

# Investor presentation

Financial figures 31/12/2024

Münchener Hypothekenbank





# Contents

1. Introduction
2. Sustainability
3. Cooperative Financial Network
4. Capital and creditor protection
5. Funding
6. Appendix



---

# Introduction



# Münchener Hypothekenbank

A strong real estate bank

## Review of the year 2024

- Strong result will enable MHB to continue and sustain its success over the long term
- Meeting strategic revenue goal with net income of EUR 105.6 m
- Strengthening of reserves and attractive dividend
- Persistently challenging market environment in property financing
- Solid portfolio of interest-bearing business
- Increased new mortgage business by 7%
- Cemented reputation as an issuer of sustainable bonds

## Outlook for the year 2025

- Growing new mortgage business by 8%
- Smaller loan loss provisions despite a challenging market environment
- Innovative digital processes
  - First fully automated credit check in real estate financing

468<sup>↗</sup>

**Interest Income and  
net commission income**  
in EUR million  
2023: 451 (+4%)

32.5<sup>↘</sup>

**Cost-income ratio**  
in %  
2023: 36.5 (-4PP\*)  
\*percentage points

191<sup>↗</sup>

**Income from ordinary  
business activities**  
in EUR million  
2023: 171 (+12%)

54.5<sup>↗</sup>

**Total assets**  
in EUR billion  
2023: 54.1 (+1%)

46.2<sup>↘</sup>

**Portfolio of  
mortgage loans**  
in EUR billion  
2023: 46.5 (-1%)

3.1<sup>↗</sup>

**New mortgage  
business**  
in EUR billion  
2023: 2.9 (+7%)



# Münchener Hypothekbank at a glance

Not a bank like any other

## Systemic important bank under direct ECB supervision

- Independent from any corporate group and member of the Cooperative Financial Network (“FinanzGruppe”)
- EUR 54.5 bn total assets (31/12/2024)
- Broad based ownership and no predominant owner
- Moody’s rating: Aa2 senior unsecured (stable), A1 junior senior unsecured, Aaa mortgage Pfandbriefe

## Deep roots within the Cooperative Financial Network

- Partner of Volksbanken and Raiffeisenbanken in the mortgage lending business
- Volksbanken and Raiffeisenbanken as most important business partners and biggest owner group
- Excellent access to liquidity via cooperative institutions
- Officially recognised deposit guarantee scheme and additional voluntary institution-related protection system

## Sustainable business model

- Sustainability as integral part of the long-term and risk conservative business model
  - Acceptable risks that do not jeopardize the trust of owners and customers
- Focus on cooperative mission



# Ownership and equity

Members as largest capital investor

## Membership

- 54,623 members
- 18.0 million cooperative shares
- EUR 70 nominal value, no trading

## Impact on strategy and business

- Long-term profitability and business sustainability
- Conservative risk policy
- Continuous dividend capability

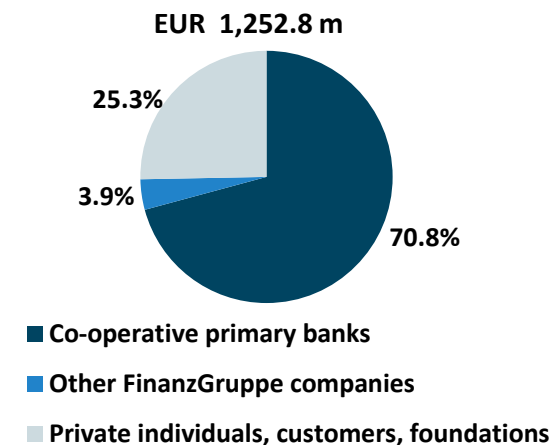
## Equity components 31/12/2024 (EUR m)

|  |                |
|--|----------------|
| <b>Common Equity Tier 1</b>            | <b>1,864.2</b> |
| Paid-up capital                        | 1,252.8        |
| Reserves                               | 518.0          |
| Special items for general banking risk | 120.0          |
| Deductible items                       | - 26.6         |
| <b>Additional Equity Tier 1</b>        | <b>222.5</b>   |
| <b>Tier 2 Capital</b>                  | <b>395.1</b>   |
| <b>Total Equity</b>                    | <b>2,481.8</b> |

## Advantages for lenders of capital (shares)

- Participation within the Cooperative Financial Network
- Cooperative bank in a guarantee network
- Stable, long-term investment without price volatility
- No major shareholder
  - No member with more than 1.5% of shares
- No unexpected strategy changes due to large investors







## Ownership structure 31/12/2024





# Ratings

## Credit ratings and sustainability ratings of Münchener Hypothekenbank

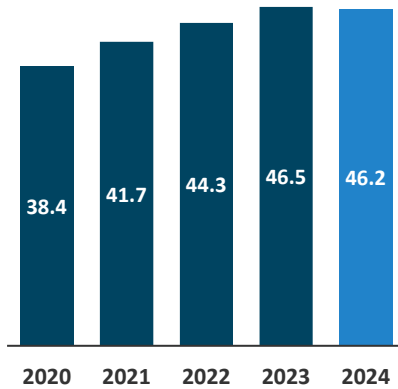
| Rating agency   | Categories  | Credit rating   | Outlook | Rating Action |
|---|---|---|---------|---------------|
|    | <b>Issuer rating Münchener Hypothekenbank</b>                                       |   |         |               |
|   | Mortgage Pfandbriefe  | Aaa   |         |               |
|   | Senior unsecured (senior preferred notes)   | Aa2   | stable  | ↗             |
|   | Junior senior unsecured (senior non-preferred notes)                                | A1  |         | ↗             |
|   | Short-term liabilities  | P-1   |         |               |
|   | Long-term deposits  | Aa2   | stable  | ↗             |
|   | AT1   | Baa3 (hyb)  |         | ↗             |
|   | Tier 2  | Baa1  |         | ↗             |
|    | <b>Münchener Hypothekenbank within the Cooperative Financial Network</b>            |   |         |               |
|   | Long-term   | AA-   | stable  |               |
|   | Short-term  | F1+   |         |               |
|    | <b>Cooperative Financial Network</b>  |   |         |               |
|   | Long-term   | A+  | stable  |               |
|   | Short-term  | A-1   |         |               |
| <b>Sustainability ratings</b>   |   | <b>Rating (ISS ESG)</b>   |         |               |
|  |  |  | C+      |               |



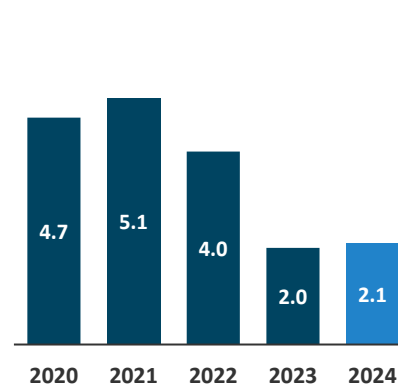
# Business performance

## Loan business and profitability

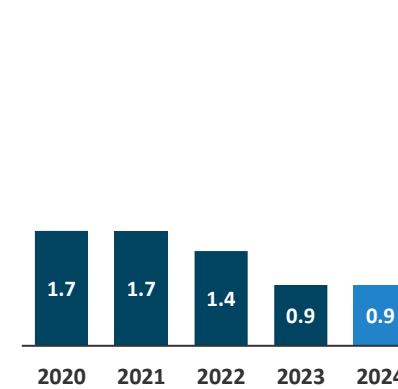
Mortgage loan portfolio (EUR bn)



