually.
As was the case in the previous year, securities held as non-current assets that are temporarily impaired were measured in the financial year in accordance with the moderate lower of cost or market rule. Where securities held as non-current assets are assumed to be permanently impaired, they are written down to the exchange or market price or to fair value, whichever is lower.

Borrowed securities are not recognised in the balance sheet.

All interest income and interest expenses from swaps that are assigned to asset/liability management are netted by the Bank. The net amount is then recognised either under "Interest income" or "Interest expenses" in order to present a true and accurate view of the Bank's net assets, financial position and financial performance as required by section 264(2) HGB.

In accordance with the rules applicable to the non-current assets, participating interests and shares in affiliated companies are measured at cost. In the event of impairment that is expected to be permanent, they are written down.

Intangible assets are recognised at cost less accumulated amortisation. Tangible assets are recognised at cost less accumulated depreciation. Scheduled amortisation / depreciation is carried out in line with normal useful life. The normal useful life for software follows from empirical business reality owing to technical innovation. Low-value assets are treated as specified by tax rules. Where an asset is permanently impaired, it is written down.

Assets included under "Other assets" are measured at nominal value or cost in observance of the strict lower of cost or market rule.

Existing deferred taxes from temporary differences between the values recognised for commercial purposes and those recognised for tax purposes are netted. A surplus of deferred tax assets is not recognised in the balance sheet.

Liabilities are recognised in the amount needed to satisfy the obligation. Zero-coupon bonds are recognised at the issue price plus pro-rata interest in accordance with the issuing conditions. The difference between the nominal value of liabilities and the amount disbursed for them is recognised as a deferral. Provisions are created for contingent liabilities in the amount needed to satisfy them in accordance with prudent commercial judgement. Provisions with a remaining term of more than one year are discounted at the relevant average market interest rate.

Provisions for pension obligations are calculated in accordance with the projected unit credit method, using a discount rate of 1.90 percent and a pension increase rate of 2.0 percent. The pension liabilities themselves are calculated on the basis of the mortality tables 2018 G of Klaus Heubeck. In accordance with the rule in section 253(2) HGB, pension provisions are discounted at the average market interest rate over the past ten financial years, with an assumed remaining term of 15 years.

The impact on profit or loss from a change in the discounting rate in connection with pension provisions is recognised under "Other operating income", analogous to the discounting / compounding effect.

The difference between the recognition of provisions for pension obligations in accordance with the corresponding average market interest rate over the past ten financial years and the recognition of the provisions in accordance with the corresponding average market interest rate over the past seven financial years amounted to EUR 223 thousand.

The provisions for phased retirement (Altersteilzeit) are based on actuarial calculations derived from the Heubeck mortality tables 2018 G. The phased retirement provisions are calculated in accordance with actuarial principles using the present value method in line with IDW RS HFA 3. They were discounted at a rate of 1.48%, which corresponds to the average remaining term.

The provisions for long-term service emoluments and for pension benefit obligations are based on actuarial calculations derived from the Heubeck mortality tables 2018 G. Assuming a remaining term of 15 years, these provisions were discounted at the average market interest rate over the past seven financial years, i.e. at 1.96%.

In accordance with section 256a HGB, assets and liabilities denominated in foreign currencies are translated at the ECB's reference rate on the reporting date. The net income / expense from the translation of specially covered foreign currency positions is recognised in the income statement under "Other operating income". Offsetting foreign currency positions are considered to be specially covered if they correspond in terms of amount and maturity.

The net income/expense from the measurement in foreign currency of individual impairment allowances is recognised in the income statement under “Other operating income”.

In the 2024 financial year, these effects from currency translation amounted to EUR 366 thousand, which was recognised under “Other operating expenses” (previous year: EUR 962 thousand recognised under “Other operating income”).

Income and expenses are measured at the respective daily rate.

Notes to the balance sheet – income statement

Maturity analysis by residual term

ASSETS
IN € THOUSAND

	31 Dec. 2024	31 Dec. 2023
Claims on banks	**1,330,371**	**1,251,669**
– Three months or shorter	1,285,926	1,213,007
– Three months to one year	7,517	684
– One year to five years	36,860	12,895
– Five years or longer	68	25,083
Claims on customers	**46,882,324**	**47,477,458**
– Three months or shorter	1,505,574	1,229,134
– Three months to one year	3,447,486	2,637,734
– One year to five years	14,909,249	15,352,799
– Five years or longer	27,020,015	28,257,791
Debt securities and other fixed-income securities, one year or shorter	**113,113**	**161,836**

LIABILITIES
IN € THOUSAND

	31 Dec. 2024	31 Dec. 2023
Liabilities to credit institutions	**4,724,442**	**4,228,202**
– Three months or shorter	1,954,445	1,720,903
– Three months to one year	625,851	394,335
– One year to five years	916,826	761,353
– Five years or longer	1,227,320	1,351,611
Liabilities to customers	**16,535,304**	**16,556,366**
– Three months or shorter	1,559,992	1,435,591
– Three months to one year	1,316,155	1,549,283
– One year to five years	2,149,016	1,961,008
– Five years or longer	11,510,141	11,610,484
Certified liabilities	**30,281,541**	**30,408,685**
Bonds issued		
– Three months or shorter	1,175,841	536,816
– Three months to one year	2,859,505	3,879,991
– One year to five years	14,877,963	13,974,500
– Five years or longer	11,250,393	11,845,451
Other certified liabilities		
– Three months or shorter	19,885	64,622
– Three months to one year	97,954	107,305

Loans and advances to / amounts owed to affiliated companies

LOANS AND ADVANCES TO / AMOUNTS OWED TO AFFILIATED COMPANIES AND COMPANIES IN WHICH THE BANK HOLDS A PARTICIPATING INTEREST

IN € THOUSAND

	Affiliated companies 31 Dec. 2024		Companies in which the Bank holds a participating interest 31 Dec. 2024		Affiliated companies 31 Dec. 2023		Companies in which the Bank holds a participating interest 31 Dec. 2023	
	certificated	non-certificated	certificated	non-certificated	certificated	non-certificated	certificated	non-certificated
Loans and advances to credit institutions	0	0	0	458,637	0	0	0	459,941
Loans and advances to customers	0	0	0	0	0	0	0	0
Debt securities and other fixed-income securities	0	0	92,076	0	0	0	92,075	0
Amounts owed to credit institutions	0	0	0	1,500,625	0	0	0	1,503,336
Amounts owed to customers	0	697	0	0	0	697	0	0
Debts evidenced by certificates	0	0	0	0	0	0	0	0
Subordinated liabilities	0	0	0	0	0	0	0	0

Securities

NEGOTIABLE SECURITIES

IN € THOUSAND

	31 Dec. 2024		31 Dec. 2023	
Asset items	quoted	unquoted	quoted	unquoted
Debt securities and other fixed-income securities	5,432,639	173,220	3,930,120	180,911
Shares and other variable-yield securities	0	0	0	0
Participating interests	0	0	0	0

Special funds

UNITS IN SPECIAL FUNDS
IN € THOUSAND

Name of fund	Investment goal	Value in accordance with sections 168 and 278 of the German Investment Code (*Kapitalanlagegesetzbuch,* KAGB) and section 36 of the German Investment Act (*Investmentgesetz,* InvG), old version, or comparable foreign provisions	Difference to amount carried forward	Distribution made for the financial year
UIN-Fonds Nr. 903	Long-term return and diversification benefits as compared with a direct securities investment, taking the structure of the Bank's portfolio into consideration	156,638	16,638	0

There are no restrictions on the ability to redeem daily.

SUBORDINATED ASSETS
IN € THOUSAND

	31 Dec. 2024	31 Dec. 2023
Debt securities and other fixed-income securities	92,076	92,075

Trading portfolio

As at 31 December 2024, there were no financial instruments in the trading portfolio. During the year under review, the Bank made no changes to its internal criteria for including financial instruments in the trading portfolio.

Non-current assets

CHANGES IN NON-CURRENT ASSETS
IN € THOUSAND

			Amount carried forward	
	Costs	Changes +/–[1]	on the reporting date	previous years
Debt securities and other fixed-income securities	4,135,018	+970,841	5,105,859	4,168,879
Shares and other variable-yield securities	0	0	0	0
Participating interests and shares in cooperatives	102,742	+6,969	109,711	102,742
Shares in affiliated companies	1,151	–10	1,141	1,151

									Change in total amortisation in relation to				Amount carried forward	
	Costs, start of financial year	Additions during the financial year	Disposals during the financial year	Reclassifications during the financial year	Costs, end of financial year	Cumulative amortisation, start of financial year	Amortisation, financial year	Write-ups, financial year	Additions	Disposals	Reclassifications	Cumulative amortisation, end of financial year	on the reporting date	previous years
Intangible assets	19,787	76			19,863	19,439	273					19,712	150	348
a) Internally generated industrial property rights and similar rights and assets	0												0	0
b) Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licences to such rights and assets	19,787	76			19,863	19,439	273					19,712	150	348
Tangible assets	132,654	2,234	1,239		133,649	39,620	3,129			1,239		41,509	92,139	93,034

[1] The option to combine certain items pursuant to section 34(3) RechKredV was utilised

With respect to the other participating interests, there was no evidence that the fair value of the participating interests and shares in cooperatives, the fair value of the shares in affiliated companies or the fair value of shares and other variable-yield securities was lower than the amounts carried forward on the reporting date.

The item "Debt securities and other fixed-income securities" includes securities with an amount carried forward of EUR 3,467,100 thousand (previous year: EUR 1,575,468 thousand), which exceeds the fair value of EUR 3,344,371 thousand (previous year: EUR 1,534,980 thousand). Where these securities are associated with a swap, they are valued together with the swap as a single item. Of the debt securities and other fixed-income securities held as non-current assets, valuation units for hedging purposes within the meaning of section 254 HGB amounted to EUR 4,921 million as at the reporting date.

Securities held as non-current assets that are flagged in the portfolio management system as having an impairment that is not expected to be permanent are measured in accordance with the moderated lower of cost or market rule. Because we intend to hold these securities until maturity, we assume as a general rule that market price-related decreases in value will have no bearing on this and that the securities will be repaid at their nominal value upon maturity. In our opinion, none of the securities in the Bank's portfolio are currently at risk with respect to payments of interest and principal. Accordingly, there is no need for any write-downs as a result of value losses due to credit risk.

Of the securities that are measured in accordance with the moderated lower of cost or market rule, EUR 5,105,859 thousand (previous year: EUR 4,111,030 thousand) are negotiable.

Shareholdings

The Cooperative holds the following participating interests in other companies with which a group relationship exists:

SHAREHOLDINGS

	Share of capital IN %	Equity IN € THOUSAND	Profit/loss IN € THOUSAND
M-Wert GmbH, Munich[1]	100.00	555	219
Immobilienservice GmbH der Münchener Hypothekenbank eG, Munich (profit transfer agreement)[2]	100.00	509	0
M-4tec GmbH, Munich[2]	100.00	588	–8

[1] Annual financial statements 2023.
[2] Annual financial statements 2024.

It was opted to dispense with the preparation of consolidated financial statements, because the results of these companies were of minor significance in presenting a true and accurate view of the Bank's net assets, financial position and financial performance (section 290(5) HGB in conjunction with section 296(2) HGB).

Other participating interests were not listed due to their overall minor significance, as permitted by section 286(3) HGB.

Tangible assets

The item "Tangible assets" includes EUR 51,110 thousand (previous year: EUR 52,068 thousand) attributable to land and buildings in own use, and EUR 4,040 thousand (previous year: EUR 3,465 thousand) attributable to furniture and equipment.

Other assets

The item "Other assets" includes accruals from derivative business in the amount of EUR 52,960 thousand and accruals from commissions for mortgage loans in the amount of EUR 33,423 thousand, which will be paid out after the reporting date, as well as cash collateral in the amount of EUR 22,634 thousand that was provided in connection with the bank levy.

Prepaid expenses / deferred income

PREPAID EXPENSES / DEFERRED INCOME FROM ISSUING AND LENDING BUSINESS
IN € THOUSAND

	31 Dec. 2024	31 Dec. 2023
Assets (Item 11)		
Discounts granted on amounts owed	103,420	116,523
Premiums charged on loans and advances	1,151	1,998
Other accruals	13,366	16,741
Liabilities (Item 5)		
Premiums charged on amounts owed	27,699	32,788
Discounts granted on loans and advances	8,281	818
Other accruals	10,148	13,393

The item "Other accruals" includes compensatory payments made by the Bank to derivative counterparties as a result of the amendment of collateral arrangements or due to agreements relating to the transition from EONIA to €STR. These compensatory payments are recognised in the income statement on a pro rata temporis basis.

