



# Münchener Hypothekenbank

DISCLOSURE REPORT

2024



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# DISCLOSURE PURSUANT TO CRR/CRD IV

## 1 Basis for Supervisory Disclosure

This disclosure report is based on requirements pursuant to 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 (KWG) and the German Solvency Regulation (SolW). Together these regulations represent the regulatory framework that in Germany applies to aspects including capital, leverage, liquidity and Pillar III disclosures. This report refers to the business year ending on 31 December 2023. Thus, rules and regulations that were valid to this date apply unless otherwise indicated.

This disclosure report was prepared in accordance with Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No. 575/2013, which has been in effect since 28 June 2021.

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

In keeping with the further development of the risk management infrastructure, the structure of the disclosure report has been appropriately adjusted to reflect the risk categories that have been identified as relevant within the framework of the risk inventory and the preparation of Münchener Hypothekenbank's

risk strategy. Qualitative and quantitative information has been presented for each type of risk as required pursuant to the regulatory disclosure guidelines.

This report fully complies with all of the regulatory disclosure requirements that are relevant for Münchener Hypothekenbank. This report is published every year on Münchener Hypothekenbank's website shortly after the publication of the annual financial statements.

The amounts are disclosed in million euros; rounding differences can occur.

The following overview lists the disclosure requirements pursuant to the CRR and the corresponding sections in 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 section in this disclosure report                                   |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Article 435: Risk management objectives and policies                                      | Risk management and Management Bodies annex                                       |
| Article 436: Scope of application                                                         | Fundamentals of regulatory disclosure                                             |
| Article 437: Own funds                                                                    | Own funds                                                                         |
| Article 437a: Own funds and eligible liabilities                                          | Own funds                                                                         |
| Article 438: Capital requirements                                                         | Own funds                                                                         |
| Article 439: Counterparty credit risk                                                     | Counterparty risk and derivative counterparty risk exposure and netting positions |
| Article 440: Capital buffers                                                              | Countercyclical capital buffers                                                   |
| Article 441: Indicators of global systemic importance                                     | N/A                                                                               |
| Article 442: Credit risk adjustments                                                      | Counterparty risk                                                                 |
| Article 443: Unencumbered assets                                                          | Encumbered assets                                                                 |
| Article 444: Use of external credit assessment institutions (ECAIs)                       | Counterparty risk                                                                 |
| Article 445: Exposure to market risk                                                      | Market price risk                                                                 |
| Article 446: Operational risk                                                             | Operational risk                                                                  |
| Article 447: Exposures in equities not included in the trading book                       | Investment risk                                                                   |
| Article 448: Exposure to interest rate risk on positions not included in the trading book | Counterparty risk                                                                 |
| Article 449: Exposure to securitisation positions                                         | N/A                                                                               |
| Article 449a: Environmental, social and governance risks (ESG risks)                      | N/A                                                                               |
| Article 450: Remuneration policy                                                          | Remuneration policy                                                               |
| Article 451: Leverage                                                                     | Exposure to leverage risk                                                         |
| Article 451a: Liquidity requirements                                                      | Liquidity risk                                                                    |
| Article 452: Use of the IRB Approach to credit risk                                       | Counterparty risk                                                                 |
| Article 453: Use of credit risk mitigation techniques                                     | Counterparty risk                                                                 |
| Article 454: Use of the Advanced Measurement Approaches to operational risk               | N/A                                                                               |
| Article 455: Use of internal risk models                                                  | N/A                                                                               |

## 2 Münchener Hypothekenbank eG Structure

In both financial and regulatory terms, Münchener Hypothekenbank is an individual institution and not a financial conglomerate. The three fully owned subsidiary companies – M-Wert GmbH, Munich; Immobilienservice GmbH der Münchener Hypothekenbank eG (M-Service), Munich; and M-4tec GmbH, Munich – do not represent significant subsidiaries that would trigger a mandatory consolidation requirement. Moreover, Münchener Hypothekenbank does not operate any foreign subsidiaries.



## 3 Risk Management

### 3.1 APPROPRIATENESS OF RISK MANAGEMENT PROCEDURE

Pursuant to Article 435 (1) CRR, the Board of Management hereby states that the submitted risk management system as shown below is appropriate for the Bank's profile and its strategy:

The ability to monitor and keep risks under control at all times is essential for the successful steering of business development at Münchener Hypothekenbank. For this reason, risk management plays a very important role in the overall management of the Bank.

The business and risk strategies define the parameters of the Bank's business activities. Münchener Hypothekenbank's entire Board of Management is responsible for both the business strategy and the risk strategy, which are regularly reviewed regarding the attainment of goals and the effectiveness, and are updated as necessary and then submitted to the Supervisory Board at least once a year. As part of its supervisory duties, the Supervisory Board is informed at least once per quarter concerning the Bank's risk profile and how well it has performed towards achieving its objectives. Among other means, this takes place using the comprehensive risk report, in which all risks are compiled and reported on.

The basis of risk management consists of, on one hand, the analysis and presentation of existing risks and, on the other, comparing these risks with the risk cover potential (ability to bear risk). The analysis and presentation of existing risks primarily distinguishes between counterparty, market price, liquidity, credit spread, migration and investment risks, as well

as operational and model risks. Additional risks such as ESG risks, placement risk, reputational or behavioural risk, business risk, etc. are viewed as parts of the above-mentioned risks and are taken into consideration at the appropriate place in the individual calculations, or are taken into consideration as other risks. Appropriate monitoring processes are in place involving internal process-dependent and independent supervision. Our Internal Audit department is responsible for the process-independent monitoring function within the Bank.

The professional concepts and models used to calculate the ability to bear risks are continuously further developed in accordance with regulatory requirements. Münchener Hypothekenbank calculates its ability to bear risks using the normative approach as well as the economic approach.

The paramount objective of monitoring the risk-bearing ability is to secure the Bank's independence by ensuring that its income, cost and risk structures are organised in a manner that allows them to be controlled without external assistance. Münchener Hypothekenbank employs an extensive limit system as an additional risk control instrument to monitor its ability to bear risks. The limit system assists in setting and regularly reviewing limits, for example, for debtor categories or countries.

Resolutions passed by the Basel Committee on Banking Supervision, or by the European Union regarding regulatory requirements, and their subsequent translation into German law, are continually observed and analysed by the Compliance department, which also initiates measures needed to implement these requirements. Furthermore, these measures lead to the review and further development of the Bank's risk and business strategies. Based on this procedure, relevant processes and systems are then adjusted as necessary.

Methods to measure risk included in the framework of obtaining IRBA certification, along with risk management procedures that are being continuously further developed, are embedded in Münchener Hypothekenbank's risk management system. The results derived from the risk models are suitable for managing Münchener Hypothekenbank. Despite careful development/further development and regular assessments of models, situations may, however, still arise whereby the actual losses or liquidity needs are higher than foreseen by the risk models. Various stress scenarios are used within the framework of risk mitigation in order to take this extraordinary, but plausible, situation into proper account.

### 3.2 RISK STATEMENT

Section 3.2 of this report presents the concise risk statement of Münchener Hypothekenbank's Board of Management in accordance with Article 435 (1) f CRR.

#### 3.2.1 Description of risk management objectives

The risk strategy is an integral part of the Bank's business strategy. Based on the institution's business objectives, risk strategy is the source of risk-related measures to manage risk that are necessary for the Bank to achieve these objectives. The business and risk strategies are set by the Board of Management. Details are coordinated with the affected department heads. This information is available to all of the Bank's employees. This process takes place at least once a year and on an ad hoc basis. Monitoring of the defined standards (volumes, margins, limits, etc.) takes place in the various departments and is reported to the Board of Management on a quarterly basis.

Within its business strategy, Münchener Hypothekenbank defines its business areas as residential and commercial property finance, which are further divided into the following segments: Retail Germany, Retail Switzerland, Retail Austria, Commercial



Domestic and Commercial International. In addition, there is also the Bank's capital market business with the public sector and banks. Strategy and operational objectives are set for each of these segments, which are to be achieved within the framework of the medium-term business plan.

Based on this, the risk strategy states how Münchener Hypothekbank will, or plans to, deal with the risks associated with these business activities. In principle, systems, processes, controls and guidelines are integral elements of risk management. Therefore, individual risk management processes, as well as modelling and measuring approaches to quantify risks plus liquidity and capital requirements, are implemented by Münchener Hypothekbank. The key capital and liquidity ratios that are significant for Münchener Hypothekbank are subject to tight supervision with corresponding stress tests, a limit system with early warning indicators and escalation processes. Other risks included in the ability-to-bear-risk calculation, such as reputational risk, are addressed by simpler limits/procedures and, in some cases, on a lump-sum basis by means of expert estimates. Processes and procedures used in risk management are subject to regular institution-wide examinations by our Internal Audit department.

Within the framework of ensuring adequate capital, institutions must always identify and evaluate their risks, maintain sufficient capital to cover their risks and employ processes to manage risk in order to permanently ensure that they are adequately capitalised (the Internal Capital Adequacy Assessment Process – ICAAP). The available internal capital must exceed measured risks at all times. The normative approach reveals if the ability to bear risks is still given after all risks have occurred

(excluding diversification effects between the risk categories), i.e. capital requirements according to Pillar I and Supervisory Review and Evaluation Process (SREP), surcharges are still met and the leverage ratio is still maintained. Only regulatory equity capital may be used as risk-covering equity. Using the economic approach, the present value of the calculated risk cover potential is compared to VaR. In addition, stress tests are reviewed in both scenarios.

The risk-weighted assets (RWA) or the expected loss are additional factors used to manage risks. For example, caps are set depending on the rating system, individual rating or loan-to-value ratios for the maximum permitted lending exposure. In addition, Münchener Hypothekbank uses various parameters to limit risks, such as upper limits for loan-to-value (LTV) or lower limits for the debt service coverage ratio (DSCR). Management of capitalisation is integrated in Münchener Hypothekbank's risk management processes and is continuously monitored by the Board of Management. The calculation of the ICAAP figures allows countermeasures to be taken in time to avoid unwanted developments.

In principle, the Bank advocates exposing itself to only minor risks. This is reflected, for example, by an average LTV of about 55% or the fact that no trading book transactions are made.

The formulation of the Bank's business strategy, which is made in agreement with the Bank's Treasury department, already examines if the necessary liquidity can be obtained at the planned margins within the framework of the Internal Liquidity Adequacy Assessment Process (ILAAP). Funding plans are aligned with sales objectives in an iterative process headed by

Risk Controlling. A limit system with early warning indicators is also employed to continually monitor and control liquidity during the business year. An emergency liquidity plan also exists and can be activated in stress situations.

Münchener Hypothekbank submits an updated restructuring plan every year to the Single Resolution Board (SRB). Furthermore, the Bank has provided all of the necessary data to the SRB in order to prepare the appropriate resolution measures needed in the theoretical case of insolvency.

### 3.2.2 Description of risk tolerance and risk appetite

The impact on portfolios and RWAs is determined within the framework of a planning session that takes place (at least) once a year using an iterative process involving sales plans (depending on goals set for the average target margins), as well as the targeted interest income figure. Guidelines regarding risk tolerance and risk appetite in the credit business are derived by comparing the planned RWA with risk-bearing capacity and capital planning and then applying this to the planned volumes of new business and prolongations in the individual business segments. Required refinancing needs are also guaranteed as the required liquidity is determined parallel to the Bank's funding plans.



Münchener Hypothekenbank uses derivative strategies to hedge its exposure to the risk of changing interest rates (interest risk). As a result, an increase in the volume of the lending portfolio does not automatically lead to an increased risk of changing interest rates.

Changes in the mentioned risk categories are accounted for when limits are set for the individual risk categories within the framework of calculating the Bank's ability to bear risk.

### 3.2.3 Description of risk management instruments

Within the framework of calculating the Bank's ability to bear risk, limits are set for each individual category of risk in order to restrict risks. In addition, country and individual limits are in place in the capital market and when granting loans, respectively.

### 3.2.4 Description of the development of key figures and risk management instruments (incl. risk inventory)

In regard to the quantification of risks shown in the economic outlook, which is similar to the status for the insolvency scenario, the disclosure of risks with a 99.9% level of confidence is shown in Table 2. As the risk coverage potential of the economic outlook has risen more strongly than the risks, the Bank's ability to bear risk remains unrestricted. The increase in risk coverage potential results primarily from higher present-value reserves, but also from an increase in Common Equity Tier 1 capital positions.

**TABLE 2: ECONOMIC OUTLOOK**

|                             | 31.12.2023   | 31.12.2024     |
|-----------------------------|--------------|----------------|
| Market risk value-at-risk   | 194.8        | 167.8          |
| Credit risks                | 288.7        | 381.2          |
| Operational risks           | 63           | 72.0           |
| Spread risks                | 228.9        | 340.2          |
| Migration risks             | 107.4        | 92.5           |
| Investment risks            | 25.6         | 23.1           |
| Property risks              | 2.2          | 11.1           |
| Refinancing risks           | 4            | 3.9            |
| Reputational risks          | -            | 3.8            |
| Model risks and other risks | 45.4         | 53.1           |
| <b>Total</b>                | <b>959.9</b> | <b>1,148.8</b> |

#### 1. Overview of market risk

Despite the fact that Münchener Hypothekenbank is a trading book institution, it has not engaged in trading deals for many years and does not plan to in the foreseeable future.

The Bank has almost no deposits business and does not intend to earn large sums from maturity transformation trades. The Bank does strive to obtain maturity matching refinancing to the greatest extent possible, and the remaining interest rate risks are continuously hedged to the greatest extent possible.

The capital market business/Public Pfandbriefe is no longer part of our core business. We engage in it mainly to only ensure that liquidity is available.

The VaR for all assets at a 99% confidence level and a 10-day holding period in 2024 was recorded at a maximum of € 61 million, while the average amount was about € 44 million.

#### 2. Overview of credit risk

Credit risk is a core risk within the Bank's ability to bear risk in the economic outlook. The increase compared to the previous year is due to the unfavourable development of large-volume commitments particularly in office properties in the USA and Germany. Spread and migration risks are presented separately.

#### 3. Overview of operational risk

The Bank's regulatory capital requirements for operational risk are determined by the basic indicator approach. The regulatory capital requirement rose last year to € 72 million. Actual losses incurred due to operational risks were, however, far below this figure.

The Bank minimises its operational risks by qualifying its employees, using transparent procedures, automating standard procedures, and by having fixed working instructions and extensive functional testing of the IT systems, as well as appropriate emergency plans and preventive measures. Münchener Hypothekenbank has purchased appropriate insurance policies to cover certain kinds of operational risks. Examples of these policies are pecuniary damage liability insurance and fidelity insurance. The insurance coverage is regularly compared with the risks reported by the specialist department as part of their self-assessment process.

The definition includes legal risks. However, it does not include reputational risks, which must be viewed separately. Furthermore, due to the Bank's very specific business model, many of the usual forms of operational risks within the banking sector cannot occur at all at Münchener Hypothekenbank.



#### 4. Investment and property risks

Münchener Hypothekbank has made equity investments only with the Cooperative Financial Network, as well as to a minor extent in a special fund.

The Bank does not have risks related to property, as it has only very few properties in its holdings and for which major undisclosed reserves exist.

#### 5. Overview of liquidity risk

The regulatory Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) figures were calculated in accordance with regulations. The minimum regulatory requirements for the LCR and NSFR were clearly exceeded at all times.

In addition to analysing previous developments of both ratios, operational management relies primarily on forecasts of future development of the key figures.

The Bank was continuously able to obtain both covered and uncovered refinancing throughout the entire year.

Unscheduled outflows of liquidity, such as a sudden surge in collateral required in the derivatives business, did not occur last year.

### 3.3 RISK STRATEGY

Risk strategy takes legal requirements into account, especially the KWG and MaRisk. In conformity with Article 25a KWG, Münchener Hypothekbank has a proper business organisation, which, among other purposes, includes the management of, and the ability to bear, risks in accordance with the Bank's risk strategy.

Within its business strategy, Münchener Hypothekbank defines the following segments: Retail Business Germany, International Retail Business (Switzerland and Austria), Commercial Domestic, Commercial International and Capital Market Business with the Public Sector and Banks. Strategic and operational objectives are set for each of these segments and are to be achieved within the framework of the medium-term business plan. Based on this, the risk strategy states how Münchener Hypothekbank will, or plans to, deal with the risks associated with these business activities. Quantitative and qualitative parameters are set for each risk category and describe how to deal with all significant risks in order to achieve the objectives. In addition, measures are derived from these processes that define how the parameters are to be observed. Thus, Münchener Hypothekbank's risk strategy defines the strategic framework for risk management and encourages risk awareness among all employees within the framework of the Bank's corporate and risk culture. All of Münchener Hypothekbank's employees are aware of the Bank's risk strategy and naturally observe it in their daily work. In deter-

mining remuneration parameters, care is taken at all levels that they are aligned with this strategy and support the Bank in attaining its strategic goals.

The Board of Management is responsible for the regular examination and adjustment of the risk strategy and ensures that appropriate procedures exist for the management, supervision and control of risks. The risk strategy is an element of the Bank's internal rules and therefore also within the Supervisory Board's area of responsibility as the institution's controlling body. The risk strategy is submitted and explained directly to the Supervisory Board at least once a year.

### 3.4 ORGANISATION, PROCESSES AND RESPONSIBILITIES

The institution-specific Credit Handbook describes the competencies and procedural requirements of entities involved in the lending business, defines their responsibilities and presents the credit products. The Credit Handbook documents the relevant processes and responsibilities for internal risk management within the organisation through the use of organisational guidelines, process descriptions, handbooks and rating-specific professional instructions. It contains descriptions of organisational safeguarding measures, as well as ongoing automatic measures and controls integrated in the work processes. These include, in particular, separation of functions, the two-person principle, access limitations, payment guidelines, a process for new products and balance confirmations.



The management methods described in the risk strategy continuously provide qualitative and quantitative statements regarding Münchener Hypothekenbank’s economic situation, including, for example, the development of performance. This evaluation involves aspects of all risk categories. Furthermore, a close coordination procedure exists between the Risk Controlling and Accounting departments at Münchener Hypothekenbank.

This process is supervised by the entire Board of Management. The results from the risk management system form the foundation for the multi-year planning calculations, year-end projections and agreement procedures for approving key figures generated by the Bank’s accounting process.

The Bank’s Articles of Association, as well as the Board’s Rules of Procedure, define the formal framework for the activities of the Board of Management. As part of its weekly meetings, the Board of Management approves necessary resolutions in accordance with the Board’s Rules of Procedure. The Board of Management must request approval from the Supervisory Board for resolutions referring to subjects contained in Article 23 of the Bank’s Articles of Association.

The Bank’s Supervisory Board holds at least five meetings per year. Each meeting is focused on a special subject. The review of the annual financial statements is the main topic of the spring meeting. The annual joint discussion of the business and risk strategies in accordance with MaRisk, including the functional strategies, takes place at the summer meeting. The Interim Report is the main subject of the autumn meeting. During the last meeting of the year, which usually takes place in December,

the rolling multi-year plan is presented. The fifth meeting is organised as a brief constituting session of the Supervisory Board and is held immediately after the regularly scheduled Delegates Meeting in April of every year.

The Bank’s risk situation is extensively reported to the Supervisory Board. For this purpose, as part of the comprehensive risk report the results from ICAAP, ILAAP etc. are made available to the members of the Supervisory Board. There are also additional or ad hoc reviews as required. An intensive review and discussion of the risk reports takes place during the meetings of the Risk Committee, which take place about ten times per year depending on the need to approve loans. The Supervisory Board is always informed about lending decisions and the risk situation in accordance with the Bank’s risk reports as part of the report on the activities of the Risk Committee at the subsequent Supervisory Board meeting.

The competencies 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 powers of the Board of Management. Beyond this, there is no other body below the Board of Management that can make final risk-relevant decisions.

In addition to the Risk Committee, the Supervisory Board has delegated its duties to three additional committees: the Nomination Committee, the Remuneration Control Committee and the Audit Committee. The Nomination Committee and the Remuneration Control Committee generally meet twice a year, while the Audit Committee generally meets three times a year.

The Supervisory Board thereby fulfils requirements pursuant to Article 25d KWG. The committees’ tasks are shown as follows:

| Committee       | Task                                                                   |
|-----------------|------------------------------------------------------------------------|
| Audit Committee | Acceptance of auditor’s report on annual financial statements          |
|                 | Acceptance of results of special regulatory audits and internal audits |
| Risk Committee  | Credit approvals, monitoring of credit risks                           |
|                 | Monitoring of additional risk categories                               |
|                 | Review of the risk strategy                                            |

The Delegates Meeting is the Bank’s highest governing body. As the cooperative has a very high number of members, the general meeting is held in accordance with Article 26 of the Articles of Association as a Delegates Meeting. Every April, the members’ delegates receive the reports prepared by the Board of Management and the Supervisory Board. Furthermore, they generally discharge the members of the Board of Management from liability for their activities during the previous business year, decide on the dividend to be distributed, approve amendments to the Articles of Association and conduct elections of members of the Supervisory Board. The following guidance issues apply when appointing members to governing bodies:

During the year under review, the Delegates Meeting consisted of 80 members. At the time of their election as a delegate, three-quarters of the delegates served as members of a board of management at a primary bank. The remaining members of the Delegates Meeting are persons from all walks of business and society. Delegates are elected to serve 4-year terms.

**Supervisory Board:**

The Supervisory Board currently has twelve members, of which eight were elected as members by the Delegates Meeting and four were elected by employees as employee representatives in accordance with the One-Third Participation Act (Drittelbeteiligungsgesetz).

The composition of the Supervisory Board can be found in the Management Bodies annex.

The following members of the Supervisory Board currently sit on the Compensation Control Committee: Dr Hermann Starnecker, Gregor Scheller, Thomas Höbel, Jürgen Hölscher and Frank Wolf-Kunz (elected employee representative on the Supervisory Board).

The Compensation Control Committee monitors the appropriate design of the compensation systems for the managing directors and employees and, in particular, the appropriate design of compensation for the heads of the risk control function and the compliance function, as well as employees who have a material impact on the overall risk profile of the institution, and assists the Supervisory Board in monitoring the appropriate design of compensation systems for the Bank's employees; the effects of the compensation systems on risk, capital and liquidity management are assessed. The Compensation Control Committee also prepares the resolutions of the Supervisory Board on the compensation of the Board of Management members, paying particular attention to the effects of the resolutions on

the risks and risk management of the Bank. Finally, it supports the Supervisory Board in monitoring the proper involvement of internal control and all other relevant areas in the design of the compensation systems.

The appointment of new members to the Board of Management is governed by legal requirements stated in the Cooperatives Act and the German Banking Act (KWG), as well as in the Rules of Procedure of the Supervisory Board and the Bank's Articles of Association. The Supervisory Board appoints and dismisses members of the Board of Management and consults with the Board of Management on long-term succession planning. The Supervisory Board can delegate preparations to appoint members of the Board of Management and selection of candidates for election to the Supervisory Board's Nomination Committee.

The Nomination Committee supports the Supervisory Board in identifying candidates to fill positions on the Board of Management. In carrying out this role, the Nomination Committee considers candidates against a range of criteria including the balance and different areas of expertise, abilities and experience of all members of the involved management bodies.

The Supervisory Board advises and supervises the Board of Management. The competencies and obligations of the Supervisory Board are defined by the Cooperatives Act and the German Banking Act (KWG), as well as the Rules of Procedure of the Supervisory Board and Münchener Hypothekenbank's Articles of Association.

The Supervisory Board has set itself concrete objectives for its composition. In particular, competencies of the individual Supervisory Board members play an important role. These are reviewed as part of an event-related occasion or an annual aptitude assessment, and appropriate (training) measures are derived. In addition, pursuant to KWG Article 25d, para. 2, para. 11 (No. 3 and 4), and within the framework of an annual self-evaluation of the Supervisory Board, the body as a whole, as well as the individual members of the Supervisory Board, is examined regarding the required expertise, abilities, professional experience, as well as reliability and possible conflicts of interest. The self-evaluation of the Supervisory Board pursuant to KWG Article 25d, para. 11 (No. 3 and 4) revealed that the collective knowledge, skills and experience of the Supervisory Board received the score 1 = very good.

The majority of the members of the Supervisory Board have more than 20 years of experience in banking or finance. Almost all of the members of the Supervisory Board who serve as board members at credit cooperatives of different sizes therefore bring with them the required banking expertise as well as knowledge concerning risk management, financial reporting and auditing.

In addition, the members of the Supervisory Board also have in-depth knowledge of Münchener Hypothekenbank, as, on average, they have been members of the Supervisory Board for over seven years.



### Board of Management:

The Board of Management consists of at least two members, and generally has three members. The Supervisory Board can appoint a member to be the spokesperson or chairperson of the board.

The members of the Board of Management are listed in the Management Bodies annex. Ever since the Bank became subject to the requirements of co-determination, the Supervisory Board and the Board of Management have set a quantitative quota for women in the various executive levels pursuant to German law “For the equal participation of women and men in executive positions in the private economy and the public sector”, as well as Article 9 of the Cooperatives Act. Thus, medium-term plans call for women to form 20% of the Supervisory Board, 33% of the Board of Management and 20% on both levels below the Board of Management. On 31 December 2024, women formed 33% of the Supervisory Board, 0% of the Board of Management and 11% of the first executive level and 21% of the second executive level. While keeping the interests of the Bank in mind, the Supervisory Board intends to raise the percentage of the hitherto underrepresented gender in the Supervisory Board and the Board of Management over the medium term. To this end, as part of the succession planning for members of the Supervisory Board and the Board of Management, opportunities will be tracked particularly closely for the purpose of raising the share of the hitherto underrepresented gender in these bodies.

The professional careers of the members of the Board of Management can be viewed on the Bank's website.

### 3.5 RISK TOLERANCE AND RISK CAPACITY

An important basis for managing risk consists of, on the one hand, the analysis and presentation of existing risks, and, on the other, comparing these risks with the existing risk cover potential (ability to bear risk). Münchener Hypothekenbank calculates its ability to bear risk on a normative basis as well as on an economic outlook basis.

The normative outlook is the more important method used to manage risks and is used to determine, on a period-oriented basis, if the Bank would still have adequate equity capital ratios exceeding legally required minimums in accordance with ICAAP guidelines after the occurrence of risks in all relevant risk categories. Potential risk coverage that may be used to cover risks in this scenario is the available regulatory equity capital. Furthermore, an economic (present value) outlook is presented as a supplementary scenario.

The aforementioned approaches used to calculate the Bank's ability to bear risk quantify counterparty risks, market price risks, credit spread and migration risks, operational risks, investment risks and property risks. An additional buffer is employed for model risks and other risks such as reputational risks and business risks.

Liquidity risks (incl. placement risks) are not taken into account within the framework of calculating the Bank's ability to bear risk, as liquidity risks cannot be cushioned with additional (liquid) equity capital. Appropriate control procedures are in place to manage these risks and have been approved by the

Bank's Board of Management within the framework of the Bank's internal monitoring system.

The professional concepts and models used to calculate the ability to bear risks are continuously further developed in accordance with regulatory requirements. Beyond this, the underlying assumptions are regularly validated and adjusted if necessary. Within the framework of the normative perspective, adverse scenarios and, within the framework of both perspectives, additional stress scenarios are employed to account for extraordinary yet plausible situations which cannot be incorporated in the calculations used to determine the Bank's ability to bear risk.

The results of the calculations concerning the Bank's ability to bear risk are provided to the Board of Management and the Supervisory Board at least once a quarter. Ad hoc reports are foreseen in the event of significantly worsening developments affecting the Bank's ability to bear risk. Recommended action will be stated in the report should action be necessary. Calculation of the Bank's ability to bear risk provides an impulse for medium-term planning of capital requirements as the normative perspective gives an outlook over the next four business years following the end of the current business year. If this perspective indicates a need for more capital, the persons responsible for planning medium-term capital will respond appropriately.



## 4 Own Funds

### 4.1 STRUCTURE

Münchener Hypothekbank conducts its business in the legal form of a registered cooperative. In addition to reserves and funds for general banking risk pursuant to Article 340 (g) HGB, core capital consists of equity investments in the form of cooperative shares. A single cooperative share costs € 70.00.

As at 31 December 2024, the volume of these shares was € 1,274.5 million, of which € 21.7 million was called.

On 31 December 2024, Münchener Hypothekbank had € 569.2 million of available distributable items (ADI) at its disposal.

As part of its efforts to diversify its equity capital structure and optimise its liquidity procurement, Münchener Hypothekbank issued several supplementary capital instruments (Tier 2) in 2024. Supplementary capital amounted to € 395.1 million at the end of December 2024.

On 31 December 2024, total liable equity capital amounted to € 2,481.8 million. The following list presents the specific elements of equity capital pursuant to Article 492 (3) CRR.

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

|                                                                      |                                                                                                                                     | (a)            | (b)                                                                                                               |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------|
|                                                                      |                                                                                                                                     | Amount         | Source based on reference numbers/<br>letters of the balance sheet under the<br>regulatory scope of consolidation |
| <b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b> |                                                                                                                                     |                |                                                                                                                   |
| 1                                                                    | Capital instruments and the related share premium accounts                                                                          | 1,252.8        |                                                                                                                   |
|                                                                      | of which: instrument type 1                                                                                                         | –              |                                                                                                                   |
|                                                                      | of which: instrument type 2                                                                                                         | –              |                                                                                                                   |
|                                                                      | of which: instrument type 3                                                                                                         | –              |                                                                                                                   |
| 2                                                                    | Retained earnings                                                                                                                   | 513.0          |                                                                                                                   |
| 3                                                                    | Accumulated other comprehensive income (and other reserves)                                                                         | –              |                                                                                                                   |
| EU-3a                                                                | Funds for general banking risk                                                                                                      | 120.0          |                                                                                                                   |
| 4                                                                    | Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1 | –              |                                                                                                                   |
| 5                                                                    | Minority interests (amount allowed in consolidated CET1)                                                                            | –              |                                                                                                                   |
| EU-5a                                                                | Independently reviewed interim profits net of any foreseeable charge or dividend                                                    | 5.0            |                                                                                                                   |
| 6                                                                    | <b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>                                                            | <b>1,890.8</b> |                                                                                                                   |



Table 3 continued from page 12

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

|                                                                    |                                                                                                                                                                                                                                                                                   | (a)    | (b)                                                                                                               |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------|
|                                                                    |                                                                                                                                                                                                                                                                                   | Amount | Source based on reference numbers/<br>letters of the balance sheet under the<br>regulatory scope of consolidation |
| <b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b> |                                                                                                                                                                                                                                                                                   |        |                                                                                                                   |
| 7                                                                  | Additional value adjustments (negative amount)                                                                                                                                                                                                                                    | –      |                                                                                                                   |
| 8                                                                  | Intangible assets (net of related tax liability) (negative amount)                                                                                                                                                                                                                | – 0.1  |                                                                                                                   |
| 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)                                                                      | –      |                                                                                                                   |
| 11                                                                 | Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value                                                                                                                                                     | –      |                                                                                                                   |
| 12                                                                 | Negative amounts resulting from the calculation of expected loss amounts                                                                                                                                                                                                          | –      |                                                                                                                   |
| 13                                                                 | Any increase in equity that results from securitised assets (negative amount)                                                                                                                                                                                                     | –      |                                                                                                                   |
| 14                                                                 | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing                                                                                                                                                                                 | –      |                                                                                                                   |
| 15                                                                 | Defined-benefit pension fund assets (negative amount)                                                                                                                                                                                                                             | –      |                                                                                                                   |
| 16                                                                 | Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)                                                                                                                                                                               | –      |                                                                                                                   |
| 17                                                                 | Direct, indirect and synthetic holdings of the CET 1 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)                        | –      |                                                                                                                   |
| 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) | –      |                                                                                                                   |
| 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)           | –      |                                                                                                                   |
| 20                                                                 | Empty set in the EU                                                                                                                                                                                                                                                               | –      |                                                                                                                   |
| EU-20a                                                             | Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative                                                                                                                                                  | –      |                                                                                                                   |
| EU-20b                                                             | of which qualifying holdings outside the financial sector (negative amount)                                                                                                                                                                                                       | –      |                                                                                                                   |
| EU-20c                                                             | of which securitisation positions (negative amount)                                                                                                                                                                                                                               | –      |                                                                                                                   |
| EU-20d                                                             | of which free deliveries (negative amount)                                                                                                                                                                                                                                        | –      |                                                                                                                   |

Table 3 continued on page 14



Table 3 continued from page 13

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

|                                                     |                                                                                                                                                                                                                                                    | (a)            | (b)                                                                                                               |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------|
|                                                     |                                                                                                                                                                                                                                                    | Amount         | Source based on reference numbers/<br>letters of the balance sheet under the<br>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)                                                             | –              |                                                                                                                   |
| 22                                                  | Amount exceeding the 17.65% threshold (negative amount)                                                                                                                                                                                            | –              |                                                                                                                   |
| 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                                                      | –              |                                                                                                                   |
| 24                                                  | Empty set in the EU                                                                                                                                                                                                                                | –              |                                                                                                                   |
| 25                                                  | of which deferred tax assets arising from temporary differences                                                                                                                                                                                    | –              |                                                                                                                   |
| EU-25a                                              | Losses for the current financial year (negative amount)                                                                                                                                                                                            | –              |                                                                                                                   |
| 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) | –              |                                                                                                                   |
| 26                                                  | Empty set in the EU                                                                                                                                                                                                                                | –              |                                                                                                                   |
| 27                                                  | Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)                                                                                                                                                           | –              |                                                                                                                   |
| 27a                                                 | Other regulatory adjustments                                                                                                                                                                                                                       | – 26.5         |                                                                                                                   |
| 28                                                  | <b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>                                                                                                                                                                                 | <b>– 26.6</b>  |                                                                                                                   |
| 29                                                  | <b>Common Equity Tier 1 (CET1) capital</b>                                                                                                                                                                                                         | <b>1,864.2</b> |                                                                                                                   |
| <b>Additional Tier 1 (AT1) capital: instruments</b> |                                                                                                                                                                                                                                                    |                |                                                                                                                   |
| 30                                                  | Capital instruments and the related share premium accounts                                                                                                                                                                                         | 222.5          |                                                                                                                   |
| 31                                                  | of which classified as equity under applicable accounting standards                                                                                                                                                                                | –              |                                                                                                                   |
| 32                                                  | of which classified as liabilities under applicable accounting standards                                                                                                                                                                           | 222.5          |                                                                                                                   |
| 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                                                                              | –              |                                                                                                                   |
| EU-33a                                              | Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1                                                                                                                                                        | –              |                                                                                                                   |
| EU-33b                                              | Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1                                                                                                                                                        | –              |                                                                                                                   |
| 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                                                                               | –              |                                                                                                                   |
| 35                                                  | of which instruments issued by subsidiaries subject to phase out                                                                                                                                                                                   | –              |                                                                                                                   |
| 36                                                  | <b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>                                                                                                                                                                               | <b>222.5</b>   |                                                                                                                   |

Table 3 continued on page 15



Table 3 continued from page 14

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

|                                                                |                                                                                                                                                                                                                                                               | (a)            | (b)                                                                                                               |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------|
|                                                                |                                                                                                                                                                                                                                                               | Amount         | Source based on reference numbers/<br>letters of the balance sheet under the<br>regulatory scope of consolidation |
| <b>Additional Tier 1 (AT1) capital: regulatory adjustments</b> |                                                                                                                                                                                                                                                               |                |                                                                                                                   |
| 37                                                             | Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)                                                                                                                                                            | –              |                                                                                                                   |
| 38                                                             | Direct, indirect and synthetic holdings of the AT1 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)      | –              |                                                                                                                   |
| 39                                                             | Direct, indirect and synthetic holdings of the AT1 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) | –              |                                                                                                                   |
| 40                                                             | Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)                       | –              |                                                                                                                   |
| 41                                                             | Empty set in the EU                                                                                                                                                                                                                                           | –              |                                                                                                                   |
| 42                                                             | Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)                                                                                                                                                                        | –              |                                                                                                                   |
| 42a                                                            | Other regulatory adjustments to AT1 capital                                                                                                                                                                                                                   | –              |                                                                                                                   |
| 43                                                             | <b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>                                                                                                                                                                                        | –              |                                                                                                                   |
| 44                                                             | <b>Additional Tier 1 (AT1) capital</b>                                                                                                                                                                                                                        | <b>222.5</b>   |                                                                                                                   |
| 45                                                             | <b>Tier 1 capital (T1 = CET1 + AT1)</b>                                                                                                                                                                                                                       | <b>2,086.7</b> |                                                                                                                   |
| <b>Tier 2 (T2) capital: instruments</b>                        |                                                                                                                                                                                                                                                               |                |                                                                                                                   |
| 46                                                             | Capital instruments and the related share premium accounts                                                                                                                                                                                                    | 389.1          |                                                                                                                   |
| 47                                                             | Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR                                                                                          | –              |                                                                                                                   |
| EU-47a                                                         | Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2                                                                                                                                                                   | –              |                                                                                                                   |
| EU-47b                                                         | Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2                                                                                                                                                                   | –              |                                                                                                                   |
| 48                                                             | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties                                                         | –              |                                                                                                                   |
| 49                                                             | of which instruments issued by subsidiaries subject to phase out                                                                                                                                                                                              | –              |                                                                                                                   |
| 50                                                             | Credit risk adjustments                                                                                                                                                                                                                                       | 6.0            |                                                                                                                   |
| 51                                                             | <b>Tier 2 (T2) capital before regulatory adjustments</b>                                                                                                                                                                                                      | <b>395.1</b>   |                                                                                                                   |

Table 3 continued on page 16



Table 3 continued from page 15

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

|                                                          |                                                                                                                                                                                                                                                                                                                                                                   | (a)             | (b)                                                                                                               |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------|
|                                                          |                                                                                                                                                                                                                                                                                                                                                                   | Amount          | Source based on reference numbers/<br>letters of the balance sheet under the<br>regulatory scope of consolidation |
| <b>Tier 2 (T2) capital: regulatory adjustments</b>       |                                                                                                                                                                                                                                                                                                                                                                   |                 |                                                                                                                   |
| 52                                                       | Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)                                                                                                                                                                                                                                          | -               |                                                                                                                   |
| 53                                                       | Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans 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)                                                                                    | -               |                                                                                                                   |
| 54                                                       | Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans 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)                                                                               | -               |                                                                                                                   |
| 54a                                                      | Empty set in the EU                                                                                                                                                                                                                                                                                                                                               | -               |                                                                                                                   |
| 55                                                       | Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)                                                                                                     | -               |                                                                                                                   |
| 56                                                       | Empty set in the EU                                                                                                                                                                                                                                                                                                                                               | -               |                                                                                                                   |
| EU-56a                                                   | Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)                                                                                                                                                                                                                                        | -               |                                                                                                                   |
| EU-56b                                                   | Other regulatory adjustments to T2 capital                                                                                                                                                                                                                                                                                                                        | -               |                                                                                                                   |
| 57                                                       | <b>Total regulatory adjustments to Tier 2 (T2) capital</b>                                                                                                                                                                                                                                                                                                        | -               |                                                                                                                   |
| 58                                                       | <b>Tier 2 (T2) capital</b>                                                                                                                                                                                                                                                                                                                                        | <b>395.1</b>    |                                                                                                                   |
| 59                                                       | <b>Total capital (TC = T1 + T2)</b>                                                                                                                                                                                                                                                                                                                               | <b>2,481.8</b>  |                                                                                                                   |
| 60                                                       | <b>Total risk exposure amount</b>                                                                                                                                                                                                                                                                                                                                 | <b>11,162.3</b> |                                                                                                                   |
| <b>Capital ratios and requirements including buffers</b> |                                                                                                                                                                                                                                                                                                                                                                   |                 |                                                                                                                   |
| 61                                                       | Common Equity Tier 1 (as a percentage of total risk exposure amount)                                                                                                                                                                                                                                                                                              | 16.70           |                                                                                                                   |
| 62                                                       | Tier 1 (as a percentage of total risk exposure amount)                                                                                                                                                                                                                                                                                                            | 18.69           |                                                                                                                   |
| 63                                                       | Total capital (as a percentage of total risk exposure amount)                                                                                                                                                                                                                                                                                                     | 22.23           |                                                                                                                   |
| 64                                                       | Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104 (1) CRD, plus combined buffer requirement in accordance with Article 128 (6) CRD) expressed as a percentage of risk exposure amount) | 9.39            |                                                                                                                   |
| 65                                                       | of which capital conservation buffer requirement                                                                                                                                                                                                                                                                                                                  | 2.50            |                                                                                                                   |
| 66                                                       | of which countercyclical buffer requirement                                                                                                                                                                                                                                                                                                                       | 0.67            |                                                                                                                   |
| 67                                                       | of which systemic risk buffer requirement                                                                                                                                                                                                                                                                                                                         | 0.74            |                                                                                                                   |
| EU-67a                                                   | of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer                                                                                                                                                                                                                                             | -               |                                                                                                                   |
| EU-67b                                                   | of which additional own funds requirements to address the risks other than the risk of excessive leverage                                                                                                                                                                                                                                                         | 0.98            |                                                                                                                   |

Table 3 continued on page 17



Table 3 continued from page 16

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

|                                                                           |                                                                                                                                                                                                                                                 | (a)    | (b)                                                                                                               |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------|
|                                                                           |                                                                                                                                                                                                                                                 | Amount | Source based on reference numbers/<br>letters of the balance sheet under the<br>regulatory scope of consolidation |
| 68                                                                        | Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)                                                                                                                                                        | 11.22  |                                                                                                                   |
| 69                                                                        | [non-relevant in EU regulation]                                                                                                                                                                                                                 | -      |                                                                                                                   |
| 70                                                                        | [non-relevant in EU regulation]                                                                                                                                                                                                                 | -      |                                                                                                                   |
| 71                                                                        | [non-relevant in EU regulation]                                                                                                                                                                                                                 | -      |                                                                                                                   |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b> |                                                                                                                                                                                                                                                 |        |                                                                                                                   |
| 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) | 175.3  |                                                                                                                   |
| 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)  | 43.5   |                                                                                                                   |
| 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)                                                                         | -      |                                                                                                                   |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>           |                                                                                                                                                                                                                                                 |        |                                                                                                                   |
| 76                                                                        | Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)                                                                                                           | 2.4    |                                                                                                                   |
| 77                                                                        | Cap on inclusion of credit risk adjustments in T2 under standardised approach                                                                                                                                                                   | 14.1   |                                                                                                                   |
| 78                                                                        | Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)                                                                                                 | 3.5    |                                                                                                                   |
| 79                                                                        | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach                                                                                                                                                        | 53.8   |                                                                                                                   |



The most important key metrics and ratios of regulatory capital are shown in the following table.