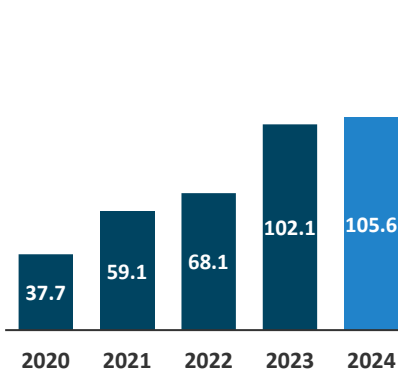
New loans residential (EUR bn)



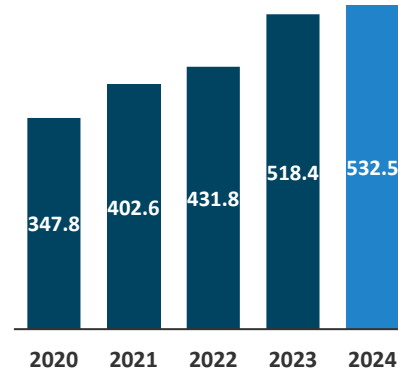
New loans commercial (EUR bn)



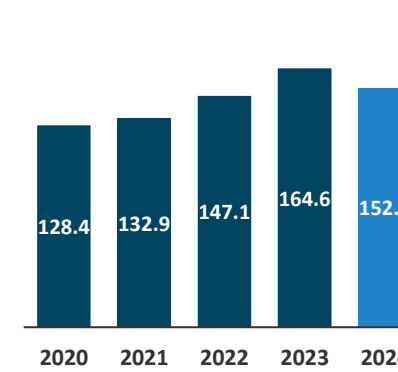
Net income (EUR m)



Net interest income (EUR m)



Total administrative expenses (EUR m)



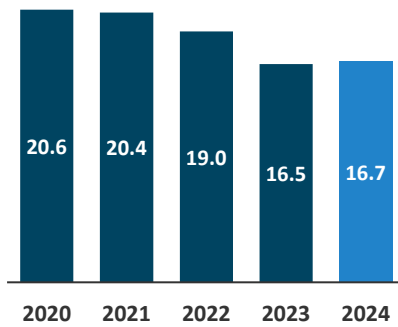




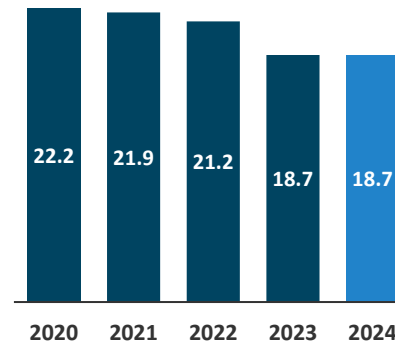
# Business performance

## Capital and regulatory

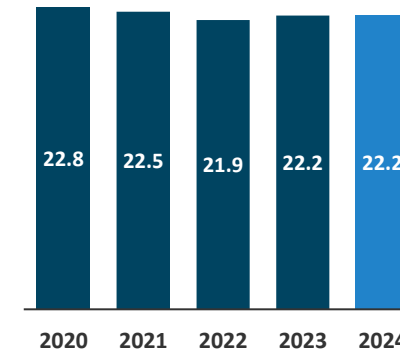
Common equity Tier 1 capital ratio (%)



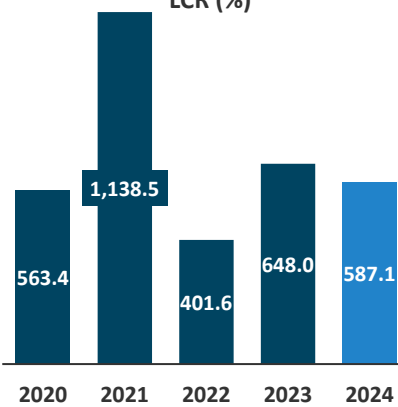
Tier 1 capital ratio (%)



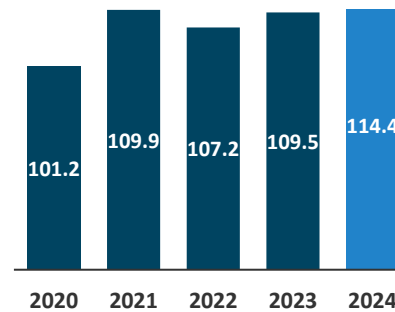
Total capital ratio (%)



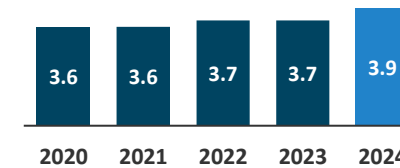
LCR (%)



NSFR (%)



Leverage ratio (%)





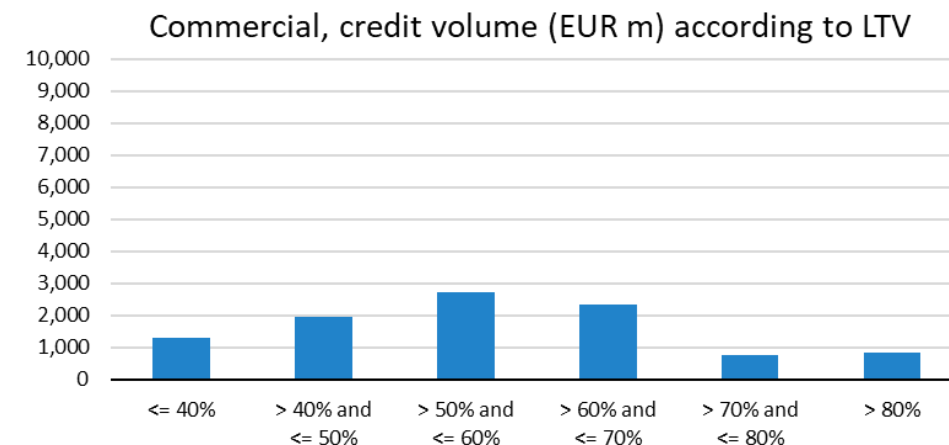
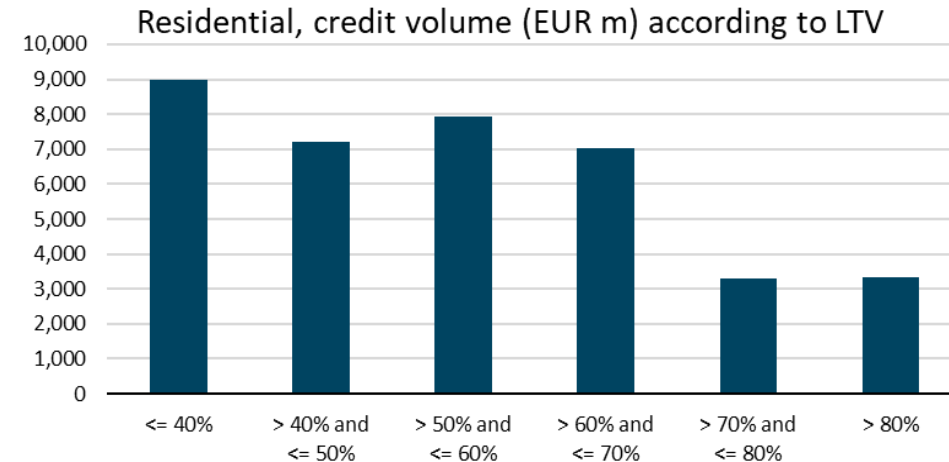
# Mortgage loan portfolio