Deferred taxes

Because the values recognised in the balance sheet prepared for commercial law purposes differ from those recognised in the balance sheet prepared for tax purposes, based on a tax rate of 32.84%, deferred tax assets arise for the items "Loans and advances to customers", "Shares and other variable-yield securities" and "Provisions". Deferred tax liabilities result from the item "Tangible assets".

The surplus of deferred tax assets remaining after netting is not recognised in the balance sheet.

Assets assigned for the purpose of security

The amount carried forward of assets sold under repurchase agreements (genuine repurchase agreements) amounted to EUR 1,036,224 thousand (previous year: EUR 458,485 thousand). Cash collateral of EUR 709,335 thousand (previous year: EUR 756,370 thousand) was provided in connection with collateral arrangements for derivative transactions. Securities valued at EUR 20,296 thousand (previous year: EUR 20,540 thousand) were pledged to secure pension obligations and claims under the phased retirement model. Securities valued at EUR 20,000 thousand (previous year: EUR 20,000 thousand) were pledged to secure pension benefit obligations under a contractual trust arrangement (CTA). Loan receivables of EUR 706,089 thousand (previous year: EUR 661,665 thousand) were assigned to secure loans obtained from credit institutions.

Cash collateral of EUR 22,634 thousand was provided in accordance with section 12(5) of the German Restructuring Fund Act (*Restrukturierungsfondsgesetz,* RStruktFG).

Other liabilities

The item "Other liabilities" includes deferrals and adjustment items for foreign currency measurement in the amount of EUR 126,417 thousand and relating to derivative business in the amount of EUR 20,253 thousand, as well as interest deferrals from AT1 bonds in the amount of EUR 5,501 thousand and interest deferrals from subordinated liabilities in the amount of EUR 7,920 thousand. In addition, a further liability exists in the amount of EUR 22,634 thousand for cash collateral provided in accordance with section 12(5) RStruktFG.

Subordinated liabilities

Interest expenses of EUR 24,127 thousand (previous year: EUR 8,297 thousand) were incurred in connection with subordinated liabilities.

Subordinated liabilities which individually exceed 10 percent of the overall statement amounted to:

Nominal value	Currency	Interest rate	Maturity
200,000,000.00	EUR	7.125	31 Oct. 2028
122,184,445.39	CHF	4.2525	7 Jun. 2033

The instruments comply with the provisions of Article 63 of the Capital Requirements Regulation (CRR).

Early repayment obligations are excluded in all cases. There are no agreements or plans to convert these funds into capital or another form of debt. The instruments are recognised in the balance sheet at nominal value.

Additional tier 1 capital instruments

Recognised under the item "Additional Tier 1 capital instruments" is AT1 capital in the total nominal value of EUR 10 million and CHF 200 million, respectively, which had an amount carried forward of EUR 212 million measured as at the reporting date. Interest expenses as at the reporting date amounted to EUR 8,842 thousand, of which EUR 5,489 thousand was attributable to interest deferrals.

As at the reporting date of 31 December 2024, there were four bonds in the portfolio:

Nominal value	Currency	Interest rate	Issue date	Next interest rate adjustment (thereafter, every five years)	Margin after interest rate adjustment
125,000,000.00	CHF	3.125	12.12.2019	02.06.2025	3.656
75,000,000.00	CHF	5.750	02.06.2022	02.06.2027	4.945
6,000,000.00	EUR	6.400	10.12.2018	30.11.2028	4.000
4,000,000.00	EUR	6.400	30.11.2018	30.11.2028	4.000

Both CHF bonds were issued in a denomination of CHF 50,000. Both EUR bonds are divided into units of 1 each. The bonds have no final maturity date. The CHF bonds can be called by MHB after 5.0 and 5.5 years, respectively, and the EUR bonds after about five years. The interest rate for the CHF bonds will be adjusted to the 5-year CHF mid-swap rate prevailing on the interest rate adjustment date, plus an additional margin. For the EUR bonds, the interest rate is equal to the yield on government bonds with a remaining term of four to five years, plus an additional margin.

Interest will not be paid if the issuer lacks sufficient distributable items available for distribution, if this is ordered by a competent regulatory authority, or due to non-compliance with buffer requirements concerning capital and reserves.

Interest payments are not cumulative.

The CHF bonds will be written down if MünchenerHyp's common equity Tier 1 ratio (CET1 ratio) falls below 7 percent, and the EUR bonds will be written down if the CET1 ratio falls below 5.125 percent. The bonds can be written up at the full discretion of the issuer. A write-up requires sufficient net income for the year and must not contravene any statutory or official prohibition on distribution.

Under commercial law, this is considered a liability and not capital and reserves.

Members' capital contributions

Members' capital contributions, which are recognised under liabilities item 10aa), can be broken down as follows:

MEMBERS' CAPITAL CONTRIBUTIONS
IN €

	31 Dec. 2024	31 Dec. 2023
Members' capital contributions	1,274,455,700.00	1,271,496,030.00
a) of remaining members	1,261,851,290.00	1,260,874,370.00
b) of former members	11,270,980.00	7,674,170.00
c) relating to terminated capital shares	1,333,430.00	2,947,490.00
Outstanding obligatory payments due on capital shares	0.00	0.00

Revenue reserves

CHANGE IN REVENUE RESERVES
IN € THOUSAND

	Legal reserves	Other revenue reserves
As at 01.01.2024	457,000	6,000
Transfers from unappropriated profit of the previous year		
Transfers from net income of the financial year	50,000	
As at 31 Dec. 2024	507,000	6,000

Use of the average discount rate for ten years instead of seven years resulted in an added expense of EUR 223 thousand. Accordingly, there is no amount under this item that is blocked from distribution. In the previous year, the amount of EUR 319 thousand was blocked from distribution. It was covered by the item "Other revenue reserves".

Foreign currency items

FOREIGN CURRENCY ITEMS
IN € THOUSAND

	31 Dec. 2024	31 Dec. 2023
Assets	6,487,712	6,816,818
Liabilities	5,347,168	6,440,055
Contingent liabilities and other obligations	253,908	236,249

Other obligations

The irrevocable loan commitments included in this item consist almost entirely of mortgage loan commitments made to customers. We expect that the irrevocable loan commitments will be utilised. Because loans are constantly monitored, we consider it unlikely that the contingent liabilities and other obligations will require us to create loan loss provisions.

Loan commitments are shown in the nominal value. If individual provisions are created for irrevocable loan commitments that have not yet been utilised, or if collective provisions are created for latent credit risks, the respective item is reduced by the amount of the provision.

Other operating expenses

This item includes expenses from interest compounding in the amount of EUR 599 thousand (previous year: EUR 655 thousand) that were incurred for created provisions.

Write-downs and impairment allowances on loans and advances and on specific securities, as well as additions to loan loss provisions

The item "Write-downs and impairment allowances on loans and advances and on specific securities, as well as additions to loan loss provisions" amounted to minus EUR 126,774 thousand (previous year: EUR 118,037 thousand). The net change in loan loss provisions (including direct write-offs) amounted to minus EUR 90,137 thousand (previous year: minus EUR 103,708 thousand). The calculation of the collective impairment allowance for the lending business in accordance with IDW RS BFA 7 resulted in an addition of EUR 40,000 thousand (previous year: EUR 10,920 thousand), of which EUR 30,000 thousand (previous year: €0 thousand) was attributable to a management adjustment. The provision for latent default risks for commitments remained unchanged, as was the case in the previous year. In addition, a provision in the amount of EUR 5,093 thousand was created for an open loan commitment at risk of default.

Income taxes

The item includes non-period income of EUR 5,615 thousand (previous year: non-period expenses of EUR 1,771 thousand).

Forwards | Derivatives

The following derivative transactions were entered into for the purpose of managing interest rate and currency risks. These figures do not include derivatives embedded in hedged items.

NOMINAL VALUE
IN € MILLION

	Remaining term of one year or less	Remaining term of one to five years	Remaining term of more than five years	Total	Fair value[1] neg. (–)
Interest rate-related transactions					
Interest rate swaps	14,976	28,979	70,232	114,187	56
Interest rate options					
– Calls	39	600	260	899	18
– Puts	43	196	0	239	–8
Other interest rate contracts	0	6	1,461	1,467	30
Currency-related transactions					
Cross-currency swaps	1,362	1,606	118	3,087	-92
Currency swaps	389	0	0	389	-5

[1] Measurement method:
Interest rate swaps are measured using the present value method based on the current yield curves on the reporting date. In doing so, the cash flows are discounted using market interest rates appropriate to the risk and term. Interest that has accrued but has not yet been paid is left out of consideration. The approach utilises the clean price.
The value of options is calculated using option price models and generally accepted basic assumptions. In general, the price of the underlying and its volatility, the agreed strike price, a risk-free interest rate and the remaining term of the option all factor into the determination of the option's price.

The derivative financial instruments shown above include option trade premiums in the amount of EUR 38.3 million (previous year: EUR 38.7 million), which were recognised under the balance sheet item "Other assets".

Pro-rata interest from derivative transactions was recognised under the balance sheet items "Loans and advances to credit institutions" in the amount of EUR 405.3 million (previous year: EUR 423.4 million) and "Amounts owed to credit institutions" in the amount of EUR 330.4 million (previous year: EUR 350.8 million) and under "Loans and advances to customers" in the amount of EUR 11.2 million (previous year: EUR 8.9 million) and "Amounts owed to customers" in the amount of EUR 15.0 million (previous year: EUR 11.0 million). Compensatory payments made in the amount of EUR 14.6 million (previous year: EUR 13.8 million) were accrued under "Other assets"; compensatory payments received in the amount of EUR 20.3 million (previous year: EUR 20.2 million) were deferred under "Other liabilities".

The balance sheet item "Other liabilities" includes adjustment items in the amount of EUR 126.4 million (previous year: EUR 122.2 million) related to the measurement of foreign currency swaps.

The counterparties to derivative transactions are credit institutions and financial services providers in OECD countries.

Collateral arrangements are in place to reduce credit risks associated with these contracts. These arrangements call for the provision of collateral to cover the net claims/liabilities that result when the positions are netted.

To hedge interest rate risks associated with securities included in the balance sheet item "Debt securities and other fixed-income securities", the Bank created valuation units for hedging purposes in the amount of EUR 4,921 million (previous year: EUR 3,904 million). Because the securities have the same conditions as those of the hedging derivatives, the Bank assumes that the valuation unit will remain effective over the entire term of the transaction. Offsetting changes in value are not recognised; unhedged risks are treated in accordance with general measurement principles. The offsetting value changes for all valuation units totalled EUR 402 million.

Financial instruments carried in the banking book that relate to interest rates, including interest rate derivatives concluded to manage general interest rate risk (asset/liability management), are measured at the net realisable value as part of an overall consideration of all transactions in accordance with IDS FS BFA 3 (new version). For this purpose, the net present values attributable to interest rate changes are compared with the carrying amounts. The amount of the positive difference that results from this is then reduced by the net present value of the risk costs and the net present value of the portfolio management costs. This net present value consideration takes individual refinancing options into account. If this process ultimately culminates in a loss, a provision for onerous contracts is created, which is recognised under "Other provisions". Based on the results of the calculations as at 31 December 2024, there was no need to create a provision.

In the current financial year, interest income of EUR 3,240 million (previous year: EUR 2,313 million) was netted with interest expenses of EUR 2,932 million (previous year: EUR 2,092 million), and the net amount of EUR 307 million (previous year: EUR 221 million) was recognised under "Interest income"

As at the reporting date, the trading portfolio did not contain any derivatives.

