

Measures to combat money laundering, terrorist financing and criminal activity

Münchener Hypothekenbank has established a compliance function whose tasks include preventing bribery and corruption, money laundering and terrorist financing. The Bank's compliance officer, who also acts as the money laundering reporting officer, is responsible for continuously optimising the compliance processes. She is directly subordinate to management and reports to it.

New employees receive training on legal provisions, internal Bank procedures, and methods relating to money laundering, terrorist financing, and criminal activity. Employees must complete regular follow-up training during the course of their employment. The frequency and content of this training are tailored to the employees according to the areas in which they work.

Employees can submit internal reports of suspicious activity informally to the money laundering reporting officer or her deputy by telephone or email. The money laundering reporting officer (and her deputy) are solely responsible for reporting suspicious cases to the Financial Intelligence Unit (FIU), and she is not subject to the Board of Management's instructions in this respect. The money laundering reporting officer will inform employees who have submitted an internal report of suspicious activity whether or not she has submitted a report of suspicious activity to the FIU and the reasons for her decision.

In accordance with section 25h (7) of the German Banking Act (Kreditwesengesetz, KWG), Münchener Hypothekenbank has appointed a central office which is responsible for preventing money laundering, terrorist financing and other criminal activity. The central office has developed and implemented precautionary measures for this purpose. These include training for the employees.

General information about the beneficial ownership of MHB

Münchener Hypothekenbank is a registered cooperative in accordance with the German Cooperatives Act (*Genossenschaftsgesetz, GenG*). MHB was founded in 1897.

No natural person holds 10% or more of the capital shares or voting rights. Similarly, no natural person holds 25% of the capital shares, controls 25% of the voting rights, or exerts a controlling influence. Since there are ultimately no true beneficial owners, the fictitious beneficial owners must be determined. The members of MHB's Board of Management are therefore the fictitious beneficial owners of the Bank.

Whistleblowing

Employees can submit reports of concrete suspicions of fraudulent or other illegal acts anonymously via MHB's whistleblowing system. Employees are notified through the Bank's written rules about the established system and its channels.