Portfolio impresses with its high granularity

## EUR 46.2 bn loan portfolio 31/12/2024

- 222,770 individual loans – thereof 221,600 residential
- Volume by type of underlying property:
  - 78.7% residential buildings
  - 21.3% commercial buildings
- Average loan size by property type:
  - About EUR 164,000 residential properties
  - About EUR 8,418,000 commercial properties
- Average LTV:
  - 53.7% residential buildings
  - 60.8% commercial buildings
- Geographic split:
  - 46.2% Bavaria, Baden-Württemberg, Hesse and NRW
  - 34.3% other German States
  - 11.2% Switzerland
  - 8.3% other non-domestic
- NPL-ratio: 1.71%
- The focus of the bank's strategy is not on development loans or building project organizer financing

## LTV 31/12/2024





---

# Sustainability



# Sustainability at Münchener Hypothekbank

ESG holistically implemented in the bank



## Environmental

- Implementation of ESG criteria in the lending process (Green loans, ESG score & pricing > EUR 1 m)
- Half-yearly ESG allocation reporting for the green portfolio
- Monitoring and measuring physical and transitory climate risks
- Calculating financed GHG emissions in the loan portfolio
- Disclosing of the Green Asset Ratio



## Social

- Promoting Diversity in the bank (Diversity Charta signed in 2014, Diversity strategy adopted in 2023)
- Various offers to promote employee health
- Promoting life-long learning of all employees
- Supporting the compatibility of family and career



## Governance

- Bundling ESG expertise in the Non-Financial-Riskmanagement team
- Regular ESG-Committee and ESG-Board meetings
- Implementing sustainability in the core business
- Responsible investment policy
- Strict compliance rules
- Active association memberships



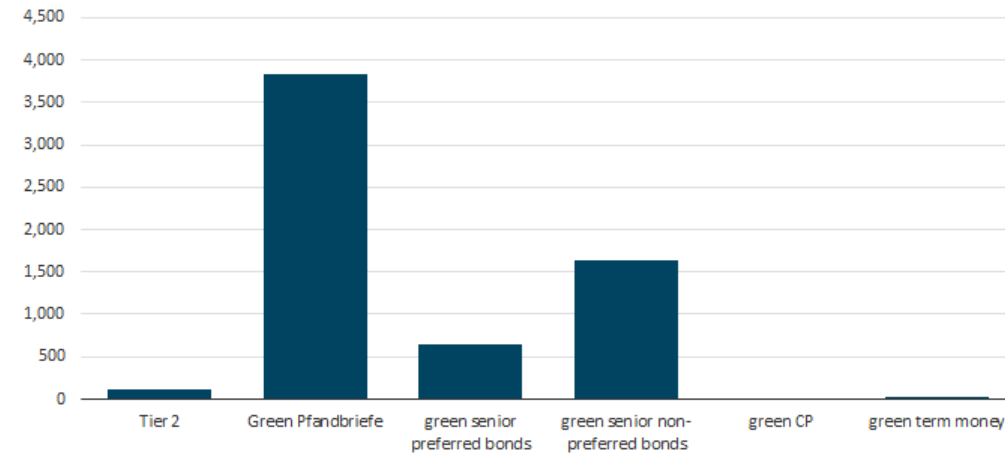
# Green portfolio of MHB

## Taxonomy and green funding

### Taxonomy within the green portfolio 31/12/2024

- GAR 14.31%
- EUR 12.6 Mrd. green portfolio
- 27.4% of the total mortgage portfolio
- Characteristics of the green portfolio:
  - 100.0% fulfill vdp minimum requirements/GBF
  - 62.9% fulfill EU taxonomy eligibility
  - 51.0% fulfill EU taxonomy alignment

### Green funding EUR 6.3 bn 31/12/2024 (in EUR m)



### Allocation reporting 31/12/2024



| Assets                        | Notional value in EUR m 31/12/2024 |                | Liabilities                 |
|-------------------------------|------------------------------------|----------------|-----------------------------|
| Cover pool residential        | 6,378.0                            | 3,835.0        | Green Pfandbriefe           |
| Cover pool commercial         | 3,271.2                            | 123.1          | green Tier 2                |
| Residential not in cover pool | 1,175.9                            | 2,295.0        | green senior bonds          |
| Commercial not in cover pool  | 1,815.5                            | 23.0           | green CP & green term money |
| <b>Total assets</b>           | <b>12,640.6</b>                    | <b>6,276.1</b> | <b>Total liabilities</b>    |

Conversion into EUR with ECB Euro foreign exchange reference rates



# Sustainable loan selection criteria

## Tightening of the requirements

| ICMA Green Bond Principles vdp minimum requirements | Selection criteria   | Contribution to UN SDG  | Contribution EU climate targets and economic activities  |
|---|--|---|--|
| <b>Green Properties</b>                             | <p><b>New construction financing from 01/01/2021</b></p> <ul style="list-style-type: none"> <li>NZEB -10% in Germany and other EU countries</li> <li>nationally applicable standards in non-EU countries</li> </ul> <p><b>Existing properties until 31/12/2020</b></p> <ul style="list-style-type: none"> <li>Energy efficiency class A or better</li> <li>Top 15% of national or regional property stock with regards to energy consumption/demand, separated into residential and commercial properties</li> </ul> <p><b>Renovation</b></p> <ul style="list-style-type: none"> <li>30% reduction of energy consumption/demand by renovations/refurbishments measures (reached levels consistent with EU climate objectives)</li> </ul> | <br> | <p>Significant contribution to climate change mitigation (Article 10)</p> <p>EU Taxonomy-eligible economic activities:</p> <ul style="list-style-type: none"> <li>7.1 Construction of new buildings</li> <li>7.2 Renovation of existing buildings</li> <li>7.7 Acquisition and ownership of buildings</li> </ul> |
| <b>Green Residential Properties</b>                 | <p><b>Existing properties until 31/12/2020</b></p> <ul style="list-style-type: none"> <li>Co-financed by KfW funding programmes for energy-efficient construction and renovation</li> </ul>  |   |  |
| <b>Green Commercial Properties</b>                  | <p><b>Existing properties until 31/12/2020</b></p> <ul style="list-style-type: none"> <li>Sustainability certificate in top categories of an established provider</li> </ul>   |   |  |






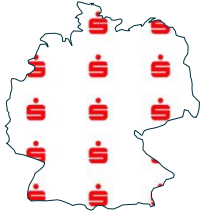
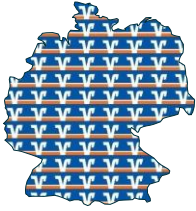

---

# Cooperative Financial Network



# The German banking landscape

## Position of the Cooperative Financial Network

| 31/12/2023          | Public  | Cooperative   | Private  |
|---------------------|---|---|--|
| Banking sector      |                        |                        |                 |
| Regional focus      | <br>regionally focused | <br>regionally focused | <br>countrywide |
| Credit institutions | 5 Landesbanks affiliated groups<br>DekaBank<br>353 Savings banks  | Cooperative central institution<br>697 Cooperative banks<br>specialised cooperative companies             | Major German private banks + foreign banks   |
| Market share (GER)* | 34%   | 24%   | < less than 10% (each)   |

\* private deposits





# Strength of the Cooperative Financial Network

Impressive figures for the cooperative sector

## Consolidated key business figures of the Cooperative Financial Network (31/12/2023)

- organized collectively and committed to its members
  - EUR 1,597 billion total assets
  - EUR 14,375 million profit before tax
  - 697 cooperative banks and other specialized companies
  - 135,400 employees in cooperative banks
  - 30 million customers, including 17.8 million members
  - wide range of products from a single source
- very good ratings:

|            | Fitch Ratings | Standard & Poor's |
|------------|---------------|-------------------|
| Long-term  | AA-           | A+                |
| Short-term | F1+           | A-1               |
| Outlook    | stable        | stable            |





---

# Capital and creditor protection



# Creditor protection

Protection and safety with high priority

## Protection within the Cooperative Financial Network

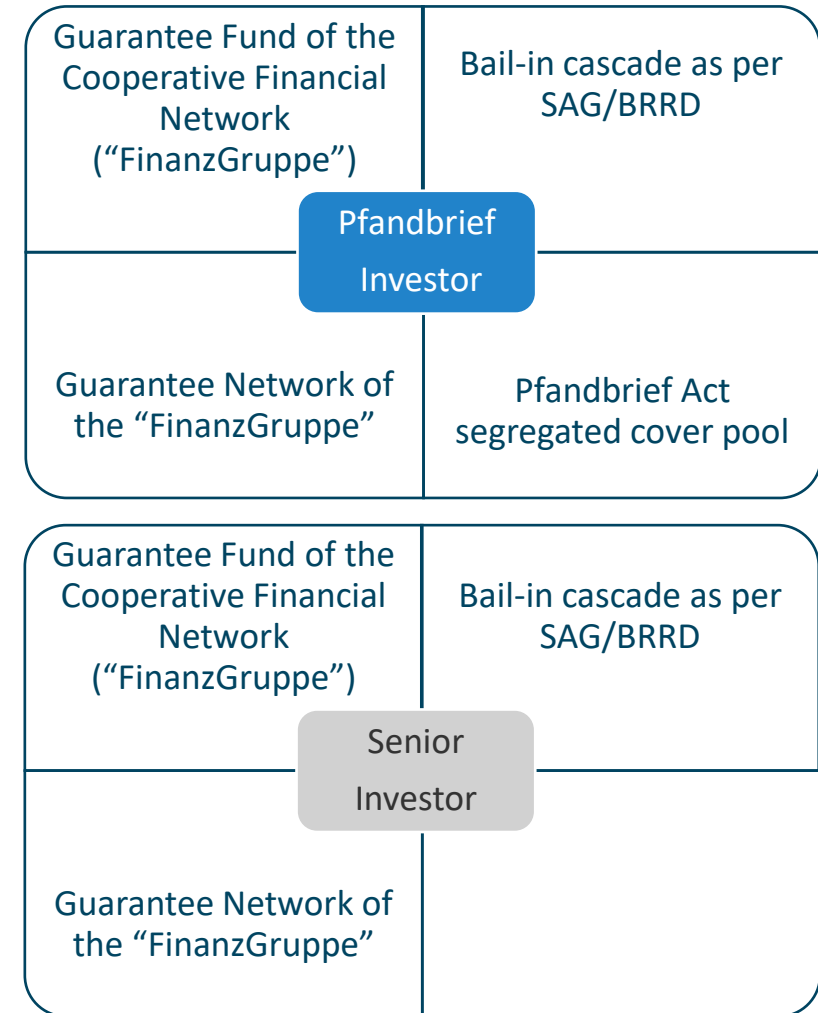
- Dual system consisting of BVR Institutssicherung GmbH (BVR-ISG) and BVR protection scheme
  - Officially recognised deposit insurance scheme supplemented by a voluntary bank-related protection system ensure stability and trust.
- Comprises deposit and institution protection
- Managed by the National Association of German Cooperative Banks (BVR)
- Additional control of all affiliated institutions
- Oldest protection system in the German banking industry
  - Fully paid-up and not on a guarantee basis

## Functions

- Preventive measures to avert undesirable developments
- If necessary, restructuring measures

## History

- No insolvency of an affiliated bank (since 1934)
- No loss of the notional amount of the cooperative shares
- No loss of deposits



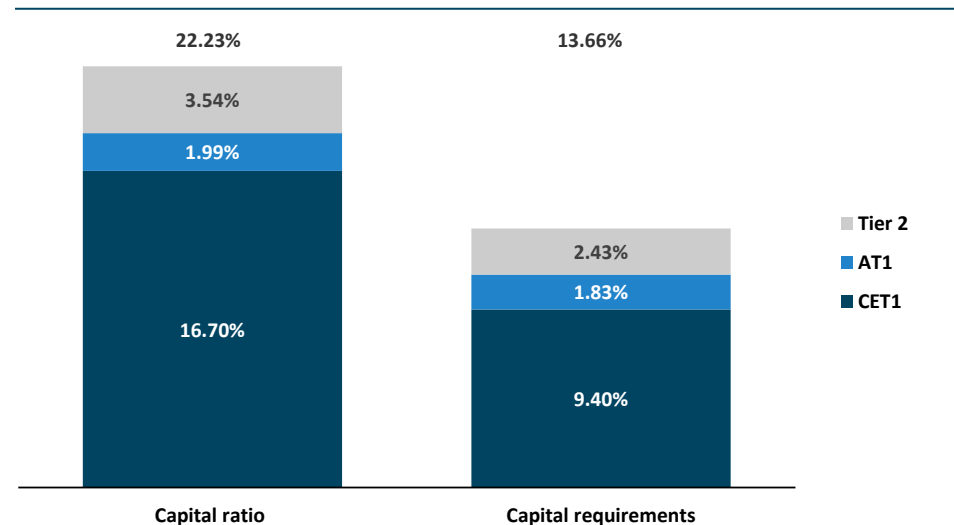


# Capital position

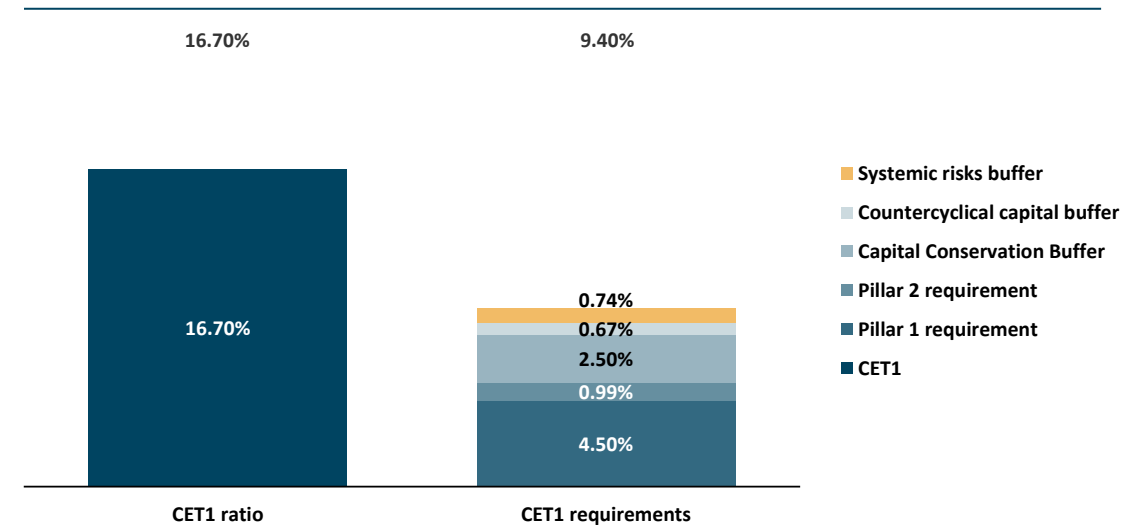
Münchener Hypothekbank comfortably exceeds the regulatory minimum CET1 requirements

- Münchener Hypothekbank's CET1 ratio of 16.7% as per 31/12/2024 is comfortably above the minimum SREP requirements (CET1) of 9.4%.
- Münchener Hypothekbank has not been identified as an Other Systemically Important Institution (O-SII) and hence is not required to meet an O-SII charge currently.
- ADI amount to EUR 569.2 m (31/12/2024).
- RWA add up to EUR 11,162 m (31/12/2024).

## Capitalisation 31/12/2024



## CET1 ratio 31/12/2024



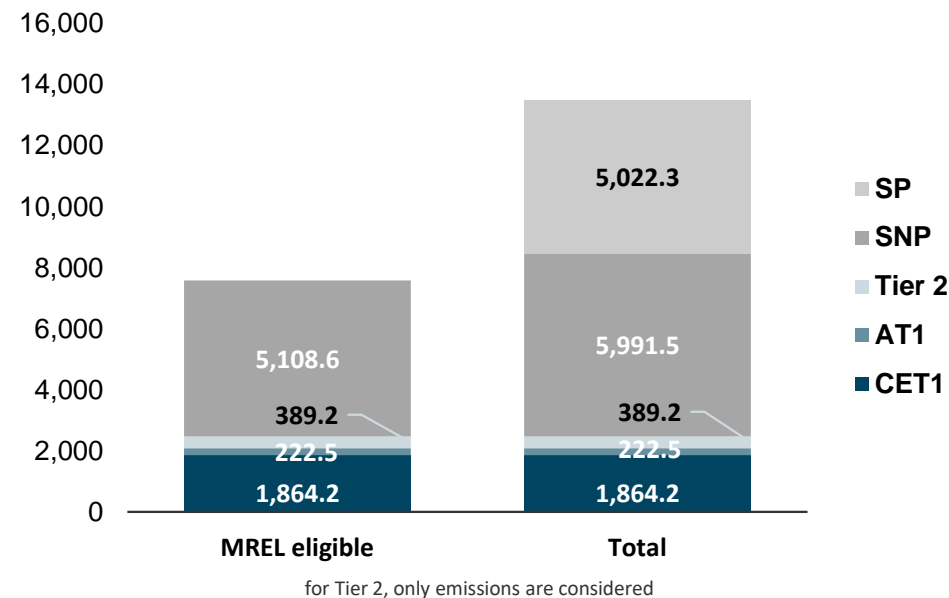


# MREL and liability structure

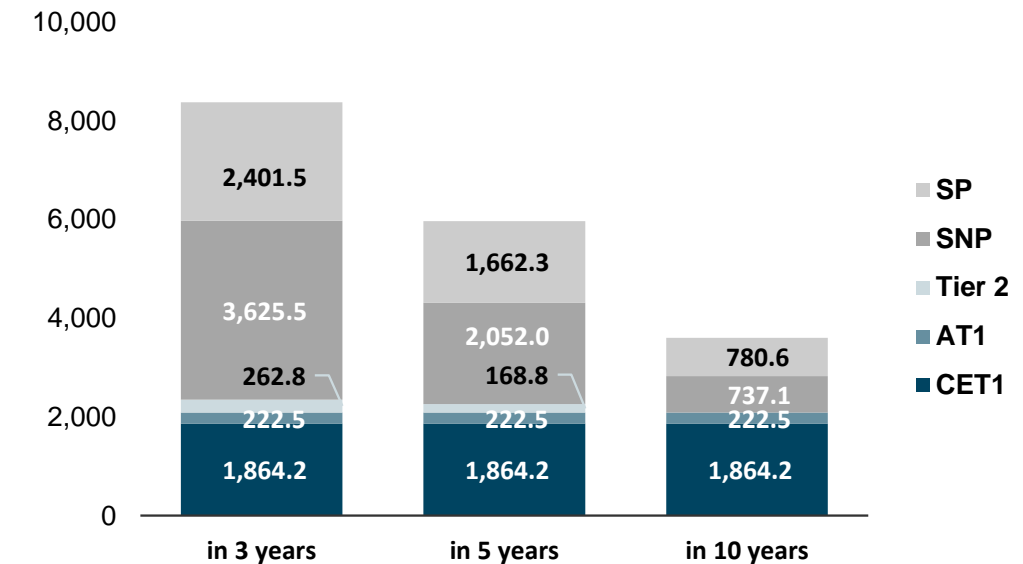
## MREL requirements are fulfilled in the long term

- The MREL requirements are currently comfortably fulfilled.
- The portfolio of MREL eligible senior non-preferred (SNP) bonds has been continuously built up in recent years through issuing activity.
- The planning provides for the replacement of SNP maturities currently and in the coming years.
- The issuance of bonds with medium- and long-term maturities is possible for investors at any time upon request.

### Structure of liabilities 31/12/2024 (EUR m)



### Development liabilities 31/12/2024 (EUR m)

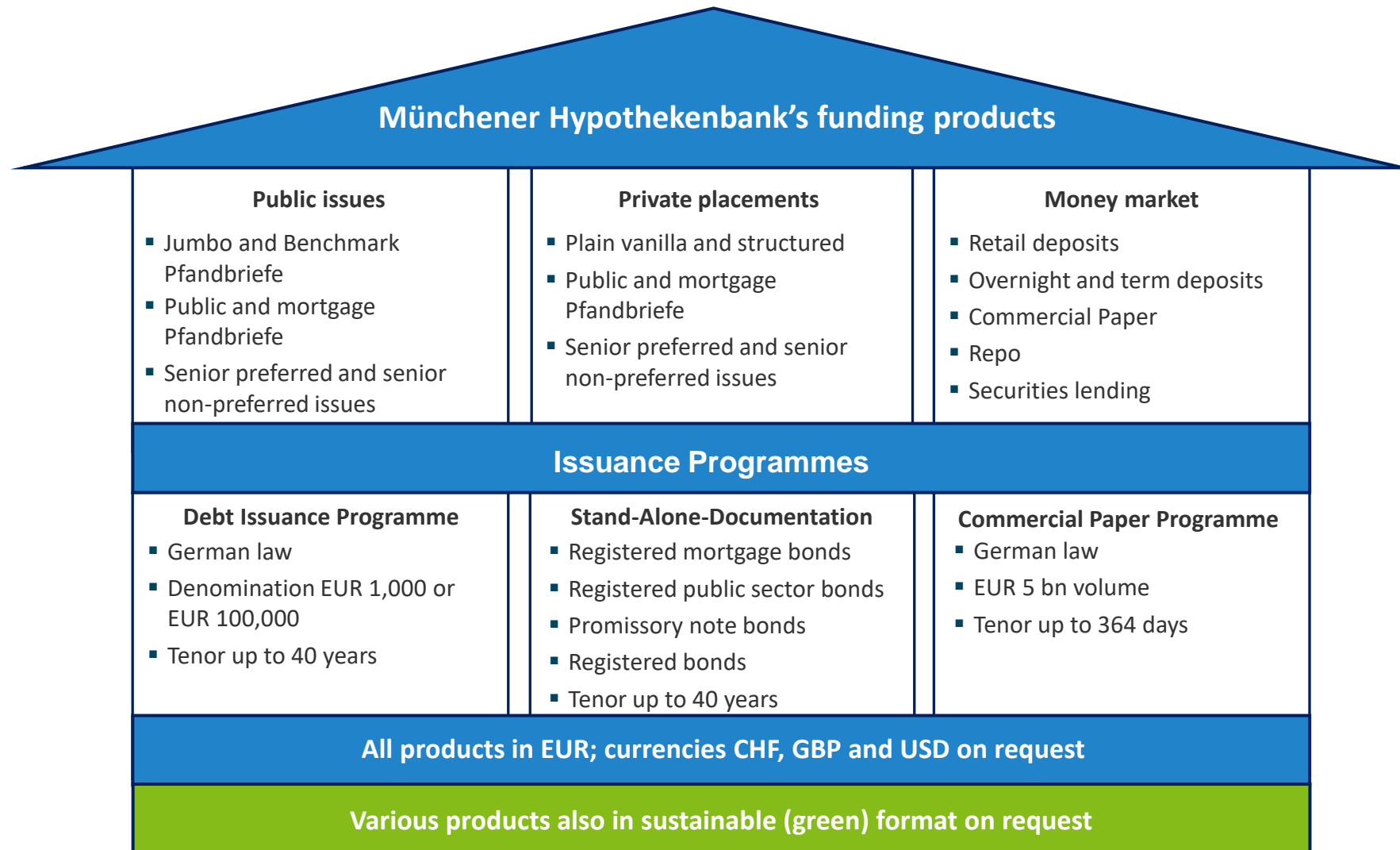




---

# Funding

# Funding products



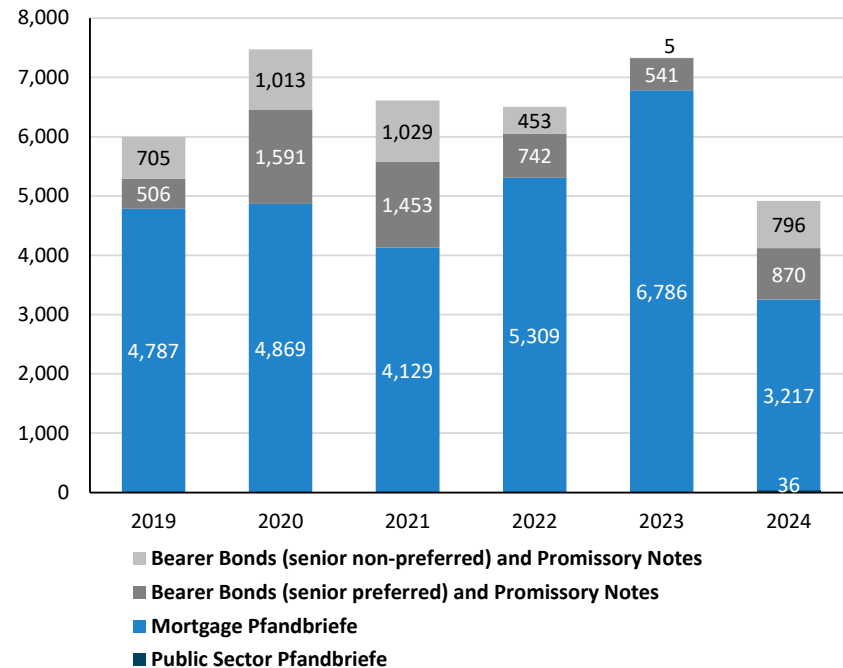


# Funding and maturity profile

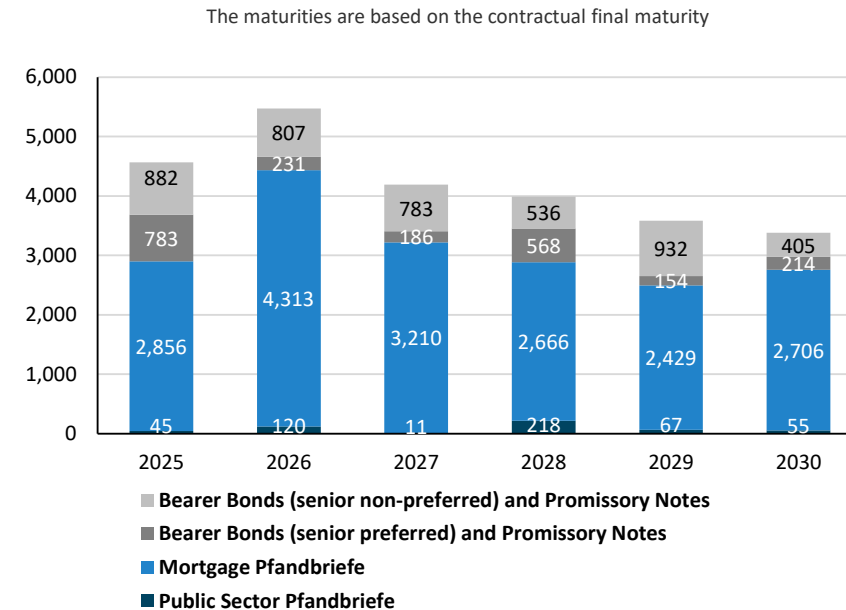
Münchener Hypothekbank has a comfortable funding and maturity profile

- Funding plan with a balanced distribution across all refinancing products
- Regular issuances of benchmark Pfandbriefe in various currencies and also in sustainable format
- Permanent offer of private placements with tailor-made terms and structures
- Cost efficient access to senior unsecured funding via the Cooperative Financial Network

## Funding 31/12/2024 (EUR m)



## Maturity profile 31/12/2024 (EUR m)



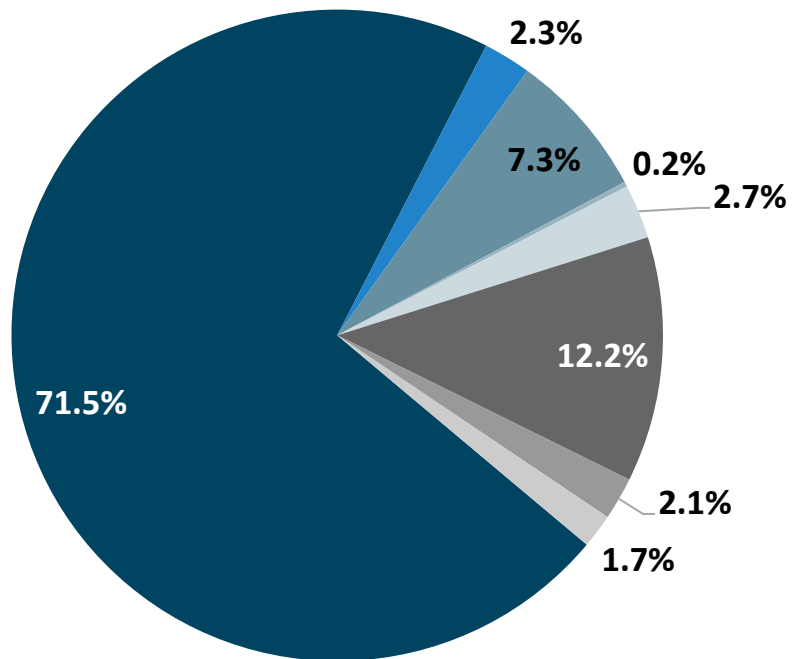




# Funding portfolio

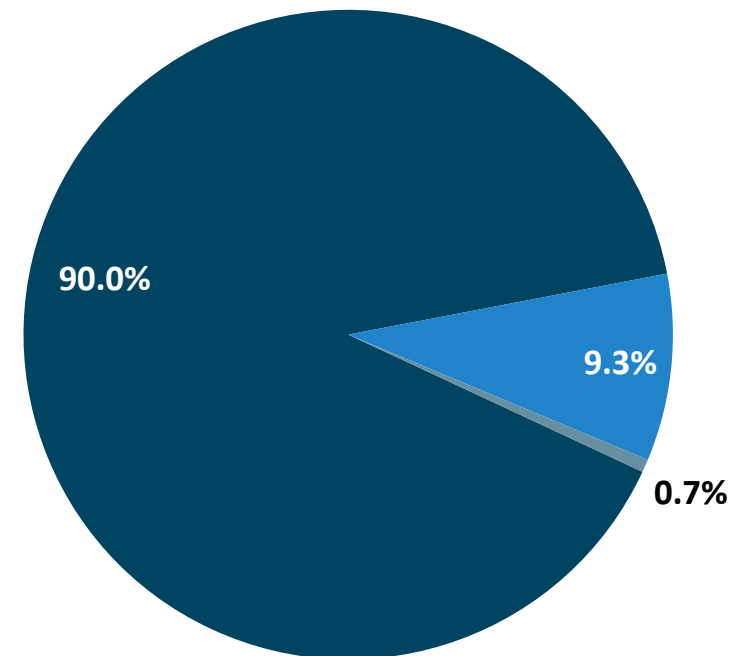
Composition of Münchener Hypothekbank's refinancing portfolio 31/12/2024

Funding products



- Mortgage Pfandbriefe
- Senior preferred capital market
- Senior preferred commercial paper
- Senior preferred money market
- Senior non-preferred
- Repos (no tender)
- Public Sector Pfandbriefe
- Retail deposits

Currencies



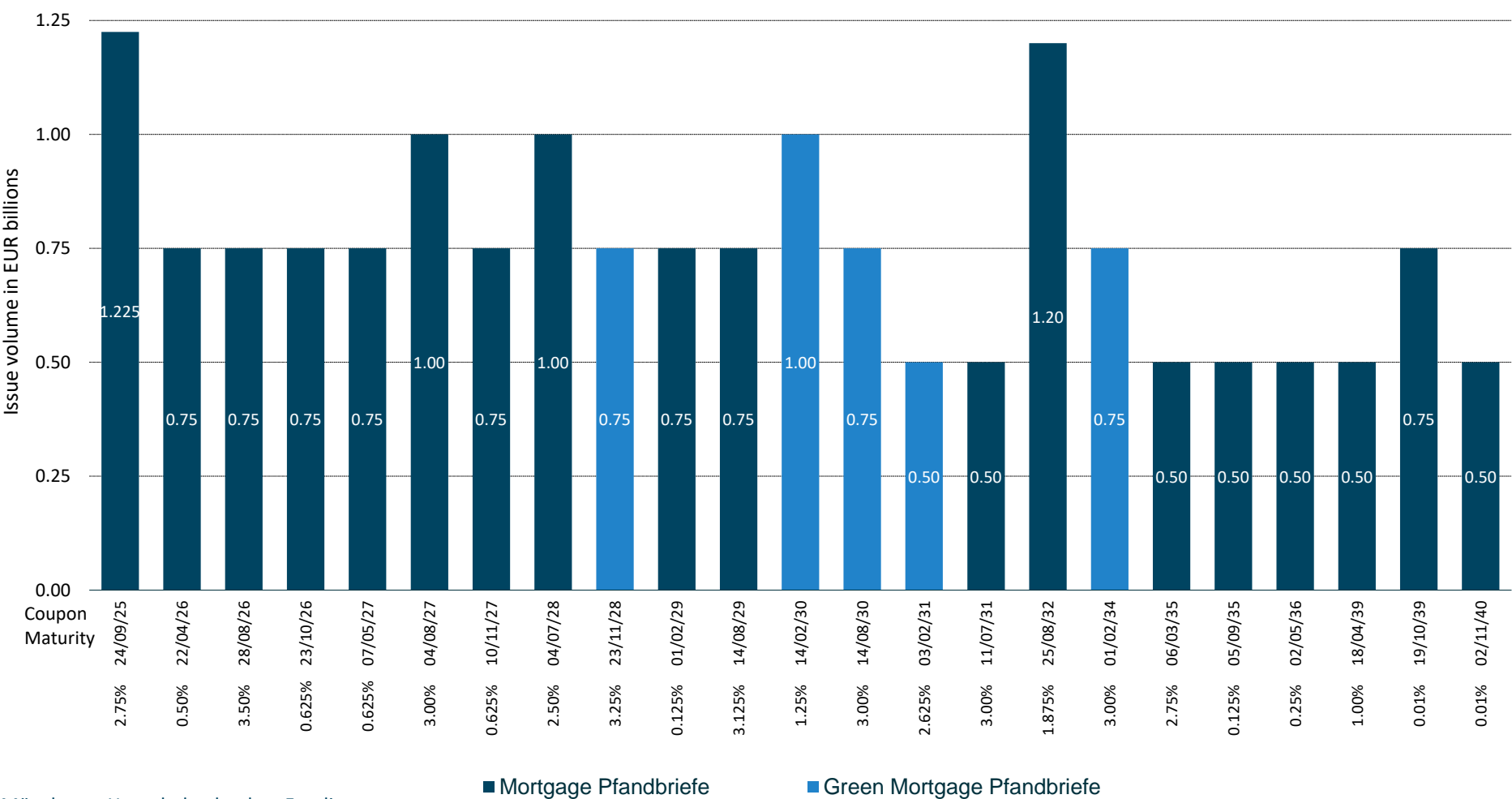
- EUR
- CHF
- USD
- GBP



# Münchener Hypothekbank's EUR benchmark Pfandbriefe

Frequent benchmark issuer

Total volume of outstanding EUR benchmark Pfandbriefe: EUR 17.175 bn (31/03/2025)



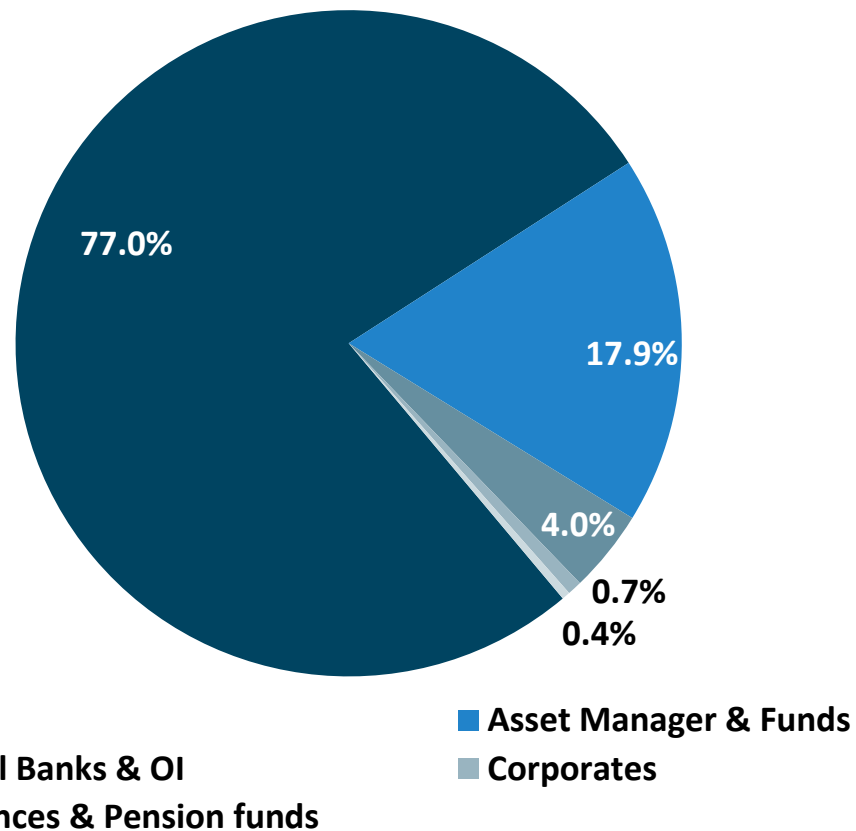


# Lately issued benchmark Pfandbriefe

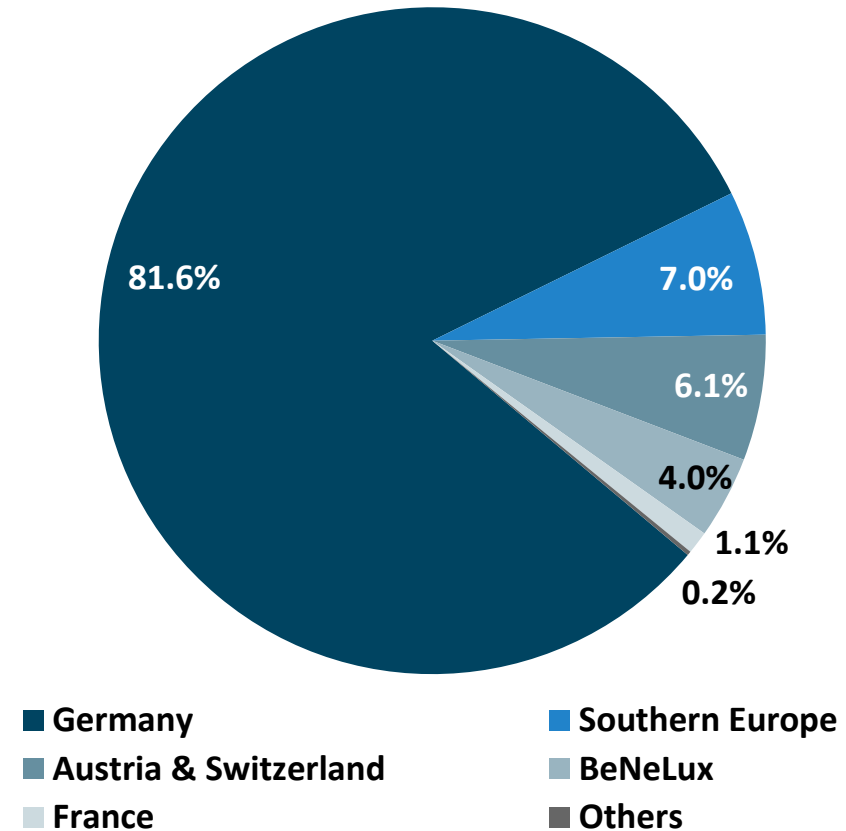
Issue March 2025: EUR 0.5bn, 10 years Mortgage Pfandbrief, MS + 44bp

- ISIN DE000MHB41J8, 06/03/2025 – 06/03/2035
- Orderbook at re-offer above EUR 0.92 bn
- 45 orders from 8 countries

Investor type



Geographic split





---

# Appendix



# Contact

## Münchener Hypothekenbank eG

Karl-Scharnagl-Ring 10

80539 München

Germany

**Investor Relations:** [investor@mhb.de](mailto:investor@mhb.de)

**Contact person:** Claudia Bärldges-Koch, Head of Investor Relations & Client Acquisition

**Telefon:** +49-89-5387-88-5520

**Bloomberg:** MHYP und MUNHYP

**Internet:** <https://www.mhb.de>



# Disclaimer

This document has been prepared by MünchenerHyp, exclusively for informational purposes. The investments and investment services referred to are not available to private customers, nor for persons who are subject to US securities laws, and should not be distributed in the US or to any US person nor in any jurisdiction in which its distribution would be prohibited. This presentation does not constitute a public offer or the solicitation of an offer to buy any securities or financial instruments. It is not a substitute for investors' own, independent examination opportunities and risks inherent in the products described, taking investors' investment objectives into account. Under no circumstances should this document be taken as a basis for any investment decision with regard to any securities or other financial instruments; such decision should be based on a prospectus or information memorandum. In particular, MünchenerHyp does not act in the capacity of an investment advisor, or in fulfilment of fiduciary duties. This document does not constitute financial analysis. Data, facts or information provided in this document do not purport to be complete, accurate, or appropriate; they were taken from Sources the author considered to be reliable, without however verifying such information. Information and statements contained herein are as at the date of this document. They can change at any time or may become obsolete as a result of future developments. MünchenerHyp is under no obligation to correct or update such information or statements, or to provide information about this. Accordingly, no representation or warranty as to the accuracy or completeness of the information or expressions of opinion contained herein is made by MünchenerHyp. MünchenerHyp shall not be liable for direct or indirect losses caused by the distribution and/or use of this document, or any losses in connection with the distribution and/or use of this document. This document includes expectations and forecasts that relate to the future. These forward-looking statements, in particular those regarding MünchenerHyp's business and earnings developments, are based on forecasts and assumptions, and are subject to risks and uncertainty. As a result, the actual results may differ materially from those currently forecast. The information in this document is proprietary to MünchenerHyp; neither this document nor any of its contents may be disclosed to or referred to any third party, or used for any other purpose, without MünchenerHyp's prior written consent.