Cover calculation

A. MORTGAGE PFANDBRIEFE
IN € THOUSAND

	31 Dec. 2024	31 Dec. 2023
Cover assets	35,954,852	36,310,758
1. Loans and advances to credit institutions (mortgage loans)	14,693	13,719
2. Loans and advances to customers (mortgage loans)	35,887,695	36,244,575
3. Tangible assets (land charges on real estate owned by the Bank)	52,464	52,464
Other cover assets	1,360,000	1,240,400
1. Cash reserves	0	0
1. Other loans and advances to credit institutions	5,000	0
2. Debt securities and other fixed-income securities	1,355,000	1,240,400
Total cover assets	37,314,852	37,551,158
Total Mortgage Pfandbriefe requiring cover	35,156,578	35,241,283
Over-collateralisation	2,158,274	2,309,875

B. PUBLIC PFANDBRIEFE
IN € THOUSAND

	31 Dec. 2024	31 Dec. 2023
Cover assets	1,267,306	1,375,944
1. Loans and advances to credit institutions (public-sector loans)	25,000	25,000
2. Loans and advances to customers (public-sector loans)	1,007,306	1,150,944
3. Debt securities and other fixed-income securities	235,000	200,000
Other cover assets	0	0
1. Other loans and advances to credit institutions	0	0
2. Debt securities and other fixed-income securities	0	0
Total cover assets	1,267,306	1,375,944
Total Public Pfandbriefe requiring cover	1,158,340	1,226,268
Over-collateralisation	108,966	149,677

Publication in accordance with section 28 Pfandbrief Act

Publication pursuant to section 28(1) sentences 1 and 3 of the German Pfandbrief Act

PFANDBRIEFE OUTSTANDING AND COVER ASSETS USED FOR THEM

Q4 2024

PFANDBRIEFE OUTSTANDING AND COVER ASSETS USED FOR THEM
IN € MILLION

	Nominal value		Net present value		Risk-adjusted net present value[1]	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023
Total volume of outstanding Mortgage Pfandbriefe	**35,156.6**	**35,241.3**	**34,145.0**	**33,368.0**	**32,058.4**	**30,922.5**
of which derivatives	–	–	–	–	–	–
Cover pool	37,314.9	37,551.2	37,498.8	36,958.0	34,971.9	34,130.9
of which derivatives	–	–	–	–	–	–
Over-collateralisation	2,158.3	2,309.9	3,353.8	3,590.0	2,913.5	3,208.4
Over-collateralisation, in % of Pfandbriefe outstanding	6.1	6.6	9.8	10.8	9.1	10.4
Statutory over-collateralisation[2]	1,264.4	1,274.0	682.9	667.4		
Contractual over-collateralisation[3]	–	–	–	–		
Voluntary over-collateralisation[4]	893.9	1,035.9	2,670.9	2,922.6		
Over-collateralisation taking into account vdp's credit quality differentiation model	2,158.3	2,309.9	3,353.8	3,590.0		
Over-collateralisation, in % of Pfandbriefe outstanding	6.1	6.6	9.8	10.8		

1 The dynamic approach was used for calculating the risk-adjusted net present value in accordance with section 5(1) no. 2 of the Pfandbrief Net Present Value Regulation (*Pfandbrief-Barwertverordnung*, PfandBarwertV).
2 In accordance with the Nominal value: sum of the nominal value of statutory over-collateralisation pursuant to section 4(2) of the German Pfandbrief Act and the net present value of statutory over-collateralisation pursuant to section 4(1) Pfandbrief Act;
Net present value: net present value of statutory over-collateralisation pursuant to section 4(1) Pfandbrief Act
3 Contractually assured over-collateralisation
4 Residual, depending on the statutory and contractual over-collateralisation; net present value includes the net present value of the nominal value of statutory over-collateralisation pursuant to section 4(2) Pfandbrief Act
Note: Over-collateralisation taking into account vdp's credit quality differentiation model is optional.

PFANDBRIEFE OUTSTANDING AND COVER ASSETS USED FOR THEM

IN € MILLION

	Nominal value		Net present value		Risk-adjusted net present value[1]	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023
Total volume of outstanding Public Pfandbriefe	**1,158.3**	**1,226.3**	**1,292.5**	**1,359.0**	**1,217.7**	**1,256.7**
of which derivatives	–	–	–	–	–	–
Cover pool	1,267.3	1,375.9	1,460.5	1,531.6	1,320.2	1,360.8
of which derivatives	–	–	14.2	14.4	9.3	7.3
Over-collateralisation	109.0	149.6	168.0	172.6	102.5	104.1
Over-collateralisation, in % of Pfandbriefe outstanding	9.4	12.2	13.0	12.7	8.4	8.3
Statutory over-collateralisation[2]	45.5	47.9	25.8	27.2		
Contractual over-collateralisation[3]	–	–	–	–		
Voluntary over-collateralisation[4]	63.5	101.7	142.2	145.5		
Over-collateralisation taking into account vdp's credit quality differentiation model	109.0	149.7	168.0	172.7		
Over-collateralisation, in % of Pfandbriefe outstanding	9.4	12.2	13.0	12.7		

[1] The dynamic approach was used for calculating the risk-adjusted net present value in accordance with section 5(1) no. 2 of the Pfandbrief Net Present Value Regulation (*Pfandbrief-Barwertverordnung*, PfandBarwertV).
[2] In accordance with the Nominal value: sum of the nominal value of statutory over-collateralisation pursuant to section 4(2) of the German Pfandbrief Act and the net present value of statutory over-collateralisation pursuant to section 4(1) Pfandbrief Act;
Net present value: net present value of statutory over-collateralisation pursuant to section 4(1) Pfandbrief Act
[3] Contractually assured over-collateralisation
[4] Residual, depending on the statutory and contractual over-collateralisation; net present value includes the net present value of the nominal value of statutory over-collateralisation pursuant to section 4(2) Pfandbrief Act
Note: Over-collateralisation taking into account vdp's credit quality differentiation model is optional.

Publication pursuant to section 28(1) sentence 1 nos. 4 and 5 of the German Pfandbrief Act

MATURITY STRUCTURE OF PFANDBRIEFE OUTSTANDING AND THE COVER POOLS USED FOR THEM

Q4 2024

MORTGAGE PFANDBRIEFE
IN € MILLION

	Q4 2024		Q4 2023		Q4 2024 Mat-Ex (12 months)[1]	Q4 2023 Mat-Ex (12 months)[1]
Remaining term to maturity:	Pfandbriefe in circulation	Cover pool	Pfandbriefe in circulation	Cover pool	Pfandbriefe in circulation	Pfandbriefe in circulation
≤ 0.5 years	1,298.0	1,605.8	1,866.8	1,590.2	–	–
> 0.5 years and ≤ 1 year	1,636.0	2,055.4	1,392.0	1,494.7	–	–
> 1 year and ≤ 1.5 years	2,190.6	1,822.8	1,308.2	1,417.0	1,298.0	1,866.8
> 1.5 years and ≤ 2 years	2,227.5	1,788.3	1,756.7	2,104.3	1,636.0	1,392.0
> 2 years and ≤ 3 years	3,496.5	3,815.0	3,512.0	3,537.2	4,418.1	3,064.9
> 3 years and ≤ 4 years	2,921.6	2,463.3	3,473.9	3,554.7	3,496.5	3,512.0
> 4 years and ≤ 5 years	2,567.9	2,668.9	3,498.5	2,278.7	2,921.6	3,473.9
> 5 years and ≤ 10 years	8,506.1	10,392.4	8,253.6	10,770.0	9,738.7	10,625.5
> 10 years	10,312.4	10,703.0	10,179.6	10,804.4	11,647.7	11,306.2

PUBLIC PFANDBRIEFE
IN € MILLION

	Q4 2024		Q4 2023		Q4 2024 FäV (12 months)[1]	Q4 2023 FäV (12 months)[1]
Remaining term to maturity:	Pfandbriefe in circulation	Cover pool	Pfandbriefe in circulation	Cover pool	Pfandbriefe in circulation	Pfandbriefe in circulation
≤ 0.5 years	11.3	5.6	56.5	7.2	–	–
> 0.5 years and ≤ 1 year	26.6	4.1	46.8	15.8	–	–
> 1 year and ≤ 1.5 years	91.1	47.9	11.3	13.3	11.3	56.5
> 1.5 years and ≤ 2 years	103.7	12.8	41.6	11.8	26.6	46.8
> 2 years and ≤ 3 years	6.6	30.1	172.2	240.9	194.8	52.9
> 3 years and ≤ 4 years	213.4	73.8	3.0	20.0	6.7	175.2
> 4 years and ≤ 5 years	62.2	55.1	233.4	68.8	213.4	3.0
> 5 years and ≤ 10 years	398.7	122.4	437.6	120.4	203.6	367.4
> 10 years	244.7	915.5	223.9	877.8	501.9	524.5

[1] Effects of an extension of maturity on the maturity structure of the Pfandbriefe / extension scenario: 12 months. This is an extremely unlikely scenario, and it could first come into play after the appointment of a cover pool administrator.

INFORMATION CONCERNING EXTENSION OF THE MATURITY OF THE PFANDBRIEFE

	Q4 2024	Q4 2023
Information concerning extension of the maturity of the Pfandbriefe	Extension of maturity is necessary to avoid the illiquidity of the Pfandbrief bank with limited business activity (prevention of illiquidity), the Pfandbrief bank with limited business activity is not overindebted (no existing overindebtedness), and there is reason to believe that the Pfandbrief bank with limited business activity will be able to meet its liabilities then due after the expiry of the maximum possible extension date, taking into account further possibilities for extension (positive expectation of liability satisfaction). See also section 30(2b) Pfandbrief Act.	Extension of maturity is necessary to avoid the illiquidity of the Pfandbrief bank with limited business activity (prevention of illiquidity), the Pfandbrief bank with limited business activity is not overindebted (no existing overindebtedness), and there is reason to believe that the Pfandbrief bank with limited business activity will be able to meet its liabilities then due after the expiry of the maximum possible extension date, taking into account further possibilities for extension (positive expectation of liability satisfaction). See also section 30(2b) Pfandbrief Act.
Powers of the cover pool administrator in the event of extension of the maturity of the Pfandbriefe	The cover pool administrator may extend the due dates of principal payments if the relevant prerequisites specified in section 30(2b) Pfandbrief Act are met. The cover pool administrator determines the duration of the extension period in line with necessity, but it may not exceed 12 months. The cover pool administrator may extend the due dates of principal and interest payments falling due within one month after their appointment to the end of that one-month period. If the cover pool administrator decides in favour of such an extension, it will be irrefutably presumed that prerequisites specified in section 30(2b) Pfandbrief Act were met. Such an extension is to be taken into account as part of the maximum extension duration of 12 months. The cover pool administrator may only exercise their authority uniformly for all Pfandbriefe of an issue. Maturities may be extended in full or pro rata. The cover pool administrator must extend the maturity for a Pfandbrief issue in such a way that the original order of repayment of the Pfandbriefe, which could be superseded by the extension, remains unchanged ('overtaking ban'). This may also mean that issues that are scheduled to mature later will also need to have their maturities extended. See also section 30(2a) and (2b) Pfandbrief Act.	The cover pool administrator may extend the due dates of principal payments if the relevant prerequisites specified in section 30(2b) Pfandbrief Act are met. The cover pool administrator determines the duration of the extension period in line with necessity, but it may not exceed 12 months. The cover pool administrator may extend the due dates of principal and interest payments falling due within one month after their appointment to the end of that one-month period. If the cover pool administrator decides in favour of such an extension, it will be irrefutably presumed that prerequisites specified in section 30(2b) Pfandbrief Act were met. Such an extension is to be taken into account as part of the maximum extension duration of 12 months. The cover pool administrator may only exercise their authority uniformly for all Pfandbriefe of an issue. Maturities may be extended in full or pro rata. The cover pool administrator must extend the maturity for a Pfandbrief issue in such a way that the original order of repayment of the Pfandbriefe, which could be superseded by the extension, remains unchanged ('overtaking ban'). This may also mean that issues that are scheduled to mature later will also need to have their maturities extended. See also section 30(2a) and (2b) Pfandbrief Act.

Publication pursuant to section 28(2) no. 1(a) of the German Pfandbrief Act, section 28(3) no. 1 of the German Pfandbrief Act and section 28(4) no. 1(a) of the German Pfandbrief Act

CLAIMS USED TO COVER MORTGAGE PFANDBRIEFE, BY SIZE

Q4 2024

COVER ASSETS
IN € MILLION

	Q4 2024	Q4 2023
Up to €300 thousand	20,379.9	20,213.9
More than €300 thousand up to €1 million	5,757.1	5,700.7
More than €1 million up to €10 million	2,349.4	2,716.1
More than €10 million	7,468.5	7,680.1
Total	**35,954.9**	**36,310.8**

CLAIMS USED TO COVER PUBLIC PFANDBRIEFE, BY SIZE

Q4 2024

COVER ASSETS
IN € MILLION

	Q4 2024	Q4 2023
Up to €10 million	26.1	35.9
More than €10 million up to €100 million	401.2	370.0
More than €100 million	840.0	970.0
Total	**1,267.3**	**1,375.9**

Publication pursuant to section 28(2) no. 1(b) and (c) and no. 2 of the German Pfandbrief Act

CLAIMS USED TO COVER MORTGAGE PFANDBRIEFE, BY REGION IN WHICH MORTGAGED REAL ESTATE IS BASED AND TYPE OF USE, AS WELL AS THE TOTAL AMOUNT OF PAYMENTS IN ARREARS FOR LEAST 90 DAYS AND THE TOTAL AMOUNT OF THESE CLAIMS INASMUCH AS THE RESPECTIVE AMOUNT IN ARREARS IS AT LEAST FIVE PERCENT OF THE CLAIM

Q4 2024

MORTGAGE BONDS COVER
IN € MILLION

		Cover assets															
			of which														
			Residential housing						Commercial								
				of which						of which							
Country	Q4	Total	Total	Apartments	One- and two-family homes	Multi-family homes	Buildings under construction	Building land	Total	Office buildings	Retail buildings	Industrial buildings	Other buildings in commercial use	Buildings under construction	Building land	Total amount of the payments in arrears for at least 90 days	Total amount of these claims inasmuch as the respective amount in arrears is at least five percent of the claim
Total – all countries	**year 2024**	**35,954.9**	**29,434.5**	**5,526.7**	**18,445.7**	**5,456.4**	**5.7**	**–**	**6,520.4**	**4,319.6**	**1,949.5**	**4.8**	**246.5**	**–**	**–**	**25.0**	**28.1**
	year 2023	36,310.8	29,352.3	5,470.1	18,275.1	5,599.0	7.4	0.7	6,958.5	4,521.2	2,186.1	6.4	244.8	–	–	15.1	17.7
Germany	year 2024	29,329.5	24,492.6	3,914.9	15,799.8	4,772.2	5.7	–	4,836.9	3,299.3	1,321.2	4.8	211.6	–	–	24.4	27.5
	year 2023	29,173.2	24,190.0	3,787.4	15,471.0	4,923.5	7.4	0.7	4,983.2	3,407.4	1,366.0	6.4	203.4	–	–	14.9	17.3
Belgium	year 2024	71.6	–	–	–	–	–	–	71.6	71.6	–	–	–	–	–	–	–
	year 2023	71.6	–	–	–	–	–	–	71.6	71.6	–	–	–	–	–	–	–
France	year 2024	174.6	–	–	–	–	–	–	174.6	161.6	13.0	–	–	–	–	–	–
	year 2023	217.8	–	–	–	–	–	–	217.8	159.8	58.0	–	–	–	–	–	–
United Kingdom	year 2024	260.4	86.1	–	–	86.1	–	–	174.3	150.0	7.4	–	16.9	–	–	–	–
	year 2023	271.9	82.1	–	–	82.1	–	–	189.8	152.4	14.0	–	23.4	–	–	–	–
Luxembourg	year 2024	100.0	–	–	–	–	–	–	100.0	100.0	–	–	–	–	–	–	–
	year 2023	116.7	–	–	–	–	–	–	116.7	116.7	–	–	–	–	–	–	–
Netherlands	year 2024	727.7	305.5	–	–	305.5	–	–	422.2	191.1	231.1	–	–	–	–	–	–
	year 2023	734.5	293.7	–	–	293.7	–	–	440.8	175.8	265.0	–	–	–	–	–	–
Austria	year 2024	257.0	59.6	16.4	43.0	0.2	–	–	197.4	73.4	106.0	–	18.0	–	–	0.4	0.4
	year 2023	250.7	56.1	16.3	39.6	0.2	–	–	194.6	46.3	130.3	–	18.0	–	–	0.2	0.4
Spain	year 2024	390.4	31.8	–	–	31.8	–	–	358.6	109.1	249.5	–	–	–	–	–	–
	year 2023	479.1	31.8	–	–	31.8	–	–	447.3	116.5	330.8	–	–	–	–	–	–
Switzerland	year 2024	4,198.3	4,198.3	1,595.4	2,602.9	–	–	–	–	–	–	–	–	–	–	0.2	0.2
	year 2023	4,430.9	4,430.9	1,666.4	2,764.5	–	–	–	–	–	–	–	–	–	–	–	–
USA	year 2024	445.4	260.6	–	–	260.6	–	–	184.8	163.5	21.3	–	–	–	–	–	–
	year 2023	564.4	267.7	–	–	267.7	–	–	296.7	274.7	22.0	–	–	–	–	–	–

Publication pursuant to section 28(3) no. 2 of the German Pfandbrief Act

CLAIMS USED TO COVER PUBLIC PFANDBRIEFE

Q4 2024

VOLUME OF CLAIMS USED TO COVER PUBLIC PFANDBRIEFE
IN € MILLION

		Cover assets									
		Total		of which owed by				of which guaranteed by			
Country	Q4		Guarantees included in the total that were granted for reasons of promoting exports	Central government	Regional authorities	Local authorities	Other	Central government	Regional authorities	Local authorities	Other
Total – all countries	**year 2024**	**1,267.3**	**–**	**120.0**	**905.0**	**167.3**	**75.0**	**–**	**–**	**–**	**–**
	year 2023	1,375.9	–	120.0	1,135.0	35.9	85.0	–	–	–	–
Germany	year 2024	1,112.3	–	–	870.0	167.3	75.0	–	–	–	–
	year 2023	1,220.9	–	–	1,100.0	35.9	85.0	–	–	–	–
Austria	year 2024	155.0	–	120.0	35.0	–	–	–	–	–	–
	year 2023	155.0	–	120.0	35.0	–	–	–	–	–	–

Publication pursuant to section 28(3) no. 3 of the German Pfandbrief Act

TOTAL AMOUNT OF PAYMENTS IN ARREARS FOR LEAST 90 DAYS ON CLAIMS USED TO COVER PUBLIC PFANDBRIEFE AND THE TOTAL AMOUNT OF THESE CLAIMS INASMUCH AS THE RESPECTIVE AMOUNT IN ARREARS IS AT LEAST FIVE PERCENT OF THE CLAIM

Q4 2024

AMOUNT OF CLAIMS IN ARREARS ON PUBLIC-SECTOR PFANDBRIEFE
IN € MILLION

		Total amount of payments in arrears for least 90 days					Total amount of these claims inasmuch as the respective amount in arrears is at least five percent of the claim				
			of which					of which			
Staat	Q4	Total	Central government	Regional authorities	Local authorities	Other	Total	Central government	Regional authorities	Local authorities	Other
Total – all countries	**year 2024**	–	–	–	–	–	–	–	–	–	–
	year 2023	–	–	–	–	–	–	–	–	–	–

Publication pursuant to section 28(1) sentence 1 nos. 8, 9 and 10 of the German Pfandbrief Act

OTHER COVER ASSETS – DETAILED PRESENTATION FOR MORTGAGE PFANDBRIEFE

Q4 2024

OTHER COVER ASSETS – DETAILED PRESENTATION FOR MORTGAGE PFANDBRIEFE
IN € MILLION

		Other cover assets for Mortgage Pfandbriefe in accordance with section 19(1) sentence 1 no. 2(a) and (b), section 19(1) sentence 1 no. 3(a) to (c), section 19(1) sentence 1 no. 4					
			of which				
			Claims referred to in section 19(1) sentence 1 no. 2(a) and (b)		Claims referred to in section 19(1) sentence 1 no. 3(a) to (c)		
				of which		of which	
Country	Q4	Total	Total	covered bonds referred to in Article 129 of Regulation (EU) No 575/2013	Total	covered bonds referred to in Article 129 of Regulation (EU) No 575/2013	Claims referred to in section 19(1) sentence 1 no. 4
Total – all countries	**year 2024**	**1,360.0**	**5.0**	**–**	**–**	**–**	**1,355.0**
	year 2023	1,240.4	–	–	–	–	1,240.4
Germany	year 2024	1,360.0	5.0	–	–	–	1,355.0
	year 2023	1,230.0	–	–	–	–	1,230.0
Austria	year 2024	–	–	–	–	–	–
	year 2023	10.4	–	–	–	–	10.4

Publication pursuant to section 28(1) sentence 1 nos. 8 and 9 of the German Pfandbrief Act

OTHER COVER ASSETS – DETAILED PRESENTATION FOR PUBLIC PFANDBRIEFE

Q4 2024

OTHER COVER ASSETS – DETAILED PRESENTATION FOR PUBLIC PFANDBRIEFE

IN € MILLION

		Other cover assets for Public Pfandbriefe in accordance with section 20(2) sentence 1 no. 2, section 20(2) sentence 1 no. 3(a) to (b), section 20(2) sentence 1 no. 4						
			of which					
			Claims referred to in section 20(2) sentence 1 no. 2		Claims referred to in section 20(2) sentence 1 no. 3(a) to (b)		Claims referred to in section 20(2) sentence 1 no. 4	
				of which		of which		of which
Country	Q4	Total	Total	covered bonds referred to in Article 129 of Regulation (EU) No 575/2013	Total	covered bonds referred to in Article 129 of Regulation (EU) No 575/2013	Total	covered bonds referred to in Article 129 of Regulation (EU) No 575/2013
Total – all countries	**year 2024**	–	–	–	–	–	–	–
	year 2023	14.4	–	–	14.4	–	–	–
Germany	year 2024	–	–	–	–	–	–	–
	year 2023	14.4	–	–	14.4	–	–	–

Publication pursuant to section 28(1) sentence 1 nos. 6, 7, 11, 12, 13, 14 and 15 of the German Pfandbrief Act and section 28(2) sentence 1 nos. 3 and 4 of the German Pfandbrief Act

KEY FIGURES CONCERNING PFANDBRIEFE OUTSTANDING AND COVER ASSETS USED FOR THEM

Q4 2024

MORTGAGE PFANDBRIEFE

		Q4 2024	Q4 2023
Pfandbriefe outstanding	in € million	35,156.6	35,241.3
of which share of fixed-rate Pfandbriefe Section 28(1) no. 13 (weighted average)	%	94.7	96.1
Cover pool	in € million	37,314.9	37,551.2
of which total amount of the claims specified in section 12(1) that exceed the limits specified in section 13(1) sentence 2, second half-sentence Section 28(1) sentence 1 no. 11	in € million	–	–
of which total amount of the assets specified in section 19(1) that exceed the limits specified in section 19(1) sentence 7 Section 28(1) sentence 1 no. 11	in € million	–	–
claims that exceed the limits specified in section 19(1) no. 2, Section 28(1) sentence 1 no. 12	in € million	–	–
claims that exceed the limits specified in section 19(1) no. 3, Section 28(1) sentence 1 no. 12	in € million	–	–
claims that exceed the limits specified in section 19(1) no. 4, Section 28(1) sentence 1 no. 12	in € million	–	–
of which share of the fixed-rate cover pool Section 28(1) no. 13	%	95.7	95.9
Net present value in accordance with section 6 of the German Pfandbrief Net Present Value Regulation (*Pfandbrief-Barwertverordnung,* PfandBarwertV) for each foreign currency in € million, Section 28(1) no. 14 (netted assets and liabilities)	CAD	–	–
	CHF	1,113.3	870.9
	CZK	–	–
	DKK	–	–
	GBP	265.2	-113.6
	HKD	–	–
	JPY	–	–
	NOK	–	–
	SEK	–	–
	USD	164.6	-19.6
	AUD	–	–
Volume-weighted average of the age of the claims (term elapsed since the loan was granted – seasoning), Section 28(2) no. 4	Years	5.7	5.3
Average weighted loan-to-value ratio, Section 28(2) no. 3	%	52.2	52.4
Average weighted loan-to-value ratio based on market value – voluntary disclosure – (average)	%	–	–

MORTGAGE PFANDBRIEFE

		Q4 2024	Q4 2023
Key figures concerning liquidity in accordance with section 28(1) sentence 1 no. 6 Pfandbrief Act			
Largest negative total within the next 180 days within the meaning of section 4(1a) sentence 3 Pfandbrief Act that results for Pfandbriefe (liquidity need)	in € million	405.2	581.7
Day on which the largest negative total results	Day (1–180)	73	179
Total amount of cover assets meeting the requirements of section 4(1a) sentence 3 (Pfandbrief Act) (liquidity coverage)	in € million	1,448.8	1,324.1
Key figures in accordance with section 28(1) sentence 1 no. 7 Pfandbrief Act			
Share of derivative transactions included in the cover pools in accordance with section 19(1) sentence 1 no. 1 (credit quality step 3)	%	–	–
Share of derivative transactions included in the cover pools in accordance with section 19(1) sentence 1 no. 2(c) (credit quality step 2)	%	–	–
Share of derivative transactions included in the cover pools in accordance with section 19(1) sentence 1 no. 3(d) (credit quality step 1)	%	–	–
Share of derivative transactions included in liabilities to be covered in accordance with section 19(1) sentence 1 no. 1 (credit quality step 3)	%	–	–
Share of derivative transactions included in liabilities to be covered in accordance with section 19(1) sentence 1 no. 2(c) (credit quality step 2)	%	–	–
Share of derivative transactions included in liabilities to be covered in accordance with section 19(1) sentence 1 no. 3(d) (credit quality step 1)	%	–	–
Key figures in accordance with section 28(1) sentence 1 no. 15 Pfandbrief Act			
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Article 178(1) CRR is deemed to have occurred.	%	0.5	0.7

Publication pursuant to section 28(1) sentence 1 nos. 6, 7, 11, 12, 13, 14 and 15 of the German Pfandbrief Act and section 28(2) sentence 1 nos. 3 and 4 of the German Pfandbrief Act

KEY FIGURES CONCERNING PFANDBRIEFE OUTSTANDING AND COVER ASSETS USED FOR THEM

Q4 2023

PUBLIC PFANDBRIEFE

		Q4 2024	Q4 2023
Pfandbriefe outstanding	in € million	1,158.3	1,226.3
of which share of fixed-rate Pfandbriefe, Section 28(1) no. 13 (weighted average)	%	91.3	91.0
Cover pool	in € million	1,267.3	1,375.9
of which total amount of the claims specified in section 20(1) and (2) that exceed the limits specified in section 20(3), Section 28(1) sentence 1 no. 11	in € million	–	–
Claims that exceed the limits specified in section 20(2) no. 2, Section 28(1) sentence 1 no. 12	in € million	–	–
Claims that exceed the limits specified in section 20(2) no. 3, Section 28(1) sentence 1 no. 12		–	
of which share of the fixed-rate cover pool, Section 28(1) no. 13	%	94.1	94.6
Net present value in accordance with section 6 PfandBarwertV for each foreign currency in € million, Section 28(1) no. 14 (netted assets and liabilities)	CAD	–	–
	CHF	–	–
	CZK	–	–
	DKK	–	–
	GBP	–	–
	HKD	–	–
	JPY	–	–
	NOK	–	–
	SEK	–	–
	USD	–	–
	AUD	–	–

PUBLIC PFANDBRIEFE

		Q4 2024	Q4 2023
Key figures concerning liquidity in accordance with section 28(1) sentence 1 no. 6 Pfandbrief Act			
Largest negative total within the next 180 days within the meaning of section 4(1a) sentence 3 Pfandbrief Act that results for Pfandbriefe (liquidity need)	in € million	13.6	58.7
Day on which the largest negative total results	Day (1–180)	92	115
Total amount of cover assets meeting the requirements of section 4(1a) sentence 3 (Pfandbrief Act) (liquidity coverage)	in € million	205.1	158.5
Key figures in accordance with section 28(1) sentence 1 no. 7 Pfandbrief Act			
Share of derivative transactions included in the cover pools in accordance with section 20(2) sentence 1 no. 1 (credit quality step 3)	%	–	–
Share of derivative transactions included in the cover pools in accordance with section 20(2) sentence 1 no. 2 (credit quality step 2)	%	1.1	1.0
Share of derivative transactions included in the cover pools in accordance with section 20(2) sentence 1 no. 3(c) (credit quality step 1)	%	–	–
Share of derivative transactions included in liabilities to be covered in accordance with section 20(2) sentence 1 no. 1 (credit quality step 3)	%	–	–
Share of derivative transactions included in liabilities to be covered in accordance with section 20(2) sentence 1 no. 2 (credit quality step 2)	%	–	–
Share of derivative transactions included in liabilities to be covered in accordance with section 20(2) sentence 1 no. 3(c) (credit quality step 1)	%	–	–
Key figures in accordance with section 28(1) sentence 1 no. 15 Pfandbrief Act			
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Article 178(1) CRR is deemed to have occurred	%	–	–

Publication pursuant to section 28(1) sentence 1 no. 2 of the German Pfandbrief Act

LIST OF INTERNATIONAL SECURITIES IDENTIFICATION NUMBERS (ISIN) OF THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION, BY PFANDBRIEF TYPE

Q4 2024

MORTGAGE PFANDBRIEFE

	Q4 2024	Q4 2023
ISIN	CH0386949314, CH0417086086, CH0460872341, CH0463112059, CH0471297991, CH0481013768, CH1100259808, CH1122290237, CH1131931375, CH1137407453, CH1139995810, CH1175016091, CH1195555409, CH1233900005, CH1271360427, DE000A254ZY0, DE000A2AASW0, DE000A2G9GY4, DE000A2GS2H6, DE000A2GSRM2, DE000A2LQ4R6, DE000A2LQ4T2, DE000A2TSS66, DE000A2YNRE3, DE000A30V3D6, DE000A30V3E4, DE000A351LJ5, DE000A3E5FC1, DE000A3E5P03, DE000A3H2002, DE000A3H2YT0, DE000A3H3JW3, DE000MHB10J3, DE000MHB13J7, DE000MHB17J8, DE000MHB18J6, DE000MHB1954, DE000MHB19J4, DE000MHB20J2, DE000MHB2234, DE000MHB2242, DE000MHB22J8, DE000MHB2317, DE000MHB2440, DE000MHB2457, DE000MHB25J1, DE000MHB2648, DE000MHB2697, DE000MHB26J9, DE000MHB2705, DE000MHB2721, DE000MHB2739, DE000MHB2754, DE000MHB27J7, DE000MHB2812, DE000MHB2820, DE000MHB2838, DE000MHB2853, DE000MHB2861, DE000MHB28J5, DE000MHB2978, DE000MHB2994, DE000MHB29J3, DE000MHB30J1, DE000MHB31J9, DE000MHB32J7, DE000MHB33J5, DE000MHB34J3, DE000MHB35J0, DE000MHB36J8, DE000MHB37J6, DE000MHB38J4, DE000MHB39J2, DE000MHB4057, DE000MHB40J0, DE000MHB4107, DE000MHB4149, DE000MHB4156, DE000MHB4214, DE000MHB4289, DE000MHB4297, DE000MHB4305, DE000MHB4388, DE000MHB4396, DE000MHB4412, DE000MHB4420, DE000MHB4479, DE000MHB4487, DE000MHB4529, DE000MHB4552, DE000MHB4560, DE000MHB4586, DE000MHB4636, DE000MHB4651, DE000MHB4669, DE000MHB4677, DE000MHB4685, DE000MHB4719, DE000MHB4727, DE000MHB4735, DE000MHB4750, DE000MHB4776, DE000MHB4784, DE000MHB4792, DE000MHB4818, DE000MHB4826, DE000MHB4842, DE000MHB4867, DE000MHB4875, DE000MHB4917, DE000MHB4925, DE000MHB4933, DE000MHB4958, DE000MHB4966, DE000MHB4974, DE000MHB61H0, DE000MHB9171	CH0386949314, CH0417086086, CH0438965532, CH0457206842, CH0460872341, CH0463112059, CH0471297991, CH0481013768, CH1100259808, CH1122290237, CH1131931375, CH1137407453, CH1139995810, CH1175016091, CH1195555409, CH1233900005, CH1271360427, DE000A11QCG1, DE000A254ZY0, DE000A2AASW0, DE000A2G9GY4, DE000A2GS2H6, DE000A2GSRM2, DE000A2LQ4R6, DE000A2LQ4T2, DE000A2TR7N9, DE000A2TSS66, DE000A2YNRE3, DE000A30V3C8, DE000A30V3D6, DE000A30V3E4, DE000A351LJ5, DE000A3E5FC1, DE000A3E5P03, DE000A3H2002, DE000A3H2YT0, DE000A3H3JW3, DE000MHB10J3, DE000MHB12J9, DE000MHB13J7, DE000MHB17J8, DE000MHB18J6, DE000MHB1954, DE000MHB19J4, DE000MHB20J2, DE000MHB2234, DE000MHB2242, DE000MHB2283, DE000MHB22J8, DE000MHB2317, DE000MHB2374, DE000MHB2440, DE000MHB2457, DE000MHB25J1, DE000MHB2648, DE000MHB2697, DE000MHB26J9, DE000MHB2705, DE000MHB2721, DE000MHB2739, DE000MHB2754, DE000MHB27J7, DE000MHB2812, DE000MHB2820, DE000MHB2838, DE000MHB2853, DE000MHB2861, DE000MHB28J5, DE000MHB2945, DE000MHB2960, DE000MHB2978, DE000MHB2994, DE000MHB29J3, DE000MHB30J1, DE000MHB31J9, DE000MHB32J7, DE000MHB33J5, DE000MHB34J3, DE000MHB35J0, DE000MHB36J8, DE000MHB37J6, DE000MHB4057, DE000MHB4107, DE000MHB4149, DE000MHB4156, DE000MHB4214, DE000MHB4289, DE000MHB4297, DE000MHB4305, DE000MHB4388, DE000MHB4396, DE000MHB4412, DE000MHB4420, DE000MHB4446, DE000MHB4479, DE000MHB4487, DE000MHB4529, DE000MHB4552, DE000MHB4560, DE000MHB4586, DE000MHB4610, DE000MHB4636, DE000MHB4644, DE000MHB4651, DE000MHB4669, DE000MHB4677, DE000MHB4685, DE000MHB4693, DE000MHB4701, DE000MHB4719, DE000MHB4727, DE000MHB4735, DE000MHB4743, DE000MHB4750, DE000MHB4776, DE000MHB4784, DE000MHB4792, DE000MHB4818, DE000MHB4826, DE000MHB4842, DE000MHB4859, DE000MHB4867, DE000MHB4875, DE000MHB4883, DE000MHB4891, DE000MHB61H0, DE000MHB9171

PUBLIC PFANDBRIEFE

	Q4 2024	Q4 2023
ISIN	DE000MHB3349	DE000MHB3349

INTEREST ARREARS UNDER MORTGAGES USED AS COVER

INTEREST ARREARS UNDER MORTGAGES USED AS COVER
IN € THOUSAND

	Total		of which residential		of which commercial	
	2024	2023	2024	2023	2024	2023
Interest arrears	583	414	582	414	1	0

FORECLOSURES AND RECEIVERSHIPS INVOLVING MORTGAGES USED AS COVER

FORECLOSURES AND RECEIVERSHIPS INVOLVING MORTGAGES USED AS COVER

	Total		of which residential		of which commercial	
Pending on the reporting date	2024	2023	2024	2023	2024	2023
– Foreclosure proceedings	105	68	104	67	1	1
– Receivership proceedings	4	6	2	4	2	2
	1[1]	4[1]	1[1]	4[1]	0[1]	0[1]
Foreclosure proceedings completed in the financial year	30	20	30	20	0	0

[1] of which included in the pending foreclosures

We did not need to take possession of any properties during the reporting year in order to salvage our claims.

OTHER DISCLOSURES

Change in membership

CHANGE IN MEMBERSHIP

	Number of members
Start of 2024	56,959
Joined in 2024	375
Left in 2024	2711
End of 2024	54,623

	€
The capital contributions of the remaining members increased in the financial year by	976,920.00
Amount of each capital share	70.00
Amount of liability	0.00

Personnel figures

In the reporting year, the Bank had on average

	Male	Female	Total
Full-time employees	306.50	177.50	484.00
Part-time employees	45.00	135.30	180.30
Total employees	351.50	312.80	664.30
The figures do not include			
Trainees	4.80	8.30	13.10
Employees on parental leave, in pre-retirement transition or in phased retirement (leave phase), or employees placed on leave	13.30	23.80	37.10

Special disclosure requirements

Information that Münchener Hypothekenbank is required to disclose in accordance with Part 8 of the CRR (Articles 435 to 455) will be published by the Bank in a separate disclosure report in the Federal Gazette (Bundesanzeiger), as well as on the Bank's website.

In accordance with section 26a(1) sentence 4 of the German Banking Act (Kreditwesengesetz, KWG), net profit amounted to 0.1936 percent of total assets.

Proposal for the appropriation of profit

Net income for the year amounted to EUR 105,556,908.99. These annual financial statements show an advance allocation of EUR 50,000,000.00 to legal reserves.

Unappropriated profit amounted to EUR 56,246,930.38.

The following allocation of unappropriated profit will be proposed to the Delegates Meeting:

4.00 % dividend	EUR 50,652,000.00
Additional allocation to legal reserve	EUR 5,000,000.00
Carried forward to new account	EUR 594,930.37

Company name

Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10 | 80539 Munich
Register of Cooperatives maintained by the Local Court of Munich
Gen.-Reg 396

GOVERNING BODIES

Supervisory Board

Dr. Hermann Starnecker
Spokesman of the Board of Management
VR Bank Augsburg-Ostallgäu eG
Chairman of the Supervisory Board

Gregor Scheller
President and Chairman of the Board of
Genossenschaftsverband Bayern e.V. (until 31 July 2024)
Bank director, retired (from 1 August 2024)
Deputy Chairman of the Supervisory Board

HRH Anna Duchess in Bavaria
Entrepreneur

Dr Nadine Becken (since 19 April 2024)
Entrepreneur

Ute Heilig (since 19 April 2024)
Member of the Board of Management
Frankfurter Volksbank Rhein/Main eG
(formerly Member of the Board of Management
Raiffeisen-Volksbank Aschaffenburg eG)

Thomas Höbel (until 19 April 2024)
Bank director, retired

Josef Hodrus
Spokesman of the Board of Management
Volksbank Allgäu-Oberschwaben eG

Jürgen Hölscher
Member of the Board of Management
Emsländische Volksbank eG

Rainer Jenniches (until 19 April 2024)
Chairman of the Board of Management
VR-Bank Bonn Rhein-Sieg eG (until 31 March 2024)
Bank director, retired (from 1 April 2024)

Reimund Käsbauer
Employee representative

Michael Schäffler
Employee representative

Claudia Schirsch
Employee representative

Kai Schubert
Member of the Board of Management
Raiffeisenbank Südstormarn Mölln eG

Frank Wolf-Kunz
Employee representative

Board of Management

Dr Holger Horn
Chairman

Ulrich Scheer
Member of the Management Board

Markus Wirsen
Member of the Management Board

As at the reporting date, there were no loans to members of the Supervisory Board (previous year: loans of EUR 459 thousand). As in the previous year, the portfolio did not include any loans to members of the Board of Management. Pension provisions of EUR 19,968 thousand (previous year: EUR 20,825 thousand) were created for former members of the Board of Management and their survivors. Total compensation paid in the reporting year amounted to the following: to members of the Board of Management, EUR 2,186 thousand (previous year: EUR 1,921 thousand), to members of the Supervisory Board, EUR 546 thousand (previous year: EUR 489 thousand), and to members of the Advisory Committee, EUR 45 thousand (previous year: EUR 41 thousand). Total compensation paid to former members of the Board of Management and their survivors amounted to EUR 1,801 thousand (previous year: EUR 2,101 thousand).

AUDITING ASSOCIATION

Deutscher Genossenschafts- und Raiffeisenverband e. V. (DGRV), Linkstraße 12, Berlin

The statutory audit was conducted on behalf of DGRV by Baden-Württembergischer Genossenschaftsverband e. V. (BWGV), Am Rüppurrer Schloss 40, Karlsruhe.

The total fee paid to the statutory auditor amounted to EUR 943 thousand (previous year: EUR 855 thousand), not including value-added tax. The expenses were as follows:

TOTAL FEE PAID TO THE STATUTORY AUDITOR
IN € THOUSAND

	BWGV 31.12.2024	BWGV 31.12.2023	DGRV 31.12.2023
For statutory audit services	877	811	29
Other assurance services	66	44	0
Tax advisory services	0	0	0
Other services	0	0	0

CONTINGENT LIABILITY

Our Bank is a member of the protection scheme run by the National Association of German Cooperative Banks (BVR). As required by the statute of the protection scheme, we have issued a guarantee to the BVR, which is associated with a possible commitment of EUR 39,977 thousand. In addition, in accordance with Article 7 of the declaration of accession and commitment under which we joined the institutional protection scheme run by BVR Institutssicherung GmbH (BVR-ISG), we have issued a contribution guarantee to BVR-ISG. This concerns special contributions and special payments in the event that the available financial resources are not sufficient to compensate possible losses suffered by depositors of one of the CRR credit institutions belonging to the institutional protection scheme, as well as top-up obligations in accordance with cover measures.

Munich, 4 February 2025

Münchener Hypothekenbank eG

The Board of Management

Dr. Holger Horn
CEO

Ulrich Scheer
CFO

Markus Wirsen
CRO

REPORT OF THE INDEPENDENT STATUTORY AUDITOR

To Münchener Hypothekenbank eG, Munich

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Audit opinions

We audited the annual financial statements of Münchener Hypothekenbank eG, Munich (hereinafter the "Cooperative"), which comprise the balance sheet as at 31 December 2024, the income statement, the cash flow statement and the statement of changes in capital and reserves for the financial year from 1 January to 31 December 2024, as well as the notes to the financial statements, including the accounting policies. In addition, we audited the management report of the Cooperative for the financial year from 1 January to 31 December 2024. In accordance with German statutory requirements, we did not audit the content of the parts of the management report specified in the section entitled "Other information".

In our opinion, on the basis of the knowledge obtained during our audit:

- the accompanying annual financial statements comply in all material respects with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB) applicable to cooperatives and present a true and fair view of the Cooperative's net assets and financial position as at 31 December 2024 and its financial performance for the financial year 1 January to 31 December 2024 in accordance with German standards of proper accounting, and
- the accompanying management report as a whole provides an accurate view of the Cooperative's position. The management report is consistent with the annual financial statements in all material respects, complies with German statutory requirements and accurately depicts the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the parts of the management report specified in the section entitled "Other information".

Pursuant to section 322(3) sentence 1 HGB, we declare that our audit has not led to any reservations concerning the regularity of the annual financial statements or the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in conformity with section 53(2) of the German Cooperatives Act (*Genossenschaftsgesetz,* GenG), sections 340k and 317 HGB and EU Audit Regulation No 537/2014 (hereinafter the "EU Audit Regulation"), as well as in accordance with the German standards for proper statutory audits promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland,* IDW). Our responsibility under these provisions and standards is described in greater detail in the section of our auditor's report entitled "Responsibility of the statutory auditor for the audit of the annual financial statements and the management report". We are independent of the Cooperative, as required under EU law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in conformity with these requirements. In addition, in accordance with section 10(2)(f) of the EU Audit Regulation in conjunction with sections 55(2) and 38(1a) GenG, we declare that no persons employed by us who could influence the outcome of the audit have provided any non-audit services prohibited under section 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions concerning the annual financial statements and management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were taken into account in connection with our audit of the annual financial statements as a whole and in the formation of our audit opinion thereon; we do not express a separate audit opinion on these matters.

We consider the following to be the key audit matter:

a) Matter and issue

Loans and advances to customers, netted against the loan loss provisions that were created, amount to EUR 46.9 billion. In this item, commercial loans (individual customer business) play a significant role in terms of risk. Most of the loans and advances are secured by mortgages.

The identification of impairments and the calculation of individual impairment allowances, as well as the measurement of provisions for contingent liabilities, are subject to significant estimation uncertainties and the use of discretion. There is a risk to the annual financial statements if an impairment is not identified in a timely manner or if the amount of an impairment allowance is influenced by the respective borrower's financial position and performance or by the valuation of the loan collateral. Particularly in the case of commercial financing, valuation parameters have a significant impact on the value of the collateral. Furthermore, the assessment of the sustained ability to service debt depends on external factors, such as the general rise in interest rates, as well as on estimates with respect to the borrower's future financial performance. Therefore, accurately measuring loans and advances in commercial and individual customer business is of critical importance for the annual financial statements and, in particular, for financial performance, and in our opinion, it constitutes a key audit matter.

b) Audit approach and findings

We first evaluated whether the Bank's systems and processes are structured in such a way that acute risks are identified with adequate certainty and, where necessary, sufficient loan loss provisions are created.

We then assured ourselves through spot checks that the arrangements and processes functioned properly. In doing so, we focused in particular on the relevant controls established by the Bank.

Based on the findings from the audits of structure, process and effectiveness, we performed audit procedures to identify credit exposures showing evidence of acute risk of default. In this regard, we evaluated the Bank's total portfolio with respect to the audit criteria we had established.

Based on this, we purposely audited select credit exposures with regard to the necessity and appropriateness of a loan loss provision. In doing so, we also evaluated whether the valuation parameters that were applied in the appraisals and the assumptions that were made are appropriate and reasonable. We also relied on publicly available market data in doing this.

c) Reference to further information

Other disclosures by the Bank concerning the recognition and measurement of loans and advances in lending business are contained in the notes in the section "General disclosures concerning accounting policies".

The management report contains remarks on credit structures and about the procedures for risk identification.

Other information

The Board of Management and the Supervisory Board are responsible for the other information.

Other information includes:

- the corporate governance statement required by section 289f(4) HGB, which is included in the section of the management report entitled "Executive bodies, committees and employees" (disclosures on the proportion of women),
- the non-financial statement required by section 289b(1) HGB, which is included in the section of the management report entitled "Non-financial statement".

The other information also comprises:

- the other parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements and management report as well as our auditor's report.

Our audit opinions concerning the annual financial statements and the management report do not cover the other information, and as a result, we do not express an audit opinion or any other form of audit conclusion concerning it.

In connection with our audit, our responsibility is to read the other information and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the portions of the management report that we audited or with the knowledge we obtained as part of our audit or
- otherwise appears to be materially misstated.

Responsibility of the Board of Management and the Supervisory Board for the annual financial statements and the management report

The Board of Management of the Cooperative is responsible for preparing annual financial statements that comply in all material respects with the provisions of German commercial law applicable to capital market-oriented credit cooperatives and for ensuring that they present a true and fair view of the Cooperative's net assets, financial position and financial performance, in accordance with German standards of proper accounting. In addition, the Board of Management is responsible for the internal controls that it has specified as necessary in accordance with German standards of proper accounting to facilitate the preparation of annual financial statements that are free from material misstatement, due to either fraud (i.e. manipulation of accounts or misappropriation of assets) or error.

In preparing the annual financial statements, the Board of Management is responsible for assessing the Cooperative's ability to continue as a going concern. It is also responsible for disclosing, where relevant, matters concerning the ability of the Cooperative to continue as a going concern. Moreover, it is responsible for using the going concern basis of accounting, unless factual or legal circumstances prevent this.

In addition, the Board of Management is responsible for preparing a management report that as a whole provides an accurate view of the Cooperative's position, is consistent in all material respects with the annual financial statements, complies with German statutory requirements and appropriately presents the opportunities and risks of future development. Moreover, the Board of Management is responsible for the arrangements and measures (systems) that it considers necessary in order to facilitate the preparation of a management report in conformity with applicable German statutory requirements and to enable sufficient and appropriate evidence to be provided for the statements in the management report.

The Supervisory Board is responsible for monitoring the Cooperative's accounting process with respect to the preparation of the annual financial statements and the management report.

Responsibility of the statutory auditor for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, due to either fraud or error, and about whether the management report as a whole gives an accurate view of the Cooperative's position and in all material respects is consistent with the annual financial statements and the knowledge obtained during the audit, complies with German statutory requirements and accurately depicts the opportunities and risks of future development, as well as to issue an auditor's report containing our audit opinions concerning the annual financial statements and management report.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with section 53(2) GenG, sections 340k and 317 HGB and the EU Audit Regulation and in compliance with the German standards for proper statutory audits promulgated by the IDW will always detect a material misstatement. Misstatements may be the result of fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatements in the annual financial statements and the management report, due to either fraud or error and then design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than in the case of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal control;
- Obtain an understanding of the internal control system relevant to the audit of the annual financial statements and of the arrangements and measures relevant to the audit of the management report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems;
- Evaluate the appropriateness of accounting policies applied by the Board of Management and the reasonableness of accounting estimates made by the Board of Management and related disclosures;

- Draw conclusions about the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, about whether a material uncertainty exists in relation to events or circumstances that may cast significant doubt on the Cooperative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may result in the Cooperative being unable to continue as a going concern;
- Evaluate the presentation, structure and content of the annual financial statements as a whole, including the disclosures, and whether the annual financial statements depict the underlying business transactions and events in such a way as to present a true and fair view of the Cooperative's net assets, financial position and financial performance in accordance with German standards of proper accounting;
- Evaluate the consistency of the management report with the annual financial statements, its conformity with the law and the view of the Cooperative's position that it presents;
- Perform audit procedures relating to the forward-looking statements made by the Board of Management in the management report. In doing so, on the basis of sufficient and appropriate audit evidence, we gain an understanding, in particular, of the key assumptions underlying the Board of Management's forward-looking statements and evaluate whether the statements were properly derived from those assumptions. We do not express a separate audit opinion concerning the forward-looking statements or the underlying assumptions. There is a substantial, unavoidable risk that future events may deviate significantly from the forward-looking statements.

We meet with the Supervisory Board in order to discuss, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Supervisory Board with a statement that we have complied with the relevant independence requirements, and we discuss with it all relationships and other matters that may reasonably be assumed to have an impact on our independence and, where relevant, the steps we have taken to protect our independence or redress threats to it.

Of the matters that we discussed with the Supervisory Board, we determine those matters that were of most significance in the audit of the annual financial statements for the current reporting period and are therefore key audit matters. We describe these matters in our auditor's report, unless laws or other regulations preclude public disclosure of such matters.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the electronic reproductions of the annual financial statements and the management report that were prepared for purposes of disclosure in accordance with section 53(4) GenG and section 317(3a) HGB (the "ESEF report")

Audit opinion (audit subject and audit opinion)

Pursuant to section 53(4) GenG and section 317(3a) HGB, we performed an audit with reasonable assurance about whether the reproductions of the annual financial statements and the management report that were prepared for purposes of disclosure (hereinafter, the "ESEF documents"), which are included in the provided electronic file mhb_geschaeftsbericht_2024_esef.xhtml, are in conformity with the requirements of section 328(1) HGB concerning the electronic reporting format (the "ESEF format") in all material respects. In accordance with German statutory requirements, this audit covers only the conversion of the information in the annual financial statements and management report into the ESEF format and therefore does not cover the information included in those reproductions or other information included in the aforementioned electronic file.

In our opinion, the reproductions of the annual financial statements and the management report that were prepared for purposes of disclosure and are included in the aforementioned provided electronic file are in conformity with the requirements of section 328(1) HGB concerning the electronic reporting format in all material respects. We do not express any audit opinion whatsoever about the information included in those reproductions or about the information included in the aforementioned electronic file that goes beyond this audit opinion and our audit opinions about the accompanying annual financial statements and management report for the financial year from 1 January to 31 December 2024 that are included in the foregoing "Report on the audit of the annual financial statements and the management report".

Basis for the audit opinion

We performed our audit of the reproductions of the annual financial statements and the management report included in the aforementioned provided electronic file in conformity with section 53(4) GenG and section 317(3a) HGB and in accordance with the IDW Accounting Standard "Audit of the electronic reproductions of financial statements and management reports prepared for purposes of disclosure in accordance with section 317(3a) HGB" (IDW PS 410 (6.2022)). Our responsibility in this regard is more extensively described in the section "Responsibility of the statutory auditor for the audit of the ESEF documents". Our auditing association applied the IDW quality management standards "Requirements for quality management in audit firms" (IDW QMS 1 (9.2022)) and "Mandate-related quality assurance" (IDW QMS 2 (09.2022)).

Responsibility of the Board of Management and the Supervisory Board for the ESEF documents

The Board of Management of the Cooperative is responsible for preparing the ESEF documents with the electronic reproductions of the annual financial statements and management report in accordance with section 328(1) sentence 4, no. 1 HGB.

In addition, the Board of Management of the Cooperative is responsible for the internal controls that it considers necessary in order to enable the preparation of ESEF documents that are free from infringements of the requirements of section 328(1) HGB concerning the electronic reporting format, due to either fraud or error.

The Supervisory Board is responsible for monitoring the process for preparing the ESEF documents as part of the accounting process.

Responsibility of the statutory auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from infringements of the requirements of section 328(1) HGB, due to either fraud or error. We exercise professional judgement and maintain professional scepticism throughout the audit. In addition, we:

- Identify and assess the risks of infringements of the requirements of section 328(1) HGB, due to either fraud or error, design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- Obtain an understanding of the internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls;
- Evaluate the technical validity of the ESEF documents, i.e. whether the provided electronic file included in the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, in the version in force on the reporting date, concerning the technical specifications for this electronic file;
- Evaluate whether the ESEF documents enable an identical XHTML reproduction of the audited annual financial statements and the audited management report.

Further disclosures pursuant to section 10 of the EU Audit Regulation

On 24 April 2024, we were engaged by the responsible statutory auditing association in accordance with section 55(3) GenG to perform the audit of the annual financial statements of Münchener Hypothekenbank eG as at 31 December 2024 and to audit the management report of Münchener Hypothekenbank eG for the financial year from 1 January to 31 December 2024.

We declare that the audit opinion contained in this auditor's report is consistent with our additional report to the Supervisory Board and/or Audit Committee in accordance with section 11 of the EU Audit Regulation, in conjunction with section 58(3) GenG (audit report).

Persons employed by us who could influence the outcome of the audit have provided the following services for the audited Cooperative in addition to the statutory audit:

- Other separate assurance services for banking supervision and the Deutsche Bundesbank
- Other assurance services in connection with the deposit guarantee scheme as well as to Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V., Berlin
- Limited assurance audit of the non-financial statement as at 31 December 2024 as part of the management report and limited assurance audit of the separate non-financial report as at 31 December 2023
- Review of the condensed interim financial statements and the interim management report
- Provision of a comfort letter.

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements, the audited management report and the audited ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed with the company register – are merely electronic reproductions of the audited annual financial statements and the audited management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein may be used only in conjunction with the audited ESEF documents made available in electronic form.

RESPONSIBLE PUBLIC AUDITOR

The public auditor responsible for the audit is Michael Kopf.

Stuttgart, 24 March 2025

Baden-Württembergischer Genossenschaftsverband e.V.

Mathias Juhl
Wirtschaftsprüfer
(German public auditor)

Michael Kopf
Wirtschaftsprüfer
(German public auditor)

OTHER PUBLICATIONS

LIMITED ASSURANCE REPORT OF THE INDEPENDENT PUBLIC AUDITOR

on the non-financial statement included in the management report

To Münchener Hypothekenbank eG, Munich

LIMITED ASSURANCE CONCLUSION

We conducted a limited assurance engagement on the non-financial statement of Münchener Hypothekenbank eG contained in the section of the management report entitled "Non-financial statement", which the Bank provided in fulfilment of sections 289b to 289e of the German Commercial Code (Handelsgesetzbuch, HGB), including the information contained in that non-financial statement in fulfilment of the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter, the "Non-Financial Reporting"), for the financial year from 1 January 2024 to 31 December 2024.

Our assurance engagement did not comprise the external documentation sources or expert opinions referred to in the Non-Financial Reporting.

Based on the procedures we performed and the evidence we obtained, nothing has come to our attention that causes us to believe that the Non-Financial Reporting for the financial year from 1 January 2024 to 31 December 2024 has not been prepared, in all material respects, in accordance with sections 289b to 289e HGB and the requirements of Article 8 of Regulation (EU) 2020/852, as well as with the specifying criteria presented by the company's Board of Management.

We do not express any assurance conclusion about the external documentation sources or expert opinions referred to in the Non-Financial Reporting.

BASIS FOR THE ASSURANCE CONCLUSION

We conducted our assurance engagement in accordance with International Standard of Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, issued by the International Auditing and Assurance Standards Board.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISSA 5000 are further described in the section "Responsibilities of the public auditor for the assurance of the Non-Financial Reporting".

We are independent of the entity, and we have complied with the German professional requirements concerning independence, as well as with other professional conduct requirements. Our auditing association applies the national statutory requirements and professional pronouncements, in particular the Professional Charter for German Public Auditors / German Certified Accountants (*Berufssatzung für Wirtschaftsprüfer / vereidigte Buchprüfer,* BS WP / vBP) and the IDW quality management standard "Requirements for quality management in audit firms" (IDW QMS 1 (9.2022)) issued by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland,* IDW). The auditing association accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards and relevant statutory and other legal requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

EMPHASIS OF MATTER – PRINCIPLES FOR THE PREPARATION OF THE NON-FINANCIAL REPORTING

Without modifying our assurance conclusion, we refer to the remarks in the Non-Financial Reporting describing the principles for the preparation of the Non-Financial Reporting. Those remarks state that the company applied the European Sustainability Reporting Standards (ESRS) to the extent indicated in the section of the Non-Financial Reporting entitled “ESRS 2. General information”.

RESPONSIBILITIES OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE NON-FINANCIAL REPORTING

The Board of Management is responsible for preparing the Non-Financial Reporting in conformity with the applicable German statutory and European requirements, as well as with the specifying criteria presented by the company’s Board of Management, and for designing, implementing and maintaining the internal controls that it considers necessary in order to enable the Non-Financial Reporting to be prepared in conformity with those requirements and free from material misstatement, whether due to fraud (i.e. manipulation of the Non-Financial Reporting) or error.

The responsibilities of the Board of Management include establishing and maintaining the materiality assessment process and selecting and applying appropriate methods for preparing the Non-Financial Reporting, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for monitoring the process for preparing the Non-Financial Reporting.

INHERENT LIMITATIONS IN PREPARING THE NON-FINANCIAL REPORTING

The applicable German statutory and European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain.

RESPONSIBILITIES OF THE PUBLIC AUDITOR FOR THE ASSURANCE OF THE NON-FINANCIAL REPORTING

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Non-Financial Reporting has not been prepared, in all material respects, in accordance with the applicable German statutory and European requirements and the specifying criteria presented by the company’s Board of Management, as well as to issue a report containing our assurance conclusion about the Non-Financial Reporting.

As part of an assurance engagement in accordance with ISSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also

- Obtain an understanding of the processes used to prepare the Non-Financial Reporting, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Non-Financial Reporting;
- Identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address those disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than in the case of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity’s control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity’s control, as both the entity’s Board of Management and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information;
- Review the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events may deviate significantly from the forward-looking information.

As explained in the description of the responsibilities of the Board of Management in the section “Inherent limitations in preparing the Non-Financial Reporting”, the Board of Management has interpreted the wording and terms contained in the applicable German statutory and European requirements. The legality of these interpretations is fraught with uncertainty. These uncertainties in interpretation also apply accordingly to our assurance engagement.

SUMMARY OF THE PROCEDURES PERFORMED BY THE PUBLIC AUDITOR

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting the limited assurance engagement, we

- Evaluated the suitability of the criteria as a whole presented by the Board of Management in the Non-Financial Reporting;
- Enquired of the Board of Management and relevant employees involved in the preparation of the Non-Financial Reporting about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Non-Financial Reporting, and about the internal controls related to those processes;
- Evaluated the methods used by the Board of Management to prepare the Non-Financial Reporting;
- Evaluated the reasonableness of the estimates and related explanations provided by the Board of Management. If, in conformity with the ESRS, the Board of Management estimates the information to be reported about the value chain for a case in which the Board of Management is unable to obtain the value chain information despite making reasonable efforts, our assurance engagement is limited to evaluating whether the Board of Management has made these estimates in conformity with the ESRS and assessing the reasonableness of these estimates, but it does not include ascertaining information about the value chain that the Board of Management was unable to obtain;
- Performed analytical procedures and made enquiries in relation to select information in the Non-Financial Reporting;
- Reviewed the presentation of the information in the Non-Financial Reporting;
- Reviewed the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Non-Financial Reporting.

We draw attention to the fact that the assurance engagement was conducted for the company's purposes and that the report is intended solely to inform the company about the result of the assurance engagement. Consequently, it may not be suitable for any purpose other than the one mentioned above. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the company alone. We do not accept any liability in relation to third parties.

The General Engagement Terms of Baden-Württembergischer Genossenschaftsverband e.V., in the version of 1 October 2024, apply to the conducting of the engagement and our responsibilities, including where the latter may be owed to third parties. With respect to liability and its limitation, we refer to No. 9 of these General Engagement Terms.

Stuttgart, 24 March 2025

Baden-Württembergischer Genossenschaftsverband e.V.

Mathias Juhl
German Public Auditor

Michael Kopf
German Public Auditor

AFFIRMATION BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with accounting principles applicable to annual financial reporting, the annual financial statements present a true and accurate view of the company's net assets, financial position and financial performance, and the management report presents a true and accurate view of the company's business development and performance as well as its position, together with a description of the principal opportunities and risks associated with the expected development of the company.

Munich, 4 February 2025

Münchener Hypothekenbank eG

The Board of Management

Dr. Holger Horn
CEO

Ulrich Scheer
CFO

Markus Wirsen
CRO

ANNEX TO THE ANNUAL FINANCIAL STATEMENTS AS REQUIRED BY SECTION 26A(1) SENTENCE 2 OF THE GERMAN BANKING ACT (KWG)

as at 31 December 2024 (“country-by-country reporting”)

Münchener Hypothekenbank eG is a Pfandbrief bank organised in the legal form of a registered cooperative. Its core business areas consist of the granting of mortgage loans for residential property and commercial real estate and the issuing of Mortgage Pfandbriefe. The Bank's most important market is Germany but it also maintains business relationships with customers in other European countries. The Bank conducts all of its business from its head office in Munich.

Münchener Hypothekenbank eG defines revenue as the sum of the following components of the income statement as prepared in accordance with the German Commercial Code: interest income, interest expenses, current income from participating interests, shares in cooperatives and affiliated companies, income from profit pools and profit transfer and partial profit transfer agreements, expenses from assumption of losses, commission income, commission expenses and other operating income. Revenue for the period 1 January to 31 December 2024 amounted to EUR 472,863 thousand.

The number of employees was 611.2 in full-time equivalents.

Profit before taxes amounted to EUR 184,838 thousand.

Taxes on profit amounted to EUR 79,281 thousand and mainly related to current taxes.

Münchener Hypothekenbank eG did not receive any public subsidies during the financial year.

REPORT OF THE SUPERVISORY BOARD

During the financial year under review, the Supervisory Board carried out its supervisory function as required by law, the Bank's Articles of Association and its rules of procedure. The Board of Management reported in a timely manner to the Supervisory Board on the Bank's corporate planning, its business and financial situation and further strategic development. The Supervisory Board also supported the work of the Board of Management in an advisory capacity and monitored its management of business. The Supervisory Board's decisions on actions requiring its approval were taken on the basis of reports and materials submitted by the Board of Management.

Topics considered in Supervisory Board meetings

During the past financial year, the Supervisory Board held one constituent meeting, three regular meetings and two other meetings in order to continuously advise and monitor the management of Münchener Hypothekenbank in accordance with the requirements incumbent upon it by law and under the Bank's Articles of Association. The main topics and focus of its deliberations included the business, risk, digital and IT strategies, the risk situation, business development and planning, ESG activities, regulatory issues and governance, and long-term succession planning for the Supervisory Board.

The Board of Management kept the Supervisory Board up to date with regular, detailed verbal and written reports on key matters at the Bank. The Board of Management reported on the position of the Bank, the development of business, key financial indicators and the review of the Bank's business and risk strategy. In addition, the current liquidity situation and measures to control liquidity were explained to the Supervisory Board, and it was provided with detailed reports on the risk situation, measures to control risks and the Bank's risk management system. The Supervisory Board also obtained comprehensive reports on the status of strategic and operational planning. It was involved in all important decisions. Current developments on the property market and in private property and commercial real estate financing were monitored and discussed. During the Supervisory Board meetings, considerable attention was also devoted to the continuously increasing regulatory requirements and their implementation.

Resolutions requiring adoption at the Delegates Meeting were prepared together with the Board of Management. Annual meetings were once again held between the Joint Supervisory Team, the Chairman of the Supervisory Board and the Chairs of the various Supervisory Board committees. In addition, representatives of the ECB and the Joint Supervisory Team presented the results of the annual Supervisory Review and Evaluation Process and the supervisory recommendations to the Supervisory Board and discussed them with it.

The Chairman of the Supervisory Board and the Chairs of the Supervisory Board committees also regularly obtained information by speaking directly with key function holders in coordination with the Board of Management.

Evaluation of the Supervisory Board

The Supervisory Board conducted the annual evaluation of the Board of Management and the Supervisory Board based on the approved guidance for carrying out the suitability assessment and on conflicts of interest. The preparatory work was conducted by the Nomination Committee in accordance with the regulations of section 25d of the German Banking Act (Kreditwesengesetz, KWG). The results were discussed within the Supervisory Board in August 2024 and documented in the reports on the suitability assessment and the efficiency review. It was found that the structure, size, composition and performance of the Board of Management and the Supervisory Board, as well as the knowledge, skills and experience of the Board of Management and Supervisory Board, both as a whole and in terms of their individual members, comply with legal requirements and those defined in the Bank's Articles of Association.

Succession plans for the Board of Management and the Supervisory Board were drawn up based on the suitability assessment and efficiency review, and measures to increase the efficiency of the Supervisory Board's activities were defined. In line with the existing onboarding and training concept, the Supervisory Board attended training sessions on current regulatory topics and legal developments. Training sessions were also planned and conducted for the Supervisory Board committees.

Collaboration with the Board of Management

The Chairman of the Supervisory Board was in regular close contact with the Chairman of the Board of Management, discussing important matters and decisions in face-to-face meetings.

In addition, the Chairman of the Board of Management reported to the Chairman of the Supervisory Board continuously and regularly between the individual meetings on all major developments within the Bank.

Activities of the Supervisory Board committees

The Supervisory Board has established four committees. These are the Nomination Committee, the Audit Committee, the Risk Committee and the Remuneration Control Committee. In the Supervisory Board meetings the committees reported regularly on their activities.

Five meetings of the **Nomination Committee** were held in the reporting year. In addition to regular Board of Management and Supervisory Board matters, it also addressed, in particular, the suitability assessment and efficiency review of the management bodies and preparation for succession planning for the Board of Management and the Supervisory Board. In this regard, the Nomination Committee dedicated particular attention to the selection of a new Supervisory Board member to fill a vacancy that will arise in April 2025. The structured process included identifying and selecting appropriate candidates and interviewing them. On the basis of a suitability assessment, a candidate was selected who will be proposed to the Delegates Meeting in April 2025 for election to the Supervisory Board.

The **Audit Committee** held three meetings, during which it discussed the results of the audit of the annual financial statements and of the management report. Other topics included the Bank's internal control system, reports prepared by the Audit department and by the Compliance function, the results of external audits and banking supervisory expectations, the monitoring of the introduction of new accounting policies and the accounting process, the issues and requirements discussed during meetings with banking supervisory authorities, and the quality assessment of the audit of the annual financial statements.

The **Risk Committee** convened fourteen meetings. The Board of Management provided the Committee with detailed reports on the development of markets in which the Bank provides property financing. The Committee also addressed the regulatory environment, risk strategy, risk governance, legal risks, IT risks and information security, including data protection. Furthermore, it considered and authorised loans requiring approval and took note of any reportable transactions. The Board of Management moreover presented individual exposures of significance for the Bank to the Committee and discussed them with the Committee. Detailed reports were also provided on the provision and management of liquidity and on funding. As part of this process, the risk types associated with the Bank's business were discussed and examined in detail. In addition to credit risks, these include market, liquidity and operational risks in particular, taking into account risk-bearing capacity in accordance with the German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement, MaRisk). Reports on the Bank's risk situation were regularly submitted to the Committee and explained in detail by the Board of Management and Head of Risk Controlling. The Committee also reviewed the sales report and the report on data protection and information security. Another key issue in 2024 was the Bank's risk situation in light of developments and challenges on the property market and in private property and commercial real estate financing.

The three meetings of the **Remuneration Control Committee** addressed the Bank's remuneration systems, the targets and remuneration of members of the Board of Management, and all related issues. The Committee determined the appropriateness of Münchener Hypothekenbank's remuneration systems and submitted the results of the appropriateness test to the Supervisory Board.

Annual financial statements

DGRV – Deutscher Genossenschafts- und Raiffeisenverband e. V., Berlin, as the statutory auditing association, once again engaged BWGV – Baden-Württembergischer Genossenschaftsverband e.V. to audit the accounting records, the annual financial statements and the management report for the 2024 financial year. BWGV performed the audit and issued an unqualified audit opinion. No reservations were raised. The auditors reported extensively on the key findings of the audit during a meeting of the Audit Committee. They were also available to provide additional information. The auditing association's audit report on the statutory audit pursuant to section 53 of the German Cooperatives Act (Genossenschaftsgesetz, GenG), including the audit of Münchener Hypothekenbank's financial statements for 2024, was made available in good time to each member of the Supervisory Board for their information. The Supervisory Board discussed the results of the audit during a meeting held jointly with the Board of Management and attended by the auditor. The results of the audit are also reported at the Delegates Meeting.

The annual financial statements, the management report (as supplemented by non-financial reporting in partial application of the European Sustainability Reporting Standards), and the Board of Management's proposal for the appropriation of profit were examined and approved by the Supervisory Board. The Supervisory Board recommends that the Delegates Meeting approve the annual financial statements for 2024 – as explained – and endorse the Board of Management's proposal for the allocation of net income. The proposal complies with the provisions of the Bank's Articles of Association.

Changes to the Supervisory Board and Board of Management

The Delegates Meeting elected Dr Nadine Becken, entrepreneur, and Ute Heilig, Member of the Board of Management of Frankfurter Volksbank Rhein/Main eG, as new members of the Supervisory Board of Münchener Hypothekenbank at its session in April 2024. HRH Anna Duchess in Bavaria was re-elected to the Supervisory Board at the Delegates Meeting. Thomas Höbel, bank director (retired), stepped down from the Supervisory Board at the end of his term. Rainer Jenniches, bank director (retired), tendered his resignation because he had stepped down from his main position as Chairman of the Board of Management of VR-Bank Bonn Rhein-Sieg eG.

Development of Münchener Hypothekenbank during the year under review

Münchener Hypothekenbank was able to increase its profitability and post solid earnings in the reporting year, despite a market environment that remained challenging. This shows that the business strategy, which was enhanced in 2023, assures stable development even under difficult market conditions. By adhering rigorously to this business strategy, the Bank is laying the foundation for future growth and ensuring its long-term stability.

The Supervisory Board would like to express its thanks to the Board of Management and to the Delegates of Münchener Hypothekenbank for their faithful, constructive collaboration. We also thank the employees for their outstanding commitment and their tireless efforts for the Bank.

Munich, April 2025

Münchener Hypothekenbank eG

Dr Hermann Starnecker
Chairman of the Supervisory Board

FURTHER INFORMATION

Agenda – General (Delegates) Meeting

ON 25 APRIL 2025 AT 10:30 A.M.

1. **Report by the Board of Management on the 2024 financial year**
2. **Report by the Supervisory Board on its activities**
3. **Report on the result of the statutory audit**
4. **Discussion on the audit report and resolution on the extent of publication of the audit report**
5. **Resolution on**
   a) the adoption of the annual financial statements and the management report for the 2024 financial year
   b) the appropriation of profits
   c) the formal approval of the actions of the Board of Management and the Supervisory Board for the 2024 financial year
6. **Resolution on the membership termination of Münchener Hypothekenbank eG in the German Cooperative and Raiffeisen Confederation (Deutscher Genossenschafts- und Raiffeisenverband e.V.)**
7. **Amendments to the Articles of Association**
8. **Extension of the authorisation framework for the issuance of AT1 bonds**
9. **Elections to the Supervisory Board**
10. **Any other business**

The members of the Delegates Meeting

Peter Bahlmann
Heinrich Beerenwinkel
Horst Bertram
Thomas Bierfreund
Christian Dietrich
Eva Irina Doyé
Clemens Fritz
Steffen Fromm
Rainer Geis
Josef Geserer
Christian Glasauer
Helmut Graf
Markus Gschwandtner
Dr Harald Heker
Martin Herding
Joachim Hettler
Dr Michael Hies
Ingo Hinzmann
Michael Hohmann
Konrad Irtel
Thomas Jakoby
Andreas Jeske
Michael Joop
Carsten Jung
Herbert Kellner
Manfred Klaar
Robert Kling
Dr Carsten Krauß
Norbert Lautenschläger
Marcus Wilfried Leiendecker
Martin Leis
Dr Ursula Lipowsky
Georg Litmathe
Thomas Ludwig
Jan Mackenberg
Karl Magenau
Gregor Mersmann
Klaus Merz
Markus Merz
Franz Dierk Meurers
Jens Ulrich Meyer
Prof. Dr Peter Otto Mülbert
Carsten Müller
Markus H. Müller
Heinrich Oberreitmeier
HSH Albrecht Prince of Oettingen-Spielberg
Armin Pabst
Markus Pavlasek
Karsten Petersen
Claus Preiss
Jens Prößer
Jan H. Reese
Richard Riedmaier
Frank Ruffing
André Schaffeld
Ulrich Scheppan
Michael Schlagenhaufer
Jan-Hendrik Schlüter
Dr Eckhard Schmid
Franz Schmid
Andreas Schmidt
Andreas Schmidt
Dr Marc Alexander Schmieder
Carsten Schüler
Thorsten Schwengels
Roland Seidl
Hermann-Josef Simonis
Martin Spils
Jörg Stahl
Thomas Standar
Thomas Stolper
Remo Teichert
Stefan Terveer
Werner Thomann
Florian Ungethüm
Peter Voggenreiter
Karsten Voß
Chris Wallbaum
Dr Gerhard Walther
Michael Zaigler

Cooperative Advisory Committee (as at 1 January 2025)

Friedhelm Beuse,
Volksbank im Münsterland eG
Chairman

Frank Bertke,
Volksbank eG (Löningen)

Gunnar Bertram,
Volksbank Chemnitz eG

Christian Dietrich,
Volksbank Glan-Münchweiler eG

Franz-Josef Echelmeyer,
Volksbank Süd-Emsland eG

Josef Geserer,
Raiffeisenbank Oberpfalz Süd eG

Ralf Gottschalk,
Volksbank in der Region eG

Markus Gschwandtner,
Raiffeisenbank Pfaffenhofen a.d. Glonn eG

Otmar Knaus,
VR-Bank Passau eG

Helmut Kundinger,
Volksbank Raiffeisenbank Bayern Mitte eG

Thomas Ludwig,
Volksbank Raiffeisenbank Nordoberpfalz eG

Mathias Lutz,
VR-Bank Bonn Rhein-Sieg eG

Markus H. Müller,
Sparda-Bank Hessen eG

Martina Palte,
Berliner Volksbank eG

Johannes Paul,
Raiffeisenbank im Oberland eG

Markus Prinz,
Volksbank Lindenberg eG

Jan-Hendrik Schlüter,
Raiffeisenbank eG (Owschlag)

Daniel Staiger,
VR-Bank Alb-Blau-Donau eG

Andreas Thorwarth,
Volksbank pur eG

Marc Trzcinski,
Volksbank in der Hohen Mark eG

Nico Voigt,
Volksbank Stendal eG

Stefan Waidelich,
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