**TABLE 4: EU KM1 – KEY METRICS**

|                                                                                                                                                        |                                                                                                            | 31.12.2024 | 30.09.2024 | 30.06.2024 | 31.03.2024 | 31.12.2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| <b>Available own funds (amounts)</b>                                                                                                                   |                                                                                                            |            |            |            |            |            |
| 1                                                                                                                                                      | Common Equity Tier 1 (CET1) capital                                                                        | 1,864.2    | 1,786.0    | 1,771.8    | 1,725.0    | 1,759.6    |
| 2                                                                                                                                                      | Tier 1 capital                                                                                             | 2,086.7    | 2,007.9    | 1,989.4    | 1,939.8    | 1,985.6    |
| 3                                                                                                                                                      | Total capital                                                                                              | 2,481.8    | 2,410.1    | 2,340.2    | 2,300.6    | 2,364.4    |
| <b>Risk-weighted exposure amounts</b>                                                                                                                  |                                                                                                            |            |            |            |            |            |
| 4                                                                                                                                                      | Total risk-weighted exposure amount                                                                        | 11,162.3   | 11,237.1   | 11,389.9   | 11,255.1   | 10,643.7   |
| <b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>                                                                               |                                                                                                            |            |            |            |            |            |
| 5                                                                                                                                                      | Common Equity Tier 1 ratio (%)                                                                             | 16.70      | 15.89      | 15.56      | 15.33      | 16.53      |
| 6                                                                                                                                                      | Tier 1 ratio (%)                                                                                           | 18.69      | 17.87      | 17.47      | 17.24      | 18.66      |
| 7                                                                                                                                                      | Total capital ratio (%)                                                                                    | 22.23      | 21.45      | 20.55      | 20.44      | 22.21      |
| <b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b> |                                                                                                            |            |            |            |            |            |
| EU 7a                                                                                                                                                  | Additional own funds requirements to address risks other than the risk of excessive leverage (%)           | 1.75       | 1.75       | 1.75       | 1.75       | 1.75       |
| EU 7b                                                                                                                                                  | of which to be made up of CET1 capital (percentage points)                                                 | 0.98       | 0.98       | 0.98       | 0.98       | 0.98       |
| EU 7c                                                                                                                                                  | of which to be made up of Tier 1 capital (percentage points)                                               | 1.31       | 1.31       | 1.31       | 1.31       | 1.31       |
| EU 7d                                                                                                                                                  | Total SREP own funds requirements (%)                                                                      | 9.75       | 9.75       | 9.75       | 9.75       | 9.75       |
| <b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>                                                                  |                                                                                                            |            |            |            |            |            |
| 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 (%) | –          | –          | –          | –          | –          |
| 9                                                                                                                                                      | Institution-specific countercyclical capital buffer (%)                                                    | 0.67       | 0.67       | 0.66       | 0.62       | 0.62       |
| EU 9a                                                                                                                                                  | Systemic risk buffer (%)                                                                                   | 0.74       | 0.80       | 0.80       | 0.79       | 0.79       |
| 10                                                                                                                                                     | Global Systemically Important Institution buffer (%)                                                       | –          | –          | –          | –          | –          |
| EU 10a                                                                                                                                                 | Other Systemically Important Institution buffer                                                            | –          | –          | –          | –          | –          |
| 11                                                                                                                                                     | Combined buffer requirement (%)                                                                            | 3.91       | 3.97       | 3.96       | 3.92       | 3.91       |
| EU 11a                                                                                                                                                 | Overall capital requirements (%)                                                                           | 13.66      | 13.72      | 13.71      | 13.67      | 13.66      |
| 12                                                                                                                                                     | CET1 available after meeting the total SREP own funds requirements (%)                                     | 11.22      | 10.41      | 10.07      | 9.84       | 11.05      |



Table 4 continued from page 18

TABLE 4: EU KM1 – KEY METRICS

|                                                                                                                                           |                                                                                 | 31.12.2024 | 30.09.2024 | 30.06.2024 | 31.03.2024 | 31.12.2023 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| <b>Leverage ratio</b>                                                                                                                     |                                                                                 |            |            |            |            |            |
| 13                                                                                                                                        | Leverage ratio total exposure measure                                           | 54,002.4   | 54,188.0   | 54,083.6   | 54,018.1   | 53,894.1   |
| 14                                                                                                                                        | Leverage ratio                                                                  | 3.86       | 3.71       | 3.68       | 3.59       | 3.68       |
| <b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b> |                                                                                 |            |            |            |            |            |
| 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       |
| <b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>                           |                                                                                 |            |            |            |            |            |
| EU 14d                                                                                                                                    | Leverage ratio buffer requirement (%)                                           | –          | –          | –          | –          | –          |
| EU 14e                                                                                                                                    | Overall leverage ratio requirements (%)                                         | 3.00       | 3.00       | 3.00       | 3.00       | 3.00       |
| <b>Liquidity Coverage Ratio</b>                                                                                                           |                                                                                 |            |            |            |            |            |
| 15                                                                                                                                        | Total high-quality liquid assets (HQLA) (weighted value – average)              | 2,372.5    | 2,439.0    | 2,462.2    | 2,472.0    | 2,344.4    |
| EU 16a                                                                                                                                    | Cash outflows – total weighted value                                            | 1,208.7    | 1,235.6    | 1,262.5    | 1,247.6    | 1,193.1    |
| EU 16b                                                                                                                                    | Cash inflows – total weighted value                                             | 525.8      | 516.7      | 517.5      | 533.0      | 401.8      |
| 16                                                                                                                                        | Total net cash outflows (adjusted value)                                        | 692.4      | 728.3      | 754.5      | 723.9      | 791.4      |
| 17                                                                                                                                        | Liquidity Coverage Ratio (%)                                                    | 385.60     | 386.00     | 418.00     | 421.80     | 369.30     |
| <b>Net Stable Funding Ratio</b>                                                                                                           |                                                                                 |            |            |            |            |            |
| 18                                                                                                                                        | Total available stable funding                                                  | 46,277.8   | 46,078.5   | 46,495.9   | 45,962.8   | 46,274.6   |
| 19                                                                                                                                        | Total required stable funding                                                   | 41,541.7   | 42,057.6   | 42,289.8   | 42,240.7   | 42,263.1   |
| 20                                                                                                                                        | NSFR ratio (%)                                                                  | 111.40     | 109.60     | 109.90     | 108.80     | 109.50     |



Table 5 below provides a description of the main features of the Common Equity Tier 1, Additional Tier 1 and Tier 2 Capital instruments issued by Münchener Hypothekbank pursuant to Article 437 (1) b) CRR. The disclosure is made in accordance with the Template EU CCA from the Implementing Regulation (EU) No. 637/2021 of the EU Commission dated 15 March 2021.

Legal rules pertaining to shares in the cooperative are based on the terms of the German Cooperatives Act and the Articles of Association of Münchener Hypothekbank as a registered cooperative ([https://www.mhb.de/sites/default/files/2023-08/mhyp\\_Satzung\\_AUG\\_2023\\_EN\\_WEB.pdf](https://www.mhb.de/sites/default/files/2023-08/mhyp_Satzung_AUG_2023_EN_WEB.pdf)). The terms and conditions of the AT1 bond are available at the Bank's homepage under Investors/ Reports and presentations (<https://www.muenchenerhyp.de/en/investors/reports-and-presentations>). All of the other equity instruments are defined in individual agreements with creditors, and for this reason issuing prospectuses are not relevant.

**TABLE 5: EU CCA – COMPOSITION OF REGULATORY OWN FUNDS**

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                                                                     | CET2                   | 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 of most-recent reporting date) | 1,274.50               | EUR 135.0               | EUR 81.0                | EUR 6.0                 | EUR 4.0                 |
| 9 Nominal amount of instrument                                                                    | 1,274.50               | CHF 125.0               | CHF 75.0                | EUR 6.0                 | EUR 4.0                 |
| 9a Issue price                                                                                    | 1,274.50               | CHF 125.0               | CHF 75.0                | EUR 6.0                 | EUR 4.0                 |
| 9b Redemption price                                                                               | 1,274.50               | 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 – COMPOSITION OF REGULATORY OWN FUNDS**

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<br>2 June 2025                                                                                                                         | On each business day from<br>2 July 2027 (inclusive) until<br>the First Interest Adjustment<br>Date (inclusive)                                                                    | Earliest termination date<br>30 November 2023                                                                                                                                                                                                                                                                                                         | Earliest termination date<br>30 November 2023                                                                                                                                                                                                                                                                                                         |
| 16 Subsequent call date, if applicable                                                | N/A                  | After 2 June 2025, with<br>effect as of each interest<br>payment date                                                                                            | On each interest payment<br>date following the first<br>interest adjustment date                                                                                                   | On each of the first early<br>redemption dates                                                                                                                                                                                                                                                                                                        | On each of the first early<br>redemption dates                                                                                                                                                                                                                                                                                                        |
| 17 Fixed or floating dividend/coupon                                                  | Floating             | Fixed                                                                                                                                                            | Fixed                                                                                                                                                                              | Fixed                                                                                                                                                                                                                                                                                                                                                 | Fixed                                                                                                                                                                                                                                                                                                                                                 |
| 18 Coupon rate and any related index                                                  |                      |                                                                                                                                                                  |                                                                                                                                                                                    | Until 29 November 2023:<br>4.00% – for each<br>subsequent period of<br>5 years, the interest rate<br>corresponds to the current<br>yield for public sector<br>bonds with a remaining<br>term of 4-5 years as<br>published by the Deutsche<br>Bundesbank for the first<br>day of the respective<br>subsequent period plus a<br>margin of 4% per annum. | Until 29 November 2023:<br>4.00% – for each<br>subsequent period of<br>5 years, the interest rate<br>corresponds to the current<br>yield for public sector<br>bonds with a remaining<br>term of 4-5 years as<br>published by the Deutsche<br>Bundesbank for the first<br>day of the respective<br>subsequent period plus a<br>margin of 4% per annum. |
|                                                                                       | N/A                  | 3.125; resets from (but<br>excluding) 1 June 2025 and<br>every 5 years thereafter to<br>the prevailing 5y CHF<br>mid-market swap rate plus<br>a margin per annum | 5.75%; after minimum<br>maturity 5-year CHF<br>mid-market swap rate with<br>a floating rate component<br>based on SARON (Swiss<br>Average Rate Overnight)<br>(the "mid-swap rate") |                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                       |
| 19 Existence of dividend stoppers                                                     | N/A                  | N/A                                                                                                                                                              | N/A                                                                                                                                                                                | N/A                                                                                                                                                                                                                                                                                                                                                   | N/A                                                                                                                                                                                                                                                                                                                                                   |
| 20a Fully discretionary, partially discretionary or mandatory<br>(in terms of timing) | N/A                  | Fully discretionary                                                                                                                                              | Fully discretionary                                                                                                                                                                | Fully discretionary                                                                                                                                                                                                                                                                                                                                   | Fully discretionary                                                                                                                                                                                                                                                                                                                                   |
| 20b Fully discretionary, partially discretionary or mandatory<br>(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 – COMPOSITION OF REGULATORY OWN FUNDS**

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                                                     | N/A                                                     |
| 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                                                                                           |                                          | Yes                                                     |                                                         | 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% | 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                                        | Full and partial                                        |
| 33 | If write-down, permanent or temporary                                                                         | Permanent                                | Temporary                                               | Temporary                                               | Temporary                                               | Temporary                                               |
| 34 | If temporary write-down, description of write-up mechanism                                                    | N/A                                      | Yes                                                     | Yes                                                     | Yes                                                     | Yes                                                     |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | AT1                                      | Subord.                                                 | Subord.                                                 | Subord.                                                 | Subord.                                                 |
| 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                                                     |

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                                                                                                                         | Tier 2 bond                                                                                                                         | Tier 2 bond                                                                                                                         |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 1 Issuer                                                                                          | Münchener Hypothekbank                                                                                                              | Münchener Hypothekbank                                                                                                              | Münchener Hypothekbank                                                                                                              | Münchener Hypothekbank                                                                                                              | Münchener Hypothekbank                                                                                                              | Legal successor Münchener Hypothekbank                                                                                              |
| 2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)              | DE000MHB66H9                                                                                                                        | DE000MHB66G1                                                                                                                        | DE000MHB66H9                                                                                                                        | CH1270825529                                                                                                                        | DE000MHB66N7                                                                                                                        | N/A                                                                                                                                 |
| 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                                                                                                  | Registered promissory note loan (SSD)                                                                                               | Subordinated promissory note loans                                                                                                  | Subordinated promissory note loans                                                                                                  | Subordinated promissory note loans                                                                                                  |
| 8 Amount recognised in regulatory capital (currency in million, as of most-recent reporting date) | EUR 16.0                                                                                                                            | EUR 14.2                                                                                                                            | EUR 16.0                                                                                                                            | EUR 122.2                                                                                                                           | EUR 153.3                                                                                                                           | EUR 6.5                                                                                                                             |
| 9 Nominal amount of instrument                                                                    | EUR 16.0                                                                                                                            | EUR 14.2                                                                                                                            | EUR 16.0                                                                                                                            | CHF 115.0                                                                                                                           | EUR 200.0                                                                                                                           | EUR 20.0                                                                                                                            |
| 9a Issue price                                                                                    | EUR 16.0                                                                                                                            | EUR 14.2                                                                                                                            | EUR 16.0                                                                                                                            | CHF 115.0                                                                                                                           | EUR 200.0                                                                                                                           | EUR 20.0                                                                                                                            |
| 9b Redemption price                                                                               | EUR 16.0                                                                                                                            | EUR 14.2                                                                                                                            | EUR 16.0                                                                                                                            | CHF 115.0                                                                                                                           | EUR 200.0                                                                                                                           | EUR 20.0                                                                                                                            |
| 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                                                                                                                          | 22.03.2023                                                                                                                          | 22.03.2023                                                                                                                          | 07.06.2023                                                                                                                          | 31.10.2023                                                                                                                          | 19.08.2016                                                                                                                          |
| 12 Perpetual or dated                                                                             | Dated                                                                                                                               | 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 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                                     | The instruments have a term of 10 years. Maturity date depends on when contract was concluded                                       |
| 14 Issuer call subject to prior supervisory approval                                              | Callable                                                                                                                            | N/A                                                                                                                                 | N/A                                                                                                                                 | N/A                                                                                                                                 | N/A                                                                                                                                 | N/A                                                                                                                                 |

Table 5, Part 2 continued on page 25



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                                                                                    | 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                                                                                            | 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                                              | 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: 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%       | 2.77%       |
| 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 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        | Tier 2 bond        | Tier 2 bond        |
|----|---------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 26 | If convertible, conversion rate                                                                               | N/A                | 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                | N/A                |
| 28 | If convertible, specify instrument type convertible into                                                      | N/A                | 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                | N/A                |
| 30 | Write-down features                                                                                           | N/A                | 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                |
| 32 | If write-down, full or partial                                                                                | N/A                | 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                | N/A                |
| 34 | If temporary write-down, description of write-up mechanism                                                    | N/A                | 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 | Subordinated funds |
| 36 | Non-compliant transitional features                                                                           | N/A                | 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                | N/A                |

Table 5, Part 3 continued on page 27



Table 5, Part 3 continued from page 26

**TABELLE 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                                                                                                                          | 1951746501                                                                                                                          | 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 of most-recent reporting date) | EUR 5.0                                                                                                                             | EUR 5.0                                                                                                                             | EUR 5.0                                                                                                                             | EUR 2.0                                                                                                                             | EUR 20.0                                                                                                                            | 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                                                                                                                          | 22.03.2023                                                                                                                          | 22.03.2023                                                                                                                          | 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

**TABELLE 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

**TABELLE 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                | N/A                |
| 27 | If convertible, mandatory or optional conversion                                                              | N/A                | 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                | N/A                |
| 29 | If convertible, specify issuer of instrument it converts into                                                 | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                |
| 30 | Write-down features                                                                                           | N/A                | 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                | N/A                |
| 32 | If write-down, full or partial                                                                                | N/A                | 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                | N/A                |
| 34 | If temporary write-down, description of write-up mechanism                                                    | N/A                | 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 | Subordinated funds |
| 36 | Non-compliant transitional features                                                                           | N/A                | 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                | N/A                |

Table 5, Part 4 continued on page 30



Table 5, Part 4 continued from page 29

**TABELLE 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 Hypothekenbank                                                                                                            | Münchener Hypothekenbank                                                                                                            | Münchener Hypothekenbank                                                                                                            | Münchener Hypothekenbank                                                                                                            | Münchener Hypothekenbank                                                                                                            | Münchener Hypothekenbank                                                                                                            |
| 2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)              | 1951756501                                                                                                                          | 1951756907                                                                                                                          | 1951756908                                                                                                                          | 1951756909                                                                                                                          | 1951757101                                                                                                                          | 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 of 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

**TABELLE 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         | v           |
| 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                                              | 5.51%       | 3.50%       | 4.50%       | 5.50%       | 5.40%       | 5.17%       |
| 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 4 continued on page 32



Table 5, Part 4 continued from page 31

**TABELLE 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                | N/A                |
| 27 | If convertible, mandatory or optional conversion                                                              | N/A                | 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                | N/A                |
| 29 | If convertible, specify issuer of instrument it converts into                                                 | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                |
| 30 | Write-down features                                                                                           | N/A                | 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                | N/A                |
| 32 | If write-down, full or partial                                                                                | N/A                | 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                | N/A                |
| 34 | If temporary write-down, description of write-up mechanism                                                    | N/A                | 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 | Subordinated funds |
| 36 | Non-compliant transitional features                                                                           | N/A                | 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                | N/A                |



## 4.2 COUNTERCYCLICAL CAPITAL BUFFER

The Countercyclical Capital Buffer (CCB) is regarded as a macroprudential instrument of banking supervision policy. The purpose of the CCB is to counteract the risk of excessive credit growth in the banking sector. The CCB is intended to ensure that banks build up an additional capital buffer during times of excessive credit growth. This buffer generally increases banks' ability to absorb losses. It is explicitly stated that the buffer may be completely depleted to absorb losses during times of crisis, thereby avoiding the formation of a credit crunch. The countercyclical capital buffer may amount to the equivalent of 0 to 2.5% of the total sum of risk-weighted assets.

Münchener Hypothekenbank took into account the requirements of the respective European supervisory authorities for disclosure of the institution-specific capital buffer for the defined country-specific CCB on the reporting date of 31 December 2024.

The institution-specific CCB is generally determined by multiplying the percentage figure of the institution-specific countercyclical capital buffer with the aggregate exposure amount pursuant to Article 92 para. 3 CRR.

In contrast, the determination of the institution-specific capital buffer is defined by the terms of Article 10d para. 2 of the German Banking Act. Based on this, the capital buffer is equal to the weighted average of the countercyclical capital buffer percentages in the individual countries where Münchener Hypothekenbank holds substantial positions. Substantial exposure positions are defined in Article 36 SolvV (all claim categories defined by Article 112 (a to f) CRR) and generally comprise private sector exposure positions.

The location of all substantial risk positions has to be determined in accordance with Commission Delegated Regulation (EU) No. 1152 / 2014 of 4 June 2014 in order to weight these substantial risk positions with the countercyclical capital buffer.

Institutions have to disclose this geographic distribution of substantial risk positions and the calculated amount of the institution-specific countercyclical capital buffer pursuant to the terms of Article 440 CRR in association with Commission Delegated Regulation (EU) No. 1555 / 2015 of 28 May 2015. This requirement is met with Tables 6 and 7 below.



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

| Breakdown by country:          | 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 (%) |
| 005                            | 010                                            | 020                                   | 030                                                              | 040                                                 | 055                                                           | 060                  | 070                                          | 080                                     | 090                                                                          | 100   | 110                            | 120                               | 130                              |
| Argentina                      | 0.1                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0   | 0.2                            | 0.00                              | –                                |
| Australia                      | 2.3                                            | 0.3                                   | –                                                                | –                                                   | –                                                             | 2.6                  | 0.2                                          | –                                       | –                                                                            | 0.2   | 2.4                            | 0.02                              | 1.00                             |
| Austria                        | 151.4                                          | 137.4                                 | –                                                                | –                                                   | –                                                             | 288.8                | 9.2                                          | –                                       | –                                                                            | 9.2   | 115.1                          | 1.13                              | –                                |
| Belgium                        | 3.1                                            | 63.6                                  | –                                                                | –                                                   | –                                                             | 66.7                 | 2.5                                          | –                                       | –                                                                            | 2.5   | 31.6                           | 0.31                              | 1.00                             |
| Brazil                         | 0.0                                            | 0.1                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0   | 0.6                            | 0.01                              | –                                |
| British Virgin Islands         | 0.1                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0   | 0.2                            | 0.00                              | –                                |
| Canada                         | 0.2                                            | 0.5                                   | –                                                                | –                                                   | –                                                             | 0.7                  | 0.2                                          | –                                       | –                                                                            | 0.2   | 2.0                            | 0.02                              | –                                |
| Chile                          | 0.2                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.2                  | 0.0                                          | –                                       | –                                                                            | 0.0   | 0.3                            | 0.00                              | 0.50                             |
| Czech Republic                 | 0.5                                            | –                                     | –                                                                | –                                                   | –                                                             | 0.5                  | 0.0                                          | –                                       | –                                                                            | 0.0   | 0.3                            | 0.00                              | 1.25                             |
| Denmark                        | 3.1                                            | 105.2                                 | –                                                                | –                                                   | –                                                             | 108.3                | 1.8                                          | –                                       | –                                                                            | 1.8   | 21.9                           | 0.21                              | 2.50                             |
| Finland                        | 32.7                                           | 0.2                                   | –                                                                | –                                                   | –                                                             | 32.9                 | 0.5                                          | –                                       | –                                                                            | 0.5   | 5.8                            | 0.06                              | –                                |
| France                         | 126.4                                          | 337.4                                 | –                                                                | –                                                   | –                                                             | 463.8                | 20.2                                         | –                                       | –                                                                            | 20.2  | 252.2                          | 2.47                              | 1.00                             |
| Germany                        | 1,688.2                                        | 35,820.0                              | –                                                                | –                                                   | –                                                             | 37,508.2             | 542.4                                        | –                                       | –                                                                            | 542.4 | 6,779.9                        | 66.34                             | 0.75                             |
| Great Britain excl. GG, JE, IM | 3.8                                            | 108.7                                 | –                                                                | –                                                   | –                                                             | 112.5                | 7.0                                          | –                                       | –                                                                            | 7.0   | 87.7                           | 0.86                              | 2.00                             |
| Guernsey                       | –                                              | 20.8                                  | –                                                                | –                                                   | –                                                             | 20.8                 | 1.4                                          | –                                       | –                                                                            | 1.4   | 17.0                           | 0.17                              | –                                |
| Hong Kong                      | 0.1                                            | 0.2                                   | –                                                                | –                                                   | –                                                             | 0.3                  | 0.1                                          | –                                       | –                                                                            | 0.1   | 0.7                            | 0.01                              | 1.00                             |
| India                          | 0.2                                            | 0.1                                   | –                                                                | –                                                   | –                                                             | 0.3                  | 0.1                                          | –                                       | –                                                                            | 0.1   | 0.8                            | 0.01                              | –                                |
| Indonesia                      | 0.2                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.2                  | 0.0                                          | –                                       | –                                                                            | 0.0   | 0.2                            | 0.00                              | –                                |
| Ireland                        | 0.1                                            | 2.3                                   | –                                                                | –                                                   | –                                                             | 2.4                  | 0.7                                          | –                                       | –                                                                            | 0.7   | 8.2                            | 0.08                              | 1.50                             |
| Italy                          | 5.0                                            | 0.3                                   | –                                                                | –                                                   | –                                                             | 5.3                  | 0.3                                          | –                                       | –                                                                            | 0.3   | 4.3                            | 0.04                              | –                                |
| Japan                          | 0.7                                            | 0.9                                   | –                                                                | –                                                   | –                                                             | 1.6                  | 0.3                                          | –                                       | –                                                                            | 0.3   | 4.1                            | 0.04                              | –                                |
| Jersey                         | –                                              | 169.2                                 | –                                                                | –                                                   | –                                                             | 169.2                | 6.5                                          | –                                       | –                                                                            | 6.5   | 80.9                           | 0.79                              | –                                |
| Cayman Islands                 | 0.7                                            | 0.1                                   | –                                                                | –                                                   | –                                                             | 0.8                  | 0.1                                          | –                                       | –                                                                            | 0.1   | 0.9                            | 0.01                              | –                                |



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

| Breakdown by country:                    | General credit exposures                       |                                       | Relevant credit exposures – market risk                          |                                                     |                                                               |                      | Own fund requirements                        |                                         |                                                                              |              |                 |               | Risk-weighted exposure amounts | Own fund requirements weights (%) | Counter-cyclical buffer rate (%) |
|------------------------------------------|------------------------------------------------|---------------------------------------|------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------|----------------------|----------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------|--------------|-----------------|---------------|--------------------------------|-----------------------------------|----------------------------------|
|                                          | 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        |                 |               |                                |                                   |                                  |
| Republic of Korea (formerly South Korea) | 0.1                                            | 0.2                                   | –                                                                | –                                                   | –                                                             | 0.3                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.6             | 0.01          | 1.00                           |                                   |                                  |
| Luxembourg                               | 133.5                                          | 2,983.8                               | –                                                                | –                                                   | –                                                             | 3,117.3              | 90.3                                         | –                                       | –                                                                            | 90.3         | 1,128.5         | 11.04         | 0.50                           |                                   |                                  |
| Mauritius                                | 0.2                                            | –                                     | –                                                                | –                                                   | –                                                             | 0.2                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.3             | 0.00          | –                              |                                   |                                  |
| Mexico                                   | 0.2                                            | 0.1                                   | –                                                                | –                                                   | –                                                             | 0.3                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.5             | 0.01          | –                              |                                   |                                  |
| New Zealand                              | 0.7                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.7                  | 0.1                                          | –                                       | –                                                                            | 0.1          | 0.7             | 0.01          | –                              |                                   |                                  |
| Norway                                   | –                                              | 0.5                                   | –                                                                | –                                                   | –                                                             | 0.5                  | 0.2                                          | –                                       | –                                                                            | 0.2          | 1.9             | 0.02          | 2.50                           |                                   |                                  |
| Peru                                     | 0.1                                            | 0.1                                   | –                                                                | –                                                   | –                                                             | 0.2                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.3             | 0.00          | –                              |                                   |                                  |
| Philippines                              | 0.1                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.1             | 0.00          | –                              |                                   |                                  |
| Poland                                   | 0.0                                            | 0.1                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.5             | 0.01          | –                              |                                   |                                  |
| Portugal                                 | 0.0                                            | 0.1                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.3             | 0.00          | –                              |                                   |                                  |
| Serbia and Kosovo                        | 0.2                                            | –                                     | –                                                                | –                                                   | –                                                             | 0.2                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.1             | 0.00          | –                              |                                   |                                  |
| Singapore                                | 0.1                                            | 0.1                                   | –                                                                | –                                                   | –                                                             | 0.2                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.3             | 0.00          | –                              |                                   |                                  |
| Spain                                    | 11.1                                           | 546.3                                 | –                                                                | –                                                   | –                                                             | 557.4                | 24.2                                         | –                                       | –                                                                            | 24.2         | 302.0           | 2.96          | –                              |                                   |                                  |
| Sweden                                   | 11.2                                           | 0.5                                   | –                                                                | –                                                   | –                                                             | 11.7                 | 0.3                                          | –                                       | –                                                                            | 0.3          | 3.9             | 0.04          | 2.00                           |                                   |                                  |
| Switzerland                              | 80.0                                           | 5,305.8                               | –                                                                | –                                                   | –                                                             | 5,385.8              | 34.5                                         | –                                       | –                                                                            | 34.5         | 430.6           | 4.21          | –                              |                                   |                                  |
| Thailand                                 | 0.1                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.2             | 0.00          | –                              |                                   |                                  |
| The Netherlands                          | 37.7                                           | 751.5                                 | –                                                                | –                                                   | –                                                             | 789.2                | 25.8                                         | –                                       | –                                                                            | 25.8         | 321.9           | 3.15          | 2.00                           |                                   |                                  |
| Turkey                                   | 0.1                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.2             | 0.00          | –                              |                                   |                                  |
| United Arab Emirates                     | 0.1                                            | 0.0                                   | –                                                                | –                                                   | –                                                             | 0.1                  | 0.0                                          | –                                       | –                                                                            | 0.0          | 0.1             | 0.00          | –                              |                                   |                                  |
| USA                                      | 7.5                                            | 978.7                                 | –                                                                | –                                                   | –                                                             | 986.2                | 48.7                                         | –                                       | –                                                                            | 48.7         | 609.1           | 5.96          | –                              |                                   |                                  |
| <b>TOTAL</b>                             | <b>2,302.1</b>                                 | <b>47,335.1</b>                       | <b>–</b>                                                         | <b>–</b>                                            | <b>–</b>                                                      | <b>49,637.2</b>      | <b>817.6</b>                                 | <b>–</b>                                | <b>–</b>                                                                     | <b>817.6</b> | <b>10,219.4</b> | <b>100.00</b> | <b>–</b>                       |                                   |                                  |

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

|      |                                                                 | 0010     |
|------|-----------------------------------------------------------------|----------|
| 0010 | Total risk exposure amount                                      | 11,162.3 |
| 0020 | Institution-specific countercyclical capital buffer rate        | 0.67     |
| 0030 | Institution-specific countercyclical capital buffer requirement | 74.7     |

### 4.3 APPROPRIATENESS

In principle, Münchener Hypothekbank applies the internal ratings-based (IRB) approach for parts of its credit portfolio to calculate regulatory capital requirements in accordance with the CRR and pursuant to the approvals received from the regulatory authorities to use it. The basic IRB approach is employed to determine the amount of equity capital required to back the major portion of the Corporates and Institutions category of loans. This means that the probability of default (PD) is estimated. The advanced IRBA will be used for Retail Business Germany, Retail Business Small and Medium-Sized Enterprises (SME), and Retail Business PostFinance. This means that in addition to the PD, the loss given default (LGD) will also be estimated. In order to comply with regulatory requirements, the standardised approach for credit risk (KSA) is applied to determine the level of equity capital required for the remainder of the portfolio.

With total required equity capital (required equity capital) of €893.0 million on 31 December 2024, the total key figure was 22.23%, while the CET1 ratio was 16.70% and the T1 ratio was 18.69%. This means that the T1 ratio of 8%, which is also required by the ECB's stress test, as well as the Pillar 2 Require-

ment (P2R) of 1.75%, was exceeded by a wide margin. The split of equity capital required per 31 December 2024 in different risk categories and exposure classes is summarised in Tables 8 to 10. The equity capital required for counterparty risks from the IRB approach positions amounts to €718.0 million, and €89.9 million for counterparty risks from the KSA positions. Equity capital required for operational risks and credit valuation adjustments is significantly lower at €62.7 million and €22.4 million, respectively. The basic indicator approach is used to calculate operational risks. The standard method is used to calculate equity capital requirements arising from credit valuation adjustments (CVA risk).

**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                          | 419.5                      |
| 4. Retail Business                     | 258.5                      |
| 5. Equity investments                  | 29.3                       |
| 6. Securitisations                     | –                          |
| of which re-securitisations            | –                          |
| 7. Other non-credit obligation assets  | 10.7                       |
| <b>Total</b>                           | <b>718.0</b>               |

**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) | 62.7                       |
| 2. CVA risk (based on standardised method)     | 22.4                       |
| <b>Total</b>                                   | <b>85.1</b>                |

**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                                   | 0.1                        |
| 4. Multilateral development banks                    | –                          |
| 5. International organisations                       | –                          |
| 6. Institutions                                      | 7.3                        |
| 7. Corporates                                        | 20.0                       |
| 8. Retail Business                                   | 5.7                        |
| 9. Exposures secured by properties                   | 31.3                       |
| 10. Positions associated with particularly high risk | 6.3                        |
| 11. Equity investments (grandfathering)              | 10.7                       |
| 12. Other positions                                  | 0.0                        |
| 13. Collective investment undertakings               | 5.1                        |
| 14. Positions in default                             | 0.1                        |
| 15. Covered bonds                                    | 3.3                        |
| <b>Total</b>                                         | <b>89.9</b>                |

The level of required equity capital is planned as part of Münchener Hypothekbank's multi-year planning calculations, and care is taken to ensure that the equity capital requirements demanded by the regulatory authority are fully met at all times. Münchener Hypothekbank internally judges the appropriateness of own funds in line with the regulatory requirements arising from the CRR/CRD IV.



#### 4.4 BALANCE SHEET RECONCILIATION

Münchener Hypothekenbank is not a member of a consolidated group of companies in terms of German commercial law or in terms of regulatory requirements. The audited and published annual financial statements are prepared in accordance with German commercial law and therefore contain all of the positions that are elements of regulatory equity capital and are to be deducted therefrom including assets, liabilities such as promissory notes or other on-balance sheet items that influence regulatory capital, such as intangible assets. For this reason, a transfer of the on-balance sheet items of companies included in consolidation for regulatory purposes does not take place.

Table 11 presents the transfer of equity capital as reported on the balance sheet to regulatory equity capital.

There were no material differences between the regulatory exposures and the book values recorded in the annual statement of accounts. For this reason, detailed accounting has not been prepared.

**TABLE 11: EU CC2 RECONCILIATION OF ON-BALANCE SHEET EQUITY CAPITAL TO REGULATORY EQUITY CAPITAL**

|                                                                                                                                                                                | 31.12.2024     |                                                                            | 31.12.2024     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------|----------------|
| <b>Equity capital reported on-balance sheet</b>                                                                                                                                | <b>1,843.7</b> | Hybrid capital instruments                                                 | 222.5          |
| Paid-up capital                                                                                                                                                                | 1,274.5        | As reported on-balance sheet                                               | 222.5          |
| Revenue reserves                                                                                                                                                               | 513.0          | Regulatory adjustments                                                     | –              |
| Unappropriated profit                                                                                                                                                          | 56.2           | Deductions from Additional Tier 1 Capital                                  | –              |
| Funds for general banking risks                                                                                                                                                | 120.0          | Intangible assets (amount of reduction in Tier 1)                          | –              |
| <b>Total reported on-balance sheet</b>                                                                                                                                         | <b>1,963.7</b> | Shortfall of provisions to expected losses (amount of reduction in Tier 1) | –              |
| <b>Regulatory adjustments to items reported on-balance sheet</b>                                                                                                               |                | <b>Additional Tier 1 Capital</b>                                           | <b>222.5</b>   |
| Accrued future dividends                                                                                                                                                       | – 51.2         |                                                                            |                |
| Terminated paid-up capital                                                                                                                                                     | – 21.7         | <b>Tier 1 Capital</b>                                                      | <b>2,086.7</b> |
| Allocations to funds for general banking risks reported in annual financial statements                                                                                         | –              |                                                                            |                |
| Specific allowances deductions                                                                                                                                                 | – 26.5         | Subordinated liabilities                                                   | 389.2          |
| Intangible assets (amount of reduction in Tier 1)                                                                                                                              | – 0.1          | As reported on-balance sheet                                               | 449.4          |
| As reported on-balance sheet                                                                                                                                                   | – 0.1          | Regulatory adjustments                                                     | – 60.2         |
| Residual amounts deducted from Additional Tier 1 Capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 CRR | –              | Other (credit risk adjustments)                                            | 2.4            |
| Shortfall of provisions to expected losses (amount of reduction in Tier 1)                                                                                                     | –              | Deductions from Tier 2 Capital                                             | –              |
| <b>Common Equity Tier 1 capital</b>                                                                                                                                            | <b>1,864.2</b> | Shortfall of provisions to expected losses (amount of reduction in Tier 1) | 3.5            |
|                                                                                                                                                                                |                | <b>Tier 2 Capital</b>                                                      | <b>395.1</b>   |
|                                                                                                                                                                                |                |                                                                            |                |
|                                                                                                                                                                                |                | <b>Total regulatory equity capital</b>                                     | <b>2,481.8</b> |



## 5 Counterparty Risk

### 5.1 CONTAINMENT

Counterparty risk – also referred to as credit risk – is of major significance for Münchener Hypothekenbank. Counterparty risk describes the danger that a counterparty or group of counterparties may delay, make partial payments or even default on repaying a loan to the lender. Migration risk is included as a credit risk. Migration risk is defined as the danger of loss in present value arising over the period of a loan due to a drop in ratings, which is normally accompanied by an implied increase in yield.

### 5.2 STRATEGIES AND PROCESSES

Strategies and processes that are relevant for managing lending risks are documented in the business and risk strategies, as well as in the Credit Handbook. The business and risk strategies contain extensive explanations about the partial strategies concerning target customers and target markets, as well as requirements regarding the measurement and management of lending risks at the individual transaction and portfolio levels. The competencies and procedural requirements of entities involved in the lending business are contained in the Credit Handbook.

### 5.3 RISK MANAGEMENT STRUCTURE AND ORGANISATION

Credit risk management begins with selecting the target business for loan conditioning. Risk cost functions are used, which are validated in an ongoing back-testing process. Depending on the category and risk level of the business, various rating and scoring procedures are used. In addition, an IT-supported early warning system is used in order to recognise risks at an early stage.

The expected loss (EL) is taken into account within the framework of calculating the individual transaction by applying standard risk costs during the lending process. Based on the credit portfolio model, the unexpected loss (UL) is measured using a Credit-Value-at-Risk procedure (CVaR). The CVaR describes, with a certain level of probability, the maximum losses for a credit portfolio within a specific period. The UL is derived by subtracting the EL for the portfolio from this amount.

With respect to counterparty risks, Münchener Hypothekenbank calculates its positions according to the Standardised Approach for Counterparty Credit Risk (Title II, Chapter 6, Section 3 CRR).

### 5.4 RATING SYSTEMS AND CUSTOMER SEGMENTS

Münchener Hypothekenbank uses specific customer-segment rating systems to evaluate creditworthiness. In this context, customers or claims are classified into segments (customer segments). The objective of this segmentation is to assign customers with homogeneous risk profiles to appropriate customer segments, which can in turn be assigned to exposure classes as defined by the supervisory authority. Rating systems appropriate to the risk profile are used to determine the rating class, and thus the risk level of positions in the various customer segments. This guarantees risk-appropriate and supervision-compliant allocation of claims to customer segments, rating systems and regulatory-based exposure classes. Customer segments and rating systems share the same names at Münchener Hypothekenbank in order to express the close relationship between customer segments and rating systems. Guidelines for customer segmentation and the application of ratings are established in the corresponding specialised instructions and implemented in the relevant data processing systems.

Rating systems consist of rating methods, processes and IT systems. A rating procedure processes all of the creditworthiness-related information about a borrower or a claim using a specific algorithms and combines it into a creditworthiness evaluation (rating method). The processes relate to the work flows and



management/monitoring procedures that are used in the rating system. The IT systems are based on the category and method of data delivery or data-related processing of creditworthiness-related information. In this context, Münchener Hypothekbank makes a distinction between IRBA rating systems and non-IRBA rating systems. IRBA rating systems are rating systems that have received IRBA approval from the regulatory authorities. These rating systems are used to evaluate the creditworthiness of the IRBA exposure classes. Non-IRBA rating systems are rating systems used to assess the creditworthiness of the KSA exposure classes.

The probability of default (PD) is estimated on the basis of IRBA-compliant rating or scoring procedures for rating systems approved for IRBA use. In addition, there is also an internal loss given default (LGD) model in the rating systems for the retail business; the credit conversion factor (CCF) is quantified conservatively at 100%. Model change notices have currently been submitted to the supervisory authority for all of Münchener Hypothekbank's IRBA models, which deal in particular with adjustments that were necessary due to the EBA's IRBA repair programme (e.g. new default definition, PD-LGD guidelines).

All retail business models are developed and/or revised by Münchener Hypothekbank's Credit Risk Controlling department. Münchener Hypothekbank applies procedures from external rating providers to rate the systems used in its individual mortgage business: DZ HYP AG's SLRE procedure, the "Com-

mercial Real Estate" procedure from CredaRate Solutions GmbH and, until the end of 2021, the bank rating from DZ BANK AG. The introduction of the procedures took place internally per resolution by the Board of Management. Changes to retail business models are made by the Credit Risk Controlling department. In the case of individual mortgage loan procedures, Credit Risk Controlling evaluates changes made by the rating provider. Methodological changes to the model are assessed by the validation function, and the Bank's Internal Audit department is engaged if necessary. In conclusion, the changes are evaluated according to the guidelines of the "Model Change Policy" (MCP) and, depending on the category assigned, approved by the Head of Credit Risk Controlling or the Board of Management. The changes are also implemented in accordance with the MCP category, which may require a ruling by the supervisory authorities.

Münchener Hypothekbank has implemented suitable control mechanisms for rating systems. A model development function and a validation function have been established in the Credit Risk Controlling department: Each employee in the department is permanently assigned to one of the two functions. This ensures independent validation of the models at the level of the persons involved.

The Internal Audit department is a separate unit within the organisational structure and conducts audits of the rating systems both on a regular basis and as required.

The control mechanisms operate as follows within the various stages of the rating systems: Model developments or revisions are carried out by the model development function and evaluated by the validation function. Decisions are made on a case-by-case basis to determine if an audit by the Internal Audit department is necessary. Model checks are conducted on an ongoing basis: The model development function as well as the performance of the rating procedures and the functionality of fundamental processes are analysed as part of a quarterly report. The validation function evaluates all IRBA models in detail on the basis of qualitative and quantitative analyses at least once a year in accordance with a predefined schedule.

#### 5.4.1 IRBA exposure classes

The rating systems or customer segments that have received IRBA approval are summarised in Table 12. This table also shows the associated IRBA exposure classes. These are the exposure classes used to determine the necessary equity capital pursuant to the supervisory authority's requirements on the basis of the approved rating systems. All IRBA procedures were revised as part of the EBA's IRBA repair programme. A decision by the supervisory authorities regarding the model changes for the retail business and the SLRE procedures was pending as at 31 December 2024.

**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                  | Other assets                           |
|     |                                       | Other assets, without loan commitments |
| 14. | Non-credit obligation assets          |                                        |

### 1. Property companies, domestic

The customer segment of domestic property companies comprises special purpose companies that keep property in their portfolio and handle the long-term management of rented/leased properties. This customer segment includes contracts with property companies in the Federal Republic of Germany. The federal state in which the property is located is of relevance in this context.

The creditworthiness evaluation for claims in this segment is based on the VR Immo Rating. The VR Immo Rating was developed in the Cooperative Financial Network under the leadership of DZ HYP and was approved as an IRBA rating

procedure. The VR Immo Rating consists of various partial modules that are developed, implemented and validated independently in consideration of the special risk characteristics of the customer segments.

The latter is carried out both via internal validation activities at the Bank and using those of the procedure provider.

The VR Property Companies rating module (cash flow method) is used to evaluate the creditworthiness of claims in the domestic property companies segment.

### 2. Property companies, foreign

This customer segment is defined analogously to “Property companies, domestic”. The difference is that properties in this segment are located outside of Germany.

The creditworthiness of claims in this segment is evaluated using the Rating Process for Commercial Real Estate developed by CredaRate Solutions GmbH. This rating process has been approved as an IRBA rating process and takes company and property-specific attributes into consideration. Validation takes place using internal validation activities at the Bank and using those of the procedure provider.

### 3. Housing companies

This customer segment comprises claims against housing companies. These are companies that make available, manage and renovate residential housing for private individuals. Customers in this segment are usually housing construction companies, municipal housing companies and private housing companies.

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

The creditworthiness evaluation for claims in this segment is based on the VR Immo Rating, using the VR Housing Companies module (cash flow method).

### 4. Closed funds, domestic

This segment comprises funds that were created to finance firmly defined, generally larger, investment projects. This customer segment encompasses investment properties or projects within the Federal Republic of Germany. The federal state in which the property is located is of relevance in this context.

The creditworthiness evaluation for claims in this segment is based on the VR Immo Rating using the VR property companies module (cash flow method).

### 5. Closed funds, foreign

This customer segment is defined just like the aforementioned customer segment, except that the properties in this segment are located outside of Germany.

The creditworthiness evaluation for claims in this segment is based on the CredaRate rating process.

### 6. Investors, domestic

Investors are both natural persons and legal entities who invest in residential and commercial properties. Investors provide financial resources for their own investment properties; they do not build or develop properties for third parties. The financed properties in this customer segment must be located in the Federal Republic of Germany.

The creditworthiness evaluation for claims in this segment is based on the VR Immo Rating, using the VR Investors module.



## 7. Investors, foreign

This customer segment is defined just like “Investors, domestic” except that the properties in this segment are located outside of Germany.

The creditworthiness evaluation for claims in this segment is based on the CredaRate rating process.

## 8. Open funds (special assets), domestic

This segment comprises classes of financing in which asset management companies take out loans for the account of special assets. The main property must be located in the Federal Republic of Germany.

The CredaRate rating process is used to evaluate the creditworthiness of claims in this segment.

## 9. Open funds (special assets), foreign

Professionally, the definition of international open funds corresponds to that of domestic open funds. However, the main property must be located outside the Federal Republic of Germany.

The CredaRate rating process is also used to evaluate the creditworthiness of claims in this segment.

## 10. Retail business, domestic

The “Retail business, domestic” customer segment comprises claims against individual persons or private entities that own properties within the Federal Republic of Germany up to a total maximum liability of € 1 million. Employees of Münchener Hypothekenbank are excluded from this segment.

The creditworthiness evaluation is based on an application score and a behavioural score. The scorecards were developed using regression methods on the basis of internal default time series, which in turn are based on the default definition pursuant to the CRR. The scorecards are validated qualitatively and quantitatively, the latter by means of Gini coefficient and a binomial test, among others. In this customer segment, loss rates are estimated internally in the event of default (Loss Given Default, LGD). The basis is internal loss data, which uses the economic loss concept in accordance with the CRR. The problem-solving methods available to Münchener Hypothekenbank play a decisive role here. The LGD model is validated qualitatively and quantitatively, the latter using a binomial test, t-tests and correlation values. The Credit Conversion Factor (CCF) is conservatively estimated at a default 100% for the underlying equity.

## 11. Retail business, SME

This customer segment comprises exposure to properties located within the Federal Republic of Germany that have the following characteristics of small and medium-sized enterprises (SMEs) up to a maximum total liability of € 1 million:

- Corporates (including commercial partnerships) with annual sales of € 50 million
- Economically independent private persons (self-employed professionals, business people, majority shareholders controlling up to 50% of the company shares)

Certain industries and legal forms are excluded. The creditworthiness evaluation is based on an application score and a behavioural score. These scores were calibrated using the specifics of the SME segment. In this customer segment, loss rates are estimated internally in the event of default (Loss

Given Default, LGD). The methodical information on the customer segment “Retail business, domestic” applies here analogously. The Credit Conversion Factor (CCF) is conservatively estimated at a default 100% for the equity.

## 12. Retail business Switzerland IRB

This segment contains all Retail business exposure arising from business generated by PostFinance. Claims in this segment are solely claims against properties located in Switzerland. In accordance with the limits placed on Retail business transactions, claims against individual persons or private entities in this segment are limited to a total maximum liability of CHF 2.1 million.

The creditworthiness evaluation takes place based on a specific customer segment application score and a behavioural score. An internal method was developed for estimating the LGD, which is based on the model developed in the “Retail business, domestic” area of business and SME and appropriately takes into account the specific characteristics of the area of business. The Credit Conversion Factor (CCF) is conservatively set at a default 100% for the required equity.

## 13. Indirect investments

Münchener Hypothekenbank’s investments risk positions have exceeded the materiality threshold pursuant to Article 150 (2) CRR of 10% of own funds on average over the previous year since the second quarter of 2020. Since 30 June 2023, Münchener Hypothekenbank’s indirect investment exposures have been subject to the IRB approach.



#### 14. Non-credit obligation assets

To the extent that non-credit obligation assets pose a counterparty risk to Münchener Hypothekbank, these are allocated to the “other assets” IRBA exposure category. They include, for instance, fixed assets and prepayments counted as assets that cannot be allocated to a borrower. The risk is weighted in the same way as in the KSA.

The results of the various rating segments are standardised using the VR master scale and are thus comparable on a common basis. The VR master scale also serves to standardise the numerous rating systems used by the companies within the Cooperative Financial Network by way of a networkwide rating scale, thus creating a uniform standard for all of the rating systems used in the Cooperative Financial Network. This is an important factor that allows the use of the Rating Desk approach, among other things, within the Cooperative Financial Network. The VR master scale is shown in Table 13 in the context of the 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 to AA  | Aaa to 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          |

Processes and IT systems relevant for rating purposes are constructed in a rating system-specific manner and fully comply with regulatory requirements. In this context, there is a strict separation for all of the rating systems between the areas of market, transaction management and counterparty risk monitoring. The rating systems are validated by the Credit Risk Controlling department and are thereby monitored by a department that operates independently and is not involved in initiating and closing business transactions. With regard to the validation of rating systems, a distinction is made between a pool validation, which is a rating process applied on a shared basis with other institutions and takes place in part centrally at the rating providers, the VR Immo Rating, the VR Rating Banks and at CredaRate, and a Münchener Hypothekbank-specific validation. In addition to validating the rating procedure, the validation process also examines the procedural and IT-related application of the rating systems at Münchener Hypothekbank.

In addition to using the results from the rating systems as the foundation for determining regulatory requirements for underlying equity capital, they are also used as a basis for risk-adjusted pricing. The use of the rating results as a basis for determining the standard risk costs or equity costs is dependent upon the rating system. However, it is unrelated to the IRBA approval of the rating systems. Non-IRBA rating systems are thus also used for this purpose.



Tables 14A to 14F below present the most important parameters used to calculate own funds requirements for IRBA rating systems. Exposure classes are shown by PD to allow an evaluation of the credit quality of the portfolio. Using the IRB approach, there were no risk weightings for an unexpected loss of IRBA exposures in default. In this case, risk backing takes place by comparing the expected loss to provisions made for adjustments to value. For this reason, no average risk weighting is shown for these exposures in the following tables.

In the interest of greater clarity and understanding, the various exposure classes are presented in individual tables. They are followed by an overview of all classes for the Basic-IRBA in Table 14F and for the advanced IRBA in Table 14G.

The exposure values are shown as the sum of the outstanding credit amounts and non-utilised credit approvals as well as the average risk weight for these exposures. The factors established by the supervisory authority for this exposure category are used as conversion factors. Non-credit obligation assets and securitisations are not shown in Tables 14A to 14G. The standardised approach is applied for exposure to central governments and investments without exception.

Exposures arising from derivatives, security financing transactions (SFT), etc. are reviewed in the CCR framework, which is why they are not presented here.

Münchener Hypothekbank maintains only the subportfolio of claims secured by mortgage liens in the IRBA Retail Business. These positions are divided into the significant expected loss bands for Münchener Hypothekbank as shown in Tables 14 D and E. The tables disclose the exposure value, the exposure value weighted by the average risk weight and the average loss rate in the event of default weighted with the exposure value. The IRBA exposure is the product of the IRBA risk exposure value and the IRBA conversion factor. In Retail business, the conversion factor is uniformly set at 100% as a conservative default.



TABLE 14A: EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE – SME COMPANIES

|      | PD range         | On-balance<br>sheet<br>exposures | Off-balance-<br>sheet<br>exposures<br>pre CCF | Exposure<br>weighted<br>average CCF | Exposure<br>post CCF and<br>post CRM | Exposure<br>weighted<br>average PD<br>(%) | Number of<br>obligors | Exposure<br>weighted<br>average LGD<br>(%) | Exposure<br>weighted<br>average<br>maturity<br>(years) | Risk-weighted<br>exposure<br>amount after<br>supporting<br>factors | Density of<br>risk-weighted<br>exposure<br>amount | Expected loss<br>amount | Value<br>adjustments<br>and<br>provisions |
|------|------------------|----------------------------------|-----------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------------|-----------------------|--------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------|-------------------------------------------|
|      | a                | b                                | c                                             | d                                   | e                                    | f                                         | g                     | h                                          | i                                                      | j                                                                  | k                                                 | l                       | m                                         |
| 0010 | 0.00 to <0.15    | 314.8                            | –                                             | –                                   | 314.8                                | 0.08                                      | 100                   | 35.27                                      | 2.5                                                    | 44.2                                                               | 0.14                                              | 0.1                     | 0.2                                       |
| 0020 | 0.00 to <0.10    | 170.2                            | –                                             | –                                   | 170.2                                | 0.06                                      | 59                    | 35.02                                      | 2.5                                                    | 20.1                                                               | 0.12                                              | 0.0                     | 0.1                                       |
| 0030 | 0.10 to <0.15    | 144.6                            | –                                             | –                                   | 144.6                                | 0.10                                      | 41                    | 35.57                                      | 2.5                                                    | 24.1                                                               | 0.17                                              | 0.1                     | 0.1                                       |
| 0040 | 0.15 to <0.25    | 497.3                            | 23.0                                          | 75.0                                | 514.5                                | 0.18                                      | 64                    | 36.66                                      | 2.5                                                    | 130.3                                                              | 0.25                                              | 0.3                     | 0.6                                       |
| 0050 | 0.25 to <0.50    | 603.7                            | 0.2                                           | 75.0                                | 603.9                                | 0.44                                      | 51                    | 36.06                                      | 2.5                                                    | 239.3                                                              | 0.40                                              | 1.0                     | 1.4                                       |
| 0060 | 0.50 to <0.75    | 216.9                            | 36.2                                          | 75.0                                | 244.0                                | 0.60                                      | 28                    | 37.36                                      | 2.5                                                    | 113.9                                                              | 0.47                                              | 0.5                     | 0.8                                       |
| 0070 | 0.75 to <2.50    | 567.2                            | 49.3                                          | 75.0                                | 604.2                                | 1.50                                      | 64                    | 36.86                                      | 2.5                                                    | 371.5                                                              | 0.61                                              | 3.3                     | 4.6                                       |
| 0080 | 0.75 to <1.75    | 410.6                            | 49.3                                          | 75.0                                | 447.6                                | 1.20                                      | 60                    | 37.29                                      | 2.5                                                    | 255.7                                                              | 0.57                                              | 2.0                     | 2.8                                       |
| 0090 | 1.75 to <2.50    | 156.6                            | –                                             | –                                   | 156.6                                | 2.36                                      | 4                     | 35.62                                      | 2.5                                                    | 115.8                                                              | 0.74                                              | 1.3                     | 1.8                                       |
| 0100 | 2.50 to <10.00   | 256.6                            | –                                             | –                                   | 256.6                                | 5.07                                      | 9                     | 36.52                                      | 2.5                                                    | 234.9                                                              | 0.92                                              | 4.8                     | 6.5                                       |
| 0110 | 2.50 to <5.00    | 61.6                             | –                                             | –                                   | 61.6                                 | 3.57                                      | 5                     | 35.15                                      | 2.5                                                    | 45.3                                                               | 0.74                                              | 0.8                     | 1.1                                       |
| 0120 | 5.00 to <10.00   | 195.0                            | –                                             | –                                   | 195.0                                | 5.55                                      | 4                     | 36.95                                      | 2.5                                                    | 189.6                                                              | 0.97                                              | 4.0                     | 5.4                                       |
| 0130 | 10.00 to <100.00 | 2.0                              | –                                             | –                                   | 2.0                                  | 30.00                                     | 1                     | 35.69                                      | 2.5                                                    | 2.6                                                                | 1.30                                              | 0.2                     | 0.4                                       |
| 0140 | 10.00 to <20.00  | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0150 | 20.00 to <30.00  | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0160 | 30.00 to <100.00 | 2.0                              | –                                             | –                                   | 2.0                                  | 30.00                                     | 1                     | 35.69                                      | 2.5                                                    | 2.6                                                                | 1.30                                              | 0.2                     | 0.4                                       |
| 0170 | 100.00 (default) | 27.1                             | –                                             | –                                   | 27.1                                 | 100.00                                    | 5                     | 39.81                                      | 2.5                                                    | –                                                                  | –                                                 | 10.8                    | 12.6                                      |
| 0180 | <b>Total</b>     | <b>2,485.6</b>                   | <b>108.7</b>                                  | <b>75.0</b>                         | <b>2,567.1</b>                       | <b>2.15</b>                               | <b>322</b>            | <b>36.48</b>                               | <b>2.5</b>                                             | <b>1,136.7</b>                                                     | <b>0.44</b>                                       | <b>21.0</b>             | <b>27.1</b>                               |



TABLE 14B: EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE – OTHER COMPANIES

|      | PD range         | On-balance<br>sheet<br>exposures | Off-balance-<br>sheet<br>exposures<br>pre CCF | Exposure<br>weighted<br>average CCF | Exposure<br>post CCF and<br>post CRM | Exposure<br>weighted<br>average PD<br>(%) | Number of<br>obligors | Exposure<br>weighted<br>average LGD<br>(%) | Exposure<br>weighted<br>average<br>maturity<br>(years) | Risk-weighted<br>exposure<br>amount after<br>supporting<br>factors | Density of<br>risk-weighted<br>exposure<br>amount | Expected loss<br>amount | Value<br>adjustments<br>and<br>provisions |
|------|------------------|----------------------------------|-----------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------------|-----------------------|--------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------|-------------------------------------------|
|      | a                | b                                | c                                             | d                                   | e                                    | f                                         | g                     | h                                          | i                                                      | j                                                                  | k                                                 | l                       | m                                         |
| 0010 | 0.00 to <0.15    | 1,239.1                          | 11.1                                          | 75.0                                | 1,247.6                              | 0.07                                      | 52                    | 35.84                                      | 2.5                                                    | 255.8                                                              | 0.21                                              | 0.3                     | 0.6                                       |
| 0020 | 0.00 to <0.10    | 897.9                            | 11.1                                          | 75.0                                | 906.3                                | 0.06                                      | 34                    | 35.97                                      | 2.5                                                    | 171.2                                                              | 0.19                                              | 0.2                     | 0.4                                       |
| 0030 | 0.10 to <0.15    | 341.2                            | –                                             | –                                   | 341.3                                | 0.10                                      | 18                    | 35.48                                      | 2.5                                                    | 84.6                                                               | 0.25                                              | 0.1                     | 0.2                                       |
| 0040 | 0.15 to <0.25    | 608.1                            | –                                             | –                                   | 608.1                                | 0.19                                      | 25                    | 35.95                                      | 2.5                                                    | 216.7                                                              | 0.36                                              | 0.4                     | 0.8                                       |
| 0050 | 0.25 to <0.50    | 159.5                            | 10.2                                          | 75.0                                | 167.1                                | 0.36                                      | 9                     | 36.81                                      | 2.5                                                    | 86.1                                                               | 0.51                                              | 0.2                     | 0.4                                       |
| 0060 | 0.50 to <0.75    | 129.2                            | –                                             | –                                   | 129.2                                | 0.68                                      | 6                     | 36.28                                      | 2.5                                                    | 87.6                                                               | 0.68                                              | 0.3                     | 0.4                                       |
| 0070 | 0.75 to <2.50    | 109.3                            | 1.7                                           | 75.0                                | 110.5                                | 1.43                                      | 5                     | 37.14                                      | 2.5                                                    | 99.7                                                               | 0.90                                              | 0.6                     | 1.0                                       |
| 0080 | 0.75 to <1.75    | 109.3                            | 1.7                                           | 75.0                                | 110.5                                | 1.43                                      | 5                     | 37.14                                      | 2.5                                                    | 99.7                                                               | 0.90                                              | 0.6                     | 1.0                                       |
| 0090 | 1.75 to <2.50    | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0100 | 2.50 to <10.00   | 7.1                              | –                                             | –                                   | 7.1                                  | 2.60                                      | 1.0                   | 35.14                                      | 2.5                                                    | 7.3                                                                | 1.02                                              | 0.1                     | 0.1                                       |
| 0110 | 2.50 to <5.00    | 7.1                              | –                                             | –                                   | 7.1                                  | 2.60                                      | 1.0                   | 35.14                                      | 2.5                                                    | 7.3                                                                | 1.02                                              | 0.1                     | 0.1                                       |
| 0120 | 5.00 to <10.00   | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0130 | 10.00 to <100.00 | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0140 | 10.00 to <20.00  | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0150 | 20.00 to <30.00  | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0160 | 30.00 to <100.00 | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0170 | 100.00 (default) | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0180 | <b>Total</b>     | <b>2,252.3</b>                   | <b>23.0</b>                                   | <b>75.0</b>                         | <b>2,269.6</b>                       | <b>0.23</b>                               | <b>98</b>             | <b>36.02</b>                               | <b>2.5</b>                                             | <b>753.2</b>                                                       | <b>0.33</b>                                       | <b>1.9</b>              | <b>3.3</b>                                |



TABLE 14C: EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE – SPECIALISED LENDING

|      | PD range         | On-balance<br>sheet<br>exposures | Off-balance-<br>sheet<br>exposures<br>pre CCF | Exposure<br>weighted<br>average CCF | Exposure<br>post CCF and<br>post CRM | Exposure<br>weighted<br>average PD<br>(%) | Number of<br>obligors | Exposure<br>weighted<br>average LGD<br>(%) | Exposure<br>weighted<br>average<br>maturity<br>(years) | Risk-weighted<br>exposure<br>amount after<br>supporting<br>factors | Density of<br>risk-weighted<br>exposure<br>amount | Expected loss<br>amount | Value<br>adjustments<br>and<br>provisions |
|------|------------------|----------------------------------|-----------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------------|-----------------------|--------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------|-------------------------------------------|
|      | a                | b                                | c                                             | d                                   | e                                    | f                                         | g                     | h                                          | i                                                      | j                                                                  | k                                                 | l                       | m                                         |
| 0010 | 0.00 to <0.15    | 2,538.4                          | 26.0                                          | 75.0                                | 2,558.0                              | 0.05                                      | 108                   | 36.87                                      | 2.5                                                    | 293.7                                                              | 0.11                                              | 0.5                     | 0.9                                       |
| 0020 | 0.00 to <0.10    | 2,182.6                          | 25.0                                          | 75.0                                | 2,201.4                              | 0.04                                      | 86                    | 36.82                                      | 2.5                                                    | 232.0                                                              | 0.11                                              | 0.4                     | 0.7                                       |
| 0030 | 0.10 to <0.15    | 355.8                            | 1.0                                           | 75.0                                | 356.6                                | 0.10                                      | 22                    | 37.21                                      | 2.5                                                    | 61.7                                                               | 0.17                                              | 0.1                     | 0.2                                       |
| 0040 | 0.15 to <0.25    | 1,260.5                          | 86.9                                          | 75.0                                | 1,325.7                              | 0.19                                      | 52                    | 38.44                                      | 2.5                                                    | 351.7                                                              | 0.27                                              | 1.0                     | 1.7                                       |
| 0050 | 0.25 to <0.50    | 1,596.8                          | 19.5                                          | 75.0                                | 1,611.4                              | 0.39                                      | 64                    | 37.27                                      | 2.5                                                    | 593.3                                                              | 0.37                                              | 2.3                     | 3.7                                       |
| 0060 | 0.50 to <0.75    | 665.5                            | 19.5                                          | 75.0                                | 680.1                                | 0.58                                      | 38                    | 38.51                                      | 2.5                                                    | 301.9                                                              | 0.44                                              | 1.5                     | 2.3                                       |
| 0070 | 0.75 to <2.50    | 1,779.5                          | 5.9                                           | 75.0                                | 1,783.9                              | 1.43                                      | 77                    | 40.82                                      | 2.5                                                    | 1,165.7                                                            | 0.65                                              | 10.4                    | 13.0                                      |
| 0080 | 0.75 to <1.75    | 1,362.7                          | 5.9                                           | 75.0                                | 1,367.1                              | 1.14                                      | 63                    | 40.94                                      | 2.5                                                    | 854.4                                                              | 0.62                                              | 6.4                     | 8.2                                       |
| 0090 | 1.75 to <2.50    | 416.8                            | –                                             | –                                   | 416.8                                | 2.36                                      | 14                    | 40.44                                      | 2.5                                                    | 311.3                                                              | 0.75                                              | 4.0                     | 4.8                                       |
| 0100 | 2.50 to <10.00   | 571.6                            | –                                             | –                                   | 540.3                                | 4.90                                      | 17                    | 41.76                                      | 2.5                                                    | 540.9                                                              | 1.00                                              | 11.0                    | 14.8                                      |
| 0110 | 2.50 to <5.00    | 318.0                            | –                                             | –                                   | 318.0                                | 3.74                                      | 11                    | 41.28                                      | 2.5                                                    | 281.1                                                              | 0.88                                              | 4.9                     | 6.7                                       |
| 0120 | 5.00 to <10.00   | 253.6                            | –                                             | –                                   | 222.3                                | 6.57                                      | 6                     | 42.45                                      | 2.5                                                    | 259.8                                                              | 1.17                                              | 6.1                     | 8.1                                       |
| 0130 | 10.00 to <100.00 | 68.1                             | –                                             | –                                   | 68.1                                 | 15.67                                     | 3                     | 42.75                                      | 2.5                                                    | 105.6                                                              | 1.55                                              | 4.6                     | 5.0                                       |
| 0140 | 10.00 to <20.00  | 68.1                             | –                                             | –                                   | 68.1                                 | 15.67                                     | 3                     | 42.75                                      | 2.5                                                    | 105.6                                                              | 1.55                                              | 4.6                     | 5.0                                       |
| 0150 | 20.00 to <30.00  | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0160 | 30.00 to <100.00 | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0170 | 100.00 (default) | 599.9                            | 12.1                                          | 75.0                                | 609.0                                | 100.00                                    | 20                    | 43.67                                      | 2.5                                                    | –                                                                  | –                                                 | 265.9                   | 226.2                                     |
| 0180 | <b>Total</b>     | <b>9,080.3</b>                   | <b>169.9</b>                                  | <b>75.0</b>                         | <b>9,176.5</b>                       | <b>7.47</b>                               | <b>379</b>            | <b>38.84</b>                               | <b>2.5</b>                                             | <b>3,352.8</b>                                                     | <b>0.37</b>                                       | <b>297.2</b>            | <b>267.6</b>                              |



TABLE 14D: EU CR6 – A-IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE – RETAIL SME

|      | PD range         | On-balance<br>sheet<br>exposures | Off-balance-<br>sheet<br>exposures<br>pre CCF | Exposure<br>weighted<br>average CCF | Exposure<br>post CCF and<br>post CRM | Exposure<br>weighted<br>average PD<br>(%) | Number of<br>obligors | Exposure<br>weighted<br>average LGD<br>(%) | Exposure<br>weighted<br>average<br>maturity<br>(years) | Risk-weighted<br>exposure<br>amount after<br>supporting<br>factors | Density of<br>risk-weighted<br>exposure<br>amount | Expected loss<br>amount | Value<br>adjustments<br>and<br>provisions |
|------|------------------|----------------------------------|-----------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------------|-----------------------|--------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------|-------------------------------------------|
|      | a                | b                                | c                                             | d                                   | e                                    | f                                         | g                     | h                                          | i                                                      | j                                                                  | k                                                 | l                       | m                                         |
| 0010 | 0.00 to <0.15    | 1,439.5                          | 29.4                                          | 100.0                               | 1,468.9                              | 0.10                                      | 6,479                 | 11.17                                      | 2.5                                                    | 37.3                                                               | 0.03                                              | 0.2                     | 0.8                                       |
| 0020 | 0.00 to <0.10    | 550.0                            | 10.0                                          | 100.0                               | 560.0                                | 0.07                                      | 2,216                 | 10.81                                      | 2.5                                                    | 10.5                                                               | 0.02                                              | 0.0                     | 0.2                                       |
| 0030 | 0.10 to <0.15    | 889.5                            | 19.4                                          | 100.0                               | 908.9                                | 0.12                                      | 4,263                 | 11.39                                      | 2.5                                                    | 26.8                                                               | 0.03                                              | 0.2                     | 0.6                                       |
| 0040 | 0.15 to <0.25    | 814.7                            | 27.7                                          | 100.0                               | 842.4                                | 0.18                                      | 4,919                 | 13.64                                      | 2.5                                                    | 40.2                                                               | 0.05                                              | 0.2                     | 0.8                                       |
| 0050 | 0.25 to <0.50    | 861.1                            | 54.0                                          | 100.0                               | 915.1                                | 0.32                                      | 6,790                 | 14.59                                      | 2.5                                                    | 71.0                                                               | 0.08                                              | 0.4                     | 1.6                                       |
| 0060 | 0.50 to <0.75    | 296.5                            | 27.4                                          | 100.0                               | 323.9                                | 0.60                                      | 2,183                 | 15.65                                      | 2.5                                                    | 42.8                                                               | 0.13                                              | 0.3                     | 1.1                                       |
| 0070 | 0.75 to <2.50    | 401.3                            | 49.7                                          | 100.0                               | 451.0                                | 1.22                                      | 2,551                 | 18.23                                      | 2.5                                                    | 111.4                                                              | 0.25                                              | 1.0                     | 2.9                                       |
| 0080 | 0.75 to <1.75    | 330.3                            | 41.2                                          | 100.0                               | 371.5                                | 1.04                                      | 2,185                 | 18.11                                      | 2.5                                                    | 82.7                                                               | 0.22                                              | 0.7                     | 2.0                                       |
| 0090 | 1.75 to <2.50    | 71.0                             | 8.5                                           | 100.0                               | 79.5                                 | 2.08                                      | 366                   | 18.8                                       | 2.5                                                    | 28.7                                                               | 0.4                                               | 0.3                     | 0.9                                       |
| 0100 | 2.50 to <10.00   | 196.9                            | 8.0                                           | 100.0                               | 204.9                                | 4.60                                      | 1,225                 | 16.96                                      | 2.5                                                    | 103.8                                                              | 0.51                                              | 1.6                     | 5.4                                       |
| 0110 | 2.50 to <5.00    | 160.1                            | 6.2                                           | 100.0                               | 166.3                                | 4.06                                      | 954                   | 16.58                                      | 2.5                                                    | 77.6                                                               | 0.47                                              | 1.1                     | 3.9                                       |
| 0120 | 5.00 to <10.00   | 36.8                             | 1.8                                           | 100.0                               | 38.6                                 | 6.94                                      | 271                   | 18.62                                      | 2.5                                                    | 26.2                                                               | 0.68                                              | 0.5                     | 1.5                                       |
| 0130 | 10.00 to <100.00 | 71.5                             | 1.7                                           | 100.0                               | 73.2                                 | 27.71                                     | 480                   | 17.08                                      | 2.5                                                    | 64.9                                                               | 0.89                                              | 3.6                     | 11.7                                      |
| 0140 | 10.00 to <20.00  | 22.4                             | 0.2                                           | 100.0                               | 22.6                                 | 11.04                                     | 166                   | 16.09                                      | 2.5                                                    | 16.6                                                               | 0.73                                              | 0.4                     | 1.4                                       |
| 0150 | 20.00 to <30.00  | -                                | -                                             | -                                   | -                                    | -                                         | -                     | -                                          | -                                                      | -                                                                  | -                                                 | -                       | -                                         |
| 0160 | 30.00 to <100.00 | 49.1                             | 1.5                                           | 100.0                               | 50.6                                 | 35.16                                     | 314                   | 17.52                                      | 2.5                                                    | 48.3                                                               | 0.96                                              | 3.2                     | 10.3                                      |
| 0170 | 100.00 (default) | 54.5                             | 1.4                                           | 100.0                               | 55.9                                 | 100.00                                    | 308                   | 25.83                                      | 2.5                                                    | 43.7                                                               | 0.78                                              | 14.4                    | 3.5                                       |
| 0180 | <b>Total</b>     | <b>4,136.0</b>                   | <b>199.3</b>                                  | <b>100.0</b>                        | <b>4,335.3</b>                       | <b>2.28</b>                               | <b>24,935</b>         | <b>14.00</b>                               | <b>2.5</b>                                             | <b>515.1</b>                                                       | <b>0.12</b>                                       | <b>21.7</b>             | <b>27.8</b>                               |



TABLE 14E: EU CR6 – A-IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE – RETAIL

|      | PD range         | On-balance<br>sheet<br>exposures | Off-balance-<br>sheet<br>exposures<br>pre CCF | Exposure<br>weighted<br>average CCF | Exposure<br>post CCF and<br>post CRM | Exposure<br>weighted<br>average PD<br>(%) | Number of<br>obligors | Exposure<br>weighted<br>average LGD<br>(%) | Exposure<br>weighted<br>average<br>maturity<br>(years) | Risk-weighted<br>exposure<br>amount after<br>supporting<br>factors | Density of<br>risk-weighted<br>exposure<br>amount | Expected loss<br>amount | Value<br>adjustments<br>and<br>provisions |
|------|------------------|----------------------------------|-----------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------------|-----------------------|--------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------|-------------------------------------------|
|      | a                | b                                | c                                             | d                                   | e                                    | f                                         | g                     | h                                          | i                                                      | j                                                                  | k                                                 | l                       | m                                         |
| 0010 | 0.00 to <0.15    | 16,711.2                         | 889.1                                         | 100.0                               | 17,600.3                             | 0.08                                      | 115,349               | 13.83                                      | 2.5                                                    | 539.3                                                              | 0.03                                              | 2.1                     | 8.0                                       |
| 0020 | 0.00 to <0.10    | 10,502.6                         | 426.1                                         | 100.0                               | 10,928.7                             | 0.06                                      | 64,242                | 13.08                                      | 2.5                                                    | 247.7                                                              | 0.02                                              | 0.9                     | 3.7                                       |
| 0030 | 0.10 to <0.15    | 6,208.6                          | 463.0                                         | 100.0                               | 6,671.6                              | 0.12                                      | 51,107                | 15.06                                      | 2.5                                                    | 291.6                                                              | 0.04                                              | 1.2                     | 4.3                                       |
| 0040 | 0.15 to <0.25    | 4,078.2                          | 297.7                                         | 100.0                               | 4,375.9                              | 0.18                                      | 39,377                | 18.00                                      | 2.5                                                    | 311.2                                                              | 0.07                                              | 1.4                     | 4.3                                       |
| 0050 | 0.25 to <0.50    | 3,411.7                          | 326.8                                         | 100.0                               | 3,738.5                              | 0.33                                      | 35,181                | 20.25                                      | 2.5                                                    | 458.4                                                              | 0.12                                              | 2.5                     | 6.3                                       |
| 0060 | 0.50 to <0.75    | 772.4                            | 124.1                                         | 100.0                               | 896.5                                | 0.63                                      | 8,107                 | 24.33                                      | 2.5                                                    | 214.1                                                              | 0.24                                              | 1.4                     | 2.8                                       |
| 0070 | 0.75 to <2.50    | 1,129.1                          | 118.3                                         | 100.0                               | 1,247.4                              | 1.32                                      | 9,472                 | 24.40                                      | 2.5                                                    | 473.8                                                              | 0.38                                              | 4.0                     | 8.8                                       |
| 0080 | 0.75 to <1.75    | 844.2                            | 107.5                                         | 100.0                               | 951.7                                | 1.10                                      | 7,451                 | 26.10                                      | 2.5                                                    | 354.7                                                              | 0.37                                              | 2.8                     | 5.4                                       |
| 0090 | 1.75 to <2.50    | 284.9                            | 10.8                                          | 100.0                               | 295.7                                | 2.03                                      | 2,021                 | 18.94                                      | –                                                      | 119.1                                                              | 0.40                                              | 1.2                     | 3.4                                       |
| 0100 | 2.50 to <10.00   | 533.8                            | 7.2                                           | 100.0                               | 541.0                                | 4.47                                      | 4,249                 | 21.59                                      | 2.5                                                    | 380.3                                                              | 0.70                                              | 5.3                     | 13.9                                      |
| 0110 | 2.50 to <5.00    | 432.7                            | 5.9                                           | 100.0                               | 438.6                                | 3.91                                      | 3,469                 | 21.75                                      | 2.5                                                    | 293.1                                                              | 0.67                                              | 3.8                     | 10.0                                      |
| 0120 | 5.00 to <10.00   | 101.1                            | 1.3                                           | 100.0                               | 102.4                                | 6.85                                      | 780                   | 20.92                                      | 2.5                                                    | 87.2                                                               | 0.85                                              | 1.5                     | 3.9                                       |
| 0130 | 10.00 to <100.00 | 163.3                            | 1.7                                           | 100.0                               | 165.0                                | 26.97                                     | 1,289                 | 20.15                                      | 2.5                                                    | 192.0                                                              | 1.16                                              | 9.1                     | 25.7                                      |
| 0140 | 10.00 to <20.00  | 58.2                             | 0.2                                           | 100.0                               | 58.4                                 | 12.24                                     | 464                   | 19.31                                      | 2.5                                                    | 58.2                                                               | 1.00                                              | 1.4                     | 3.9                                       |
| 0150 | 20.00 to <30.00  | –                                | –                                             | –                                   | –                                    | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0160 | 30.00 to <100.00 | 105.1                            | 1.5                                           | 100.0                               | 106.6                                | 35.04                                     | 825                   | 20.61                                      | 2.5                                                    | 133.8                                                              | 1.26                                              | 7.7                     | 21.8                                      |
| 0170 | 100.00 (default) | 130.3                            | 2.4                                           | 100.0                               | 132.7                                | 100.00                                    | 966                   | 29.74                                      | 2.5                                                    | 147.5                                                              | 1.11                                              | 39.4                    | 15.1                                      |
| 0180 | <b>Total</b>     | <b>26,930.0</b>                  | <b>1,767.3</b>                                | <b>100.0</b>                        | <b>28,697.3</b>                      | <b>0.90</b>                               | <b>213,990</b>        | <b>16.35</b>                               | <b>2.5</b>                                             | <b>2,716.6</b>                                                     | <b>0.09</b>                                       | <b>65.2</b>             | <b>84.9</b>                               |



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

|      | PD range         | On-balance<br>sheet<br>exposures | Off-balance-<br>sheet<br>exposures<br>pre CCF | Exposure<br>weighted<br>average CCF | Exposure<br>post CCF<br>and post<br>CRM | Exposure<br>weighted<br>average PD<br>(%) | Number of<br>obligors | Exposure<br>weighted<br>average LGD<br>(%) | Exposure<br>weighted<br>average<br>maturity<br>(years) | Risk-weighted<br>exposure<br>amount after<br>supporting<br>factors | Density of<br>risk-weighted<br>exposure<br>amount | Expected loss<br>amount | Value<br>adjustments<br>and<br>provisions |
|------|------------------|----------------------------------|-----------------------------------------------|-------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------|--------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------|-------------------------------------------|
|      | a                | b                                | c                                             | d                                   | e                                       | f                                         | g                     | h                                          | i                                                      | j                                                                  | k                                                 | l                       | m                                         |
| 0010 | 0.00 to <0.15    | 4,092.4                          | 37.1                                          | 75.0                                | 4,120.4                                 | 0.05                                      | 260                   | 36.48                                      | 2.5                                                    | 593.7                                                              | 0.14                                              | 0.9                     | 1.7                                       |
| 0020 | 0.00 to <0.10    | 3,250.7                          | 36.1                                          | 75.0                                | 3,278.0                                 | 0.05                                      | 179                   | 36.49                                      | 2.5                                                    | 423.3                                                              | 0.13                                              | 0.6                     | 1.1                                       |
| 0030 | 0.10 to <0.15    | 841.7                            | 1.0                                           | 75.0                                | 842.4                                   | 0.10                                      | 81                    | 36.23                                      | 2.5                                                    | 170.4                                                              | 0.20                                              | 0.3                     | 0.6                                       |
| 0040 | 0.15 to <0.25    | 2,365.9                          | 109.9                                         | 75.0                                | 2,448.2                                 | 0.19                                      | 141                   | 37.45                                      | 2.5                                                    | 698.8                                                              | 0.29                                              | 1.7                     | 3.1                                       |
| 0050 | 0.25 to <0.50    | 2,360.0                          | 30.0                                          | 75.0                                | 2,382.5                                 | 0.40                                      | 124                   | 36.93                                      | 2.5                                                    | 918.6                                                              | 0.39                                              | 3.5                     | 5.4                                       |
| 0060 | 0.50 to <0.75    | 1,011.5                          | 55.6                                          | 75.0                                | 1,053.3                                 | 0.60                                      | 72                    | 37.97                                      | 2.5                                                    | 503.4                                                              | 0.48                                              | 2.4                     | 3.6                                       |
| 0070 | 0.75 to <2.50    | 2,455.9                          | 56.9                                          | 75.0                                | 2,498.5                                 | 1.44                                      | 146                   | 39.70                                      | 2.5                                                    | 1,636.8                                                            | 0.66                                              | 14.3                    | 18.7                                      |
| 0080 | 0.75 to <1.75    | 1,882.5                          | 56.9                                          | 75.0                                | 1,925.1                                 | 1.17                                      | 128                   | 39.87                                      | 2.5                                                    | 1,209.7                                                            | 0.63                                              | 9.0                     | 12.0                                      |
| 0090 | 1.75 to <2.50    | 573.4                            | –                                             | –                                   | 573.4                                   | 2.36                                      | 18.0                  | 39.12                                      | 2.5                                                    | 427.1                                                              | 0.74                                              | 5.3                     | 6.7                                       |
| 0100 | 2.50 to <10.00   | 835.4                            | –                                             | –                                   | 804.1                                   | 4.94                                      | 27                    | 40.03                                      | 2.5                                                    | 783.2                                                              | 0.97                                              | 15.8                    | 21.4                                      |
| 0110 | 2.50 to <5.00    | 386.7                            | –                                             | –                                   | 386.7                                   | 3.69                                      | 17                    | 40.19                                      | 2.5                                                    | 333.8                                                              | 0.86                                              | 5.7                     | 7.9                                       |
| 0120 | 5.00 to <10.00   | 448.7                            | –                                             | –                                   | 417.4                                   | 6.09                                      | 10                    | 39.88                                      | 2.5                                                    | 449.4                                                              | 1.08                                              | 10.1                    | 13.5                                      |
| 0130 | 10.00 to <100.00 | 70.1                             | –                                             | –                                   | 70.1                                    | 16.08                                     | 4                     | 42.55                                      | 2.5                                                    | 108.2                                                              | 1.54                                              | 4.8                     | 5.4                                       |
| 0140 | 10.00 to <20.00  | 68.1                             | –                                             | –                                   | 68.1                                    | 15.67                                     | 3                     | 42.75                                      | 2.5                                                    | 105.6                                                              | 1.55                                              | 4.6                     | 5.0                                       |
| 0150 | 20.00 to <30.00  | –                                | –                                             | –                                   | –                                       | –                                         | –                     | –                                          | –                                                      | –                                                                  | –                                                 | –                       | –                                         |
| 0160 | 30.00 to <100.00 | 2.0                              | –                                             | –                                   | 2.0                                     | 30.00                                     | 1                     | 35.69                                      | 2.5                                                    | 2.6                                                                | 1.30                                              | 0.2                     | 0.4                                       |
| 0170 | 100.00 (default) | 627.0                            | 12.1                                          | 75.0                                | 636.1                                   | 100.00                                    | 25                    | 43.51                                      | 2.5                                                    | –                                                                  | –                                                 | 276.8                   | 238.7                                     |
| 0180 | <b>Total</b>     | <b>13,818.2</b>                  | <b>301.6</b>                                  | <b>75.0</b>                         | <b>14,013.2</b>                         | <b>5.32</b>                               | <b>799</b>            | <b>37.96</b>                               | <b>2.5</b>                                             | <b>5,242.7</b>                                                     | <b>0.37</b>                                       | <b>320.2</b>            | <b>298.0</b>                              |



TABLE 14G: EU CR6 – A-IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE – OVERVIEW

|      | PD range         | On-balance<br>sheet<br>exposures | Off-balance-<br>sheet<br>exposures<br>pre CCF | Exposure<br>weighted<br>average CCF | Exposure<br>post CCF<br>and post<br>CRM | Exposure<br>weighted<br>average PD<br>(%) | Number of<br>obligors | Exposure<br>weighted<br>average LGD<br>(%) | Exposure<br>weighted<br>average<br>maturity<br>(years) | Risk-weighted<br>exposure<br>amount after<br>supporting<br>factors | Density of<br>risk-weighted<br>exposure<br>amount | Expected loss<br>amount | Value<br>adjustments<br>and<br>provisions |
|------|------------------|----------------------------------|-----------------------------------------------|-------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------|--------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------|-------------------------------------------|
|      | a                | b                                | c                                             | d                                   | e                                       | f                                         | g                     | h                                          | i                                                      | j                                                                  | k                                                 | l                       | m                                         |
| 0010 | 0.00 to <0.15    | 18,150.8                         | 918.3                                         | 100.0                               | 19,069.1                                | 0.09                                      | 121,828               | 13.84                                      | 2.5                                                    | 576.6                                                              | 0.03                                              | 2.2                     | 8.9                                       |
| 0020 | 0.00 to <0.10    | 11,052.7                         | 436.0                                         | 100.0                               | 11,488.7                                | 0.06                                      | 66,458                | 12.97                                      | 2.5                                                    | 258.2                                                              | 0.02                                              | 0.9                     | 4.0                                       |
| 0030 | 0.10 to <0.15    | 7,098.1                          | 482.3                                         | 100.0                               | 7,580.4                                 | 0.12                                      | 55,370                | 14.62                                      | 2.5                                                    | 318.4                                                              | 0.04                                              | 1.3                     | 4.9                                       |
| 0040 | 0.15 to <0.25    | 4,893.0                          | 325.4                                         | 100.0                               | 5,218.4                                 | 0.18                                      | 44,296                | 17.30                                      | 2.5                                                    | 351.3                                                              | 0.07                                              | 1.6                     | 5.1                                       |
| 0050 | 0.25 to <0.50    | 4,272.7                          | 380.8                                         | 100.0                               | 4,653.5                                 | 0.33                                      | 41,971                | 19.14                                      | 2.5                                                    | 529.4                                                              | 0.11                                              | 2.9                     | 7.9                                       |
| 0060 | 0.50 to <0.75    | 1,068.9                          | 151.5                                         | 100.0                               | 1,220.4                                 | 0.62                                      | 10,290                | 22.03                                      | 2.5                                                    | 256.9                                                              | 0.21                                              | 1.7                     | 3.9                                       |
| 0070 | 0.75 to <2.50    | 1,530.5                          | 168.0                                         | 100.0                               | 1,698.5                                 | 1.29                                      | 12,023                | 22.77                                      | 2.5                                                    | 585.2                                                              | 0.34                                              | 5.0                     | 11.7                                      |
| 0080 | 0.75 to <1.75    | 1,174.6                          | 148.6                                         | 100.0                               | 1,323.2                                 | 1.08                                      | 9,636                 | 23.86                                      | 2.5                                                    | 437.4                                                              | 0.33                                              | 3.5                     | 7.4                                       |
| 0090 | 1.75 to <2.50    | 355.9                            | 19.4                                          | 100.0                               | 375.3                                   | 2.04                                      | 2,387                 | 18.91                                      | 2.5                                                    | 147.8                                                              | 0.39                                              | 1.5                     | 4.3                                       |
| 0100 | 2.50 to <10.00   | 730.7                            | 15.3                                          | 100.0                               | 746.0                                   | 4.50                                      | 5,474                 | 20.32                                      | 2.5                                                    | 484.1                                                              | 0.65                                              | 6.9                     | 19.3                                      |
| 0110 | 2.50 to <5.00    | 592.8                            | 12.2                                          | 100.0                               | 605.0                                   | 3.95                                      | 4,423                 | 20.33                                      | 2.5                                                    | 370.7                                                              | 0.61                                              | 4.9                     | 13.9                                      |
| 0120 | 5.00 to <10.00   | 137.9                            | 3.1                                           | 100.0                               | 141.0                                   | 6.87                                      | 1,051                 | 20.29                                      | 2.5                                                    | 113.4                                                              | 0.80                                              | 2.0                     | 5.4                                       |
| 0130 | 10.00 to <100.00 | 234.7                            | 3.3                                           | 100.0                               | 238.0                                   | 27.20                                     | 1,769                 | 19.21                                      | 2.5                                                    | 257.0                                                              | 1.08                                              | 12.7                    | 37.3                                      |
| 0140 | 10.00 to <20.00  | 80.5                             | 0.4                                           | 100.0                               | 80.9                                    | 11.91                                     | 630                   | 18.41                                      | 2.5                                                    | 74.8                                                               | 0.92                                              | 1.8                     | 5.3                                       |
| 0150 | 20.00 to <30.00  | -                                | -                                             | -                                   | -                                       | -                                         | -                     | -                                          | -                                                      | -                                                                  | -                                                 | -                       | -                                         |
| 0160 | 30.00 to <100.00 | 154.2                            | 2.9                                           | 100.0                               | 157.1                                   | 35.08                                     | 1,139                 | 19.62                                      | 2.5                                                    | 182.2                                                              | 1.16                                              | 10.9                    | 32.0                                      |
| 0170 | 100.00 (default) | 184.8                            | 3.9                                           | 100.0                               | 188.7                                   | 100.00                                    | 1,274                 | 28.58                                      | 2.5                                                    | 191.2                                                              | 1.01                                              | 54.0                    | 18.5                                      |
| 0180 | <b>Total</b>     | <b>31,066.1</b>                  | <b>1,966.5</b>                                | <b>100.0</b>                        | <b>33,032.6</b>                         | <b>1.08</b>                               | <b>238,925</b>        | <b>16.04</b>                               | <b>2.5</b>                                             | <b>3,231.7</b>                                                     | <b>0.10</b>                                       | <b>87.0</b>             | <b>112.6</b>                              |

**TABLE 15: EU CR7-A – 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)                        |                                                            |                                                                |                                              |                                                            |
|              |     | Total exposures                               | Part of exposures covered by financial collateral (%) | Part of exposures covered by other eligible collateral (%) | Part of exposures covered by immovable property collateral (%) | Part of exposures covered by receivables (%) | Part of exposures covered by other physical collateral (%) |
|              |     | a                                             | b                                                     | c                                                          | d                                                              | e                                            | f                                                          |
| 0010         | 1   | Central governments and central banks         | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0020         | 2   | Institutions                                  | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0030         | 3   | Corporates                                    | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0040         | 3.1 | of which Corporates – SMEs                    | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0050         | 3.2 | of which Corporates – Specialised lending     | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0060         | 3.3 | of which Corporates – Other                   | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0070         | 4   | Retail                                        | 33,032.6                                              | -                                                          | 100.00                                                         | 100.00                                       | -                                                          |
| 0080         | 4.1 | of which Retail – Immovable property SMEs     | 4,335.3                                               | -                                                          | 100.00                                                         | 100.00                                       | -                                                          |
| 0090         | 4.2 | of which Retail – Immovable property non-SMEs | 28,697.3                                              | -                                                          | 100.00                                                         | 100.00                                       | -                                                          |
| 0100         | 4.3 | of which Retail – Qualifying revolving        | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0110         | 4.4 | of which Retail – Other SMEs                  | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0120         | 4.5 | of which Retail – Other non-SMEs              | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0130         | 5   | <b>Total</b>                                  | <b>33,032.6</b>                                       | <b>-</b>                                                   | <b>100.00</b>                                                  | <b>100.00</b>                                | <b>-</b>                                                   |
| <b>F-IRB</b> |     |                                               |                                                       |                                                            |                                                                |                                              |                                                            |
| 0140         | 1   | Central governments and central banks         | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0150         | 2   | Institutions                                  | -                                                     | -                                                          | -                                                              | -                                            | -                                                          |
| 0160         | 3   | Corporates                                    | 14,013.2                                              | -                                                          | 70.62                                                          | 70.62                                        | -                                                          |
| 0170         | 3.1 | of which Corporates – SMEs                    | 2,567.1                                               | -                                                          | 85.53                                                          | 85.53                                        | -                                                          |
| 0180         | 3.2 | of which Corporates – Specialised lending     | 9,176.5                                               | -                                                          | 61.72                                                          | 61.72                                        | -                                                          |
| 0190         | 3.3 | of which Corporates – Other                   | 2,269.6                                               | -                                                          | 89.74                                                          | 89.74                                        | -                                                          |
| 0200         | 4   | <b>Total</b>                                  | <b>14,013.2</b>                                       | <b>-</b>                                                   | <b>70.62</b>                                                   | <b>70.62</b>                                 | <b>-</b>                                                   |

**TABLE 15: EU CR7-A – 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<br>funded credit protection (%) | Part of exposures covered by cash<br>on deposit (%) | Part of exposures covered by life<br>insurance policies (%) | Part of exposures covered by instru-<br>ments held by a third party (%) |
|              |     |                                               | g                                                                  | h                                                   | i                                                           | j                                                                       |
| 0010         | 1   | Central governments and central banks         | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0020         | 2   | Institutions                                  | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0030         | 3   | Corporates                                    | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0040         | 3.1 | of which Corporates – SMEs                    | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0050         | 3.2 | of which Corporates – Specialised lending     | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0060         | 3.3 | of which Corporates – Other                   | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0070         | 4   | Retail                                        | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0080         | 4.1 | of which Retail – Immovable property SMEs     | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0090         | 4.2 | of which Retail – Immovable property non-SMEs | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0100         | 4.3 | of which Retail – Qualifying revolving        | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0110         | 4.4 | of which Retail – Other SMEs                  | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0120         | 4.5 | of which Retail – Other non-SMEs              | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0130         | 5   | <b>Total</b>                                  |                                                                    |                                                     |                                                             |                                                                         |
| <b>F-IRB</b> |     |                                               |                                                                    |                                                     |                                                             |                                                                         |
| 0140         | 1   | Central governments and central banks         | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0150         | 2   | Institutions                                  | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0160         | 3   | Corporates                                    | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0170         | 3.1 | of which Corporates – SMEs                    | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0180         | 3.2 | of which Corporates – Specialised lending     | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0190         | 3.3 | of which Corporates – Other                   | -                                                                  | -                                                   | -                                                           | -                                                                       |
| 0200         | 4   | <b>Total</b>                                  | -                                                                  | -                                                   | -                                                           | -                                                                       |

**TABLE 15: EU CR7-A – 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    |                                                                             |
|-----------------------|-----|-----------------------------------------------|------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------|
|                       |     |                                               | Funded credit protection (UFCP)                |                                                        | RWEA without substitution effects<br>(reduction effects only) | RWEA with substitution effects<br>(both reduction and substitution effects) |
|                       |     |                                               | Part of exposures covered<br>by guarantees (%) | Part of exposures covered<br>by credit derivatives (%) |                                                               |                                                                             |
|                       |     |                                               | k                                              | l                                                      | m                                                             | n                                                                           |
| 0010                  | 1   | Central governments and central banks         | -                                              | -                                                      | -                                                             | -                                                                           |
| 0020                  | 2   | Institutions                                  | -                                              | -                                                      | -                                                             | -                                                                           |
| 0030                  | 3   | Corporates                                    | -                                              | -                                                      | -                                                             | -                                                                           |
| 0040                  | 3.1 | of which Corporates – SMEs                    | -                                              | -                                                      | -                                                             | -                                                                           |
| 0050                  | 3.2 | of which Corporates – Specialised lending     | -                                              | -                                                      | -                                                             | -                                                                           |
| 0060                  | 3.3 | of which Corporates – Other                   | -                                              | -                                                      | -                                                             | -                                                                           |
| 0070                  | 4   | Retail                                        | -                                              | -                                                      | 3,231.7                                                       | 3,231.7                                                                     |
| 0080                  | 4.1 | of which Retail – Immovable property SMEs     | -                                              | -                                                      | 515.1                                                         | 515.1                                                                       |
| 0090                  | 4.2 | of which Retail – Immovable property non-SMEs | -                                              | -                                                      | 2,716.6                                                       | 2,716.6                                                                     |
| 0100                  | 4.3 | of which Retail – Qualifying revolving        | -                                              | -                                                      | -                                                             | -                                                                           |
| 0110                  | 4.4 | of which Retail – Other SMEs                  | -                                              | -                                                      | -                                                             | -                                                                           |
| 0120                  | 4.5 | of which Retail – Other non-SMEs              | -                                              | -                                                      | -                                                             | -                                                                           |
| 0130                  | 5   | <b>Total</b>                                  |                                                |                                                        | <b>3,231.7</b>                                                | <b>3,231.7</b>                                                              |
| <b>Foundation-IRB</b> |     |                                               |                                                |                                                        |                                                               |                                                                             |
| 0140                  | 1   | Central governments and central banks         | -                                              | -                                                      | -                                                             | -                                                                           |
| 0150                  | 2   | Institutions                                  | -                                              | -                                                      | -                                                             | -                                                                           |
| 0160                  | 3   | Corporates                                    | 0.22                                           | -                                                      | 6,100.6                                                       | 5,242.7                                                                     |
| 0170                  | 3.1 | of which Corporates – SMEs                    | -                                              | -                                                      | 1,324.5                                                       | 1,136.7                                                                     |
| 0180                  | 3.2 | of which Corporates – Specialised lending     | 0.34                                           | -                                                      | 3,997.4                                                       | 3,352.8                                                                     |
| 0190                  | 3.3 | of which Corporates – Other                   | -                                              | -                                                      | 778.7                                                         | 753.2                                                                       |
| 0200                  | 4   | <b>Total</b>                                  | <b>0.22</b>                                    | <b>-</b>                                               | <b>6,100.6</b>                                                | <b>5,242.7</b>                                                              |



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

|      |   | Risk-weighted<br>exposure amount                                                            |
|------|---|---------------------------------------------------------------------------------------------|
|      |   | a                                                                                           |
| 0010 | 1 | <b>Risk-weighted exposure amount<br/>as at the end of the previous<br/>reporting period</b> |
|      |   | <b>8,768.6</b>                                                                              |
| 0020 | 2 | Asset size (+/-)                                                                            |
|      |   | -25.2                                                                                       |
| 0030 | 3 | Asset quality (+/-)                                                                         |
|      |   | -303.8                                                                                      |
| 0040 | 4 | Model updates (+/-)                                                                         |
|      |   | -                                                                                           |
| 0050 | 5 | Methodology and policy (+/-)                                                                |
|      |   | -                                                                                           |
| 0060 | 6 | Acquisitions and disposals (+/-)                                                            |
|      |   | -                                                                                           |
| 0070 | 7 | Foreign exchange movements (+/-)                                                            |
|      |   | 31.8                                                                                        |
| 0080 | 8 | Other (+/-)                                                                                 |
|      |   | -                                                                                           |
|      |   | <b>Risk-weighted exposure amount<br/>as at the end of the reporting<br/>period</b>          |
| 0090 | 9 | <b>8,471.4</b>                                                                              |



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

|      | a                             | b                | c                                              | d                                                      | e                                 | f                                | g              | h                                          |
|------|-------------------------------|------------------|------------------------------------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|----------------|--------------------------------------------|
|      |                               |                  | Number of obligors at the end of previous year |                                                        |                                   |                                  |                |                                            |
|      | Exposure class                | PD range         |                                                | of which number of obligors that defaulted in the year | Observed average default rate (%) | Exposure weighted average PD (%) | Average PD (%) | Average historical annual default rate (%) |
| 0010 | Foundation IRB Corporates SME | 0.00 to <0.15    | 126                                            | –                                                      | –                                 | 0.08                             | 0.08           | –                                          |
| 0020 |                               | 0.00 to <0.10    | 76                                             | –                                                      | –                                 | 0.06                             | 0.06           | –                                          |
| 0030 |                               | 0.10 to <0.15    | 50                                             | –                                                      | –                                 | 0.10                             | 0.10           | –                                          |
| 0040 |                               | 0.15 to <0.25    | 107                                            | 1                                                      | 0.93                              | 0.18                             | 0.20           | 0.19                                       |
| 0050 |                               | 0.25 to <0.50    | 69                                             | 1                                                      | 1.45                              | 0.44                             | 0.35           | 0.49                                       |
| 0060 |                               | 0.50 to <0.75    | 63                                             | –                                                      | –                                 | 0.60                             | 0.51           | 0.70                                       |
| 0070 |                               | 0.75 to <2.50    | 69                                             | 1                                                      | 1.45                              | 1.50                             | 0.95           | 1.06                                       |
| 0080 |                               | 0.75 to <1.75    | 68                                             | 1                                                      | 1.47                              | 1.20                             | 0.94           | 1.06                                       |
| 0090 |                               | 1.75 to <2.50    | 1                                              | –                                                      | –                                 | 2.36                             | 1.79           | –                                          |
| 0100 |                               | 2.50 to <10.00   | 8                                              | 1                                                      | 12.50                             | 5.07                             | 3.84           | 4.04                                       |
| 0110 |                               | 2.50 to <5.00    | 6                                              | 1                                                      | 16.67                             | 3.57                             | 3.13           | 5.15                                       |
| 0120 |                               | 5.00 to <10.00   | 2                                              | –                                                      | –                                 | 5.55                             | 6.00           | –                                          |
| 0130 |                               | 10.00 to <100.00 | 1                                              | –                                                      | –                                 | 30.00                            | 30.00          | 7.33                                       |
| 0140 |                               | 10.00 to <20.00  | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0150 |                               | 20.00 to <30.00  | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0160 |                               | 30.00 to <100.00 | 1                                              | –                                                      | –                                 | 30.00                            | 30.00          | 10.67                                      |
| 0170 |                               | 100.00 (default) | 5                                              | –                                                      | –                                 | 100.00                           | 100.00         | –                                          |



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

|      | a                               | b                | c                                              | d                                                      | e                                 | f                                | g              | h                                          |
|------|---------------------------------|------------------|------------------------------------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|----------------|--------------------------------------------|
|      |                                 |                  | Number of obligors at the end of previous year |                                                        |                                   |                                  |                |                                            |
|      | Exposure class                  | PD range         |                                                | of which number of obligors that defaulted in the year | Observed average default rate (%) | Exposure weighted average PD (%) | Average PD (%) | Average historical annual default rate (%) |
| 0010 | Foundation IRB Other corporates | 0.00 to <0.15    | 63                                             | –                                                      | –                                 | 0.07                             | 0.08           | –                                          |
| 0020 |                                 | 0.00 to <0.10    | 41                                             | –                                                      | –                                 | 0.06                             | 0.06           | –                                          |
| 0030 |                                 | 0.10 to <0.15    | 22                                             | –                                                      | –                                 | 0.10                             | 0.10           | –                                          |
| 0040 |                                 | 0.15 to <0.25    | 31                                             | –                                                      | –                                 | 0.19                             | 0.19           | –                                          |
| 0050 |                                 | 0.25 to <0.50    | 11                                             | –                                                      | –                                 | 0.36                             | 0.35           | 2.50                                       |
| 0060 |                                 | 0.50 to <0.75    | 4                                              | –                                                      | –                                 | 0.68                             | 0.51           | –                                          |
| 0070 |                                 | 0.75 to <2.50    | 5                                              | –                                                      | –                                 | 1.43                             | 0.97           | 2.22                                       |
| 0080 |                                 | 0.75 to <1.75    | 5                                              | –                                                      | –                                 | 1.43                             | 0.97           | 2.22                                       |
| 0090 |                                 | 1.75 to <2.50    | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0100 |                                 | 2.50 to <10.00   | 1                                              | –                                                      | –                                 | 2.60                             | 2.60           | –                                          |
| 0110 |                                 | 2.50 to <5.00    | 1                                              | –                                                      | –                                 | 2.60                             | 2.60           | –                                          |
| 0120 |                                 | 5.00 to <10.00   | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0130 |                                 | 10.00 to <100.00 | 1                                              | –                                                      | –                                 | –                                | 13.50          | –                                          |
| 0140 |                                 | 10.00 to <20.00  | 1                                              | –                                                      | –                                 | –                                | 13.50          | –                                          |
| 0150 |                                 | 20.00 to <30.00  | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0160 |                                 | 30.00 to <100.00 | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0170 |                                 | 100.00 (default) | 1                                              | –                                                      | –                                 | –                                | 100.00         | –                                          |



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

|      | a                                            | b                | c                                              | d                                                      | e                                 | f                                | g              | h                                          |
|------|----------------------------------------------|------------------|------------------------------------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|----------------|--------------------------------------------|
|      |                                              |                  | Number of obligors at the end of previous year |                                                        |                                   |                                  |                |                                            |
|      | Exposure class                               | PD range         |                                                | of which number of obligors that defaulted in the year | Observed average default rate (%) | Exposure weighted average PD (%) | Average PD (%) | Average historical annual default rate (%) |
| 0010 | Foundation IRB specialised lending exposures | 0.00 to <0.15    | 121                                            | –                                                      | –                                 | 0.05                             | 0.06           | 0.36                                       |
| 0020 |                                              | 0.00 to <0.10    | 91                                             | –                                                      | –                                 | 0.04                             | 0.04           | 0.33                                       |
| 0030 |                                              | 0.10 to <0.15    | 30                                             | –                                                      | –                                 | 0.10                             | 0.10           | 0.45                                       |
| 0040 |                                              | 0.15 to <0.25    | 58                                             | –                                                      | –                                 | 0.19                             | 0.20           | 0.44                                       |
| 0050 |                                              | 0.25 to <0.50    | 44                                             | –                                                      | –                                 | 0.39                             | 0.36           | –                                          |
| 0060 |                                              | 0.50 to <0.75    | 45                                             | –                                                      | –                                 | 0.58                             | 0.51           | 1.24                                       |
| 0070 |                                              | 0.75 to <2.50    | 80                                             | 3                                                      | 3.75                              | 1.43                             | 0.99           | 1.58                                       |
| 0080 |                                              | 0.75 to <1.75    | 69                                             | 2                                                      | 2.90                              | 1.14                             | 0.87           | 1.41                                       |
| 0090 |                                              | 1.75 to <2.50    | 11                                             | 1                                                      | 9.09                              | 2.36                             | 1.79           | 1.82                                       |
| 0100 |                                              | 2.50 to <10.00   | 17                                             | 1                                                      | 5.88                              | 4.90                             | 3.35           | 21.18                                      |
| 0110 |                                              | 2.50 to <5.00    | 16                                             | 1                                                      | 6.25                              | 3.74                             | 3.19           | 1.25                                       |
| 0120 |                                              | 5.00 to <10.00   | 1                                              | –                                                      | –                                 | 6.57                             | 6.00           | 20.00                                      |
| 0130 |                                              | 10.00 to <100.00 | 1                                              | –                                                      | –                                 | 15.67                            | 14.23          | 6.67                                       |
| 0140 |                                              | 10.00 to <20.00  | 1                                              | –                                                      | –                                 | 15.67                            | 14.23          | 10.00                                      |
| 0150 |                                              | 20.00 to <30.00  | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0160 |                                              | 30.00 to <100.00 | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0170 |                                              | 100.00 (default) | 18                                             | –                                                      | –                                 | 100.00                           | 100.00         | –                                          |



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

|      | a                    | b                | c                                              | d                                                      | e                                 | f                                | g              | h                                          |
|------|----------------------|------------------|------------------------------------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|----------------|--------------------------------------------|
|      |                      |                  | Number of obligors at the end of previous year |                                                        |                                   |                                  |                |                                            |
|      | Exposure class       | PD range         |                                                | of which number of obligors that defaulted in the year | Observed average default rate (%) | Exposure weighted average PD (%) | Average PD (%) | Average historical annual default rate (%) |
| 0010 |                      | 0.00 to <0.15    | 310                                            | –                                                      | –                                 | 0.05                             | 0.07           | 0.15                                       |
| 0020 |                      | 0.00 to <0.10    | 208                                            | –                                                      | –                                 | 0.05                             | 0.05           | 0.16                                       |
| 0030 |                      | 0.10 to <0.15    | 102                                            | –                                                      | –                                 | 0.10                             | 0.10           | 0.16                                       |
| 0040 |                      | 0.15 to <0.25    | 196                                            | 1                                                      | 0.51                              | 0.19                             | 0.20           | 0.25                                       |
| 0050 |                      | 0.25 to <0.50    | 124                                            | 1                                                      | 0.81                              | 0.40                             | 0.36           | 0.50                                       |
| 0060 |                      | 0.50 to <0.75    | 112                                            | –                                                      | –                                 | 0.60                             | 0.51           | 0.83                                       |
| 0070 |                      | 0.75 to <2.50    | 154                                            | 4                                                      | 2.60                              | 1.44                             | 0.97           | 1.55                                       |
| 0080 |                      | 0.75 to <1.75    | 142                                            | 3                                                      | 2.11                              | 1.17                             | 0.90           | 1.45                                       |
| 0090 | Foundation IRB Total | 1.75 to <2.50    | 12                                             | 1                                                      | 8.33                              | 2.36                             | 1.79           | 1.67                                       |
| 0100 |                      | 2.50 to <10.00   | 26                                             | 2                                                      | 7.69                              | 4.94                             | 3.48           | 7.08                                       |
| 0110 |                      | 2.50 to <5.00    | 23                                             | 2                                                      | 8.70                              | 3.69                             | 3.15           | 3.56                                       |
| 0120 |                      | 5.00 to <10.00   | 3                                              | –                                                      | –                                 | 6.09                             | 6.00           | 10.00                                      |
| 0130 |                      | 10.00 to <100.00 | 3                                              | –                                                      | –                                 | 16.08                            | 19.24          | 7.73                                       |
| 0140 |                      | 10.00 to <20.00  | 2                                              | –                                                      | –                                 | 15.67                            | 13.86          | 6.67                                       |
| 0150 |                      | 20.00 to <30.00  | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0160 |                      | 30.00 to <100.00 | 1                                              | –                                                      | –                                 | 30.00                            | 30.00          | 6.22                                       |
| 0170 |                      | 100.00 (default) | 24                                             | –                                                      | –                                 | 100.00                           | 100.00         | –                                          |



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

|      | a                            | b                | c                                              | d                                                      | e                                 | f                                | g              | h                                          |
|------|------------------------------|------------------|------------------------------------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|----------------|--------------------------------------------|
|      |                              |                  | Number of obligors at the end of previous year |                                                        |                                   |                                  |                |                                            |
|      | Exposure class               | PD range         |                                                | of which number of obligors that defaulted in the year | Observed average default rate (%) | Exposure weighted average PD (%) | Average PD (%) | Average historical annual default rate (%) |
| 0010 |                              | 0.00 to <0.15    | 4,374                                          | 5                                                      | 0.11                              | 0.10                             | 0.10           | 0.08                                       |
| 0020 |                              | 0.00 to <0.10    | 661                                            | 2                                                      | 0.30                              | 0.07                             | 0.07           | 0.06                                       |
| 0030 |                              | 0.10 to <0.15    | 3,713                                          | 3                                                      | 0.08                              | 0.12                             | 0.10           | 0.08                                       |
| 0040 |                              | 0.15 to <0.25    | 11,308                                         | 30                                                     | 0.27                              | 0.18                             | 0.18           | 0.15                                       |
| 0050 |                              | 0.25 to <0.50    | 3,449                                          | 11                                                     | 0.32                              | 0.32                             | 0.35           | 0.23                                       |
| 0060 |                              | 0.50 to <0.75    | 2,724                                          | 16                                                     | 0.59                              | 0.60                             | 0.50           | 0.43                                       |
| 0070 |                              | 0.75 to <2.50    | 1,698                                          | 22                                                     | 1.30                              | 1.22                             | 0.96           | 0.71                                       |
| 0080 | Advanced-IRB<br>Retail – SME | 0.75 to <1.75    | 1,698                                          | 22                                                     | 1.30                              | 1.04                             | 0.96           | 0.71                                       |
| 0090 |                              | 1.75 to <2.50    | –                                              | –                                                      | –                                 | 2.08                             | –              | –                                          |
| 0100 |                              | 2.50 to <10.00   | 1,395                                          | 41                                                     | 2.94                              | 4.60                             | 4.74           | 2.09                                       |
| 0110 |                              | 2.50 to <5.00    | 928                                            | 29                                                     | 3.13                              | 4.06                             | 3.46           | 1.83                                       |
| 0120 |                              | 5.00 to <10.00   | 467                                            | 12                                                     | 2.57                              | 6.94                             | 7.27           | 2.59                                       |
| 0130 |                              | 10.00 to <100.00 | 167                                            | 45                                                     | 26.95                             | 27.71                            | 28.72          | 15.13                                      |
| 0140 |                              | 10.00 to <20.00  | 13                                             | –                                                      | –                                 | 11.04                            | 13.50          | 3.51                                       |
| 0150 |                              | 20.00 to <30.00  | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0160 |                              | 30.00 to <100.00 | 154                                            | 45                                                     | 29.22                             | 35.16                            | 30.00          | 16.66                                      |
| 0170 |                              | 100.00 (default) | 222                                            | –                                                      | –                                 | 100.00                           | 100.00         | –                                          |



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

|      | a                                | b                | c                                              | d                                                      | e                                 | f                                | g              | h                                          |
|------|----------------------------------|------------------|------------------------------------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|----------------|--------------------------------------------|
|      |                                  |                  | Number of obligors at the end of previous year |                                                        |                                   |                                  |                |                                            |
|      | Exposure class                   | PD range         |                                                | of which number of obligors that defaulted in the year | Observed average default rate (%) | Exposure weighted average PD (%) | Average PD (%) | Average historical annual default rate (%) |
| 0010 |                                  | 0.00 to <0.15    | 149,352                                        | 115                                                    | 0.08                              | 0.08                             | 0.07           | 0.06                                       |
| 0020 |                                  | 0.00 to <0.10    | 103,600                                        | 66                                                     | 0.06                              | 0.06                             | 0.05           | 0.05                                       |
| 0030 |                                  | 0.10 to <0.15    | 45,752                                         | 49                                                     | 0.11                              | 0.12                             | 0.10           | 0.09                                       |
| 0040 |                                  | 0.15 to <0.25    | 45,910                                         | 75                                                     | 0.16                              | 0.18                             | 0.18           | 0.14                                       |
| 0050 |                                  | 0.25 to <0.50    | 10,450                                         | 31                                                     | 0.30                              | 0.33                             | 0.35           | 0.26                                       |
| 0060 |                                  | 0.50 to <0.75    | 3,134                                          | 20                                                     | 0.64                              | 0.63                             | 0.50           | 0.40                                       |
| 0070 |                                  | 0.75 to <2.50    | 3,017                                          | 35                                                     | 1.16                              | 1.32                             | 0.87           | 0.68                                       |
| 0080 | Advanced-IRB<br>Retail – non-SME | 0.75 to <1.75    | 3,017                                          | 35                                                     | 1.16                              | 1.10                             | 0.87           | 0.68                                       |
| 0090 |                                  | 1.75 to <2.50    | –                                              | –                                                      | –                                 | 2.03                             | –              | –                                          |
| 0100 |                                  | 2.50 to <10.00   | 5,675                                          | 267                                                    | 4.70                              | 4.47                             | 5.55           | 3.53                                       |
| 0110 |                                  | 2.50 to <5.00    | 2,524                                          | 82                                                     | 3.25                              | 3.91                             | 3.57           | 2.19                                       |
| 0120 |                                  | 5.00 to <10.00   | 3,151                                          | 185                                                    | 5.87                              | 6.85                             | 7.13           | 4.65                                       |
| 0130 |                                  | 10.00 to <100.00 | 466                                            | 40                                                     | 8.58                              | 26.97                            | 13.68          | 6.26                                       |
| 0140 |                                  | 10.00 to <20.00  | 461                                            | 40                                                     | 8.68                              | 12.24                            | 13.50          | 6.34                                       |
| 0150 |                                  | 20.00 to <30.00  | –                                              | –                                                      | –                                 | –                                | –              | –                                          |
| 0160 |                                  | 30.00 to <100.00 | 5                                              | –                                                      | –                                 | 35.04                            | 30.00          | –                                          |
| 0170 |                                  | 100.00 (default) | 749                                            | –                                                      | –                                 | 100.00                           | 100.00         | –                                          |



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

|      | a                  | b                | c                                              | d                                                      | e                                 | f                                | g              | h                                          |
|------|--------------------|------------------|------------------------------------------------|--------------------------------------------------------|-----------------------------------|----------------------------------|----------------|--------------------------------------------|
|      |                    |                  | Number of obligors at the end of previous year |                                                        |                                   |                                  |                |                                            |
|      | Exposure class     | PD range         |                                                | of which number of obligors that defaulted in the year | Observed average default rate (%) | Exposure weighted average PD (%) | Average PD (%) | Average historical annual default rate (%) |
| 0010 | Advanced-IRB Total | 0.00 to <0.15    | 153,726                                        | 120                                                    | 0.08                              | 0.09                             | 0.07           | 0.06                                       |
| 0020 |                    | 0.00 to <0.10    | 104,261                                        | 68                                                     | 0.07                              | 0.06                             | 0.05           | 0.05                                       |
| 0030 |                    | 0.10 to <0.15    | 49,465                                         | 52                                                     | 0.11                              | 0.12                             | 0.10           | 0.08                                       |
| 0040 |                    | 0.15 to <0.25    | 57,218                                         | 105                                                    | 0.18                              | 0.18                             | 0.18           | 0.14                                       |
| 0050 |                    | 0.25 to <0.50    | 13,899                                         | 42                                                     | 0.30                              | 0.33                             | 0.35           | 0.25                                       |
| 0060 |                    | 0.50 to <0.75    | 5,858                                          | 36                                                     | 0.61                              | 0.62                             | 0.50           | 0.42                                       |
| 0070 |                    | 0.75 to <2.50    | 4,715                                          | 57                                                     | 1.21                              | 1.29                             | 0.90           | 0.70                                       |
| 0080 |                    | 0.75 to <1.75    | 4,715                                          | 57                                                     | 1.21                              | 1.08                             | 0.90           | 0.70                                       |
| 0090 |                    | 1.75 to <2.50    | -                                              | -                                                      | -                                 | 2.04                             | -              | -                                          |
| 0100 |                    | 2.50 to <10.00   | 7,070                                          | 308                                                    | 4.36                              | 4.50                             | 5.39           | 3.22                                       |
| 0110 |                    | 2.50 to <5.00    | 3,452                                          | 111                                                    | 3.22                              | 3.95                             | 3.54           | 2.09                                       |
| 0120 |                    | 5.00 to <10.00   | 3,618                                          | 197                                                    | 5.45                              | 6.87                             | 7.15           | 4.36                                       |
| 0130 |                    | 10.00 to <100.00 | 633                                            | 85                                                     | 13.43                             | 27.20                            | 17.64          | 8.88                                       |
| 0140 |                    | 10.00 to <20.00  | 474                                            | 40                                                     | 8.44                              | 11.91                            | 13.50          | 6.22                                       |
| 0150 |                    | 20.00 to <30.00  | -                                              | -                                                      | -                                 | -                                | -              | -                                          |
| 0160 |                    | 30.00 to <100.00 | 159                                            | 45                                                     | 28.30                             | 35.08                            | 30.00          | 16.16                                      |
| 0170 |                    | 100.00 (default) | 971                                            | -                                                      | -                                 | 100.00                           | 100.00         | -                                          |



Table 18 shows a comparison of the expected losses with actual losses recognised on the balance sheet for the IRB exposure classes Institutions, Corporates and Retail Business

for the period 2020 to 2024. The table reflects Münchener Hypothekbank's conservative approach used to calculate the PD figure.

The comparison reveals that – as was already the case in the past – expected losses were several times larger than actual losses.

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

| IRBA exposure class | 2020          |             | 2021          |             | 2022          |             | 2023          |             | 2024          |             |
|---------------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
|                     | Expected loss | Actual loss | Expected loss | Actual loss | Expected loss | Actual loss | Expected loss | Actual loss | Expected loss | Actual loss |
| Institutions        | 1             | 0           | 1             | 0           | 0             | 0           |               |             |               |             |
| Corporates          | 23            | 9           | 17            | 3           | 26            | 18          | 30            | 99          | 158           | 83          |
| Retail Business     | 21            | 1           | 23            | 2           | 25            | 1           | 35            | 3           | 41            | 8           |

The loss estimate is the expected loss according to the IRBA-report based on PD and LGD. The expected loss as reported at the end of the previous year (e.g. 31 December 2023) is used as the (regulatory) loss forecast for one year (e.g. 2024). Existing impairment allowances are deducted. The recognized loss is calculated as the sum of direct write-downs and additions to the impairment allowance less reversals of the impairment allowance. Small effects may arise from currency fluctuations. In the past, the regulatory expected loss was always significantly higher than the actual balance sheet losses.

On the one hand, no or only minor losses were realized in the IRBA rating systems outside of the Retail business (Retail mortgage business).

The anticipated loss for 2024 is significantly higher than the same figure from the previous year, particularly for companies. This is due to rating downgrades and defaults, which, together with the high regulatory loss given default (LGD) values, result in high forecasts for anticipated losses.

Even if the reported losses for companies are comparatively high due to the continued unfavourable situation in many property markets, they are still significantly lower than the expected losses. Despite the increase compared to the previous year, losses in the Retail business recognized on the balance sheet were also low in 2024.

#### 5.4.2 KSA exposure class

The customer segments or rating systems used to evaluate the creditworthiness of the KSA portfolios are summarised in Table 19. Rating procedures for non-IRBA rating systems are not used as a basis for determining regulatory-required own funds. The results of these rating systems are used as a basis for determining a risk-adjusted price and for additional bank management purposes. The rating results from non-IRBA rating systems are also standardised on a common basis using the VR master scale. If no internal rating procedures are available, external ratings are used to determine creditworthiness. In this context, only ratings from the leading agency Fitch Ratings are used. The transfer of ratings from this agency to the VR master scale is shown in Table 13.



As a basic principle, Münchener Hypothekbank does not transfer ratings for its issues to its claims.

**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 comprises claims against banks and financial institutions that are not members of the protection scheme of the Federal Association of German Volksbanken and Raiffeisenbanken (BVR), or are not considered to be a multilateral development bank or a development bank for regulatory purposes. The VR Rating Banks method is used to evaluate the creditworthiness of claims in this segment.

The VR Rating Banks method was developed in the Cooperative Financial Network under the leadership of DZ BANK AG and was approved as an IRBA rating procedure. The ratings are provided to Münchener Hypothekbank by the rating desk at DZ BANK AG. The provided ratings are subjected to a plausibility check by the analysts at Münchener Hypothekbank and adjusted if necessary. This customer segment is presented in the standardised approach for credit risk (KSA) as of 31 March 2022. Permission from the regulatory authorities has been obtained.

### 2. Central governments (excl. EEA with zero weighting)

This customer segment comprises sovereign states, with the exception of those in the European Economic Area (EEA) and using zero weighting pursuant to CRR. This customer segment is maintained in the Permanent Partial Use (PPU) area at Münchener Hypothekbank.

The VR Rating Countries method is used to evaluate the creditworthiness of claims in this segment. The VR Rating Countries method was developed in the Cooperative Financial Network under the leadership of DZ BANK AG. The ratings are provided to Münchener Hypothekbank by DZ BANK AG in the context of a rating desk. The provided ratings are subjected to a plausibility check by the analysts at Münchener Hypothekbank and adjusted if necessary.

### 3. Central governments (EEA, using zero weighting)

This customer segment comprises sovereign states within the EEA, using a zero weighting pursuant to CRR. This customer segment is maintained in Permanent Partial Use (PPU) at Münchener Hypothekbank.

The VR Rating Countries method is used to evaluate the creditworthiness of claims in this segment.

### 4. LRG (excl. EEA with zero weighting)

The customer segment of Local and Regional Government (LRG) comprises all of the regional governments, local authorities and public bodies, with the exception of those in the EEA, and uses a zero weighting pursuant to CRR. This customer segment is maintained in Permanent Partial Use (PPU) at Münchener Hypothekbank.

The creditworthiness of claims in this customer segment is evaluated on the basis of the LRG rating. The LRG rating was developed under the leadership of the Association of German Pfandbrief Banks (vdp) with the participation of numerous German banks, including Münchener Hypothekbank. The rating procedure was approved by the regulatory authorities for IRBA. The LRG rating takes into account, among other things, the financial strength and debt level of local and regional authorities.

### 5. LRG (EEA, with zero weighting)

This customer segment comprises all of the regional governments, local authorities and public bodies within the EEA and using a zero weighting pursuant to CRR. This customer segment is maintained in Permanent Partial Use (PPU) at Münchener Hypothekbank.



The creditworthiness of claims in this customer segment is evaluated on the basis of the aforementioned LRG rating.

## 6. Intra-group claims

This customer segment comprises Münchener Hypothekbank's claims against BVR members that belong to the BVR protection scheme. Intra-group receivables are shown with a risk weighting of 0%.

The creditworthiness of these claims is assessed on the basis of the VR rating for banks by the DZ BANK AG rating desk.

## 7. Development banks

This customer segment comprises development banks that do not fulfil German Banking Act requirements to be classified as multilateral development banks. Development banks are contained in the "Public entities" category. They are carried under PPU.

The creditworthiness evaluation of these claims is based on DZ BANK AG's VR Rating Banks method.

## 8. Special customers, residential housing

This customer segment primarily contains claims relating to residential properties and where less than 50% of the customers' income is generated by property-related activities. This customer segment is shown in the PPU.

The creditworthiness of claims in this customer segment is evaluated using an expert-based classification procedure (decision matrix).

## 9. Investments

Münchener Hypothekbank's investment risk positions have exceeded the materiality threshold pursuant to Article 150 (2) CRR of 10% of own funds on average over the previous year since the second quarter of 2020.

For this reason, the exemption under Article 150 (1) (g) CRR is applied to direct equity investments, if the investment risk position is assigned a KSA risk weight of 0%.

## 10. Retail Business Austria

The "Retail Business Austria" customer segment includes borrowers who are natural persons (both economically dependent and self-employed, freelancers, etc.). They exclusively finance properties in Austria. The total exposure amounts to a maximum of €2 million.

The creditworthiness of these claims is assessed using an application scorecard and a behavioural scorecard, which are based on the models developed for the German business.

## 11. Other

The customer segment "Other" comprises all claims that do not have the characteristics of one of the above-mentioned customer segments. The claims in this segment are generally of marginal significance for Münchener Hypothekbank's credit portfolio and are administered in the PPU. The commercial property financing business in the US has been accounted for in the IRBA since 30 June 2023.

The creditworthiness evaluation takes place using an appropriate method, frequently on the basis of the expert-based decision matrix.

## 12. Project Developers

The Project Developers customer segment consists of companies that have overall responsibility for a construction project. They are characterised by large-volume commercial property construction. The commercial properties are often held for a short period and sold during or after the construction phase.

The credit rating for claims in this segment is based on the VR Immo Rating, VR Project Developers module.

## 13. Retail Business Switzerland CRSA

This segment consists of all retail business claims generated by the Swiss Life sales channel. Only claims based on property located in Switzerland are included in this segment. In accordance with the retail business limit, this segment includes claims on individuals or private individuals up to a maximum total exposure of CHF 2.1 million.

Creditworthiness is assessed using the procedures employed in the Swiss IRBA Retail Business.

## 14. Retail Business Germany CRSA

This customer segment includes borrowers with characteristics that may not be included in the IRBA due to regulatory requirements or how these characteristics are interpreted by the supervisory authorities. The total exposure amounts to a maximum of EUR 2 million and the primary objects of all loans are located in Germany.

The creditworthiness is assessed using procedures employed in the domestic retail business and/or SME retail business.



## 15. Discontinued business

Pursuant to the terms of Section 14 of the German Solvency Regulation (SolV), the “Discontinued Business” category defines areas of business where the Bank does not anticipate entering into new exposures or expanding its existing exposures. This category currently includes Geno loans (cooperative loans) with and without release from liability, mezzanine financing deals outside of Germany, credit lines secured by mortgages, as well as government-guaranteed corporate bonds. Discontinued business is administered in the PPU.

The creditworthiness evaluation takes place on the basis of a suitable rating procedure, e.g. the decision matrix.

Table 20 EU CR6-A provides an overview of how Münchener Hypothekbank’s risk positions are allocated between IRB and KSA approaches and the extent to which permanent or partial usage applies to KSA positions.

Table 21 EU CR5 provides a breakdown of exposures by exposure class and risk weighting using the standardised approach (in accordance with the risk content allocated to the exposure in the standardised approach). The risk weights shown in Table 21 encompass all those assigned to each credit quality step according to Articles 113 to 134 of Part Three, Title II Chapter 2 of the CRR (own funds requirements/own funds requirements for credit risks/standardised approach). The statement of risk exposure value for KSA is shown after the inclusion of credit risk mitigation effects from collateral. In this context, the total amount after credit risk mitigation is higher than before credit risk mitigation because positions from the IRBA portfolio are moved to the KSA portfolio through the provision of collateral.

Exposure values of derivatives, securities financing transactions (SFT), etc. are treated under the terms of CCR and for this reason are not shown here.



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

|      |     |                                                                        | a                                                                                  | b                                                                                               | c                                                                                     | d                                                                 | e                                                               |
|------|-----|------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|
|      |     |                                                                        | 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 a roll-out plan (%) | Percentage of total exposures value subject to IRB approach (%) |
| 0010 | 1   | Central governments or central banks                                   | –                                                                                  | 5,619.0                                                                                         | 100.00                                                                                | –                                                                 | –                                                               |
| 0020 | 1.1 | of which Regional governments or local authorities                     | –                                                                                  | 5,014.8                                                                                         | 100.00                                                                                | –                                                                 | –                                                               |
| 0030 | 1.2 | of which Public sector entities                                        | –                                                                                  | 87.8                                                                                            | 100.00                                                                                | –                                                                 | –                                                               |
| 0040 | 2   | Institutions                                                           | –                                                                                  | 126.5                                                                                           | 100.00                                                                                | –                                                                 | –                                                               |
| 0050 | 3   | Corporates                                                             | 14,044.5                                                                           | 14,887.9                                                                                        | 8.02                                                                                  | –                                                                 | 91.98                                                           |
| 0060 | 3.1 | of which Corporates – Specialised lending, excluding slotting approach | –                                                                                  | 8,913.4                                                                                         | –                                                                                     | –                                                                 | 100.00                                                          |
| 0070 | 3.2 | of which Corporates – Specialised lending under slotting approach      | –                                                                                  | –                                                                                               | –                                                                                     | –                                                                 | –                                                               |
| 0080 | 4   | Retail                                                                 | 33,032.6                                                                           | 32,113.0                                                                                        | 0.56                                                                                  | –                                                                 | 99.44                                                           |
| 0090 | 4.1 | of which Retail – Secured by real estate SMEs                          | –                                                                                  | 4,217.0                                                                                         | –                                                                                     | –                                                                 | 100.00                                                          |
| 0100 | 4.2 | of which Retail – Secured by real estate non-SMEs                      | –                                                                                  | 27,715.9                                                                                        | –                                                                                     | –                                                                 | 100.00                                                          |
| 0110 | 4.3 | of which Retail – Qualifying revolving                                 | –                                                                                  | –                                                                                               | –                                                                                     | –                                                                 | –                                                               |
| 0120 | 4.4 | of which Retail – Other SMEs                                           | –                                                                                  | 0.7                                                                                             | 100.00                                                                                | –                                                                 | –                                                               |
| 0130 | 4.5 | of which Retail – Other non-SMEs                                       | –                                                                                  | 179.5                                                                                           | 100.00                                                                                | –                                                                 | –                                                               |
| 0140 | 5   | Equity                                                                 | 113.4                                                                              | 247.0                                                                                           | 54.07                                                                                 | –                                                                 | 45.93                                                           |
| 0150 | 6   | Other non-credit obligation assets                                     | 134.2                                                                              | 134.5                                                                                           | 0.26                                                                                  | –                                                                 | 99.74                                                           |
| 0160 | 7   | <b>Total</b>                                                           | <b>47,324.7</b>                                                                    | <b>53,127.9</b>                                                                                 | <b>13.65</b>                                                                          | <b>–</b>                                                          | <b>86.35</b>                                                    |



TABLE 21: EU CR5 – STANDARDISED APPROACH

|    |                                                                              | a              | b        | c        | d            | e            | f            | g            | h        | i           | j            | k           | l        | m        | n        | o           | p              | q                |
|----|------------------------------------------------------------------------------|----------------|----------|----------|--------------|--------------|--------------|--------------|----------|-------------|--------------|-------------|----------|----------|----------|-------------|----------------|------------------|
|    |                                                                              | Risk weight    |          |          |              |              |              |              |          |             |              |             |          |          |          |             |                |                  |
|    | Exposure classes                                                             | 0%             | 2%       | 4%       | 10%          | 20%          | 35%          | 50%          | 70%      | 75%         | 100%         | 150%        | 250%     | 370%     | 1,250%   | Others      | Total          | Of which unrated |
| 1  | Central governments or central banks                                         | 566.7          | -        | -        | -            | -            | -            | -            | -        | -           | -            | -           | -        | -        | -        | -           | 566.7          | -                |
| 2  | Regional government or local authorities                                     | 4,966.1        | -        | -        | -            | -            | -            | -            | -        | -           | -            | -           | -        | -        | -        | -           | 4,966.1        | -                |
| 3  | Public sector entities                                                       | 86.3           | -        | -        | -            | -            | -            | -            | -        | -           | 1.4          | -           | -        | -        | -        | -           | 87.7           | 1.4              |
| 4  | Multilateral development banks                                               | 105.5          | -        | -        | -            | -            | -            | -            | -        | -           | -            | -           | -        | -        | -        | -           | 105.5          | 105.5            |
| 5  | International organisations                                                  | 51.6           | -        | -        | -            | -            | -            | -            | -        | -           | -            | -           | -        | -        | -        | -           | 51.6           | 51.6             |
| 6  | Institutions                                                                 | 44.2           | -        | -        | -            | 82.3         | -            | -            | -        | -           | -            | -           | -        | -        | -        | -           | 126.5          | 44.2             |
| 7  | Corporates                                                                   | -              | -        | -        | -            | 31.3         | -            | 0.8          | -        | -           | 283.6        | -           | -        | -        | -        | -           | 315.7          | 314.8            |
| 8  | Retail exposures                                                             | -              | -        | -        | -            | -            | -            | -            | -        | 95.1        | -            | -           | -        | -        | -        | -           | 95.1           | 95.1             |
| 9  | Exposures secured by mortgages on immovable property                         | -              | -        | -        | -            | -            | 291.7        | 701.3        | -        | -           | -            | -           | -        | -        | -        | -           | 993.0          | 993.0            |
| 10 | Exposures in default                                                         | -              | -        | -        | -            | -            | -            | -            | -        | -           | 0.5          | 0.1         | -        | -        | -        | -           | 0.6            | 0.6              |
| 11 | Exposures associated with particularly high risk                             | -              | -        | -        | -            | -            | -            | -            | -        | -           | -            | 53.0        | -        | -        | -        | -           | 53.0           | 53.0             |
| 12 | Covered bonds                                                                | 185.3          | -        | -        | 261.7        | 73.0         | -            | -            | -        | -           | -            | -           | -        | -        | -        | -           | 520.0          | 185.3            |
| 13 | Exposures to institutions and corporates with a short-term credit assessment | -              | -        | -        | -            | -            | -            | -            | -        | -           | -            | -           | -        | -        | -        | -           | -              | -                |
| 14 | Units or shares in collective investment undertakings                        | -              | -        | -        | -            | -            | -            | -            | -        | -           | -            | -           | -        | -        | -        | 79.6        | 79.6           | 79.6             |
| 15 | Equity exposures                                                             | -              | -        | -        | -            | -            | -            | -            | -        | -           | 133.6        | -           | -        | -        | -        | -           | 133.6          | 133.6            |
| 16 | Other items                                                                  | -              | -        | -        | -            | -            | -            | -            | -        | -           | 0.3          | -           | -        | -        | -        | -           | 0.3            | 0.3              |
| 17 | <b>TOTAL</b>                                                                 | <b>6,005.7</b> | <b>-</b> | <b>-</b> | <b>261.7</b> | <b>186.6</b> | <b>291.7</b> | <b>702.1</b> | <b>-</b> | <b>95.1</b> | <b>419.4</b> | <b>53.1</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>79.6</b> | <b>8,095.0</b> | <b>2,058.0</b>   |



## 5.5 STRUCTURE OF PORTFOLIO

This section classifies and presents Münchener Hypothekbank's exposures according to various criteria. The information in this section is based on the exposure values before the inclusion of credit risk mitigation (CRM). The Bank did not hold any securitisations in 2024.

Table 22 below provides an overview of total RWA forming the denominator of the risk-based capital requirements pursuant to Article 92 CRR. The capital requirements on the disclosure date are compared with the RWA disclosed in the previous interim period, thereby providing an overview of RWA development at Münchener Hypothekbank within the respective disclosure periods.

The IRBA shows all of the exposure values in the basic IRBA with the exception of Retail Business Domestic, Retail Business SME and Retail Business PostFinance. The advanced IRBA is used for Retail Business Domestic, Retail Business SME and Retail Business PostFinance. The IRBA portfolio for Retail Business includes only items secured by mortgage liens. The KSA shows all of the exposure values using the standardised approach, either as part of the PU or the PPU.



TABLE 22: EU OV1 – OVERVIEW OF RISK-WEIGHTED ASSETS (RWA)

|        |                                                                  | Risk-weighted exposure amounts (RWEAs) |            | Total own funds requirements |
|--------|------------------------------------------------------------------|----------------------------------------|------------|------------------------------|
|        |                                                                  | a                                      | b          | c                            |
|        |                                                                  | 31.12.2024                             | 30.09.2024 | 31.12.2024                   |
| 1      | Credit risk (excluding CCR)                                      | 10,023.5                               | 10,198.4   | 801.8                        |
| 2      | of which the standardised approach                               | 1,049.0                                | 966.4      | 83.9                         |
| 3      | of which the foundation IRB (FIRB) approach                      | 5,376.8                                | 5,208.8    | 430.1                        |
| 4      | of which slotting approach                                       | –                                      | –          | –                            |
| EU 4a  | of which equities under the simple risk weighted approach        | 257.2                                  | 229.0      | 20.6                         |
| 5      | of which the advanced IRB (AIRB) approach                        | 3,231.7                                | 3,685.4    | 258.5                        |
| 6      | Counterparty credit risk – CCR                                   | 355.6                                  | 379.1      | 28.5                         |
| 7      | of which the standardised approach                               | 67.2                                   | 75.0       | 5.4                          |
| 8      | of which internal model method (IMM)                             | –                                      | –          | –                            |
| EU 8a  | of which exposures to a CCP                                      | 0.2                                    | 0.2        | 0.0                          |
| EU 8b  | of which credit valuation adjustment – CVA                       | 280.0                                  | 295.5      | 22.4                         |
| 9      | of which other CCR                                               | 8.2                                    | 8.4        | 0.7                          |
| 10     | Empty set in the EU                                              | –                                      | –          | –                            |
| 11     | Empty set in the EU                                              | –                                      | –          | –                            |
| 12     | Empty set in the EU                                              | –                                      | –          | –                            |
| 13     | Empty set in the EU                                              | –                                      | –          | –                            |
| 14     | Empty set in the EU                                              | –                                      | –          | –                            |
| 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 standardised approach                               | –                                      | –          | –                            |
| 22     | of which IMA                                                     | –                                      | –          | –                            |
| EU 22a | Large exposures                                                  | –                                      | –          | –                            |
| 23     | Operational risk                                                 | 783.2                                  | 659.7      | 62.7                         |
| EU 23a | of which basic indicator approach                                | 783.2                                  | 659.7      | 62.7                         |

Table 22 continued on page 70



Table 22 continued from page 69

**TABLE 22: EU OV1 – OVERVIEW OF RISK-WEIGHTED ASSETS (RWA)**

|        |                                                                                            | Risk-weighted exposure amounts (RWEAs) |                 | Total own funds requirements |
|--------|--------------------------------------------------------------------------------------------|----------------------------------------|-----------------|------------------------------|
|        |                                                                                            | a                                      | b               | c                            |
|        |                                                                                            | 31.12.2024                             | 30.09.2024      | 31.12.2024                   |
| EU 23b | of which standardised approach                                                             | –                                      | –               | –                            |
| EU 23c | of which advanced measurement approach                                                     | –                                      | –               | –                            |
| 24     | Amounts below the thresholds for deduction (subject to 250% risk weight) (for information) | 108.8                                  | 108.8           | 8.7                          |
| 25     | Empty set in the EU                                                                        | –                                      | –               | –                            |
| 26     | Empty set in the EU                                                                        | –                                      | –               | –                            |
| 27     | Empty set in the EU                                                                        | –                                      | –               | –                            |
| 28     | Empty set in the EU                                                                        | –                                      | –               | –                            |
| 29     | <b>Total</b>                                                                               | <b>11,162.3</b>                        | <b>11,237.1</b> | <b>893.0</b>                 |

Table 23 provides a breakdown of the net values of on-balance sheet exposures (excluding commitments) by contractual residual maturities.

**TABLE 23: 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 | –                  | 3,896.3        | 11,181.2           | 32,006.3        | –                  | 47,083.8        |
| 2 | Debt securities    | –                  | 23.6           | 876.1              | 4,795.7         | –                  | 5,695.4         |
| 3 | <b>Total</b>       | –                  | <b>3,919.9</b> | <b>12,057.3</b>    | <b>36,802.0</b> | –                  | <b>52,779.2</b> |



## 5.6 RISK MITIGATION AND HEDGING

Both the IRBA and the KSA permit institutions to take the applied credit risk mitigation techniques (collateral) into account when calculating their regulatory own funds requirements. In order to take collateral into account when calculating own funds requirements, the institutions must meet minimum requirements that are explicitly regulated in the CRR and the KWG, as well as in the interpretation decisions developed by the supervisory authority and in circulars. All of the classes of collateral used to mitigate credit risk at Münchener Hypothekbank are recognised pursuant to CRR.

Münchener Hypothekbank's principles of collateralisation are an integral part of its business and risk strategies, and are regulated in detail by internal organisational instructions. This involves the definition of category and fundamental framework conditions for recognising, evaluating, monitoring and reviewing collateral accepted by Münchener Hypothekbank as a Pfandbrief bank. The collateral in question is defined in detail in the internal organisational guidelines and separated by country, property category, intended usage and other characteristics.

Münchener Hypothekbank does not practice balance sheet netting. With regard to derivative items, net market values are offset vis-à-vis a counterparty using cash deposits that were provided. Volatility adjustments are relevant only as factors for calculating securities positions in connection with repurchase agreements.

Eligible collateral is described in Article 194 (3) 3 CRR in association with Articles 197-200 CRR. As a general rule, the following categories of collateral are recognised at Münchener Hypothekbank:

- Residential and commercial property secured by mortgage liens pursuant to Article 199 CRR. Because of its strategic direction, Münchener Hypothekbank primarily uses mortgage securities for completed security objects or for security objects that are to be completed by the time the credit has been paid out in full.
- Warranties in the form of guarantees/bonds: the issuer of warranties that Münchener Hypothekbank considers to be risk mitigating are regional governments and local authorities pursuant to Article 201 (1) CRR and a reinsurance company.

- Pursuant to Article 193 (4) CRR, Münchener Hypothekbank defines financial collateral exclusively in the context of calculating cash securities (collateral) for derivatives and repo transactions. The exposures are determined based on netting and collateral offsetting.

Münchener Hypothekbank monitors possible risk concentrations and cluster risks that it enters into on the basis of its strategic orientation as a mortgage bank. Here, the sizes, property categories and regional distribution of the properties play a role. These risk drivers are subject to strict monitoring. In this context, the publication as per Article 28 PfandBG (German Pfandbrief Act) should be noted, which clearly explains potential cluster risks in Münchener Hypothekbank's cover funds on a quarterly basis.

In a quantitative sense, this section discloses collateral that has a risk-mitigating effect on regulatory capital backing requirements. Collateral is taken into consideration in accordance with CRR either in the Probability of Default (PD), the Loss Given Default (LGD) or using a risk weighting set defined by the supervisory authority for the secured claim. In Retail Business, which is subject to the advanced IRBA, collateral secured by mortgage liens is implicitly taken into account via the LGD.



Table 24 shows collateral taken into account for KSA exposures. As with the IRBA exposure classes, KSA exposure classes do not take risk mitigation into account for any financial collateral.

For information on the collateral and financial guarantees used by Münchener Hypothekbank to mitigate credit risk, see also Table EU CR3.

**TABLE 24: EU CR4 – STANDARDISED APPROACH AND CREDIT RISK MITIGATION (CRM) EFFECTS**

|    | Exposure classes                                                | Exposures post CCF and post 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 | RWAs                  | RWAs density (%) |
|    |                                                                 | a                               | b                           | c                               | d                           | e                     | f                |
| 1  | Central governments or central banks                            | 516.4                           | –                           | 566.7                           | –                           | –                     | –                |
| 2  | Regional government or local authorities                        | 5,014.8                         | –                           | 4,966.0                         | –                           | –                     | –                |
| 3  | Public sector entities                                          | 87.8                            | –                           | 87.8                            | –                           | 1.4                   | 1.62             |
| 4  | Multilateral development banks                                  | 105.5                           | –                           | 105.5                           | –                           | –                     | –                |
| 5  | International organisations                                     | 51.6                            | –                           | 51.6                            | –                           | –                     | –                |
| 6  | Institutions                                                    | 126.5                           | –                           | 126.5                           | –                           | 16.5                  | 13.01            |
| 7  | Corporates                                                      | 240.2                           | 91.2                        | 270.0                           | 45.6                        | 249.9                 | 79.19            |
| 8  | Retail                                                          | 70.1                            | 81.8                        | 70.1                            | 25.0                        | 71.3                  | 74.99            |
| 9  | Secured by mortgages on immovable property                      | 992.1                           | 1.8                         | 992.1                           | 0.9                         | 390.8                 | 39.36            |
| 10 | Exposures in default                                            | 0.7                             | –                           | 0.7                             | –                           | 0.8                   | 110.98           |
| 11 | Exposures associated with particularly high risk                | 33.3                            | 39.2                        | 33.3                            | 19.6                        | 79.3                  | 150.00           |
| 12 | Covered bonds                                                   | 520.1                           | –                           | 520.1                           | –                           | 40.8                  | 7.84             |
| 13 | Institutions and corporates with a short-term credit assessment | –                               | –                           | –                               | –                           | –                     | –                |
| 14 | Collective investment undertakings                              | 79.6                            | –                           | 79.6                            | –                           | 64.3                  | 80.76            |
| 15 | Equity                                                          | 133.6                           | –                           | 133.6                           | –                           | 133.6                 | 100.00           |
| 16 | Other items                                                     | 0.3                             | 0.0                         | 0.3                             | 0.0                         | 0.3                   | 100.00           |
| 17 | <b>TOTAL</b>                                                    | <b>7,972.6</b>                  | <b>214.0</b>                | <b>8,003.9</b>                  | <b>91.1</b>                 | <b>1,049.0</b>        | <b>12.96</b>     |



## 5.7 NON-PERFORMING LOANS AND PROVISIONS FOR RISK

The relevant regulatory disclosures in these sections are derived from the ECB's Non-Performing Loans (NPL) Guideline and the Implementing Regulation (EU) 2021/637.

In view of Münchener Hypothekbank's low number of non-performing loans (NPL), it is not to be referred to as a high NPL bank as described as per the aforementioned guidelines.

Based on the figures regarding NPLs disclosed in the tables shown below, Münchener Hypothekbank had an NPL ratio of 1.52%, which reflects the total volume of NPLs to the total loan portfolio. Münchener Hypothekbank's NPL ratio can be qualified as low.

As a non-NPL bank according to Article 8 EU 2021/631 – with an NPL ratio below 5% – the Bank is exempt from full disclosure pursuant to Article 8 (3) of the Implementing Regulation (EU) 2021/637.

Münchener Hypothekbank defines non-performing exposures/non-performing loans as claims where

- A default event pursuant to the definition of “default” has occurred, and/or
- Forbearance measures have already been granted to the debtor and
  - » a) Additional concessions have been made within the 2-year forbearance probation period or if the loan has previously been removed from the non-performing category
  - » b) Despite concessions made within the 2-year probation period, the debtor is still more than 30 days in arrears.

Münchener Hypothekbank defines affected loans as being in default when certain criteria are met. These criteria include: 90 days past due, debtor is unlikely to pay, application for insolvency, termination, need for risk provisioning, crisis-related restructuring and write-offs. Loans in default are always considered to be non-performing loans.

A default in the sense of crisis-related restructuring is deemed to exist if a forbearance measure is taken and one of the following conditions is met when the measure is implemented:

- The measure leads to a decrease in the present value of the sum of all claims against the debtor of more than 1%.
- The debtor is already considered to be in default elsewhere.
- There are other indications of unlikely repayment of the debtor's liabilities.

In addition, all risk positions classified as deferred and non-performing are deemed to be in default in the sense of crisis-related restructuring.

Münchener Hypothekbank classifies exposures that are not categorised as “Non-Performing Exposures” as “Performing Exposures”. There is no overlap between the two subsets.

Münchener Hypothekbank employs the following assumptions to identify impaired assets.

- **Materiality thresholds:** €100 or €500 in arrears and 1.0% of the total amount of all balance sheet risk positions.
- **90 days past due criterion:** Method used to count days past due. Every working day, an assessment takes place at debtor level to determine if a material delay exists. The first day past due is counted the first time a debtor misses a payment. For every day thereafter when a material delay

takes place, the number of days past due is raised by one day. As soon as the debtor is no longer materially past due, the number of days past due is reduced to zero.

- **Indicators of unlikelihood to pay:** In accordance with Article 178 (1) a CRR, Münchener Hypothekbank assesses that a debtor is highly unlikely to repay their obligations in full unless certain measures are taken such as the recovery of collateral (repossession and sale of collateral).

A default event for unlikely-to-pay exists in the following circumstances:

- Risk provisioning requirement (value adjustment)
- Write-downs
- Crisis-related restructuring
- Application for compulsory measures in rem
- Insolvency application by MHB or third parties
- Termination

Additional indications of unlikely to pay, which are summarised in the default event “unlikely repayment”, are:

1. Unsuccessful personal coercive measures before termination
2. Realisation of additional collateral
3. Unrestricted sale/emergency sale of the property due to change in creditworthiness as an alternative to a bank-side materially coercive measure (regardless of whether the claim can be fully or partially repaid as a result)
4. Entry in the debtors' register/submission of the statement of assets (affidavit)
5. Permanent and severe limitation of the ability to service debt (in the individual customer business, there is always an indication if a financing-related debt service coverage ratio (DSCR) falls below the threshold value of 100%)



6. Sources of recurring income of a debtor are no longer available to meet the obligation to pay the instalments
7. There is always an indication in the individual customer business if the market value of at least one property is reduced by more than 30% (comparison of the current market value with the most recently determined market value) and the resulting LTV is > 75% for at least one loan
8. The borrower has breached material credit conditions in the loan agreement (e.g. breach of covenant not remedied)
9. Redemption payments that are three months or more in arrears due to creditworthiness reasons
10. Waiver of current interest charges
11. Negative information from external credit agencies (e.g. SCHUFA or Creditreform), in particular in the case of debt collection or attachment
12. Loan fraud
13. Debtor makes use of contractually agreed options to change the schedule, suspend or postpone payments
14. Repayment of an obligation is suspended because a law grants this option or other legal restrictions exist
15. Requirement of additional security (including a guarantee)
16. For risk positions vis-à-vis a natural person: default of an enterprise wholly owned by a single natural person, provided that this natural person has given the institution a personal guarantee for all the commitments of an enterprise

17. The existence of a default rating that Münchener Hypothekenbank adopts as part of a rating assumption
18. Default rating of the external rating agency Fitch Ratings
19. Note for project developers/build-up financing: permanent serious disruption to the development of the project, so that the exit, i.e. sale or follow-up financing and associated repayment or redemption, is not likely as planned.

■ **Impairment policies** related to non-performing exposures: Münchener Hypothekenbank has established certain criteria in its credit business that, if triggered, will lead to a mandatory assessment to determine if an individual adjustment to value (IVA) of an exposure is required. In addition, what are known as soft criteria also exist, which may make it professionally feasible to assess the need for an IVA and thus could serve as a trigger for an IVA.

Criteria that will lead to a mandatory assessment of the need for an IVA are:

1. For all business divisions: defaulted exposures
2. Complementary to Retail Business: over 45 days past due (individual exposure level) and payment arrears of over € 2,500 and € 0 amount covered by collateral, or more than 45 days past due (individual exposure level), € 0 amount covered by collateral and payment arrears of over € 10,000
3. Complementary to the individual business: Rating of > 3e, or more than 45 days past due (individual exposure level) and payment arrears of over € 2,500

If significant new information is received for a loan that has already undergone an IVA, the loan will require a renewed assessment and, if needed, an adjustment (increase, reduction or complete write-off) of the IVA. Irrespective of this, an updated

assessment of the IVA undertaken will take place on the date of record, 30 September, every year.

The managerial instructions that form the basis for the IVA assessment are examined every year by the specialised department responsible for IVA management. The Board of Management will decide on proposals concerning adjustments that may arise from this review.

Beyond these measures, Münchener Hypothekenbank created a general adjustment to value (GVA) as a precautionary measure to cover latent lending risks. The basis for calculating this GVA is the terms contained in a Federal Ministry of Finance notice dated 10 January 1994. The GVA is calculated based on the average volume of defaults that took place over the last five years in relation to the average volume of loans-at-risk made during this period. Furthermore, contingency reserves under Article 340f German Commercial Code (HGB) were also created. These contingency reserves are based on a prudent commercial judgement of reserves required to contain the special risks arising from the Bank's business operations.

Table 25 below discloses changes in Münchener Hypothekenbank's stock of defaulted loans and debt securities excluding commitments made by the Bank.



The item “Other changes” in row 5 primarily reflects currency fluctuations as well as redemptions of existing impaired loans.

**TABLE 25: EU CR2 – CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES**

|   |                                                                                           | a                                            |
|---|-------------------------------------------------------------------------------------------|----------------------------------------------|
|   |                                                                                           | Gross carrying amount of defaulted exposures |
|   |                                                                                           | 010                                          |
| 1 | Opening balance                                                                           | 741.1                                        |
| 2 | Loans and debt securities that have defaulted or impaired since the last reporting period | 255.4                                        |
| 3 | Returned to non-defaulted status                                                          | – 23.7                                       |
| 4 | Amounts written off                                                                       | – 25.0                                       |
| 5 | Other changes                                                                             | – 118.9                                      |
| 6 | Closing balance                                                                           | 828.9                                        |

The increase in the portfolio of defaulted or impaired loans from € 225.5 million (last reporting period) to € 741.0 million is primarily due to defaults in the US portfolio.

Table 26 shows all of the collateral and financial guarantees used by Münchener Hypothekenbank to mitigate credit risk for all secured exposures irrespective of whether the calculation of RWA was made using the standardised approach or the IRB approach. Münchener Hypothekenbank does not use credit derivatives as collateral.

The KSA position “Equity exposures” is not included in this.

**TABLE 26: 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 | by financial guarantees | of which secured by credit derivatives |   |
|      |                                   | a                         | b                              | c                       | d                                      | e |
| 1    | Loans and advances                | 3,105.9                   | 44,707.0                       | 44,704.5                | 2.5                                    | – |
| 2    | Debt securities                   | 5,695.5                   | –                              | –                       | –                                      | – |
| 3    | Total                             | 8,801.4                   | 44,707.0                       | 44,704.5                | 2.5                                    | – |
| 4    | of which non-performing exposures | 30.3                      | 525.0                          | 525.0                   | –                                      | – |
| EU-5 | of which defaulted                | 30.3                      | 525.0                          | –                       | –                                      | – |

Table 27 EU CQ1 shows the distribution of defaulted and non-defaulted exposures by exposure category. This table provides a comprehensive overview of the credit quality of Münchener Hypothekenbank’s on-balance sheet and off-balance sheet exposures.

It should be noted that Münchener Hypothekenbank does not account for reserves allocated to the KSA portfolio, and especially reserves pursuant to Article 340f of the German Commercial Code, as general adjustments to value. The corresponding amount of about €3.5 million is treated as supplementary capital.



TABLE 27: EU CQ1 – CREDIT QUALITY OF FORBORNE EXPOSURE

|     |                                                          | 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 |                                                                             |                                                                                                             |
| 005 | Cash balances at central banks and other demand deposits | 0                                                                           | 0            | 0                  | 0                 | 0                                                                                                    | 0                                    | 0                                                                           | 0                                                                                                           |
| 010 | Loans and advances                                       | 302.7                                                                       | 490.6        | 490.5              | 401.5             | - 10.1                                                                                               | - 208.3                              | 533.1                                                                       | 273.3                                                                                                       |
| 020 | Central banks                                            | -                                                                           | -            | -                  | -                 | -                                                                                                    | -                                    | -                                                                           | -                                                                                                           |
| 030 | General governments                                      | -                                                                           | -            | -                  | -                 | -                                                                                                    | -                                    | -                                                                           | -                                                                                                           |
| 040 | Credit institutions                                      | -                                                                           | -            | -                  | -                 | -                                                                                                    | -                                    | -                                                                           | -                                                                                                           |
| 050 | Other financial corporations                             | -                                                                           | -            | -                  | -                 | -                                                                                                    | -                                    | -                                                                           | -                                                                                                           |
| 060 | Non-financial corporations                               | 289.8                                                                       | 466.1        | 466.1              | 392.4             | - 9.3                                                                                                | - 205.6                              | 499.3                                                                       | 251.5                                                                                                       |
| 070 | Households                                               | 12.9                                                                        | 24.5         | 24.4               | 9.1               | - 0.8                                                                                                | - 2.7                                | 33.8                                                                        | 21.8                                                                                                        |
| 080 | Debt Securities                                          | -                                                                           | -            | -                  | -                 | -                                                                                                    | -                                    | -                                                                           | -                                                                                                           |
| 090 | Loan commitments given                                   | 0                                                                           | 12.1         | 12.1               | 8.8               | -                                                                                                    | - 8.8                                | 3.3                                                                         | 3.3                                                                                                         |
| 100 | <b>Total</b>                                             | <b>302.7</b>                                                                | <b>502.7</b> | <b>502.6</b>       | <b>410.3</b>      | <b>- 10.1</b>                                                                                        | <b>- 217.1</b>                       | <b>536.4</b>                                                                | <b>276.6</b>                                                                                                |

Tables 28 to 31 below show a detailed breakdown of non-performing loans and the value adjustments made at Münchener Hypothekenbank.

**TABLE 28: 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 |          |
| 5   | Cash balances at central banks and other demand deposits | 729.0                                | –                | –                        | –                | –                | –        |
| 10  | Loans and advances                                       | 46,686.6                             | –                | –                        | 813.0            | –                | –        |
| 20  | Central banks                                            | –                                    | –                | –                        | –                | –                | –        |
| 30  | General governments                                      | 1,025.6                              | –                | –                        | –                | –                | –        |
| 40  | Credit institutions                                      | 218.5                                | –                | –                        | –                | –                | –        |
| 50  | Other financial corporations                             | 2,131.8                              | –                | –                        | 8.5              | –                | –        |
| 60  | Non-financial corporations                               | 12,212.9                             | –                | –                        | 620.9            | –                | –        |
| 70  | of which SMEs                                            | 9,748.4                              | –                | –                        | 620.9            | –                | –        |
| 80  | Households                                               | 31,097.8                             | –                | –                        | 183.6            | –                | –        |
| 90  | Debt securities                                          | 5,695.4                              | –                | –                        | –                | –                | –        |
| 100 | Central banks                                            | –                                    | –                | –                        | –                | –                | –        |
| 110 | General governments                                      | 4,401.5                              | –                | –                        | –                | –                | –        |
| 120 | Credit institutions                                      | 1,230.8                              | –                | –                        | –                | –                | –        |
| 130 | Other financial corporations                             | 63.1                                 | –                | –                        | –                | –                | –        |
| 140 | Non-financial corporations                               | –                                    | –                | –                        | –                | –                | –        |
| 150 | Off-balance-sheet exposures                              | 2,466.3                              | –                | –                        | 16.0             | –                | –        |
| 160 | Central banks                                            | –                                    | –                | –                        | –                | –                | –        |
| 170 | General governments                                      | –                                    | –                | –                        | –                | –                | –        |
| 180 | Credit institutions                                      | –                                    | –                | –                        | –                | –                | –        |
| 190 | Other financial corporations                             | 1.0                                  | –                | –                        | –                | –                | –        |
| 200 | Non-financial corporations                               | 413.5                                | –                | –                        | 12.1             | –                | –        |
| 210 | Households                                               | 2,051.8                              | –                | –                        | 3.9              | –                | –        |
| 220 | <b>Total</b>                                             | <b>55,577.3</b>                      | <b>–</b>         | <b>–</b>                 | <b>829.0</b>     | <b>–</b>         | <b>–</b> |

**TABLE 28: 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 |
| 5   | Cash balances at central banks and other demand deposits | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 10  | Loans and advances                                       | - 158.0                                                                                              | -                | -                | - 257.6                                                                                                                         | -                | -                |
| 20  | Central banks                                            | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 30  | General governments                                      | 0.0                                                                                                  | -                | -                | -                                                                                                                               | -                | -                |
| 40  | Credit institutions                                      | 0.0                                                                                                  | -                | -                | -                                                                                                                               | -                | -                |
| 50  | Other financial corporations                             | - 16.5                                                                                               | -                | -                | -                                                                                                                               | -                | -                |
| 60  | Non-financial corporations                               | - 47.8                                                                                               | -                | -                | - 238.7                                                                                                                         | -                | -                |
| 70  | of which SMEs                                            | - 43.5                                                                                               | -                | -                | - 238.7                                                                                                                         | -                | -                |
| 80  | Households                                               | - 93.7                                                                                               | -                | -                | - 18.9                                                                                                                          | -                | -                |
| 90  | Debt securities                                          | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 100 | Central banks                                            | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 110 | General governments                                      | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 120 | Credit institutions                                      | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 130 | Other financial corporations                             | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 140 | Non-financial corporations                               | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 150 | Off-balance-sheet exposures                              | - 2.0                                                                                                | -                | -                | - 8.8                                                                                                                           | -                | -                |
| 160 | Central banks                                            | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 170 | General governments                                      | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 180 | Credit institutions                                      | -                                                                                                    | -                | -                | -                                                                                                                               | -                | -                |
| 190 | Other financial corporations                             | 0.0                                                                                                  | -                | -                | -                                                                                                                               | -                | -                |
| 200 | Non-financial corporations                               | - 0.5                                                                                                | -                | -                | - 8.8                                                                                                                           | -                | -                |
| 210 | Households                                               | - 1.5                                                                                                | -                | -                | -                                                                                                                               | -                | -                |
| 220 | <b>Total</b>                                             | <b>- 160.0</b>                                                                                       | <b>-</b>         | <b>-</b>         | <b>- 266.4</b>                                                                                                                  | <b>-</b>         | <b>-</b>         |

**TABLE 28: EU CR1 – PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS**

PART 3 OF 3

|     |                                                          | m                             | n                                            | o                          |
|-----|----------------------------------------------------------|-------------------------------|----------------------------------------------|----------------------------|
|     |                                                          |                               | Collateral and financial guarantees received |                            |
|     |                                                          | Accumulated partial write-off | On performing exposure                       | On non-performing exposure |
| 5   | Cash balances at central banks and other demand deposits | -                             | -                                            | -                          |
| 10  | Loans and advances                                       | -                             | 44,182.1                                     | 525.0                      |
| 20  | Central banks                                            | -                             | -                                            | -                          |
| 30  | General governments                                      | -                             | 1.0                                          | -                          |
| 40  | Credit institutions                                      | -                             | 14.6                                         | -                          |
| 50  | Other financial corporations                             | -                             | 2,039.1                                      | 8.5                        |
| 60  | Non-financial corporations                               | -                             | 11,416.8                                     | 352.5                      |
| 70  | of which SMEs                                            | -                             | 8,984.9                                      | 352.5                      |
| 80  | Households                                               | -                             | 30,710.6                                     | 164.0                      |
| 90  | Debt securities                                          | -                             | -                                            | -                          |
| 100 | Central banks                                            | -                             | -                                            | -                          |
| 110 | General governments                                      | -                             | -                                            | -                          |
| 120 | Credit institutions                                      | -                             | -                                            | -                          |
| 130 | Other financial corporations                             | -                             | -                                            | -                          |
| 140 | Non-financial corporations                               | -                             | -                                            | -                          |
| 150 | Off-balance-sheet exposures                              | -                             | 2,082.4                                      | 14.6                       |
| 160 | Central banks                                            | -                             | -                                            | -                          |
| 170 | General governments                                      | -                             | -                                            | -                          |
| 180 | Credit institutions                                      | -                             | -                                            | -                          |
| 190 | Other financial corporations                             | -                             | -                                            | -                          |
| 200 | Non-financial corporations                               | -                             | 261.2                                        | 10.9                       |
| 210 | Households                                               | -                             | 1,821.2                                      | 3.7                        |
| 220 | <b>Total</b>                                             | -                             | <b>46,264.5</b>                              | <b>539.6</b>               |

**TABLE 29: 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 |             |
| 5   | Cash balances at central banks and other demand deposits | 729.0                                | 729.0                        | –                                                               | –            | –                             | –           |
| 10  | Loans and advances                                       | 46,686.6                             | 46,678.9                     | 7.7                                                             | 813.0        | 387.4                         | 71.8        |
| 20  | Central banks                                            | –                                    | –                            | –                                                               | –            | –                             | –           |
| 30  | General governments                                      | 1,025.6                              | 1,025.6                      | –                                                               | –            | –                             | –           |
| 40  | Credit institutions                                      | 218.5                                | 218.5                        | –                                                               | –            | –                             | –           |
| 50  | Other financial corporations                             | 2,131.8                              | 2,131.8                      | –                                                               | 8.5          | 8.5                           | –           |
| 60  | Non-financial corporations                               | 12,212.9                             | 12,211.0                     | 1.9                                                             | 620.9        | 291.7                         | 42.3        |
| 70  | of which SMEs                                            | 9,748.4                              | 9,746.5                      | 1.9                                                             | 620.9        | 291.7                         | 42.3        |
| 80  | Households                                               | 31,097.8                             | 31,092.0                     | 5.8                                                             | 183.6        | 87.2                          | 29.5        |
| 90  | Debt securities                                          | 5,695.4                              | 5,695.4                      | –                                                               | –            | –                             | –           |
| 100 | Central banks                                            | –                                    | –                            | –                                                               | –            | –                             | –           |
| 110 | General governments                                      | 4,401.5                              | 4,401.5                      | –                                                               | –            | –                             | –           |
| 120 | Credit institutions                                      | 1,230.8                              | 1,230.8                      | –                                                               | –            | –                             | –           |
| 130 | Other financial corporations                             | 63.1                                 | 63.1                         | –                                                               | –            | –                             | –           |
| 140 | Non-financial corporations                               | –                                    | –                            | –                                                               | –            | –                             | –           |
| 150 | Off-balance-sheet exposures                              | 2,466.3                              | –                            | –                                                               | 16.0         | –                             | –           |
| 160 | Central banks                                            | –                                    | –                            | –                                                               | –            | –                             | –           |
| 170 | General governments                                      | –                                    | –                            | –                                                               | –            | –                             | –           |
| 180 | Credit institutions                                      | –                                    | –                            | –                                                               | –            | –                             | –           |
| 190 | Other financial corporations                             | 1.0                                  | –                            | –                                                               | –            | –                             | –           |
| 200 | Non-financial corporations                               | 413.5                                | –                            | –                                                               | 12.1         | –                             | –           |
| 210 | Households                                               | 2,051.8                              | –                            | –                                                               | 3.9          | –                             | –           |
| 220 | <b>Total</b>                                             | <b>55,577.3</b>                      | <b>53,103.3</b>              | <b>7.7</b>                                                      | <b>829.0</b> | <b>387.4</b>                  | <b>71.8</b> |



**TABLE 29: 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<br>> 180 days<br>≤ 1 year   | Past due<br>> 1 year<br>≤ 2 years | Past due<br>> 2 years<br>≤ 5 years | Past due<br>> 5 years<br>≤ 7 years | Past due<br>> 7 years | of which defaulted |
| 5   | Cash balances at central banks and other demand deposits | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 10  | Loans and advances                                       | 78.4                                 | 156.7                             | 104.9                              | 0.9                                | 12.8                  | 813.0              |
| 20  | Central banks                                            | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 30  | General governments                                      | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 40  | Credit institutions                                      | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 50  | Other financial corporations                             | -                                    | -                                 | -                                  | -                                  | -                     | 8.5                |
| 60  | Non-financial corporations                               | 56.1                                 | 129.4                             | 88.8                               | -                                  | 12.6                  | 620.9              |
| 70  | of which SMEs                                            | 56.1                                 | 129.4                             | 88.8                               | -                                  | 12.6                  | 620.9              |
| 80  | Households                                               | 22.3                                 | 27.3                              | 16.1                               | 0.9                                | 0.2                   | 183.6              |
| 90  | Debt securities                                          | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 100 | Central banks                                            | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 110 | General governments                                      | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 120 | Credit institutions                                      | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 130 | Other financial corporations                             | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 140 | Non-financial corporations                               | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 150 | Off-balance-sheet exposures                              | -                                    | -                                 | -                                  | -                                  | -                     | 16.0               |
| 160 | Central banks                                            | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 170 | General governments                                      | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 180 | Credit institutions                                      | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 190 | Other financial corporations                             | -                                    | -                                 | -                                  | -                                  | -                     | -                  |
| 200 | Non-financial corporations                               | -                                    | -                                 | -                                  | -                                  | -                     | 12.1               |
| 210 | Households                                               | -                                    | -                                 | -                                  | -                                  | -                     | 3.9                |
| 220 | <b>Total</b>                                             | <b>78.4</b>                          | <b>156.7</b>                      | <b>104.9</b>                       | <b>0.9</b>                         | <b>12.8</b>           | <b>829.0</b>       |



TABLE 30: EU CQ4 – QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY

|     |                             | a                                                        | b     | c                  | d                                 | e                         | f                                                                                      | g                                                                                                     |
|-----|-----------------------------|----------------------------------------------------------|-------|--------------------|-----------------------------------|---------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|     |                             | Gross carrying/nominal amount<br>of which non-performing |       |                    | of which subject<br>to impairment | Accumulated<br>impairment | Provisions on<br>off-balance-sheet<br>commitments and<br>financial guarantees<br>given | Accumulated negative<br>changes in fair value<br>due to credit risk on<br>non-performing<br>exposures |
|     |                             |                                                          |       | of which defaulted |                                   |                           |                                                                                        |                                                                                                       |
| 010 | On-balance-sheet exposures  | 53,924.0                                                 | 812.9 | 812.9              | 53,924.0                          | - 415.7                   | -                                                                                      | -                                                                                                     |
| 020 | Germany                     | 41,325.8                                                 | 274.5 | 274.5              | 41,325.8                          | - 159.3                   | -                                                                                      | -                                                                                                     |
| 030 | Switzerland                 | 5,213.3                                                  | 3.3   | 3.3                | 5,213.3                           | - 7.8                     | -                                                                                      | -                                                                                                     |
| 040 | Luxembourg                  | 3,098.8                                                  | 146.9 | 146.9              | 3,098.8                           | - 56.9                    | -                                                                                      | -                                                                                                     |
| 050 | USA                         | 965.6                                                    | 328.2 | 328.2              | 965.6                             | - 129.6                   | -                                                                                      | -                                                                                                     |
| 060 | The Netherlands             | 807.5                                                    | -     | -                  | 807.5                             | - 3.4                     | -                                                                                      | -                                                                                                     |
| 070 | Spain                       | 533.7                                                    | 23.5  | 23.5               | 533.7                             | - 16.6                    | -                                                                                      | -                                                                                                     |
| 080 | France                      | 556.4                                                    | 12.9  | 12.9               | 556.4                             | - 17.1                    | -                                                                                      | -                                                                                                     |
| 090 | Austria                     | 481.8                                                    | 1.3   | 1.3                | 481.8                             | - 2.3                     | -                                                                                      | -                                                                                                     |
| 010 | Jersey                      | 169.1                                                    | -     | -                  | 169.1                             | - 0.9                     | -                                                                                      | -                                                                                                     |
| 011 | Great Britain excl. GG, JE  | 130.9                                                    | 0.3   | 0.3                | 130.9                             | - 0.9                     | -                                                                                      | -                                                                                                     |
| 012 | Other                       | 641.1                                                    | 22.0  | 22.0               | 641.1                             | - 20.9                    | -                                                                                      | -                                                                                                     |
| 013 | Off-balance-sheet exposures | 2,482.3                                                  | 16.0  | 16.0               | -                                 | -                         | - 10.7                                                                                 | -                                                                                                     |
| 014 | Germany                     | 2,076.9                                                  | 3.9   | 3.9                | -                                 | -                         | - 1.7                                                                                  | -                                                                                                     |
| 015 | Switzerland                 | 241.1                                                    | -     | -                  | -                                 | -                         | 0.0                                                                                    | -                                                                                                     |
| 016 | Other                       | 164.3                                                    | 12.1  | 12.1               | -                                 | -                         | - 9.0                                                                                  | -                                                                                                     |
| 017 | Total                       | 56,406.3                                                 | 828.9 | 828.9              | 53,924.0                          | - 415.7                   | - 10.7                                                                                 | -                                                                                                     |



TABLE 31: EU CQ5 – CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

|     |                                                               | a                                                | b                  | c            | d                                                       | e                         | f                                                                                                     |
|-----|---------------------------------------------------------------|--------------------------------------------------|--------------------|--------------|---------------------------------------------------------|---------------------------|-------------------------------------------------------------------------------------------------------|
|     |                                                               | Gross carrying amount<br>of which non-performing |                    |              | of which loans and<br>advances subject to<br>impairment | Accumulated<br>impairment | Accumulated negative<br>changes in fair value due<br>to credit risk on<br>non-performing<br>exposures |
|     |                                                               |                                                  | 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           | 0.4                                              | –                  | –            | 0.4                                                     | 0                         | –                                                                                                     |
| 050 | Water supply                                                  | 3.3                                              | –                  | –            | 3.3                                                     | 0.0                       | –                                                                                                     |
| 060 | Construction                                                  | 40.1                                             | –                  | –            | 40.1                                                    | – 0.1                     | –                                                                                                     |
| 070 | Wholesale and retail trade                                    | 2.7                                              | –                  | –            | 2.7                                                     | 0.0                       | –                                                                                                     |
| 080 | Transport and storage                                         | 0.3                                              | –                  | –            | 0.3                                                     | 0.0                       | –                                                                                                     |
| 090 | Accommodation and food service activities                     | 0.2                                              | –                  | –            | 0.2                                                     | 0.0                       | –                                                                                                     |
| 100 | Information and communication                                 | 0.4                                              | –                  | –            | 0.4                                                     | 0.0                       | –                                                                                                     |
| 110 | Financial and insurance activities                            | –                                                | –                  | –            | –                                                       | –                         | –                                                                                                     |
| 120 | Real estate activities                                        | 12,638.3                                         | 619.3              | 619.3        | 12,638.3                                                | – 285.6                   | –                                                                                                     |
| 130 | Professional, scientific and technical activities             | 33.2                                             | –                  | –            | 33.2                                                    | – 0.3                     | –                                                                                                     |
| 140 | Administrative and support service activities                 | 100.5                                            | 1.6                | 1.6          | 100.5                                                   | – 0.5                     | –                                                                                                     |
| 150 | Public administration and defense, compulsory social security | –                                                | –                  | –            | –                                                       | –                         | –                                                                                                     |
| 160 | Education                                                     | 0.2                                              | –                  | –            | 0.2                                                     | 0.0                       | –                                                                                                     |
| 170 | Human health services and social work activities              | 8.4                                              | –                  | –            | 8.4                                                     | 0.0                       | –                                                                                                     |
| 180 | Arts, entertainment and recreation                            | 0.5                                              | –                  | –            | 0.5                                                     | 0.0                       | –                                                                                                     |
| 190 | Other services                                                | 4.3                                              | –                  | –            | 4.3                                                     | 0.0                       | –                                                                                                     |
| 200 | <b>Total</b>                                                  | <b>12,833.8</b>                                  | <b>620.9</b>       | <b>620.9</b> | <b>12,833.8</b>                                         | <b>– 286.5</b>            | <b>–</b>                                                                                              |



## 5.8 RISK REPORTS AND MANAGEMENT INFORMATION SYSTEMS

Risk reports provide the foundation for management decisions. These reports are regularly prepared for various groups.

The Bank's credit risk situation is extensively presented in the Comprehensive Risk Report, which is prepared on a quarterly basis. Particular attention is devoted to the following risk-relevant subjects in risk reporting: portfolio structure, limit utilisation, quantification of risk, cluster and concentration risks, provisions for risk, workout management's portfolio, intensive attention portfolio and the development of new business. All risk-relevant key figures are reviewed within the context of the quarterly risk report, including expected and unexpected losses as applicable to both the consolidated portfolio and sub-portfolio level. In addition, for each consolidation level, each portfolio is split by rating classification, size category, loan-to-value ratio, type of property, region and broker, among other criteria. The Comprehensive Risk Report is distributed to:

- The Supervisory Board
- The Board of Management
- Various unit and department heads

The extent to which the limits are utilised for capital market purposes is measured on a daily basis.

The Transaction Management departments are responsible for monitoring the country limits within the context of new business decisions. Measurement of the utilisation of the country limits for mortgage business purposes takes place on a daily basis and is prepared by the Transaction Management department. Pursuant to the escalation procedure, a report is submitted to the Board of Management and the responsible market department within the framework of proposed resolutions for new business purposes in the event that a country limit for mortgage business is exceeded. The Credit Risk Controlling department is responsible for the quarterly assessment of country limits for the mortgage business within the Credit Risk Report.



## 6 Market Price Risk

### 6.1 CONTAINMENT

Market price risks involve risks to the value of items or portfolios due to changes in market parameters, e.g. interest rates or exchange rates. They are quantified as a potential present-value loss using the present-value model. We distinguish between risks associated with changes in interest rates, (credit) spreads, options, currency, commodities and stocks.

The interest rate change risk describes the risk that the market value of interest-rate-dependent investments or liabilities could develop negatively. It is the most important component of market price risks for Münchener Hypothekenbank.

The credit spread is defined as the difference in yield for a risky and a non-risky bond. Spread risks account for the danger that this difference in interest rates could change despite no changes taking place in creditworthiness. The reasons for changes in yield premiums are: varying estimates by market participants, actual changes in issuers' credit quality – as long as this is not already reflected in the rating – and macroeconomic factors that affect creditworthiness categories. All bonds are affected by credit spread risk.

Among other considerations, options also include the following risks:

- Vega: the risk that increasing or declining volatility will change the value of a derivative instrument
- Theta: the risk that the value of a derivative instrument will change over time
- Rho: the risk that the option value will change if the risk-free interest rate changes
- Gamma: the risk that the option deltas will change if the price of the underlying value changes

The currency risk describes the risk that the market value of exchange-rate-dependent investments or liabilities could develop negatively due to changes in the exchange rate.

Commodities and stock risk refers to the risk of a negative price development in the commodities or stock market that leads to a decline in the value of an asset. Commodities and stock risks are only of minor relevance for Münchener Hypothekenbank as – in addition to our existing investments within the Cooperative Financial Network – only one special fund has been established that may invest a portion of its assets in commodities and stocks.

### 6.2 STRATEGIES AND PROCESSES

In order to manage market price risks, all transactions at Münchener Hypothekenbank are subject to a daily present-value analysis in the risk management system. As a rule, structured transactions are secured with a micro-hedge, which is equivalent to the evaluation of a synthetic floater when valuing the interest rate risk. Thus far, deposits still play a secondary role for Münchener Hypothekenbank, and at the end of the 2024 business year, they totalled around €830 million.

The Delta vector is the backbone of our interest rate risk management system and is calculated on a daily basis. This figure is determined by the change in the present value incurred per range of maturities when the mid-swap curve is raised by one basis point. Münchener Hypothekenbank uses the value-at-risk figure (VaR) to identify and limit market risks. Linear as well as non-linear risks are taken into consideration using a historic simulation containing the risk factors of interest rates, foreign exchange rates and volatility when calculating value-at-risk. Additional stress scenarios are used here to measure the effect of extreme shifts in risk factors.



The following assumptions are made to determine the VaR associated with the premature repayment of loans:

- The possibility that a borrower will repay their loan before it matures pursuant to Article 489 of the German Civil Code (BGB) is modelled using an adjusted cash flow and Bermudan receiver swaptions, which are entered in the performance and risk calculation as model transactions. Part of the repayments is then modelled using a fixed annual ratio. This model assumes that a portion of repayments will be made irrespective of the level of interest rates. The interest-rate-sensitive portion is determined with the aid of historic repayment ratios that form a repayment matrix (when/ at what interest rate level will notice of repayment be given?) and an interest rate structure model that is used to forecast the future development of interest rates. The matrix also takes automatically into account the portion that will not exercise the right of repayment.
- The possibility that a borrower will exercise their contractual right to repay the loan before it matures is modelled using an adjusted cash flow model, whereby the historically

observed premature repayment rate options exercised to repay loans before they mature is applied against the current sum of outstanding mortgage loans that have conditions that allow unscheduled repayment options to simulate the future rate at which early repayment will take place. The adjusted cash flow model is updated regularly.

- Payment obligations arising from mortgage loans are presented based on a historic payments profile.
- As Münchener Hypothekbank's deposits business is in the form of one-year fixed-term deposits, the related model used for internal risk management purposes uses an expert estimate for a duration of 3 years. The monthly time deposits are modelled based on a duration of around 3.5 years. Longer time deposits are not modelled. Since valid back-testing is not yet possible due to the relatively short history of the business, the figures from this modelling are not used for evaluations required by the supervisory authorities. Instead, the legal cash flow is always used here.
- In the case of bonds treated as assets, it is assumed that the principle will be repaid upon maturity. Bonds carrying explicit call rights are included with delta-weighting in the measure of risk exposure.

The current (daily) stress scenarios for managing interest rate risk are:

- Legal regulatory requirements: The current interest rate curve is completely parallel shifted up and down by 200 basis points for every separate currency used. A maturity-independent floor is set. Thereafter, the changes in the present value of the various currencies is added together, whereby positive present value changes only account for 50%. The complete procedure is calculated for six scenarios:
  - » Parallel interest rate increase (in currency-specific amount)
  - » Parallel interest rate reduction (in currency-specific amount)
  - » Steepening
  - » Flattening
  - » Short-term upwards shock
  - » Short-term downwards shock

The worst of the six scenarios mentioned then results in the early warning value.

- Parallel shifts: The current interest rate curve is completely shifted up and down by 50 basis points across all currencies. No floor of 0 is set for the downwards shift, i.e. negative interest rates are permitted. The worst result of the two shifts is used for calculation purposes. In a further scenario, all volatilities are increased by 20 basis points in addition to a 50-basis-point fall in interest rates.



The following events continue to be used for historical scenario purposes:

- Coronavirus scenario (worst case): Interest rate movements between the beginning of the pandemic (5 March 2020) and a few days up to three weeks later. Based on this, four scenarios were developed and applied. The worst result of the four scenarios is shown as the overall result in the report.
- The 2008 crisis in the financial markets: Changes in interest rates and foreign exchange rates noted between 12 September 2008 (last banking day before the collapse of Lehman Brothers) and 10 October 2008 are played out using the current levels.
- Brexit: The scenario presents changes in interest rates and foreign exchange rates noted following the Brexit referendum on 23 June 2016 and 24 June 2016.

The current (daily) credit spread stress scenarios are:

- Parallel shifts: All credit spreads are shifted up and down by 100 basis points. The worst result of the two shifts is used for calculation purposes.
- Historical simulation of the collapse of the investment bank Lehman Brothers: The scenario assumes an immediate change in spreads based on the changes that occurred one working day before the collapse of the investment bank until four weeks after this date.

- Flight into government bonds: The scenario simulates a significantly visible aversion to risk that was previously seen in the markets. Spreads for riskier classes of paper widen while spreads for safer government bonds narrow.
- Euro-crisis: The scenario is calculated using historically determined spread changes that took place between 1 October 2010 and 8 November 2011 to replicate the development of credit spreads.
- COVID-19 pandemic scenario: The scenario is calculated using historically determined spread changes that took place between 28 February 2020 (the day before the pandemic) and 18 March 2020 (the day when the highest spreads were recorded).

Furthermore, additional stress tests/scenarios are calculated quarterly and distributed as a separate report. These reports include, in particular, inverse stress tests, a bank-wide macro-economic scenario and effects arising from adjusting the parameters in the model used to present premature repayments.

In accordance with the requirements of Article 448 letter b CRR, Tables 32 to 34 below show the interest rate risk in Münchener Hypothekbank's banking book.

**TABLE 32: EU IRRBBA – QUALITATIVE INFORMATION ON INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES**

| Row | Qualitative information – free format                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)  | A description of how the institution defines IRRBB for purposes of risk control and measurement+B16:C25                                                                        | Market price risks involve risks to the value of positions or portfolios due to changes in market parameters, e.g. interest rates or exchange rates. They are quantified as a potential present value loss using the present value model and taken into account in the P&L and capital planning in the interest income forecast. We distinguish between risks associated with changes in interest rates, (credit) spreads, options, currency, commodities and stocks. The interest rate change risk describes the risk that the market value of interest-rate-dependent investments or liabilities could develop negatively. It is the most important component of market price risks for Münchener Hypothekbank.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| b)  | A description of the institution's overall IRRBB management and mitigation strategies                                                                                          | Münchener Hypothekbank uses a limit system to manage market risks. This limit system is based on the VaR. The limits established for market risk management are based on the ability to bear risk and on the Bank's earning potential. From a normative perspective, the annual net interest income from the legacy portfolio is determined within the framework of the permanent interest income forecast at the individual transaction level. Earnings planning includes net interest income in the base scenario. In addition, shift scenarios are calculated in order to identify risks regarding the expected future interest income at an early stage. The Bank engages in hedging activities in the form of interest rate and currency derivatives in order to minimise its risks and to hedge its business activities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| c)  | The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB | Present value interest rate risks are determined daily. For this purpose the Bank calculates sensitivities, stress tests, scenarios and VaR. On the income side, calculations on the risks of changing interest rates are available daily, whereby various interest rate scenarios are applied.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| d)  | A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable)   | <p>In addition to the interest rate scenarios required by the regulatory authorities, the following stress scenarios are currently calculated daily for interest rate risk management in the present value view:</p> <ul style="list-style-type: none"> <li>■ Parallel shifts: The current interest rate curve is completely shifted up and down by 50 basis points across all currencies. No floor of 0 is set for the downwards shift, i.e. negative interest rates are permitted. The worst result of the two shifts is used for calculation purposes.</li> <li>■ Parallel shifts including volatilities: The current interest rate curve is completely shifted up and down by 50 basis points across all currencies and, in addition, volatilities are also raised by + 20 bp. Furthermore, historical scenarios are calculated for the following events: <ul style="list-style-type: none"> <li>» COVID-19 pandemic scenario: The scenario is calculated using historically determined spread changes that took place between 28 February 2020 (the day before the pandemic) and 18 March 2020 (the day when the highest spreads were recorded).</li> <li>» The 2008 crisis in the financial markets: Changes in interest rates and foreign exchange rates noted between 12 September 2008 (last banking day before the collapse of Lehman Brothers) and 10 October 2008 are played out using the current levels.</li> <li>» Brexit: The scenario presents changes in interest rates and foreign exchange rates noted following the Brexit referendum on 23 June 2016 and 24 June 2016. Furthermore, additional stress tests/scenarios are calculated on a quarterly basis and distributed as part of an extra report; in particular, inverse stress tests, a bank-wide macro-economic scenario and effects of parameter adjustments in the model for mapping early repayments are included here.</li> </ul> </li> </ul> <p>From an earnings perspective, the following interest rate scenarios are calculated:</p> <ul style="list-style-type: none"> <li>» Parallel shifts: The current interest rate curve is completely shifted up and down by 200 basis points across all currencies. Two variants are calculated when shifting down. On the one hand, the calculation for an even more extreme stress scenario is based on a parallel shift of minus 250 basis points, and on the other hand, the calculation for the internal management scenario is based on a parallel shift of minus 150 basis points.</li> <li>» Constant interest rate: The current call money interest rate is maintained constantly.</li> <li>» Steepening/flattening: Adjustment of the current interest rate structure in accordance with regulatory requirements within the framework of the outlier test for the present value view.</li> </ul> |



Table 32 continued from page 88

**TABLE 32: EU IRRBBA – QUALITATIVE INFORMATION ON INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES**

| Row   | Qualitative information – free format                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| e)    | A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable) | The reported figures and assumptions are identical with regard to the present value view. From an earnings perspective, the calculation to the parallel upside shock is made identically in all currencies by 200 basis points.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| f)    | A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable)                    | <p>In order to manage market price risks, all transactions at Münchener Hypothekenbank are subject to a daily present-value analysis in the risk management system. The Delta vector is the backbone of our interest rate risk management system. It is calculated on a daily basis and is determined by the change in the present value incurred per range of maturities when the mid-swap curve is raised by one basis point. Münchener Hypothekenbank uses the value-at-risk figure (VaR) to identify and limit market risks. Linear as well as non-linear risks are taken into consideration using a historic simulation containing the risk factors of interest rates, foreign exchange rates and volatilities when calculating VaR. Additional stress scenarios are used here to measure the effect of extreme shifts in risk factors. We engage in hedging activities – interest rate and currency derivatives – in order to minimise our risks and protect positions. Asset swaps are used as micro-hedges at the level of larger individual positions. Structured fundamental transactions, such as callable securities, are hedged accordingly with structured asset swaps.</p> <p>Bermudan options on interest swaps (swaptions), swaps and interest rate options (caps and floors) are used as macro-hedges for embedded legal termination rights or for agreements limiting interest rates.</p> <p>The accounting treatment is in accordance with HGB requirements. The interest-related financial instruments in the banking book, including the interest rate derivatives concluded to manage the general interest rate risk (asset/liability management), are measured on a loss-free basis as part of an overall view of all transactions in accordance with IDW RS BFA 3 (new version).</p> |
| g)    | A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)                  | The possibility that a borrower will repay their loan before it matures pursuant to Article 489 BGB is modelled using an adjusted cash flow and Bermudan receiver swaptions, which serve as model transactions. The currently relevant portfolio is determined weekly for modelling purposes. Part of the repayments is then modelled using a fixed annual ratio. This model assumes that a portion of repayments will be made irrespective of the level of interest rates. The interest-rate-sensitive portion is determined with the aid of historic repayment ratios that form a repayment matrix (when/at what interest rate level will notice of repayment be given) and an interest rate structure model that is used to forecast the future development of interest rates. The matrix also takes automatically into account the portion that will not exercise the right of repayment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| h)    | Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures                         | The present value of the risk of changing interest rates is at a low level overall. Smaller fluctuations occur due to daily changes in market data or positions. Overall, however, the values are constant. On the whole, the interest rate risk fluctuates at a low level from an earnings perspective.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| i)    | Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)                                       | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1) 2) | Disclosure of the average and longest repricing maturity assigned to non-maturity deposits                                                   | There are no open-ended deposits in the portfolio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



TABLE 33: EU IRRBB1 – INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES

|                             | 31.12.2024                   | 31.12.2023  | 31.12.2024                     | 31.12.2023  |
|-----------------------------|------------------------------|-------------|--------------------------------|-------------|
|                             | a                            | b           | c                              | d           |
|                             | Changes in net present value |             | Changes in net interest income |             |
| Supervisory shock scenarios | Current period               | Last period | Current period                 | Last period |
| Parallel shift upwards      | – 204                        | – 354       | 10                             | – 7         |
| Parallel shift downwards    | – 99                         | 204         | – 15                           | 5           |
| Steepening                  | – 25                         | – 99        |                                |             |
| Flattering                  | – 48                         | 23          |                                |             |
| Short-term shock upwards    | – 66                         | – 74        |                                |             |
| Short-term shock downwards  | 31                           | 37          |                                |             |

The following table presents the components of own funds requirements under the standardised approach for market risk. Only interest rate risk arising from trading book positions (only futures) is of relevance for Münchener Hypothekenbank. Münchener Hypothekenbank currently does not hold any such positions. Furthermore, foreign exchange risks due to open foreign exchange positions in the bank book may occur.

TABLE 34: EU MR1 – MARKET RISK UNDER THE STANDARDISED APPROACH

|      |   |                                           | a           |
|------|---|-------------------------------------------|-------------|
|      |   |                                           | RWEAs       |
|      |   | <b>Outright products</b>                  | –           |
| 0010 | 1 | Interest rate risk (general and specific) | –           |
| 0020 | 2 | Equity risk (general and specific)        | –           |
| 0030 | 3 | Foreign exchange risk                     | 27.6        |
| 0040 | 4 | Commodity risk                            | –           |
|      |   | <b>Options</b>                            | –           |
| 0050 | 5 | Simplified approach                       | –           |
| 0060 | 6 | Delta-plus approach                       | –           |
| 0070 | 7 | Scenario approach                         | –           |
| 0080 | 8 | Securitisation (specific risk)            | –           |
| 0090 | 9 | <b>Total</b>                              | <b>27.6</b> |



The Bank generally does not employ options for speculative purposes. Positions are usually entered into on an implied basis due to the debtors' option rights (e.g. the right to give legal notice of termination as per Article 489 BGB) and are then secured by hedging transactions. Nevertheless, these risks are attentively monitored in the daily risk report, as they are extensive because of the Bank's large loan portfolio.

No significant risk items exist in foreign currencies. Münchener Hypothekbank's transactions outside of Germany are hedged against currency risks to the greatest extent possible and only margins involved in payment of interest are unhedged. No other underlying risks exist.

In addition to the Bank's investments, the commodities and stock risks for Münchener Hypothekbank are relevant only within the scope of a special Union Investment fund, which can invest in commodities or stocks.

### 6.3 RISK MANAGEMENT STRUCTURE AND ORGANISATION

Münchener Hypothekbank uses a limit system to manage market risks. This limit system is based on the VaR. The limits established for market-risk management are based on the ability to bear risk and on the Bank's earning potential. They are defined as shrinking limits: a negative annual performance reduces the available limit by the same negative performance amount, whereas positive performance does not raise the limit.

The VaR limitation is based on the books defined by Münchener Hypothekbank in the context of operational management. Limit monitoring is integrated into the process of daily performance and risk measurement. Risk drivers of foreign currency interest curves and option volatility can be integrated into the VaR.

Currently, capital requirements exist solely for foreign exchange risks within the framework of market risk at Münchener Hypothekbank. The foreign exchange risks pursuant to CRR of € 23.0 million were below the threshold of 2% of the total amount of MHB's own funds pursuant to Article 351 CRR and therefore did not have to be backed with own funds.

### 6.4 RISK MITIGATION AND HEDGING

We engage in hedging activities – interest rate and currency derivatives – in order to further reduce our risks and to hedge our business activities. We do not employ credit derivatives as a matter of principle. We only occasionally hedge individual loans or portfolios against counterparty risk. Asset swaps are used as micro-hedges at the level of larger individual positions. Structured fundamental transactions, such as callable securities, are hedged accordingly with structured asset swaps. Interest-currency swaps are used to hedge exchange rate risks in transactions involving foreign currencies. Interest rate swaps are the primary hedging instruments used at the portfolio level. Bermudan options on interest swaps (swaptions), swaps and interest rate options (caps and floors) are used as macro-hedges

for embedded legal termination rights or for agreements limiting interest rates.

### 6.5 RISK REPORTS AND MANAGEMENT INFORMATION SYSTEMS

The market risk value-at-risk, as well as the market risk stress tests, are determined and reported on every Munich banking day. The market risk limits are monitored every Munich banking day and reported within the context of the performance and risk calculation. The Market Risk Management department is responsible for the preparation, coordination and distribution of the reports, which are distributed to the Treasury department, the Head of Risk Control, the Board of Management and the Supervisory Board (quarterly).

If a limit is exceeded, a report is prepared pursuant to the escalation procedure and submitted by the Market Risk Management department to the entire Board of Management and to the Heads of the Risk Control, Treasury and the Audit departments.



## 7 Liquidity Risk

Among other disclosures, items 3.2 and 7 above present the statement of Münchener Hypothekbank's Board of Management regarding the appropriateness of the liquidity risk management agreements, as well as the statement concerning liquidity risk.

### 7.1 CONTAINMENT

Liquidity risk involves the following risks:

- inability to fulfil payment obligations when they become due (liquidity risk in the narrow sense),
- inability to procure sufficient liquidity when needed at anticipated conditions (refinancing risk), or
- inability to terminate, extend or close out a transaction, or only to be able to do so at a loss, due to insufficient market depth or market turbulence (market liquidity risk).

### 7.2 REGULATORY INFORMATION (QUALITATIVE)

Disclosure guidelines for the Liquidity Coverage Ratios require qualitative information on liquidity risk management to be disclosed in a table. In order to make the information more readable, the comments are extensively presented in continuous text and not directly in the table. For this reason, the tables contain references to the relevant sections.

**TABLE 35: EU LIQA – LIQUIDITY RISK MANAGEMENT**

| Qualitative information – Free format                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Reference   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding                                                                                                                                                                                                                                                                                                                                                                                                                              | 7.3         |
| Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 7.4         |
| A description of the degree of centralisation of liquidity management and interaction between the group's units                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 7.4         |
| Scope and nature of liquidity risk reporting and measurement systems                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 7.7         |
| Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants                                                                                                                                                                                                                                                                                                                                                                                                                          | 7.6         |
| An outline of the bank's contingency funding plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 7.6         |
| An explanation of how stress testing is used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7.3 and 7.4 |
| 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           |
| 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         |
| — Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 7.4         |

The Münchener Hypothekbank is not a banking group



### 7.3 STRATEGIES AND PROCESSES

Münchener Hypothekbank has classified liquidity risk as a significant risk requiring monitoring and management by means of regular and appropriate stress testing for liquidity risk.

**TABLE 36: EU LIQ1 – QUANTITATIVE INFORMATION OF 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)                                                          | 31.12.2024                       | 30.09.2024 | 30.06.2024 | 31.03.2024 | 31.12.2024                     | 30.09.2024 | 30.06.2024 | 31.03.2024 |
| EU 1b                             | Number of data points used in the calculation of averages                               | 12                               | 12         | 12         | 12         | 12                             | 12         | 12         | 12         |
| <b>HIGH-QUALITY LIQUID ASSETS</b> |                                                                                         |                                  |            |            |            |                                |            |            |            |
| 1                                 | Total high-quality liquid assets (HQLA)                                                 |                                  |            |            |            | 2,373                          | 2,439      | 2,462      | 2,472      |
| <b>CASH – OUTFLOWS</b>            |                                                                                         |                                  |            |            |            |                                |            |            |            |
| 2                                 | Retail deposits and deposits from small business customers, of which:                   | -                                | -          | -          | -          | -                              | -          | -          | -          |
| 3                                 | Stable deposits                                                                         | -                                | -          | -          | -          | -                              | -          | -          | -          |
| 4                                 | Less stable deposits                                                                    | -                                | -          | -          | -          | -                              | -          | -          | -          |
| 5                                 | Unsecured wholesale funding                                                             | 920.0                            | 926.4      | 991.8      | 943.3      | 707.8                          | 719.3      | 748.1      | 711.9      |
| 6                                 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | -                                | -          | -          | -          | -                              | -          | -          | -          |
| 7                                 | Non-operational deposits (all counterparties)                                           | 401.7                            | 405.0      | 474.1      | 477.0      | 189.5                          | 197.9      | 230.4      | 245.6      |
| 8                                 | Unsecured debt                                                                          | 518.3                            | 521.4      | 517.7      | 466.3      | 518.3                          | 521.4      | 517.7      | 466.3      |
| 9                                 | Secured wholesale funding                                                               |                                  |            |            |            | 0.6                            | 0.6        | 0.6        | 0.4        |
| 10                                | Additional requirements                                                                 | 1,262.3                          | 1,335.2    | 1,437.3    | 1,593.3    | 340.0                          | 364.1      | 385.0      | 393.1      |
| 11                                | Outflows related to derivative exposures and other collateral requirements              | 286.1                            | 307.6      | 325.1      | 324.8      | 286.1                          | 307.6      | 325.1      | 324.8      |
| 12                                | Outflows related to loss of funding on debt products                                    | -                                | -          | -          | -          | -                              | -          | -          | -          |
| 13                                | Credit and liquidity facilities                                                         | 976.2                            | 1,027.6    | 1,112.2    | 1,268.5    | 53.9                           | 56.5       | 59.9       | 68.3       |
| 14                                | Other contractual funding obligations                                                   | 180.5                            | 172.9      | 149.9      | 162.8      | 151.4                          | 143.6      | 121.1      | 135.1      |
| 15                                | Other contingent funding obligations                                                    | 94.6                             | 85.6       | 82.9       | 75.4       | 9.5                            | 8.6        | 8.3        | 7.5        |
| 16                                | TOTAL CASH OUTFLOWS                                                                     |                                  |            |            |            | 1,208.7                        | 1,235.6    | 1,262.5    | 1,247.6    |



Table 36 continued from page 93

**TABLE 36: EU LIQ1 – QUANTITATIVE INFORMATION OF 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                                                                                                                                                                           | 377.6                            | 367.3 | 322.8 | 315.8 | 235.1                          | 232.5 | 204.2 | 200.3 |
| 19                   | Other cash inflows                                                                                                                                                                                                | 296.2                            | 290.0 | 317.9 | 337.5 | 290.7                          | 284.2 | 313.3 | 332.7 |
|                      | (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-19a               |                                                                                                                                                                                                                   |                                  |       |       |       | –                              | –     | –     | –     |
| EU-19b               | (Excess inflows from a related specialised credit institution)                                                                                                                                                    |                                  |       |       |       | –                              | –     | –     | –     |
| 20                   | TOTAL CASH INFLOWS                                                                                                                                                                                                | 673.8                            | 657.3 | 640.7 | 653.3 | 525.8                          | 516.7 | 517.5 | 533.0 |
| EU-20a               | Fully exempt inflows                                                                                                                                                                                              | –                                | –     | –     | –     | –                              | –     | –     | –     |
| EU-20b               | Inflows subject to 90% cap                                                                                                                                                                                        | –                                | –     | –     | –     | –                              | –     | –     | –     |
| EU-20c               | Inflows subject to 75% cap                                                                                                                                                                                        | 673.8                            | 657.3 | 640.7 | 653.3 | 525.8                          | 516.7 | 517.5 | 533.0 |
| TOTAL ADJUSTED VALUE |                                                                                                                                                                                                                   |                                  |       |       |       |                                |       |       |       |
| EU-21                | LIQUIDITY BUFFER                                                                                                                                                                                                  |                                  |       |       |       | 2.373                          | 2.439 | 2.462 | 2.472 |
| 22                   | TOTAL NET CASH OUTFLOWS                                                                                                                                                                                           |                                  |       |       |       | 692                            | 728   | 755   | 724   |
| 23                   | LIQUIDITY COVERAGE RATIO                                                                                                                                                                                          |                                  |       |       |       | 386%                           | 386%  | 418%  | 422%  |



**TABLE 37: TEMPLATE ON QUALITATIVE INFORMATION ON LCR, WHICH COMPLEMENTS THE LCR DISCLOSURE TEMPLATE**

| Qualitative information – Free format                                                                                                                         |                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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).                                                                          |
| Explanations on the changes in the LCR over time                                                                                                              | The LCR was consistently above 180% 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.                                            |
| Explanations on the actual concentration of funding sources                                                                                                   | As a Pfandbrief bank, the concentration of funding sources is primarily on mortgage covered bonds.                                                                                                                          |
| 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.                                                                                                                   |
| Derivative exposures and potential collateral calls                                                                                                           | The potential collateral calls remain at a constant level.                                                                                                                                                                  |
| Currency mismatch in the LCR                                                                                                                                  | Both the liquidity buffer and the outflows consist mostly of EUR positions.                                                                                                                                                 |
| 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 is very volatile. This is caused rather by the deterministic cash flow profile of the institution (which can be forecast very precisely) than by unexpected changes in any LCR component. |

In addition to the requirements of MaRisk, the two regulatory ratios in accordance with CRR, the LCR (Liquidity Coverage Ratio) and the NSFR (Net Stable Funding Ratio), are also calculated.

In addition, financial institutions must employ a process to provide an early warning of liquidity requirements to enable a financial gap to be recognised in a timely manner. This is intended to ensure that refinancing can take place at all times.

Münchener Hypothekbank has always taken liquidity risk into consideration in its business and risk strategies. In order to comply with all of the regulatory and internal requirements, Münchener Hypothekbank distinguishes between operative liquidity disposition and short- and medium-term liquidity risk management pursuant to MaRisk BTR 3.2 to ensure payment capability, and medium-term structural liquidity planning (MaRisk BTR 3.1), which is also the equivalent of the economic ILAAP. In addition, these requirements are extended in the normative ILAAP to include compliance with the regulatory ratios of the LCR and NSFR. In order to be able to identify potential problems on a timely basis, forecasts of the key figures LCR and NSFR are calculated in addition to the date-of-record ratios. A ratio of 100% must be observed for the LCR since 1 January 2018, which Münchener Hypothekbank was able to maintain at all times without any problem. Since 30 June 2021, a ratio of 100% must be maintained for the NSFR. In view of the favourable recognition of loans in the cover pools, this minimum ratio will be significantly exceeded.

The goal of operative liquidity disposition is to ensure that the Bank can fulfil its proper payment obligations in full in a timely manner. The relevant strategies and processes for operational liquidity controls are presented in the Treasury Handbook.

The central content of short- and medium-term liquidity risk management according to MaRisk is the preparation of a capital flow statement under various scenario assumptions. For these, the extent to which the Bank's own liquidity requirements are covered over time is checked. For this purpose, the capital maturity statement is compared with the various methods for generating additional liquidity (liquidity coverage potential), for example the sale of assets. Various parameter settings are used to calculate different (stress) scenarios in order to meet the scenario considerations required by MaRisk:

- Base case (management scenario)
- Bank stress
- Market stress
- Combined stress (MaRisk scenario)
- Combined stress without future refinancing measures
- Bank-wide macroeconomic scenario (quarterly)

Over a longer observation period, additional modelling assumptions, which are not decisive factors for managing short-term liquidity, are also taken into account. These are, for example, new business plans or current expenses such as salaries and taxes.



The following key liquidity figures are viewed as components for determining results across all due dates:

- Historic course of minimal overhang
- Point in time of theoretical insolvency
- Capital maturity statement
- Potential liquidity coverage as well as its composition
- Additional detailed data for planning and control activities

Finally, once a year, the LAS (Liquidity Adequacy Statement) is used to confirm the adequacy of Münchener Hypothekbank's liquidity risk management procedures by the management body – in this case, the entire Board of Management.

## 7.4 RISK MANAGEMENT STRUCTURE AND ORGANISATION

In order to keep refinancing risks as low as possible, Münchener Hypothekbank strives to refinance loans with closely matching maturities and manages any deviations. The Bank continuously checks if its relevant refinancing sources (above all, those within the Cooperative Financial Network) remain available. In order to limit market liquidity risks in its business with public-sector borrowers and banks, Münchener Hypothekbank primarily acquires securities that are acceptable as collateral by the European Central Bank and which can be used for open market business at any time. Investments in less-liquid bonds, such as mortgage-backed securities (MBS), are no longer being made.

Münchener Hypothekbank's Treasury department is exclusively responsible for managing the Bank's operational liquidity.

The limitation of liquidity risks takes place using short- and medium-term liquidity risk management pursuant to MaRisk. The Market and Liquidity Management department is responsible for monitoring the set limits. Because liquidity management for a Pfandbrief bank is closely linked to the cover requirements for Pfandbriefe, the results of the cover calculation are taken into account when calculating liquidity risk.

The objective of limiting liquidity risks is to secure short-, medium- and long-term liquidity, and to prevent structural liquidity gaps. Short- and medium-term liquidity risks are limited using short- and medium-term liquidity risk management pursuant to MaRisk and the LiqV figure. In the context of liquidity risk management pursuant to MaRisk, a four-level limit is defined in accordance with the stress scenarios required by MaRisk. The limit consists of green, yellow, orange and red zones that define the respective time periods up to the (theoretical) inability to fulfil payment obligations.

In addition, an escalation process exists and is activated if a limit is exceeded or in the event of poor market liquidity (based on early warning indicators). When a limit is exceeded, the causes are first clarified. Next, a plan is prepared for the funding mix to cover the increased liquidity needs. The exceeded limit and the corresponding solution are communicated to the respective Board of Management members responsible for the affected areas, and to the heads of the Risk Control, Treasury and Internal Audit departments.

## 7.5 QUALITATIVE INFORMATION RELATED TO LCR

### 1. Concentration of funding and liquidity source

As a capital-market-oriented Pfandbrief bank, Münchener Hypothekbank's funding sources are heavily focused on Pfandbriefe. As stated in section 7.6, the resulting risk is actively mitigated to the greatest extent possible within the context of the available possibilities.

### 2. Derivative positions and potential collateral requirements

Münchener Hypothekbank employs derivatives solely as hedges against interest rate risks in its lending and funding business. Potential collateral requirements are taken into account in accordance with regulatory requirements using the historical look-back approach (HLBA). In the economic outlook, the HLBA is extended by a simulation of the market price development of the derivatives portfolio.

### 3. Currency mismatches in the LCR

Almost all of the highly liquid assets used to cover short-term liquidity requirements in the LCR are denominated in euros. This is, however, viewed as sufficient as a relevant liquidity risk exists only in CHF, which is significantly smaller in comparison to EUR positions. This means that the necessary conversion from EUR into CHF can take place at any time via derivative transactions. In addition, greater emphasis has been placed on direct refinancing in CHF in recent years. As a result, CHF assets are now almost exclusively refinanced directly in the Swiss currency.



Beyond this, currency mismatches are an element in regular reports.

## 7.6 RISK MITIGATION AND HEDGING

Münchener Hypothekenbank strives to make its funding as diversified as possible at all times by placing a mix of Pfandbriefe, uncovered long-term bank titles and various money-market instruments on the market. At the same time, we try to obtain refinancing with matching maturities in order to limit the respective funding gaps.

In addition, there is a liquidity contingency plan which is the responsibility of the Treasury department. This plan is activated during times of reduced liquidity and contains detailed measures to counteract an emergency liquidity situation. In addition to calling existing liquidity lines, in particular those provided by the joint liability scheme of Cooperative Financial Network, these measures also include the use of the ECB's overdraft facility or reducing the volume of new business.

## 7.7 RISK REPORTS AND MANAGEMENT INFORMATION SYSTEMS

Liquidity risk reports for liquidity risk management pursuant to MaRisk and the LCR, as well as the related forecasts, are prepared and reported on a weekly basis. The frequency of reporting can also be increased to a daily basis if needed.

Liquidity Risk Controlling is responsible for preparing, coordinating, monitoring and distributing the reports. The Treasury department is responsible for daily management of operational liquidity and the related necessary evaluations. The liquidity risk reports are distributed to:

- The Supervisory Board (short-term and structural liquidity risks, as well as LCR/NSFR on a quarterly basis)
- Board of Management (short-term and structural liquidity risks, and LCR on a weekly basis, as well as NSFR on a monthly basis)
- Head of Risk Control (short-term and structural liquidity risks, as well as LCR/NSFR, weekly and ad hoc)
- Treasury department (short-term and structural liquidity risks, and LCR on a weekly basis and ad hoc)

The liquidity risk limit is monitored at least on a weekly basis and reported within the respective liquidity risk reports. Liquidity Risk Controlling is responsible for monitoring the liquidity risk limit. The utilisation of the liquidity risk limit is reported to the following recipients:

- The Supervisory Board (quarterly)
- Board of Management (weekly)
- Head of Risk Control (weekly)
- Treasury department (weekly)



TABLE 38: 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  |
| <b>Available stable funding (ASF) Items</b> |                                                                                                                                                      |                                       |            |                   |          |                 |
| 1.0                                         | Capital items and instruments                                                                                                                        | 1,948.4                               | 138.3      | 0.0               | 395.2    | 2,343.6         |
| 2.0                                         | Own funds                                                                                                                                            | 1,948.4                               | 138.3      | 0.0               | 395.2    | 2,343.6         |
| 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:                                                                                                                                   |                                       | 4,979.6    | 4,225.6           | 41,182.1 | 43,934.3        |
| 8.0                                         | Operational deposits                                                                                                                                 |                                       | 0.0        | 0.0               | 0.0      | 0.0             |
| 9.0                                         | Other wholesale funding                                                                                                                              |                                       | 4,979.6    | 4,225.6           | 41,182.1 | 43,934.3        |
| 10.0                                        | Interdependent liabilities                                                                                                                           |                                       | 0.0        | 0.0               | 0.0      | 0.0             |
| 11.0                                        | Other liabilities:                                                                                                                                   | 11.5                                  | 578.4      | 0.0               | 0.0      | 0.0             |
| 12.0                                        | NSFR derivative liabilities                                                                                                                          | 11.5                                  |            |                   |          |                 |
| 13.0                                        | All other liabilities and capital instruments not included in the above categories                                                                   |                                       | 578.4      | 0.0               | 0.0      | 0.0             |
| 14.0                                        | <b>Total available stable funding (ASF)</b>                                                                                                          |                                       |            |                   |          | <b>46,277.9</b> |
| <b>Required stable funding (RSF) Items</b>  |                                                                                                                                                      |                                       |            |                   |          |                 |
| 15.0                                        | Total high-quality liquid assets (HQLA)                                                                                                              |                                       |            |                   |          | 1,709.6         |
| EU-15a                                      | Assets encumbered for a residual maturity of one year or more in a cover pool                                                                        |                                       | 484.5      | 778.4             | 33,302.7 | 29,380.7        |
| 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:                                                                                                                     |                                       | 1,253.3    | 2,075.3           | 9,321.1  | 9,296.9         |
| 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 |                                       | 3.1        | 0.0               | 0.0      | 0.2             |
| 20.0                                        | Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns and PSEs, of which:       |                                       | 520.9      | 925.0             | 1,824.5  | 2,264.7         |
| 21.0                                        | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                             |                                       | 35.9       | 50.6              | 40.4     | 68.5            |



Table 38 continued from page 98

**TABLE 38: 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:                                                                                                                   |                                       | 580.6      | 856.6             | 6,373.5 | 5,855.0         |
| 23.0                 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk                                                      |                                       | 465.5      | 600.5             | 2,269.3 | 2,116.0         |
| 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 |                                       | 148.7      | 293.7             | 1,123.1 | 1,177.0         |
| 25.0                 | Interdependent assets                                                                                                                                         |                                       | 0.0        | 0.0               | 0.0     | 0.0             |
| 26.0                 | Other assets:                                                                                                                                                 | 0.0                                   | 403.0      | 13.5              | 581.4   | 1,015.1         |
| 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                                                           |                                       | 714.0      |                   |         | 35.7            |
| 29.0                 | NSFR derivative assets                                                                                                                                        |                                       | 28.5       |                   |         | 28.5            |
| 30.0                 | NSFR derivative liabilities before deduction of variation margin posted                                                                                       |                                       | 0.0        |                   |         | 0.0             |
| 31.0                 | All other assets not included in the above categories                                                                                                         |                                       | 403.0      | 13.5              | 581.4   | 950.9           |
| 32.0                 | Off-balance sheet items                                                                                                                                       |                                       | 1,494.1    | 252.3             | 735.9   | 139.3           |
| 33.0                 | <b>Total RSF</b>                                                                                                                                              |                                       |            |                   |         | <b>41,541.6</b> |
| 34                   | <b>Net Stable Funding Ratio (%)</b>                                                                                                                           |                                       |            |                   |         | <b>111.4 %</b>  |



## 8 Operational Risk

### 8.1 CONTAINMENT

Operational risk refers to possible losses caused by personal misconduct, weaknesses in procedural or project management, technical failure or negative outside influences. Personal misconduct also includes unlawful actions, improper sales practices, unauthorised actions and transaction errors. Accordingly, legal risks are included under operational risks.

### 8.2 STRATEGIES AND PROCESSES

Münchener Hypothekenbank minimises its operational risks by qualifying its employees, by using transparent procedures, automating standard procedures, and by having fixed working instructions, comprehensive functional testing, as well as appropriate emergency plans and preventive measures.

Münchener Hypothekenbank has established a programme to manage its operational risks. This programme is documented in the Operational Risk Handbook and is based on three pillars:

- Periodic self-assessment for the purpose of determining, evaluating and examining all potential risks
- Operation of a complete loss database (including what are known as “near misses”)
- Establishment of an early warning system with the help of risk indicators

Münchener Hypothekenbank uses a self-assessment method as an ex ante procedure to record and evaluate potential operational risks within the Bank. The risk officer in each department estimates the frequency of occurrence and evaluates the possible damages in terms of their financial dimensions. In this procedure, the classification of operational risks (loss events) is based on legal recommendations and represents minimum content for the annually conducted self-assessment. The result is taken into consideration when assessing risk-bearing capacity. In addition, for supervisory purposes, the basic indicator approach is used to determine operational risk.

### 8.3 RISK MANAGEMENT STRUCTURE AND ORGANISATION

It is mandatory to use a standard form to document in detail operational risks that have materialised. The completed form must then be submitted to the Operational Risk Coordinator. This statement must also include potential countermeasures to prevent a recurrence. The Board of Management is informed immediately of any significant losses. This is communicated to the Supervisory Board within the framework of MaRisk reporting. The basic indicator approach is used for capital backing of operational risks. The required capital is calculated as a fixed percentage (15%) of the three-year average of gross income.

### 8.4 RISK MITIGATION AND HEDGING

Münchener Hypothekenbank has purchased appropriate insurance policies to cover certain kinds of operational risks. These include, for example, financial loss liability insurance, fidelity insurance including cover for hacker losses, and supplementary cyber insurance.

### 8.5 RISK REPORTS AND MANAGEMENT INFORMATION SYSTEMS

The Board of Management and the Supervisory Board are also informed on a quarterly basis about operational risks within the context of the MaRisk report. A separate OpRisk report is prepared twice a year. This also includes an updated evaluation of risks based on the self-assessment that is prepared at least once a year. Pursuant to the terms of MaRisk, additional potential operational risks noted during the year are reported in the comprehensive risk report. Important risks are addressed to the Board of Management immediately. The Risk Control department is responsible for preparing, coordinating and distributing the reports, which are regularly distributed to the Supervisory Board and the Board of Management.



TABLE 39: EU OR1 – OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS

|                    |                                                                                            | a                  | b      | c         | d                     | e                                               |
|--------------------|--------------------------------------------------------------------------------------------|--------------------|--------|-----------|-----------------------|-------------------------------------------------|
|                    |                                                                                            | Relevant indicator |        |           | Own funds requirement | Total operational risk-weighted exposure amount |
| Banking activities |                                                                                            | Year-3             | Year-2 | Last year |                       |                                                 |
| 1                  | Banking activities subject to basic indicator approach (BIA)                               | 323.7              | 456.4  | 472.9     | 62.7                  | 783.2                                           |
| 2                  | Banking activities subject to standardised (TSA)/alternative standardised (ASA) approaches | –                  | –      | –         | –                     | –                                               |
| 3                  | Subject to TSA:                                                                            | –                  | –      | –         | –                     | –                                               |
| 4                  | Subject to ASA:                                                                            | –                  | –      | –         | –                     | –                                               |
| 5                  | Banking activities subject to advanced measurement approaches AMA                          | –                  | –      | –         | –                     | –                                               |



## 9 Investment Risk

Münchener Hypothekbank's investments are made solely for strategic reasons within the Cooperative Financial Network. As the investments are kept in the banking book, an annual review is carried out to determine any permanent reduction in value. If such a reduction occurs, it is written off at current fair value. Münchener Hypothekbank's investments are mainly strategic investments in the Volksbank and Raiffeisen cooperative network, which are accounted with a carrying amount of €102.7 million.

In addition, there are investments in the subsidiaries M-Wert GmbH, Immobilienservice GmbH der Münchener Hypothekbank eG (M-Service) and M-4tec GmbH.

All of these investments are kept in the banking book. Investments are also indirectly held as positions in a special fund, which is also allocated to the Bank's banking book. For this special fund, the transparency approach pursuant to Article 132a (1) CRR is applied when determining the risk-weighted amounts.

The exposure value of Münchener Hypothekbank's directly held investments amounted to €196.0 million as at 31 December 2024. The investments are permanently taken out of the Internal Ratings Based Approach (IRBA) and allocated to the credit risk standardised approach. Münchener Hypothekbank's investments are not a significant risk driver with regard to counterparty risks..

## 10 Derivative Counterparty Risk Exposure and Netting Positions

A limit system is used to restrict default risks for all of the counterparties carried in the Treasury area of business. In doing so, limits on counterparties and issuers are made on a case-by-case basis and are approved by the entire Board of Management after a presentation to, and vote by, the Markets and the Transaction Management departments. The basis for setting limits is an analysis of credit quality based on internal and external rating evaluations. Only banks, other financial institutions and insurance companies domiciled in OECD countries are accepted as counterparties for derivative deals. The risk-bearing capacity calculation encompasses the risks of counterparty default and the risk of a change in the credit rating arising from derivative transactions.

After netting, derivatives are offset against the counterparty limit using their market values plus add-on. The limit is monitored on a daily basis. In the event that the limit is exceeded, the entire Board of Management is informed immediately. Furthermore, a monitoring list is provided to the entire Board of Management on a monthly basis. The creditworthiness of counterparties and the limits are examined at least once a year. In creating offset agreements (netting), Münchener Hypothekbank orients itself according to standard market practices.

Within the framework of collateral agreements made to additionally secure net derivative positions, only cash deposits in euros are accepted as collateral. To a small extent, and depending on creditworthiness, some collateral agreements

contain exempt amounts (in order to reduce the ongoing expense somewhat). These exempt amounts are not subject to being automatically adjusted in the event of changed credit ratings, so no liquidity risk arises because of additional funding obligations. In terms of internal risk management for the entire Bank, exposure for derivatives is taken into account using their market value plus add-on and taking netting agreements into account.

Market and counterparty risks are calculated separately at Münchener Hypothekbank and then added conservatively, for example when determining risk-bearing abilities. Thus no diversification effects are recognised via correlations. In the case of counterparty risks, Münchener Hypothekbank calculates its positions according to the standard approach for counterparty risk in accordance with Chapter 6, Section 3 CRR.



TABLE 40: EU CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH

|      |     |                                                                       | a                        | b                                  | c    | d                                                           | e                         | f                          | g              | h    |
|------|-----|-----------------------------------------------------------------------|--------------------------|------------------------------------|------|-------------------------------------------------------------|---------------------------|----------------------------|----------------|------|
|      |     |                                                                       | Replacement<br>cost (RC) | Potential future<br>exposure (PFE) | EEPE | Alpha used for<br>computing<br>regulatory<br>exposure value | Exposure value<br>pre CRM | Exposure value<br>post CRM | Exposure value | RWEA |
| 0010 | EU1 | EU – Original exposure method (for derivatives)                       | -                        | -                                  | -    | 1.40                                                        | -                         | -                          | -              | -    |
| 0020 | EU2 | EU – Simplified SA-CCR (for derivatives)                              | -                        | -                                  | -    | 1.40                                                        | -                         | -                          | -              | -    |
| 0030 | 1   | SA-CCR (for derivatives)                                              | 45.3                     | 227.4                              | 0    | 1.40                                                        | 1,765.3                   | 381.8                      | 381.8          | 67.2 |
| 0040 | 2   | IMM (for derivatives and SFTs)                                        | -                        | -                                  | -    | -                                                           | -                         | -                          | -              | -    |
| 0050 | 2a  | of which securities financing transactions<br>netting sets            | -                        | -                                  | -    | -                                                           | -                         | -                          | -              | -    |
| 0060 | 2b  | of which derivatives and long settlement<br>transactions netting sets | -                        | -                                  | -    | -                                                           | -                         | -                          | -              | -    |
| 0070 | 2c  | of which from contractual cross-product<br>netting sets               | -                        | -                                  | -    | -                                                           | -                         | -                          | -              | -    |
| 0080 | 3   | Financial collateral simple method (for SFTs)                         | -                        | -                                  | -    | -                                                           | -                         | -                          | -              | -    |
| 0090 | 4   | Financial collateral comprehensive method<br>(for SFTs)               | -                        | -                                  | -    | -                                                           | -                         | 35.4                       | 35.4           | 8.2  |
| 0100 | 5   | VaR for SFTs                                                          | -                        | -                                  | -    | -                                                           | -                         | -                          | -              | -    |
| 0110 | 6   | Total                                                                 | -                        | -                                  | -    | -                                                           | 1,765.3                   | 417.2                      | 417.2          | 75.4 |



Table 41 presents the own funds requirements for credit value adjustment as at 31 December 2024.

**TABLE 41: EU CCR2 – CVA CAPITAL CHARGE**

|      |     |                                                                                          | a              | b            |
|------|-----|------------------------------------------------------------------------------------------|----------------|--------------|
|      |     |                                                                                          | Exposure value | RWEA         |
| 0010 | 1   | Total transactions subject to the Advanced method                                        | –              | –            |
| 0020 | 2   | (i) VaR component (including the 3× multiplier)                                          | –              | –            |
| 0030 | 3   | (ii) stressed VaR component (including the 3× multiplier)                                | –              | –            |
| 0040 | 4   | Transactions subject to the standardised method                                          | 203.3          | 280.0        |
| 0050 | EU4 | Transactions subject to the alternative approach (based on the original exposure method) | –              | –            |
| 0060 | 5   | <b>Total transactions subject to own funds requirements for CVA risk</b>                 | <b>203.3</b>   | <b>280.0</b> |

Münchener Hypothekbank does not enter into any transactions involving CDS as either a seller or buyer.

The following three tables disclose Münchener Hypothekbank's CCR exposures as well as all the important parameters needed to calculate the respective own funds requirements. Each of the itemised risk positions shown are derivatives in terms of Annex II of the CCR or repo transactions.



TABLE 42: EU CCR3 – STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK

|      |    |                                                                 | Risk weight |     |    |     |       |       |     |     |      |      |        | Total<br>exposure<br>value |
|------|----|-----------------------------------------------------------------|-------------|-----|----|-----|-------|-------|-----|-----|------|------|--------|----------------------------|
|      |    | Exposure classes                                                | a           | b   | c  | d   | e     | f     | g   | h   | i    | j    | k      |                            |
|      |    |                                                                 | 0%          | 2%  | 4% | 10% | 20%   | 50%   | 70% | 75% | 100% | 150% | Others |                            |
| 0010 | 1  | Central governments or central banks                            | -           | -   | -  | -   | -     | -     | -   | -   | -    | -    | -      | -                          |
| 0020 | 2  | Regional government or local authorities                        | -           | -   | -  | -   | -     | -     | -   | -   | -    | -    | -      | -                          |
| 0030 | 3  | Public sector entities                                          | -           | -   | -  | -   | -     | -     | -   | -   | -    | -    | -      | -                          |
| 0040 | 4  | Multilateral development banks                                  | -           | -   | -  | -   | -     | -     | -   | -   | -    | -    | -      | -                          |
| 0050 | 5  | International organisations                                     | -           | -   | -  | -   | -     | -     | -   | -   | -    | -    | -      | -                          |
| 0060 | 6  | Institutions                                                    | 192.1       | 1.4 | -  | -   | 123.7 | 100.9 | -   | -   | -    | -    | -      | 418.1                      |
| 0070 | 7  | Corporates                                                      | -           | -   | -  | -   | -     | 0.5   | -   | -   | -    | -    | -      | 0.5                        |
| 0080 | 8  | Retail                                                          | -           | -   | -  | -   | -     | -     | -   | -   | -    | -    | -      | -                          |
| 0090 | 9  | Institutions and corporates with a short-term credit assessment | -           | -   | -  | -   | -     | -     | -   | -   | -    | -    | -      | -                          |
| 0100 | 10 | Other items                                                     | -           | -   | -  | -   | -     | -     | -   | -   | -    | -    | -      | -                          |
| 0110 | 11 | Total exposure value                                            | 192.1       | 1.4 | -  | -   | 123.7 | 101.4 | -   | -   | -    | -    | -      | 418.6                      |

The tables EU CCR4 and EU CCR6 are not shown, as Münchener Hypothekbank does not hold any relevant exposure.



TABLE 43: 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 |
| 0010 | 1 | Cash – domestic currency |                                            | 780.3        |                                 | 706.3        |                                   | 1,056.4      |                                 | 3.1          |
| 0020 | 2 | Cash – other currencies  |                                            |              |                                 |              |                                   |              |                                 |              |
| 0030 | 3 | Domestic sovereign debt  |                                            |              |                                 |              |                                   |              |                                 |              |
| 0040 | 4 | Other sovereign debt     |                                            |              |                                 |              |                                   |              |                                 |              |
| 0050 | 5 | Government agency debt   |                                            |              |                                 |              |                                   |              |                                 |              |
| 0060 | 6 | Corporate bonds          |                                            |              |                                 |              |                                   |              |                                 |              |
| 0070 | 7 | Equity securities        |                                            |              |                                 |              |                                   |              |                                 |              |
| 0080 | 8 | Other collateral         |                                            |              |                                 |              |                                   |              |                                 | 1,051.5      |
| 0090 | 9 | Total                    |                                            | 780.3        |                                 | 706.3        |                                   | 1,056.4      |                                 | 1,054.6      |



TABLE 44: EU CCR8 – EXPOSURES TO CENTRAL COUNTERPARTIES

|    |                                                                                                       | 0010           | 0020 |
|----|-------------------------------------------------------------------------------------------------------|----------------|------|
|    |                                                                                                       | a              | b    |
|    |                                                                                                       | Exposure value | RWEA |
| 1  | <b>Exposures to QCCPs (total)</b>                                                                     | –              | 0.2  |
| 2  | Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which     | 1.4            | 0.0  |
| 3  | (i) OTC derivatives                                                                                   | –              | –    |
| 4  | (ii) Exchange-traded derivatives                                                                      | –              | –    |
| 5  | (iii) SFTs                                                                                            | 1.4            | 0.0  |
| 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            | 0.2  |
| 10 | Unfunded default fund contributions                                                                   | –              | –    |
| 11 | <b>Exposures to non-QCCPs (total)</b>                                                                 | –              | –    |
| 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 Encumbrances

The purpose of the presented asset encumbrances is to ensure cross-institutional uniformity in information for lenders and providers of unsecured or subordinate refinancing and to serve as an indicator for vulnerability to refinancing problems. Encumbrances are defined as follows: An asset is deemed encumbered if it has been pledged or submitted as collateral or as additional security in another form based on an agreement that is the reason why the institution cannot freely dispose of the asset. Assets assigned as collateral, which are subject to restriction regarding the withdrawal of the asset value, such as assets whose disposal or replacement by another asset are subject to approvals, are deemed encumbered in terms of the guidelines for the disclosure of encumbered and unencumbered assets dated 27 June 2014.

The asset encumbrance ratio (AE ratio) is calculated as the ratio from the encumbered assets and the sum of the institution's assets.

### FORMULA 1: CALCULATION OF THE AE RATIO

$$\text{AE ratio} = \frac{\text{Encumbered assets}}{\text{Encumbered and unencumbered assets}}$$

### 11.1 STRATEGIES AND PROCESSES

As a safety-oriented Pfandbrief issuer, a significant portion of Münchener Hypothekbank's business strategy is focused on adding as many high-quality assets to its portfolio as possible that are eligible to serve as cover and can thus be used to underpin its own Pfandbrief issues. This leads to a high AE ratio and is in keeping with the Bank's business strategy. In addition to encumbrances from the cover ratio between assets and Pfandbriefe, the following other significant sources of encumbrances are also noted in this context:

- Collateralisation of repurchase agreements
- Collateralisation of derivative transactions
- Collateralisation of open market transactions

### 11.2 STRUCTURE AND COMPOSITION OF THE ENCUMBRANCE RATIO

Based on its business model, Münchener Hypothekbank's AE ratio remained very constant between the disclosure dates at the end of 2023 and the end of 2024 between 75.3% and 76.0%. The AE ratio as at 31 December 2024 was 76.0%. In accordance with Commission Delegated Regulation (EU) 2021/637, the amounts are shown as median values. These median values consist of the rolling end-of-quarter amounts for the previous twelve months and are determined by interpolation. The values shown in Tables 45 to 47 below are stated as on this reporting date.

The level of the encumbrance ratio, in particular, highlights Münchener Hypothekbank's unequivocal focus on safety compared to other business models, as the Bank strives to minimise the volume of assets it takes in that cannot serve as cover for Pfandbriefe.

The following table shows the amount of encumbered and unencumbered assets by asset category in terms of the applicable financial reporting framework, in accordance with Template EU AE1 of Commission Delegated Regulation (EU) 2021/637. Encumbered assets in Table 47 are on-balance sheet assets that have either been pledged or transferred without being derecognised or are encumbered in another manner, as well as collateral received that complies with requirements for recognition on the balance sheet of the assignment recipient in terms of the applicable financial reporting framework.

Pursuant to the individual COREP report, Münchener Hypothekbank made entries in columns 030, 050, 080 and 100 in Table 45 disclosing asset values that are eligible for business dealings with the relevant central bank.



TABLE 45: 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           | 41,233.3                             | 2,671.3                                     | –                               | –                                           | 13,363.9                               | 2,310.9                 | –                                 | –                       |
| 0030 | Equity instruments                            | –                                    | –                                           | –                               | –                                           | 147.0                                  | –                       | 159.5                             | –                       |
| 0040 | Debt securities                               | 2,691.6                              | 2,635.7                                     | 2,736.7                         | 2,683.8                                     | 2,728.8                                | 2,127.8                 | 2,708.9                           | 2,124.9                 |
| 0050 | of which covered bonds                        | 128.6                                | 128.6                                       | 126.8                           | 126.8                                       | 819.7                                  | 313.8                   | 798.9                             | 298.9                   |
| 0060 | of which securitisations                      | –                                    | –                                           | –                               | –                                           | –                                      | –                       | –                                 | –                       |
| 0070 | of which issued by general governments        | 2,467.1                              | 2,467.1                                     | 2,520.9                         | 2,520.9                                     | 1,689.3                                | 1,690.1                 | 1,705.4                           | 1,705.4                 |
| 0080 | of which issued by financial corporations     | 224.5                                | 168.6                                       | 215.7                           | 162.9                                       | 1,039.6                                | 437.7                   | 1,003.5                           | 419.5                   |
| 0090 | of which issued by non-financial corporations | –                                    | –                                           | –                               | –                                           | –                                      | –                       | –                                 | –                       |
| 0120 | Other assets                                  | 38,566.2                             | 36.2                                        | –                               | –                                           | 10,495.7                               | 183.1                   | –                                 | –                       |

Collateral received is shown below by asset category in accordance with Template AE2 of Commission Delegated Regulation (EU) 2021/637. Encumbered and unencumbered collateral in Template AE2 refers to collateral received that does not meet the requirements for recognition on the balance sheet of the assignment recipient in terms of the applicable financial reporting framework, and is therefore not shown on the balance sheet. Collateral received that is shown on the balance sheet is disclosed in Template AE1. Münchener Hypothekbank does not take in such collateral.



TABLE 46: 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                           | -                                                                          | -       | 16.8                                                                                      | 16.8 |
| 0140 | Loans on demand                                                            | -                                                                          | -       | -                                                                                         | -    |
| 0150 | Equity instruments                                                         | -                                                                          | -       | -                                                                                         | -    |
| 0160 | Debt securities                                                            | -                                                                          | -       | 16.8                                                                                      | 16.8 |
| 0170 | of which covered bonds                                                     | -                                                                          | -       | 16.8                                                                                      | 16.8 |
| 0180 | of which securitisations                                                   | -                                                                          | -       | -                                                                                         | -    |
| 0190 | of which issued by general governments                                     | -                                                                          | -       | -                                                                                         | -    |
| 0200 | of which issued by financial corporations                                  | -                                                                          | -       | 16.8                                                                                      | 16.8 |
| 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   | -                                                                          | -       | -                                                                                         | -    |
| 0250 | TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED           | 41,233.3                                                                   | 2,671.3 | -                                                                                         | -    |

Liabilities associated with encumbered assets and collateral received are disclosed in accordance with Template AE3 of Commission Delegated Regulation (EU) 2021/637. The surplus of encumbered assets shown in Table 47 primarily stems, in particular, from surplus cover held for Pfandbriefe in circulation.

TABLE 47: 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 | 38,291.6                                                        | 40,901.3                                                                                                           |



## 12 Remuneration Policy

### 12.1 RISK TAKER ANALYSIS

Pursuant to Article 16 of the Remuneration Regulation for Institutions (InstitutsVergV), Münchener Hypothekenbank must disclose information on its remuneration policy and practices. Disclosure requirements for Münchener Hypothekenbank as a CRR institution are governed by Article 450 CRR. The information on euro amounts in this section differs from the rest of the tables in this report; for a better overview, Tables 48 to 53 show the amounts as thousands with one decimal place.

Pursuant to this article, the Bank must disclose certain quantitative and qualitative information for employees (risk takers) whose activities have a substantial impact on the Bank's risk profile.

During 2024, the Bank identified twelve Supervisory Board members, three Board of Management members, 18 senior executives as well as 35 additional employees as risk takers pursuant to the Remuneration Regulation for Institutions; a total of 68 persons, which corresponds to approximately 9.6% of all employees. The risk takers were determined on the basis of Commission Delegated 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 with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.

### 12.2 REMUNERATION ACROSS THE INSTITUTION

The Remuneration Committee met three times in 2024.

No new hiring bonuses above the legally permissible allowances were granted. In addition, five severance payments were made, two of which were to a risk taker.

### 12.3 REMUNERATION SYSTEM FOR THE BOARD OF MANAGEMENT

A target value for the discretionary bonuses is set in advance for every year. The definitive discretionary bonus can vary between 0% and 133%.

To calculate the bonus, quantitative and qualitative targets in the form of bank and individual targets are derived from the corporate strategy. The maximum bonus will be paid only if these targets are exceeded. The assessment period used will be at least three years.

Variable remuneration is paid out as follows:

- A sum of 50% of the achieved bonus is paid out over several years in cash, while the remaining 50% is invested in "other instruments" in terms of Article 52 or 63 CRR, which are linked to sustainable enterprise value; consequently, their value may fluctuate. These instruments are created specifically for the purpose of complying with the requirements of the Remuneration Regulation for Institutions because Münchener Hypothekenbank is a cooperative and cannot implement the actual intention of a stock option.

- 20% of the achieved bonus is paid out directly in the following year following the approval of the annual financial statements and adoption by the Supervisory Board.
- The remaining 80% of the bonus defined for the preceding business year is paid out over a period of five years, whereby components invested in instruments are also subject to a one-year restriction lock-up period following the applicable vesting periods for the respective instruments.

Negative contributions to the Bank's success are taken into account at the time the bonus is calculated and also during the entire vesting period. This may lead to a reduction or, in an extreme case, the complete loss of variable remuneration. Furthermore, a so-called "claw-back" rule for previously paid amounts is in place. The amount of the bonus cannot be increased over and beyond the originally defined amount; similarly, no write-ups are applied with regard to reduced payments that were made during the interim period. There is no legal claim to variable remuneration during the vesting and lock-up periods.

The Supervisory Board is responsible for defining the remuneration systems for the members of the Board of Management. The appropriateness of the remuneration systems is assured, in particular, by the Supervisory Board's Remuneration Committee.



### 12.4 SUPERVISORY BOARD REMUNERATION SYSTEM

The remuneration of the Supervisory Board consists of a fixed annual remuneration for each member, differentiated according to chairman, deputy chairman or chairman of a committee. Neither variable compensation nor attendance fees are granted.

### 12.5 REMUNERATION SYSTEM FOR RISK TAKERS BELOW THE BOARD OF MANAGEMENT

The remuneration structure for risk takers below the Board of Management is determined by a contractually defined performance- and profit-oriented remuneration portion (target premium) in addition to the fixed salary.

An actively practiced target agreement process forms the basis for a transparent and understandable performance assessment, and hence also for the definition of the individual performance factors. Managers and employees jointly agree on numerous individual targets towards the end of the year.

The target agreements should contain objectives from each of the following three categories:

- Operational profit and business targets
- Organisational and strategic objectives, and projects
- Personal development and management targets

The calculation of the performance bonus takes into account individual performance, as well as the performance of the Bank and the employee's own department. Amounts are determined based on the following factors:

|               | Individual factor                           | Department factor                 | Bank factor                       |
|---------------|---------------------------------------------|-----------------------------------|-----------------------------------|
| Values        | 0%–133%                                     | 90%–100%                          | 66%–133%                          |
| Determined by | Annual assessment interview with supervisor | Determined by Board of Management | Determined by Board of Management |

The considerable range of the individual factor means that the employee plays a key role in determining the amount of the performance bonus and may lose the entire bonus in the case of misconduct, for example.

Once the target premium has been defined, the individual performance factor is calculated one year later during the assessment interview on the basis of target attainment. The department and bank factors are also determined by the Board of Management at the beginning of the following year.

The following formula is used to calculate the performance bonus:

#### FORMULA 2: CALCULATION OF THE PERFORMANCE BONUS

$$\text{Performance bonus} = \text{target premium} \times \text{individual factor} \times \text{department factor} \times \text{bank factor}$$

The bonus is paid out pursuant to the terms of the Remuneration Regulation for Institutions and is also liable to being blocked by BaFin in the future. If a risk taker (below the level of the Board of Management) receives more than €50,000 in variable remuneration (currently the valid threshold pursuant to the BaFin's guidance), that person's bonus will be paid out over many subsequent years analogous to remuneration for the Board of Management. To date, this has not been necessary.

Due to restrictions in the remuneration system, variable remuneration can never exceed the fixed remuneration component. With regard to other non-cash benefits, risk takers receive the same as those received by other employees, such as subsidies for lunch or health care, supplemental insurance, or company cars, etc. In this context, each benefit in kind depends partly on the hierarchy level or duration of employment, although the criteria are identical for all employees.

The Board of Management is responsible for defining the remuneration system. Changes to the business strategy will result in reviews to determine if these changes require the remuneration system to be adjusted.

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

In order to show amounts as accurately as possible, the amounts in section 12 are not stated in millions of euros as in the rest of the report, but in thousands of euros.

**TABLE 48: EU REMA – REMUNERATION POLICY****Qualitative disclosures****a) Remuneration governance**

The bylaws of the Supervisory Board stipulate that the Remuneration Control Committee is to monitor the appropriate design of the remuneration systems and, in doing so, make recommendations to the Supervisory Board. The Remuneration Control Committee met twice in the past year. On the basis of the remuneration control report submitted to the committee, the Remuneration Control Committee reviews the appropriateness of the remuneration policy on an annual basis.

The Bank has established a remuneration strategy and, on this basis, remuneration systems that cover the remuneration of all employees, including the employees of all subsidiaries. The Bank's remuneration systems are in line with regulatory and legal requirements – in particular the Remuneration Regulation for Institutions (Institutsvergütungsverordnung). The Board of Management and the Supervisory Board are responsible for determining the remuneration system for the Board of Management. All remuneration systems and processes relevant to remuneration are understandable, documented and published. Care is taken to ensure a balanced relationship between the remuneration systems (collective wage agreement, employees exempt from collective wage agreement, executives, Board of Management, Supervisory Board). Maximisation of remuneration is never possible at the expense of others.

The Bank's risk takers are identified on the basis of all relevant laws and guidelines. The criteria set out therein are applied. The Bank's risk takers are all members of the Supervisory Board, the Board of Management and executives. In addition, some executives in risk management, information security and credit processing have been identified as risk takers. In total, 7.7% of the Bank's employees were risk takers at the end of 2023. Employees were informed accordingly about the result of this classification. The option of excluding employees who were originally identified if certain conditions are met was not exercised.

**b) Information on the design and structure of the remuneration system for identified employees.**

The performance measurement criteria used to determine variable remuneration for all employees of the Bank are based on their personal target achievement levels as well as on a Bank Factor determined by the Board of Management, which reflects the economic success of the Bank in the previous year. An ex-ante and ex-post risk adjustment is relevant only for the remuneration of members of the Board of Management, as only their variable remuneration exceeds the amount of €50,000. The risk adjustment is based on a consideration of performance over at least three years. The retained remuneration components due in each year are reviewed to determine whether their target achievement at that time still appears appropriate.

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

Individual target agreements are concluded with all employees, including those in internal control functions. Individual target achievement determines the amount of variable remuneration. Although the Bank Factor is also applied to this group of employees, this leads to a reduction or increase in variable remuneration only by a maximum of one-third. Furthermore, the focus of the remuneration of all employees, above all, those with internal control functions, is clearly on fixed remuneration. This ensures that remuneration is essentially independent of the business areas under their control.

Guaranteed variable remuneration is granted at most in the first year; severance payments are only made in a few exceptional cases. The requirements of the Remuneration Regulation for Institutions (Institutsvergütungsverordnung) and BaFin's interpretative guide are observed when determining such remuneration.

**c) The Bank's remuneration procedures do not create incentives to take excessive risks. Neither the criteria for assessment nor their effects on the amount of variable remuneration nor the proportion of variable remuneration in fixed remuneration are suitable for this purpose.****d) The ratio between the fixed and variable remuneration components at Münchener Hypothekbank is de facto a maximum of one-third and thus complies with the requirements of Article 94 (g) CRD.**



Table 48 continued from page 113

**TABLE 48: EU REMA – REMUNERATION POLICY****Qualitative disclosures**

- |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| e) | <p>The basis for the amount of variable remuneration for employees is the target bonus, personal target achievement and the Bank Factor. The target bonus is determined individually in the employment contract. The personal target achievement is determined on the basis of the individually agreed targets and ranges from 0% to 130%. The Bank Factor is set by the Board of Management in accordance with a company agreement at between 66% and 133%. The decision is derived from key figures from the previous year's financial statements. The share of variable remuneration in total remuneration is a maximum of 23% this year (without severance payments). In absolute terms, all variable remuneration at the employee level is less than € 50,000.</p> <p>In the event of negative overall performance at Münchener Hypothekenbank, particularly if this is accompanied by an erosion of enterprise value, a value of 0 is set for the Bank Factor.</p>                                                                                                                                                                                                                                                                                                                                                                           |
| f) | <p>The three previous financial years are taken into account when determining the discretionary bonus of the Board of Management. As the discretionary bonus generally exceeds € 50,000, the granting of the bonus is subject to the provisions of the Remuneration Regulation for Institutions. Accordingly, half of the bonus is granted in cash and the other half in instruments. Irrespective of this, only a total of 40% is granted in the first year, with the remainder being spread over five years. Following the retention period, instruments will be blocked again for one year. All instruments granted are subject to performance during the retention and blocking periods. As Münchener Hypothekenbank is not a stock corporation, virtual instruments have been created whose value is measured by the development of the Bank's total present value.</p> <p>Every year, the Remuneration Control Committee and the Supervisory Board discuss whether ex-post adjustments are required when granting tranches of variable remuneration that are due. If no new facts have become known that necessitate a reduction in the variable remuneration granted to date, the treatment of the tranches retained and due for payment is continued in accordance with the Remuneration Regulation for Institutions (InstitutsVergV).</p> |
| g) | <p>The variable remuneration of the Board of Management is measured on the basis of a target bonus and individual target achievement. Five bank targets are decisive for 70% of target achievement. These are: increase in the Bank's total present value, achievement of new mortgage business, administrative expenses, operating profit after risk provisioning and return on equity before taxes. For 30% of the target achievement, department-specific or individual targets are agreed with each member of the Board of Management. Other benefits-in-kind granted are not linked to performance and are therefore included in fixed remuneration. These include in particular expenses for the company pension plan.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| h) | Individual amounts do not have to be published.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| i) | No exemption under Article 94(3) CRD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| j) | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |



TABLE 49: EU REM1 – REMUNERATION AWARDED FOR FINANCIAL YEAR

|        |                       |                                                                      | a                          | b                         | c                          | d                      |
|--------|-----------------------|----------------------------------------------------------------------|----------------------------|---------------------------|----------------------------|------------------------|
|        |                       |                                                                      | MB supervisory<br>function | MB management<br>function | Other senior<br>management | Other identified staff |
| 1      |                       | Number of identified staff                                           | 12                         | 3                         | 18                         | 35                     |
| 2      |                       | Total fixed remuneration                                             | 499.9                      | 1,787.6                   | 3,322.3                    | 4,239.0                |
| 3      |                       | of which cash-based                                                  | 499.9                      | 1,787.6                   | 3,322.3                    | 4,239.0                |
| 4      |                       | (not applicable in the EU)                                           |                            |                           |                            |                        |
| EU-4 a | Fixed remuneration    | of which shares or equivalent ownership interests                    |                            |                           |                            |                        |
| 5      |                       | of which share-linked instruments or equivalent non-cash instruments |                            |                           |                            |                        |
| EU-5x  |                       | of which other instruments                                           |                            |                           |                            |                        |
| 6      |                       | (not applicable in the EU)                                           |                            |                           |                            |                        |
| 7      |                       | of which other forms                                                 |                            |                           |                            |                        |
| 8      |                       | (not applicable in the EU)                                           |                            |                           |                            |                        |
| 9      |                       | Number of identified staff                                           |                            | 3                         | 18                         | 35                     |
| 10     |                       | Total variable remuneration                                          |                            | 616.9                     | 514.1                      | 578.2                  |
| 11     |                       | of which cash-based                                                  |                            | 308.5                     | 514.1                      | 578.2                  |
| 12     |                       | of which deferred                                                    |                            | 185.1                     |                            |                        |
| EU-13a | Variable remuneration | of which shares or equivalent ownership interests                    |                            | 308.5                     |                            |                        |
| EU-14a |                       | of which deferred                                                    |                            | 185.1                     |                            |                        |
| EU-13b |                       | of which share-linked instruments or equivalent non-cash instruments |                            | 308.5                     |                            |                        |
| EU-14b |                       | of which deferred                                                    |                            | 185.1                     |                            |                        |
| EU-14x |                       | of which other instruments                                           |                            |                           |                            |                        |
| EU-14y |                       | of which deferred                                                    |                            |                           |                            |                        |
| 15     |                       | of which other forms                                                 |                            |                           |                            |                        |
| 16     |                       | of which deferred                                                    |                            |                           |                            |                        |
| 17     |                       | Total remuneration (2 + 10)                                          | 499.9                      | 2,404.5                   | 3,836.4                    | 4,817.2                |



TABLE 50: EU REM2 – REMUNERATION AWARDED FOR FINANCIAL YEAR

|    |                                                                                                                                   | a                          | b                         | c                          | d                      |
|----|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|----------------------------|------------------------|
|    |                                                                                                                                   | MB supervisory<br>function | MB management<br>function | Other senior<br>management | Other identified staff |
|    | <b>Guaranteed variable remuneration awards</b>                                                                                    |                            |                           |                            |                        |
| 1  | Guaranteed variable remuneration awards – number of identified staff                                                              | 0                          | 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 |                            |                           |                            |                        |
|    | <b>Severance payments awarded in previous periods, that have been paid out during the financial year</b>                          |                            |                           |                            |                        |
| 4  | Severance payments awarded in previous periods, that have been paid out during the financial year – number of identified staff    | 0                          | 0                         | 0                          | 0                      |
| 5  | Severance payments awarded in previous periods, that have been paid out during the financial year – total amount                  |                            |                           |                            |                        |
|    | <b>Severance payments awarded during the financial year</b>                                                                       |                            |                           |                            |                        |
| 6  | Severance payments awarded during the financial year – number of identified staff                                                 | 0                          | 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 51: 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 vested 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 |                                                                                                                                                                                       |                                                                                                                 |                                                                                                                                           |
| 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  | MB management function                                      | 119.8                                                                          | 56.0                                       | 63.7                                          |                                                                                                                                 |                                                                                                                                       | 21.8                                                                                                                                                                                  | 270.5                                                                                                           | 63.7                                                                                                                                      |
| 8  | Cash-based                                                  | 56.0                                                                           | 56.0                                       |                                               |                                                                                                                                 |                                                                                                                                       |                                                                                                                                                                                       | 56.0                                                                                                            |                                                                                                                                           |
| 9  | Shares or equivalent ownership interests                    | 63.7                                                                           |                                            | 63.7                                          |                                                                                                                                 |                                                                                                                                       | 21.8                                                                                                                                                                                  | 214.5                                                                                                           | 63.7                                                                                                                                      |
| 10 | Share-linked instruments or equivalent non-cash instruments |                                                                                |                                            |                                               |                                                                                                                                 |                                                                                                                                       |                                                                                                                                                                                       |                                                                                                                 |                                                                                                                                           |
| 11 | Other instruments                                           |                                                                                |                                            |                                               |                                                                                                                                 |                                                                                                                                       |                                                                                                                                                                                       |                                                                                                                 |                                                                                                                                           |
| 12 | Other forms                                                 |                                                                                |                                            |                                               |                                                                                                                                 |                                                                                                                                       |                                                                                                                                                                                       |                                                                                                                 |                                                                                                                                           |
| 13 | Other senior management                                     |                                                                                |                                            |                                               |                                                                                                                                 |                                                                                                                                       |                                                                                                                                                                                       |                                                                                                                 |                                                                                                                                           |
| 14 | Cash-based                                                  |                                                                                |                                            |                                               |                                                                                                                                 |                                                                                                                                       |                                                                                                                                                                                       |                                                                                                                 |                                                                                                                                           |
| 15 | Shares or equivalent ownership interests                    |                                                                                |                                            |                                               |                                                                                                                                 |                                                                                                                                       |                                                                                                                                                                                       |                                                                                                                 |                                                                                                                                           |



Table 51 continued from page 117

TABLE 51: EU REM3 – DEFERRED REMUNERATION

|    |                                                                | a                                                                                                | b                                                | c                                                      | d                                                                                                                                                             | e                                                                                                                                                                   | f                                                                                                                                                                                                                               | EU – g                                                                                                                               | EU – h                                                                                                                                                                  |
|----|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                |                                                                                                  |                                                  |                                                        |                                                                                                                                                               |                                                                                                                                                                     | Total amount of<br>adjustment<br>during the<br>financial year<br>due to ex post<br>implicit<br>adjustments<br>(i.e. changes of<br>value of<br>deferred<br>remuneration<br>due to the<br>changes of<br>prices of<br>instruments) | Total amount of<br>deferred<br>remuneration<br>awarded before<br>the financial<br>year actually<br>paid out in the<br>financial year | Total of amount<br>of deferred<br>remuneration<br>awarded for<br>previous<br>performance<br>period that has<br>been vested but<br>is subject to<br>retention<br>periods |
|    | Deferred and retained remuneration                             | Total amount of<br>deferred<br>remuneration<br>awarded for<br>previous<br>performance<br>periods | of which due<br>to vest in the<br>financial year | of which<br>vested in<br>subsequent<br>financial years | Amount of<br>performance<br>adjustment<br>made in the<br>financial year<br>to deferred<br>remuneration<br>that was due to<br>vest in the<br>financial<br>year | Amount of<br>performance<br>adjustment<br>made in the<br>financial year<br>to deferred<br>remuneration<br>that was due to<br>vest in future<br>performance<br>years |                                                                                                                                                                                                                                 |                                                                                                                                      |                                                                                                                                                                         |
| 16 | Share-linked instruments or<br>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<br>equivalent non-cash instruments |                                                                                                  |                                                  |                                                        |                                                                                                                                                               |                                                                                                                                                                     |                                                                                                                                                                                                                                 |                                                                                                                                      |                                                                                                                                                                         |
| 23 | Other instruments                                              |                                                                                                  |                                                  |                                                        |                                                                                                                                                               |                                                                                                                                                                     |                                                                                                                                                                                                                                 |                                                                                                                                      |                                                                                                                                                                         |
| 24 | Other forms                                                    |                                                                                                  |                                                  |                                                        |                                                                                                                                                               |                                                                                                                                                                     |                                                                                                                                                                                                                                 |                                                                                                                                      |                                                                                                                                                                         |
| 25 | <b>Total amount</b>                                            | <b>119.8</b>                                                                                     | <b>56.0</b>                                      | <b>63.7</b>                                            | <b>0.0</b>                                                                                                                                                    | <b>0.0</b>                                                                                                                                                          | <b>21.8</b>                                                                                                                                                                                                                     | <b>270.5</b>                                                                                                                         | <b>63.7</b>                                                                                                                                                             |



TABLE 52: EU REM4 – REMUNERATION OF EUR 1 MILLION OR MORE PER YEAR

|    |                              | a                                                                          |
|----|------------------------------|----------------------------------------------------------------------------|
|    | EUR                          | Identified staff that are high earners<br>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 53: 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<br>supervisory<br>function | MB<br>management<br>function | Total MB | Investment<br>banking | Retail<br>banking | Asset<br>management | Corporate<br>functions | Independent<br>internal<br>control<br>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                 |                     | 7                      | 3                                               |           |       |
| 4 | of which other identified staff        |                               |                              |          |                       | 30                |                     |                        | 5                                               |           |       |
| 5 | Total remuneration of identified staff | 500                           | 2,405                        | 2,904    | 502                   | 4,894             |                     | 1,421                  | 1,360                                           |           |       |
| 6 | of which variable remuneration         | 0                             | 617                          | 617      | 56                    | 582               |                     | 200                    | 188                                             |           |       |
| 7 | of which fixed remuneration            | 500                           | 1,788                        | 2,288    | 447                   | 4,311             |                     | 1,221                  | 1,172                                           |           |       |



## 13 Leverage

### 13.1 CONTAINMENT AND STRUCTURE

Pursuant to Article 429 CRR, institutions have to calculate a leverage ratio to increase transparency and comparability. The leverage ratio is calculated as the capital measure divided by the total exposure measure and is expressed as a percentage.

The leverage ratio is defined as follows:

#### FORMULA 3: CALCULATION OF THE LEVERAGE RATIO

|                |   |                                                               |
|----------------|---|---------------------------------------------------------------|
| Leverage ratio | = | $\frac{\text{Tier 1 Capital}}{\text{Total exposure measure}}$ |
|----------------|---|---------------------------------------------------------------|

For the purposes of Article 429 CRR, the capital measure is Tier 1 Capital. The total exposure measure consists of amounts shown as on-balance sheet assets, derivatives, securities financing transactions and off-balance sheet assets. The total exposure measure for assets (excluding derivatives and securities financing transactions) contains the balance sheet value of the

individual positions, as well as regulatory adjustments for positions that are deducted to determine regulatory Tier 1 Capital. Derivatives are calculated using the total exposure measure of the leverage ratio based on the mark-to-market method for derivatives. The portfolio does not contain any credit derivatives. The total exposure measure for securities financing transactions is equal to the gross balance sheet values plus the assessment basis used for counterparty credit risk. The total exposure measure for off-balance sheet exposures is calculated while taking into consideration the conversion factors from the standardised approach for credit risk.

### 13.2 QUANTIFICATION

As at 31 December 2024, Münchener Hypothekbank's leverage ratio was 3.86%. The leverage ratio does not take any risk weighting into consideration. As a result, the leverage ratio represents a special challenge for Münchener Hypothekbank, as its business model – financing property – focuses on the particularly low-risk retail area of business.

Changes in the observed ratio are continuously monitored and analysed.

In accordance with its business model, the Bank manages the required amount of own funds using the risk-weighted capital ratios as defined by the supervisory authorities and the risk-bearing capacities that must be observed.

Table LRSum presents the detailed reconciliation of Münchener Hypothekbank's on-balance sheet assets as publicly published and exposures for the leverage ratio. The total exposure measure in the leverage ratio is presented in Table LRCom. Münchener Hypothekbank's on-balance sheet exposures are presented in detail in Table LRSPL, in order to present the key components of the leverage ratio as well as the on-balance sheet exposures. Furthermore, Table LRQua describes the procedures used by Münchener Hypothekbank to monitor the risk of excessive indebtedness, as well as factors that influenced the leverage ratio during the reporting period to which the disclosed leverage ratio refers.



### 13.3 QUANTITATIVE AND QUALITATIVE DISCLOSURE OF THE LEVERAGE RATIO AS SHOWN IN THE DISCLOSURE TABLES

The following table presents the reconciliation of Münchener Hypothekbank's on-balance sheet assets and exposures for the leverage ratio as at the 31 December 2024 date of record for the purposes of Article 451 para. 1 (b) CRR.

**TABLE 54: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES**

|        |                                                                                                                                                                                                                     | Applicable amount |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1      | Total assets as per published financial statements                                                                                                                                                                  | 54,515.2          |
| 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 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                                                                                                                                                                    | – 72.3            |
| 9      | Adjustment for securities financing transactions (SFTs)                                                                                                                                                             | 5.0               |
| 10     | Adjustment for off-balance sheet items (i. e. conversion to credit equivalent amounts of off-balance sheet exposures)                                                                                               | 1,184.1           |
| 11     | (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)                                                                                                | – 60.0            |
| EU-11a | (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a (1) CRR)                                                                                            | –                 |
| EU-11b | (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a (1) CRR)                                                                                            | –                 |
| 12     | Other adjustments                                                                                                                                                                                                   | – 1,569.6         |
| 13     | <b>Total exposure measure</b>                                                                                                                                                                                       | <b>54,002.4</b>   |



The following table presents the split of the leverage ratio total exposure measure of Münchener Hypothekenbank as at the 31 December 2024 date of reference as per Article 451 (1) (b) CRR.

**TABLE 55: EU LR2 – LRCOM – LEVERAGE RATIO COMMON DISCLOSURE**

|                                                                    |                                                                                                                                           | 0010                         | 0020       |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------|
|                                                                    |                                                                                                                                           | CRR leverage ratio exposures |            |
|                                                                    |                                                                                                                                           | a                            | b          |
|                                                                    |                                                                                                                                           | 31.12.2024                   | 30.06.2024 |
| <b>On-balance sheet exposures (excluding derivatives and SFTs)</b> |                                                                                                                                           |                              |            |
| 1                                                                  | On-balance sheet items (excluding derivatives, SFTs, but including collateral)                                                            | 53,591.2                     | 53,544.3   |
| 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)                                         | – 707.6                      | – 757.2    |
| 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)                                                                               | – 60.0                       | – 60.0     |
| 6                                                                  | (Asset amounts deducted in determining Tier 1 Capital)                                                                                    | – 0.2                        | – 37.8     |
| 7                                                                  | Total on-balance sheet exposures (excluding derivatives and SFTs)                                                                         | 52,823.4                     | 52,689.3   |
| <b>Derivative exposures</b>                                        |                                                                                                                                           |                              |            |
| 8                                                                  | Replacement cost associated with SA-CCR derivatives transactions (i. e. net of eligible cash variation margin)                            | 67.7                         | 79.7       |
| 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                                              | 341.4                        | 346.7      |
| 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                                                                                                               | 409.1                        | 426.4      |



Table 55 continued from page 122

**TABLE 55: EU LR2 – LR COM – LEVERAGE RATIO COMMON DISCLOSURE**

|                                                         |                                                                                                                                 | 0010                         | 0020       |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------|
|                                                         |                                                                                                                                 | CRR leverage ratio exposures |            |
|                                                         |                                                                                                                                 | a                            | b          |
|                                                         |                                                                                                                                 | 31.12.2024                   | 30.06.2024 |
| <b>Securities financing transaction (SFT) exposures</b> |                                                                                                                                 |                              |            |
| 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                                                                                | 5.0                          | 0.4        |
| 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                                                                                | 5.0                          | 0.4        |
| <b>Other off-balance sheet exposures</b>                |                                                                                                                                 |                              |            |
| 19                                                      | Off-balance sheet exposures at gross notional amount                                                                            | 2,482.2                      | 2,898.1    |
| 20                                                      | (Adjustments for conversion to credit equivalent amounts)                                                                       | – 1,298.1                    | – 1,503.5  |
| 21                                                      | (General provisions deducted in determining Tier 1 Capital and specific provisions associated with off-balance sheet exposures) | –                            | –          |
| 22                                                      | Off-balance sheet exposures                                                                                                     | 1,184.1                      | 1,394.6    |
| <b>Excluded exposures</b>                               |                                                                                                                                 |                              |            |
| EU-22a                                                  | (Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a (1) CRR)        | – 419.2                      | – 427.1    |
| 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)                                                                                                      | – 419.2                      | – 427.1    |

Table 55 continued on page 124



Table 55 continued from page 123

**TABLE 55: EU LR2 – LR COM – LEVERAGE RATIO COMMON DISCLOSURE**

|                                                                   |                                                                                                                                                                                                                                                                                                   | 0010                         | 0020       |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------|
|                                                                   |                                                                                                                                                                                                                                                                                                   | CRR leverage ratio exposures |            |
|                                                                   |                                                                                                                                                                                                                                                                                                   | a                            | b          |
|                                                                   |                                                                                                                                                                                                                                                                                                   | 31.12.2024                   | 30.06.2024 |
| <b>Capital and total exposure measure</b>                         |                                                                                                                                                                                                                                                                                                   |                              |            |
| 23                                                                | Tier 1 Capital                                                                                                                                                                                                                                                                                    | 2,086.7                      | 1,989.4    |
| 24                                                                | Total exposure measure                                                                                                                                                                                                                                                                            | 54,002.4                     | 54,083.6   |
| <b>Leverage ratio</b>                                             |                                                                                                                                                                                                                                                                                                   |                              |            |
| 25                                                                | Leverage ratio                                                                                                                                                                                                                                                                                    | 3.86                         | 3.68       |
| EU-25                                                             | Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)                                                                                                                                                                                     | 3.86                         | 3.68       |
| 25a                                                               | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)                                                                                                                                                                                              | 3.86                         | 3.68       |
| 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       |
| <b>Choice on transitional arrangements and relevant exposures</b> |                                                                                                                                                                                                                                                                                                   |                              |            |
| EU-27b                                                            | Choice on transitional arrangements for the definition of the capital measure                                                                                                                                                                                                                     | –                            | –          |
| <b>Disclosure of mean values</b>                                  |                                                                                                                                                                                                                                                                                                   | 31.12.2024                   | 30.06.2024 |
| 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) | 54,002.4                     | 54,083.6   |
| 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) | 54,002.4                     | 54,083.6   |
| 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)         | 3.86                         | 3.68       |
| 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)         | 3.86                         | 3.68       |



Table LRSpl below presents the split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures) of Münchener Hypothekbank as at the 31 December 2023 date of reference in accordance with Article 451 (1) (b) b CRR.

**TABLE 56: EU LR3 – LRSPL – SPLIT-UP OF ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES)**

|       |                                                                                                          | a                            |
|-------|----------------------------------------------------------------------------------------------------------|------------------------------|
|       |                                                                                                          | CRR leverage ratio exposures |
| EU-1  | <b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b> | <b>52,594.1</b>              |
| EU-2  | Trading book exposures                                                                                   | –                            |
| EU-3  | Banking book exposures, of which:                                                                        | 52,594.1                     |
| EU-4  | Covered bonds                                                                                            | 334.8                        |
| EU-5  | Exposures treated as sovereigns                                                                          | 5,774.7                      |
| EU-6  | Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns    | 1.4                          |
| EU-7  | Institutions                                                                                             | 83.3                         |
| EU-8  | Secured by mortgages of immovable properties                                                             | 44,910.8                     |
| EU-9  | Retail exposures                                                                                         | 70.1                         |
| EU-10 | Corporates                                                                                               | 240.1                        |
| EU-11 | Exposures in default                                                                                     | 555.3                        |
| EU-12 | Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)                   | 623.6                        |



The following table presents the procedures used by Münchener Hypothekenbank to include the leverage ratio in its internal measurement and management processes, as well as the methods used to monitor the risk of excessive indebtedness.

**TABLE 57: EU LRA – FREE FORMAT TEXT BOXES FOR DISCLOSURE ON QUALITATIVE ITEMS**

|     |                                                                                                                         | a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Row |                                                                                                                         | 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 divisions 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 Hypothekenbank 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 Hypothekenbank'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 Hypothekenbank's business model is explicitly aware of this risk and monitors it closely. Münchener Hypothekenbank 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 2024, Münchener Hypothekenbank's leverage ratio as per the terms of the CRR, and in connection with the Delegated Regulation 2015/62, was 3.86%. The leverage ratio was calculated using Tier 1 Capital of €2,086.7 million divided by a Total Exposure Measure of €54,002.4 million. In comparison, the leverage ratio on the 30 June 2024 date of reference was 3.68%, and also 3.68% on the 31 December 2023 date of record. There was no significant change in the Leverage ratio between 31 December 2023 and 31 December 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |



## 14 ESG

### 14.1 BUSINESS STRATEGY AND PROCESS

The issue of sustainability has gained considerable importance in recent years, especially against the backdrop of the urgent challenge of limiting climate change. The financial industry is seen as having a significant role to play in this task. The transition to a low-carbon economy entails both opportunities and risks for the financial industry. At Münchener Hypothekbank, for example, both physical and transitory risks can have a direct impact on the borrower or on the properties serving as collateral for loans, and thus in turn on the credit risk. Against this background, Münchener Hypothekbank has set itself the goal of becoming an even more sustainable bank. In 2024, a doubled materiality assessment was conducted in accordance with the Corporate Sustainability Reporting Directive (CSRD). The results will be presented in the management report for the 2024 financial year and will be appropriately integrated in an update of the Bank's business strategy.

In addition, at the beginning of 2024 an extensive business environment analysis was conducted that focused on an examination and evaluation of the impact climate and environmental changes were having on Münchener Hypothekbank's business environment.

Overall, the environment analysis revealed that various phenomena in the form of climate and environmental risks (e.g. a decline in demand in the property sector due to a recession caused by climate-related measures or a change in the Bank's competitive position resulting from an insufficient green image) can already change the Bank's business environment in the short term. The key phenomena are taken into account in preparing the Bank's business strategy. The topic of sustainability is anchored in the Bank's business strategy with

corresponding Key Performance Indicators (KPIs), and climate targets defined for the retail, commercial, capital market and funding portfolios (active). The basis for this is carbon accounting pursuant to standards set by the Partnership for Carbon Accounting Financials (PCAF), which reflects the status quo. In order to define the targets, key assumptions were made regarding the future development of the portfolios. As a result, reduction paths were defined for the retail and commercial property businesses as well as relevant sub-portfolios. Corresponding climate targets were derived (see Template 3: Banking book – indicators for potential climate change transition risks: alignment metrics). The target definition is based on the reduction paths of the Carbon Risk Real Estate Monitor (CRREM). CRREM is the sector-specific approach for the real estate industry to meet the "Net Zero Emissions by 2050" scenario (NZE) of the International Energy Agency (IEA). The loan portfolio is based on the 1.5-degree CRREM scenario. Current political and regulatory developments from the European Green Deal are also taken into account as part of the implementation of the climate target. A transition plan with measures along with a control, reporting and governance model has been approved to achieve the targets.

Münchener Hypothekbank has supported energy-efficient construction for many years with its Green Loan, which offers borrowers a reduced interest rate for energy-efficient, privately used residential properties. In addition, the Bank also offers its Family Loan, a product created to enable middle-income families to buy their own home. These two separate sustainable products are also available as a combination package. In addition, the Bank offers KfW loans that promote energy efficiency through various programmes for renovation, conversion or new construction. The Bank works closely with its partner banks to market the sustainable products and, among other supportive measures, also provides promotional material. In the commercial property sector, Münchener Hypothekbank also finances

properties certified as sustainable, as well as selected modernisation measures.

On the liabilities side, Münchener Hypothekbank refinances the aforementioned retail loans and loans for commercial property with selected sustainability certificates by issuing various ESG financial products such as green Pfandbriefe, green senior preferred bonds, green senior non-preferred bonds and green commercial papers. The Bank's sustainability and business strategies are focused on the further development of the range of sustainable products. Furthermore, as part of these activities, the Bank is currently analysing the extent to which its existing sustainable products can also be further developed in line with the EU Taxonomy Regulation. Extensive statutory regulations apply that ensure high social standards (including protection of human rights and employees) in the target markets described in the Bank's business strategy (including, in addition to the main market of Germany, other selected EU countries as well as Switzerland, the UK and the US). When selecting outsourcing companies, the Bank's focus is also on companies in Germany, the EU or the European Economic Area.

Social risk phenomena will also influence Münchener Hypothekbank's business environment. Social risks are addressed as part of the Bank's personnel and diversity strategies. Münchener Hypothekbank treats opportunities and risks in the area of human resources as an interdisciplinary topic that is anchored in its business strategy and extends across all business areas. Adequate staffing, in terms of both quality and quantity, is an essential prerequisite for the Bank's future success. Münchener Hypothekbank is faced with the challenge of countering the increasing shortage of skilled staff. This affects all areas, especially IT, commercial property financing as well as specialised profiles in the regulatory area. In order to meet these challenges and opportunities, the Bank has developed



a human resources (HR) strategy that is focused on ensuring the necessary staffing levels in terms of quality and quantity. This includes the further development of the Bank's corporate and management culture in order to meet future requirements. The megatrends of digitalisation, sustainability and diversity are being appropriately integrated into the Bank's HR activities. In addition to this, the Bank had already adopted a diversity strategy in 2023. The increased focus on diversity in HR policy means that certain groups benefit specifically from the positive measures. The planned increase in the proportion of women in management positions is an effort aimed specifically at the Bank's female employees. Employees with a non-German-speaking background are specifically supported through language courses.

## 14.2 CORPORATE GOVERNANCE

The Board of Management bears overall responsibility for the Bank's business and risk strategy and its execution. The Board of Management's responsibility also includes the implementation of a business organisation commensurate with the risks. Münchener Hypothekbank has established an ESG framework for the purpose of anchoring the concept of sustainability in the Bank's organisation. This framework defines structures and responsibilities for all sustainability-related subjects including ESG risk management topics. Clear responsibilities for ESG risk management and management of sustainability issues are assigned within the Board of Management. ESG targets at bank and department level are integrated in the remuneration of the Board of Management. One of the Bank's goals in the calculation of variable remuneration is ESG-related and involves increasing green financing in the portfolio and new business. In addition, specific ESG targets are also agreed for the level below the Board of Management. This ensures that these objectives are adequately anchored in the variable remuneration of the Board

of Management and managerial staff. Social risks are taken into account in the targets for the Board of Management and F1 management level as follows: implementation of the diversity strategy and identification of high-potential female employees. The Remuneration Control Committee reviews the appropriateness of targets for the Board of Management in the context of variable remuneration on an annual basis.

ESG considerations are also taken into account as part of the annual efficiency review of the Board of Management and Supervisory Board. The organisational structure in Non-Financial-Risk Management defines the responsibilities for the management and reporting of ESG risks and for the sustainability strategy and reporting. In addition, individuals in the relevant departments have been appointed as ESG officers. All aspects of sustainability and the associated risk and credit topics are dealt with centrally by the ESG Committee. The ESG Committee consists of the heads of all affected departments of the Bank. In addition to Non-Financial-Risk Management, this includes all relevant 1st, 2nd and 3rd line functions. Reporting is submitted monthly detailing current actions taken within the Bank, as well as decisions that need to be made by, or prepared for, the ESG Board. The ESG Board, on which the Board of Management is represented, regularly discusses proposals submitted by the ESG Committee and makes decisions as required. In addition, since the end of 2022 an ESG risk report has been made available to the Bank's decision-makers every six months. ESG risks are integrated into the quarterly overall risk report. The main focus of this report is on the effects of climate risks on the Bank. Reports documenting progress made towards attaining ESG targets are submitted to the Board of Management as part of strategy control. Furthermore, in every Supervisory Board meeting, the current status of sustainability activities is a standard item on the agenda for the purpose of keeping the members informed. The Board of Management primarily

manages social risks (e.g. related to community and societal activities, employee relations and labour standards, customer protection and product stewardship, human rights) in its credit business using guidance provided by the Bank's long-term business strategy. This applies equally for governance risks (such as ethical considerations, strategy and risk management, inclusivity, transparency, handling conflicts of interest, internal communication on key concerns). The Bank's target markets are countries in the EEA, and the UK. In all these countries, high standards already apply with regard to occupational health and safety, and human rights. Retail customer business takes place only in the Germany, Austria and Switzerland (DACH) region. Here, corresponding consumer protection requirements and product specifications apply. Due to the considerable uncertainty and the associated risks arising from the possible future expansion of sanctions already imposed due to the war in Ukraine, it was decided in March 2022 to discontinue all new business with borrowers not residing in the EU and associated with the Russian Federation, Belarus, Syria and Eritrea. ESG exclusions are defined for green financing products in the business strategy that relate to socially controversial activities. For example, properties in dubious neighbourhoods are not financed.

## 14.3 RISK MANAGEMENT

Münchener Hypothekbank's ESG risk management policy identifies and manages risks associated with business activities, products, services and business relationships. The Non-Financial Risk Management department analyses the potential impact of risks on the Bank's own business and informs the Board of Management of current developments to enable prompt action on necessary decisions. As ESG risks are not a separate type of risk but impact existing risk categories, the existing risk inventory was expanded.



However, a separate analysis is required to determine the impact of ESG risks. A materiality analysis was carried out for this purpose (hereinafter “risk materiality analysis”). The E, S and G risks were assessed separately for each risk type. The political environment as well as historical and expected future developments with regard to physical and transitory risks were included in the analyses. The risk materiality analysis was carried out in two Stages, referred to below as “Stage I” and “Stage II”. In Stage I, the relevant risk drivers were initially assessed on the basis of the transmission channels in order to determine the extent to which the various risk types are affected by the ESG risks (relevance assessment). This analysis is based as far as possible on quantitative evaluations. In addition, or alternatively, the evaluation is based on qualitative assessments by experts from various areas of the Bank, including the ESG risk manager. Different time horizons were considered: Both short and medium-term effects as well as long-term changes were analysed by risk driver and type of risk. For each physical risk driver (e.g. floods) in credit risk, an analysis based on location-specific risk data for collateral properties was conducted as part of Stage I. In Stage I, the transitory driver of carbon emissions was based on the property-specific energy efficiencies. One focal point of risk management is the improvement of the necessary data basis. Energy certificates are requested for new business and documented in the Bank’s IT system. Physical risk data are obtained externally from an established provider. A carbon accounting system for the loan portfolio was established in accordance with the PCAF standard. If property emissions are directly available via the energy performance certificate, these are used to calculate the carbon emissions financed. For remaining properties, estimates are made based on the year of construction, type of property and other factors.

In Stage II of the materiality analysis, a detailed, risk type-specific examination is conducted using scenarios. This follows the objective of deriving quantitative statements regarding materiality by quantifying the potential impact of ESG risks in euro amounts. The results of Stage I were the starting point for Stage II. The relevant risk drivers identified were analysed in more detail within the framework of scenarios. At least two scenarios were derived for each risk type identified as relevant. A distinction was also made in Stage II between the short to medium-term and the long-term perspectives. Macroeconomic scenarios from the Network for Greening the Financial System (NGFS) were used to better assess the effects in the various time horizons.

An expected loss was calculated for credit risks in the various scenarios as part of the quantification of climate and environmental risks. Specifically, physical risks were taken into account by adjusting the loss ratios (LGD shift) and transitory risks by adjusting the probabilities of default (PD shift) and default simulations (x largest borrowers).

In addition to the statistical, data-based procedure, an “expert elicitation” approach was used for all other risk drivers identified as relevant in the climate context as well as for the social and governance issues. This represents a formal and structured procedure for transforming expert knowledge into quantitative results and figures.

As part of the 2024 materiality analysis for ESG risks, the materiality of climate risks in operational risk, credit risk, reputational risk and business risk was identified. In many cases, materiality is already given over a short or medium-term time horizon. In

the analysis of social risks, the Bank has identified materiality in legal risk/compliance risk as a subcategory of operational risk. Relevant risk drivers here are employee protection, consumer protection and data protection. The governance risk driver of risk management was also identified as relevant in the area of legal risk/compliance risk. For the other risk types, there is no materiality for social or governance risks.

An ESG scoring process is in place for individual business, which takes property and borrower-related aspects into account. As part of the ESG scoring, higher competence requirements are defined for individual loan decisions in the event of poor ESG scores. In addition, based on an ESG score, pricing and limitations in extending credit, or rejection of financing may take place in the event of poor scores. The limits in the lending business are based on the risks identified as part of the materiality analysis. In the individual business, for example, financing transactions with poor overall ESG scores are not made and new business with medium to poor overall scores is limited. In addition, the sub-score for transitory risks is also limited separately, as the energy efficiency of buildings is one of the decisive risks for the Bank. Here, too, the worst sub-scores are barred and the medium to poor scores are limited. In the Bank’s retail business, ESG scoring based on property used as collateral was introduced in 2024 and a limit was also set for poor scores. Value-influencing ESG factors are taken into account in the appraisals commissioned by the Bank for the collateralised properties.

Münchener Hypothekbank is a property business specialist. This means that the traditional customer in the Bank’s individual business is not a company. Instead, its main business is property



financing, where the primary focus is on the property to a greater extent than on the customer. The current materiality analysis of governance risk drivers also reflects this. As described, none of the governance drivers in credit risk were assessed as relevant. Irrespective of this, however, an assessment of governance risks is carried out for the borrower in the ESG score. In addition, processes have been established to identify and review new and existing customers based on money laundering requirements (KYC – Know Your Customer), the results of which are taken into account in the ESG score.

The identified S-risk drivers are addressed via OpRisk management and existing internal processes. For example, there is a regular OpRisk reporting system (annual report and quarterly reporting as part of the Bank's overall risk report), which covers all of the Bank's business divisions and its own operations. The half-yearly ESG risk report includes an evaluation of the social sub-score for the individual business. Employees are kept up to date on relevant topics via the Bank's internal communications portal. Demographic change is already addressed as part of the HR strategy. In addition, there is a dedicated organisational unit within the Non-Financial Risk Management division that is responsible for mitigating this risk.

The Green Loan and Family Loan products are intended to further build a green and more socially responsible portfolio. The strategic measures in the transition plan required to achieve the climate target will also contribute towards reducing transitory risks.

Münchener Hypothekenbank has implemented the following mitigating measures to limit physical risks: cross-regional diversification of the lending business and the conclusion

of appropriate default insurance policies by the Bank. Comprehensive default insurance is in place in both the retail and individual businesses which limits the Bank's exposure in the event of a physical loss event.

Münchener Hypothekenbank discusses sustainability risks and opportunities both within associations and with individual customers and business partners. When determining material topics, all relevant perspectives are taken into account and validated in discussions with external stakeholders, among others. Relevant ESG information and ESG ambition are requested from individual customers in new business. A simulation tool is available to the client advisor and deal manager for this purpose, which shows the prospective carbon emissions of the property and the potential impact of the measure(s) to be taken.

Münchener Hypothekenbank expects its suppliers and service providers to comply with minimum social and environmental standards. When selecting new and existing suppliers, outsourcing management takes into account not only the principles of economic efficiency but also sustainable aspects. These include aspects relating to respect for human rights, compliance with labour and social standards, anti-discrimination and anti-corruption requirements, and environmental protection.

### Template 1

The majority of Münchener Hypothekenbank's volume as a property financier is generated not only with private individuals, but also with borrowers categorised in sector L "Real estate activities". The customers in sectors A-I include municipal loans, e.g. to municipal water or energy suppliers. As there is no subdivision of sector D "Energy supply" within the Bank. The

total is shown in row 36. Column b is intended to show the volume of customers active in highly carbon-intensive sectors. As shown in column a, Münchener Hypothekenbank's borrowers are not active in these sectors due to the Bank's business model. Accordingly, no borrower was identified here. Carbon accounting for the loan portfolio was carried out as described in accordance with the PCAF standard. To the extent that a property's emissions are available directly from its energy certificate, these figures are used to calculate the greenhouse gas (GHG) emissions financed. Estimates are made for other properties. Compared to 30 June 2024, the FINREP classification of private households has been adjusted, which has led to a reduction in exposure to sectors that contribute significantly to climate change.

### Template 2

Template 2 provides information on the energy efficiency of properties used to secure loans. A valid energy certificate is always requested as part of new business in the individual and now also in the private customer business.

### Template 3

Template 3 contains relevant information on Münchener Hypothekenbank's efforts to achieve the goals of the Paris Climate Agreement. It shows the alignment parameter used by Münchener Hypothekenbank (column d), the reference year (column e), the time gap to the IEA NZE2050 scenario for 2030 in percent (column f) and the targets for 2027 (column g) for commercial and residential properties. The borrowers in the business areas are active in a large number of different sectors, which is why uniform NACE sectors cannot be assigned to the residential and commercial property business areas.



The Bank uses the international PCAF standard to calculate the emissions intensity generated by its property financing. The emissions data are either provided directly by the counterparties or, if they are missing, are determined using statistically collected proxies.

The deviation in column f between the IEA reference pathway and Münchener Hypothekbank's reduction pathway is primarily due to a different assessment of the carbon emissions that are taken into account in the respective pathway: While Münchener Hypothekbank takes all Scope 1 and 2 emissions of a property into account in its calculation, the IEA only considers emissions resulting from the direct combustion of fossil fuels in its NZE2050 scenario in accordance with its methodology description. This difference has a significant impact on the gap between the reduction paths, as emissions from Scope 1 and electricity generated for heating and cooling account for around two-thirds of total emissions from the operation of a property.

In contrast to Implementing Regulation (EU) 2022/2453, the decarbonisation pathway of Münchener Hypothekbank's loan portfolio is not based on the IEA NZE2050 climate pathway, but on the CRREM pathway (Carbon Risk Real Estate Monitor Global Pathways), which takes Scope 1 and 2 into account in their entirety. This decision is based on the Bank's business model, which focuses on the property sector, and CRREM is considered a benchmark in the property sector. Taking into account the CRREM reduction path for 2030, this results in a gap of 164% for commercial property and 298% for residential property. In addition, the proxy values used, which determine a significant portion of the portfolio in the reference year due to a lack of real data, are a conservative, risk-averse estimate.

The deviation in the target picture is reduced in perspective by measures that have been implemented or are planned.

In both MHB's commercial property and residential property portfolios, the gap between the status quo of the portfolio and the NZE 2050-IEA target intensity in the reference year 2030 widened between 30 June and 31 December. This increase in the commercial property business is primarily due to an increase in data quality due to the subsequent recording of customer data, while the stronger increase in the residential property portfolio is due to an expansion of the database.

#### Template 4

As of the date of record, Münchener Hypothekbank did not finance any company that was listed among the top 20 most carbon-intensive companies in the world. This is the reason why Template 4 is not being published.

#### Template 5

Data from K.A.R.L., a natural hazard analysis tool provided by Köln Assekuranz, was purchased to measure physical risks. K.A.R.L. is an analysis tool that can be used worldwide for location-specific identification, calculation and quantification of risks caused by natural hazards (e.g. floods, heavy rain, earthquakes, storms, tornadoes and hailstorms). Chronic risks are assessed for different climate scenarios and measured using three indices (heat, drought and precipitation index). The Bank receives quantitative chronic and acute risk data for each collateral property. If a collateral property's acute risk value exceeds a set limit (i.e. expected annual damage worth more than 0.4% of the property's value), the loan corresponding to the property is shown as affected in full. Analogous to the physical risks, a property's exposure to chronic risks will be assumed as

of a risk score of "high". The worst scenario is assumed, i.e. carbon emissions do not peak until 2040–2050. An overview is presented, with column b containing all of the Bank's transactions; column c presents an overview of all the acute or chronic climate risks and the corresponding volume of business affected by these risks. These affected transactions are located in particular in the United States of America, Germany and Switzerland.

#### Template 6

Template 6 contains the same information as Template 0 of the taxonomy disclosure, which was provided in the non-financial report for the 2024 reporting year. The green asset ratio (GAR) as at 31 December 2024 was calculated analogous to the taxonomy disclosure. The GAR portfolio amounts to 14.31%. The increase compared to 30 June 2024 is due to the expansion of transactions that were included in this figure.

In particular (compared to the disclosure as at 30 June 2024), the following are also included in the GAR figure

- Commercial property financing provided to companies subject to the CSRD and property companies (special financing),
- securities on the assets side issued by companies subject to the CSRD,
- and counterparties outside the EEA.

In addition, the FINREP classification of private households was adjusted. This adjustment led to an increase in the group of counterparties audited.



The GAR inflows amounted to 3.45% as at 31 December 2024. The stricter quality requirements for the provision of evidence for buildings built from 2021 onwards (primary energy demand must be at least 10% below the threshold for nearly zero-energy buildings and an energy performance certificate must be available), the delayed receipt of energy performance certificates until the loan is paid out and relatively little new business that falls under the simplified inspection rule for the top 15% of the national building stock resulted in significantly lower GAR inflows overall compared to the GAR portfolio. The increase in GAR inflows compared to 30 June 2024 (1.52%) was due to the expansion of the transactions included in the figure. The percentage coverage of total assets now shows a coverage of 77.47% for the GAR portfolio and 69.11% for GAR inflows.

### Template 7

Template 7 contains the same information as Template 1 of the taxonomy disclosure, which was provided in the non-financial report for the 2024 reporting year. Template 7 contains the total assets used to calculate the GAR as well as transactions excluded from the GAR. Münchener Hypothekbank's business activities are allocated to environmental objective 1 (climate protection), as Münchener Hypothekbank views this as its major contribution. The analysis of Münchener Hypothekbank's business activities has not yet revealed any activity that specifically addresses environmental objective 2 (adaptation to

climate change). When evaluating the securities of 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, existing taxonomy-aligned business in relation to the assets recorded in the figure from Template 7<sup>1</sup> and taxonomy-aligned new business from the 2024 reporting year in relation to inflows to assets recorded in the figure in the 2024 reporting year.

### Template 9

The aim of introducing the voluntary BTAR (Banking Book Taxonomy Alignment Ratio) is to create a new ratio in accordance with the EBA that enables banks to provide a more complete picture of their sustainability activities. However, as the majority of Münchener Hypothekbank's assets are already taxonomy-eligible and are therefore subject to a stricter taxonomy review, we have decided not to publish the BTAR at this time.

<sup>1</sup> Within the template, line-by-line offsetting with the gross book values of the respective items from column a of template 1.

**TABLE 58: 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<br>towards companies<br>excluded from EU<br>Paris-aligned Benchmarks<br>in accordance with points<br>(d) to (g) of Article 12.1<br>and in accordance with<br>Article 12.2 of Climate<br>Benchmark Standards<br>Regulation | of which<br>environmentally<br>sustainable (CCM) | of which stage 2<br>exposures | of which<br>non-performing<br>exposures |
| 1 Exposures towards sectors that highly contribute to climate change                                                                         | 12,686.8                               | -                                                                                                                                                                                                                                            | 966.4                                            | -                             | 619.3                                   |
| 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<br>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 58, Part 1 continued from page 133

**TABLE 58: 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) |                                                                                                                                                                                                                                              |                                                  |                               |                                         |
|                  |                                                                                 |                                        | of which exposures<br>towards companies<br>excluded from EU<br>Paris-aligned Benchmarks<br>in accordance with points<br>(d) to (g) of Article 12.1<br>and in accordance with<br>Article 12.2 of Climate<br>Benchmark Standards<br>Regulation | of which<br>environmentally<br>sustainable (CCM) | of which stage 2<br>exposures | of which<br>non-performing<br>exposures |
| Sector/subsector |                                                                                 |                                        |                                                                                                                                                                                                                                              |                                                  |                               |                                         |
| 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                         | 0.4                                    | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 35               | D35.1 – Electric power generation, transmission and distribution                | 0.4                                    | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 36               | D35.11 – Production of electricity                                              | 0.4                                    | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 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         | 3.3                                    | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 40               | F – Construction                                                                | 40.1                                   | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |

Table 58, Part 1 continued on page 135



Table 58, Part 1 continued from page 134

**TABLE 58: 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<br>towards companies<br>excluded from EU<br>Paris-aligned Benchmarks<br>in accordance with points<br>(d) to (g) of Article 12.1<br>and in accordance with<br>Article 12.2 of Climate<br>Benchmark Standards<br>Regulation | of which<br>environmentally<br>sustainable (CCM) | of which stage 2<br>exposures | of which<br>non-performing<br>exposures |
| 41 F.41 – Construction of buildings                                                               | 39.7                                   | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 42 F.42 – Civil engineering                                                                       | –                                      | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 43 F.43 – Specialised construction activities                                                     | 0.5                                    | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 44 G – Wholesale and retail trade; repair of motor vehicles and motorcycles                       | 2.7                                    | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 45 H – Transportation and storage                                                                 | 0.3                                    | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 46 H.49 – Land transport and transport via pipelines                                              | 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                                                  | 0.2                                    | –                                                                                                                                                                                                                                            | –                                                | –                             | –                                       |
| 52 L – Real estate activities                                                                     | 12,638.8                               | –                                                                                                                                                                                                                                            | 966.4                                            | –                             | 619.3                                   |
| <b>53 Exposures towards sectors other than those that<br/>highly contribute to climate change</b> | <b>9,704.0</b>                         | <b>–</b>                                                                                                                                                                                                                                     | <b>39.0</b>                                      | <b>–</b>                      | <b>10.1</b>                             |
| 54 K – Financial and insurance activities                                                         | 4,171.1                                | –                                                                                                                                                                                                                                            | 39.0                                             | –                             | 8.5                                     |
| 55 Exposures to other sectors (NACE codes J, M – U)                                               | 5,532.9                                | –                                                                                                                                                                                                                                            | –                                                | –                             | 1.6                                     |
| <b>56 TOTAL</b>                                                                                   | <b>22,390.8</b>                        | <b>–</b>                                                                                                                                                                                                                                     | <b>1,005.4</b>                                   | <b>–</b>                      | <b>629.4</b>                            |

Table 58, Part 2 continued on page 136



Table 58, Part 2 continued from page 135

**TABLE 58: 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 tonnes of CO <sub>2</sub> equivalent) |   | of which scope 3 financed emissions |   |
|                                                                                                                                           |                                                                                                                       |   |                            |   |                                   |   |                                                                                                                               |   |                                     |   |
| 1 Exposures towards sectors that highly contribute to climate change                                                                      | - 285.7                                                                                                               | - | -                          | - | - 238.3                           | - | 211,409.0                                                                                                                     | - | -                                   | - |
| 2 A – Agriculture, forestry and fishing                                                                                                   | -                                                                                                                     | - | -                          | - | -                                 | - | 0.3                                                                                                                           | - | -                                   | - |
| 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                                                                                                                       | -                                                                                                                     | - | -                          | - | -                                 | - | 2.4                                                                                                                           | - | -                                   | - |
| 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 58, Part 2 continued on page 137



Table 58, Part 2 continued from page 136

**TABLE 58: TEMPLATE 1 – BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK**

PART 2 OF 3

|                  |                                                                                 | 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 tonnes of CO <sub>2</sub> equivalent) |                                     |
| Sector/subsector |                                                                                 |                                                                                                                       | of which stage 2 exposures | of which non-performing exposures |                                                                                                                               | 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                 | –                                                                                                                     | –                          | –                                 | 0.5                                                                                                                           | –                                   |
| 27               | C.27 – Manufacture of electrical equipment                                      | –                                                                                                                     | –                          | –                                 | 1.9                                                                                                                           | –                                   |
| 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                         | –                                                                                                                     | –                          | –                                 | 70.0                                                                                                                          | –                                   |
| 35               | D35.1 – Electric power generation, transmission and distribution                | –                                                                                                                     | –                          | –                                 | 70.0                                                                                                                          | –                                   |
| 36               | D35.11 – Production of electricity                                              | –                                                                                                                     | –                          | –                                 | 70.0                                                                                                                          | –                                   |
| 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         | –                                                                                                                     | –                          | –                                 | 379.5                                                                                                                         | –                                   |
| 40               | F – Construction                                                                | – 0.1                                                                                                                 | –                          | –                                 | 111.6                                                                                                                         | –                                   |

Table 58, Part 2 continued on page 138



Table 58, Part 2 continued from page 137

**TABLE 58: 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 tonnes of CO <sub>2</sub> 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                                                                                                                 | – | –                                                                                                                             | – | 108.0     | – | –                                   | – | – | – |
| 42 F.42 – Civil engineering                                                            | –                                                                                                                     | – | –                                                                                                                             | – | –         | – | –                                   | – | – | – |
| 43 F.43 – Specialised construction activities                                          | –                                                                                                                     | – | –                                                                                                                             | – | 3.5       | – | –                                   | – | – | – |
| 44 G – Wholesale and retail trade; repair of motor vehicles and motorcycles            | –                                                                                                                     | – | –                                                                                                                             | – | 16.0      | – | –                                   | – | – | – |
| 45 H – Transportation and storage                                                      | –                                                                                                                     | – | –                                                                                                                             | – | 19.0      | – | –                                   | – | – | – |
| 46 H.49 – Land transport and transport via pipelines                                   | –                                                                                                                     | – | –                                                                                                                             | – | 0.3       | – | –                                   | – | – | – |
| 47 H.50 – Water transport                                                              | –                                                                                                                     | – | –                                                                                                                             | – | –         | – | –                                   | – | – | – |
| 48 H.51 – Air transport                                                                | –                                                                                                                     | – | –                                                                                                                             | – | –         | – | –                                   | – | – | – |
| 49 H.52 – Warehousing and support activities for transportation                        | –                                                                                                                     | – | –                                                                                                                             | – | 18.8      | – | –                                   | – | – | – |
| 50 H.53 – Postal and courier activities                                                | –                                                                                                                     | – | –                                                                                                                             | – | –         | – | –                                   | – | – | – |
| 51 I – Accommodation and food service activities                                       | –                                                                                                                     | – | –                                                                                                                             | – | 0.6       | – | –                                   | – | – | – |
| 52 L – Real estate activities                                                          | – 285.6                                                                                                               | – | – 238.3                                                                                                                       | – | 210,809.7 | – | –                                   | – | – | – |
| 53 Exposures towards sectors other than those that highly contribute to climate change | – 17.5                                                                                                                | – | – 0.5                                                                                                                         | – | 29,517.5  | – | –                                   | – | – | – |
| 54 K – Financial and insurance activities                                              | – 16.6                                                                                                                | – | –                                                                                                                             | – | 28,438.4  | – | –                                   | – | – | – |
| 55 Exposures to other sectors (NACE codes J, M – U)                                    | – 0.9                                                                                                                 | – | – 0.5                                                                                                                         | – | 1,079.0   | – | –                                   | – | – | – |
| 56 TOTAL                                                                               | – 303.2                                                                                                               | – | – 238.7                                                                                                                       | – | 240,926.5 | – | –                                   | – | – | – |

Table 58, Part 3 continued on page 139



Table 58, Part 3 continued from page 138

**TABLE 58: 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<br>(column i): gross<br>carrying amount<br>percentage of the<br>portfolio derived<br>from<br>company-specific<br>reporting |           |                         |                          |            |                              |
|    | Sector/subsector                                                                                                                          |                                                                                                                                          | ≤ 5 years | > 5 years<br>≤ 10 years | > 10 years<br>≤ 20 years | > 20 years | Average weighted<br>maturity |
| 1  | Exposures towards sectors that highly contribute to climate change                                                                        | –                                                                                                                                        | 9,059.9   | 2,428.7                 | 474.1                    | 724.1      | 5.0981                       |
| 2  | A – Agriculture, forestry and fishing                                                                                                     | –                                                                                                                                        | –         | 0.1                     | –                        | –          | 5.4164                       |
| 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        | 41.9353                      |
| 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<br>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 58, Part 3 continued on page 140



Table 58, Part 3 continued from page 139

**TABLE 58: 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<br>(column i): gross<br>carrying amount<br>percentage of the<br>portfolio derived<br>from<br>company-specific<br>reporting |           |                         |                          |            |                              |
|    | Sector/subsector                                                                   |                                                                                                                                          | ≤ 5 years | > 5 years<br>≤ 10 years | > 10 years<br>≤ 20 years | > 20 years | Average weighted<br>maturity |
| 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,<br>except machinery and equipment | –                                                                                                                                        | –         | –                       | –                        | –          | –                            |
| 26 | C.26 – Manufacture of computer, electronic and optical products                    | –                                                                                                                                        | –         | 0.1                     | –                        | –          | 9.3342                       |
| 27 | C.27 – Manufacture of electrical equipment                                         | –                                                                                                                                        | –         | –                       | –                        | 0.8        | 44.6110                      |
| 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       | 0.4                     | –                        | –          | 6.5979                       |
| 35 | D35.1 – Electric power generation, transmission and distribution                   | –                                                                                                                                        | 0.0       | 0.4                     | –                        | –          | 6.5979                       |
| 36 | D35.11 – Production of electricity                                                 | –                                                                                                                                        | 0.0       | 0.4                     | –                        | –          | 6.5979                       |
| 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            | –                                                                                                                                        | 0.9       | 1.5                     | 0.1                      | 0.7        | 8.6492                       |
| 40 | F – Construction                                                                   | –                                                                                                                                        | 33.5      | 4.9                     | 0.1                      | 1.6        | 3.0312                       |

Table 58, Part 3 continued on page 141



Table 58, Part 3 continued from page 140

**TABLE 58: 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<br>(column i): gross<br>carrying amount<br>percentage of the<br>portfolio derived<br>from<br>company-specific<br>reporting |                 |                         |                          |                |                              |
|    | Sector/subsector                                                                               |                                                                                                                                          | ≤ 5 years       | > 5 years<br>≤ 10 years | > 10 years<br>≤ 20 years | > 20 years     | Average weighted<br>maturity |
| 41 | F.41 – Construction of buildings                                                               | –                                                                                                                                        | 33.4            | 4.9                     | –                        | 1.3            | 2.8738                       |
| 42 | F.42 – Civil engineering                                                                       | –                                                                                                                                        | –               | –                       | –                        | –              | –                            |
| 43 | F.43 – Specialised construction activities                                                     | –                                                                                                                                        | 0.1             | –                       | 0.1                      | 0.3            | 16.2998                      |
| 44 | G – Wholesale and retail trade; repair of motor vehicles and motorcycles                       | –                                                                                                                                        | 0.0             | –                       | 1.7                      | 0.9            | 22.2838                      |
| 45 | H – Transportation and storage                                                                 | –                                                                                                                                        | –               | 0.0                     | 0.2                      | –              | 14.4448                      |
| 46 | H.49 – Land transport and transport via pipelines                                              | –                                                                                                                                        | –               | 0.0                     | –                        | –              | 6.5836                       |
| 47 | H.50 – Water transport                                                                         | –                                                                                                                                        | –               | –                       | –                        | –              | –                            |
| 48 | H.51 – Air transport                                                                           | –                                                                                                                                        | –               | –                       | –                        | –              | –                            |
| 49 | H.52 – Warehousing and support activities for transportation                                   | –                                                                                                                                        | –               | –                       | 0.2                      | –              | 15.9260                      |
| 50 | H.53 – Postal and courier activities                                                           | –                                                                                                                                        | –               | –                       | –                        | –              | –                            |
| 51 | I – Accommodation and food service activities                                                  | –                                                                                                                                        | –               | –                       | 0.2                      | –              | 12.5890                      |
| 52 | L – Real estate activities                                                                     | –                                                                                                                                        | 9,025.4         | 2,421.7                 | 471.7                    | 720.0          | 5.0971                       |
| 53 | <b>Exposures towards sectors other than those that<br/>highly contribute to climate change</b> | –                                                                                                                                        | <b>2,796.7</b>  | <b>1,148.6</b>          | <b>1,351.8</b>           | <b>4,406.9</b> | <b>14.9944</b>               |
| 54 | K – Financial and insurance activities                                                         | –                                                                                                                                        | 2,264.1         | 899.0                   | 23.2                     | 984.9          | 3.4951                       |
| 55 | Exposures to other sectors (NACE codes J, M – U)                                               | –                                                                                                                                        | 532.7           | 249.6                   | 1,328.6                  | 3,422.0        | 23.6634                      |
| 56 | <b>TOTAL</b>                                                                                   | –                                                                                                                                        | <b>11,856.7</b> | <b>3,577.3</b>          | <b>1,825.9</b>           | <b>5,131.0</b> | <b>9.3871</b>                |



**TABLE 59: 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 (in EUR million)                              |          |              |              |              |              |       |
|                     |                                                                                                    | Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) |          |              |              |              |              |       |
|                     |                                                                                                    |                                                                           | 0; ≤ 100 | > 100; ≤ 200 | > 200; ≤ 300 | > 300; ≤ 400 | > 400; ≤ 500 | > 500 |
| 1                   | Total EU area                                                                                      | 39,630.3                                                                  | 3,332.5  | 3,550.3      | 1,188.2      | 697.3        | 223.5        | 185.7 |
| 2                   | of which loans collateralised by commercial immovable property                                     | 9,023.6                                                                   | 1,744.8  | 2,010.3      | 811.9        | 576.9        | 192.2        | 181.3 |
| 3                   | of which loans collateralised by residential immovable property                                    | 30,606.7                                                                  | 1,587.7  | 1,540.1      | 376.3        | 120.4        | 31.4         | 4.3   |
| 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 <sup>2</sup> of collateral) estimated       | –                                                                         | –        | –            | –            | –            | –            | –     |
| 6                   | Total non-EU area                                                                                  | 6,554.2                                                                   | 51.8     | 29.9         | 148.9        | –            | 26.7         | –     |
| 7                   | of which loans collateralised by commercial immovable property                                     | 858.1                                                                     | 51.8     | –            | 119.0        | –            | 26.7         | –     |
| 8                   | of which loans collateralised by residential immovable property                                    | 5,696.2                                                                   | –        | 29.9         | 29.9         | –            | –            | –     |
| 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 <sup>2</sup> of collateral) estimated       | –                                                                         | –        | –            | –            | –            | –            | –     |





TABLE 60: TEMPLATE 3 – BANKING BOOK – CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS

| a      |                                                        | b                                 | c                                                         | d                                           | e                    | f                                            | g                                          |
|--------|--------------------------------------------------------|-----------------------------------|-----------------------------------------------------------|---------------------------------------------|----------------------|----------------------------------------------|--------------------------------------------|
| Sector |                                                        | NACE sectors<br>(a minima)        | Portfolio gross<br>carrying<br>amount<br>(in EUR million) | Alignment<br>metric                         | Year of<br>reference | Distance to IEA<br>NZE2050 in % <sup>1</sup> | Target (year<br>of reference +<br>3 years) |
| 1      | Power                                                  | Please refer to<br>the list below | -                                                         | -                                           | -                    | -                                            | -                                          |
| 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  |                                   | 9,881.7                                                   | 34.49 kg<br>CO <sub>2</sub> /m <sup>2</sup> | 2024                 | 299 %                                        | 17.96                                      |
| 10     | Loans collateralised by residential immovable property |                                   | 36,302.9                                                  | 51.91 kg<br>CO <sub>2</sub> /m <sup>2</sup> | 2024                 | 891 %                                        | 34.44                                      |

<sup>1</sup> PiT distance to 2030 NZE2050 scenario in % (for each metric).

**TABLE 61: 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<br>≤ 10 years | > 10 years<br>≤ 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                                      | 0.4                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 5 E – Water supply; sewerage, waste management and remediation activities                      | 3.3                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 6 F – Construction                                                                             | 40.1                                                                       | –         | –                       | –                        | –          | –                         | –                                                                         |
| 7 G – Wholesale and retail trade; repair of motor vehicles and motorcycles                     | 2.7                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 8 H – Transportation and storage                                                               | 0.3                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 9 L – Real estate activities                                                                   | 12,638.8                                                                   | 1,439.0   | 187.4                   | –                        | 0.4        | 2.3451                    | 986.9                                                                     |
| 10 Loans collateralised by residential immovable property                                      | 36,302.9                                                                   | 882.3     | 294.3                   | 293.8                    | 990.7      | 16.8554                   | 930.8                                                                     |
| 11 Loans collateralised by commercial immovable property                                       | 9,881.7                                                                    | 1,129.6   | 170.6                   | –                        | 0.8        | 2.2698                    | 815.6                                                                     |
| 12 Repossessed collaterals                                                                     | –                                                                          | –         | –                       | –                        | –          | –                         | –                                                                         |
| 13 Other relevant sectors (breakdown below where relevant)                                     | 9,704.2                                                                    | 24.5      | –                       | –                        | –          | 0.9360                    | –                                                                         |
| 14 I                                                                                           | 0.2                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 15 J                                                                                           | 1.0                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 16 K                                                                                           | 4,171.1                                                                    | 24.5      | –                       | –                        | –          | 0.9360                    | –                                                                         |
| 17 M                                                                                           | 33.3                                                                       | –         | –                       | –                        | –          | –                         | –                                                                         |
| 18 N                                                                                           | 9.1                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 19 O                                                                                           | 5,384.7                                                                    | –         | –                       | –                        | –          | –                         | –                                                                         |
| 20 P                                                                                           | 0.2                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 21 Q                                                                                           | 8.4                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 22 R                                                                                           | 0.5                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 23 S                                                                                           | 4.3                                                                        | –         | –                       | –                        | –          | –                         | –                                                                         |
| 24 T                                                                                           | 91.4                                                                       | –         | –                       | –                        | –          | –                         | –                                                                         |

Table 61, Part 2 continued on page 146



Table 61, Part 2 continued from page 145

**TABLE 61: 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                                                                   | 395.5                                                                      | 244.4                                                                                    | –                          | 387.4                             | – 175.9 | –                          | – 163.5                                                                                              |
| 10 Loans collateralised by residential immovable property                                      | 1,371.2                                                                    | 159.1                                                                                    | –                          | 7.5                               | – 9.6   | –                          | – 1.0                                                                                                |
| 11 Loans collateralised by commercial immovable property                                       | 380.3                                                                      | 105.2                                                                                    | –                          | 395.9                             | – 173.1 | –                          | – 163.1                                                                                              |
| 12 Repossessed collaterals                                                                     | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 13 Other relevant sectors (breakdown below where relevant)                                     | 12.5                                                                       | 12.0                                                                                     | –                          | 8.5                               | – 0.1   | –                          | –                                                                                                    |
| 14 I                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 15 J                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 16 K                                                                                           | 12.5                                                                       | 12.0                                                                                     | –                          | 8.5                               | – 0.1   | –                          | –                                                                                                    |
| 17 M                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 18 N                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 19 O                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 20 P                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 21 Q                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 22 R                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 23 S                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |
| 24 T                                                                                           | –                                                                          | –                                                                                        | –                          | –                                 | –       | –                          | –                                                                                                    |



TABLE 62: TEMPLATE 6 – SUMMARY OF GAR KPIS

|                  | KPI                       |                           |                                                                  | % coverage (over total assets)* |
|------------------|---------------------------|---------------------------|------------------------------------------------------------------|---------------------------------|
|                  | Climate change mitigation | Climate change adaptation | Total<br>(Climate change mitigation + Climate change adaptation) |                                 |
| <b>GAR stock</b> | <b>14.31%</b>             | –                         | <b>14.31%</b>                                                    | <b>77.47%</b>                   |
| <b>GAR flow</b>  | <b>3.45%</b>              | –                         | <b>3.45%</b>                                                     | <b>69.11%</b>                   |

\* % of assets covered by the KPI over Bank's total assets

**TABLE 63: 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                 |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------|-------------|------------------------------|-----------------------|-------------------|----------------------------------------------------------------|---|------------------------------|---------------------|-------------------|
|                                                                                                   | 31.12.2024                                                     |              |             |                              |                       |                   |                                                                |   |                              |                     |                   |
|                                                                                                   | 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 which specialised lending | Of which transitional | Of which enabling |                                                                |   | Of which specialised lending | Of which adaptation | Of which enabling |
| EUR million                                                                                       |                                                                |              |             |                              |                       |                   |                                                                |   |                              |                     |                   |
| <b>GAR – Covered assets in both numerator and denominator</b>                                     | -                                                              | -            | -           | -                            | -                     | -                 | -                                                              | - | -                            | -                   | -                 |
| 1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 42,235.0                                                       | 27,091.7     | 7,049.7     | 965.1                        | 0.2                   | 0.2               | -                                                              | - | -                            | -                   | -                 |
| 2 <b>Financial corporations</b>                                                                   | <b>1,209.0</b>                                                 | <b>331.4</b> | <b>39.0</b> | <b>35.0</b>                  | <b>0.2</b>            | <b>0.2</b>        | -                                                              | - | -                            | -                   | -                 |
| 3 Credit institutions                                                                             | 561.1                                                          | 117.9        | 4.0         | -                            | 0.2                   | 0.2               | -                                                              | - | -                            | -                   | -                 |
| 4 Loans and advances                                                                              | 32.9                                                           | 2.6          | 0.1         | -                            | 0.0                   | 0.0               | -                                                              | - | -                            | -                   | -                 |
| 5 Debt securities, including UoP                                                                  | 511.9                                                          | 115.3        | 3.9         | -                            | 0.1                   | 0.2               | -                                                              | - | -                            | -                   | -                 |
| 6 Equity instruments                                                                              | 16.3                                                           | -            | -           | -                            | -                     | -                 | -                                                              | - | -                            | -                   | -                 |
| 7 Other financial corporations                                                                    | 647.9                                                          | 213.5        | 35.0        | 35.0                         | -                     | -                 | -                                                              | - | -                            | -                   | -                 |
| 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                                                                             | 123.7                                                          | -            | -           | -                            | -                     | -                 | -                                                              | - | -                            | -                   | -                 |
| 14 Debt securities, including UoP                                                                 | -                                                              | -            | -           | -                            | -                     | -                 | -                                                              | - | -                            | -                   | -                 |
| 15 Equity instruments                                                                             | -                                                              | -            | -           | -                            | -                     | -                 | -                                                              | - | -                            | -                   | -                 |
| 16 of which insurance undertakings                                                                | 123.7                                                          | -            | -           | -                            | -                     | -                 | -                                                              | - | -                            | -                   | -                 |
| 17 Loans and advances                                                                             | -                                                              | -            | -           | -                            | -                     | -                 | -                                                              | - | -                            | -                   | -                 |



Table 63, Part 1 continued from page 148

**TABLE 63: 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                    |
|-------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------|---------|-------|--------------------------|----------------------|-------------------------------------------------------------------|-----|-----|------------------------|----------------------|
|             |                                                                                           | 31.12.2024                                                        |                                    |         |       |                          |                      |                                                                   |     |     |                        |                      |
|             |                                                                                           | Climate Change Mitigation (CCM)                                   |                                    |         |       |                          |                      | Climate Change Adaptation (CCA)                                   |     |     |                        |                      |
|             |                                                                                           | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                    |         |       |                          |                      | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |     |     |                        |                      |
|             |                                                                                           | Of which environmentally sustainable<br>(Taxonomy-aligned)        |                                    |         |       |                          |                      | Of which environmentally sustainable<br>(Taxonomy-aligned)        |     |     |                        |                      |
|             |                                                                                           | Total gross<br>carrying<br>amount                                 | