



Münchener Hypothekenbank

DISCLOSURE REPORT

2025



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DISCLOSURE PURSUANT TO CRR/CRD IV

1 Basis for Regulatory Disclosure

This disclosure report is based on Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation, “CRR”) and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive IV, “CRD IV”), as well as the German Banking Act (Kreditwesengesetz, “KWG”) and the German Solvency Regulation (Solvabilitätsverordnung, “SolV”). Together, these regulations constitute the prudential framework applicable in Germany with respect to, among other things, capital, leverage, liquidity, and Pillar III disclosures.

This report covers the financial year ending 31 December 2025. Accordingly, all regulations and provisions that had entered into force by that date are applied, unless otherwise stated. This disclosure report has been prepared in accordance with the requirements of the Implementing Regulation (EU) 2024/3172 of 29 November 2024, applicable from 1 January 2025, laying down implementing technical standards with regard to the disclosure of the information referred to in Title II and Title III of Part Eight of Regulation (EU) No. 575/2013.

Throughout this publication, the terminology CRR/CRD IV framework, various EBA standards, and the national regulatory provisions of the SolV and KWG is applied.

The disclosure report also addresses the disclosure requirements relating to risk reporting and the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung, “InstitutsVergV”).

Independently of specific regulatory initiatives, Münchener Hypothekenbank continuously works to further develop its risk management infrastructure.

The structure of this disclosure report reflects that infrastructure and is aligned with the risk types identified as material for Münchener Hypothekenbank in the course of the risk inventory process and the development of the risk strategy. For each risk type, the qualitative and quantitative information required under Implementing Regulation (EU) 2024/3172 is presented.

This report fully satisfies all regulatory disclosure requirements applicable to Münchener Hypothekenbank. It is published annually, in close conjunction with the publication of the annual financial statements, on the Münchener Hypothekenbank website.

All figures in this report are stated in millions of euros. Discrepancies may arise due to rounding.

By means of this report, Münchener Hypothekenbank fulfils its disclosure obligations at the individual institution level. The report is based on figures determined in accordance with the accounting provisions of the German Commercial Code (Handelsgesetzbuch, “HGB”), as these currently form the basis for regulatory reporting on own funds and capital adequacy under the Common Reporting Framework (COREP) and the Financial Reporting Framework (FINREP).

This disclosure report complies with all applicable legal and regulatory requirements and is prepared in accordance with internal policies, procedures, systems, and controls. The Board of Management authorises this Pillar III report for publication and confirms that Münchener Hypothekenbank meets the requirements of **Article 431(3) CRR**.

The following overview sets out the mapping of CRR disclosure requirements to the respective chapters of Münchener Hypothekenbank’s disclosure report.

**TABLE 1: DISCLOSURE TOPICS PRESENTED IN THIS REPORT AS REQUIRED BY TITLE 8 CRR**

Disclosure requirements pursuant to Title 8 CRR	Corresponding chapter in this disclosure report
Art. 435 Risk Management Objectives and Policy	Risk Management and Annex on the Governing Body
Art. 436 Scope of Application	Fundamentals of Regulatory Disclosure
Art. 437 Own Funds	Own Funds
Art. 437a Own Funds and Eligible Liabilities	Own Funds
Art. 438 Own Funds Requirements	Own Funds
Art. 439 Counterparty Credit Risk	Credit Risk and Derivative Credit Risk Exposures and Netting Positions
Art. 440 Countercyclical Capital Buffer	Own Funds
Art. 441 Indicators of Global Systemic Importance	N/A
Art. 442 Credit and Dilution Risk	Credit Risk
Art. 443 Encumbered and Unencumbered Assets	Encumbrance of Assets
Art. 444 Use of the Standardised Approach	Credit Risk
Art. 445 Market Risk	Market Risk
Art. 445a CVA Risk	Market Risk
Art. 446 Operational Risk	Operational Risks
Art. 447 Key Metrics	Own Funds
Art. 448 Interest Rate Risk in the Banking Book	Credit Risk
Art. 449 Risk from Securitisation Positions	N/A
Art. 449a Environmental, Social and Governance Risks – ESG Risks	ESG
Art. 449b Aggregate Loans to Shadow Banking Entities	N/A
Art. 450 Remuneration Policy	Remuneration Policy
Art. 451 Leverage	Leverage
Art. 451a Liquidity Requirements	Liquidity Risk
Art. 451b Exposures to Crypto-Assets	N/A
Art. 452 Application of the IRB Approach to Credit Risk	Credit Risk
Art. 453 Use of Credit Risk Mitigation Techniques	Credit Risk
Art. 454 Use of Advanced Measurement Approaches for Operational Risk	N/A
Art. 455 Use of Internal Models for Market Risk	N/A

2 Structure of Münchener Hypothekbank eG

Münchener Hypothekbank is a standalone institution, both from an accounting and a regulatory perspective, and does not form part of a group. Its three wholly owned subsidiaries – M-Wert GmbH, Munich; Immobilienservice GmbH der Münchener Hypothekbank eG (M-Service), Munich; and M-4tec GmbH, Munich – do not qualify as material subsidiaries that would trigger a consolidation requirement. Furthermore, Münchener Hypothekbank does not operate any branches outside Germany.



3 Risk Management

3.1 ADEQUACY OF RISK MANAGEMENT PROCEDURES

In accordance with Article 435(1)(e) CRR, the Board of Management declares that the risk management systems described below are fully adequate with respect to the institution's risk profile and strategy.

The continuous monitoring and oversight of risks is essential to the successful management of Münchener Hypothekbank's business development. Risk management therefore holds a correspondingly prominent position within the overall bank management framework.

The business and risk strategy defines the operational framework for all business activities. The Board of Management bears overall responsibility for both the business strategy and the risk strategy. Both are reviewed at least annually with regard to target achievement and effectiveness, further developed as appropriate, and submitted to the Supervisory Board for approval. As part of its supervisory function, the Supervisory Board is informed at least quarterly about the Bank's risk profile and progress towards its targets. This is done, among other things, through the so-called overall risk report, which provides a consolidated overview of all risk types.

The foundation of risk management is the analysis and presentation of existing risks and their comparison with the available risk coverage potential. In analysing and presenting existing risks, the primary focus is on credit default risk, market price risk, liquidity risk, spread and migration risk, equity investment

risk, refinancing risk, reputational risk, and operational and model risk. Additional risks – such as ESG risks, placement risk, conduct risk, and business risk – are treated as components of the aforementioned risk categories and are taken into account at the appropriate points in the relevant calculations or captured as other risks. Appropriate control procedures have been implemented, encompassing both process-dependent and process-independent internal monitoring. The Internal Audit function fulfils the process-independent monitoring role. The methodological frameworks and models used to calculate risk-bearing capacity are continuously refined in line with regulatory requirements. Münchener Hypothekbank calculates risk-bearing capacity under both the normative and the economic approach.

The overarching objective in monitoring risk-bearing capacity is to ensure that the Bank's income, cost, and risk structures are managed in a manner that preserves its independence and can be sustained without external support. As an additional risk management tool, Münchener Hypothekbank employs a comprehensive limit system to monitor risk-bearing capacity. This system is used, for example, to set and regularly review limits for individual counterparties, countries, and property types.

Regulatory developments adopted by the Basel Committee on Banking Supervision or the European Union, and their transposition into German law, are continuously monitored and analysed by the NFR department, which initiates the necessary implementation measures. In this context, the risk and business strategy is also reviewed and further developed. Where required, the relevant processes and systems are adjusted accordingly.

The risk measurement methodologies developed in connection with the IRB approval process and the ongoing enhancement of risk management are fully integrated into Münchener Hypothekbank's risk management system. The results generated by the risk models are suitable for steering the Bank's operations. Notwithstanding the rigour applied to model development, ongoing refinement, and regular review, situations may arise in which actual losses or liquidity requirements exceed model projections. To account for such exceptional yet plausible scenarios, a range of stress scenarios is employed as part of the risk management framework.

3.2 RISK STATEMENT

Section 3.2 constitutes the concise risk statement of the Board of Management of Münchener Hypothekbank in accordance with Article 435(1)(f) CRR.

3.2.1 Description of Risk Management Objectives

The risk strategy is an integral component of the business strategy and derives the risk-related measures necessary to achieve Münchener Hypothekbank's economic targets. Both strategies are established by the Board of Management, aligned in detail with the heads of department, and made accessible to all members of staff. This process takes place at least once a year and on an ad hoc basis as required. Compliance with defined targets – including volumes, margins, and limits – is monitored across the relevant departments and reported to the Board of Management and Supervisory Board at least on a quarterly basis.



In its business strategy, Münchener Hypothekbank defines its business segments as residential and commercial real estate finance, further subdivided into Retail Germany, Retail Switzerland, Retail Austria, Commercial Domestic, and Commercial International. In addition, the Bank is active in capital market business with sovereigns and banks, as well as in the provision of municipal loans, albeit on a comparatively limited scale. Strategic and operational targets are set for each of these business segments, to be achieved within the medium-term business planning horizon.

Building on this, the risk strategy describes how Münchener Hypothekbank manages, and intends to manage, the risks arising from its business activities. Systems, processes, controls, and policies are fundamentally an integral part of risk management. Accordingly, Münchener Hypothekbank has implemented dedicated risk management processes, as well as modelling and measurement approaches for the quantification of risks and the assessment of liquidity and capital requirements, across all material risk categories. The key capital and liquidity metrics relevant to Münchener Hypothekbank are subject to close monitoring, supported by stress tests, early warning indicators, limit systems, and escalation processes. Other risks, such as reputational risk, are addressed through simpler limits and procedures and, in part, through expert estimates incorporated on a lump-sum basis into the risk-bearing capacity calculation. Risk management processes and procedures are subject to regular institution-wide reviews by Internal Audit.

As part of ensuring capital adequacy, institutions are generally required to identify and assess their risks, maintain sufficient capital to cover those risks, apply risk management procedures,

and permanently ensure adequate capitalisation – a process commonly referred to as the Internal Capital Adequacy Assessment Process (ICAAP). Available internal capital must at all times exceed measured risks. Under the normative approach, it is assessed whether risk-bearing capacity remains intact even after the materialisation of all risks – without applying diversification effects across risk categories – meaning that the capital requirement under Pillar I and SREP add-ons remains covered and the leverage ratio continues to be met. Only regulatory own funds serve as risk coverage mass in this context. Under the economic approach, the present-value-based risk coverage potential is compared against the Value at Risk (VaR) – or, where no VaR is available for a given risk type, against appropriate buffers. Stress tests are applied as a supplement under both approaches.

Risk-weighted assets (RWA) and expected loss serve as secondary constraints in risk management. For example, depending on the rating system and/or the individual rating and loan-to-value ratio, different maximum exposure limits apply to loans. In addition, Münchener Hypothekbank uses various management parameters to limit risk, such as maximum loan-to-value (LTV) thresholds and minimum debt service coverage ratio (DSCR) requirements. Capital management is integrated into Münchener Hypothekbank's risk management framework and is continuously monitored by the Board of Management. ICAAP calculations enable timely countermeasures to be taken in the event of adverse developments.

The Bank's fundamental approach is to assume only very low levels of risk – reflected, for example, in an average LTV of approximately 55 percent and the absence of trading book activities.

As part of the ILAAP, the feasibility of raising the required liquidity at the planned margins is assessed in coordination with the Treasury department at an early stage, during formulation of the business strategy. In an iterative process led by Risk Controlling, funding plans are aligned with the targets of the sales function. Throughout the financial year, liquidity is continuously monitored and managed via a limit system with early warning indicators. A liquidity contingency plan is also in place, which can be activated in stress situations.

Münchener Hypothekbank submits an updated recovery plan to the Single Resolution Board (SRB) on an annual basis and provides the SRB with all data necessary to prepare appropriate resolution measures in the theoretical event of insolvency.

3.2.2 Description of Risk Tolerance and Risk Appetite

As part of the planning process, which takes place at least annually, the impact on portfolios and risk-weighted assets (RWAs) is determined through an iterative process based on sales projections – reflecting the targeted average margin – and expected interest income. By reconciling planned RWAs with risk-bearing capacity and capital planning, and feeding the results back into the planned volumes for new business and loan renewals across the individual business segments, the parameters for risk tolerance and risk appetite in the lending business are established. Since the funding plan is developed in parallel to determine liquidity requirements, the necessary refinancing is also secured in this process.



Interest rate risks are hedged by Münchener Hypothekbank through derivative strategies in such a way that an increase in the loan portfolio does not automatically translate into a corresponding increase in interest rate risk exposure.

Changes in the relevant risk categories are taken into account when setting limits for individual risk types within the risk-bearing capacity framework.

3.2.3 Description of Risk Management Instruments

To limit risk exposures, limits are established for each individual risk type within the risk-bearing capacity framework. In addition, individual counterparty limits and country limits are in place for capital market activities and the origination of real estate loans.

3.2.4 Description of Key Metric Developments and Risk Management Instruments (incl. Risk Inventory)

Under the economic perspective, risks at a confidence level of 99.9 percent developed as follows: the risk coverage potential under the economic perspective increased over the past year by a magnitude broadly comparable to the increase in risks, such that risk-bearing capacity remains fully intact. The growth in risk coverage potential is attributable primarily to the build-up of Common Equity Tier 1 (CET1) capital positions.

TABLE 2: ECONOMIC OUTLOOK

	31.12.2025	31.12.2024
Market risk value-at-risk	108.2	167.8
Credit risks	389.7	381.2
Operational risks	70.0	72.0
Spread risks	331.3	340.2
Migration risks	57.8	92.5
Investment risks	24.2	23.1
Property risks	11.4	11.1
Refinancing risks	9.9	3.9
Reputational risks	4.9	3.8
Model risks and other risks	48.8	53.1
Total	1,056.3	1,148.8

1. Market Risk Overview

Although Münchener Hypothekbank is classified as a trading book institution, no trading activities have been conducted for several years, and none are planned for the foreseeable future.

The Bank has developed a modest deposit-taking business but does not intend to generate significant income from maturity transformation. Instead, the Bank pursues a refinancing strategy that is as closely matched to asset maturities as possible, with residual interest rate risks being continuously and largely hedged.

The Value at Risk (VaR) across all assets at a confidence level of 99 percent and a ten-day holding period reached a maximum of EUR 31 million in 2025, with an average of approximately EUR 22 million.

2. Credit Risk Overview

Credit risk represents a central risk within the risk-bearing capacity framework under the economic perspective. The moderate year-on-year increase is driven by adverse developments in large-volume exposures, particularly in the United States and in the German office real estate segment. Spread and migration risks are reported separately.

3. Operational Risk Overview

The regulatory capital requirement for operational risk, determined in accordance with the CRR III standardised approach, remained unchanged at EUR 72.3 million – as shown in Table 9. Actual losses incurred from operational risk events were significantly below this figure.

The Bank mitigates operational risks through staff qualification, transparent processes, automation of standard workflows, documented operating procedures, comprehensive functional testing of IT systems, appropriate contingency plans, and extensive control mechanisms within the internal control system. For certain categories of operational risk, Münchener Hypothekbank has taken out appropriate insurance coverage, including professional indemnity insurance and fidelity insurance.

Legal risks are included within the definition of operational risk; reputational risks, however, are treated as a separate risk category. The operational risk profile of Münchener Hypothekbank is fundamentally shaped by the Bank's specific business model, its internal processes, and its technological infrastructure.



4. Equity Investment and Real Estate Risks

Münchener Hypothekbank holds equity investments exclusively within the Cooperative Financial Network (Genossenschaftliche FinanzGruppe) and, to a limited extent, in a special investment fund.

As the Bank holds only a small number of properties on its own balance sheet – on which hidden reserves exist – the associated real estate risk is low.

5. Liquidity Risk Overview

The regulatory metrics Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) were calculated in accordance with the applicable requirements. The statutory minimum thresholds for both the LCR and the NSFR were comfortably exceeded at all times.

Operational management relies not only on an analysis of the historical development of both ratios but primarily on forward-looking projections of their expected future trajectory.

Refinancing in both the capital and money markets was available throughout the year on both a secured and unsecured basis.

No unplanned liquidity outflows occurred during the year, such as sudden increases in collateral calls arising from derivatives business.

3.3 RISK STRATEGY

The risk strategy takes into account all applicable statutory provisions, in particular the KWG and the Minimum Requirements for Risk Management (MaRisk). In compliance with section 25a KWG, Münchener Hypothekbank maintains a sound business organisation that includes, among other elements, a risk strategy aligned with the management and risk-bearing capacity of the institution.

In its business strategy, Münchener Hypothekbank defines the following business segments: Retail Germany, Retail International (Switzerland and Austria), Commercial Domestic, Commercial International, and capital market business with sovereigns and banks. Targets are set for each of these segments to be achieved within the medium-term business planning horizon. Building on this, the risk strategy describes how Münchener Hypothekbank manages, and intends to manage, the risks arising from its business activities. To this end, quantitative and qualitative parameters are established for each risk type to govern the treatment of all material risks, and measures are derived to ensure compliance with those parameters. The risk strategy of Münchener Hypothekbank thereby provides the strategic framework for risk management and promotes risk awareness among all members of staff as part of the Bank's corporate and risk culture. The risk strategy is known to all employees of Münchener Hypothekbank and is naturally taken into account in day-to-day operations. When defining remuneration parameters at all levels, care is taken

to ensure alignment with the strategy and to support the achievement of strategic targets.

The Board of Management is responsible for the regular review and adjustment of the risk strategy and ensures that appropriate arrangements are in place for the management, monitoring, and control of risks. The risk strategy forms part of the Bank's internal regulations and is therefore also subject to the oversight of the Supervisory Board in its capacity as the institution's supervisory body. The risk strategy is submitted to the Supervisory Board for discussion at least once a year.

3.4 ORGANISATION, PROCESSES AND RESPONSIBILITIES

The institution-specific Credit Manual sets out the authority frameworks and procedural requirements for all units involved in lending activities, their respective responsibilities, and the credit products offered. With respect to credit risks, the Credit Manual documents the organisation of processes and responsibilities relevant to internal risk management through organisational guidelines, process descriptions, manuals, and rating-specific technical instructions. It includes descriptions of organisational safeguards, ongoing automated measures, and controls embedded in operational workflows. These encompass, in particular, segregation of duties, the four-eyes principle, access restrictions, payment policies, the new product process, and balance confirmations.



The risk management methods described in the risk strategy continuously generate qualitative and quantitative assessments of Münchener Hypothekbank's financial position, including performance trends. These assessments incorporate aspects of all relevant risk categories. Münchener Hypothekbank also maintains a close coordination process between the Risk Controlling and Accounting units.

This procedure is overseen by the full Board of Management. The outputs of the risk management system serve as the basis for multi-year financial projections, year-end forecasts, and reconciliation routines for realised accounting metrics within the Bank's financial reporting process.

The formal framework governing the activities of the Board of Management is set out in the Bank's Articles of Association and the Rules of Procedure of the Board of Management. The Board of Management adopts resolutions as required under its Rules of Procedure, both in the course of its weekly meetings and by written circulation procedure. Where resolutions concern topics as described in section 23 of the Articles of Association, the approval of the Supervisory Board must be obtained.

The Supervisory Board holds at least four meetings per year, each with a defined thematic focus. The spring meeting is centred on the receipt of the annual financial statements. The summer meeting is dedicated to the joint annual discussion of the business and risk strategy in accordance with MaRisk, including functional strategies, as well as the presentation of half-year figures. The final meeting of the year, typically held in December, covers the rolling multi-year plan. In addition, a brief constitutive meeting of the Supervisory Board takes place

immediately following the ordinary General Assembly of Members' Representatives in April of each year.

The Supervisory Board receives comprehensive reporting on the Bank's risk position. The overall risk report provides Supervisory Board members with the results of the ICAAP, ILAAP, and related processes. Additional and ad hoc analyses are provided as required. A detailed review of the risk reports takes place in the Risk Committee, which convenes approximately ten times per year depending on credit approval requirements. Credit decisions and the risk position as reflected in the Bank's risk reports are also communicated to the full Supervisory Board through the Board of Management report and the report on the activities of the Risk Committee at the subsequent Supervisory Board meeting.

The responsibilities of the Risk Committee are governed by the Rules of Procedure of the Supervisory Board. The Rules of Procedure of the Board of Management define the risk-relevant decision-making authority of the Board of Management. No other body below the Board of Management level holds final decision-making authority on risk-relevant topics.

In addition to the Risk Committee, the Supervisory Board has delegated responsibilities to three further committees: the Nomination Committee, the Remuneration Committee, and the Audit Committee. The Remuneration Committee meets as a rule twice per year; the Audit Committee and the Nomination Committee each meet as a rule three times per year.

The Supervisory Board thereby fulfils the requirements of section 25d KWG. The responsibilities of the committees are defined as follows:

Committee	Responsibilities
Audit Committee	Receipt of annual audit findings Receipt of results of supervisory special audits and Internal Audit reports
Risk Committee	Credit approvals Monitoring of credit risks Monitoring of other risk categories; review of the risk strategy

The General Assembly of Members' Representatives is the Bank's supreme governing body. Given the large number of cooperative members, the general meeting is convened as an assembly of members' representatives in accordance with section 26 of the Articles of Association. Each April, the members' representatives receive the reports of the Board of Management and the Supervisory Board, grant discharge to both bodies, resolve on the dividend to be distributed, approve amendments to the Articles of Association, and conduct elections to the Supervisory Board. The following principles apply to the composition of the assembly:

In the reporting year, the General Assembly of Members' Representatives comprised 80 members, the majority of whom held, at the time of their election, a primary professional role as a board member of a primary cooperative bank. The remaining members are prominent figures from across the business community and wider society. Members' representatives are elected for a term of four years.



Supervisory Board:

The Supervisory Board currently comprises twelve members: eight members' representatives elected by the General Assembly of Members' Representatives and four employee representatives elected by the workforce in accordance with the German One-Third Participation Act (Drittelbeteiligungsgesetz).

The composition of the Supervisory Board is set out in the annex on the management body.

As at 31 December 2025, the following Supervisory Board members served on the Remuneration Committee: Dr Hermann Starnecker, i.K.H. Anna Herzogin in Bayern, Jürgen Hölscher, Dr Wolfgang Seel, and Frank Wolf-Kunz (elected employee representative on the Supervisory Board).

The Remuneration Committee oversees the appropriate design of the remuneration systems for senior managers and employees, with particular attention to the remuneration of heads of independent control functions and employees who have a material impact on the institution's overall risk profile. It also supports the Supervisory Board in monitoring the effects of remuneration systems on risk, capital, and liquidity management. Furthermore, the Committee prepares the Supervisory Board's resolutions on the remuneration of senior managers, giving particular consideration to the implications of such resolutions for the institution's risks and risk management. Finally, it supports the Supervisory Board in overseeing the appropriate involvement of internal control functions and all other relevant areas in the design of remuneration systems.

The appointment of new Board of Management members is governed – in addition to the statutory provisions of the German Cooperative Societies Act (Genossenschaftsgesetz) and the KWG – by the Rules of Procedure of the Supervisory Board and the Articles of Association. The Supervisory Board appoints and dismisses members of the Board of Management and, together with the Board of Management, ensures long-term succession planning. The Supervisory Board may delegate the preparation of Board of Management appointments and the preparation of nomination proposals for Supervisory Board elections to the Nomination Committee.

The Nomination Committee supports the Supervisory Board in identifying candidates for Board of Management vacancies. In doing so, it takes into account the balance and diversity of knowledge, skills, and experience, as well as various diversity aspects – including educational and professional background, gender, age, and geographic origin – of all members of the relevant body.

The Supervisory Board advises and oversees the Board of Management. Its powers and duties derive from the German Cooperative Societies Act, the Articles of Association of Münchener Hypothekbank, and the Rules of Procedure of the Supervisory Board.

The Supervisory Board has established specific targets for its composition, with the competence of individual members playing a particularly important role. This is reviewed on an ad hoc basis and as part of the annual suitability assessment, from

which appropriate training measures are derived. In addition, in accordance with section 25d(2) and (11), nos. 3 and 4 KWG, an annual self-assessment is conducted in which both the Supervisory Board as a whole and its individual members are evaluated with respect to the requisite knowledge, skills, professional experience, reliability, and potential conflicts of interest. The self-assessment conducted pursuant to section 25d(11), nos. 3 and 4 KWG concluded that the collective knowledge, skills, and experience of the Supervisory Board were rated as "excellent".

The majority of Supervisory Board members have extensive experience in the banking or financial sector. Most of the cooperative representatives on the Supervisory Board have served for many years on the Board of Managements of cooperative banks of varying sizes and therefore bring inherent expertise in banking, including risk management, accounting, and auditing.

Members also possess detailed knowledge of Münchener Hypothekbank, with an average tenure on the Supervisory Board of more than seven years.



Board of Management:

The Board of Management comprises at least two members, typically three. One member may be appointed by the Supervisory Board as spokesperson or chairperson.

The composition of the Board of Management is set out in the annex on the management body. As the Bank is subject to co-determination requirements, the Supervisory Board and the Board of Management have established quantitative gender targets for various levels of the organisation in accordance with the Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector and section 9 of the German Cooperative Societies Act. The target for the proportion of women on the Supervisory Board is 33 percent, to be achieved by October 2026. As at 31 December 2025, the proportion of women on the Supervisory Board stood at 33 percent, meaning the target has already been met. The target for the proportion of women on the Board of Management is 33 percent. The deadline for achieving this target was extended to December 2028 by resolution of the Nomination Committee on 12 December 2025. As at 31 December 2025, the proportion of women on the Board of Management was 0 percent. The target for the two management levels below the Board of Management is 20 percent. As at 31 December 2025, the proportion of women at the first management level stood at 11 percent and at the second management level at 18 percent. The Supervisory Board intends to achieve the aforementioned targets for the underrepresented gender on the Supervisory Board and Board of Management on a medium-term basis, taking into account the interests of the Bank. To this end, succession planning for both bodies will specifically explore opportunities to increase the representation of the underrepresented gender.

The professional biographies of the Board of Management members are available on the Bank's corporate website.

3.5 RISK TOLERANCE AND RISK CAPACITY

A key foundation of risk management is the analysis and presentation of existing risks and their comparison with the available risk coverage (risk-bearing capacity). Münchener Hypothekbank calculates risk-bearing capacity from both a normative and an economic perspective.

The normative perspective is the more important of the two for management purposes; it assesses, on a period-oriented basis, whether the Bank would still be able to maintain capital above the statutory thresholds prescribed by the ICAAP guidelines following the materialisation of risks across all relevant risk categories. Regulatory own funds serve as the risk coverage potential in this context. The economic perspective, based on present values, is presented as a supplementary view.

Within the aforementioned approaches to the risk-bearing capacity calculation, the following risk types are quantified: credit default risk, market price risk, spread risk, migration risk, reputational risk, operational risk, equity investment risk, real estate risk, and refinancing risk. An additional buffer is included for model risk and other risks such as business risk.

Liquidity risks (including placement risks) are not taken into account in the risk-bearing capacity calculation, as liquidity risks cannot be absorbed through additional equity capital. Appropriate control procedures, approved by the management body, have been implemented for these risks within the internal monitoring systems.

The methodological frameworks and models used to calculate risk-bearing capacity are continuously refined in line with regulatory requirements. In addition, the underlying assumptions are regularly validated and adjusted as necessary. To account for exceptional yet plausible situations that cannot be adequately captured through the risk-bearing capacity calculation, adverse scenarios are presented under the normative perspective and stress scenarios are applied under both perspectives.

The results of the risk-bearing capacity calculation are reported to the Board of Management and the Supervisory Board at least on a quarterly basis. In the event of developments that materially deteriorate risk-bearing capacity, ad hoc reporting is provided. Where a need for action is identified, recommendations are formulated as part of the report. The risk-bearing capacity calculation also provides input for medium-term capital planning, as the normative perspective includes a four-year forward-looking outlook from the current reporting date. Should this perspective indicate an increased capital requirement, those responsible for medium-term capital planning respond accordingly.



4 Own Funds

4.1 STRUCTURE

Münchener Hypothekbank is organised as a registered cooperative (eingetragene Genossenschaft). In addition to reserves and the fund for general banking risks pursuant to section 340g of the German Commercial Code (HGB), Tier 1 capital comprises equity contributions in the form of cooperative shares. The nominal value of each individual cooperative share is EUR 70.00.

As at 31 December 2025, total cooperative shares amounted to EUR 1,294.5 million, of which EUR 28.8 million had been withdrawn.

As at 31 December 2025, Münchener Hypothekbank had Available Distributable Items (ADI) of EUR 624.7 million.

In the course of diversifying its capital structure and optimising its liquidity raising, Münchener Hypothekbank completed several issuances of Tier 2 capital instruments in 2025. Tier 2 capital amounted to EUR 398.0 million as at the end of December 2025.

Total liable equity capital stood at EUR 2,511.2 million as at the end of December 2025. The following overview presents specific own funds components in accordance with Article 437(a), (d), (e), and (f) CRR.

TABLE 3: TEMPLATE EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	1,265.71	A
	of which: instrument type 1	–	
	of which: instrument type 2	–	
	of which: instrument type 3	–	
2	Retained earnings	568.00	B
3	Accumulated other comprehensive income (and other reserves)	0.0	
EU-3a	Funds for general banking risk	122.00	C
4	Amount of qualifying items referred to in Article 484(3) CRR and the related share premium accounts subject to phase out from CET1	0.0	
5	Minority interests (amount allowed in consolidated CET1)	0.0	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	5.00	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,960.71	



Table 3 continued from page 12

TABLE 3: TEMPLATE EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	0.0	
8	Intangible assets (net of related tax liability) (negative amount)	- 0.4	
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0.0	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	0.0	
12	Negative amounts resulting from the calculation of expected loss amounts	- 32.1	
13	Any increase in equity that results from securitised assets (negative amount)	0.0	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0.0	
15	Defined-benefit pension fund assets (negative amount)	0.0	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	- 1.1	
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0.0	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0.0	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0.0	
20	Empty set in the EU	0.0	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0.0	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	0.0	
EU-20c	of which: securitisation positions (negative amount)	0.0	
EU-20d	of which: free deliveries (negative amount)	0.0	

Table 3 continued on page 14



Table 3 continued from page 13

TABLE 3: TEMPLATE EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0.0	
22	Amount exceeding the 17.65% threshold (negative amount)	0.0	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0.0	
24	Empty set in the EU	0.0	
25	of which: deferred tax assets arising from temporary differences	0.0	
EU-25a	Losses for the current financial year (negative amount)	0.0	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	0.0	
26	Empty set in the EU	0.0	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0.0	
27a	Other regulatory adjustments	– 38.7	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	– 72.3	
29	Common Equity Tier 1 (CET1) capital	1,888.5	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	224.7	D
31	of which: classified as equity under applicable accounting standards	0.0	
32	of which: classified as liabilities under applicable accounting standards	224.7	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	0.0	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	0.0	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	0.0	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0.0	
35	of which: instruments issued by subsidiaries subject to phase out	0.0	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	224.7	

Table 3 continued on page 15



Table 3 continued from page 14

TABLE 3: TEMPLATE EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Additional Tier 1 (AT1) capital: regulatory adjustments		
37	0.0	
38	0.0	
39	0.0	
40	0.0	
41	–	
42	0.0	
42a	0.0	
43	0.0	
44	224.7	
45	2,113.2	
Tier 2 (T2) capital: instruments		
46	396.5	E
47	0.0	
EU-47a	0.0	
EU-47b	0.0	
48	0.0	
49	0.0	
50	1.5	
51	398.0	

Table 3 continued on page 16



Table 3 continued from page 15

TABLE 3: TEMPLATE EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: regulatory adjustments		
52	0.0	
53	0.0	
54	0.0	
54a	-	
55	0.0	
56	-	
EU-56a	0.0	
EU-56b	0.0	
57	0.0	
58	398.0	
59	2,511.2	
60	8,985.6	
Capital ratios and requirements including buffers		
61	21.02	
62	23.52	
63	27.95	
64	9.35	
65	2.50	
66	0.69	
67	0.40	
EU-67a	0.00	
EU-67b	1.27	

Table 3 continued on page 17



Table 3 continued from page 16

TABLE 3: TEMPLATE EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	15.25	
69	[non relevant in EU regulation]	-	
70	[non relevant in EU regulation]	-	
71	[non relevant in EU regulation]	-	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	94.8	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	2.3	
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	0	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	1.5	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	13.4	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0.0	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	40.2	



The following table sets out the key parameters and ratios relating to regulatory own funds.

TABLE 4: TEMPLATE EU KM1 – KEY METRICS TEMPLATE

		a	b	c	d	e
		31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	1,888.5	1,840.5	1,844.0	1,870.8	1,864.2
2	Tier 1 capital	2,113.2	2,064.1	2,068.0	2,090.6	2,086.7
3	Total capital	2,511.2	2,472.2	2,437.8	2,481.6	2,481.8
Risk-weighted exposure amounts						
4	Total risk exposure amount	8,985.6	9,665.7	9,767.2	9,644.7	11,162.3
4a	Total risk exposure pre-floor	8,985.6	9,665.7	9,767.2	9,644.7	-
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	21.02	19.04	18.88	19.40	16.70
5a	Not applicable	-	-	-	-	-
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	21.02	19.04	18.88	19.40	-
6	Tier 1 ratio (%)	23.52	21.35	21.17	21.68	18.69
6a	Not applicable	-	-	-	-	-
6b	Tier 1 ratio considering unfloored TREA (%)	23.52	21.35	21.17	21.68	-
7	Total capital ratio (%)	27.95	25.58	24.96	25.73	22.23
7a	Not applicable	-	-	-	-	-
7b	Total capital ratio considering unfloored TREA (%)	27.95	25.58	24.96	25.73	-
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.25	2.25	2.25	2.25	1.75
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.27	1.27	1.27	1.27	0.98
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.69	1.69	1.69	1.69	1.31
EU 7g	Total SREP own funds requirements (%)	10.25	10.25	10.25	10.25	9.75
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-

Table 4 continued on page 19



Table 4 continued from page 18

TABLE 4: TEMPLATE EU KM1 – KEY METRICS TEMPLATE

		a	b	c	d	e
		31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024
9	Institution-specific countercyclical capital buffer (%)	0.69	0.67	0.67	0.66	0.67
EU 9a	Systemic risk buffer (%)	0.40	0.39	0.37	0.75	0.74
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	3.59	3.56	3.54	3.91	3.91
EU 11a	Overall capital requirements (%)	13.84	13.81	13.79	14.16	13.66
12	CET1 available after meeting the total SREP own funds requirements (%)	15.25	13.28	13.11	13.63	11.22
Leverage ratio						
13	Total exposure measure	52,447.6	54,856.1	55,832.1	55,519.7	54,002.4
14	Leverage ratio (%)	4.03	3.76	3.70	3.77	3.86
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00	3.00	3.00	3.00	3.00
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00	3.00	3.00	3.00	3.00
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	2,999.3	2,828.2	2,563.0	2,450.6	2,372.5
EU 16a	Cash outflows – Total weighted value	1,374.0	1,232.2	1,137.8	1,206.3	1,208.7
EU 16b	Cash inflows – Total weighted value	430.7	426.7	415.8	422.6	525.8
16	Total net cash outflows (adjusted value)	943.3	811.6	722.6	784.2	692.4
17	Liquidity coverage ratio (%)	373.7	418.3	419.6	345.6	385.6
Net Stable Funding Ratio						
18	Total available stable funding	44,229.5	45,489.6	45,219.0	45,959.7	46,277.8
19	Total required stable funding	40,580.6	40,829.6	41,299.3	41,593.1	41,541.7
20	NSFR ratio (%)	108.99	111.41	109.49	110.50	111.40



Table 5 provides a description of the main features of the Common Equity Tier 1, Additional Tier 1, and Tier 2 instruments issued by Münchener Hypothekbank, in accordance with Article 437(b) and (c) CRR. The cooperative shares shown do not include shares that had been cancelled as at 31 December 2025 (see Table 3, EU CC1). Disclosure is made in accordance with template EU CCA as set out in Implementing Regulation (EU) No. 2024/3172 of the European Commission of 29 November 2024.

The legal provisions governing cooperative shares are based on the German Cooperative Societies Act (Genossenschaftsgesetz) and the Articles of Association of Münchener Hypothekbank as a registered cooperative. The Articles of Association are available on the Bank's website under "Company/Membership" (https://www.mhb.de/sites/default/files/2025-10/mhyp_Satzung_08_2025_DE_ANSICHT.pdf). The terms and conditions of the AT1 bonds issued are available on the Bank's website under "Investors/Refinancing/Issuances" (<https://www.mhb.de/de/investoren/refinanzierung-emissionen>).

**TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES**

PART 1 OF 5

	Share in cooperative	AT1 bond	AT1 bond	AT1 bond	AT1 bond
1 Issuer	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	CH0508236590	CH1184694771	N/A	N/A
3 Governing law(s) of the instrument	German	German	German	German	German
4 Transitional CRR rules	CET1	AT1	AT1	AT1	AT1
5 Post-transitional CRR rules	CET1	AT1	AT1	AT1	AT1
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated level	Solo	Solo	Solo	Solo	Solo
7 Instrument type (types to be specified by each jurisdiction)	Share in cooperative	Bond	Bond	Bond	Bond
8 Amount recognised in regulatory capital (currency in million, as at the most-recent reporting date)	EUR 1,294.50	EUR 134.2	EUR 80.5	EUR 6.0	EUR 4.0
9 Nominal amount of instrument	EUR 1,294.50	CHF 125.0	CHF 75.0	EUR 6.0	EUR 4.0
9a Issue price	EUR 1,294.50	CHF 125.0	CHF 75.0	EUR 6.0	EUR 4.0
9b Redemption price	EUR 1,294.50	CHF 125.0	CHF 75.0	EUR 6.0	EUR 4.0
10 Accounting classification	Equity	Liability	Liability	Liability	Liability
11 Original date of issuance	Continuous since 1896	25.11.2019	02.06.2022	11.12.2018	03.12.2018
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13 Original maturity date	N/A	N/A	N/A	N/A	N/A
14 Issuer call subject to prior supervisory approval	N/A	Regulatory; tax-related	Regulatory; tax-related	Regulatory; tax-related	Regulatory; tax-related



Table 5, Part 1 continued from page 21

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 1 OF 5

	Share in cooperative	AT1 bond	AT1 bond	AT1 bond	AT1 bond
15 Optional call date, contingent call dates and redemption amount	N/A	Earliest termination date 2 June 2025	On each business day from 2 July 2027 (inclusive) until the First Interest Adjustment Date (inclusive)	Earliest termination date 30 November 2023	Earliest termination date 30 November 2023
16 Subsequent call date, if applicable	N/A	After 2 June 2025, with effect as at each interest payment date	On each interest payment date following the first interest adjustment date	On each of the first early redemption dates	On each of the first early redemption dates
17 Fixed or floating dividend/coupon	Floating	Fixed	Fixed	Fixed	Fixed
18 Coupon rate and any related index	N/A	3.125; resets from (but excluding) 1 June 2025 and every 5 years thereafter to the prevailing 5y CHF mid-market swap rate plus a margin per annum	5.75%; after minimum maturity 5-year CHF mid-market swap rate with a floating rate component based on SARON (Swiss Average Rate Overnight) (the "mid-swap rate")	Until 29 November 2023: 4.00% – for each subsequent period of 5 years, the interest rate corresponds to the current yield for public sector bonds with a remaining term of 4-5 years as published by the Deutsche Bundesbank for the first day of the respective subsequent period plus a margin of 4% per annum.	Until 29 November 2023: 4.00% – for each subsequent period of 5 years, the interest rate corresponds to the current yield for public sector bonds with a remaining term of 4-5 years as published by the Deutsche Bundesbank for the first day of the respective subsequent period plus a margin of 4% per annum.
19 Existence of dividend stoppers	N/A	N/A	N/A	N/A	N/A
20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21 Existence of step up or other incentive to redeem	N/A	N/A	N/A	N/A	N/A
22 Non-cumulative or cumulative	N/A			N/A	N/A
23 Convertible or non-convertible	No	No	No	N/A	N/A
24 If convertible, conversion trigger(s)	N/A			N/A	N/A

Table 5, Part 1 continued on page 23



Table 5, Part 1 continued from page 22

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 1 OF 5

	Share in cooperative	AT1 bond	AT1 bond	AT1 bond	AT1 bond
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Write-down features		Yes		Yes
31	If write-down, write-down trigger(s)	Resolution approved by Delegates Meeting	If Common Equity Tier 1 capital ratio falls below 7.00%	If Common Equity Tier 1 capital ratio falls below 7.00%	If Common Equity Tier 1 capital ratio falls below 5.00%
32	If write-down, full or partial	Full and partial	Full and partial	Full and partial	Full and partial
33	If write-down, permanent or temporary	Permanent	Temporary	Temporary	Temporary
34	If temporary write-down, description of write-up mechanism	N/A	Yes	Yes	Yes
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	AT1	Subord.	Subord.	Subord.
36	Non-compliant transitional features	N/A	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Articles of Association of Münchener Hypothekbank	terms and conditions	terms and conditions	terms and conditions

Table 5, Part 2 continued on page 24



Table 5, Part 2 continued from page 23

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 2 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
1 Issuer	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	DE000MHB66H9	DE000MHB66G1	CH1270825529	DE000MHB66N7
3 Governing law(s) of the instrument	German	German	German	German
4 Transitional CRR rules	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)
5 Post-transitional CRR rules	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated level	Solo	Solo	Solo	Solo
7 Instrument type (types to be specified by each jurisdiction)	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans
8 Amount recognised in regulatory capital (currency in million, as at the most-recent reporting date)	EUR 16.0	EUR 14.2	EUR 123.5	EUR 113.3
9 Nominal amount of instrument	EUR 16.0	EUR 14.2	CHF 115.0	EUR 200.0
9a Issue price	EUR 16.0	EUR 14.2	CHF 115.0	EUR 200.0
9b Redemption price	EUR 16.0	EUR 14.2	CHF 115.0	EUR 200.0
10 Accounting classification	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument
11 Original date of issuance	22.03.2023	22.03.2023	07.06.2023	31.10.2023
12 Perpetual or dated	Dated	Dated	Dated	Dated
13 Original maturity date	The instruments have a term of 10 years. Maturity date depends on when contract was concluded	The instruments have a term of 10 years. Maturity date depends on when contract was concluded	The instruments have a term of 10 years. Maturity date depends on when contract was concluded	The instruments have a term of five years. Maturity date depends on when contract was concluded
14 Issuer call subject to prior supervisory approval	Callable	N/A	N/A	N/A



Table 5, Part 2 continued from page 24

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 2 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
15 Optional call date, contingent call dates and redemption amount	Issuer has option to redeem after 5 years – redemption subject to approval by the responsible supervisory authority	N/A	N/A	N/A
16 Subsequent call date, if applicable	N/A	N/A	N/A	N/A
17 Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
18 Coupon rate and any related index	Initial coupon: 5.95% per annum/initial coupon spread: betw. 2.65 bp and 2.70 bp	Initial coupon: 5.589% per annum/initial coupon spread: 2.50 bp	Initial coupon: 4.2525%/reoffer spread: SARON (Swiss Average Rate Overnight) mid-swaps +240 bp	7.13%
19 Existence of dividend stoppers	N/A	N/A	N/A	N/A
20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	N/A	N/A
20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	N/A	N/A
21 Existence of step up or other incentive to redeem	N/A	N/A	N/A	N/A
22 Non-cumulative or cumulative	N/A	N/A	N/A	N/A
23 Convertible or non-convertible	N/A	N/A	N/A	N/A
24 If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25 If convertible, fully or partially	N/A	N/A	N/A	N/A

Table 5, Part 2 continued on page 26



Table 5, Part 2 continued from page 25

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 2 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A		N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated funds	Subordinated funds	Subordinated funds
36	Non-compliant transitional features	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026

Table 5, Part 3 continued on page 27



Table 5, Part 3 continued from page 26

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 3 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
1 Issuer	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank
2 Unique identifier (e. g. CUSIP, ISIN or Bloomberg identifier for private placement)	1951747201	1951746501	1951746201	1951746801	1951817001	DE000MHB66X6
3 Governing law(s) of the instrument	German	German	German	German	German	German
4 Transitional CRR rules	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)
5 Post-transitional CRR rules	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated level	Solo	Solo	Solo	Solo	Solo	Solo
7 Instrument type (types to be specified by each jurisdiction)	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans
8 Amount recognised in regulatory capital (currency in million, as at the most-recent reporting date)	EUR 5.0	EUR 5.0	EUR 5.0	EUR 2.0	EUR 2.5	EUR 42.0
9 Nominal amount of instrument	EUR 5.0	EUR 5.0	EUR 5.0	EUR 2.0	EUR 20.0	EUR 42.0
9a Issue price	EUR 5.0	EUR 5.0	EUR 5.0	EUR 2.0	EUR 20.0	EUR 42.0
9b Redemption price	EUR 5.0	EUR 5.0	EUR 5.0	EUR 2.0	EUR 20.0	EUR 42.0
10 Accounting classification	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument
11 Original date of issuance	22.03.2023	29.03.2023	29.03.2023	22.03.2023	17.08.2016	10.07.2024
12 Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded
14 Issuer call subject to prior supervisory approval	N/A	N/A	N/A	N/A	N/A	N/A

Table 5, Part 3 continued on page 28



Table 5, Part 3 continued from page 27

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 3 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
15 Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A	N/A
16 Subsequent call date, if applicable	N/A	N/A	N/A	N/A	N/A	N/A
17 Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18 Coupon rate and any related index	5.58%	5.73%	6.08%	5.55%	5.55%	5.58%
19 Existence of dividend stoppers	N/A	N/A	N/A	N/A	N/A	N/A
20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	N/A	N/A	N/A	N/A
20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	N/A	N/A	N/A	N/A
21 Existence of step up or other incentive to redeem	N/A	N/A	N/A	N/A	N/A	N/A
22 Non-cumulative or cumulative	N/A	N/A	N/A	N/A	N/A	N/A
23 Convertible or non-convertible	N/A	N/A	N/A	N/A	N/A	N/A
24 If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25 If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A

Table 5, Part 3 continued on page 29



Table 5, Part 3 continued from page 28

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 3 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated funds	Subordinated funds	Subordinated funds	Subordinated funds	Subordinated funds
36	Non-compliant transitional features	N/A	N/A	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026

Table 5, Part 4 continued on page 30



Table 5, Part 4 continued from page 29

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 4 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
1 Issuer	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	1951756501	1951756907	1951756908	1951756909	1951757102	DE000MHB67A2
3 Governing law(s) of the instrument	German	German	German	German	German	German
4 Transitional CRR rules	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)
5 Post-transitional CRR rules	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated level	Solo	Solo	Solo	Solo	Solo	Solo
7 Instrument type (types to be specified by each jurisdiction)	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans	Subordinated promissory note loans
8 Amount recognised in regulatory capital (currency in million, as at the most-recent reporting date)	EUR 5.0	EUR 1.0	EUR 1.0	EUR 5.0	EUR 1.0	EUR 5.0
9 Nominal amount of instrument	EUR 5.0	EUR 1.0	EUR 1.0	EUR 5.0	EUR 1.0	EUR 5.0
9a Issue price	EUR 5.0	EUR 1.0	EUR 1.0	EUR 5.0	EUR 1.0	EUR 5.0
9b Redemption price	EUR 5.0	EUR 1.0	EUR 1.0	EUR 5.0	EUR 1.0	EUR 5.0
10 Accounting classification	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument
11 Original date of issuance	20.06.2024	19.07.2024	19.07.2024	19.07.2024	19.07.2024	21.08.2024
12 Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded
14 Issuer call subject to prior supervisory approval	N/A	N/A	N/A	N/A	N/A	N/A

Table 5, Part 4 continued on page 31



Table 5, Part 4 continued from page 30

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 4 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call date, if applicable	N/A	N/A	N/A	N/A	N/A
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5.51%	3.50%	4.50%	5.50%	5.40%
19	Existence of dividend stoppers	N/A	N/A	N/A	N/A	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	N/A	N/A	N/A
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	N/A	N/A	N/A
21	Existence of step up or other incentive to redeem	N/A	N/A	N/A	N/A	N/A
22	Non-cumulative or cumulative	N/A	N/A	N/A	N/A	N/A
23	Convertible or non-convertible	N/A	N/A	N/A	N/A	N/A
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A

Table 5, Part 4 continued on page 32



Table 5, Part 4 continued from page 31

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 4 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated funds	Subordinated funds	Subordinated funds	Subordinated funds	Subordinated funds
36	Non-compliant transitional features	N/A	N/A	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026

Table 5, Part 5 continued on page 33



Table 5, Part 5 continued from page 32

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 5 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
1 Issuer	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank	Münchener Hypothekbank
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	1951764501	1951764701	1951764801	1951764901	1951765001	DE000MHB67N5
3 Governing law(s) of the instrument	German	German	German	German	German	German
4 Transitional CRR rules	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)
5 Post-transitional CRR rules	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)	Supplementary capital (Tier 2)
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated level	Solo	Solo	Solo	Solo	Solo	Solo
7 Instrument type (types to be specified by each jurisdiction)	Registered Promissory Note Loan (SSD)	Registered Promissory Note Loan (SSD)	Registered Promissory Note Loan (SSD)	Registered Promissory Note Loan (SSD)	Registered Promissory Note Loan (SSD)	Subordinated Bearer Bond
8 Amount recognised in regulatory capital (currency in million, as at the most-recent reporting date)	EUR 3.5	EUR 5.0	EUR 2.0	EUR 10.0	EUR 4.0	EUR 25.5
9 Nominal amount of instrument	EUR 3.5	EUR 5.0	EUR 2.0	EUR 10.0	EUR 4.0	EUR 25.5
9a Issue price	EUR 3.5	EUR 5.0	EUR 2.0	EUR 10.0	EUR 4.0	EUR 25.5
9b Redemption price	EUR 3.5	EUR 5.0	EUR 2.0	EUR 10.0	EUR 4.0	EUR 25.5
10 Accounting classification	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument	Equity capital instrument/debt instrument in accordance with the German Commercial Code (HGB), participation certificate instrument
11 Original date of issuance	27.08.2025	27.08.2025	27.08.2025	27.08.2025	27.08.2025	12.09.2025
12 Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded	The instrument has a term of 10 years. Maturity date depends on when contract was concluded
14 Issuer call subject to prior supervisory approval	N/A	N/A	N/A	N/A	N/A	N/A

Table 5, Part 5 continued on page 34



Table 5, Part 5 continued from page 33

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES
 PART 5 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call date, if applicable	N/A	N/A	N/A	N/A	N/A
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Initial Coupon: 4.475% per annum/Coupons are priced based on the 10-year EUR ICE mid-swap rate + 180 bps	Initial Coupon: 4.501% per annum/Coupons are priced based on the 10-year EUR ICE mid-swap rate + 180 bps	Initial Coupon: 4.497% per annum/Coupons are priced based on the 10-year EUR ICE mid-swap rate + 180 bps	Initial Coupon: 4.504% per annum/Coupons are priced based on the 10-year EUR ICE mid-swap rate + 180 bps	Initial Coupon: 4.497% per annum/Coupons are priced based on the 10-year EUR ICE mid-swap rate + 180 bps
19	Existence of dividend stoppers	N/A	N/A	N/A	N/A	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	N/A	N/A	N/A
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	N/A	N/A	N/A
21	Existence of step up or other incentive to redeem	N/A	N/A	N/A	N/A	N/A
22	Non-cumulative or cumulative	N/A	N/A	N/A	N/A	N/A
23	Convertible or non-convertible	N/A	N/A	N/A	N/A	N/A
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A

Table 5, Part 5 continued on page 35



Table 5, Part 5 continued from page 34

TABLE 5: EU CCA – MAIN FEATURES OF INSTRUMENTS OF REGULATORY OWN FUNDS AND INSTRUMENTS OF ELIGIBLE LIABILITIES

PART 5 OF 5

	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond	Tier 2 bond
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated funds	Subordinated funds	Subordinated funds	Subordinated funds	Subordinated funds
36	Non-compliant transitional features	N/A	N/A	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026	MüHyp Prospectus 2026



4.2 COUNTERCYCLICAL CAPITAL BUFFER

The Countercyclical Capital Buffer (CCB) is a macroprudential supervisory instrument designed to counteract the risk of excessive credit growth in the banking sector. The CCB requires banks to build up an additional capital buffer during periods of excessive credit growth, thereby generally enhancing their loss-absorbing capacity. In a crisis, the buffer may be explicitly drawn down to absorb losses, with the aim of preventing the emergence of a credit crunch. The countercyclical capital buffer may range from 0 percent to 2.5 percent of total risk-weighted assets.

For the purpose of disclosing the institution-specific capital buffer as at 31 December 2025, Münchener Hypothekbank has taken into account the country-specific countercyclical capital buffer rates established by the respective European supervisory authorities.

In general, the institution-specific CCB is calculated by multiplying the institution-specific countercyclical capital buffer rate by the total risk exposure amount pursuant to Article 92(3) CRR.

The institution-specific buffer rate is in turn determined in accordance with section 10d(2) KWG, which requires the calculation of a weighted average of the countercyclical capital buffer rates applicable in the individual countries in which Münchener Hypothekbank holds material exposures. Material risk exposures are defined in section 36 SolW (covering all exposure classes under Article 112(a) to (f) CRR) and generally comprise exposures to the private sector.

In order to weight these material risk exposures by the countercyclical capital buffer rate applicable at their location, the location of all material risk exposures must be determined in accordance with Implementing Regulation (EU) No. 1152/2014 of 4 June 2014.

Institutions are required to disclose the geographical distribution of material risk exposures and the calculated institution-specific countercyclical capital buffer amount pursuant to Article 440 CRR in conjunction with Article 5 and Annex IX of Implementing Regulation (EU) 2024/3172 of 29 November 2024. This disclosure is provided in Tables 6 and 7 below.


TABLE 6: TEMPLATE EU CCYB1 – GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL CAPITAL BUFFER

Breakdown by country:	a	b	c		d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk			Own fund requirements								
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securiti-sation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securiti-sation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund require-ments weights (%)	Counter-cyclical buffer rate (%)	
Germany	989.2	34,608.3	–	–	–	35,597.5	440.8	–	–	–	440.8	5,509.9	71.86	0.75
Switzerland	120.5	5,307.8	–	–	–	5,428.3	35.0	–	–	–	35.0	438.0	5.71	–
Luxembourg	22.5	2,651.0	–	–	–	2,673.5	57.7	–	–	–	57.7	721.0	9.40	0.50
The Netherlands	41.3	729.2	–	–	–	770.5	17.0	–	–	–	17.0	212.1	2.77	2.00
France	168.7	391.6	–	–	–	560.3	9.9	–	–	–	9.9	124.1	1.62	1.00
Spain	4.7	505.1	–	–	–	509.8	17.4	–	–	–	17.4	217.1	2.83	0.50
United States of America	17.8	470.4	–	–	–	488.1	15.7	–	–	–	15.7	196.5	2.56	–
Austria	175.7	135.6	–	–	–	311.3	7.0	–	–	–	7.0	86.9	1.13	–
Jersey	0.0	166.3	–	–	–	166.4	5.4	–	–	–	5.4	68.0	0.89	–
Denmark	1.2	84.4	–	–	–	85.6	1.1	–	–	–	1.1	13.5	0.18	2.50
Belgium	2.4	60.4	–	–	–	62.9	1.8	–	–	–	1.8	23.1	0.30	1.00
United Kingdom (excl. Northern Ireland)	8.4	43.5	–	–	–	51.9	1.9	–	–	–	1.9	24.0	0.31	2.00
Finland	35.1	0.1	–	–	–	35.1	0.3	–	–	–	0.3	4.2	0.05	–
Guernsey	0.0	16.6	–	–	–	16.6	0.5	–	–	–	0.5	6.5	0.09	–
Sweden	12.1	0.4	–	–	–	12.5	0.4	–	–	–	0.4	4.6	0.06	2.00
Italy	5.9	0.1	–	–	–	6.0	0.3	–	–	–	0.3	3.5	0.05	–
Ireland	3.2	0.1	–	–	–	3.2	0.2	–	–	–	0.2	2.0	0.03	1.50
Australia	2.9	–	–	–	–	2.9	0.1	–	–	–	0.1	1.4	0.02	1.00
Japan	2.6	–	–	–	–	2.6	0.2	–	–	–	0.2	3.1	0.04	–
Canada	1.5	–	–	–	–	1.5	0.1	–	–	–	0.1	1.4	0.02	–
Cayman Islands	1.5	–	–	–	–	1.5	0.1	–	–	–	0.1	1.0	0.01	–

Table 6 continued on page 38



Table 6 continued from page 37

TABLE 6: TEMPLATE EU CCYB1 – GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL CAPITAL BUFFER

Breakdown by country:	a	b	c		d	e	f	g		h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk			Own fund requirements									
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)		
Czechia	1.1	-	-	-	-	1.1	0.1	-	-	0.1	0.7	0.01	1.25		
Slovakia	1.1	-	-	-	-	1.1	0.0	-	-	0.0	0.1	0.00	1.50		
New Zealand	0.8	-	-	-	-	0.8	0.0	-	-	0.0	0.5	0.01	-		
Republic of Korea (former South Korea)	0.5	-	-	-	-	0.5	0.0	-	-	0.0	0.2	0.00	1.00		
Norway	0.5	0.0	-	-	-	0.5	0.0	-	-	0.0	0.1	0.00	2.50		
United Arab Emirates	0.4	-	-	-	-	0.4	0.0	-	-	0.0	0.2	0.00	-		
Poland	0.4	-	-	-	-	0.4	0.0	-	-	0.0	0.2	0.00	1.00		
British Virgin Islands	0.4	-	-	-	-	0.4	0.0	-	-	0.0	0.3	0.00	-		
Singapore	0.3	-	-	-	-	0.3	0.0	-	-	0.0	0.1	0.00	-		
Chile	0.3	-	-	-	-	0.3	0.0	-	-	0.0	0.2	0.00	0.50		
Mexico	0.2	0.1	-	-	-	0.3	0.0	-	-	0.0	0.3	0.00	-		
India	0.2	0.0	-	-	-	0.2	0.0	-	-	0.0	0.3	0.00	-		
Indonesia	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.2	0.00	-		
Hong Kong	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.2	0.00	0.50		
Portugal	0.2	0.0	-	-	-	0.2	0.0	-	-	0.0	0.1	0.00	-		
Israel	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.1	0.00	-		
Turkey	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.2	0.00	-		
Colombia	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.2	0.00	-		
Bermuda	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.1	0.00	-		
Kosovo	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.0	0.00	-		

Table 6 continued on page 39



Table 6 continued from page 38

TABLE 6: TEMPLATE EU CCYB1 – GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL CAPITAL BUFFER

Breakdown by country:	a	b	c		d	e	f	g		h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements								
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securiti-sation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securiti-sation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)		
Malaysia	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Thailand	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Romania	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	1.00		
Mauritius	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Greece	0.0	0.1	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	0.25		
Saudi Arabia	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.0	0.00	-		
Peru	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Oman	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Argentina	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Philippines	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Morocco	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Isle of Man	0.1	-	-	-	-	0.1	0.0	-	-	0.0	0.1	0.00	-		
Others	0.3	-	-	-	-	0.3	0.0	-	-	0.0	0.2	0.00	-		
Total	1,626.0	45,171.1	-	-	-	46,797.2	613.4	-	-	613.4	7,667.3	100.00	-		


**TABLE 7: TEMPLATE EU CCYB2 –
AMOUNT OF INSTITUTION-SPECIFIC
COUNTERCYCLICAL CAPITAL BUFFER**

		a
1	Total risk exposure amount	8,985.6
2	Institution-specific countercyclical capital buffer rate	0.69%
3	Institution-specific countercyclical capital buffer requirement	61.8

4.3 ADEQUACY OF OWN FUNDS

As a general principle, Münchener Hypothekbank applies the Internal Ratings-Based Approach (IRBA) to calculate regulatory capital requirements in accordance with the CRR and subject to the approvals received from the supervisory authorities. For the majority of corporate exposure classes, the Foundation IRB Approach (F-IRBA) is applied to determine capital requirements, meaning that the Probability of Default (PD) is estimated. For the domestic retail portfolio, the retail SME portfolio, and the PostFinance retail portfolio, the Advanced IRB Approach (A-IRBA) is applied, under which both the PD and the Loss Given Default (LGD) are estimated. For the remaining portion of the portfolio, capital requirements are determined using the standardised approach (SA) for regulatory purposes.

With total own funds requirements pursuant to Article 92(1)(c) CRR of EUR 718.8 million as at 31 December 2025, the total capital ratio stood at 27.95 percent, the Common Equity Tier 1 (CET1) ratio at 21.02 percent, and the Tier 1 capital ratio at 23.52 percent. The Bank therefore comfortably exceeds both the CET1 ratio of 8 percent required by the ECB, including in stress tests, and the Pillar II requirement of 2.25 percent. The breakdown of capital requirements as at 31 December 2025 by

risk type and exposure class is summarised in Tables 8 to 10. Capital requirements for credit risk under IRB positions amount to EUR 536.4 million and for credit risk under SA positions to EUR 85.8 million. Capital requirements for operational risk and credit valuation adjustment are significantly lower, at EUR 72.3 million and EUR 24.3 million respectively. Operational risk is determined using the Business Indicator Component (BIC) calculated in accordance with Article 313 CRR. Capital requirements for credit valuation adjustment (CVA risk) are calculated using the standardised method.

**TABLE 8: EQUITY CAPITAL REQUIRED FOR
COUNTERPARTY RISKS – IRBA PORTFOLIOS**

Counterparty risks for IRBA portfolios	Equity capital requirement
1. Central governments	–
2. Institutions	–
3. Corporates	273.0
4. Retail Business	253.4
5. Equity investments	–
6. Securitisations	–
of which re-securitisations	–
7. Other non-credit obligation assets	10.0
Total	536.4

**TABLE 9: EQUITY CAPITAL REQUIRED FOR
OPERATIONAL RISKS AND MARKET RISKS**

Operational risk and market risks	Equity capital requirement
1. Operational risk (basic indicator approach)	72.3
2. CVA risk (based on standardised method)	24.3
Total	96.6

**TABLE 10: EQUITY CAPITAL REQUIRED FOR
COUNTERPARTY RISKS – KSA PORTFOLIOS**

Counterparty risks for KSA portfolios	Equity capital requirement
1. Sovereigns and central banks	–
2. Regional and local administrative authorities	–
3. Public entities	–
4. Multilateral development banks	–
5. International organisations	–
6. Institutions	8.9
7. Corporates	0.5
8. Retail Business	–
9. Exposures secured by properties and ADC positions	46.0
10. Equity investments	18.1
11. Other positions	–
12. Collective investment undertakings	8.2
13. Positions in default	0.1
14. Covered bonds	4.0
Total	85.8

Capital adequacy is planned as part of Münchener Hypothekbank's multi-year financial projections, ensuring that full compliance with regulatory capital requirements is maintained at all times. Münchener Hypothekbank assesses the adequacy of its own funds internally in a manner consistent with the regulatory requirements under CRR/CRD IV.



4.4 BALANCE SHEET RECONCILIATION

Münchener Hypothekbank is not assigned to any consolidation group, either under commercial law or for regulatory purposes. The audited and published annual financial statements prepared in accordance with the German Commercial Code (HGB) therefore encompass all items that form part of, or are deducted from, regulatory own funds, including assets, liabilities such as debt instruments, and other balance sheet items that affect regulatory own funds, such as intangible assets. A reconciliation of balance sheet positions to a regulatory consolidation scope is therefore not required.

Table 11 provides a reconciliation of accounting equity to regulatory own funds.

No material differences exist between regulatory risk exposures and the carrying amounts in the annual financial statements; accordingly, a detailed breakdown is not presented.

TABLE 11: TEMPLATE EU CC2 – RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

	a	c	
	Balance sheet as in published financial statements	Reference	
Assets – Breakdown by asset classes according to the balance sheet in the published annual financial statements			
1	Cash reserves	20.2	
2	Claims on banks	1,362.8	
3	Claims on customers	45,213.0	
4	Debt securities and other fixed-income securities	6,309.9	
5	Equities and other variable-yield securities	125.0	
6	Participating interests and shares in cooperatives	109.7	
7	Shares in affiliated companies	1.1	
8	Intangible assets	0.4	
9	Tangible assets	90.9	
10	Other assets	134.0	
11	Deferred income	111.4	
12	Total assets	53,478.4	
Liabilities – Breakdown by liability classes according to the balance sheet in the published annual financial statements			
1	Liabilities to credit institutions	4,239.2	
2	Liabilities to customers	17,391.3	
3	Certified liabilities	28,842.9	
4	Other liabilities	111.2	
5	Deferred income from issuing and lending business	35.6	
6	Provisions	91.6	
7	Subordinated liabilities	500.7	E
8	Instruments of the additional regulatory core capital	224.7	D
9	Fund for general banking risks	122.0	C
10	Capital and reserves	1,919.2	
10.1	Subscribed capital	1,294.5	A
10.2	Revenue reserves	568.0	B
10.3	Unappropriated profit	56.7	
11	Total liabilities	53,478.4	



5 Credit Risk

5.1 DEFINITION AND SCOPE

Credit default risk – also referred to as credit risk – is of significant importance to Münchener Hypothekbank. It describes the risk that counterparties or groups of counterparties may fail to meet their payment obligations to the creditor in a timely manner, in full, or at all. Credit risk also encompasses migration risk, which is defined as the risk that a deterioration in a borrower's credit rating – and the associated increase in the required yield that this typically implies – gives rise to an interim loss in present value terms.

5.2 STRATEGIES AND PROCESSES

The strategies and processes relevant to the management of credit risk are set out in the business and risk strategy as well as in the Credit Manual. The business and risk strategy contains further detail on the sub-strategies relating to target clients and target markets, as well as the framework for measuring and managing credit risk at both the individual transaction and portfolio levels. The Credit Manual sets out the authority frameworks and procedural requirements for all units involved in lending activities.

5.3 STRUCTURE AND ORGANISATION OF RISK MANAGEMENT

Credit risk management begins with the selection of target business at the loan pricing stage. Risk cost functions are used for this purpose and are validated through ongoing backtesting. Depending on the nature and risk content of a transaction, various rating or scoring methodologies are applied. In addition, an IT-supported early warning system is in place to facilitate the early identification of risks.

Expected Loss (EL) is taken into account in the individual transaction calculation through standard risk costs at the point of loan origination. Unexpected Loss (UL) is measured using the credit portfolio model, applying a Credit Value at Risk (CVaR) methodology. The CVaR describes the maximum loss that a credit portfolio is expected to incur over a given time horizon with a specified probability. Subtracting the portfolio's EL from this figure yields the UL.

For counterparty credit risk exposures, Münchener Hypothekbank calculates its positions using the standardised approach for counterparty credit risk in accordance with chapter 6, section 3 CRR.

5.4 RATING SYSTEMS AND CLIENT SEGMENTS

Münchener Hypothekbank uses client-segment-specific rating systems for the assessment of creditworthiness. In this context, clients and exposures are classified into segments (client segments). The objective of this segmentation is to assign clients with homogeneous risk profiles to appropriate client segments, which can in turn be mapped to the regulatory exposure classes under the IRBA. Rating systems appropriate to the respective risk profile are applied to determine the rating grade and, consequently, the risk content of a position within each client segment. This ensures that exposures are assigned to client segments, rating systems, and regulatory exposure classes in a risk-adequate and regulatory-compliant manner at all times. The guidelines governing client segmentation and the application of rating systems are set out in dedicated technical instructions and implemented in the relevant IT systems.

Rating systems comprise rating methodologies, processes, and IT systems. A rating methodology processes all creditworthiness-relevant information about a borrower or exposure through a defined algorithm and consolidates it into a credit assessment (rating method). The processes refer to the procedural workflows as well as the management and monitoring procedures applied within the rating system. The IT systems relate to the manner in



which creditworthiness-relevant data is delivered and processed. In this context, Münchener Hypothekbank distinguishes between IRB rating systems and non-IRB rating systems. IRB rating systems are those that have received regulatory approval for use under the IRBA and are used to assess the creditworthiness of IRB exposure classes. Non-IRB rating systems are those used to assess the creditworthiness of exposure classes treated under the standardised approach.

For rating systems approved under the IRBA, the PD is estimated on the basis of IRB-compliant rating or scoring methodologies. The retail rating systems additionally include an internal LGD model.

All retail models are developed and maintained by the Credit Risk Controlling department of Münchener Hypothekbank. For the rating systems used in the individual lending business, Münchener Hypothekbank uses the methodologies of external rating providers: the SLRE methodology of DZ HYP AG and the Commercial Real Estate methodology of CredaRate Solutions GmbH. The introduction of these methodologies was approved internally by Board of Management resolution. Model changes in the retail business are developed by Credit Risk Controlling. For individual lending methodologies, Credit Risk Controlling assesses the changes proposed by the rating provider. Methodological model changes are evaluated by the validation function; Internal Audit is consulted where necessary. Changes are then assessed in accordance with the Model Change Policy (MCP) and, depending on the assigned category, approved

either by the Head of Credit Risk Controlling or by the Board of Management. The implementation into production is likewise dependent on the MCP category and may require regulatory approval.

Münchener Hypothekbank has implemented appropriate control mechanisms for its rating systems. Within the Credit Risk Controlling department, separate model development and validation functions have been established, with each member of staff permanently assigned to one of the two functions. This ensures the independent validation of models at the level of the individuals involved.

Internal Audit is positioned as an independent unit within the organisational structure and conducts both regular and ad hoc reviews of the rating systems.

The control mechanisms operate as follows across the various stages of the rating system lifecycle: model developments or changes are carried out by the model development function and assessed by the validation function, with a case-by-case determination as to whether a review by Internal Audit is required. Ongoing model monitoring takes place continuously: the model development function analyses the performance of the rating methodologies and the functionality of core processes on a quarterly basis. The validation function conducts a detailed assessment of all IRB models at least once a year, based on qualitative and quantitative analyses, in accordance with a predefined schedule.

5.4.1 IRBA Exposure Classes

The rating systems and customer segments that have received IRBA approval are summarized in Table 12. This table also presents the corresponding IRBA exposure classes – those exposure classes for which the regulatory capital requirements are determined on the basis of the approved rating systems. In the course of the EBA's IRBA repair programme, all IRBA procedures were revised. A regulatory decision regarding the model changes for the SLRE procedures remains outstanding as at 31 December 2025.


TABLE 12: IRBA RATING SYSTEMS AND EXPOSURE CLASSES

No.	Customer segment/rating system	IRBA exposure classes
1.	Property companies, domestic	Corporates
2.	Property companies, foreign	Corporates
3.	Housing companies	Corporates
4.	Closed funds, domestic	Corporates
5.	Closed funds, foreign	Corporates
6.	Investors, domestic	Corporates
7.	Investors, foreign	Corporates
8.	Open funds (special assets), domestic	Corporates
9.	Open funds (special assets), foreign	Corporates
10.	Retail business, domestic	Retail business
11.	Retail business, SME	Retail business
12.	Retail business PostFinance	Retail business
13.	Indirect Investments	Retail business
14.	Non-credit obligation assets	Other assets, without loan commitments

1. Domestic Property Companies

The domestic property companies customer segment comprises special purpose vehicles that hold properties in their portfolio and serve the long-term management of rented, leased, or let real estate. This segment includes contracts with property companies domiciled in the Federal Republic of Germany, with the location of the property being the determining factor.

Creditworthiness assessments for exposures in this segment are based on the VR Immo Rating. The VR Immo Rating was developed under the leadership of DZ HYP within the Cooperative Financial Network (Genossenschaftliche FinanzGruppe) and is approved as an IRBA rating procedure. It consists of various sub-modules, each independently developed, applied, and

validated in accordance with the specific risk characteristics of the respective customer segments. Validation is conducted both through internal validation activities and those carried out by the procedure provider.

For the creditworthiness assessment of exposures in the domestic property companies segment, the VR Property Companies rating module (cash flow approach) is applied.

2. International Property Companies

This customer segment is defined analogously to the domestic property companies segment, differing solely in that the properties are located outside of Germany.

Creditworthiness assessments are conducted using the Commercial Real Estate rating procedure developed by CredaRate Solutions GmbH. This procedure is approved as an IRBA rating method and takes into account both company-specific and property-specific characteristics. Validation is performed through both internal validation activities and those of the procedure provider.

3. Residential Real Estate Companies

This customer segment covers exposures to residential real estate companies – entities engaged in the provision, management, and renovation of residential properties for private individuals. Clients in this segment are typically housing cooperatives, municipal housing companies, and private residential property companies.

The property must be located within the Federal Republic of Germany.

Creditworthiness assessments for exposures in this segment are based on the VR Immo Rating, specifically the VR Residential Real Estate Companies module.

4. Domestic Closed-End Funds

This segment comprises funds established to finance clearly defined, typically large-scale investment projects. Investment properties or projects located within the Federal Republic of Germany are assigned to this customer segment, with the location of the property being the relevant criterion.

Creditworthiness assessments for exposures in this segment are based on the VR Immo Rating, VR Property Companies module (cash flow approach).

5. International Closed-End Funds

This customer segment is defined identically to the domestic closed-end funds segment, with the sole distinction that the properties are located outside of Germany.

Creditworthiness assessments are conducted using the CredaRate rating procedure.

6. Domestic Investors

Investors are both natural and legal persons investing in residential and commercial real estate. Investors provide financing for their own investment properties but do not construct or develop real estate for third parties. In this customer segment, the financed properties must be located within the Federal Republic of Germany.

Creditworthiness assessments for exposures in this segment are based on the VR Immo Rating, VR Investors module.



7. International Investors

This customer segment is defined identically to the domestic investors segment, with the sole distinction that the properties are located outside of Germany.

Creditworthiness assessments are conducted using the CredaRate rating procedure.

8. Domestic Open-Ended Funds (Special Investment Funds)

This segment covers financing arrangements in which investment management companies take out loans on behalf of special investment funds. The properties must be located within the Federal Republic of Germany.

Creditworthiness assessments for exposures in this segment are based on the CredaRate rating procedure.

9. International Open-Ended Funds (Special Investment Funds)

The definition of the international open-ended funds segment corresponds to that of the domestic open-ended funds segment, with the exception that the properties must be located outside of the Federal Republic of Germany.

Creditworthiness assessments in this customer segment are also conducted using the CredaRate rating procedure.

10. Domestic Retail

The domestic retail customer segment comprises exposures to private individuals with properties located in the Federal Republic of Germany and a total exposure of up to EUR 2 million, of which no more than EUR 1 million may be secured by commercial real estate.

Creditworthiness assessments are based on application and behavioural scorecards. These scorecards were developed using regression methods applied to internal default time series, which are based on the default definition pursuant to the CRR. The scorecards are validated both qualitatively and quantitatively, the latter using, among other methods, the Gini coefficient and the binomial test. In this customer segment, loss given default (LGD) estimates are derived internally, based on internal loss data applying the economic loss concept as defined under the CRR. The resolution strategies available to Münchener Hypothekbank play a key role in this process. The LGD model is validated both qualitatively and quantitatively, the latter using, among other methods, the binomial test, t-test, and correlation measures.

11. SME Retail

This customer segment covers exposures secured by properties located in Germany that meet the following criteria for small and medium-sized enterprises (SMEs), subject to a maximum total exposure of EUR 2 million (of which no more than EUR 1 million may be secured by commercial real estate):

- Companies (including partnerships) with annual revenues of up to EUR 50 million
- Economically self-employed private individuals (freelancers, sole traders, majority shareholders with $\geq 50\%$ ownership interest)

Certain industries and legal forms are excluded from this segment. Creditworthiness assessments are based on application and behavioural scorecards calibrated to the specific characteristics of the SME segment. LGD estimates are derived internally in this customer segment. The methodological information described for the domestic retail segment applies here analogously, with the same methods being employed.

12. Swiss Retail IRBA

All retail exposures originated through the PostFinance distribution channel are assigned to this segment, which exclusively comprises exposures secured by properties located in Switzerland. In line with the retail exposure threshold, this segment includes exposures to private individuals with a maximum total exposure of CHF 2.1 million.

Creditworthiness assessments are based on a customer segment-specific application and behavioural scorecard. An internal LGD estimation procedure has been developed for this segment, drawing on the models used for the domestic retail and SME segments while appropriately reflecting the specific characteristics of this business area.

13. Non-Credit-Risk-Dependent Assets

To the extent that non-credit-risk-dependent assets give rise to counterparty risk for Münchener Hypothekbank, they are to be assigned to the IRBA exposure class "Other Assets". This includes, for example, tangible fixed assets and prepaid expenses that cannot be attributed to a specific borrower. Risk weighting is applied in accordance with the Standardised Approach (SA). The results of the various rating segments are standardised using the VR Master Scale, thereby establishing a common basis for comparison.



The VR Master Scale also serves to align the numerous rating systems deployed across entities within the Cooperative Financial Network to a uniform, network-wide benchmark, enabling a consistent view of all rating systems in use throughout the group. This is a key factor that facilitates, among other things, the application of the Rating Desk approach within the Cooperative Financial Network. The VR Master Scale is presented in Table 13 in the context of external ratings.

TABLE 13: VR MASTER SCALE AND KSA-RELEVANT EXTERNAL RATINGS

Rating class	Probability of default	S&P; Fitch	Moody's
0a	0.01%	AAA bis AA	Aaa bis Aa2
0b	0.02%	AA-	Aa3
0c	0.03%		
0d	0.04%	A+	A1
0e	0.05%		
1a	0.07%	A	A2
1b	0.10%	A-	A3
1c	0.15%	BBB+	Baa1
1d	0.23%	BBB	Baa2
1e	0.35%		
2a	0.50%	BBB-	Baa3
2b	0.75%	BB+	Ba1
2c	1.10%	BB	Ba2
2d	1.70%		
2e	2.60%	BB-	Ba3
3a	4.00%	B+	B1
3b	6.00%	B	B2
3c	9.00%	B-	B3
3d	13.50%		
3e	30.00%	CCC+ to C	Caa1 to C
4a	100.00%	D	D
4b	100.00%	D	D
4c	100.00%	D	D
4d	100.00%	D	D
4e	100.00%	D	D

The rating-relevant processes and IT systems are structured on a rating-system-specific basis and fully comply with all regulatory requirements. In this regard, a strict separation between the front office, back office credit functions, and credit risk monitoring is maintained across all rating systems. The validation of rating systems is performed by Credit Risk Controlling – a department that operates independently of the origination and conclusion of transactions. With respect to the validation of rating systems, a distinction is made between pool validation, which for jointly used rating procedures is conducted in part centrally by the rating providers (applicable to VR Immo Rating and CredaRate), and Münchener Hypothekbank-specific validation. In addition to validating the rating procedure itself, the validation process also encompasses a review of the procedural and IT-related application of the rating systems within Münchener Hypothekbank.

Beyond their use as the basis for determining regulatory capital requirements, the outputs of the rating systems also serve as the foundation for risk-adjusted pricing. The use of rating results as the basis for calculating standard risk costs and capital costs varies depending on the rating system, but is independent of whether the system holds IRBA approval. Non-IRBA rating systems are therefore also employed for this purpose.



For the Foundation IRBA, Tables 14A to 14C (consolidated overview) present the key parameters used to calculate own funds requirements for IRBA rating systems. Exposures are disclosed by PD risk class to enable an assessment of the credit quality of the portfolio. For positions in default, the IRBA formula does not produce risk weights for unexpected loss; instead, risk coverage is achieved by offsetting expected loss against recognised loan loss provisions. Accordingly, no average risk weight is reported for these positions in the aforementioned tables.

For clarity and readability, the various risk position classes are presented in separate tables, followed by a consolidated view in Table 14C for the Foundation IRBA and Table 14F for the Advanced IRBA.

Disclosed figures include exposure values as the sum of outstanding credit amounts and undrawn credit commitments, as well as the exposure-weighted average risk weight. The regulatory conversion factors prescribed by supervisory authorities are applied to these exposure classes. Non-credit-risk-dependent assets and securitisations are not included in Tables 14A through 14F. Exposures to central governments are assigned exclusively to the Standardised Approach.

Finally, exposure values relating to derivatives, securities financing transactions (SFTs), and similar instruments are treated within the CCR framework and are therefore not reflected here.

Within the IRBA retail portfolio, Münchener Hypothekbank exclusively manages the sub-portfolio of “exposures secured by real estate”. These positions are presented in Tables 14D and 14E, with the consolidated view in Table 14F, broken down by the expected loss bands most relevant to Münchener Hypothekbank. Disclosed figures include exposure values, the exposure-weighted average risk weight, and the exposure-weighted average loss given default. The IRBA exposure value is the product of the IRBA risk position value and the IRBA conversion factor.



**TABLE 14A: TEMPLATE EU CR6 – FOUNDATION IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE
EXPOSURE CLASS CORPORATES – GENERAL**

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factor	Density of risk-weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e		f	g	h	i		
0.00 to <0.15	1,753.6	42.0	40.0	1,770.4	0.09	159	23.44	2.5	245.4	13.86	0.4	1.0
0.00 to <0.10	1,202.6	-	-	1,202.6	0.08	110	22.78	2.5	148.1	12.31	0.2	0.6
0.10 to <0.15	551.0	42.0	40.0	567.8	0.12	49	24.84	2.5	97.3	17.14	0.2	0.4
0.15 to <0.25	534.8	5.2	40.0	536.9	0.18	50	25.41	2.5	107.0	19.93	0.2	0.6
0.25 to <0.50	487.0	-	-	487.0	0.32	74	23.97	2.5	121.0	24.85	0.4	1.0
0.50 to <0.75	527.2	-	-	527.2	0.62	56	22.17	2.5	147.7	28.02	0.7	1.8
0.75 to <2.50	1,017.6	2.3	40.0	1,018.5	1.42	61	26.01	2.5	491.3	48.24	3.8	7.6
0.75 to <1.75	857.1	2.3	40.0	858.0	1.24	53	26.21	2.5	414.4	48.30	2.8	5.7
1.75 to <2.50	160.5	-	-	160.5	2.41	8	24.97	2.5	76.9	47.91	1.0	1.9
2.50 to <10.00	275.6	-	-	275.6	4.41	12	26.77	2.5	170.3	61.79	3.2	6.5
2.50 to <5.00	189.4	-	-	189.4	3.75	10	26.86	2.5	118.3	62.46	1.9	3.8
5.00 to <10.00	86.2	-	-	86.2	5.85	2	26.56	2.5	52.0	60.32	1.3	2.7
10.00 to <100.00	5.0	-	-	5.0	34.23	2	22.44	2.5	4.3	86.00	0.4	-
10.00 to <20.00	-	-	-	-	-	-	-	-	-	-	-	-
20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	5.0	-	-	5.0	34.23	2	22.44	2.5	4.3	86.00	0.4	-
100.00 (default)	39.2	-	-	39.2	100.00	6	33.60	2.5	-	-	13.2	12.7
Subtotal (exposure class)	4,640.0	49.5	40.0	4,659.8	1.61	420	24.42	2.5	1,287.0	27.62	22.3	31.2
Total (all exposures classes)	13,089.1	258.4	40.0	13,163.4	-	826.0	-	2.5	3,412.4	25.92	323.3	260.0



**TABLE 14B: TEMPLATE EU CR6 – FOUNDATION IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE
EXPOSURE CLASS CORPORATES – SPECIALISED LENDING**

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factor	Density of risk-weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	2,361.5	51.1	40.0	2,381.9	0.08	118	25.29	2.5	226.4	9.51	0.5	1.1
0.00 to <0.10	1,767.3	6.0	40.0	1,769.7	0.06	87	24.72	2.5	142.7	8.06	0.3	0.6
0.10 to <0.15	594.2	45.1	40.0	612.2	0.12	31	26.93	2.5	83.7	13.67	0.2	0.5
0.15 to <0.25	591.4	17.6	40.0	598.4	0.18	27	28.44	2.5	118.1	19.74	0.3	0.7
0.25 to <0.50	1,724.6	69.3	40.0	1,752.3	0.38	79	28.26	2.5	448.1	25.57	1.9	4.1
0.50 to <0.75	1,264.4	8.3	40.0	1,267.7	0.62	59	27.52	2.5	397.4	31.35	2.2	4.6
0.75 to <2.50	1,316.8	50.4	40.0	1,336.9	1.49	76	30.50	2.5	619.6	46.35	6.2	11.0
0.75 to <1.75	1,064.6	50.4	40.0	1,084.7	1.27	65	30.24	2.5	477.4	44.01	4.2	7.7
1.75 to <2.50	252.2	-	-	252.2	2.46	11	31.64	2.5	142.2	56.38	2.0	3.3
2.50 to <10.00	361.3	-	-	361.3	4.41	15	33.81	2.5	255.2	70.63	5.4	9.0
2.50 to <5.00	271.5	-	-	271.5	3.85	11	32.82	2.5	178.6	65.78	3.4	5.9
5.00 to <10.00	89.8	-	-	89.8	6.12	4	36.79	2.5	76.6	85.30	2.0	3.1
10.00 to <100.00	52.4	2.7	40.0	53.5	15.39	4	33.81	2.5	60.6	113.27	2.6	4.3
10.00 to <20.00	52.4	2.7	40.0	53.5	15.39	4	33.81	2.5	60.6	113.27	2.6	4.3
20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (default)	776.7	9.5	40.0	751.6	100.00	28	37.50	2.5	-	-	281.9	194.0
Subtotal (exposure class)	8,449.1	208.9	40.0	8,503.6	9.56	406	28.77	2.5	2,125.4	24.99	301.0	228.8
Total (all exposures classes)	13,089.1	258.4	40.0	13,163.4	-	826.0	-	2.5	3,412.4	25.92	323.3	260.0



TABLE 14C: TEMPLATE EU CR6 – FOUNDATION IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE – TOTAL

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factor	Density of risk-weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	4,115.1	93.1	40.0	4,152.3	0.12	277	25.79	2.5	471.8	11.36	0.9	2.1
0.00 to <0.10	2,969.9	6.0	40.0	2,972.3	0.07	197	23.94	2.5	290.8	9.78	0.5	1.2
0.10 to <0.15	1,145.2	87.1	40.0	1,180.0	0.12	80	25.92	2.5	181.0	15.34	0.4	0.9
0.15 to <0.25	1,126.2	22.8	40.0	1,135.3	0.18	77	27.01	2.5	225.1	19.83	0.5	1.3
0.25 to <0.50	2,211.6	69.3	40.0	2,239.3	0.37	153	27.33	2.5	569.1	25.41	2.3	5.1
0.50 to <0.75	1,791.6	8.3	40.0	1,794.9	0.62	115	25.95	2.5	545.1	30.37	2.9	6.4
0.75 to <2.50	2,334.4	52.7	40.0	2,355.4	1.47	137	28.56	2.5	1,110.9	47.16	10.0	18.6
0.75 to <1.75	1,921.7	52.7	40.0	1,942.7	1.26	118	28.46	2.5	891.8	45.91	7.0	13.4
1.75 to <2.50	412.7	-	-	412.7	2.44	19	29.05	2.5	219.1	53.09	3.0	5.2
2.50 to <10.00	636.9	-	-	636.9	4.41	27	30.76	2.5	425.5	66.81	8.6	15.5
2.50 to <5.00	460.9	-	-	460.9	3.81	21	30.37	2.5	296.9	64.42	5.3	9.7
5.00 to <10.00	176.0	-	-	176.0	5.99	6	31.78	2.5	128.6	73.07	3.3	5.8
10.00 to <100.00	57.4	2.7	40.0	58.5	16.99	6	56.25	2.5	64.9	110.94	3.0	4.3
10.00 to <20.00	52.4	2.7	40.0	53.5	15.39	4	33.81	2.5	60.6	113.27	2.6	4.3
20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	5.0	-	-	5.0	34.23	2	22.44	2.5	4.3	86.00	0.4	-
100.00 (default)	815.9	9.5	40.0	790.8	100.00	34	37.31	2.5	-	-	295.1	206.7
Total	13,089.1	258.4	40.0	13,163.4	-	826	-	2.5	3,412.4	25.92	323.3	260.0



**TABLE 14D: TEMPLATE EU CR6 – ADVANCED IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE
EXPOSURE CLASS RETAIL – SECURED BY RESIDENTIAL IMMOVABLE PROPERTY**

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factor	Density of risk-weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	17,499.7	620.9	40.0	17,748.0	0.09	115,368	13.64	2.5	516.5	2.91	2.1	9.9
0.00 to <0.10	10,403.0	325.3	40.0	10,533.1	0.07	61,008	13.21	2.5	238.8	2.27	0.9	4.3
0.10 to <0.15	7,096.7	295.6	40.0	7,214.9	0.12	54,360	14.28	2.5	277.7	3.85	1.2	5.6
0.15 to <0.25	5,119.4	448.7	40.0	5,298.9	0.18	46,361	17.44	2.5	339.1	6.40	1.7	6.1
0.25 to <0.50	4,584.4	348.4	40.0	4,723.8	0.32	43,168	19.68	2.5	516.6	10.94	3.0	9.6
0.50 to <0.75	1,138.4	140.0	40.0	1,194.4	0.61	10,630	22.45	2.5	239.3	20.04	1.7	4.7
0.75 to <2.50	1,439.3	129.0	40.0	1,491.0	1.27	11,197	22.26	2.5	464.5	31.15	4.2	12.3
0.75 to <1.75	1,123.1	119.4	40.0	1,170.9	1.07	9,174	23.87	2.5	362.2	30.93	3.1	8.0
1.75 to <2.50	316.2	9.6	40.0	320.1	2.02	2,023	16.36	2.5	102.3	31.96	1.1	4.3
2.50 to <10.00	812.7	10.6	40.0	817.0	4.61	5,831	20.52	2.5	513.3	62.83	7.8	25.0
2.50 to <5.00	637.0	7.3	40.0	639.9	3.98	4,628	20.19	2.5	369.5	57.74	5.2	17.1
5.00 to <10.00	175.7	3.3	40.0	177.1	6.89	1,203	21.70	2.5	143.8	81.20	2.6	7.9
10.00 to <100.00	250.3	5.6	40.0	252.7	26.67	1,894	19.73	2.5	265.1	104.91	13.3	44.7
10.00 to <20.00	89.4	2.3	40.0	90.4	11.86	667	19.81	2.5	84.9	93.92	2.1	6.8
20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	160.9	3.3	40.0	162.3	34.92	1,227	19.69	2.5	180.2	111.03	11.2	37.9
100.00 (default)	248.9	5.2	40.0	251.0	100.00	1,646	32.25	2.5	306.2	121.99	80.9	33.6
Subtotal (exposure class)	31,093.1	1,708.4	40.0	31,776.8	1.33	236,095	16.44	2.5	3,160.6	9.95	114.7	145.9
Total (all exposures classes)	31,197.5	1,712.4	40.0	31,882.8	-	236,574	-	2.5	3,167.7	9.94	115.1	146.3



**TABLE 14E: TEMPLATE EU CR6 – ADVANCED IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE
EXPOSURE CLASS RETAIL – OTHER RETAIL EXPOSURES**

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factor	Density of risk-weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	35.6	-	-	35.6	0.10	117	11.27	2.5	0.8	2.25	-	-
0.00 to <0.10	13.8	-	-	13.8	0.07	34	10.72	2.5	0.2	1.45	-	-
0.10 to <0.15	21.8	-	-	21.8	0.12	83	11.62	2.5	0.6	2.75	-	-
0.15 to <0.25	20.2	-	40.0	20.2	0.17	82	11.82	2.5	0.7	3.47	-	-
0.25 to <0.50	26.8	0.5	40.0	27.0	0.29	174	11.67	2.5	1.4	5.19	-	0.1
0.50 to <0.75	8.6	1.1	40.0	9.0	0.58	48	11.62	2.5	0.7	7.78	-	-
0.75 to <2.50	6.7	2.4	40.0	7.7	1.08	29	14.63	2.5	0.9	11.69	-	-
0.75 to <1.75	6.0	2.4	40.0	7.0	1.00	27	14.40	2.5	0.8	11.43	-	-
1.75 to <2.50	0.7	-	-	0.7	1.97	2	17.14	2.5	0.1	14.29	-	-
2.50 to <10.00	2.6	-	-	2.6	4.53	13	13.21	2.5	0.4	15.38	-	0.1
2.50 to <5.00	2.5	-	-	2.5	4.46	10	13.11	2.5	0.4	16.00	-	0.1
5.00 to <10.00	0.1	-	-	0.1	6.96	3	17.09	2.5	-	-	-	-
10.00 to <100.00	1.4	-	-	1.4	15.22	9	22.40	2.5	0.5	35.71	0.1	0.2
10.00 to <20.00	1.1	-	-	1.1	10.44	8	11.77	2.5	0.2	18.18	-	0.1
20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	0.3	-	-	0.3	34.79	1	65.95	2.5	0.3	100.00	0.1	0.1
100.00 (default)	2.5	-	-	2.5	100.00	7	13.81	2.5	1.7	68.00	0.3	-
Subtotal (exposure class)	104.4	4.0	40.0	106.0	2.94	479	12.74	2.5	7.1	6.70	0.4	0.4
Total (all exposures classes)	31,197.5	1,712.4	40.0	31,882.8	-	236,574	-	2.5	3,167.7	9.94	115.1	146.3



TABLE 14F: TEMPLATE EU CR6 – ADVANCED IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE – TOTAL

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk-weighted exposure amount after supporting factor	Density of risk-weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l
0.00 to <0.15	17,535.3	620.9	40.0	17,783.6	-	115,485	13.71	2.5	517.3	2.91	2.1	9.9
0.00 to <0.10	10,416.8	325.3	40.0	10,546.9	-	61,042	13.21	2.5	239.0	2.27	0.9	4.3
0.10 to <0.15	7,118.5	295.6	40.0	7,236.7	-	54,443	14.27	2.5	278.3	3.85	1.2	5.6
0.15 to <0.25	5,139.6	448.7	40.0	5,319.1	-	46,443	17.42	2.5	339.8	6.39	1.7	6.1
0.25 to <0.50	4,611.2	348.9	40.0	4,750.8	-	43,342	19.63	2.5	518.0	10.90	3.0	9.7
0.50 to <0.75	1,147.0	141.1	40.0	1,203.4	-	10,678	22.37	2.5	240.0	19.94	1.7	4.7
0.75 to <2.50	1,446.0	131.4	40.0	1,498.7	-	11,226	22.22	2.5	465.4	31.05	4.2	12.3
0.75 to <1.75	1,129.1	121.8	40.0	1,177.9	-	9,201	23.81	2.5	363.0	30.82	3.1	8.0
1.75 to <2.50	316.9	9.6	40.0	320.8	-	2,025	16.36	2.5	102.4	31.92	1.1	4.3
2.50 to <10.00	815.3	10.6	40.0	819.6	0.01	5,844	20.49	2.5	513.7	62.68	7.8	25.1
2.50 to <5.00	639.5	7.3	40.0	642.4	0.01	4,638	20.16	2.5	369.9	57.58	5.2	17.2
5.00 to <10.00	175.8	3.3	40.0	177.2	-	1,206	21.70	2.5	143.8	81.15	2.6	7.9
10.00 to <100.00	251.7	5.6	40.0	254.1	0.04	1,903	39.48	2.5	265.6	104.53	13.4	44.9
10.00 to <20.00	90.5	2.3	40.0	91.5	0.07	675	19.71	2.5	85.1	93.01	2.1	6.9
20.00 to <30.00	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	161.2	3.3	40.0	162.6	0.03	1,228	19.77	2.5	180.5	111.01	11.3	38.0
100.00 (default)	251.4	5.2	40.0	253.5	0.49	1,653	32.07	2.5	307.9	121.46	81.2	33.6
Total	31,197.5	1,712.4	40.0	31,882.8	-	236,574	-	2.5	3,167.7	9.94	115.1	146.3

**TABLE 15: TEMPLATE EU CR7-A – IRB APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES**

PART 1 OF 3

		Credit risk Mitigation techniques					
		Funded credit Protection (FCP)					
		Part of exposures covered by Other eligible collaterals (%)					
		Total exposures	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	
Advanced IRB approach		a	b	c	d	e	f
1	Central governments and central banks	-	-	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
5	Corporates	-	-	-	-	-	-
5.1	Corporates – General	-	-	-	-	-	-
5.2	Corporates – Specialised lending	-	-	-	-	-	-
5.3	Corporates – Purchased Receivables	-	-	-	-	-	-
6	Retail	31,882.50	-	99.66	99.66	-	-
6.1	Retail – Qualifying revolving	-	-	-	-	-	-
6.2	Retail – Secured by residential immovable property	31,776.70	-	99.66	99.66	-	-
6.3	Retail – Purchased Receivables	-	-	-	-	-	-
6.4	Retail – Other retail exposures	105.80	-	99.72	99.72	-	-
7	Total	31,882.50	-	99.66	99.66	-	-
Foundation IRB approach							
1	Central governments and central banks	-	-	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Institutions	-	-	-	-	-	-
5	Corporates	13,163.30	-	64.77	64.77	-	-
5.1	Corporates – General	4,659.70	-	79.61	79.61	-	-
5.2	Corporates – Specialised lending	8,503.60	-	56.64	56.64	-	-
5.3	Corporates – Purchased Receivables	-	-	-	-	-	-
6	Total	13,163.30	-	64.77	64.77	-	-



Table 15 continued from page 54

TABLE 15: TEMPLATE EU CR7-A – IRB APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES

PART 2 OF 3

		Credit risk Mitigation techniques			
		Funded credit Protection (FCP)			
		Part of exposures covered by Other funded credit protection (%)			
		Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instru- ments held by a third party (%)	
Advanced IRB approach		g	h	i	j
1	Central governments and central banks	-	-	-	-
2	Regional governments and local authorities	-	-	-	-
3	Public sector entities	-	-	-	-
5	Corporates	-	-	-	-
5.1	Corporates – General	-	-	-	-
5.2	Corporates – Specialised lending	-	-	-	-
5.3	Corporates – Purchased Receivables	-	-	-	-
6	Retail	-	-	-	-
6.1	Retail – Qualifying revolving	-	-	-	-
6.2	Retail – Secured by residential immovable property	-	-	-	-
6.3	Retail – Purchased Receivables	-	-	-	-
6.4	Retail – Other retail exposures	-	-	-	-
7	Total	-	-	-	-
Foundation IRB approach					
1	Central governments and central banks	-	-	-	-
2	Regional governments and local authorities	-	-	-	-
3	Public sector entities	-	-	-	-
4	Institutions	-	-	-	-
5	Corporates	-	-	-	-
5.1	Corporates – General	-	-	-	-
5.2	Corporates – Specialised lending	-	-	-	-
5.3	Corporates – Purchased Receivables	-	-	-	-
6	Total	-	-	-	-

Table 15 continued on page 56



Table 15 continued from page 55

TABLE 15: TEMPLATE EU CR7-A – IRB APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES

PART 3 OF 3

		Credit risk Mitigation techniques		Credit risk Mitigation methods in the calculation of RWEAs	
		Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
Advanced IRB approach		k	l	m	n
1	Central governments and central banks	-	-	-	-
2	Regional governments and local authorities	-	-	-	-
3	Public sector entities	-	-	-	-
5	Corporates	-	-	-	-
5.1	Corporates – General	-	-	-	-
5.2	Corporates – Specialised lending	-	-	-	-
5.3	Corporates – Purchased Receivables	-	-	-	-
6	Retail	-	-	3,167.80	3,167.80
6.1	Retail – Qualifying revolving	-	-	-	-
6.2	Retail – secured by residential immovable property	-	-	3,160.50	3,160.50
6.3	Retail – Purchased Receivables	-	-	-	-
6.4	Retail – Other retail exposures	-	-	7.30	7.30
7	Total	-	-	3,167.80	3,167.80
Foundation IRB approach					
1	Central governments and central banks	-	-	-	-
2	Regional governments and local authorities	-	-	-	-
3	Public sector entities	-	-	-	-
4	Institutions	-	-	-	-
5	Corporates	0.22	-	5,105.80	3,412.30
5.1	Corporates – General	-	-	2,183.20	1,286.90
5.2	Corporates – Specialised lending	0.34	-	2,922.60	2,125.40
5.3	Corporates – Purchased Receivables	-	-	-	-
6	Total	0.22	-	5,105.80	3,412.30



**TABLE 16: TEMPLATE EU CR8 – RWEA FLOW
STATEMENTS OF CREDIT RISK
EXPOSURES UNDER THE IRB APPROACH**

	Risk-weighted exposure amount
	a
1	Risk-weighted exposure amount as at the end of the previous reporting period
	7,123.6
2	Asset size (+/-)
	-219.6
3	Asset quality (+/-)
	-324.8
4	Model updates (+/-)
	-
5	Methodology and policy (+/-)
	-
6	Acquisitions and disposals (+/-)
	-
7	Foreign exchange movements (+/-)
	0.8
8	Other (+/-)
	-
9	Risk-weighted exposure amount as at the end of the reporting period
	6,580.1



**TABLE 17A: TEMPLATE EU CR9 – FOUNDATION IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE)
EXPOSURE CLASS CORPORATES – GENERAL**

a	b	c	d	e	f	g	h
Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors who defaulted in the year				
Foundation IRB Corporates – General	0.00 to <0.15	152	-	-	0.09	0.07	-
	0.00 to <0.10	93	-	-	0.08	0.06	-
	0.10 to <0.15	59	-	-	0.12	0.10	-
	0.15 to <0.25	89	-	-	0.18	0.19	0.14
	0.25 to <0.50	60	-	-	0.32	0.38	0.67
	0.50 to <0.75	34	-	-	0.62	0.56	0.64
	0.75 to <2.50	69	1	1.45	1.42	1.12	1.18
	0.75 to <1.75	65	1	1.54	1.24	1.04	1.20
	1.75 to <2.50	4	-	-	2.41	2.36	-
	2.50 to <10.00	10	1	10.00	4.41	4.18	5.76
	2.50 to <5.00	6	-	-	3.75	3.27	4.68
	5.00 to <10.00	4	1	25.00	5.85	5.55	5.00
	10.00 to <100.00	1	1	100.00	34.23	30.00	25.71
	10.00 to <20.00	0	-	-	-	-	-
	20.00 to <30.00	0	-	-	-	-	-
	30.00 to <100.00	1	1	100.00	34.23	30.00	27.33
100.00 (default)	5	-	-	100.00	100.00	-	



**TABLE 17B: TEMPLATE EU CR9 – FOUNDATION IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE)
EXPOSURE CLASS CORPORATES – SPECIALISED LENDING**

a	b	c	d	e	f	g	h
Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors who defaulted in the year				
Foundation IRB Corporates – Specialised lending	0.00 to <0.15	108	2	1.85	0.08	0.06	0.73
	0.00 to <0.10	86	-	-	0.06	0.04	0.33
	0.10 to <0.15	22	2	9.09	0.12	0.10	2.27
	0.15 to <0.25	52	-	-	0.18	0.19	0.44
	0.25 to <0.50	64	-	-	0.38	0.39	-
	0.50 to <0.75	38	2	5.26	0.62	0.57	2.29
	0.75 to <2.50	77	3	3.90	1.49	1.30	2.36
	0.75 to <1.75	63	1	1.59	1.27	1.07	1.73
	1.75 to <2.50	14	2	14.29	2.46	2.36	4.68
	2.50 to <10.00	17	5	29.41	4.41	4.71	27.06
	2.50 to <5.00	11	2	18.18	3.85	3.71	4.89
	5.00 to <10.00	6	3	50.00	6.12	6.55	30.00
	10.00 to <100.00	3	1	33.33	15.39	14.56	13.33
	10.00 to <20.00	3	1	33.33	15.39	14.56	16.67
	20.00 to <30.00	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-
100.00 (default)	20	-	-	-	100.00	100.00	-



TABLE 17C: TEMPLATE EU CR9 – FOUNDATION IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE) – TOTAL

a	b	c	d	e	f	g	h
Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors who defaulted in the year				
Foundation IRB Total	0.00 to <0.15	260	2	0.77	0.12	0.07	0.31
	0.00 to <0.10	179	-	-	0.07	0.05	0.16
	0.10 to <0.15	81	2	2.47	0.12	0.10	0.65
	0.15 to <0.25	141	-	-	0.18	0.19	0.25
	0.25 to <0.50	124	-	-	0.37	0.39	0.50
	0.50 to <0.75	72	2	2.78	0.62	0.57	1.39
	0.75 to <2.50	146	4	2.74	1.47	1.22	1.76
	0.75 to <1.75	128	2	1.56	1.26	1.06	1.43
	1.75 to <2.50	18	2	11.11	2.44	2.36	3.89
	2.50 to <10.00	27	6	22.22	4.41	4.52	11.52
	2.50 to <5.00	17	2	11.76	3.81	3.56	5.91
	5.00 to <10.00	10	4	40.00	5.99	6.15	18.00
	10.00 to <100.00	4	2	50.00	16.99	18.42	17.73
	10.00 to <20.00	3	1	33.33	15.39	14.56	13.33
	20.00 to <30.00	-	-	-	-	-	-
	30.00 to <100.00	1	1	100.00	34.23	30.00	26.22
	100.00 (default)	25	-	-	-	100.00	100.00


TABLE 17D: TEMPLATE EU CR9 – ADVANCED IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE) EXPOSURE CLASS RETAIL – SECURED BY RESIDENTIAL IMMOVABLE PROPERTY

a	b	c	d	e	f	g	h
Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors who defaulted in the year				
Advanced IRB Retail – Secured by residential immovable property	0.00 to <0.15	121,828	61	0.05	0.09	0.09	0.06
	0.00 to <0.10	66,458	23	0.03	0.07	0.06	0.05
	0.10 to <0.15	55,370	38	0.07	0.12	0.12	0.08
	0.15 to <0.25	44,296	60	0.14	0.18	0.18	0.13
	0.25 to <0.50	41,971	103	0.25	0.32	0.31	0.25
	0.50 to <0.75	10,290	52	0.51	0.61	0.61	0.46
	0.75 to <2.50	12,023	118	0.98	1.27	1.25	0.78
	0.75 to <1.75	9,636	83	0.86	1.07	1.06	0.76
	1.75 to <2.50	2,387	35	1.47	2.02	2.03	0.29
	2.50 to <10.00	5,474	159	2.90	4.61	4.57	3.07
	2.50 to <5.00	4,423	113	2.55	3.98	4.01	2.16
	5.00 to <10.00	1,051	46	4.38	6.89	6.91	4.20
	10.00 to <100.00	1,769	285	16.11	26.67	26.65	10.48
	10.00 to <20.00	630	33	5.24	11.86	11.50	5.92
	20.00 to <30.00	-	-	-	-	-	-
	30.00 to <100.00	1,139	252	22.12	34.92	35.04	18.22
	100.00 (default)	1,274	-	-	100.00	100.00	-



**TABLE 17E: TEMPLATE EU CR9 – ADVANCED IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE)
EXPOSURE CLASS RETAIL – OTHER RETAIL EXPOSURES**

a	b	c	d	e	f	g	h
Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors who defaulted in the year				
Advanced IRB Retail – Other retail exposures	0.00 to <0.15	-	-	-	0.10	-	-
	0.00 to <0.10	-	-	-	0.07	-	-
	0.10 to <0.15	-	-	-	0.12	-	-
	0.15 to <0.25	-	-	-	0.17	-	-
	0.25 to <0.50	-	-	-	0.29	-	-
	0.50 to <0.75	-	-	-	0.58	-	-
	0.75 to <2.50	-	-	-	1.08	-	-
	0.75 to <1.75	-	-	-	1.00	-	-
	1.75 to <2.50	-	-	-	1.97	-	-
	2.50 to <10.00	-	-	-	4.53	-	-
	2.50 to <5.00	-	-	-	4.46	-	-
	5.00 to <10.00	-	-	-	6.96	-	-
	10.00 to <100.00	-	-	-	15.22	-	-
	10.00 to <20.00	-	-	-	10.44	-	-
	20.00 to <30.00	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	34.79	-	-
	100.00 (default)	-	-	-	-	100.00	-



TABLE 17F: TEMPLATE EU CR9 – ADVANCED IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE) – TOTAL

a	b	c	d	e	f	g	h
Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors who defaulted in the year				
Advanced IRB Total	0.00 to <0.15	121,828	61	0.05	–	0.09	0.06
	0.00 to <0.10	66,458	23	0.03	–	0.06	0.05
	0.10 to <0.15	55,370	38	0.07	–	0.12	0.08
	0.15 to <0.25	44,296	60	0.14	–	0.18	0.13
	0.25 to <0.50	41,971	103	0.25	–	0.31	0.25
	0.50 to <0.75	10,290	52	0.51	–	0.61	0.46
	0.75 to <2.50	12,023	118	0.98	–	1.25	0.78
	0.75 to <1.75	9,636	83	0.86	–	1.06	0.76
	1.75 to <2.50	2,387	35	1.47	–	2.03	0.29
	2.50 to <10.00	5,474	159	2.90	0.01	4.57	3.07
	2.50 to <5.00	4,423	113	2.55	0.01	4.01	2.16
	5.00 to <10.00	1,051	46	4.38	–	6.91	4.20
	10.00 to <100.00	1,769	285	16.11	0.04	26.65	10.48
	10.00 to <20.00	630	33	5.24	0.07	11.50	5.92
	20.00 to <30.00	–	–	–	–	–	–
	30.00 to <100.00	1,139	252	22.12	0.03	35.04	18.22
	100.00 (default)	1,274	–	–	0.49	100.00	–



Table 18 provides a comparison of loss estimates and actual losses for the IRBA exposure classes of corporates and retail over the period 2021 to 2025. The table reflects

Münchener Hypothekbank's conservative approach to PD calculation. The comparison demonstrates that – consistent

with prior periods – expected losses exceed actual realised losses by a significant margin.

TABLE 18: COMPARISON OF EXPECTED LOSSES TO ACTUAL LOSSES RECOGNISED ON THE BALANCE SHEET

IRBA exposure class	2021		2022		2023		2024		2025	
	Expected loss	Actual loss	Expected loss	Actual loss	Expected loss	Actual loss	Expected loss	Actual loss	Expected loss	Actual loss
Institutions	1	0	0	0						
Corporates	17	3	26	18	30	99	158	83	111	59
Retail Business	23	2	25	1	35	3	41	8	68	15

The loss estimate represents the expected loss as reported under the IRB framework, based on PD and LGD.

As the regulatory loss forecast for a given year (e.g. 2025), the expected loss as reported at the prior year-end (e.g. 31 December 2024) is used, with existing specific loan loss provisions (individual value adjustments) deducted. Recognised losses are calculated as the sum of direct write-offs and additions to specific provisions, less reversals of specific provisions. Additional effects may arise from currency fluctuations.

Historically, the regulatory expected loss has consistently and materially exceeded actual recognised losses.

Compared to 2024, expected losses in the retail segment increase due to the deployment of revised scorecards and LGD models. While recognised losses are above the prior-year level, they remain well below expected losses. In the non-retail (individual) business, both expected and recognised losses are noticeably below prior-year figures. Recognised losses continue to be significantly lower than expected losses, attributable in part to the conservatively set regulatory LGD values.

5.4.2 SA Exposure Classes

Currently, the rating agencies Standard & Poor's and Moody's have been nominated by MHB for the derivation of eligible external ratings. The selection of the relevant credit assessment is carried out in accordance with Art. 113 CRR. For the purposes of conducting the due diligence process, the application of the second-best external rating is decisive, meaning that the more favorable of the two external ratings cannot be applied further

The customer segments and rating systems used to assess the creditworthiness of SA exposures are summarised in Table 19. Rating procedures for non-IRBA rating systems are not used as the basis for determining regulatory capital requirements. The outputs of these rating systems are used as the basis for risk-adjusted pricing and for other bank management purposes. The standardisation of non-IRBA rating system results to a common basis is also carried out using the VR Master Scale. Where no internal rating procedures are available, external ratings are used as the basis for creditworthiness assessment. In this context, exclusively the ratings of S&P are applied. The mapping of this agency's rating grades to the VR Master Scale is illustrated in Table 13.



The transfer of issue ratings to exposures does not generally take place at Münchener Hypothekbank.

TABLE 19: NON-IRBA RATING SYSTEMS AND KSA EXPOSURE CLASSES

No.	Customer segment/rating	KSA exposure classes
1.	Institutions	Institutions
2.	Central governments (excl. EEA with zero weighting)	Sovereigns and central banks
3.	Central governments (EEA with zero weighting)	Sovereigns and central banks
4.	LRG (excl. EEA with zero weighting)	Regional and local administrative authorities
5.	LRG (EEA with zero weighting)	Regional and local administrative authorities
6.	Intra-group claims	Institutions
7.	Development banks	Public entities
8.	Special customers, residential housing	Corporates
9.	Investments	Investments
10.	Retail Business Austria	Retail Business (secured by real estate)
11.	Other	N/A
12.	Project Developers	High Risk
13.	Retail Business Switzerland CRSA	Retail Business (secured by real estate)
14.	Retail Business Germany CRSA	Retail Business (secured by real estate)
15.	Discontinued business	N/A

1. Institutions

This customer segment covers exposures to banks and financial institutions that are not members of the deposit protection scheme of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), or that do not qualify as multilateral development banks or promotional banks under regulatory classification.

Creditworthiness assessments for exposures in this segment are based on the VR Rating Banken. The VR Rating Banken was developed under the leadership of DZ BANK AG within the Cooperative Financial Network and is approved as an IRBA rating procedure. Ratings are made available to Münchener Hypothekbank by the Rating Desk of DZ BANK AG, where they are reviewed for plausibility by Münchener Hypothekbank's analysts and adjusted where appropriate.

2. Central Governments (excluding EEA with zero weighting)

This customer segment comprises sovereign states, with the exception of those within the European Economic Area (EEA) that are assigned a zero risk weight under the CRR. This customer segment is managed under Permanent Partial Use (PPU) at Münchener Hypothekbank.

Creditworthiness assessments for exposures in this segment are based on the VR Rating Länder. The VR Rating Länder was developed under the leadership of DZ BANK AG within the Cooperative Financial Network. Rating grades are made available to Münchener Hypothekbank by DZ BANK AG via a Rating Desk arrangement, where they are reviewed for plausibility by Münchener Hypothekbank's analysts and adjusted where appropriate.

3. Central Governments (EEA with zero weighting)

This customer segment comprises sovereign states within the EEA that are assigned a zero risk weight under the CRR. This customer segment is managed under PPU at Münchener Hypothekbank.

Creditworthiness assessments for exposures in this segment are based on the VR Rating Länder.

4. LRG (excluding EEA with zero weighting)

The Local and Regional Government (LRG) customer segment encompasses all regional governments, local authorities, and public sector entities, with the exception of those within the EEA that are assigned a zero risk weight under the CRR. This customer segment is managed under PPU at Münchener Hypothekbank.

Creditworthiness assessments for exposures in this segment are based on the LRG Rating, which was developed under the leadership of the vdp with the involvement of numerous German banks, including Münchener Hypothekbank. The rating procedure has been approved by the supervisory authorities for use under the IRBA. The LRG Rating takes into account, among other factors, the financial strength and indebtedness of local and regional authorities.

5. LRG (EEA with zero weighting)

This customer segment comprises all regional governments, local authorities, and public sector entities within the EEA that are assigned a zero risk weight under the CRR. This customer segment is managed under PPU at Münchener Hypothekbank.



Creditworthiness assessments for exposures in this segment are based on the LRG Rating described above.

6. Intragroup Exposures

This customer segment comprises exposures of Münchener Hypothekbank to members of the BVR that belong to the BVR deposit protection scheme. Intragroup exposures are reported with a risk weight of 0%.

Creditworthiness assessments for these exposures are based on the VR Rating Banken, provided via the Rating Desk of DZ BANK AG.

7. Promotional Banks

This customer segment covers promotional banks that do not meet the requirements of the KWG for classification as a multi-lateral development bank. Promotional banks are assigned to the exposure class “Public Sector Entities” and are managed under PPU.

Creditworthiness assessments for these exposures are based on the VR Rating Banken of DZ BANK AG.

8. Residential Real Estate Special Clients

This customer segment generally covers exposures relating to residential real estate where less than 50% of the client’s income is derived from real estate activities. This customer segment is reported under PPU.

Creditworthiness assessments for exposures in this segment are conducted using an expert-based classification procedure (decision matrix).

9. Equity Investments

Since the second quarter of 2020, Münchener Hypothekbank’s equity investment risk positions have exceeded the materiality threshold pursuant to Article 150(2) CRR of 10% of own funds on a prior-year average basis.

Accordingly, the exemption under Article 150(1)(g) CRR is applied to direct equity investments where a SA risk weight of 0% is assigned to the equity investment risk position.

10. Austrian Retail

The Austrian retail customer segment comprises borrowers who are natural persons – including both employed individuals and the self-employed, freelancers, and similar – who exclusively finance properties located in Austria. The maximum total exposure is EUR 2 million.

Creditworthiness assessments for these exposures are conducted using an application and behavioural scorecard modelled on the procedures developed for the German business.

11. Other

The “Other” category covers all exposures that do not meet the characteristics of any of the customer segments described above. Exposures in this segment are generally of marginal significance to Münchener Hypothekbank’s credit portfolio and are managed under PPU. An exception applies to exposures acquired from Warburg Hypothekbank, which were still classified within this customer segment as at 31 December 2024 but are expected to be largely transferred to IRBA customer segments by 31 December 2025.

Creditworthiness assessments are conducted using an appropriate methodology.

12. Property Developers

The property developers customer segment comprises companies that bear overall project responsibility for a construction undertaking. They are characterised by large-scale commercial real estate development; the commercial properties are frequently held on a short-term basis and sold during or after the construction phase.

Creditworthiness assessments for exposures in this segment are based on the VR Immo Rating, VR Property Developers module.

13. Swiss Retail SA

All retail exposures originated through the Swiss Life distribution channel are assigned to this segment, which exclusively comprises exposures secured by properties located in Switzerland. In line with the retail exposure threshold, this segment includes exposures to private individuals with a maximum total exposure of CHF 2.1 million.

Creditworthiness assessments are conducted using the procedures applied in the Swiss Retail IRBA segment.

14. German Retail SA

This customer segment covers borrowers whose characteristics preclude their classification under the IRBA due to regulatory requirements or their interpretation by the supervisory authorities. The maximum total exposure is EUR 2 million, and the primary collateral properties for all financings are located in Germany.

Creditworthiness assessments are conducted using the procedures applied in the domestic retail and SME retail segments.



15. Indirect Equity Investments

Since the second quarter of 2020, Münchener Hypothekbank's equity investment risk positions have exceeded the materiality threshold pursuant to Article 150(2) CRR of 10% of own funds on a prior-year average basis.

16. Run-Off Business

A run-off business area is a segment in which no new risk positions are being entered into and in which there is no intention to build up new risk positions. Current examples include cooperative loans with and without liability exemption, mortgage-secured credit lines, and corporate bonds with government guarantees. Run-off business is managed under PPU.

Creditworthiness assessments are conducted using an appropriate rating procedure.

Table 20 EU CR6-A provides an overview of how Münchener Hypothekbank's risk positions are distributed between the IRB approach and the SA, and the extent to which SA positions are subject to permanent or temporary partial use.

Table 21 EU CR5 presents a breakdown of SA exposures by exposure class and risk weight (reflecting the risk content assigned to the exposure under the SA). The risk weights in Table 21 EU CR5 include all those assigned to individual credit quality steps pursuant to Articles 113 to 134 in Part 3, Title II, chapter 2 CRR (Own Funds Requirements/Own Funds Requirements for Credit Risk/Standardised Approach). For the SA, the exposure value is presented after the inclusion of credit risk mitigation effects from collateral. The total position after credit risk mitigation is higher than before credit risk mitigation, as positions from the IRBA portfolio migrate to the SA portfolio through collateralisation.

Exposure values relating to derivatives, securities financing transactions (SFTs), and similar instruments are treated within the CCR framework and are therefore not reflected here.



TABLE 20: TEMPLATE EU CR6-A – SCOPE OF THE USE OF IRB AND SA APPROACHES

		Total exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
		a	b	c	d	e
1	Central governments or central banks	-	525.90	100.00	-	-
2	Regional governments or local authorities	-	5,165.03	100.00	-	-
3	Public sector entities	-	108.34	100.00	-	-
4	Institutions	-	251.48	100.00	-	-
5	Corporates	13,192.26	13,304.31	2.67	97.33	-
5.1	of which Corporates – General	-	4,989.21	7.11	92.89	-
5.2	of which Corporates – Specialised lending	-	8,315.10	-	100.00	-
5.2.1	of which Corporates – Specialised lending, excluding slotting approach	-	8,315.10	-	100.00	-
5.2.2	of which Corporates – Specialised lending under slotting approach	-	-	-	-	-
5.3	of which Corporates – Purchased Receivables	-	-	-	-	-
6	Retail	31,882.47	31,782.57	0.03	99.97	-
6.1	of which Retail – Qualifying revolving	-	-	-	-	-
6.2	of which Retail – Secured by residential immovable property	-	31,675.72	0.03	99.97	-
6.3	of which Retail – Purchased Receivables	-	-	-	-	-
6.4	of which Retail – Other retail exposures	105.77	106.85	1.27	98.73	-
7	Equity	-	204.43	100.00	-	-
EU 7a	Collective investment undertakings (CIU)	-	115.56	100.00	-	-
8	Other non-credit obligation assets	125.37	125.38	-	100.00	-
9	Total	45,200.10	51,582.99	13.06	86.94	-

**TABLE 21: TEMPLATE EU CR5 – STANDARDISED APPROACH**

PART 1 OF 2

Exposure classes	a	b	c	d	e	f	g	Risk weight									o	p
	0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%		
1 Central governments or central banks	576.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2 Non-central government public sector entities	5,223.4	-	-	-	1.1	-	-	-	-	-	-	-	-	-	-	-	-	
EU 2a Regional governments or local authorities	5,116.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EU 2b Public sector entities	107.2	-	-	-	1.1	-	-	-	-	-	-	-	-	-	-	-	-	
3 Multilateral development banks	106.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EU 3a International organisations	51.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4 Institutions	97.5	-	-	-	104.8	30.1	-	-	-	-	-	-	-	-	-	-	-	
5 Covered bonds	175.5	-	-	395.2	16.1	-	-	-	-	-	-	-	-	-	-	-	-	
6 Corporates	-	-	-	-	29.0	-	-	-	-	0.3	-	-	-	-	-	-	0.1	
6.1 of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7 Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	189.8	
EU 7a Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EU 7b Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	189.8	
8 Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



Table 21 continued from page 69

TABLE 21: TEMPLATE EU CR5 – STANDARDISED APPROACH

PART 1 OF 2

Exposure classes	a	b	c	d	e	f	g	Risk weight								o	p
	0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%	
	9	Secured by mortgages on immovable property and ADC exposures	19.1	-	-	-	196.4	-	-	-	-	-	24.0	-	91.9	-	-
9.1	Secured by mortgages on residential immovable property – non IPRE	12.3	-	-	-	192.1	-	-	-	-	-	-	-	91.3	-	-	11.1
9.1.1	No loan splitting applied	12.3	-	-	-	-	-	-	-	-	-	-	-	42.5	-	-	3.1
9.1.2	loan splitting applied (secured)	-	-	-	-	192.1	-	-	-	-	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	48.8	-	-	8.0
9.2	Secured by mortgages on residential immovable property – IPRE	-	-	-	-	4.3	-	-	-	-	-	-	-	0.1	-	-	-
9.3	Secured by mortgages on commercial immovable property – non IPRE	6.8	-	-	-	-	-	-	-	-	-	23.8	-	0.5	-	-	3.0
9.3.1	No loan splitting applied	6.8	-	-	-	-	-	-	-	-	-	-	-	0.5	-	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	23.8	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.0
9.4	Secured by mortgages on commercial immovable property – IPRE	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.3
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10c	Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3
11	Not applicable																
EU 11c	TOTAL	6,250.2	-	-	395.2	347.4	30.1	-	-	-	0.3	24.0	-	91.9	-	-	205.6

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TABLE 21: TEMPLATE EU CR5 – STANDARDISED APPROACH

PART 2 OF 2

Exposure classes		q	r	s	t	u	v	w	x	y	z	aa	
		Risk weight										Total	Of which unrated
		105%	110%	130%	150%	250%	370%	400%	1,250%	Others			
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	576.2	-	
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-	5,224.5	107.2	
EU 2a	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	5,116.2	-	
EU 2b	Public sector entities	-	-	-	-	-	-	-	-	-	108.3	107.2	
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	106.9	106.9	
EU 3a	International organisations	-	-	-	-	-	-	-	-	-	51.6	51.6	
4	Institutions	-	-	-	-	-	-	-	-	-	232.4	97.9	
5	Covered bonds	-	-	-	-	-	-	-	-	45.4	632.2	211.9	
6	Corporates	-	-	-	-	-	-	-	-	-	29.3	0.1	
6.1	of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	
7	Subordinated debt exposures and equity	-	-	-	-	14.7	-	-	-	-	204.4	204.4	
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	
EU 7b	Equity	-	-	-	-	14.7	-	-	-	-	204.4	204.4	
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	

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Table 21 continued from page 71

TABLE 21: TEMPLATE EU CR5 – STANDARDISED APPROACH

PART 2 OF 2

Exposure classes	q	r	s	t	u	v	w	x	y	z	aa	
	Risk weight										Total	Of which unrated
	105%	110%	130%	150%	250%	370%	400%	1,250%	Others			
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	295.9	-	-	-	-	-	641.4	641.6
9.1	Secured by mortgages on residential immovable property – non IPRE	-	-	-	-	-	-	-	-	-	306.8	306.8
9.1.1	No loan splitting applied	-	-	-	-	-	-	-	-	-	57.9	57.9
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	192.1	192.1
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	56.8	56.8
9.2	Secured by mortgages on residential immovable property – IPRE	-	-	-	-	-	-	-	-	-	4.4	4.4
9.3	Secured by mortgages on commercial immovable property – non IPRE	-	-	-	-	-	-	-	-	-	34.1	34.1
9.3.1	No loan splitting applied	-	-	-	-	-	-	-	-	-	7.3	7.3
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	23.8	23.8
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	3.0	3.0
9.4	Secured by mortgages on commercial immovable property – IPRE	-	-	-	-	-	-	-	-	-	0.2	0.2
9.5	Acquisition, Development and Construction (ADC)	-	-	-	295.9	-	-	-	-	-	295.9	295.9
10	Exposures in default	-	-	-	-	-	-	-	-	-	1.3	1.3
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	115.6	115.6	115.6
EU 10c	Other items	-	-	-	-	-	-	-	-	-	0.3	0.3
11	not applicable											
EU 11c	TOTAL	-	-	-	295.9	14.7	-	-	-	161.0	7,816.1	1,538.6



5.5 STRUCTURE OF EXPOSURES

This chapter classifies and presents Münchener Hypothekbank's exposures according to various criteria. The data underlying the disclosures in this chapter are based on exposure values prior to the application of credit risk mitigation (CRM). No securitisations were held in the portfolio during 2025.

Table 22 EU OV1 provides an overview of total RWAs, which, pursuant to Article 92 CRR, form the denominator of the risk-based own funds requirements. The own funds requirements as at the disclosure reference date are compared against the RWAs disclosed in the preceding interim period, thereby providing an overview of RWA developments at Münchener Hypothekbank across the respective disclosure periods.

Under the IRBA, all exposure values – with the exception of the domestic retail and SME retail segments as well as the PostFinance retail segment – are reported under the Foundation IRBA. The Advanced IRBA applies to the domestic retail, SME retail, and PostFinance retail segments. The IRBA retail portfolio exclusively comprises positions secured by real estate. Under the SA, all exposure values managed under the Standardised Approach – whether under permanent or temporary partial use – are reported.



TABLE 22: TEMPLATE EU OV1 – OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31.12.2025	30.09.2025	31.12.2025
1	Credit risk (excluding CCR)	7,696.8	8,365.1	615.7
2	of which the standardised approach	991.3	1,116.3	79.3
3	of which the Foundation IRB (F-IRB) approach	3,412.3	3,817.1	273.0
4	of which slotting approach	-	-	-
EU 4a	of which equities under the simple risk-weighted approach	-	-	-
5	of which the Advanced IRB (A-IRB) approach	3,167.8	3,306.5	253.4
6	Counterparty credit risk – CCR	81.8	91.5	6.5
7	of which the standardised approach	76.6	80.3	6.1
8	of which internal model method (IMM)	-	-	-
EU 8a	of which exposures to a CCP	0.3	0.2	-
9	of which other CCR	4.9	11.0	0.4
10	Credit valuation adjustments risk – CVA risk	304.0	318.8	24.3
EU 10a	of which the standardised approach (SA)	-	-	-
EU 10b	of which the basic approach (F-BA and R-BA)	304.0	318.8	24.3
EU 10c	of which the simplified approach	-	-	-
11	Not applicable	-	-	-
12	Not applicable	-	-	-
13	Not applicable	-	-	-
14	Not applicable	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	of which SEC-IRBA approach	-	-	-
18	of which SEC-ERBA (including IAA)	-	-	-
19	of which SEC-SA approach	-	-	-
EU 19a	of which 1,250%/deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-
21	of which the Alternative standardised approach (A-SA)	-	-	-
EU 21a	of which the Simplified standardised approach (S-SA)	-	-	-
22	of which the Alternative Internal Models Approach (A-IMA)	-	-	-



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TABLE 22: TEMPLATE EU OV1 – OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31.12.2025	30.09.2025	31.12.2025
EU 22a	Large exposures	-	-	-
23	Reclassifications between trading and non-trading books	-	-	-
24	Operational risk	903.1	890.3	72.2
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	5.8	108.8	0.5
26	Output floor applied (%)	50.0	50.0	-
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-
29	Total	8,985.7	9,665.7	718.9

TABLE 23: TEMPLATE EU CMS1 – COMPARISON OF MODELLED AND STANDARDISED RISK-WEIGHTED EXPOSURE AMOUNTS AT RISK LEVEL

		a	b	c	d	EU d
		Risk-weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1	Credit risk (excluding counterparty credit risk)	6,705.4	991.3	7,696.8	18,528.5	14,748.3
2	Counterparty credit risk	-	81.8	81.8	81.8	81.8
3	Credit valuation adjustment	-	304.0	304.0	304.0	304.0
4	Securitisation exposures in the banking book	-	-	-	-	-
5	Market risk	-	-	-	-	-
6	Operational risk	-	903.1	903.1	903.1	903.1
7	Other risk-weighted exposure amounts	-	-	-	-	-
8	Total	6,705.4	2,280.3	8,985.7	19,817.4	16,037.1


TABLE 24: TEMPLATE EU CMS2 – COMPARISON OF MODELLED AND STANDARDISED RISK-WEIGHTED EXPOSURE AMOUNTS FOR CREDIT RISK AT ASSET CLASS LEVEL

		a	b	c	d	EU d
		Risk-weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1	Central governments and central banks	-	-	-	-	-
EU 1a	Regional governments or local authorities	-	-	-	-	-
EU 1b	Public sector entities	-	-	0.2	0.2	0.2
EU 1c	Categorised as Multilateral Development Banks in SA	-	-	-	-	-
EU 1d	Categorised as International organisations in SA	-	-	-	-	-
2	Institutions	-	-	30.0	30.0	30.0
3	Equity	-	-	226.4	226.4	226.4
4	Not applicable					
5	Corporates	3,412.3	-	3,418.3	6.0	6.0
5.1	of which: F-IRB is applied	3,412.3	7,141.3	3,412.3	7,231.8	7,141.3
5.2	of which: A-IRB is applied	-	-	-	-	-
EU 5a	of which: Corporates – General	1,286.9	-	1,292.9	6.0	6.0
EU 5b	of which: Corporates – Specialised lending	2,125.4	-	2,125.4	-	-
EU 5c	of which: Corporates – Purchased receivables	-	-	-	-	-
6	Retail	3,167.8	-	3,167.8	-	-
6.1	of which: Retail – Qualifying revolving	-	-	-	-	-
EU 6.1a	of which: Retail – Purchased receivables	-	-	-	-	-
EU 6.1b	of which: Retail – Other	7.3	-	7.3	-	-
6.2	of which: Retail – Secured by residential real estate	3,160.5	-	3,160.5	-	-
7	Not applicable					
EU 7a	Categorised as secured by mortgages on immovable properties and ADC exposures in SA	-	12,624.6	574.6	16,979.4	13,199.2



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TABLE 24: TEMPLATE EU CMS2 – COMPARISON OF MODELLED AND STANDARDISED RISK-WEIGHTED EXPOSURE AMOUNTS FOR CREDIT RISK AT ASSET CLASS LEVEL

		a	b	c	d	EU d
		Risk-weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
EU 7b	Collective investment undertakings (CIU)	-	-	102.9	102.9	102.9
EU 7c	Categorised as exposures in default in SA	-	1,007.0	1.3	1,008.3	1,008.3
EU 7d	Categorised as subordinated debt exposures in SA	-	-	-	-	-
EU 7e	Categorised as covered bonds in SA	-	-	49.6	49.6	49.6
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	-	-	-	-
8	Other non-credit obligation assets	125.4	125.4	125.7	125.7	125.7
9	Total	6,705.5	13,757.0	7,696.8	18,528.5	14,748.3

Table 25 EU CR1-A presents a breakdown of the net values of on-balance sheet risk positions (excluding commitments) by contractual residual maturity.

TABLE 25: TEMPLATE EU CR1-A: MATURITY OF EXPOSURES

		a	b	c	d	e	f
		Net exposure value					
		On demand	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	3,874.7	10,758.4	30,853.0	-	45,486.1
2	Debt securities	-	109.0	1,036.0	5,164.9	-	6,309.9
3	Total	-	3,983.7	11,794.4	36,017.9	-	51,796.0



5.6 RISK MITIGATION AND HEDGING

Both under the IRBA and the SA, institutions are permitted to recognise credit risk mitigation techniques (collateral) in the calculation of their regulatory capital requirements. In order to recognise collateral in the calculation of capital requirements, institutions must comply with minimum requirements explicitly set out in the CRR, the KWG, and supervisory guidance and circulars. All types of collateral used for credit risk mitigation at Münchener Hypothekbank are eligible under the CRR.

The collateralisation principles of Münchener Hypothekbank are an integral component of the business and risk strategy and are governed in detail by internal organisational guidelines. These guidelines define the types of collateral accepted by Münchener Hypothekbank as a Pfandbrief bank, as well as the fundamental framework conditions for the recognition, valuation, monitoring, and review of such collateral. Eligible collateral is defined in detail in the internal organisational guidelines, categorised by country, property type, intended use, and other relevant characteristics.

Balance sheet netting is not applied at Münchener Hypothekbank. For derivative positions, net market values vis-à-vis a counterparty are offset against cash collateral provided. Volatility adjustments are only relevant as factors in the calculation of securities positions in connection with repurchase agreements.

Eligible collateral is specified in Article 194(3) CRR in conjunction with Articles 197–200 CRR. The following types of collateral are generally recognised at Münchener Hypothekbank:

- Real estate collateral on residential and commercial properties pursuant to Article 199 CRR. In line with its strategic focus, Münchener Hypothekbank primarily uses real estate collateral on properties that are either already completed or to be completed by the time of full loan disbursement
- Guarantees and sureties: the guarantee providers whose guarantees are recognised by Münchener Hypothekbank as credit risk mitigants are regional and local authorities pursuant to Article 201(1) CRR, as well as a reinsurance company
- Financial collateral is defined at Münchener Hypothekbank in accordance with Article 193(4) CRR and is recognised exclusively in the context of cash collateral (collaterals) for derivatives and repurchase agreements. Exposure values are determined after netting and collateral offsetting

Münchener Hypothekbank carefully monitors potential risk concentrations and concentration risks arising from its strategic positioning as a Pfandbrief bank. Relevant factors include size categories, property types, and the regional distribution of properties, all of which are subject to close monitoring. In this context, reference is made to the disclosure pursuant to section 28 PfandBG, in which any concentration risks within Münchener Hypothekbank's cover pool are made transparent on a quarterly basis.

In quantitative terms, this chapter discloses collateral that has a risk-reducing effect in the context of regulatory capital requirements. The recognition of collateral under the CRR depends on the type of collateral and is reflected either in the PD, the Loss Given Default (LGD), or through a supervisory-prescribed risk weight for the collateralised exposure. In the retail segment subject to the Advanced IRBA, real estate collateral is implicitly reflected through the LGD.

Collateral recognised for SA exposures is presented in Table 26 EU CR4. As with IRBA exposure classes, no financial collateral is recognised as a risk mitigant for SA exposure classes.

For collateral and financial guarantees used by Münchener Hypothekbank for credit risk mitigation, please also refer to Table 28 EU CR3.



TABLE 26: TEMPLATE EU CR4 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS

	Exposure classes	Exposures before CCF and before CRM		Exposures post-CCF and post CRM		RWAs and RWAs density	
		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	525.9	0.0	576.2	0.0	0.0	0.0
2	Non-central government public sector entities	5,269.3	10.0	5,220.5	4.0	0.2	0.00
EU 2a	Regional government or local authorities	5,161.0	10.0	5,112.2	4.0	0.0	0.00
EU 2b	Public sector entities	108.3	0.0	108.3	0.0	0.2	0.20
3	Multilateral development banks	106.9	0.0	106.9	0.0	0.0	0.00
EU 3a	International organisations	51.6	0.0	51.6	0.0	0.0	0.00
4	Institutions	232.4	0.0	232.4	0.0	30.0	12.90
5	Covered bonds	632.2	0.0	632.2	0.0	49.6	7.80
6	Corporates	1.8	0.0	29.3	0.0	6.0	20.50
6,1	Of which: Specialised Lending	0.0	0.0	0.0	0.0	0.0	
7	Subordinated debt exposures and equity	204.4	0.0	204.4	0.0	226.4	110.76
EU 7a	Subordinated debt exposures	0.0	0.0	0.0	0.0	0.0	
EU 7b	Equity	204.4	0.0	204.4	0.0	226.4	110.80
8	Retail	0.0	0.0	0.0	0.0	0.0	



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TABLE 26: TEMPLATE EU CR4 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS

	Exposure classes	Exposures before CCF and before CRM		Exposures post-CCF and post CRM		RWAs and RWAs density	
		On-balance sheet exposures a	Off-balance sheet exposures b	On-balance sheet exposures c	Off-balance sheet exposures d	RWEA e	RWEA density (%) f
9	Secured by mortgages on immovable property and ADC exposures	578.1	158.3	578.1	63.3	574.6	89.59
9.1	Secured by mortgages on residential immovable property – non IPRE	280.8	65.0	280.8	26.0	115.3	37.60
9.2	Secured by mortgages on residential immovable property – IPRE	4.4	0.0	4.4	0.0	0.8	18.20
9.3	Secured by mortgages on commercial immovable property – non IPRE	34.1	0.0	34.1	0.0	14.6	42.80
9.4	Secured by mortgages on commercial immovable property – IPRE	0.2	0.0	0.2	0.0	0.1	50.00
9.5	Acquisition, Development and Construction (ADC)	258.6	93.3	258.6	37.3	443.8	150.00
10	Exposures in default	1.3	0.0	1.3	0.0	1.3	100.00
EU 10a	Claims on institutions and corporates with a short-term credit assessment	0.0	0.0	0.0	0.0	0.0	
EU 10b	Collective investment undertakings	115.6	0.0	115.6	0.0	102.9	89.00
EU 10c	Other items	0.3	0.0	0.3	0.0	0.3	100.00
11	Not applicable						
12	Total	7,719.8	168.3	7,748.8	67.3	991.3	12.70



5.7 NON-PERFORMING LOANS AND LOAN LOSS PROVISIONS

The relevant regulatory disclosure requirements in this chapter are derived from the ECB's Guidelines on non-performing loans ("NPL") and from Implementing Regulation (EU) 2024/3172.

Given its low volume of non-performing loans, Münchener Hypothekbank does not qualify as a so-called "high-NPL bank" within the meaning of these guidelines.

Based on the figures disclosed in the tables below, Münchener Hypothekbank reports an NPL ratio (share of non-performing exposures) of 2.33%. This ratio was calculated by comparing the total volume of non-performing loans against the total portfolio. The NPL ratio of Münchener Hypothekbank is considered low.

As a "non-NPL bank" pursuant to Article 9 of EU Regulation 2024/3172 – with an NPL ratio below 5% – Münchener Hypothekbank is exempt from the full disclosure of all templates required under Article 9(1) of the Implementing Regulation.

Münchener Hypothekbank defines non-performing exposures as those exposures for which:

- a default event has occurred in accordance with the applicable default definition, and/or
- concessions in the nature of forbearance have already been granted to the client, and where:

- » a) additional concessions have been made within the two-year forbearance probation period, where the loan had previously been reclassified out of the "non-performing" category, or
- » b) the client is more than 30 days past due during the two-year probation period, notwithstanding the concessions granted

In this regard, Münchener Hypothekbank classifies loans as "defaulted" when certain criteria are met. These include, for example, 90 days past due, unlikelihood to pay, filing for insolvency, loan termination, need for specific loan loss provisions, distressed restructuring, and write-offs. Defaulted loans are always also classified as non-performing.

A default in the nature of distressed restructuring occurs when a forbearance measure is implemented and one of the following conditions is met:

- The measure results in a present value decline in the total claims against the debtor of more than 1%.
- The debtor is already classified as defaulted on other grounds.
- There are other indications that the debtor is unlikely to repay its obligations in full.

In addition, all risk positions classified as both "forborne" and non-performing are considered defaulted in the nature of distressed restructuring.

Exposures not classified as non-performing are classified as "performing exposures" at Münchener Hypothekbank. There is no overlap between the two categories.

Münchener Hypothekbank applies the following assumptions for the identification of defaulted borrowers:

- **Materiality thresholds:** past-due amounts of EUR 100 and EUR 500 respectively, and 1.0% of the total amount of all on-balance sheet risk positions (for the 90-days-past-due criterion).
- **90-days-past-due criterion** – method for counting days past due: on each business day, a check is performed at the counterparty level to determine whether a material past-due amount exists. As soon as a counterparty first exhibits a material past-due amount, the first day past due is counted. For each subsequent day on which a material past-due amount continues to exist, the counter is incremented by one. As soon as the client no longer exhibits a material past-due amount on a given day, the past-due day counter is reset to zero.
- **Unlikelihood to pay:** Münchener Hypothekbank reaches the assessment that the debtor is unlikely to meet its credit obligations in full within the meaning of Article 178(1)(a) CRR, without recourse to measures such as the realisation of available collateral.

A default event for "unlikelihood to pay" arises in the following circumstances:

- Need for specific loan loss provisions (impairment)
- Write-offs
- Distressed restructuring
- Application for enforcement of security interests
- Filing for insolvency by Münchener Hypothekbank or third parties
- Loan termination



Additional indicators of “unlikelihood to pay”, which are captured under the default event “unlikely repayment”, include:

1. Unsuccessful personal enforcement measures prior to loan termination
2. Realisation of additional collateral
3. Credit-condition-driven private sale/distressed sale of the property as an alternative to bank-initiated enforcement of security interests (irrespective of whether the claim can be fully or partially recovered as a result)
4. Entry in the debtor register/submission of a statement of assets (statutory declaration)
5. Persistently severe impairment of debt service capacity (in the individual client business, an indicator is always present where a financing-related DSCR falls below the threshold of 100%)
6. The borrower’s sources of recurring income are no longer sufficient to meet the obligation to service loan instalments
7. In the individual client business, an indicator is always present where the market value of at least one property has declined by more than 30% (comparing the current market value with the most recently determined market value) and the resulting LTV exceeds 75% on at least one loan
8. The borrower has breached credit-material covenants in the loan agreement (e.g. an unremedied covenant breach)
9. Repayment substitute payments that are three months or more in arrears for credit-quality-related reasons
10. Waiver of the ongoing charging of interest
11. Negative information from external credit reference agencies (e.g. SCHUFA or Creditreform), in particular indicators such as debt collection or garnishment

12. Credit fraud
13. The debtor exercises a contractually agreed option to modify the payment schedule, or to suspend or defer payments
14. Repayment of an obligation is suspended due to a statutory provision or other legal restrictions
15. Requirement for additional collateral (including a guarantee)
16. For risk positions vis-à-vis a natural person: default of a company wholly owned by a single natural person, provided that such natural person has provided the institution with a personal guarantee for all obligations of the company
17. Existence of a default rating that Münchener Hypothekbank adopts in the context of a rating transfer
18. Default rating assigned by external rating agency S&P Ratings
19. Indicator for property developers/construction financing: persistent and severe disruption to project development, such that the exit – i.e. sale or refinancing and the associated repayment or redemption – is unlikely to proceed as planned

■ **Impairment policy** in respect of non-performing risk positions: Münchener Hypothekbank has established criteria in its lending business, the occurrence of which mandatorily triggers a review of the need for a specific loan loss provision (individual value adjustment, “EWB”). In addition, so-called soft criteria exist that may render an EWB review appropriate and can trigger such a review accordingly.

Criteria that mandatorily trigger an EWB review are:

1. For all business areas: defaulted exposures
2. Additionally for the retail segment: arrears > 45 days (at the level of the individual claim) and payment arrears > EUR 2,500 and uncovered amount > EUR 0, or arrears > 45 days (at the level of the individual claim) and uncovered amount = EUR 0 and payment arrears > EUR 10,000
3. Additionally for the individual client business: rating grade \geq 3e, or arrears > 45 days (at the level of the individual claim) and payment arrears > EUR 2,500

For loans for which an EWB already exists, a reassessment and, where necessary, an adjustment (increase, reduction, or full reversal) of the EWB is required whenever material new information becomes available in respect of the exposure. Independently of this, a review of all EWBs recognised to date is conducted as at 30 September of each year.

The internal directive underlying the EWB review process is reviewed annually by the specialist department responsible for EWB management. Any resulting proposals for adjustment are decided upon by the Board of Management.

In addition, Münchener Hypothekbank maintains a general loan loss provision to cover latent credit risks. The basis for calculating this general provision is an expected credit loss model, whereby the IFRS 9 methodology for stages 1 and 2 is adopted and applied to the HGB measurement basis. Precautionary reserves pursuant to section 340f HGB are also maintained. These reserves are guided by a prudent commercial assessment aimed at safeguarding against the specific risks inherent in the banking sector.



Table 27 EU CR2 contains information on changes in the stock of defaulted loans and debt securities, excluding commitments, of Münchener Hypothekbank.

TABLE 27: TEMPLATE EU CR2: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES

	a
	Gross carrying amount
1	Initial stock of non-performing loans and advances
	812.9
2	Inflows to non-performing portfolios
	533.8
3	Outflows from non-performing portfolios
	- 18.4
4	Outflows due to write-offs
	- 98.2
5	Outflow due to other situations
	- 160.6
6	Final stock of non-performing loans and advances
	1,069.5

In real estate finance, a broadly diversified portfolio with a focus on residential real estate financing, combined with well-established credit approval processes refined over many years, is reflected in a portfolio with manageable credit risk. The challenging conditions in real estate markets have also had an impact on Münchener Hypothekbank's portfolio. The increase in the stock of defaulted and impaired loans of EUR 256.6 million is attributable primarily to defaults in the individual client business.

Table 28 EU CR3 discloses all collateral and financial guarantees used by Münchener Hypothekbank for credit risk mitigation across all secured risk positions, irrespective of whether RWAs are calculated under the standardised approach or the IRB approach. Münchener Hypothekbank does not use credit derivatives as collateral.

Equity investment risk positions are not included in this table.

TABLE 28: TEMPLATE EU CR3 – CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES

		Secured carrying amount				
		Unsecured carrying amount	Of which secured			
			Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives	
		a	b	c	d	e
1	Loans and advances	2,421.2	43,838.9	43,836.6	2.2	-
2	Debt securities	6,309.9	-	-	-	-
3	Total	8,731.1	43,838.9	43,836.6	2.2	-
4	of which non-performing exposures	101.7	726.7	726.7	-	-
EU-5	of which defaulted	101.7	726.5	-	-	-

Table 29 EU CQ1 provides a breakdown of defaulted and non-defaulted risk positions by exposure class. These tables are intended to provide a comprehensive picture of the credit quality of Münchener Hypothekbank's on-balance sheet and off-balance sheet risk positions.

It should be noted that Münchener Hypothekbank does not report precautionary reserves pursuant to section 340f HGB attributable to the SA portfolio as general credit risk adjustments. The relevant amount of EUR 1.5 million is treated as Tier 2 capital.



TABLE 29: TEMPLATE EU CQ1: CREDIT QUALITY OF FORBORNE EXPOSURES

		0010	0020	0030	0040	0050	0060	0070	0080
		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne							Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		
5	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
10	Loans and advances	438.2	674.3	674.2	525.6	- 6.6	- 169.7	874.4	452.9
20	Central banks	-	-	-	-	-	-	-	-
30	General governments	-	-	-	-	-	-	-	-
40	Credit institutions	-	-	-	-	-	-	-	-
50	Other financial corporations	-	99.5	99.5	99.5	-	- 15.0	84.5	84.6
60	Non-financial corporations	430.8	550.2	550.2	413.5	- 6.1	- 151.6	761.5	346.8
70	Households	7.4	24.6	24.5	12.6	- 0.5	- 3.1	28.4	21.5
80	Debt Securities	-	-	-	-	-	-	-	-
90	Loan commitments given	-	9.5	9.5	4.5	-	- 9.5	-	-
100	Total	438.2	683.8	683.7	530.1	- 6.6	- 179.2	874.4	452.9

The following Tables 30 to 33 provide a detailed breakdown of non-performing loans and recognised loan loss provisions at Münchener Hypothekbank.

**TABLE 30: TEMPLATE EU CR1: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS**

PART 1 OF 3

	a	b	c	d	e	f
	Gross carrying amount/nominal amount					
	Performing exposures			Non-performing exposures		
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
005	Cash balances at central banks and other demand deposits	774.0	-	-	-	-
010	Loans and advances	44,826.4	-	-	1,069.5	-
020	Central banks	-	-	-	-	-
030	General governments	742.8	-	-	-	-
040	Credit institutions	289.1	-	-	-	-
050	Other financial corporations	1,877.7	-	-	136.3	-
060	Non-financial corporations	10,716.0	-	-	681.6	-
070	of which SMEs	8,583.8	-	-	681.6	-
080	Households	31,200.8	-	-	251.6	-
090	Debt securities	6,309.9	-	-	-	-
100	Central banks	-	-	-	-	-
110	General governments	4,844.0	-	-	-	-
120	Credit institutions	1,465.9	-	-	-	-
130	Other financial corporations	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-
150	Off-balance sheet exposures	2,124.5	-	-	14.7	-
160	Central banks	-	-	-	-	-
170	General governments	10.0	-	-	-	-
180	Credit institutions	-	-	-	-	-
190	Other financial corporations	7.0	-	-	-	-
200	Non-financial corporations	334.7	-	-	9.5	-
210	Households	1,772.8	-	-	5.2	-
220	Total	54,034.8	-	-	1,084.2	-

Table 30 continued on page 86



Table 30 continued from page 85

TABLE 30: TEMPLATE EU CR1: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

PART 2 OF 3

		g	h	i	j	k	l
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-
010	Loans and advances	- 168.7	-	-	- 241.1	-	-
020	Central banks	-	-	-	-	-	-
030	General governments	0.0	-	-	-	-	-
040	Credit institutions	0.0	-	-	-	-	-
050	Other financial corporations	- 14.4	-	-	- 15.2	-	-
060	Non-financial corporations	- 41.5	-	-	- 191.5	-	-
070	of which SMEs	- 36.0	-	-	- 191.5	-	-
080	Households	- 112.8	-	-	- 34.4	-	-
090	Debt securities	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-
150	Off-balance sheet exposures	- 5.5	-	-	- 9.5	-	-
160	Central banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-
190	Other financial corporations	0.0	-	-	-	-	-
200	Non-financial corporations	- 3.9	-	-	- 9.5	-	-
210	Households	- 1.6	-	-	-	-	-
220	Total	- 174.2	-	-	- 250.6	-	-

Table 30 continued on page 87



Table 30 continued from page 86

TABLE 30: TEMPLATE EU CR1: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

PART 3 OF 3

		m	n	o
		Accumulated partial write-off	Collateral and financial guarantees received	
			On performing exposures	On non-performing exposures
005	Cash balances at central banks and other demand deposits	-	-	-
010	Loans and advances	-	43,112.1	726.7
020	Central banks	-	-	-
030	General governments	-	0.8	-
040	Credit institutions	-	19.1	-
050	Other financial corporations	-	1,845.2	113.5
060	Non-financial corporations	-	10,385.1	396.8
070	of which SMEs	-	8,276.4	396.8
080	Households	-	30,861.9	216.4
090	Debt securities	-	-	-
100	Central banks	-	-	-
110	General governments	-	-	-
120	Credit institutions	-	-	-
130	Other financial corporations	-	-	-
140	Non-financial corporations	-	-	-
150	Off-balance sheet exposures	-	1,822.3	14.1
160	Central banks	-	-	-
170	General governments	-	-	-
180	Credit institutions	-	-	-
190	Other financial corporations	-	7.0	-
200	Non-financial corporations	-	332.5	9.1
210	Households	-	1,482.8	5.0
220	Total	-	44,934.4	740.8

**TABLE 31: TEMPLATE EU CQ3: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS**

PART 1 OF 2

		a	b	c	d	e	f
		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
		Not past due or past due ≤ 30 days		Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days		Past due > 90 days ≤ 180 days
005	Cash balances at central banks and other demand deposits	774.0	774.0	-	-	-	-
010	Loans and advances	44,826.4	44,819.6	6.8	1,069.5	698.5	43.3
020	Central banks	-	-	-	-	-	-
030	General governments	742.8	742.8	0.0	-	-	-
040	Credit institutions	289.1	289.1	-	-	-	-
050	Other financial corporations	1,877.7	1,877.7	-	136.3	117.3	19.0
060	Non-financial corporations	10,716.0	10,716.0	-	681.6	449.0	0.0
070	of which SMEs	8,583.8	8,583.8	-	681.6	449.0	0.0
080	Households	31,200.8	31,194.0	6.8	251.6	132.2	24.3
090	Debt securities	6,309.9	6,309.9	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	4,844.0	4,844.0	-	-	-	-
120	Credit institutions	1,465.9	1,465.9	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-
150	Off-balance sheet exposures	2,124.5	-	-	14.7	-	-
160	Central banks	-	-	-	-	-	-
170	General governments	10.0	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-
190	Other financial corporations	7.0	-	-	-	-	-
200	Non-financial corporations	334.7	-	-	9.5	-	-
210	Households	1,772.8	-	-	5.2	-	-
220	Total	54,034.8	51,903.5	6.8	1,084.2	698.5	43.3



Table 31 continued from page 88

TABLE 31: TEMPLATE EU CQ3: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS

PART 2 OF 2

		g	h	i	j	k	l
		Gross carrying amount/nominal amount					
		Non-performing exposures					
		Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-
010	Loans and advances	74.6	106.0	132.1	1.5	13.3	1,069.3
020	Central banks	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	136.3
060	Non-financial corporations	45.0	71.8	103.1	-	12.7	681.6
070	of which SMEs	45.0	71.8	103.1	-	12.7	681.6
080	Households	29.6	34.2	29.0	1.5	0.6	251.4
090	Debt securities	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-
150	Off-balance sheet exposures	-	-	-	-	-	14.7
160	Central banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-
190	Other financial corporations	-	-	-	-	-	-
200	Non-financial corporations	-	-	-	-	-	9.5
210	Households	-	-	-	-	-	5.2
220	Total	74.6	106.0	132.1	1.5	13.3	1,084.0



TABLE 32: TEMPLATE EU CQ4: QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY

		a	b	c	d	e	f	g
		Gross carrying/nominal amount					Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing						
			Of which defaulted	Of which subject to impairment	Accumulated impairment			
010	On-balance sheet exposures	52,979.7	1,069.5	1,069.4	52,979.7	- 409.8	-	-
020	Germany	41,245.8	413.3	413.2	41,245.8	- 203.9	-	-
030	Switzerland	5,316.4	2.4	2.4	5,316.4	- 9.7	-	-
040	Luxembourg	2,731.9	239.1	239.1	2,731.9	- 70.6	-	-
050	Netherlands	778.8	-	-	778.8	- 3.7	-	-
060	France	673.1	174.3	174.3	673.1	- 54.4	-	-
070	Austria	507.2	2.4	2.4	507.2	- 3.5	-	-
080	Spain	502.1	10.1	10.1	502.1	- 3.7	-	-
090	USA	474.7	226.4	226.4	474.7	- 57.9	-	-
100	Jersey	139.1	-	-	139.1	- 0.7	-	-
110	Finland	131.9	-	-	131.9	0.0	-	-
120	Other	478.7	1.5	1.5	478.7	- 1.7	-	-
130	Off-balance sheet exposures	2,139.3	14.8	14.8	-	-	- 15.0	-
140	Germany	1,676.1	5.2	5.2	-	-	- 5.0	-
150	Switzerland	318.7	-	-	-	-	- 0.1	-
160	Other	144.5	9.6	9.6	-	-	- 9.9	-
170	Total	55,119.0	1,084.3	1,084.2	52,979.7	- 409.8	- 15.0	-



TABLE 33: TEMPLATE EU CQ5: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

	a	b	c	d	e	f	
	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures	
	Of which non-performing		Of which loans and advances subject to impairment	Accumulated impairment			
		Of which defaulted					
010	Agriculture, forestry and fishing	0.1	-	-	0.1	0.0	-
020	Mining and quarrying	-	-	-	-	-	-
030	Manufacturing	0.9	-	-	0.9	0.0	-
040	Electricity, gas, steam and air conditioning supply	0.3	-	-	0.3	0.0	-
050	Water supply	2.6	-	-	2.6	0.0	-
060	Construction	57.2	-	-	57.2	-0.1	-
070	Wholesale and retail trade	2.6	-	-	2.6	0.0	-
080	Transport and storage	0.3	0.0	0.0	0.3	0.0	-
090	Accommodation and food service activities	0.4	-	-	0.4	0.0	-
100	Information and communication	0.4	-	-	0.4	0.0	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	11,290.2	679.4	679.4	11,290.2	-232.2	-
130	Professional, scientific and technical activities	2.4	0.8	0.8	2.4	0.0	-
140	Administrative and support service activities	27.5	1.4	1.4	27.5	-0.6	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	0.1	-	-	0.1	0.0	-
170	Human health services and social work activities	8.0	-	-	8.0	0.0	-
180	Arts, entertainment and recreation	0.5	-	-	0.5	0.0	-
190	Other services	4.1	-	-	4.1	0.0	-
200	Total	11,397.6	681.6	681.6	11,397.6	-232.9	-



5.8 RISK REPORTING AND MANAGEMENT INFORMATION SYSTEMS

Risk reports prepared on a regular basis for various target audiences serve as the basis for management decisions.

The overall risk report, produced on a quarterly basis, provides a comprehensive presentation of the Bank's credit risk position. The risk reporting framework covers, in particular, the following risk-relevant areas: portfolio structure, limit utilisation, risk quantification, concentration and cluster risks, loan loss provisions, problem loan and intensive care portfolios, and new business developments. The report covers all risk-relevant key performance indicators – such as expected and unexpected loss – at both the aggregate and sub-portfolio level. In addition, at these levels of aggregation, the respective portfolio is broken down by, among other criteria, rating class, size category, loan-to-value ratio, property type, region, and origination channel. The recipients of the overall risk report are:

- Supervisory Board
- Board of Management
- Various department heads

Limit utilisation in the capital markets area is monitored on a daily basis.

Utilisation of country limits for the mortgage lending business is measured daily by the back-office credit function. In the event of a country limit breach in the mortgage lending business, an escalation procedure is triggered, resulting in a report to the Board of Management and the relevant front-office department as part of the new business approval process. Credit Risk Controlling monitors compliance with country limits for the mortgage lending business on a quarterly basis within the overall risk report.



6 Market Price Risk

6.1 DEFINITION AND SCOPE

Market price risks encompass the risks to the value of positions or portfolios arising from changes in market parameters, such as interest rates or exchange rates. They are quantified as potential present value losses using the present value model. A distinction is made between interest rate risk, (credit) spread risk, options risk, currency risk, commodity risk, and equity risk.

Interest rate risk refers to the risk that the market value of assets or liabilities dependent on interest rate levels develops adversely. It represents the most significant component of market price risks for Münchener Hypothekbank.

The credit spread is defined as the yield differential between a risk-bearing and a risk-free bond. Spread risks reflect the possibility that this yield differential may change even in the absence of any change in creditworthiness. The reasons for changes in yield spreads include varying assessments among market participants, actual changes in the issuer's credit quality not yet reflected in its rating, and macroeconomic factors affecting credit quality categories. For the quantification of credit spread risk within the economic ICAAP, a credit spread VaR is calculated on the total portfolio.

Options also carry the following risks, among others:

- Vega: the risk that the value of a derivative instrument changes as a result of increasing or decreasing volatility
- Theta: the risk that the value of a derivative instrument changes as a result of the passage of time
- Rho: the risk of a change in the value of an option resulting from a change in the risk-free interest rate
- Gamma: the risk of a change in the option delta resulting from a change in the price of the underlying asset

Currency risk refers to the risk that the market value of assets or liabilities dependent on exchange rates develops adversely due to exchange rate movements.

Commodity risk and equity risk relate to the risk of adverse price movements in commodity or equity markets, resulting in a loss in the value of the position. Commodity and equity risks are of limited relevance to Münchener Hypothekbank, as – in addition to existing equity investments within the cooperative financial network – only a single special fund has been established, which may invest a portion of its assets in commodities and equities.

6.2 STRATEGIES AND PROCESSES

All transactions of Münchener Hypothekbank are valued on a present-value basis daily within the risk management system in order to manage market price risks. Structured transactions are generally hedged through micro-hedges, resulting in an equivalence to the valuation of a synthetic floater for the purposes of interest rate risk assessment. Deposit-taking currently plays a subordinate role at Münchener Hypothekbank. As at year-end 2025, deposits amounted to approximately EUR 977 million.

The cornerstone of interest rate risk management is the delta vector, calculated on a daily basis, which represents the present-value change per maturity bucket resulting from a one basis-point shift in the mid-swap curve. Market risks at Münchener Hypothekbank are captured and limited using the Value at Risk (VaR) metric. The VaR calculation incorporates both linear and non-linear risks through a historical simulation covering risk factors including interest rates, foreign exchange rates, and volatilities. In addition, the impact of extreme movements in risk factors is measured using a range of stress scenarios.



The following assumptions are applied in the VaR calculation with respect to early loan repayments:

- The borrower's right to early repayment pursuant to section 489 of the German Civil Code (BGB) is modelled using a correction cash flow and Bermuda receiver swaptions, which are incorporated into the performance and risk calculation as model transactions. The currently relevant portfolio is determined on a weekly basis for modelling purposes. A portion of repayments is then modelled using a fixed annual rate, reflecting the assumption that a share of repayments occurs independently of the interest rate environment. The interest-rate-sensitive portion is modelled using an exercise matrix derived from historical exercise rates – capturing when and at what interest rate level terminations occur – in conjunction with a term structure model used to project future interest rate developments. The matrix automatically accounts for the share of borrowers who do not exercise their termination right

- The right of borrowers to exercise contractually agreed special repayment options is modelled using a correction cash flow. The historically observed exercise rate for contractual special repayment options is applied to the current portfolio of mortgage loans carrying such options, and future exercise behaviour is derived accordingly. The correction cash flow is reviewed on a regular basis
- Disbursement obligations arising from mortgage loans are reflected in accordance with a disbursement profile derived from historical disbursement data
- The deposit-taking business conducted by Münchener Hypothekbank is currently not modelled
- With respect to asset-side bond holdings, it is assumed that loans are repaid at final maturity. Bonds with explicit call rights are incorporated into risk measurement on a delta-weighted basis

The current (daily) stress scenarios applied in interest rate risk management are as follows:

- Regulatory requirements: the yield curve is shifted upward and downward for each currency and scenario. A maturity-dependent floor is applied in each case. The present-value changes across the various currencies are then aggregated, with positive present-value changes counted at only 50 percent. The complete procedure is calculated across six scenarios:
 - » Parallel rate increase (currency-specific magnitude)
 - » Parallel rate decrease (currency-specific magnitude)
 - » Steepening
 - » Flattening
 - » Short-term shock upward
 - » Short-term shock downward

The worst outcome across the six scenarios constitutes the early warning value:

- Parallel shift: the current yield curve is shifted uniformly by 50 basis points upward and downward across all currencies. In the downward shift scenario, no floor at zero is applied, meaning negative interest rates are permitted. The worse of the two outcomes is taken into account. An additional scenario combines a 50-basis-point decline in interest rates with a simultaneous 20-basis-point increase in all volatilities



Historical scenarios are additionally calculated for the following events:

- COVID-19 scenario (worst case): interest rate movements observed from the onset of the pandemic (5 March 2020) through to a period of several days to three weeks thereafter. Four scenarios have been derived and applied from this period. The overall result reported reflects the worst case across the four scenarios
- 2008 financial crisis: interest rate and foreign exchange rate changes observed between 12 September 2008 (the last banking business day prior to the insolvency of investment bank Lehman Brothers) and 10 October 2008 are transposed to the current level
- Brexit: the scenario reflects changes in interest rates and foreign exchange rates in the context of the Brexit referendum on 23 June 2016, applied to 24 June 2016

The current (daily) credit spread stress scenarios calculated on the capital markets asset portfolio are as follows:

- Parallel shift: All credit spreads are shifted by 100 basis points upward and downward. The worse of the two outcomes is taken into account
- Historical simulation of the Lehman Brothers default: The scenario assumes an immediate spread movement as measured over the period from one banking business day prior to the investment bank's default through to four weeks thereafter

- Flight to sovereign bonds: the scenario reflects a pronounced risk aversion observed in markets in the past. Spreads on higher-risk asset classes widen, while spreads on safe sovereign bonds tighten
- European sovereign debt crisis: the scenario is calculated on the basis of historically derived spread changes, capturing credit spread developments over the period from 1 October 2010 to 8 November 2011
- COVID-19 scenario: historical spread changes observed between 28 February 2020 and 18 March 2020 (the date on which the widest spreads were recorded)

In addition, further stress tests and scenario calculations are conducted on a quarterly basis and distributed as part of the overall risk report. These include, in particular, reverse stress tests, a Bank-wide macroeconomic scenario, and an assessment of the impact of parameter adjustments to the model used to represent early repayments.

In accordance with the requirements of Article 448(b) CRR, Tables 34 to 36 below present the interest rate risk in the banking book of Münchener Hypothekbank.



TABLE 34: EU IRRBBA – QUALITATIVE INFORMATION ON INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES

Row	Qualitative Disclosure – Free Text	
a)	A description of how the institution defines IRRBB for the purposes of risk control and measurement	Market price risks encompass the risks to the value of positions or portfolios arising from changes in market parameters, such as interest rates or exchange rates. They are quantified using the present value model as a potential loss in present value and are taken into account in the P&L and capital planning within the net interest income forecast. A distinction is made between interest rate risk, (credit) spread risk, options risk, currency risk, commodity risk and equity risk. Interest rate risk refers to the risk that the market value of assets or liabilities dependent on the interest rate level develops adversely. It represents the most significant component of market price risks for Münchener Hypothekbank.
b)	A description of the institution's overall strategies for managing and mitigating IRRBB	Market risks at Münchener Hypothekbank are managed through a limit system. The basis for this limit system is the Value at Risk (VaR). The limits established for market risk management are aligned with the risk-bearing capacity and earnings potential of the Bank. To minimise and hedge risks, hedging transactions in the form of interest rate and currency derivatives are executed. From a normative perspective, the annual net interest income from the existing portfolio is determined at the individual transaction level within the framework of the ongoing net interest income forecast. The earnings plan includes net interest income in the base scenario. In addition, shift scenarios are calculated to identify risks relating to future expected interest income at an early stage. In the management scenario, a limit is applied with respect to changes in net income compared to the base scenario.
c)	The frequency of calculation of the institution's IRRBB metrics and a description of the specific risk measurements used by the institution to assess its sensitivity to IRRBB	Present value interest rate risks are calculated on a daily basis. For this purpose, sensitivities, stress tests, scenarios and VaR are computed. From an earnings perspective, calculations relating to interest rate risks are available on a daily basis, with various interest rate scenarios applied.
d)	A description of the interest rate shock and stress scenarios used by the institution to estimate changes in economic value and net interest income (if applicable)	<p>In addition to the regulatory interest rate scenarios, the following stress scenarios are currently calculated on a daily basis for interest rate risk management from a present value perspective:</p> <ul style="list-style-type: none"> ■ Parallel shift: the current yield curve is shifted completely up and down by 50 basis points across all currencies. In the downward shift, no floor is set at zero, meaning negative interest rates are permitted. The worse of the two outcomes is taken into account ■ Parallel shift incl. volatilities: the current yield curve is shifted completely downward by 50 basis points across all currencies, with volatilities additionally increased by +20 bps <p>Furthermore, historical scenarios are calculated for the following events:</p> <ul style="list-style-type: none"> » COVID-19 scenario: interest rate changes in March 2020 during the first COVID-19 wave in Germany » Financial market crisis 2008: the changes in interest rates and exchange rates between 12 September 2008 (the last banking business day prior to the insolvency of investment bank Lehman Brothers) and 10 October 2008 are applied to the current level » Brexit: the scenario reflects the changes in interest rates and exchange rates in the context of the Brexit referendum on 23 June 2016 as at 24 June 2016. <p>In addition, further stress tests/scenarios are calculated on a quarterly basis and distributed as part of a separate report; in particular, these include inverse stress tests, a Bank-wide macroeconomic scenario and the impact of parameter adjustments in the model for mapping early repayments</p> <p>From an earnings perspective, the following interest rate scenarios are calculated:</p> <ul style="list-style-type: none"> » Parallel shift: the current yield curve is shifted up and down by 200 basis points across all currencies. For the downward shift, two additional variants are calculated: one for a more extreme stress scenario with a parallel shift of minus 250 basis points, and one for the internal management scenario with a parallel shift of minus 150 basis points » Constant interest rates: the current overnight interest rate is extrapolated as constant » Steepener/Flattener: adjustment of the current yield curve in accordance with the regulatory requirements within the framework of the outlier test for the present value perspective



Table 34 continued from page 96

TABLE 34: EU IRRBBA – QUALITATIVE INFORMATION ON INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES

Row	Qualitative Disclosure – Free Text	
e)	A description of the key modelling and parameter assumptions that deviate from those referred to in template EU IRRBB1 for disclosure purposes (if applicable)	The reported figures and assumptions are identical with respect to the present value perspective. From an earnings perspective, the calculation for the parallel upward shock is performed identically across all currencies at 200 basis points.
f)	A detailed description of how the institution hedges its IRRBB, together with the associated accounting treatment (if applicable)	For the management of market price risks, all transactions of Münchener Hypothekbank are valued on a daily basis at present value within the risk management system. The backbone of interest rate risk management is the daily delta vector, defined as the present value change per maturity band resulting from a one basis point change in the mid-swap rate. Market risks at Münchener Hypothekbank are captured and limited using the Value at Risk (VaR) metric. The VaR calculation takes into account both linear and non-linear risks through a historical simulation incorporating the risk factors of interest rates, exchange rates and volatilities. In addition, the impact of extreme movements in risk factors is measured using various stress scenarios. To minimize and hedge risks, hedging transactions in the form of interest rate and currency derivatives are executed. At the level of larger individual positions, asset swaps are used as micro-hedges. Structured underlying transactions, such as callable securities, are hedged accordingly with structured asset swaps. Bermuda swaptions, swaps and interest rate options (caps and floors) are used as macro-hedges for embedded statutory termination rights or interest rate cap agreements. The accounting treatment is carried out in accordance with the requirements of the German Commercial Code (HGB). The interest rate-related financial instruments of the banking book, including the interest rate derivatives concluded for the management of general interest rate risk (asset/liability management), are valued on a loss-free basis within the framework of an overall assessment of all transactions in accordance with IDW RS BFA 3 (new version).
g)	A description of the key modelling and parameter assumptions used for the IRRBB metrics in template EU IRRBB1 (if applicable)	The borrower's option for early repayment pursuant to section 489 of the German Civil Code (BGB) is modelled using a correction cash flow and Bermudan receiver swaptions, which are incorporated as model transactions. For the modelling, the currently relevant portfolio is determined on a weekly basis. A portion of the repayments is then modelled using a fixed annual quota, assuming that a portion of repayments occurs independently of the interest rate level. The interest rate-sensitive portion is modelled using an exercise matrix derived from historical exercise rates (when/at which interest rate level termination occurs) and an interest rate structure model used to forecast future interest rate developments. The matrix automatically also accounts for the portion that does not exercise the termination right.
h)	An explanation of the significance of the IRRBB metrics and significant changes in these metrics since the last disclosure	The present value interest rate risk is overall at a low level. Minor fluctuations occur due to daily changes in market data or positions. Overall, however, the values remain stable. The interest rate risk from an earnings perspective also fluctuates at a low level.
i)	Other relevant information on the IRRBB metrics disclosed in template EU IRRBB1 (optional)	–
1) 2)	Disclosure of the average and longest repricing periods assigned to non-maturity deposits	There are no non-maturity deposits in the portfolio.

**TABLE 35: TEMPLATE EU IRRBB1 – INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES**

Supervisory shock scenarios		a		b		c		d	
		Changes of the economic value of equity				Changes of the net interest income			
		Current period		Last period		Current period		Last period	
		31.12.2025		30.06.2025		31.12.2025		30.06.2025	
1	Parallel up	- 131	- 157	-	-	28	10	-	-
2	Parallel down	83	65	-	-	- 19	- 15	-	-
3	Steeper	- 16	- 18	-	-	-	-	-	-
4	Flattener	- 7	- 22	-	-	-	-	-	-
5	Short rates up	- 50	- 61	-	-	-	-	-	-
6	Short rates down	26	31	-	-	-	-	-	-

Table 36 EU MR1 sets out the components of own funds requirements for market risk under the standardised approach. For Münchener Hypothekbank, only the interest rate risk arising from trading book positions (futures only) is relevant in this context. Münchener Hypothekbank currently holds no such positions. Foreign exchange rate risks may additionally arise from open currency positions in the banking book.

TABLE 36: TEMPLATE EU MR1 – MARKET RISK UNDER THE STANDARDISED APPROACH

		a
		RWEAs
Outright products		-
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	29.3
4	Commodity risk	-
Options		-
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	29.3



Options are not, as a general rule, entered into for speculative purposes. Such positions typically arise implicitly through option rights held by borrowers – for example, the statutory right of termination under section 489 BGB – and are subsequently hedged. These risks are nonetheless closely monitored in the daily risk report, as they may be material given the size of the loan portfolio.

No significant risk positions exist in foreign currencies. The international business of Münchener Hypothekbank is largely hedged against foreign exchange risk; only the margins embedded in interest payments remain unhedged. No other risks requiring capital backing exist.

Commodity and equity risks are relevant to Münchener Hypothekbank – beyond equity investments – only in the context of a special fund managed by Union Investment, which permits investments in commodities and equities.

6.3 STRUCTURE AND ORGANISATION OF RISK MANAGEMENT

Market risks at Münchener Hypothekbank are managed through a limit system, with VaR serving as the basis for this framework. The limits established for market risk management are aligned with the Bank's risk-bearing capacity and earnings potential, and are in part defined as consumable limits: a negative annual performance reduces the available limit by the amount of that negative performance, while a positive performance does not increase the limit.

VaR limits are set on the basis of the books defined by Münchener Hypothekbank within the context of operational management. Limit monitoring is integrated into the daily performance and risk measurement process. Foreign currency yield curves and option volatilities are incorporated as risk drivers within the VaR calculation.

Currently, own funds requirements under market risk at Münchener Hypothekbank exist exclusively in respect of foreign exchange (FX) risks. As at 31 December 2025, foreign exchange risks under the CRR amounting to EUR 29.3 million were below the threshold of 2 percent of Münchener Hypothekbank's total own funds pursuant to Article 351 CRR and were therefore not subject to own funds requirements.

6.4 RISK MITIGATION AND HEDGING

Hedging transactions in the form of interest rate and currency derivatives are entered into for the purposes of further risk mitigation and hedging. Credit derivatives are not used as a matter of principle. Only on an occasional basis are individual loans or portfolios insured against credit default. At the level of larger individual positions, asset swaps are employed as micro-hedges. Structured underlying transactions – such as callable securities – are hedged accordingly using structured asset swaps. Cross-currency interest rate swaps are used to hedge foreign exchange exposures on foreign currency transactions. At the portfolio level, interest rate swaps are the primary hedging instrument. Bermuda swaptions, swaps, and interest rate options (caps and floors) are used as macro-hedges for embedded statutory termination rights or interest rate cap agreements.

6.5 RISK REPORTING AND MANAGEMENT INFORMATION SYSTEMS

The market risk Value at Risk and market risk stress tests are calculated and reported on a daily basis on each Munich banking business day. Market risk limit monitoring is conducted daily on each Munich banking business day and reported within the performance and risk calculation. Market risk control is responsible for the preparation, coordination, and distribution of reports. The recipients are the Treasury department, the Head of Risk Controlling, the Board of Management, and the Supervisory Board (on a quarterly basis).

In the event of a limit breach, market risk control notifies the full Board of Management as well as the Heads of Risk Controlling, Treasury, and Internal Audit, and the Supervisory Board, in accordance with the established escalation procedure.



7 Liquidity Risk

Sections 3.2 and 7 set out, among other things, the statement of Münchener Hypothekbank's Board of Management regarding the adequacy of its liquidity risk management arrangements, as well as the liquidity risk statement.

7.1 SCOPE AND DEFINITION

Liquidity risk encompasses the following risks:

- The risk of being unable to meet payment obligations as they fall due (liquidity risk in the narrow sense)
- The risk of being unable to obtain sufficient liquidity at expected terms when required (refinancing risk)
- The risk of being unable to unwind, roll over, or close out positions – or only being able to do so at a loss – due to insufficient market depth or market disruptions (market liquidity risk)

7.2 REGULATORY INFORMATION (QUALITATIVE)

The guidelines on the disclosure of liquidity coverage ratios require the mandatory tabular presentation of qualitative information on liquidity risk management. In the interest of readability, the accompanying notes are not included directly in the table but are instead presented in full within the body text. The tables contain references to the relevant sections.

TABLE 37: TEMPLATE EU LIQA – LIQUIDITY RISK MANAGEMENT

Row number	Qualitative information – Free format	Reference
a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding	7.3
b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)	7.4
c)	A description of the degree of centralisation of liquidity management and interaction between the group's units	7.4
d)	Scope and nature of liquidity risk reporting and measurement systems	7.7
e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants	7.6
f)	An outline of the bank's contingency funding plans	7.6
g)	An explanation of how stress testing is used	7.3 and 7.4
h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy	7
i)	A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body. These ratios may include:	7
	– Concentration limits on collateral pools and sources of funding (both products and counterparties)	7.4
	– Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank	7.4
	– Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity	N/A The Münchener Hypothekbank is not a banking group
	– Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps	7.4



7.3 STRATEGIES AND PROCESSES

Münchener Hypothekbank has classified liquidity risk as a material risk requiring monitoring and management through regular and appropriate liquidity risk stress tests.

TABLE 38: TEMPLATE EU LIQ1 – QUANTITATIVE INFORMATION ON LCR

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD MM YYYY)	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					2,999.3	2,828.2	2,563.0	2,450.6
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3	Stable deposits	-	-	-	-	-	-	-	-
4	Less stable deposits	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	1,353.4	1,115.9	955.5	968.7	992.5	841.0	700.5	733.9
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	780.0	537.2	535.4	459.1	419.1	262.3	280.4	224.3
8	Unsecured debt	573.4	578.7	420.1	509.6	573.4	578.7	420.1	509.6
9	Secured wholesale funding					5.9	5.9	0.5	0.5
10	Additional requirements	1,222.7	1,198.6	1,189.9	1,216.0	277.1	285.0	292.5	315.9
11	Outflows related to derivative exposures and other collateral requirements	221.4	231.4	239.5	263.1	221.4	231.4	239.5	263.1
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	1,001.3	967.2	950.4	952.9	55.7	53.6	53.0	52.8
14	Other contractual funding obligations	99.5	100.7	119.0	113.5	70.7	71.4	88.9	82.7
15	Other contingent funding obligations	110.7	116.2	136.9	159.8	27.8	34.8	55.9	73.7
16	TOTAL CASH OUTFLOWS					1,374.0	1,238.1	1,138.3	1,206.7



Table 38 continued from page 101

TABLE 38: TEMPLATE EU LIQ1 – QUANTITATIVE INFORMATION ON LCR

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	365.5	339.3	318.6	330.8	243.0	225.6	201.9	204.8
19	Other cash inflows	189.2	203.0	217.9	221.4	187.7	201.1	213.9	217.8
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	554.7	542.3	536.5	552.2	430.7	426.7	415.8	422.6
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	554.7	542.3	536.5	552.2	430.7	426.7	415.8	422.6
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					2,999.3	2,828.2	2,563.0	2,450.6
22	TOTAL NET CASH OUTFLOWS					943.3	811.6	722.6	784.2
23	LIQUIDITY COVERAGE RATIO					373.7%	418.3%	419.6%	345.6%



TABLE 39: TEMPLATE EU LIQB ON QUALITATIVE INFORMATION ON LCR, WHICH COMPLEMENTS TEMPLATE EU LIQ1

Row number	Qualitative information – Free format	
a)	Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time	The main drivers of the LCR are the current central bank balance (HQLA), forward funding (inflows) and maturing mortgage covered bonds (outflows).
b)	Explanations on the changes in the LCR over time	The LCR was consistently above 195% over the last 12 months. Interim increases were mainly caused by the factors listed in (a) which are, as a matter of course, very volatile.
c)	Explanations on the actual concentration of funding sources	As a Pfandbriefbank, the concentration of funding sources is primarily on mortgage covered bonds.
d)	High-level description of the composition of the institution's liquidity buffer	The liquidity buffer contains predominantly level 1a assets, i.e. central and regional government assets.
e)	Derivative exposures and potential collateral calls	The potential collateral calls remain at a constant level.
f)	Currency mismatch in the LCR	Both the liquidity buffer and the outflows consist mostly of EUR positions.
g)	Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	The LCR of Münchener Hypothekbank eG is very volatile. This is caused by the deterministic cash flow profile of the institution (which can be forecasted very precisely) rather than by unexpected changes in any LCR component.

In addition to the requirements of MaRisk, the two regulatory metrics under the CRR – the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) – are also calculated.

Furthermore, a process for the early identification of liquidity requirements must be in place to ensure that any funding gap is identified in a timely manner, thereby ensuring that refinancing capacity is maintained at all times.

Münchener Hypothekbank has historically considered liquidity risk within its business and risk strategy. In order to meet all regulatory and internal requirements, Münchener Hypothekbank distinguishes between operational liquidity management and short- to medium-term liquidity risk management under MaRisk to ensure short-term solvency (MaRisk BTR 3.2), as well as medium-term structural liquidity planning (MaRisk BTR 3.1), which also corresponds to the economic ILAAP. These requirements are further extended within the normative ILAAP to include compliance with the regulatory LCR and NSFR metrics. In order to identify potential issues at an early stage, forecasts of the LCR and NSFR are calculated in addition to point-in-time ratios. Since 1 January 2018, an LCR of 100 percent has been required, a threshold that Münchener Hypothekbank has consistently met without difficulty. Since 30 June 2021, an NSFR of 100 percent has been required. Given the favourable treatment of loans in the cover pools, this minimum ratio is exceeded by a considerable margin.

The target of operational liquidity management is to ensure that the Bank is able to meet its payment obligations in full and on time in the ordinary course of business. The strategies and processes relevant to the operational management of liquidity are set out in the Treasury Manual.

The central element of short- to medium-term liquidity risk management under MaRisk is the preparation of a liquidity gap analysis under various scenario assumptions. This analysis examines the extent to which the Bank's own liquidity requirements are covered over time, and is supplemented by an assessment of the various methods available for generating additional liquidity (liquidity coverage potential) – such as the disposal of assets. A range of (stress) scenarios is calculated through various parameter settings in order to fulfil the scenario analysis requirements of the MaRisk:

- Base case (management scenario)
- Bank stress
- Market stress
- Combined stress (MaRisk scenario)
- Combined stress excluding future refinancing measures
- Bank-wide macroeconomic scenario (quarterly)

Over a longer observation horizon, additional modelling considerations that are not decisive for short-term liquidity management are incorporated – such as new business planning and ongoing costs including salaries and taxes.



The following metrics over time are considered as output components:

- Historical trend of the minimum surplus
- Theoretical point of insolvency
- Liquidity gap analysis
- Liquidity coverage potential and its composition
- Further detailed data for planning and management purposes

Finally, on an annual basis, the adequacy of Münchener Hypothekbank's liquidity risk management procedures is confirmed by the governing body – in this case the full Board of Management – through the Liquidity Adequacy Statement (LAS).

7.4 STRUCTURE AND ORGANISATION OF RISK MANAGEMENT

In order to keep refinancing risks as low as possible, Münchener Hypothekbank endeavours to refinance loans with closely matching maturities and monitors any deviations. The Bank continuously reviews whether its relevant refinancing sources – in particular those within the Cooperative Financial Network (Genossenschaftliche FinanzGruppe) – remain available. To limit market liquidity risk, transactions with public-sector borrowers and banks predominantly involve ECB-eligible securities that can be utilised for open market operations at any time. Investments in less liquid instruments such as mortgage-backed securities are not made.

Operational liquidity management at Münchener Hypothekbank is the sole responsibility of the Treasury department.

Liquidity risk limits are set within the framework of short- to medium-term liquidity risk management under MaRisk. Monitoring of the established limits is the responsibility of the Market and Liquidity Management department. As the liquidity management of a Pfandbrief bank is closely linked to the requirements of Pfandbrief cover pool management, the results of the cover pool calculation are incorporated into the liquidity risk calculation.

The target of liquidity risk limitation is to safeguard short-, medium-, and long-term liquidity and to avoid structural liquidity gaps. Short- to medium-term liquidity risk is limited through the MaRisk liquidity risk management framework. Both limits and early warning indicators are used for liquidity risk management across the various MaRisk stress scenarios. The limit structure comprises a green zone and a yellow zone, while the early warning indicator encompasses a yellow zone and an orange zone. Both are defined with reference to the period until (theoretical) insolvency.

An escalation process is in place that is triggered in the event of limit breaches or deteriorating market liquidity as measured by early warning indicators. Upon a limit breach, the underlying cause is investigated and a funding mix plan is subsequently prepared to address the elevated liquidity requirement. The limit breach and the corresponding remedial action are communicated to the relevant Board of Management members and the heads of Risk Controlling, Treasury, and Internal Audit.

7.5 QUALITATIVE INFORMATION ON THE LCR

1. Concentration of Funding and Liquidity Sources

As a capital market-oriented Pfandbrief bank, Münchener Hypothekbank's refinancing sources are heavily concentrated in Pfandbriefe. As described in section 7.6, the risk arising from this concentration is actively reduced to the greatest extent possible using the available means.

2. Derivative Positions and Potential Collateral Calls

At Münchener Hypothekbank, derivatives are used exclusively for the purpose of hedging interest rate risk in both asset and liability management. Potential additional collateral requirements are taken into account in the normative view in accordance with regulatory requirements (Historical Look-back Approach, HLBA). In the economic outlook, the HLBA is supplemented by a historical simulation of the market price development of the derivatives portfolio.

3. Currency Mismatch in the Liquidity Coverage Ratio

The high-quality liquid assets used to cover short-term liquidity requirements under the LCR are almost exclusively denominated in EUR. This is considered sufficient, as a relevant liquidity risk exists only in CHF, which is materially lower than the EUR exposure, such that the necessary conversion of EUR into CHF can be executed via derivative transactions at any time. In addition, direct refinancing in CHF has been increasingly pursued in recent years, with the result that CHF assets are now almost exclusively refinanced directly in the relevant currency.

Furthermore, the monitoring of currency mismatches forms part of regular reporting.



7.6 RISK MITIGATION AND HEDGING

Münchener Hypothekbank endeavours to diversify its funding at all times by placing a mix of Pfandbriefe, unsecured long-term bank bonds, and various money market instruments on the market. At the same time, the Bank seeks to refinance on a maturity-matched basis to the greatest extent possible in order to limit the respective funding gap.

In addition, a liquidity contingency plan exists under the responsibility of the Treasury department, which is activated in periods of reduced liquidity and sets out detailed measures to address a liquidity emergency. These measures include, among others, the drawdown of received liquidity lines – in particular within the joint liability scheme of Cooperative Financial Network – as well as the use of the ECB's marginal lending facility and the reduction of new business volumes.

7.7 RISK REPORTING AND MANAGEMENT INFORMATION SYSTEMS

Liquidity risk reports covering MaRisk liquidity risk management, the LCR, and the LCR forecast are prepared and reported on a weekly basis. Where required, the reporting frequency may be increased to a daily basis. Liquidity Risk Controlling is responsible for the preparation, coordination, monitoring, and distribution of reports. The Treasury department is responsible for daily operational liquidity management and the associated analyses. The recipients of the liquidity risk reports (within the overall risk report) are as follows:

- Supervisory Board (short-term and structural liquidity risks as well as LCR/NSFR, quarterly)
- Board of Management (short-term and structural liquidity risks as well as LCR, weekly; NSFR quarterly as part of the overall risk report)
- Head of Risk Controlling (short-term and structural liquidity risks as well as LCR, weekly; NSFR, monthly and ad hoc)
- Treasury department (short-term and structural liquidity risks as well as LCR, weekly; NSFR, monthly and ad hoc)

Liquidity risk limit utilisation is monitored at least weekly and reported within the respective liquidity risk reports. Liquidity Risk Controlling is responsible for monitoring liquidity risk limits. Limit utilisation is reported to the following recipients:

- Supervisory Board (quarterly)
- Board of Management (weekly; quarterly for NSFR)
- Head of Risk Controlling (weekly)
- Treasury department (weekly)



TABLE 40: TEMPLATE EU LIQ2: NET STABLE FUNDING RATIO

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
(in currency amount)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1.0	Capital items and instruments	1,973.4	139.8	2.5	395.5	2,368.9
2.0	Own funds	1,973.4	139.8	2.5	395.5	2,368.9
3.0	Other capital instruments		0.0	0.0	0.0	0.0
4.0	Retail deposits		0.0	0.0	0.0	0.0
5.0	Stable deposits		0.0	0.0	0.0	0.0
6.0	Less stable deposits		0.0	0.0	0.0	0.0
7.0	Wholesale funding:		6,343.8	3,793.7	39,042.1	41,860.6
8.0	Operational deposits		0.0	0.0	0.0	0.0
9.0	Other wholesale funding		6,343.8	3,793.7	39,042.1	41,860.6
10.0	Interdependent liabilities		0.0	0.0	0.0	0.0
11.0	Other liabilities:	6.8	847.0	0.0	0.0	0.0
12.0	NSFR derivative liabilities	6.8				
13.0	All other liabilities and capital instruments not included in the above categories		847.0	0.0	0.0	0.0
14.0	Total available stable funding (ASF)					44,229.5
Required stable funding (RSF) Items						
15.0	Total high-quality liquid assets (HQLA)					1,847.1
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		471.8	807.2	31,786.4	28,105.6
16.0	Deposits held at other financial institutions for operational purposes		0.0	0.0	0.0	0.0
17.0	Performing loans and securities:		1,438.8	1,798.8	9,098.0	9,211.1
18.0	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		0.0	0.0	0.0	0.0
19.0	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		115.5	189.4	367.3	472.2
20.0	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		573.6	810.8	1,786.1	2,218.7
21.0	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0.1	29.1	15.4	35.9



Table 40 continued from page 106

TABLE 40: TEMPLATE EU LIQ2: NET STABLE FUNDING RATIO

		a	b	c	d	e
		Unweighted value by residual maturity				
(in currency amount)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
22.0	Performing residential mortgages, of which:		749.7	776.2	6,236.4	5,907.1
23.0	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		461.8	578.0	1,981.4	2,032.3
24.0	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		0.0	22.4	708.2	613.2
25.0	Interdependent assets		0.0	0.0	0.0	0.0
26.0	Other assets:	0.0	1,452.2	33.6	739.2	1,295.8
27.0	Physical traded commodities				0.0	0.0
28.0	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.0			0.0
29.0	NSFR derivative assets		31.8			31.8
30.0	NSFR derivative liabilities before deduction of variation margin posted		898.1			44.9
31.0	All other assets not included in the above categories		522.3	33.6	739.2	1,219.1
32.0	Off-balance sheet items		1,502.5	225.6	411.2	121.0
33.0	Total RSF					40,580.6
34	Net Stable Funding Ratio (%)					109.0%



8 Operational Risk

8.1 SCOPE AND DEFINITION

Operational risks (OpRisk) are potential losses arising from human error, shortcomings in process or project management, technical failures, or adverse external events. Human error encompasses unlawful conduct, inappropriate sales practices, unauthorised actions, and transaction errors. Accordingly, legal risks also form part of operational risk.

8.2 STRATEGIES AND PROCESSES

Münchener Hypothekbank has implemented a comprehensive operational risk management framework aimed at preventing major losses and reputational damage, ensuring regulatory compliance, and maintaining organisational resilience.

A well-established risk culture and the risk appetite embedded in the risk strategy form the guiding principles for a conscious and responsible approach to risk management.

The OpRisk management framework rests on three pillars:

- Regular Risk and Control Self-Assessment for the systematic identification, review, and evaluation of all potential risks, including the application of risk scenarios as an ex-ante methodology
- Maintenance of a loss database (including near-miss events)
- Use of an early warning system based on risk indicators

Guidelines on OpRisk management and the management of information and communication technology (ICT) risks – including outsourcing, information security, and business continuity management – are embedded in the formally documented organisational framework (schriftlich fixierte Ordnung) of Münchener Hypothekbank to ensure the identification, assessment, and management of operational risks.

The assessment of potential operational risks at Münchener Hypothekbank and its subsidiaries is based on risk potential derived from expert estimates and risk scenarios. This encompasses both risks identified through the risk assessment process and through target-actual deviations, as well as external threats. The results are incorporated into the risk-bearing capacity calculation.

The standardised approach under CRR III is applied for the purposes of own funds requirements for operational risk.

8.3 STRUCTURE AND ORGANISATION OF THE RISK MANAGEMENT FUNCTION

The organisational structure of operational risk management within Münchener Hypothekbank is based on the Three Lines of Defence model.

The centralised second-line OpRisk function ensures oversight of risk identification, assessment, and the implementation of risk-mitigating measures by first-line risk owners.

The management and control of ICT risks are carried out by the ICT risk control function in close collaboration with OpRisk management. This function also encompasses the specialist control functions for information security and data protection, business continuity management, and outsourcing management.

8.4 RISK MITIGATION AND HEDGING

Operational risk at Münchener Hypothekbank is minimised through staff qualification, transparent processes, the automation of standard procedures, documented work instructions, and comprehensive control mechanisms within the internal control system. Risks with potentially severe impacts are addressed through risk-reducing measures, subject to a cost-benefit assessment.

Münchener Hypothekbank has taken out appropriate insurance coverage for certain categories of operational risk. These include, for example, a financial loss liability insurance policy, a fidelity insurance policy including cyber coverage, and a supplementary cyber insurance policy.

8.5 RISK REPORTING AND MANAGEMENT INFORMATION SYSTEMS

Operational risk reporting to the Board of Management and the Supervisory Board is conducted on a quarterly basis as part of the overall bank risk report in accordance with MaRisk. In addition, an annual OpRisk report is prepared, which includes the detailed results of the risk scenario-based risk assessment, updated at least annually.

Additional potential OpRisk identified during the year are communicated in the overall risk report. Ad hoc reporting ensures the timely communication of material risks and risk events to the Board of Management and the Supervisory Board.



With effect from 1 January 2025, the methodology used to calculate own funds requirements for operational risk was transitioned from the former Basic Indicator Approach to the Business Indicator Component (BIC) calculated in accordance with Article 313 CRR.

Given that Münchener Hypothekbank's business indicator falls below EUR 750 million, no calculation of the annual loss attributable to operational risk pursuant to Article 316(1) CRR is required, and accordingly no disclosure of template EU OR1 pursuant to Article 446(2)(a) and (b) of Regulation (EU) 575/2013 is made.

TABLE 41: TEMPLATE EU OR2 – BUSINESS INDICATOR, COMPONENTS AND SUBCOMPONENTS

		a	b	c	d
	BI and its subcomponents	T	T-1	T-2	Average value
1	Interest, lease and dividend component (ILDC)	-	-	-	518.9
EU 1	ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))	-	-	-	518.9
1a	Interest and lease income	1,542.4	1,592.0	1,418.2	1,517.5
1b	Interest and lease expense	1,032.1	1,061.3	902.3	998.6
1c	Total assets/asset component	53,377.2	54,405.4	53,823.4	53,868.7
1d	Dividend income/dividend component	-	-	-	-
2	Services component (SC)	-	-	-	78.9
2a	Fee and commission income	10.0	11.3	9.6	10.3
2b	Fee and commission expense	72.8	75.6	77.1	75.2
2c	Other operating income	4.7	4.8	4.6	4.7
2d	Other operating expense	4.1	3.6	3.4	3.7
3	Financial component (FC)	-	-	-	4.3
3a	Net profit or loss applicable to trading book (TB)	-	-	-	-
3b	Net profit or loss applicable to banking book (BB)	- 1.0	8.3	5.6	4.3
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)	-	-	-	-
4	Business indicator (BI)	-	-	-	602.1
5	Business indicator component (BIC)	-	-	-	72.2
Disclosure on the BI:					
6a	BI gross of excluded divested activities	602.1	-	-	-
6b	Reduction in BI due to excluded divested activities	-	-	-	-
EU 6c	Impact in BI of mergers/acquisitions	-	-	-	-

**TABLE 42: TEMPLATE EU OR3 – OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK EXPOSURE AMOUNTS**

		a
1	Business indicator component (BIC)	72.2
EU1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	
2	Not applicable	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	72.2
4	Operational Risk Exposure Amounts (REA)	903.1



9 Equity Investment Risk

Equity investments are entered into by Münchener Hypothekbank exclusively for strategic purposes within the financial group. As the investments are held in the banking book, they are subject to an annual impairment review. Where a permanent impairment is identified, a write-down to the fair value determined at that time is recognised. The equity investments of Münchener Hypothekbank consist primarily of strategic holdings within the Volksbank and Raiffeisen cooperative network, carried at a book value of EUR 109.7 million.

In addition, equity investments exist in the subsidiaries M-Wert GmbH, Immobilienservice GmbH der Münchener Hypothekbank eG (M-Service), and M-4tec GmbH. All of these investments are held in the banking book.

Equity investments are also held as indirectly held positions within a special fund, which is likewise assigned to the Bank's banking book. The look-through approach pursuant to Article 132a(1) CRR is applied to this special fund for the purposes of determining risk-weighted exposure amounts. The risk exposure value of Münchener Hypothekbank's directly held equity investments amounted to EUR 202.9 million as at 31 December 2025. Direct equity investments are assigned to the credit risk standardised approach. Equity investments do not represent a material risk driver with respect to credit default risk at Münchener Hypothekbank.

10 Derivative Credit Risk Exposures and Netting Positions

Default risks for all counterparties within the Treasury business area are limited through a limit system. Counterparty- and issuer-specific limits are approved by the full Board of Management on a case-by-case basis, following submission and assessment by the Treasury Back Office department. Limit-setting is based on a credit quality analysis drawing on internal and external rating assessments. In derivatives business, only banks, other financial institutions, and insurance companies domiciled in OECD countries are accepted as counterparties. Counterparty default risks and credit valuation adjustment (CVA) risks arising from derivative transactions are included in the risk-bearing capacity calculation.

Derivatives are applied against counterparty limits at their market values plus add-on, after taking into account netting agreements. Limits are monitored on a daily basis. In the event of a limit breach, the full Board of Management is notified without delay. In addition, a monthly monitoring report is submitted to the full Board of Management. Counterparty creditworthiness and limits are reviewed at least once a year. In structuring netting agreements, Münchener Hypothekbank adheres to standard market practice.

For the additional collateralisation of net derivative positions, only cash collateral denominated in EUR is accepted under

collateral agreements. To a limited extent, credit-quality-dependent threshold amounts have been incorporated into collateral agreements in order to reduce the ongoing administrative burden. These thresholds are not subject to automatic adjustment upon rating changes, thereby avoiding any liquidity risk arising from margin call obligations. In the internal bank-wide risk management framework, derivatives are likewise recognised at their market values plus add-on, incorporating netting agreements.

Market risk and counterparty risk are calculated separately at Münchener Hypothekbank and subsequently aggregated on a conservative basis – for example, within the risk-bearing capacity calculation – without applying diversification effects through correlations. For counterparty default risk, Münchener Hypothekbank calculates its exposures using the standardised approach for counterparty credit risk pursuant to Chapter 6, Section 3 CRR.



TABLE 43: TEMPLATE EU CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU – Original Exposure Method (for derivatives)	-	-	-	1.4	-	-	-	-
EU2	EU – Simplified SA-CCR (for derivatives)	-	-	-	1.4	-	-	-	-
1	SA-CCR (for derivatives)	48.20	225.70	-	1.4	2,025.20	383.40	383.40	76.60
2	IMM (for derivatives and SFTs)	-	-	-	-	-	-	-	-
2a	of which securities financing transactions netting sets	-	-	-	-	-	-	-	-
2b	of which derivatives and long settlement transactions netting sets	-	-	-	-	-	-	-	-
2c	of which from contractual cross-product netting sets	-	-	-	-	-	-	-	-
3	Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-	-
4	Financial collateral comprehensive method (for SFTs)	-	-	-	-	-	30.10	30.10	4.90
5	VaR for SFTs	-	-	-	-	-	-	-	-
6	Total	-	-	-	-	2,025.20	413.50	413.50	81.50



Table 44 sets out the own funds requirements for credit valuation adjustment as at 31 December 2025.

TABLE 44: TEMPLATE EU CVA 1 – CREDIT VALUATION ADJUSTMENT RISK UNDER THE REDUCED BASIC APPROACH (R-BA)

	a	b
	Components of own funds requirements	Own funds requirements
1	Aggregation of systematic components of CVA risk	66.4
2	Aggregation of idiosyncratic components of CVA risk	19.7
3	Total	24.3

Münchener Hypothekbank does not hold any credit default swap (CDS) positions, either as a protection buyer or protection seller.

The following three tables disclose the counterparty risk exposures of Münchener Hypothekbank as well as all key parameters required for the calculation of the respective own funds requirements. The itemised risk exposures relate to derivatives as defined in Annex II CRR and to repurchase transactions respectively.



TABLE 45: EU CCR3 – STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS

		Risk weight											Total exposure value
		a	b	c	d	e	f	g	h	i	j	k	
Exposure classes		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	193.1	-	-	-	24.6	86.1	-	-	-	-	108.2	412.0
7	Corporates	-	-	-	-	-	1.5	-	-	-	-	-	1.5
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	Total exposure value	193.1	-	-	-	24.6	87.6	-	-	-	-	108.2	413.5

Tables EU CCR4 and EU CCR6 are not presented, as Münchener Hypothekbank held no relevant positions during the reporting period.



TABLE 46: TEMPLATE EU CCR5 – COMPOSITION OF COLLATERAL FOR CCR EXPOSURES

	a	b	c	d	e	f	g	h
	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1 Cash – domestic currency	-	1,020.5	-	891.1	-	600.5	-	28.3
2 Cash – other currencies	-	-	-	-	-	-	-	-
3 Domestic sovereign debt	-	-	-	-	-	-	-	-
4 Other sovereign debt	-	-	-	-	-	-	-	0.0
5 Government agency debt	-	-	-	-	-	-	-	487.5
6 Corporate bonds	-	-	-	-	-	-	-	90.5
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-	-	-
9 Total	-	1,020.5	-	891.1	-	600.5	-	606.3



TABLE 47: TEMPLATE EU CCR8 – EXPOSURES TO CCPS

		a	b
		Exposure value	RWEA
1	Exposures to QCCPs (total)	-	0.3
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC derivatives	-	-
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	1.0	0.3
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-



11 Asset Encumbrance

Asset encumbrance is intended to serve a dual purpose: to provide a standardised, cross-institutional basis of information for creditors and providers of unsecured or subordinated funding, and to act as an indicator of vulnerability to funding stress. Asset encumbrance is defined as follows: an asset is considered encumbered if it has been pledged or otherwise provided as collateral or additional security under any agreement, thereby preventing the institution from freely disposing of it. Assets transferred as collateral that are subject to restrictions on withdrawal – including, for example, assets whose sale or substitution requires prior approval – are considered encumbered within the meaning of the Guidelines on the disclosure of encumbered and unencumbered assets dated 29 November 2024.

The asset encumbrance ratio (AE ratio) is calculated as the ratio of encumbered assets to the institution’s total assets.

FORMULA 1: CALCULATION OF THE AE RATIO

$$\text{AE ratio} = \frac{\text{Carrying amount of encumbered assets and collateral}}{\text{Total assets and collateral}}$$

11.1 STRATEGY AND PROCESSES

As a security-oriented Pfandbrief issuer, a core element of Münchener Hypothekbank’s business strategy is to acquire as many high-quality assets as possible that are eligible as cover assets and can therefore serve as collateral for its own Pfandbrief issuances. A high AE ratio is therefore inherent to the business model and fully consistent with the Bank’s overall strategy. In addition to encumbrance arising from the cover relationship between assets and Pfandbriefe, the following sources of encumbrance are considered material:

- Collateralisation of repo transactions
- Collateralisation of derivative transactions
- Collateralisation of open market operations

11.2 STRUCTURE AND COMPOSITION OF THE ENCUMBRANCE RATIO

Due to its business model, Münchener Hypothekbank’s AE ratio remained highly stable between the disclosure dates at year-end 2024 and year-end 2025, ranging between 73.8% and 76.0%. As at 31 December 2025, the AE ratio stood at 73.8%. In accordance with Implementing Regulation (EU) 2024/3172, figures are to be reported as median values. This median is derived from rolling quarterly values over the preceding twelve months and is determined by interpolation. Tables 48 to 50 refer to this reporting date.

The level of the AE ratio, particularly when compared to other business models, clearly reflects Münchener Hypothekbank’s strong security orientation, as the Bank deliberately limits the acquisition of assets that cannot serve as Pfandbrief cover.

Table 48 EU AE1 presents the amount of encumbered and unencumbered assets by asset type in accordance with the applicable accounting framework, following reporting template EU AE1 of Implementing Regulation (EU) 2024/3172. Encumbered assets in Table 49 comprise on-balance sheet assets that have either been pledged, transferred without derecognition, or are otherwise encumbered, as well as received collateral that meets the conditions for recognition on the balance sheet of the transferee under the applicable accounting framework.

Münchener Hypothekbank populates columns 030, 050, 080 and 100 of Table 48 – in line with the respective COREP reporting – with assets eligible for transactions with the relevant central bank.



TABLE 48: EU AE1 – ENCUMBERED AND UNENCUMBERED ASSETS

		010	030	040	050	060	080	090	100
		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA	
0010	Assets of the reporting institution	40,870.5	3,218.3	–	–	14,121.7	2,963.1	–	–
0030	Equity instruments	–	–	–	–	140.0	–	159.1	–
0040	Debt securities	3,234.2	3,179.7	3,230.3	3,178.0	2,941.7	2,285.9	2,835.3	2,195.4
0050	of which: covered bonds	315.8	315.8	310.7	310.7	814.6	287.3	799.8	276.4
0060	of which: securitisations	–	–	–	–	–	–	–	–
0070	of which: issued by general governments	2,844.3	2,844.3	2,847.1	2,847.1	1,877.7	1,877.7	1,790.9	1,790.9
0080	of which: issued by financial corporations	420.4	370.1	411.5	362.9	1,061.7	435.2	1,032.4	417.1
0090	of which: issued by non-financial corporations	–	–	–	–	–	–	–	–
0120	Other assets	37,439.3	41.5	–	–	10,931.4	375.6	–	–

The following section presents received collateral by asset type in accordance with reporting template EU AE2 of Implementing Regulation (EU) 2024/3172. Encumbered and unencumbered collateral in reporting template EU AE2 refers to received collateral that does not meet the conditions for recognition on the balance sheet of the transferee under the applicable accounting framework and is therefore not reflected on the balance sheet. Received collateral that is recognised on the balance sheet is disclosed in reporting template EU AE1. Münchener Hypothekbank does not accept collateral of this type.



TABLE 49: EU AE2 – COLLATERAL RECEIVED

	Fair value of encumbered collateral received or own debt securities issued	Unencumbered		
		Fair value of collateral received or own debt securities issued available for encumbrance		
		of which notionally eligible EHQLA and HQLA	of which EHQLA and HQLA	
	010	030	040	060
0130 Collateral received by the reporting institution	-	-	8.8	8.8
0140 Loans on demand	-	-	-	-
0150 Equity instruments	-	-	-	-
0160 Debt securities	-	-	8.8	8.8
0170 of which: covered bonds	-	-	8.8	8.8
0180 of which: securitisations	-	-	-	-
0190 of which: issued by general governments	-	-	-	-
0200 of which: issued by financial corporations	-	-	8.8	8.8
0210 of which: issued by non-financial corporations	-	-	-	-
0220 Loans and advances other than loans on demand	-	-	-	-
0230 Other collateral received	-	-	-	-
0240 Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
0241 Own covered bonds and asset-backed securities issued and not yet pledged	-	-	514.7	-
0250 Total assets, collateral received and own debt securities issued	40,870.5	3,218.3	-	-

Liabilities associated with encumbered assets and received collateral are to be disclosed in accordance with reporting template EU AE3 of Implementing Regulation (EU) 2024/3172. The overcollateralisation of encumbered assets shown in Table 50 arises primarily from the excess cover maintained in respect of Pfandbriefe currently in circulation.

TABLE 50: EU AE3 – SOURCES OF ENCUMBRANCE

	0010	0030
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
0010 Carrying amount of selected financial liabilities	37,234.9	40,492.2



12 Remuneration Policy

12.1 SCOPE

Pursuant to section 16 of the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung), Münchener Hypothekbank is required to disclose information on its remuneration policy and practices. As a CRR institution, the Bank's disclosure obligations are governed by Article 450 CRR. The euro amounts stated in this section differ from those presented in the other tables of this report; for the sake of clarity, Tables 51 to 56 present figures in thousands of euros with one decimal place.

In accordance with the aforementioned article, the Bank is required to disclose certain quantitative and qualitative information in respect of employees whose professional activities have a material impact on the institution's risk profile (identified staff/risk takers).

As at year-end 2025, the Bank identified twelve Supervisory Board members, three Board of Management members, 19 senior managers and 34 additional employees as risk takers under the Institutsvergütungsverordnung, totalling 68 individuals, which corresponds to approximately 9.0% of all employees. The identification of risk takers was carried out on the basis of Implementing Regulation (EU) 2021/923 of 25 March 2021, supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria to identify all categories of staff whose professional activities have a material impact on an institution's risk profile.

12.2 INSTITUTION-WIDE REMUNERATION

The Remuneration Committee convened four times during the past year.

No sign-on bonuses above the legally permissible tax-exempt thresholds were granted. In addition, five severance payments were made, one of which was to a risk taker.

12.3 BOARD OF MANAGEMENT REMUNERATION FRAMEWORK

A target value for the discretionary bonus is established in advance for each financial year. The final discretionary bonus may range between 0% and 133% of the target value.

To determine the bonus amount, quantitative and qualitative targets derived from the corporate strategy are translated into Bank-wide and individual targets. The maximum bonus is only awarded in the event of a significant outperformance of targets.

The assessment period covers a minimum of three years. Variable remuneration is disbursed as follows:

- A total of 50% of the bonus earned is paid out in cash over several years; the remaining 50% is invested in "other instruments" within the meaning of Articles 52 or 63 CRR, which are linked to the sustainable value of the institution and are therefore subject to value fluctuations. These instruments are specifically designed to meet the requirements of the Institutsvergütungsverordnung, as Münchener Hypothekbank, as a cooperative, is unable to implement the underlying intent of equity investments or share options

- 20% of the bonus earned is paid out directly in the following year, upon adoption of the annual financial statements and determination by the Supervisory Board
- The remaining 80% of the bonus determined for the preceding financial year is paid out in instalments over a total period of five years, with the portion invested in instruments being subject to an additional one-year retention period following the expiry of the deferral period

Negative performance contributions are taken into account both at the time of bonus determination and throughout the entire deferral period. This may result in a reduction or, in extreme cases, a complete forfeiture of variable remuneration. A clawback provision also exists in respect of amounts already paid out. Neither an increase of the bonus beyond the originally determined amount nor a recovery of previously reduced payments is permissible. During the deferral and retention periods, no legal entitlement to variable remuneration arises.

Responsibility for establishing the Board of Management's remuneration framework lies with the Supervisory Board. The appropriateness of the remuneration systems is ensured in particular by the Supervisory Board's Remuneration Committee.



12.4 SUPERVISORY BOARD REMUNERATION FRAMEWORK

Supervisory Board remuneration consists of a fixed annual fee per member, differentiated according to the roles of Chair, Deputy Chair, and committee chair. No variable remuneration is granted, nor are attendance fees paid.

12.5 REMUNERATION FRAMEWORK FOR RISK TAKERS BELOW BOARD OF MANAGEMENT LEVEL

The remuneration structure for risk takers below Board of Management level comprises, in addition to a fixed base salary, a contractually defined performance- and results-based remuneration component (target bonus).

The foundation for a transparent and comprehensible performance assessment – and thus for the determination of the individual performance factor – is an actively practised target agreement process. Managers and employees jointly agree on a set of individual targets towards the end of the preceding year.

Target agreements should, where possible, include targets from each of the following three categories:

- Operational performance and business targets
- Organisational and strategic targets as well as projects
- Personnel development and leadership targets

In calculating the performance bonus, not only individual performance but also the performance of the relevant business unit and the Bank as a whole are taken into account. The determination and magnitude of the relevant factors are as follows:

	Individual Factor	Department Factor	Bank Factor
Values:	0%–133%	90%–100%	66%–133%
Determination:	Annual performance review with line manager	Set by Board of Management	Set by Board of Management

The considerable range of the individual factor enables employees to exert a significant direct influence on the level of their performance bonus and may, for example, result in a complete forfeiture of the bonus in cases of misconduct.

Following the determination of the target bonus, the individual performance factor is assessed one year later during the performance review, based on the degree of target achievement. The department factor and the bank factor are likewise determined by the Board of Management at the beginning of the following year.

The performance bonus is calculated according to the following formula:

FORMULA 2: CALCULATION OF THE PERFORMANCE BONUS

$$\text{Performance bonus} = \text{Target bonus} \times \text{Individual factor} \times \text{Department factor} \times \text{Bank factor}$$

Bonus payments are made in accordance with the requirements of the Institutsvergütungsverordnung and are therefore subject to potential distribution restrictions imposed by the supervisory authority. Should a risk taker below Board of Management level receive more than EUR 50 thousand in variable remuneration (the currently applicable threshold pursuant to BaFin FAQs), their bonus will be disbursed over several subsequent years in a manner analogous to the Board of Management remuneration framework. To date, however, this has not been necessary.

By design, variable remuneration cannot under any circumstances exceed fixed remuneration. With regard to non-cash benefits, risk takers receive only those benefits that are also available to all other employees, such as meal subsidies, health and wellness contributions, supplementary insurance, company cars, and similar benefits. Individual benefits may partly depend on seniority level or length of employment; however, the eligibility criteria are identical for all employees.

Responsibility for establishing the remuneration framework lies with the Board of Management. Any changes to the business strategy are reviewed to determine whether adjustments to the remuneration systems are required as a result.

The appropriateness of the remuneration systems is monitored by the Supervisory Board's Remuneration Committee in conjunction with the Remuneration Officer.

In order to present figures as accurately as possible, the amounts in chapter 12 are stated in thousands of euros rather than in millions of euros as used elsewhere in this report.

**TABLE 51: EU REMA – REMUNERATION POLICY****Qualitative disclosures****a) Remuneration governance**

The rules of procedure of the Supervisory Board stipulate that the Remuneration Committee monitors the appropriate design of the remuneration systems and adopts recommendation resolutions for the Supervisory Board. The Remuneration Committee convened twice in the past year. Based on the remuneration control report submitted to the Committee, the Remuneration Committee reviews the appropriateness of the remuneration policy annually.

The Bank has established a remuneration strategy and remuneration systems based thereon, covering the remuneration of all employees, including employees of all subsidiaries. The Bank's remuneration systems comply with all supervisory and statutory requirements – in particular the German Remuneration Ordinance for Institutions (InstitutsVergV). The Board of Management is responsible for determining the remuneration systems of employees; the Supervisory Board is responsible for determining the remuneration of the Board of Management. All remuneration systems are designed to ensure that remuneration-relevant processes are traceable, documented and disclosed. A balanced relationship between the remuneration systems (collective agreement, AT, executives, Board of Management, Supervisory Board) is maintained. Maximisation of remuneration at the expense of others is not permitted.

The Bank identifies risk takers on the basis of all applicable laws and guidelines, applying the criteria specified therein. All members of the Supervisory Board, Board of Management and senior employees are classified as risk takers. In addition, certain managers in risk management, information security and credit processing have been identified as risk takers. As at the end of financial year 2025, a total of 68 employees were identified as risk takers, representing 9.0% of the workforce. Following the assessment outcome, it was possible to exclude certain originally identified employees, provided specific conditions were met; this option was not exercised.

b) Information on the design and structure of remuneration systems for identified staff

The criteria for performance measurement to determine variable remuneration for all Bank employees are based on their individual target achievement levels and a bank factor set by the Board of Management, which reflects the Bank's financial performance in the preceding year. Ex-ante and ex-post risk adjustments are only relevant for Board of Management members whose variable remuneration exceeds EUR 50,000. Risk adjustment is based on an assessment of performance over a minimum of three years. Deferred and annually vested remuneration components are reviewed to determine whether the target achievement levels at the time of granting remain appropriate.

No material changes to the remuneration systems were made in the past year.

Individual target agreements are concluded with all employees, including those in internal control functions. Individual target achievement determines the level of variable remuneration. The bank factor also applies to this employee group; however, it only results in a reduction or increase of variable remuneration by a maximum of one third. Furthermore, the focus for all employees in internal control functions is clearly on fixed remuneration. This ensures that remuneration is largely independent of the performance of the business areas they oversee.

Guaranteed variable remuneration is granted for a maximum of one year; severance payments are only made in exceptional cases. The requirements of the InstitutsVergV and the BaFin FAQs are observed when determining such payments.

c) The Bank's remuneration practices do not create any incentives to take excessive risks. Neither the criteria used for measurement nor their impact on the level of variable remuneration, nor the ratio of variable to fixed remuneration, are conducive to this.**d) The ratio of fixed to variable remuneration at Münchener Hypothekbank is effectively a maximum of one third, thereby meeting the requirements of Article 94(g) CRD.**



Table 51, continued from page 122

TABLE 51: EU REMA – REMUNERATION POLICY**Quantitative disclosures**

- e) The basis for determining the level of variable remuneration for employees is the target bonus, personal target achievement and the bank factor. The target bonus is set individually in employment contracts. Personal target achievement is determined based on individually agreed targets and ranges between 0% and 130%. The bank factor is set by the Board of Management in accordance with a works agreement at between 66% and 133%. Key figures from the prior year's annual financial statements are taken into account in this determination. The share of variable remuneration in total remuneration is a maximum of 23% in the current year (excluding severance payments). In absolute terms, all variable remuneration payments for employees are below EUR 50,000.
- In the event of negative overall results at Münchener Hypothekbank, particularly where this is accompanied by a deterioration in the company's value, the bank factor is set at zero.
- f) When determining the discretionary components of Board of Management remuneration, the three preceding financial years are taken into account. Where the discretionary component exceeds EUR 50,000, the granting of the bonus is subject to the provisions of the InstitutsVergV. Accordingly, half of the bonus is granted in cash and the other half in instruments. Irrespective of this, a maximum of 40% is granted in the first year; the remainder is spread over five years. All instruments are subject to a one-year retention period following the deferral and blocking period. All instruments are subject to a retention period and blocking period during which their value development is monitored. As Münchener Hypothekbank is not a stock corporation, virtual instruments have been created whose value is based on the development of the Bank's overall value.
- The Remuneration Committee and Supervisory Board discuss annually whether ex-post adjustments to vesting tranches of variable remuneration are required. If no new facts have come to light that would necessitate a reduction of previously granted variable remuneration, the treatment of deferred and outstanding tranches in accordance with the InstitutsVergV is continued.
- g) The variable remuneration of the Board of Management is determined on the basis of a target bonus and individual target achievement. Five Bank-wide key performance indicators are relevant for 70% of target achievement. These are: achievement of new mortgage lending business, cost-income ratio, operating result after risk provisioning, return on equity before taxes, and several sub-targets relating to sustainability (e.g. CO₂ emission intensity in real estate financing). For 30% of target achievement, department and/or individual targets are agreed with each Board of Management member. Other non-cash benefits granted are performance-independent and are therefore separate from the fixed remuneration. These include, in particular, contributions to the retirement provision.
- h) Individual amounts do not have to be disclosed.
- i) No exemption pursuant to Article 94(3) CRD.
- j) Not applicable.



TABLE 52: EU REM1 – REMUNERATION AWARDED FOR FINANCIAL YEAR

		a	b	c	d	
		MB supervisory function	MB management function	Other senior management	Other identified staff	
1		12	3	19	34	
2		497.13	1,828.70	3,595.72	3,640.99	
3		497.13	1,828.70	3,595.72	3,640.99	
4						
EU-4a	Fixed remuneration					
5						
EU-5x						
6						
7						
8						
9			3	19	34	
10			614.68	585.27	489.45	
11			307.34	585.27	489.45	
12			184.40			
EU-13a	Variable remuneration					
EU-14a						
EU-13b				307.34		
EU-14b				184.40		
EU-14x						
EU-14y						
15						
16						
17	Total remuneration (2 + 10)	497.13	2,443.38	4,180.99	4,130.44	



TABLE 53: EU REM2 – REMUNERATION AWARDED FOR FINANCIAL YEAR

	a	b	c	d
	MB supervisory function	MB management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards – number of identified staff	0	0	0
2	Guaranteed variable remuneration awards – total amount			
3	of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap			
Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year – number of identified staff	0	0	0
5	Severance payments awarded in previous periods, that have been paid out during the financial year – total amount			
Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year – number of identified staff	0	0	0
7	Severance payments awarded during the financial year – total amount			
8	of which paid during the financial year			
9	of which deferred			
10	of which severance payments paid during the financial year, that are not taken into account in the bonus cap			
11	of which highest payment that has been awarded to a single person			



TABLE 54: EU REM3 – DEFERRED REMUNERATION

	a	b	c	d	e	f	EU – g	EU – h
	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i. e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has been vested but is subject to retention periods
1	Defered and retained remuneration							
1	MB supervisory function							
2	Cash-based							
3	Shares or equivalent ownership interests							
4	Share-linked instruments or equivalent non-cash instruments							
5	Other instruments							
6	Other forms							
7	185.36	92.55	92.81			- 84.19	200.41	308.46
8	92.55	92.55						
9	Shares or equivalent ownership interests							
10	92.81		92.81			- 84.19	200.41	308.46
11	Other instruments							
12	Other forms							
13	Other senior management							
14	Cash-based							
15	Shares or equivalent ownership interests							



Table 54, continued from page 126

TABLE 54: EU REM3 – DEFERRED REMUNERATION

		a	b	c	d	e	f	EU – g	EU – h
							Total amount of adjustment during the financial year due to ex post implicit adjustments (i. e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has been vested but is subject to retention periods
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years			
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments								
18	Other forms								
19	Other identified staff								
20	Cash-based								
21	Shares or equivalent ownership interests								
22	Share-linked instruments or equivalent non-cash instruments								
23	Other instruments								
24	Other forms								
25	Total amount	185.36	92.55	92.81			- 84.19	200.41	308.46



TABLE 55: EU REM4 – REMUNERATION OF EUR 1 MILLION OR MORE PER YEAR

	EUR	a Identified staff that are high earners as set out in Article 450(i) CRR
1	1,000,000 to below 1,500,000	-
2	1,500,000 to below 2,000,000	-
3	2,000,000 to below 2,500,000	-
4	2,500,000 to below 3,000,000	-
5	3,000,000 to below 3,500,000	-
6	3,500,000 to below 4,000,000	-
7	4,000,000 to below 4,500,000	-
8	4,500,000 to below 5,000,000	-
9	5,000,000 to below 6,000,000	-
10	6,000,000 to below 7,000,000	-
11	7,000,000 to below 8,000,000	-

TABLE 56: EU REM5 – INFORMATION ON REMUNERATION OF STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTIONS' RISK PROFILE (IDENTIFIED STAFF)

	a	b	c	d	e	f	g	h	i	j											
	Management body remuneration			Business areas																	
	MB super- visory function	MB Manage- ment function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total											
1	Total number of identified staff										68										
2	of which: members of the MB										12	3	15								
3	of which: other senior management													2	6		8	3			
4	of which: other identified staff														28		6				
5	Total remuneration of identified staff										497.1	2,443.4	2,940.5	513.9	4,714.3		1,671.1	1,412.2			
6	of which: variable remuneration										0.0	614.7	614.7	62.1	570.3		247.1	195.2			
7	of which: fixed remuneration										497.1	1,828.7	2,325.8	451.8	4,144.0		1,424.0	1,217.0			



13 Leverage

13.1 SCOPE AND STRUCTURE

Pursuant to Article 429 CRR, institutions are required to calculate a leverage ratio in order to enhance transparency and comparability. The leverage ratio is defined as the ratio of the capital measure to the total exposure measure.

It is calculated as follows:

FORMULA 3: CALCULATION OF THE LEVERAGE RATIO

$$\text{Leverage ratio} = \frac{\text{Tier 1 capital}}{\text{Total exposure measure}}$$

For the purposes of Article 429 CRR, the capital measure is defined as Tier 1 capital. The total exposure measure comprises contributions from on-balance sheet assets, derivatives, securities financing transactions and off-balance sheet items. The total exposure measure for assets (excluding derivatives and securities financing transactions) includes the carrying value of the respective positions as well as regulatory adjustments

for items deducted in the calculation of regulatory Tier 1 capital. For derivatives, the total exposure measure for the leverage ratio is calculated using the Standardised Approach for counterparty credit risk in accordance with Chapter 6, Section 3 CRR. No credit derivatives are held. For securities financing transactions, the total exposure measure corresponds to the gross carrying amounts plus the exposure value for counterparty credit risk. For the calculation of the total exposure measure for off-balance sheet exposures, the conversion factors from the Standardised Approach for credit risk are applied and provisions are deducted.

13.2 QUANTIFICATION

As at 31 December 2025, Münchener Hypothekbank's leverage ratio stands at 4.03%. The leverage ratio does not apply any risk weighting. Meeting the required leverage ratio therefore represents a particular challenge for Münchener Hypothekbank, given that its business model is specifically focused on real estate financing, which is characterised by a high volume of inherently low-risk transactions.

Changes in this monitoring metric are continuously tracked and analysed.

In line with its business model, the Bank manages its required capital resources using the risk-weighted capital ratios as defined by the supervisory authorities and the risk-bearing capacity requirements to be maintained.

The following section provides a detailed reconciliation of the total exposure measure of the leverage ratio with the line items presented in Münchener Hypothekbank's published financial statements in Table LR1 – LRSum. The total exposure measure of the leverage ratio is set out in detail in Table EU LR2 – LRCom, and the on-balance sheet risk exposures of Münchener Hypothekbank are broken down in Table EU LR3 – LRSpl, in order to illustrate the key composition of both the leverage ratio and the on-balance sheet risk exposure. In addition, Table EU LRA describes the procedures employed by Münchener Hypothekbank to monitor the risk of excessive leverage and explains the factors that influenced the leverage ratio during the reporting period.



13.3 QUANTITATIVE AND QUALITATIVE DISCLOSURE OF THE LEVERAGE RATIO IN ACCORDANCE WITH THE DISCLOSURE TABLES

The following section presents the reconciliation between Münchener Hypothekbank's on-balance sheet assets and the risk exposures for the leverage ratio as at 31 December 2025, in accordance with Article 451(1)(b) CRR.

TABLE 57: TEMPLATE EU LR1 – LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

		a
		Applicable amount
1	Total assets as per published financial statements	53,478.4
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory prudential consolidation	–
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	–
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	–
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)	–
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustment for eligible cash pooling transactions	–
8	Adjustments for derivative financial instruments	19.1
9	Adjustment for securities financing transactions (SFTs)	13.0
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	853.7
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	– 55.7
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	– 488.8
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	–
12	Other adjustments	– 1,372.1
13	Total exposure measure	52,447.6



The following table presents a detailed breakdown of Münchener Hypothekbank's total exposure measure for the leverage ratio as at 31 December 2025, in accordance with Article 451(1)(b) CRR.

TABLE 58: TEMPLATE EU LR2 – LRCOM: LEVERAGE RATIO COMMON DISCLOSURE

		CRR leverage ratio exposures	
		a	b
		31.12.2025	30.06.2025
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	52,634.6	54,575.5
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	- 892.3	- 724.3
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	- 55.7	- 60.0
6	(Asset amounts deducted in determining Tier 1 capital)	- 33.5	- 27.1
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	51,653.1	53,764.1
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	75.5	70.4
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	341.2	371.6
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	416.7	442.0



Table 58, continued from page 131

TABLE 58: TEMPLATE EU LR2 – LRCOM: LEVERAGE RATIO COMMON DISCLOSURE

		CRR leverage ratio exposures	
		a	b
		31.12.2025	30.06.2025
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	13.0	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	13.0	-
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	2,139.3	2,419.3
20	(Adjustments for conversion to credit equivalent amounts)	-1,285.6	-2.0
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	853.7	2,417.3
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-488.8	-791.3
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) – public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) – promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	-
EU-22m	(Total exempted exposures)	-488.8	-791.3



Table 58, continued from page 132

TABLE 58: TEMPLATE EU LR2 – LR.COM: LEVERAGE RATIO COMMON DISCLOSURE

		CRR leverage ratio exposures	
		a	b
		31.12.2025	30.06.2025
Capital and total exposure measure			
23	Tier 1 capital	2,113.2	2,068.0
24	Total exposure measure	52,447.6	55,832.1
Leverage ratio			
25	Leverage ratio	4.03	3.70
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	4.03	3.70
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4.03	3.70
26	Regulatory minimum leverage ratio requirement (%)	3.00	3.00
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	–	–
EU-26b	of which: to be made up of CET1 capital (percentage points)	–	–
27	Leverage ratio buffer requirement (%)	–	–
EU-27a	Overall leverage ratio requirement (%)	3.00	3.00
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	–	–
Disclosure of mean values		31.12.2025	30.06.2025
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	–	–
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	–	–
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	52,447.6	55,832.1
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	52,447.6	55,832.1
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.03	3.70
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.03	3.70



The following Table LR3 – LRSpl presents a detailed breakdown of Münchener Hypothekbank's on-balance sheet risk exposures (excluding derivatives, securities financing transactions and exempted exposures) as at 31 December 2025, in accordance with Article 451(1)(b) CRR.

TABLE 59: TEMPLATE EU LR3 – LRSPL: SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES)

		a
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	51,394.5
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	51,394.5
EU-4	Covered bonds	456.7
EU-5	Exposures treated as sovereigns	5,952.7
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	1.1
EU-7	Institutions	135.9
EU-8	Secured by mortgages of immovable properties	43,612.5
EU-9	Retail exposures	
EU-10	Corporates	1.8
EU-11	Exposures in default	828.3
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	405.5



The following table describes the procedures employed by Münchener Hypothekbank to integrate the leverage ratio into its internal measurement and management processes, as well as the procedures used to monitor the risk of excessive leverage.

TABLE 60: EU LRA – FREE FORMAT TEXT BOXES FOR DISCLOSURE ON QUALITATIVE ITEMS

Row	a) Free format
a) Description of the processes used to manage the risk of excessive leverage	The Bank monitors the risk of excessive indebtedness by quantifying the leverage ratio and reporting it to the Board of Management on every reporting reference date – and as required. The business areas have been made fully aware of the need to consider the effects that a potential new business activity may have on the leverage ratio. Along with the leverage ratio, Münchener Hypothekbank employs additional key figures to evaluate the risk of excessive indebtedness, as the leverage ratio does not take into consideration the key risk driver of maturity-matched refinancing and the actual exposure of the assets. The factors influencing the leverage ratio are thoroughly analysed, and reciprocal dependencies with Münchener Hypothekbank's main controlling ratios, such as the LCR as well as the equity capital ratio, are evaluated and – if needed – lead to a review of measures that should be taken. Mismatched maturities arising from the short-term refinancing of lending operations represent a major cause of excessive indebtedness. As a Pfandbrief bank, Münchener Hypothekbank's business model is explicitly aware of this risk and monitors it closely. Münchener Hypothekbank has set itself a leverage ratio exceeding 3% as an internal minimum requirement. The leverage ratio is taken into consideration over a four-year planning horizon within the capital planning process used for own funds and the risk-weighted capital ratios in order to take appropriate measures in good time when planning Tier 1 Capital as well as the components of the total exposure measure.
b) Description of the factors that had an impact on the individually disclosed leverage ratios during the reporting period	As at 31 December 2025, the leverage ratio of Münchener Hypothekbank, calculated in accordance with the provisions CRR in conjunction with Implementing Regulation (EU) 2015/62, stood at 4.03%. This figure reflects Tier 1 capital of EUR 2,113.2 million relative to a total exposure measure of EUR 52,447.6 million. By comparison, the leverage ratio as at 30 June 2025 was 3.70%, and as at 31 December 2024 it stood at 3.86%. No material changes to the leverage ratio were observed during the period from 31 December 2024 to 31 December 2025.



14 ESG

BUSINESS STRATEGY AND PROCEDURES

Sustainability has gained considerable importance in recent years, particularly against the backdrop of increasingly tangible climate change and the associated need to intensify efforts to limit its progression and adapt to its consequences. The financial industry is widely recognised as playing a significant role in this endeavour. The transition to a low-carbon economy presents both opportunities and risks for the financial industry. At Münchener Hypothekbank, for example, both physical and transitional risks may directly affect borrowers or the collateral properties securing loans, and thereby impact credit risk. In 2024, Münchener Hypothekbank conducted a double materiality assessment in accordance with the CSRD, which was subsequently updated at the beginning of 2025. The results are presented in the non-financial statement included in the annual report for the respective financial year and are taken into account in the ongoing update of the business strategy. Furthermore, for the financial year 2025, a comprehensive business environment analysis was conducted for the first time, which was subsequently updated for the financial year 2026. The analysis focused on examining and assessing the impact of climate and environmental changes, as well as the influence of risk drivers from the social and governance categories on Münchener Hypothekbank's business environment.

Overall, the business environment analysis indicates that various ESG phenomena – driven, for example, by macroeconomic and societal change, tightening regulation, increasing competitive pressure, and growing ESG, data protection and employer-related requirements – may alter the Bank's operating environment in the near term. These key phenomena are taken into account in the formulation of the business strategy. Sustainability is embedded in the business strategy through dedicated KPIs.

Climate targets have been defined for the Retail and Commercial real estate portfolios as well as for the Capital Markets and Funding business area (active). The baseline is established through CO₂ accounting in accordance with the PCAF standard. Emission reduction targets – referred to as decarbonisation pathway values – have been derived for the residential and commercial real estate financing portfolios as well as for relevant sub-portfolios (see Template 3: Banking Book – Indicators for Potential Transition Risks from Climate Change: Alignment Metrics). Assumptions regarding future portfolio development were incorporated into this process. The targets are aligned with the decarbonisation pathways of the Carbon Risk Real Estate Monitor (CRREM). CRREM represents the sector-specific approach for the real estate industry to meet the International Energy Agency's (IEA) Net Zero Emissions by 2050 (NZE) scenario. The underlying CRREM decarbonisation pathway is based on the 1.5-degree scenario. In implementing the climate targets, current political and regulatory developments arising from the European Green Deal are also taken into account. To achieve these targets, a transition plan has been adopted, encompassing specific measures as well as a governance, steering and reporting model. The decarbonisation of Münchener Hypothekbank's loan portfolio is influenced by the underlying real estate collateral and therefore depends to a significant extent on external factors that cannot be directly controlled. These include, in particular, the decarbonisation of the electricity and heat mix as well as regulatory requirements relating to the energy efficiency of buildings, such as those arising from the European Energy Performance of Buildings Directive (EPBD).

Münchener Hypothekbank has for many years supported energy-efficient construction through its "Green Loan" product, which offers a preferential interest rate for energy-efficient owner-occupied residential properties. In addition, the Bank offers so-called "Family Loans", a product designed to enable middle-income families to purchase their own home. Both of

these sustainable products are certified by ISS ESG and may also be combined. Complementing these offerings, the Bank provides KfW loans that promote energy efficiency through various programmes for renovation, conversion and new construction. The Bank works closely with its partner banks to market these sustainable products. The accuracy, clarity and transparency of all related communications are of paramount importance to us. Accordingly, we provide appropriate marketing materials and regularly inform and train the employees of our sales partners on these products. Green financing in the commercial real estate segment is also to be further expanded. This includes loans for commercial properties that are aligned with the criteria of Münchener Hypothekbank's existing Green Funding Framework on the liability side. These commercial properties have been awarded one of the recognised sustainability certificates or meet the criteria for the top 15% of the national building stock. Where defined product criteria are met, customers are able to receive a confirmation letter confirming the "Green Loan" status. The introduction of the "MHB EnergieEffizienzKredit" (MHB Energy Efficiency Loan) in the financial year 2025 added a further product to this range. The MHB Energy Efficiency Loan is intended to finance energy retrofit measures, primarily for existing customers, thereby contributing to a reduction in the CO₂ emission intensity of the commercial real estate portfolio. On the liability side, the Bank issues a range of green financial products to refinance the aforementioned loans, including Green Pfandbriefe, green senior preferred notes, green senior non-preferred notes and green commercial paper.

The target markets described in the business strategy – which, in addition to Germany as the primary market, include selected other EU countries as well as Switzerland and the United Kingdom – are subject to comprehensive legal frameworks that ensure high social standards, including the protection of human rights and workers' rights. When selecting outsourcing



partners, preference is given to companies based in Germany, the EU or the European Economic Area. The Bank's own operations are also influenced by various social developments in Münchener Hypothekbank's business environment. The resulting social risks, opportunities and targets are addressed within the framework of the HR strategy and the diversity policy. People-related opportunities and risks are treated at Münchener Hypothekbank as a cross-cutting issue that is embedded in the business strategy and extends across all business areas. An adequate level of staffing – both in terms of quality and quantity – is a fundamental prerequisite for the Bank's future success. This includes the further development of the corporate and leadership culture to meet future requirements. The megatrends of digitalisation, sustainability and diversity are appropriately integrated into HR practices. In addition to the HR strategy, the topic of diversity is addressed in a dedicated policy. Corresponding measures promote equal opportunity throughout the Bank. Employees of non-German-speaking backgrounds receive targeted support through language courses.

CORPORATE GOVERNANCE

The Board of Management bears overall responsibility for the business and risk strategy and its implementation within the Bank. This responsibility also encompasses the establishment of a business organisation commensurate with the Bank's risk profile. To embed sustainability within the organisational structure, Münchener Hypothekbank has implemented an ESG framework that defines structures and responsibilities for all sustainability-related topics as well as ESG risk management topics. Clear responsibilities for ESG risk management and sustainability management have been established at Board of Management level. ESG targets at both Bank-wide and department level are incorporated into Board of Management remuneration. One of the Bank-wide targets used in the assessment of variable

remuneration has an ESG dimension and comprises the following three KPIs: CO₂ intensity in residential real estate financing, CO₂ intensity in commercial real estate financing, and the number of green issuances per year. Concrete ESG targets have also been agreed at the level below the Board of Management, ensuring that ESG targets are adequately embedded in the variable remuneration of both the Board of Management and senior management. Social aspects are reflected in the targets of the Board of Management and at department head level as follows: implementation of the diversity policy and identification of female high-potential candidates. The Remuneration Committee reviews the appropriateness of the Board of Management's variable remuneration targets on an annual basis.

ESG is also addressed as part of the annual efficiency review of the Board of Management and Supervisory Board. The Non-Financial Risk Management department holds central responsibility for the management of and reporting on ESG risks, as well as for the strategic embedding of and reporting on sustainability. In addition, a dedicated sustainability team has been established, comprising employees from almost all specialist departments who serve as points of contact and ambassadors. All sustainability-related topics, together with the associated risk and credit topics, are consolidated within the ESG Committee. The ESG Committee consists of the heads of all relevant departments of the Bank, including Non-Financial Risk Management and all relevant first-, second- and third-line functions. Reporting on current implementation activities within the Bank generally takes place on a monthly basis, with necessary decisions being taken or relevant topics being prepared for the Strategy & Finance Board, the Management Risk Board or Board of Management meetings. In addition, an ESG risk report is made available to department heads on a semi-annual basis, with a primary focus on the implications of climate risks for the Bank. ESG risks are integrated into the quarterly overall risk report submitted to the Board of Management and Super-

visory Board. Progress towards ESG-related targets is reported to the Board of Management as part of the strategy controlling process. The Board of Management manages social risks in the lending business – including those relating to community and societal activities, employee relations and labour standards, customer protection and product responsibility, and human rights – primarily through long-term strategic business guidelines. The same applies to governance risks, such as ethical considerations, strategy and risk management, inclusivity, transparency, the handling of conflicts of interest, and internal communication on key topics. The Bank's target markets are located within the EEA and the United Kingdom. Retail banking activities are conducted exclusively in the DACH region, where applicable consumer protection requirements and product regulations apply. In view of the significant uncertainty and the associated risk of further expansion of sanctions imposed in connection with the war in Ukraine, a decision was taken in March 2022 to cease all new business with borrowers without EU residency status who have ties to the Russian Federation, Belarus, Syria or Eritrea. For green refinancing products, ESG exclusions relating to socially controversial activities are defined within the business strategy. For example, properties associated with socially undesirable environments are not financed.

RISK MANAGEMENT

Münchener Hypothekbank's ESG risk management framework identifies and manages risks associated with the Bank's business activities, products, services and business relationships. The Non-Financial Risk Management department analyses the potential impact on the Bank's own business and keeps the Board of Management informed of current developments, enabling timely decision-making where required. As ESG risks do not constitute a standalone risk category but rather affect existing risk categories, the risk inventory has been expanded



accordingly. Nevertheless, a separate assessment must be ensured in order to determine the impact of ESG risks. To this end, a materiality assessment was conducted (hereinafter referred to as the “Risk Materiality Assessment”). Environmental, social and governance risks were assessed separately for each risk category. The analyses incorporated the political environment as well as historically observed and anticipated future developments with respect to physical and transitional risks. The Risk Materiality Assessment was conducted in two stages, referred to hereinafter as “Stage I” and “Stage II”. In Stage I, the relevant risk drivers were initially assessed on the basis of transmission channels in order to determine the extent to which the various risk categories are affected by ESG risks (relevance assessment). This analysis was based on quantitative evaluations to the greatest extent possible, supplemented or, where necessary, replaced by qualitative assessments from experts across various departments of the Bank, including the ESG Risk Manager. Different time horizons were considered, with both short- to medium-term effects and long-term changes analysed per risk driver and per risk category. For each physical risk driver (e.g. flooding) within credit risk, a Stage I analysis was conducted based on location-specific risk data for the collateral properties. For the transitional driver of CO₂ emissions, Stage I drew on property-specific energy efficiency data. A key focus of risk management is also the improvement of the underlying data quality. Energy performance certificates are therefore requested for new business and recorded in the IT systems. Physical risk data are sourced externally from an established provider. A CO₂ accounting framework for the loan portfolio has been established in accordance with the PCAF standard. Where property-level emissions are directly available via energy performance certificates, these are used to calculate CO₂ emissions. For all other properties, estimates are derived based on

year of construction, property type and other relevant factors. Stage II of the materiality assessment comprised a detailed, risk-category-specific analysis using scenarios, with the objective of deriving quantitative conclusions regarding materiality by expressing the potential impact of ESG risks in monetary terms. Stage II built on the findings of Stage I, with the identified relevant risk drivers subjected to further analysis within scenario frameworks. At least two scenarios were derived for each risk category identified as relevant. Stage II likewise distinguished between short- to medium-term and long-term perspectives. To facilitate a more robust assessment of impacts across different time horizons, macroeconomic scenarios from the Network for Greening the Financial System (NGFS) were incorporated. Within the credit risk category, the quantification of climate and environmental risks across the various scenarios resulted in the determination of an expected loss. Specifically, physical risks were accounted for through adjustments to loss given default rates (LGD shift), while transitional risks were reflected through adjustments to probability of default rates (PD shift) and default simulations (x largest borrowers). In addition to this statistical, data-driven approach, an expert elicitation methodology was applied to all other risk drivers identified as relevant in the climate context, as well as to the social and governance topic areas. This represents a formal and structured process for translating expert knowledge into quantitative outputs and figures. The 2025 ESG Risk Materiality Assessment identified the materiality of climate risks within operational risk as well as within credit and reputational risk. In many cases, materiality is already present over a short- to medium-term time horizon. In the analysis of social risks, the Bank identified materiality within the risk category of legal risk/compliance risk as a sub-category of operational risk. The relevant risk drivers in this context are “employee protection”, “consumer protection” and

“data protection”. The governance risk driver “risk management” was likewise identified as relevant within the legal risk/compliance risk category. No materiality was identified for social or governance risks across the remaining risk categories.

An ESG scoring framework is in place for the individual lending business, incorporating both property-related and borrower-related aspects. Within the ESG scoring process, individual credit decisions are subject to higher approval authority requirements in cases of poor scores. Furthermore, pricing and limits – as well as the exclusion of transactions with poor scores – are based on the ESG score. Credit limits are aligned with the risks identified through the materiality assessment. Accordingly, in addition to the overall ESG score, the sub-score for transitional risks is also subject to a separate limit, given that the energy efficiency of buildings represents one of the most significant risks for the Bank. At both levels, the poorest scores are excluded and medium-to-poor scores are subject to limits. In the Bank’s retail lending business, an ESG scoring framework based on the collateral property was introduced in 2024, and limits for poor scores were established in the same process. ESG factors that may influence property value are taken into account in the valuations commissioned by the Bank for collateral properties. Münchener Hypothekenbank specialises in real estate finance. This means that the typical counterparty in the individual lending business is not a corporate entity but rather that transactions are structured as property financings, where the focus is on the property rather than the borrower. The current materiality assessment for governance risk drivers reflects this accordingly: as noted, none of the governance drivers were assessed as relevant within the credit risk category. Notwithstanding this, a governance risk assessment of the borrower is nonetheless incorporated into the ESG score. In addition, processes for the



identification and review of new and existing customers have been implemented in accordance with anti-money laundering requirements (commonly referred to as “KYC” – Know Your Customer), the results of which are incorporated into the ESG score. The identified social risk drivers are addressed through OpRisk management and existing internal processes. A regular OpRisk reporting framework is in place – comprising an annual report and quarterly reporting as part of the overall bank risk report – covering all business areas of the Bank as well as its own operations. The semi-annual ESG risk report includes an analysis of the social sub-score for the individual lending business. Employees are kept continuously informed on relevant topics via the internal communications portal. Demographic change is already being addressed within the HR strategy. Furthermore, dedicated employees within the Non-Financial Risk Management department are responsible for data protection topics and work in coordination with the external Data Protection Officer to mitigate this risk. Through a range of sustainable products (see section “Business Strategy and Procedures”), the Bank aims to further develop a green and social portfolio. The strategic measures defined in the transition plan to achieve the decarbonisation pathway values will also contribute to a reduction in transitional risk. With regard to physical risks, the Bank’s supraregional diversification has a risk-mitigating effect. Both the retail and individual lending businesses are covered by blanket default insurance policies that limit the Bank’s losses in the event of a physical damage event.

Münchener Hypothekbank engages in dialogue on sustainability risks and opportunities both within industry associations and with individual customers and business partners. All relevant perspectives are taken into account in the determination of material topics and are validated, inter alia, through engagement with external stakeholders. Relevant ESG information and ESG ambitions are gathered from individual customers in the

context of new business. To support this process, relationship managers and deal managers have access to a simulation tool that illustrates the projected CO₂ emissions of a property as well as the potential impact of the measure(s) under consideration. Münchener Hypothekbank expects its suppliers and service providers to comply with minimum social and environmental standards. In the selection of new suppliers and the risk assessment of existing ones, the outsourcing management process considers not only economic efficiency criteria but also sustainability-related aspects. These include compliance with human rights, adherence to labour and social standards, anti-discrimination and anti-corruption requirements, and environmental protection.

Template 1

As a real estate financier, the majority of Münchener Hypothekbank’s lending volume is generated – with borrowers in sector L in addition to private individuals (“Real Estate Activities”). Customers classified under sectors A to I include, among others, municipal loans extended to, for example, municipal water or energy utility suppliers. As the Bank does not sub-classify sector D (“Energy Supply”), the total is presented in aggregate in row 36. Column b is intended to show the volume associated with customers operating in highly CO₂-intensive sectors. As illustrated in column a, Münchener Hypothekbank’s borrowers are not active in these sectors, given the Bank’s business model. Accordingly, no borrowers have been identified in this column. CO₂ accounting for the loan portfolio was conducted in accordance with the PCAF standard, as described above. Where property-level emissions are directly available via energy performance certificates, these are used to calculate financed greenhouse gas emissions. For all other properties, estimates are applied.

Template 2

Template 2 discloses information on the energy efficiency of the properties used as collateral for loans. In the context of new business, a valid energy performance certificate is always requested in both the individual and, more recently, the retail lending business. In Switzerland, final energy data are determined on-site by the appraiser and are reported in the template without adjustment. Primary energy data are not available for Switzerland.

Template 3

Template 3 contains relevant information on Münchener Hypothekbank’s efforts to align with the targets of the Paris Climate Agreement. It presents the alignment metric used by Münchener Hypothekbank (column d), the reference year (column e), the deviation from the IEA NZE2050 scenario for 2030 in percentage terms (column f), and the targets for 2027 (column g) for both commercial and residential real estate. The borrowers across the Bank’s business areas operate in a wide variety of sectors, which means that uniform NACE sector classifications cannot be assigned to the residential and commercial real estate business areas. The Bank applies the international PCAF standard to calculate the emissions attributable to its real estate financing activities. Emissions data are either provided directly by counterparties or, where unavailable, estimated using statistically derived proxies. The deviation shown in column f between the IEA reference pathway and Münchener Hypothekbank’s own decarbonisation pathway is primarily attributable to differences in the measurement of CO₂ emissions considered in each pathway. While Münchener Hypothekbank’s calculation encompasses all Scope 1 and Scope 2 emissions of a property, the IEA’s NZE2050 scenario, in accordance with its methodology, considers only emissions arising from the direct combustion of fossil fuels. This distinction has a significant impact on the gap between the two decarbonisation pathways, as Scope 1 emissions and electricity used for



heating and cooling account for approximately two thirds of total operational emissions of a property. Unlike the approach set out in Implementing Regulation (EU) 2022/2453, Münchener Hypothekbank's loan portfolio decarbonisation pathway is not aligned with the IEA NZE2050 climate pathway but rather with the CRREM pathway (CRREM = Carbon Risk Real Estate Monitor Global Pathways), which incorporates Scope 1 and Scope 2 emissions in their entirety. This decision is based on the Bank's business model, which is focused on the real estate sector, where CRREM is recognised as the benchmark standard. Taking into account the CRREM decarbonisation pathway for 2030, the deviation amounts to 150% for commercial real estate and 289% for residential real estate. In addition, the proxy values applied – which, in the reference year, account for a significant portion of the portfolio due to the absence of actual data – represent a conservative, risk-averse estimate. The deviation is expected to narrow over time as a result of measures already implemented and those planned for the future. In Münchener Hypothekbank's commercial real estate portfolio, the gap between the current portfolio status and the NZE2050 IEA target intensity for the reference year 2030 narrowed between 30 June 2025 and 31 December 2025. In Münchener Hypothekbank's residential real estate portfolio, the gap between the current portfolio status and the NZE2050 IEA target intensity for the reference year 2030 widened slightly between 30 June 2025 and 31 December 2025.

Template 4

As at the reporting date, Münchener Hypothekbank does not finance any company that belongs to the top 20 most CO₂-intensive companies in the world. Accordingly, the publication of Template 4 has been omitted.

Template 5

To measure physical risks, data from the natural hazard analysis tool K.A.R.L., provided by Köln Assekuranz, were used. K.A.R.L. is a globally applicable analysis tool for the location-specific identification, calculation and quantification of risks arising from natural hazards, including flooding, heavy rainfall, earthquakes, storms, tornadoes and hail. Chronic risks are measured across various climate scenarios using three indices: a heat index, a drought index and a precipitation index. For each collateral property, the Bank receives quantitative data on both chronic and acute risks. Where an elevated acute risk value is identified – defined as an expected annual loss value exceeding 0.4% of the property value – the loan associated with the affected property is reported in full as impacted. By analogy with acute physical risks, exposure to chronic risks is assumed from a risk level of "high" onwards. The worst-case scenario is applied, under which CO₂ emissions are assumed to peak only between 2040 and 2050. The overview presented shows, in column b, the total breakdown of all of the Bank's transactions, and from column c onwards, a breakdown of all transaction volumes affected by acute or chronic climate risks. The affected transactions are located primarily in the United States, Germany and Switzerland.

Template 6

Template 6 contains the same information as Template 0 of the Taxonomy disclosure presented in the non-financial statement. The calculation of the Green Asset Ratio (GAR) as at 31 December 2025 was carried out using the same methodology as applied for the Taxonomy disclosure. The GAR stock amounts to 13.76%. The decline compared to 31 December 2024 is attributable to the repayment of large-volume, Taxonomy-aligned commercial loans and a lower level of Taxonomy alignment in new business. The GAR flow as at 31 December 2025 stood at 2.79%.

The lower GAR flow relative to the GAR stock is driven by three principal factors: firstly, stricter quality requirements apply to buildings constructed from 2021 onwards, including a primary energy demand at least 10% below the nearly zero-energy building threshold and the submission of an energy demand certificate. Secondly, in the retail lending business, the Bank frequently receives the required energy performance certificates only with a delay, at the time of loan disbursement. Thirdly, new business in 2025 predominantly comprised properties with a year of construction of 2012 or earlier. Where no energy performance certificate is available for such properties at the time of reporting, Taxonomy alignment via classification within the top 15% cannot be derived either from energy performance values or from the year of construction.

Compared to the prior-year GAR (14.31%), the GAR as at 31 December 2025 has declined slightly (–0.55%). This is attributable, inter alia, to the repayment of large-volume, Taxonomy-aligned commercial loans and a lower level of Taxonomy alignment in new business.

The percentage coverage within total assets now reflects a coverage ratio of 77.19% for the GAR stock and 60.70% for the GAR flow.



Template 7

Template 7 contains the same information as Template 1 of the Taxonomy disclosure presented in the non-financial statement. Template 7 sets out the total assets used in the calculation of the GAR as well as transactions excluded from the GAR. Münchener Hypothekenbank's economic activities are assigned to Environmental Objective 1 (Climate Change Mitigation), as this is where the Bank sees its primary contribution. Based on the analysis of its business activities, Münchener Hypothekenbank has to date identified no activities that specifically address Environmental Objective 2 (Climate Change Adaptation). In the assessment of securities issued by issuers subject to the CSRD, a minor amount of Taxonomy-eligible business is attributable to Environmental Objective 2.

Template 8

Template 8 contains the same information as Templates 3 and 4 of the Taxonomy disclosure, presenting Taxonomy-aligned stock business as a proportion of the assets included in the denominator from Template 7, as well as Taxonomy-aligned new business from the financial year 2025 as a proportion of the inflows to the assets included in the denominator during the financial year 2025.

Template 9

The introduction of the voluntary Banking Book Taxonomy Alignment Ratio (BTAR) is intended, in accordance with the EBA's objectives, to create a new ratio that enables banks to provide a more comprehensive picture of their sustainability activities. However, as a large proportion of Münchener Hypothekenbank's assets are already Taxonomy-eligible and therefore subject to a more rigorous Taxonomy assessment, the Bank has continued to refrain from publishing the BTAR.



TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

PART 1 OF 3

	a	b	c	d	e
	Gross carrying amount (in EUR million)				
Sector/subsector		of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	of which environmentally sustainable (CCM)	of which stage 2 exposures	of which non-performing exposures
1 Exposures towards sectors that highly contribute to climate change¹	11,354.8	-	603.5	-	679.4
2 A – Agriculture, forestry and fishing	0.1	-	-	-	-
3 B – Mining and quarrying	-	-	-	-	-
4 B.05 – Mining of coal and lignite	-	-	-	-	-
5 B.06 – Extraction of crude petroleum and natural gas	-	-	-	-	-
6 B.07 – Mining of metal ores	-	-	-	-	-
7 B.08 – Other mining and quarrying	-	-	-	-	-
8 B.09 – Mining support service activities	-	-	-	-	-
9 C – Manufacturing	0.9	-	-	-	-
10 C.10 – Manufacture of food products	-	-	-	-	-
11 C.11 – Manufacture of beverages	-	-	-	-	-
12 C.12 – Manufacture of tobacco products	-	-	-	-	-
13 C.13 – Manufacture of textiles	-	-	-	-	-
14 C.14 – Manufacture of wearing apparel	-	-	-	-	-
15 C.15 – Manufacture of leather and related products	-	-	-	-	-
16 C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-	-	-	-	-
17 C.17 – Manufacture of pulp, paper and paperboard	-	-	-	-	-
18 C.18 – Printing and service activities related to printing	-	-	-	-	-
19 C.19 – Manufacture of coke oven products	-	-	-	-	-
20 C.20 – Production of chemicals	-	-	-	-	-



Table 61, Part 1 continued from page 142

TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

PART 1 OF 3

		a	b	c	d	e
		Gross carrying amount (in EUR million)				
Sector/subsector			of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	of which environmentally sustainable (CCM)	of which stage 2 exposures	of which non-performing exposures
21	C.21 – Manufacture of pharmaceutical preparations	-	-	-	-	-
22	C.22 – Manufacture of rubber products	-	-	-	-	-
23	C.23 – Manufacture of other non-metallic mineral products	-	-	-	-	-
24	C.24 – Manufacture of basic metals	-	-	-	-	-
25	C.25 – Manufacture of fabricated metal products, except machinery and equipment	-	-	-	-	-
26	C.26 – Manufacture of computer, electronic and optical products	0.1	-	-	-	-
27	C.27 – Manufacture of electrical equipment	0.8	-	-	-	-
28	C.28 – Manufacture of machinery and equipment n.e.c.	-	-	-	-	-
29	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-	-
30	C.30 – Manufacture of other transport equipment	-	-	-	-	-
31	C.31 – Manufacture of furniture	-	-	-	-	-
32	C.32 – Other manufacturing	-	-	-	-	-
33	C.33 – Repair and installation of machinery and equipment	-	-	-	-	-
34	D – Electricity, gas, steam and air conditioning supply	0.3	-	-	-	-
35	D35.1 – Electric power generation, transmission and distribution	0.3	-	-	-	-
36	D35.11 – Production of electricity	0.3	-	-	-	-
37	D35.2 – Manufacture of gas; distribution of gaseous fuels through mains	-	-	-	-	-
38	D35.3 – Steam and air conditioning supply	-	-	-	-	-
39	E – Water supply; sewerage, waste management and remediation activities	2.6	-	-	-	-
40	F – Construction	57.2	-	-	-	-

Table 61, Part 1 continued on page 144



Table 61, Part 1 continued from page 143

TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK
PART 1 OF 3

		a	b	c	d	e
		Gross carrying amount (in EUR million)				
Sector/subsector			of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	of which environmentally sustainable (CCM)	of which stage 2 exposures	of which non-performing exposures
41	F.41 – Construction of buildings	56.8	–	–	–	–
42	F.42 – Civil engineering	–	–	–	–	–
43	F.43 – Specialised construction activities	0.4	–	–	–	–
44	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	2.6	–	–	–	–
45	H – Transportation and storage	0.3	–	–	–	0.0
46	H.49 – Land transport and transport via pipelines	0.0	–	–	–	0.0
47	H.50 – Water transport	–	–	–	–	–
48	H.51 – Air transport	–	–	–	–	–
49	H.52 – Warehousing and support activities for transportation	0.2	–	–	–	–
50	H.53 – Postal and courier activities	–	–	–	–	–
51	I – Accommodation and food service activities	0.4	–	–	–	–
52	L – Real estate activities	11,290.5	–	603.5	–	679.4
53	Exposures towards sectors other than those that highly contribute to climate change¹	9,906.2	–	404.2	–	138.5
54	K – Financial and insurance activities	4,331.1	–	400.2	–	136.2
55	Exposures to other sectors (NACE codes J, M – U)	5,575.1	–	4.0	–	2.2
56	Total	21,261.0	–	1,007.8	–	817.9

¹ In accordance with the Implementing Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Climate Benchmark Standards Regulation – Recital 6; Sectors listed in Sections A to H and Section L of Annex I to Regulation (EU) No 1893/2006.



Table 61, Part 2 continued from page 144

TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK
PART 2 OF 3

Sector/subsector	f	g	h	i	j
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (in EUR million)	of which stage 2 exposures	of which non-performing exposures	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO ₂ equivalent)	of which Scope 3 financed emissions
1 Exposures towards sectors that highly contribute to climate change¹	- 232.3	-	- 191.0	181,314.9	-
2 A – Agriculture, forestry and fishing	- 0.0	-	-	0.2	-
3 B – Mining and quarrying	-	-	-	-	-
4 B.05 – Mining of coal and lignite	-	-	-	-	-
5 B.06 – Extraction of crude petroleum and natural gas	-	-	-	-	-
6 B.07 – Mining of metal ores	-	-	-	-	-
7 B.08 – Other mining and quarrying	-	-	-	-	-
8 B.09 – Mining support service activities	-	-	-	-	-
9 C – Manufacturing	- 0.0	-	-	2.0	-
10 C.10 – Manufacture of food products	-	-	-	-	-
11 C.11 – Manufacture of beverages	-	-	-	-	-
12 C.12 – Manufacture of tobacco products	-	-	-	-	-
13 C.13 – Manufacture of textiles	-	-	-	-	-
14 C.14 – Manufacture of wearing apparel	-	-	-	-	-
15 C.15 – Manufacture of leather and related products	-	-	-	-	-
16 C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-	-	-	-	-
17 C.17 – Manufacture of pulp, paper and paperboard	-	-	-	-	-
18 C.18 – Printing and service activities related to printing	-	-	-	-	-
19 C.19 – Manufacture of coke oven products	-	-	-	-	-
20 C.20 – Production of chemicals	-	-	-	-	-

Table 61, Part 2 continued on page 146



Table 61, Part 2 continued from page 145

TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK
PART 2 OF 3

Sector/subsector	f			g		h		i		j	
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (in EUR million)			of which stage 2 exposures		of which non-performing exposures		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO ₂ equivalent)		of which Scope 3 financed emissions	
21	C.21 – Manufacture of pharmaceutical preparations	-	-	-	-	-	-	-	-	-	-
22	C.22 – Manufacture of rubber products	-	-	-	-	-	-	-	-	-	-
23	C.23 – Manufacture of other non-metallic mineral products	-	-	-	-	-	-	-	-	-	-
24	C.24 – Manufacture of basic metals	-	-	-	-	-	-	-	-	-	-
25	C.25 – Manufacture of fabricated metal products, except machinery and equipment	-	-	-	-	-	-	-	-	-	-
26	C.26 – Manufacture of computer, electronic and optical products	-0.0	-	-	-	-	-	0.4	-	-	-
27	C.27 – Manufacture of electrical equipment	-0.0	-	-	-	-	-	1.6	-	-	-
28	C.28 – Manufacture of machinery and equipment n.e.c.	-	-	-	-	-	-	-	-	-	-
29	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-	-	-	-	-	-	-
30	C.30 – Manufacture of other transport equipment	-	-	-	-	-	-	-	-	-	-
31	C.31 – Manufacture of furniture	-	-	-	-	-	-	-	-	-	-
32	C.32 – Other manufacturing	-	-	-	-	-	-	-	-	-	-
33	C.33 – Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-
34	D – Electricity, gas, steam and air conditioning supply	-0.0	-	-	-	-	-	56.1	-	-	-
35	D35.1 – Electric power generation, transmission and distribution	-0.0	-	-	-	-	-	56.1	-	-	-
36	D35.11 – Production of electricity	-0.0	-	-	-	-	-	56.1	-	-	-
37	D35.2 – Manufacture of gas; distribution of gaseous fuels through mains	-	-	-	-	-	-	-	-	-	-
38	D35.3 – Steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-
39	E – Water supply; sewerage, waste management and remediation activities	-0.0	-	-	-	-	-	781.7	-	-	-
40	F – Construction	-0.1	-	-	-	-	-	186.9	-	-	-



Table 61, Part 2 continued from page 146

TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

PART 2 OF 3

Sector/subsector	f	g	h	i	j
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (in EUR million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO ₂ equivalent)	
		of which stage 2 exposures	of which non-performing exposures		of which Scope 3 financed emissions
41 F.41 – Construction of buildings	- 0.1	-	-	184.5	-
42 F.42 – Civil engineering	-	-	-	-	-
43 F.43 – Specialised construction activities	- 0.0	-	-	2.4	-
44 G – Wholesale and retail trade; repair of motor vehicles and motorcycles	- 0.0	-	-	13.7	-
45 H – Transportation and storage	- 0.0	-	-	16.0	-
46 H.49 – Land transport and transport via pipelines	-	-	-	0.2	-
47 H.50 – Water transport	-	-	-	-	-
48 H.51 – Air transport	-	-	-	-	-
49 H.52 – Warehousing and support activities for transportation	- 0.0	-	-	15.8	-
50 H.53 – Postal and courier activities	-	-	-	-	-
51 I – Accommodation and food service activities	- 0.0	-	-	60.3	-
52 L – Real estate activities	- 232.2	-	- 191.0	180,198.0	-
53 Exposures towards sectors other than those that highly contribute to climate change¹	- 30.3	-	- 15.7	26,037.4	-
54 K – Financial and insurance activities	- 29.7	-	- 15.2	25,507.5	-
55 Exposures to other sectors (NACE codes J, M – U)	- 0.6	-	- 0.4	529.9	-
56 Total	- 262.6	-	- 206.7	207,352.3	-

¹ In accordance with the Implementing Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Climate Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EU) No 1893/2006.

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Table 61, Part 3 continued from page 147

TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

PART 3 OF 3

	k	l	m	n	o	p
	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					Average weighted maturity
Sector/subsector	≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years		
1 Exposures towards sectors that highly contribute to climate change ¹	-	8,538.9	1,779.8	462.9	573.3	4.6
2 A – Agriculture, forestry and fishing	-	0.1	-	-	-	4.4
3 B – Mining and quarrying	-	-	-	-	-	-
4 B.05 – Mining of coal and lignite	-	-	-	-	-	-
5 B.06 – Extraction of crude petroleum and natural gas	-	-	-	-	-	-
6 B.07 – Mining of metal ores	-	-	-	-	-	-
7 B.08 – Other mining and quarrying	-	-	-	-	-	-
8 B.09 – Mining support service activities	-	-	-	-	-	-
9 C – Manufacturing	-	-	0.1	-	0.8	41.0
10 C.10 – Manufacture of food products	-	-	-	-	-	-
11 C.11 – Manufacture of beverages	-	-	-	-	-	-
12 C.12 – Manufacture of tobacco products	-	-	-	-	-	-
13 C.13 – Manufacture of textiles	-	-	-	-	-	-
14 C.14 – Manufacture of wearing apparel	-	-	-	-	-	-
15 C.15 – Manufacture of leather and related products	-	-	-	-	-	-
16 C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-	-	-	-	-	-
17 C.17 – Manufacture of pulp, paper and paperboard	-	-	-	-	-	-
18 C.18 – Printing and service activities related to printing	-	-	-	-	-	-
19 C.19 – Manufacture of coke oven products	-	-	-	-	-	-
20 C.20 – Production of chemicals	-	-	-	-	-	-

Table 61, Part 3 continued on page 149



Table 61, Part 3 continued from page 148

TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

PART 3 OF 3

		k	l	m	n	o	p
		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					Average weighted maturity
Sector/subsector		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years		
21	C.21 – Manufacture of pharmaceutical preparations	-	-	-	-	-	-
22	C.22 – Manufacture of rubber products	-	-	-	-	-	-
23	C.23 – Manufacture of other non-metallic mineral products	-	-	-	-	-	-
24	C.24 – Manufacture of basic metals	-	-	-	-	-	-
25	C.25 – Manufacture of fabricated metal products, except machinery and equipment	-	-	-	-	-	-
26	C.26 – Manufacture of computer, electronic and optical products	-	-	0.1	-	-	5.8
27	C.27 – Manufacture of electrical equipment	-	-	-	-	0.8	43.6
28	C.28 – Manufacture of machinery and equipment n.e.c.	-	-	-	-	-	-
29	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-	-	-
30	C.30 – Manufacture of other transport equipment	-	-	-	-	-	-
31	C.31 – Manufacture of furniture	-	-	-	-	-	-
32	C.32 – Other manufacturing	-	-	-	-	-	-
33	C.33 – Repair and installation of machinery and equipment	-	-	-	-	-	-
34	D – Electricity, gas, steam and air conditioning supply	-	0.1	0.2	-	-	6.1
35	D35.1 – Electric power generation, transmission and distribution	-	0.1	0.2	-	-	6.1
36	D35.11 – Production of electricity	-	0.1	0.2	-	-	6.1
37	D35.2 – Manufacture of gas; distribution of gaseous fuels through mains	-	-	-	-	-	-
38	D35.3 – Steam and air conditioning supply	-	-	-	-	-	-
39	E – Water supply; sewerage, waste management and remediation activities	-	1.5	0.4	0.5	0.3	8.8
40	F – Construction	-	54.6	0.9	0.4	1.3	1.3

Table 61, Part 3 continued on page 150



Table 61, Part 3 continued from page 149

TABLE 61: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

PART 3 OF 3

		k	l	m	n	o	p
		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					Average weighted maturity
Sector/subsector		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years		
41	F.41 – Construction of buildings	-	54.6	0.9	-	1.3	1.2
42	F.42 – Civil engineering	-	-	-	-	-	-
43	F.43 – Specialised construction activities	-	0.0	-	0.4	-	16.1
44	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	-	0.0	-	1.7	0.9	21.4
45	H – Transportation and storage	-	-	0.0	0.2	-	13.5
46	H.49 – Land transport and transport via pipelines	-	-	0.0	-	-	5.6
47	H.50 – Water transport	-	-	-	-	-	-
48	H.51 – Air transport	-	-	-	-	-	-
49	H.52 – Warehousing and support activities for transportation	-	-	-	0.2	-	14.9
50	H.53 – Postal and courier activities	-	-	-	-	-	-
51	I – Accommodation and food service activities	-	-	-	0.2	0.1	17.6
52	L – Real estate activities	-	8,482.6	1,778.1	460.0	569.8	4.6
53	Exposures towards sectors other than those that highly contribute to climate change¹	-	2,636.8	1,141.8	1,089.4	5,038.2	17.3
54	K – Financial and insurance activities	-	2,262.4	1,006.5	51.7	1,010.5	7.5
55	Exposures to other sectors (NACE codes J, M – U)	-	374.4	135.3	1,037.7	4,027.7	24.9
56	Total	-	11,175.7	2,921.6	1,552.3	5,611.5	10.5

¹ In accordance with the Implementing Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Climate Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EU) No 1893/2006.


TABLE 62: TEMPLATE 2 – BANKING BOOK – CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY – ENERGY EFFICIENCY OF THE COLLATERAL

PART 1 OF 2

Counterparty sector	a	b	c	d	e	f	g
	Total gross carrying amount amount (in EUR million)						
	Level of energy efficiency (EP score in kWh/m ² of collateral)						
		0; ≤ 100	> 100; ≤ 200	> 200; ≤ 300	> 300; ≤ 400	> 400; ≤ 500	> 500
1 Total EU area	38,798.0	4,020.3	4,291.6	1,578.0	762.7	320.5	145.2
2 of which loans collateralised by commercial immovable property	8,453.3	1,825.1	2,247.5	1,048.8	588.4	260.4	135.8
3 of which loans collateralised by residential immovable property	30,344.7	2,195.2	2,044.1	529.2	174.3	60.0	9.3
4 of which collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
5 of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-
6 Total non-EU area	6,068.9	1,166.4	1,587.5	1,050.7	496.3	62.5	4.6
7 of which loans collateralised by commercial immovable property	535.9	80.6	0.0	80.8	0.0	26.1	0.0
8 of which loans collateralised by residential immovable property	5,533.0	1,085.7	1,587.5	969.9	496.3	36.4	4.6
9 of which collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
10 of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-



TABLE 63: TEMPLATE 3 – BANKING BOOK – CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS

a	b	c	d	e	f	g
Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (mn EUR)	Alignment metric	Year of reference	Distance to IEA NZE2050 in % ¹	Target (year of reference + 3 years)
1	Power	-	-	-	-	-
2	Fossil fuel combustion	-	-	-	-	-
3	Automotive	-	-	-	-	-
4	Aviation	-	-	-	-	-
5	Maritime transport	-	-	-	-	-
6	Cement, clinker and lime production	-	-	-	-	-
7	Iron and steel, coke, and metal ore production	-	-	-	-	-
8	Chemicals	-	-	-	-	-
9	Loans collateralised by commercial immovable property	8,989.2	32.62 kg CO ₂ /m ²	2025	289%	16.1
10	Loans collateralised by residential immovable property	35,877.8	50.78 kg CO ₂ /m ²	2025	804%	30.7

¹ PiT distance to 2030 NZE2050 scenario in % (for each metric).



TABLE 64: TEMPLATE 5 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

PART 1 OF 2

a	b	c	d	e	f	g	h
	Gross carrying amount (in EUR million)						
	of which exposures sensitive to impact from climate change physical events						
	Breakdown by maturity bucket						
Variable: Geographical area subject to climate change physical risk – acute and chronic events		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Average weighted maturity	of which exposures sensitive to impact from chronic climate change events
1 A – Agriculture, forestry and fishing	0.1	-	-	-	-	-	-
2 B – Mining and quarrying	-	-	-	-	-	-	-
3 C – Manufacturing	0.9	-	-	-	-	-	-
4 D – Electricity, gas, steam and air conditioning supply	0.3	-	-	-	-	-	-
5 E – Water supply; sewerage, waste management and remediation activities	2.6	-	-	-	-	-	-
6 F – Construction	57.2	-	-	-	-	-	-
7 G – Wholesale and retail trade; repair of motor vehicles and motorcycles	2.6	-	-	-	-	-	-
8 H – Transportation and storage	0.3	-	-	-	-	-	-
9 L – Real estate activities	11,290.5	1,103.5	136.2	-	1.2	2.3	817.7
10 Loans collateralised by residential immovable property	35,877.7	947.2	352.2	290.6	953.9	16.0	1,271.8
11 Loans collateralised by commercial immovable property	8,989.2	853.7	149.5	0.1	0.9	2.3	578.1
12 Repossessed collaterals	-	-	-	-	-	-	-
13 Other relevant sectors (breakdown below where relevant)	9,906.5	3.9	30.0	-	-	4.6	-
14 I	0.4	-	-	-	-	-	-
15 J	0.9	-	-	-	-	-	-
16 K	4,331.1	3.9	30.0	-	-	4.6	-
17 M	2.6	-	-	-	-	-	-
18 N	27.6	-	-	-	-	-	-
19 O	5,531.3	-	-	-	-	-	-
20 P	0.1	-	-	-	-	-	-
21 Q	8.0	-	-	-	-	-	-
22 R	0.5	-	-	-	-	-	-
23 S	4.1	-	-	-	-	-	-
24 T	-	-	-	-	-	-	-



Table 64, Part 2 continued from page 154

TABLE 64: TEMPLATE 5 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

PART 2 OF 2

a	i	j	k	l	m	n	o
	Gross carrying amount (in EUR million)						
	of which exposures sensitive to impact from climate change physical events						
					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
Variable: Geographical area subject to climate change physical risk – acute and chronic events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1 A – Agriculture, forestry and fishing	-	-	-	-	-	-	-
2 B – Mining and quarrying	-	-	-	-	-	-	-
3 C – Manufacturing	-	-	-	-	-	-	-
4 D – Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-	-
5 E – Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-
6 F – Construction	-	-	-	-	-	-	-
7 G – Wholesale and retail trade; repair of motor vehicles and motorcycles	-	-	-	-	-	-	-
8 H – Transportation and storage	-	-	-	-	-	-	-
9 L – Real estate activities	309.1	114.0	-	268.9	- 89.2	-	- 80.2
10 Loans collateralised by residential immovable property	1,271.6	0.5	-	40.6	- 10.1	-	- 2.2
11 Loans collateralised by commercial immovable property	312.0	114.0	-	237.3	- 86.8	-	- 79.3
12 Repossessed collaterals	-	-	-	-	-	-	-
13 Other relevant sectors (breakdown below where relevant)	33.9	-	-	-	- 0.0	-	-
14 I	-	-	-	-	-	-	-
15 J	-	-	-	-	-	-	-
16 K	33.9	-	-	-	- 0.0	-	-
17 M	-	-	-	-	-	-	-
18 N	-	-	-	-	-	-	-
19 O	-	-	-	-	-	-	-
20 P	-	-	-	-	-	-	-
21 Q	-	-	-	-	-	-	-
22 R	-	-	-	-	-	-	-
23 S	-	-	-	-	-	-	-
24 T	-	-	-	-	-	-	-



TABLE 65: TEMPLATE 6 – SUMMARY OF GAR KPIS

	KPI			% coverage (over total assets) ¹
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	13.76%	-	13.76%	77.19%
GAR flow	2.79%	-	2.79%	60.70%

¹ % of assets covered by the KPI over banks' total assets.



TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 1 OF 4

	a	b	c	d	e	f	g	h	i	j	k
	31.12.2025										
	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				
	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)				
EUR million	Total gross carrying amount		of which specialised lending	of which transitional	of which enabling		of which specialised lending	of which adaptation	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	41,281.0	26,197.7	6,643.6	619.1	0.2	0.4	0.3	0.0	-	-	-
2 Financial corporations	1,310.7	322.2	16.3	11.5	0.2	0.4	0.3	0.0	-	-	-
3 Credit institutions	703.4	107.5	4.8	-	0.2	0.4	0.3	0.0	-	-	-
4 Loans and advances	44.2	2.2	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	652.3	105.3	4.8	-	0.2	0.4	0.3	0.0	-	-	-
6 Equity instruments	7.0	-	-	-	-	-	-	-	-	-	-
7 Other financial corporations	607.3	214.7	11.5	11.5	-	-	-	-	-	-	-
8 of which investment firms	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-
12 of which management companies	118.0	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	118.0	-	-	-	-	-	-	-	-	-	-
16 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	-	-	-	-	-	-	-	-	-	-	-



Table 66, Part 1 continued from page 157

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 1 OF 4

		a	b	c	d	e	f	g	h	i	j	k
		31.12.2025										
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					
		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)					
EUR million		Total gross carrying amount	of which specialised lending			of which transitional	of which enabling	of which specialised lending			of which adaptation	of which enabling
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial corporations (subject to NFRD disclosure obligations)	8,099.6	3,591.7	607.6	607.6	-	-	-	-	-	-	-
21	Loans and advances	8,099.6	3,591.7	607.6	607.6	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
24	Households	31,452.3	22,283.8	6,019.7	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	31,315.6	22,236.6	6,019.7	-	-	-	-	-	-	-	-
26	of which building renovation loans	2,333.4	2,333.4	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	418.4	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	418.4	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-
32	TOTAL GAR ASSETS	41,281.0	26,197.7	6,643.6	619.1	0.2	0.4	0.3	0.0	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)		-	-	-	-	-	-	-	-	-	-	-
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	3,297.8	-	-	-	-	-	-	-	-	-	-

Table 66, Part 1 continued on page 159



Table 66, Part 1 continued from page 158

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 1 OF 4

		a	b	c	d	e	f	g	h	i	j	k
		31.12.2025										
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					
		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)					
EUR million		Total gross carrying amount	of which specialised lending			of which transitional	of which enabling	of which specialised lending			of which adaptation	of which enabling
34	Loans and advances	3,297.8	-	-	-	-	-	-	-	-	-	-
35	Debt securities	-	-	-	-	-	-	-	-	-	-	-
36	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	-	-	-	-	-	-	-	-	-	-	-
38	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
39	Debt securities	-	-	-	-	-	-	-	-	-	-	-
40	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
41	Derivatives	397.5	-	-	-	-	-	-	-	-	-	-
42	On demand interbank loans	753.8	-	-	-	-	-	-	-	-	-	-
43	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-	-
44	Other assets (e.g. Goodwill, commodities etc.)	2,559.6	-	-	-	-	-	-	-	-	-	-
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	48,289.8	-	-	-	-	-	-	-	-	-	-
	Other assets excluded from both the numerator and denominator for GAR calculation	-	-	-	-	-	-	-	-	-	-	-
46	Sovereigns	5,168.4	-	-	-	-	-	-	-	-	-	-
47	Central banks exposure	20.2	-	-	-	-	-	-	-	-	-	-
48	Trading book	-	-	-	-	-	-	-	-	-	-	-
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	5,188.6	-	-	-	-	-	-	-	-	-	-
50	TOTAL ASSETS	53,478.4	-	-	-	-	-	-	-	-	-	-

Table 66, Part 2 continued on page 160



Table 66, Part 2 continued from page 159

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 2 OF 4

	l	m	n	o	p
	31.12.2025				
	TOTAL (CCM + CCA)				
	of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	of which environmentally sustainable (Taxonomy-aligned)				
EUR million			of which specialised lending	of which transitional/ adaptation	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	26,198.0	6,643.6	619.1	0.2	0.4
2 Financial corporations	322.5	16.4	11.5	0.2	0.4
3 Credit institutions	107.8	4.9	-	0.2	0.4
4 Loans and advances	2.2	-	-	-	-
5 Debt securities, including UoP	105.6	4.9	-	0.2	0.4
6 Equity instruments	-	-	-	-	-
7 Other financial corporations	214.7	11.5	11.5	-	-
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	-	-	-	-	-

Table 66, Part 2 continued on page 161



Table 66, Part 2 continued from page 160

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 2 OF 4

	l	m	n	o	p
	31.12.2025				
	TOTAL (CCM + CCA)				
	of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	of which environmentally sustainable (Taxonomy-aligned)				
			of which specialised lending	of which transitional/ adaptation	of which enabling
EUR million					
18 Debt securities, including UoP	-	-	-	-	-
19 Equity instruments	-	-	-	-	-
20 Non-financial corporations (subject to NFRD disclosure obligations)	3,591.7	607.6	607.6	-	-
21 Loans and advances	3,591.7	607.6	607.6	-	-
22 Debt securities, including UoP	-	-	-	-	-
23 Equity instruments	-	-	-	-	-
24 Households	22,283.8	6,019.7	-	-	-
25 of which loans collateralised by residential immovable property	22,236.6	6,019.7	-	-	-
26 of which building renovation loans	2,333.4	-	-	-	-
27 of which motor vehicle loans	-	-	-	-	-
28 Local governments financing	-	-	-	-	-
29 Housing financing	-	-	-	-	-
30 Other local governments financing	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32 TOTAL GAR ASSETS	26,198.0	6,643.6	619.1	0.2	0.4
Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-
33 EU Non-financial corporations (not subject to NFRD disclosure obligations)	-	-	-	-	-

Table 66, Part 2 continued on page 162



Table 66, Part 2 continued from page 161

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 2 OF 4

	l	m	n	o	p
	31.12.2025				
	TOTAL (CCM + CCA)				
	of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	of which environmentally sustainable (Taxonomy-aligned)				
			of which specialised lending	of which transitional/ adaptation	of which enabling
EUR million					
34	Loans and advances	-	-	-	-
35	Debt securities	-	-	-	-
36	Equity instruments	-	-	-	-
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	-	-	-	-
38	Loans and advances	-	-	-	-
39	Debt securities	-	-	-	-
40	Equity instruments	-	-	-	-
41	Derivatives	-	-	-	-
42	On demand interbank loans	-	-	-	-
43	Cash and cash-related assets	-	-	-	-
44	Other assets (e.g. Goodwill, commodities etc.)	-	-	-	-
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	-	-	-	-
	Other assets excluded from both the numerator and denominator for GAR calculation	-	-	-	-
46	Sovereigns	-	-	-	-
47	Central banks exposure	-	-	-	-
48	Trading book	-	-	-	-
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	-	-	-	-
50	TOTAL ASSETS	-	-	-	-

Table 66, Part 3 continued on page 163



Table 66, Part 3 continued from page 162

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 3 OF 4

EUR million		31.12.2025										
		Total gross carrying amount of new assets	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
			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 specialised lending	of which transitional	of which enabling		of which specialised lending	of which adaptation	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	3,815.6	1,948.5	154.6	-	0.0	0.1	0.1	0.0	-	-	-
2	Financial corporations	324.0	25.1	1.2	-	0.0	0.1	0.1	0.0	-	-	-
3	Credit institutions	170.7	25.1	1.2	-	0.0	0.1	0.1	0.0	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	170.7	25.1	1.2	-	0.0	0.1	0.1	0.0	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	153.4	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-

Table 66, Part 3 continued on page 164



Table 66, Part 3 continued from page 163

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 3 OF 4

EUR million		31.12.2025									
		Total gross carrying amount of new assets	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)					
			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 specialised lending	of which transitional	of which enabling	of which specialised lending	of which adaptation	of which enabling			
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-
20	Non-financial corporations (subject to NFRD disclosure obligations)	1,082.4	308.9	-	-	-	-	-	-	-	-
21	Loans and advances	1,082.4	308.9	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-
24	Households	2,376.8	1,614.5	153.4	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	2,367.2	1,614.4	153.4	-	-	-	-	-	-	-
26	of which building renovation loans	227.4	227.4	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	32.3	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	32.3	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
32	TOTAL GAR ASSETS	3,815.6	1,948.5	154.6	-	0.0	0.1	0.1	0.0	-	-
	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-	-	-
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	280.1	-	-	-	-	-	-	-	-	-

Table 66, Part 3 continued on page 165



Table 66, Part 3 continued from page 164

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 3 OF 4

		31.12.2025										
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					
		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)					
		Total gross carrying amount of new assets	of which specialised lending			of which transitional	of which enabling	of which specialised lending			of which adaptation	of which enabling
EUR million												
34	Loans and advances	280.1	-	-	-	-	-	-	-	-	-	-
35	Debt securities	-	-	-	-	-	-	-	-	-	-	-
36	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	-	-	-	-	-	-	-	-	-	-	-
38	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
39	Debt securities	-	-	-	-	-	-	-	-	-	-	-
40	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
41	Derivatives	397.5	-	-	-	-	-	-	-	-	-	-
42	On demand interbank loans	753.8	-	-	-	-	-	-	-	-	-	-
43	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-	-
44	Other assets (e.g. Goodwill, commodities etc.)	296.8	-	-	-	-	-	-	-	-	-	-
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	5,543.9	-	-	-	-	-	-	-	-	-	-
	Other assets excluded from both the numerator and denominator for GAR calculation	-	-	-	-	-	-	-	-	-	-	-
46	Sovereigns	722.2	-	-	-	-	-	-	-	-	-	-
47	Central banks exposure	20.2	-	-	-	-	-	-	-	-	-	-
48	Trading book	-	-	-	-	-	-	-	-	-	-	-
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	742.4	-	-	-	-	-	-	-	-	-	-
50	TOTAL ASSETS	6,286.3	-	-	-	-	-	-	-	-	-	-

Table 66, Part 4 continued on page 166



Table 66, Part 4 continued from page 165

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 4 OF 4

		31.12.2025				
		TOTAL (CCM + CCA)				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		of which environmentally sustainable (Taxonomy-aligned)				
EUR million			of which specialised lending	of which transitional/adaptation	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	1,948.6	154.6	-	0.0	0.1
2	Financial corporations	25.1	1.2	-	0.0	0.1
3	Credit institutions	25.1	1.2	-	0.0	0.1
4	Loans and advances	-	-	-	-	-
5	Debt securities, including UoP	25.1	1.2	-	0.0	0.1
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	-	-	-	-	-

Table 66, Part 4 continued on page 167



Table 66, Part 4 continued from page 166

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 4 OF 4

		31.12.2025			
		TOTAL (CCM + CCA)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		of which environmentally sustainable (Taxonomy-aligned)			
EUR million			of which specialised lending	of which transitional/adaptation	of which enabling
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-	-	-
20	Non-financial corporations (subject to NFRD disclosure obligations)	308.9	-	-	-
21	Loans and advances	308.9	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-	-	-
24	Households	1,614.5	153.4	-	-
25	of which loans collateralised by residential immovable property	1,614.4	153.4	-	-
26	of which building renovation loans	227.4	-	-	-
27	of which motor vehicle loans	-	-	-	-
28	Local governments financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local governments financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	TOTAL GAR ASSETS	1,948.6	154.6	-	0.0
	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	-	-	-	-

Table 66, Part 4 continued on page 168



Table 66, Part 4 continued from page 167

TABLE 66: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

PART 4 OF 4

		31.12.2025				
		TOTAL (CCM + CCA)				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		of which environmentally sustainable (Taxonomy-aligned)				
EUR million				of which specialised lending	of which transitional/adaptation	of which enabling
34	Loans and advances	-	-	-	-	-
35	Debt securities	-	-	-	-	-
36	Equity instruments	-	-	-	-	-
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	-	-	-	-	-
38	Loans and advances	-	-	-	-	-
39	Debt securities	-	-	-	-	-
40	Equity instruments	-	-	-	-	-
41	Derivatives	-	-	-	-	-
42	On demand interbank loans	-	-	-	-	-
43	Cash and cash-related assets	-	-	-	-	-
44	Other assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	-	-	-	-	-
	Other assets excluded from both the numerator and denominator for GAR calculation	-	-	-	-	-
46	Sovereigns	-	-	-	-	-
47	Central banks exposure	-	-	-	-	-
48	Trading book	-	-	-	-	-
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	-	-	-	-	-
50	TOTAL ASSETS	-	-	-	-	-



TABLE 67: TEMPLATE 8 – GAR (%)

PART 1 OF 4

		a	b	c	d	e	f	g	h	i	j
		31.12.2025									
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors				
		of which environmentally sustainable					of which environmentally sustainable				
				of which specialised lending	of which transitional	of which enabling			of which specialised lending	of which adaptation	of which enabling
%											
(compared to total covered assets in the denominator)											
1	GAR	54.25%	13.76%	1.28%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	63.46%	16.09%	1.50%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00
3	Financial corporations	24.58%	1.25%	0.88%	0.01%	0.03%	0.02%	0.00	0.00	0.00	0.00
4	Credit institutions	15.28%	0.69%	0.00%	0.03%	0.06%	0.05%	0.00	0.00	0.00	0.00
5	Other financial corporations	35.35%	1.89%	1.89%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00
6	of which investment firms	-	-	-	-	-	-	-	-	-	-
7	of which management companies	-	-	-	-	-	-	-	-	-	-
8	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-
9	Non-financial corporations subject to NFRD disclosure obligations	44.34%	7.50%	7.50%	0.00%	0.00%	0.00	0.00	0.00	0.00	0.00
10	Households	70.85%	19.14%	0.00%	0.00%	0.00%	-	-	-	-	-
11	of which loans collateralised by residential immovable property	71.01%	19.22%	0.00%	0.00%	0.00%	-	-	-	-	-
12	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
13	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-
14	Local government financing	-	-	-	-	-	-	-	-	-	-
15	Housing financing	-	-	-	-	-	-	-	-	-	-
16	Other local governments financing	-	-	-	-	-	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-



Table 67, Part 2 continued from page 169

TABLE 67: TEMPLATE 8 – GAR (%)

PART 2 OF 4

		k	l	m	n	o	p
		31.12.2025					
		TOTAL (CCM + CCA)					
		Proportion of eligible assets funding taxonomy relevant sectors					
		of which environmentally sustainable					
				of which specialised lending	of which transitional/ adaptation	of which enabling	Proportion of total assets covered
%							
(compared to total covered assets in the denominator)							
1	GAR	54.25%	13.76%	1.28%	0.00%	0.00%	90.30%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	63.46%	16.09%	1.50%	0.00%	0.00%	77.19%
3	Financial corporations	24.60%	1.25%	0.88%	0.01%	0.03%	2.45%
4	Credit institutions	15.33%	0.69%	0.00%	0.03%	0.06%	1.32%
5	Other financial corporations	35.35%	1.89%	1.89%	0.00%	0.00%	0.00%
6	of which investment firms	-	-	-	-	-	-
7	of which management companies	-	-	-	-	-	-
8	of which insurance undertakings	-	-	-	-	-	-
9	Non-financial corporations subject to NFRD disclosure obligations	44.34%	7.50%	7.50%	0.00%	0.00%	15.15%
10	Households	70.85%	19.14%	0.00%	0.00%	0.00%	58.81%
11	of which loans collateralised by residential immovable property	71.01%	19.22%	0.00%	0.00%	0.00%	58.56%
12	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	4.36%
13	of which motor vehicle loans	-	-	-	-	-	-
14	Local government financing	-	-	-	-	-	0.78%
15	Housing financing	-	-	-	-	-	-
16	Other local governments financing	-	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-



Table 67, Part 3 continued from page 170

TABLE 67: TEMPLATE 8 – GAR (%)

PART 3 OF 4

		q	r	s	t	u	v	w	x	y	z	
		31.12.2025										
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					
		Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					
		of which environmentally sustainable					of which environmentally sustainable					
		of which specialised lending			of which transitional		of which specialised lending			of which adaptation		of which enabling
%												
(compared to total covered assets in the denominator)												
1	GAR	35.15%	2.79%	0.00%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00	
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	51.07%	4.05%	0.00%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00	
3	Financial corporations	7.74%	0.37%	0.00%	0.01%	0.02%	0.02%	0.00	0.00	0.00	0.00	
4	Credit institutions	14.70%	0.71%	0.00%	0.03%	0.04%	0.03%	0.00	0.00	0.00	0.00	
5	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00	0.00	
6	of which investment firms	-	-	-	-	-	-	-	-	-	-	
7	of which management companies	-	-	-	-	-	-	-	-	-	-	
8	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	
9	Non-financial corporations subject to NFRD disclosure obligations	28.54%	0.00%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00	0.00	
10	Households	67.93%	6.45%	0.00%	0.00%	0.00%	-	-	-	-	-	
11	of which loans collateralised by residential immovable property	68.20%	6.48%	0.00%	0.00%	0.00%	-	-	-	-	-	
12	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	
13	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	
14	Local government financing	-	-	-	-	-	-	-	-	-	-	
15	Housing financing	-	-	-	-	-	-	-	-	-	-	
16	Other local governments financing	-	-	-	-	-	-	-	-	-	-	
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	

Table 67, Part 4 continued on page 172



Table 67, Part 4 continued from page 171

TABLE 67: TEMPLATE 8 – GAR (%)

PART 4 OF 4

	aa	ab	ac	ad	ae	af
	31.12.2025					
	TOTAL (CCM + CCA)					
	Proportion of new eligible assets funding taxonomy relevant sectors					
	of which environmentally sustainable					
% (compared to total covered assets in the denominator)			of which specialised lending	of which transitional/ adaptation	of which enabling	Proportion of total new assets covered
1 GAR	35.15%	2.79%	0.00%	0.00%	0.00%	88.19%
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	51.07%	4.05%	0.00%	0.00%	0.00%	60.70%
3 Financial corporations	7.76%	0.37%	0.00%	0.01%	0.02%	5.15%
4 Credit institutions	14.74%	0.71%	0.00%	0.03%	0.04%	2.71%
5 Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 of which investment firms	-	-	-	-	-	-
7 of which management companies	-	-	-	-	-	-
8 of which insurance undertakings	-	-	-	-	-	-
9 Non-financial corporations subject to NFRD disclosure obligations	28.54%	0.00%	0.00%	0.00%	0.00%	17.22%
10 Households	67.93%	6.45%	0.00%	0.00%	0.00%	37.81%
11 of which loans collateralised by residential immovable property	68.20%	6.48%	0.00%	0.00%	0.00%	37.66%
12 of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	3.62%
13 of which motor vehicle loans	-	-	-	-	-	-
14 Local government financing	-	-	-	-	-	0.51%
15 Housing financing	-	-	-	-	-	-
16 Other local governments financing	-	-	-	-	-	-
17 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-



TABLE 68: TEMPLATE 10 – OTHER CLIMATE CHANGE MITIGATING ACTIONS THAT ARE NOT COVERED IN THE EU TAXONOMY

a	b	c	d	e	f
Type of financial instrument	Type of counterparty	Gross carrying amount (in EUR million)	Type of risk mitigated (climate change transition risk)	Type of risk mitigated (climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Financial corporations	114.6			The classified bonds (e.g. green/sustainable) contribute to the climate objectives “Climate Change Mitigation” or “Climate Change Adaptation” and have been issued under an internationally recognized standard for “green” or “sustainable” bonds. In the capital market, they are assessed by MHB as more liquid and value-stable than non-green/non-sustainable bonds.
2	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Non-financial corporations	-	-	-
3		of which Loans collateralised by commercial immovable property	-	-	-
4		Other counterparties	-	-	-
5	Financial corporations	1,029.6		J	N This item pertains to loans to finance “sustainable/green” properties that contribute to combating climate change in particular through their high energy efficiency and comparatively low carbon emissions, and promote the transition to a low-carbon economy. Further details of Münchener Hypothekbank’s green financing are provided in the Green Bond Framework, the Impact Report and the Bank’s non-financial statement. These publications are available on the Bank’s website.
6	Non-financial corporations	4,085.2		J	J This item pertains to loans to finance “sustainable/green” properties that contribute to combating climate change in particular through their high energy efficiency and comparatively low carbon emissions, and promote the transition to a low-carbon economy. Further details of Münchener Hypothekbank’s green financing are provided in the Green Bond Framework, the Impact Report and the Bank’s non-financial statement. These publications are available on the Bank’s website. The transactions included in Template 10 are not yet EU Taxonomy-aligned, as they exist, for example, with counterparties that are not Taxonomy-eligible.
7	of which Loans collateralised by commercial immovable property	3,251.9		J	J This item pertains to loans to finance “sustainable/green” properties that contribute to combating climate change in particular through their high energy efficiency and comparatively low carbon emissions, and promote the transition to a low-carbon economy. Further details of Münchener Hypothekbank’s green financing are provided in the Green Bond Framework, the Impact Report and the Bank’s non-financial statement. These publications are available on the Bank’s website. The transactions included in Template 10 are not yet EU Taxonomy-aligned, as they exist, for example, with counterparties that are not Taxonomy-eligible.



Table 68, continued from page 173

TABLE 68: TEMPLATE 10 – OTHER CLIMATE CHANGE MITIGATING ACTIONS THAT ARE NOT COVERED IN THE EU TAXONOMY

a	b	c	d	e	f
Type of financial instrument	Type of counterparty	Gross carrying amount (in EUR million)	Type of risk mitigated (climate change transition risk)	Type of risk mitigated (climate change physical risk)	Qualitative information on the nature of the mitigating actions
8	Households	1,771.8	J	N	This item pertains to loans to finance “sustainable/green” properties that contribute to combating climate change in particular through their high energy efficiency and comparatively low carbon emissions, and promote the transition to a low-carbon economy. Further details of Münchener Hypothekbank’s green financing are provided in the Green Bond Framework, the Impact Report and the Bank’s non-financial statement. These publications are available on the Bank’s website.
9	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards) of which Loans collateralised by residential immovable property	1,756.2	J	N	This item pertains to loans to finance “sustainable/green” properties that contribute to combating climate change in particular through their high energy efficiency and comparatively low carbon emissions, and promote the transition to a low-carbon economy. Further details of Münchener Hypothekbank’s green financing are provided in the Green Bond Framework, the Impact Report and the Bank’s non-financial statement. These publications are available on the Bank’s website.
10	of which building renovation loans	67.9	J	N	This item pertains to loans to finance “sustainable/green” properties that contribute to combating climate change in particular through their high energy efficiency and comparatively low carbon emissions, and promote the transition to a low-carbon economy. Further details of Münchener Hypothekbank’s green financing are provided in the Green Bond Framework, the Impact Report and the Bank’s non-financial statement. These publications are available on the Bank’s website.
11	Other counterparties	–	–	–	–



ANNEX – MANAGEMENT BODIES

Supervisory Board

Dr. Hermann Starnecker
Chairman of the Board of Management
VR Bank Augsburg-Ostallgäu eG (until 31.12.2025)

Chairman of the Supervisory Board

Gregor Scheller (until 25.04.2025)
Bank Director (retired)

Deputy Chairman of the Supervisory Board

Dr. Wolfgang Seel (from 25.04.2025)
Chairman of the Board of Management
VR-Bank Neu-Ulm eG

Deputy Chairman of the Supervisory Board

H.R.H. Anna Herzogin in Bayern
Entrepreneur

Dr. Nadine Becken
Entrepreneur

Ute Heilig
Member of the Board of Directors
Frankfurter Volksbank Rhein/Main eG

Josef Hodrus
Chairman of the Board of Directors
Volksbank Allgäu-Oberschwaben eG

Jürgen Hölscher
Member of the Board of Directors
Emsländische Volksbank eG

Reimund Käsbauer
Employee Representative

Michael Schäffler
Employee Representative

Claudia Schirsch
Employee Representative

Kai Schubert
Member of the Board of Directors
Raiffeisenbank eG

Frank Wolf-Kunz
Employee Representative

Board of Management

Dr. Holger Horn
Chairman of the Board of Management

Ulrich Scheer
Member of the Board of Management

Markus Wirsén
Member of the Board of Management

As at the balance sheet date, no loans were outstanding to members of the Supervisory Board. As in the prior year, no loans were outstanding to members of the Board of Management. Pension provisions for former Board of Management members and their surviving dependants amounted to EUR 17,575 thousand (prior year: EUR 19,968 thousand). The total remuneration of the Board of Management in the reporting year amounted to EUR 2,245 thousand (prior year: EUR 2,186 thousand), that of the Supervisory Board to EUR 590 thousand (prior year: EUR 546 thousand), and that of the Advisory Board to EUR 53 thousand (prior year: EUR 45 thousand). Total remuneration for former Board of Management members and their surviving dependants amounted to EUR 1,740 thousand (prior year: EUR 1,801 thousand).



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LIST OF ABBREVIATIONS

ADI	Available distributable items	CVA	Credit Valuation Adjustment
AE ratio	Asset Encumbrance Ratio	CVaR	Credit Value at Risk
AfS	Available for Sale	DP	Data Processing
Art.	Article	EAD	Exposure at Default
AT1	Additional Tier 1 Capital	EBA	European Banking Authority
BaFin	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)	ECB	European Central Bank
BVR	Federal Association of German Volksbanken and Raiffeisenbanken (Bundesverband der Deutschen Volksbanken und Raiffeisenbanken)	ECAI	External Credit Assessment Institutions
BWGV	Association of Baden-Wuerttemberg Cooperatives (Baden-Württembergischer Genossenschaftsverband e.V.)	EDP	Electronic Data Processing
CCB	Countercyclical Capital Buffer	EHQLA	Extremely High Quality Liquid Assets under Article 10 of Regulation (EU) 2015/61
CCF	Credit Conversion Factor	EL	Expected Loss
CD	Certificates of Deposit	EEA	European Economic Area
CDS	Credit Default Swaps	FX risks	Foreign Exchange Risks
CET1	Common Equity Tier 1 Capital	GVB	Association of Bavarian Cooperatives (Genossenschaftsverband Bayern e.V.)
CP	Commercial Paper	HQLA	High Quality Liquid Assets under Articles 11 to 13 of Regulation (EU) 2015/61
CRD IV	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (CRDIV)	ICAAP	Internal Capital Adequacy Assessment Process
CRM	Credit Risk Mitigation (techniques)	ILAAP	Internal Liquidity Adequacy Assessment Process
CRR	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012	IMA	Internal Model-Based Approach
CUSIP	Committee on Uniform Security Identification Procedures	InstitutsVergV	German regulation on the supervisory requirements for compensation systems of banks; Remuneration Regulation for Institutions (Institutsvergütungsverordnung)
		IPRE	Income Producing Real Estate
		IRBA	Internal Ratings Based Approach
		ISIN	International Securities Identification Number
		IT	Information Technology
		ITS	Implementing Technical Standards



KSA	Standardised Approach to Credit Risk (Kreditrisikostandardansatz)
KWG	German Banking Act (Kreditwesengesetz)
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LRG	Local and Regional Government
MaRisk	Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement) Münchener Hypothekbank eG
N/A	Not applicable
NFR	Non-Financial Risk Management
NSFR	Net Stable Funding Ratio
OpRisk	Operational Risk
PD	Probability of Default
PPU	Permanent Partial Use
PU	Partial Use
QIS	Quantitative Impact Study
RBC	Risk-Bearing Capacity
RTS	Regulatory Technical Standards
RWA	Risk-Weighted Assets
RWGV	Association of Rhineland-Westphalia Cooperatives (Rheinisch-Westfälischer Genossenschaftsverband e. V.)
SME	Small and Medium-Sized Enterprises
SolvV	German Solvency Regulation (Solvabilitätsverordnung)
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
T1	Tier 1 Capital (T1 = CET1 + AT1)
T2	Tier 2 Capital (Supplementary Capital)
TC	Total Liabe Equity Capital (TC = T1 + T2)
UL	Unexpected Loss
ULR	Unidentified Loss Reserve
VaR	Value at Risk
vdv	Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken)
VR	Volksbanken Raiffeisenbanken



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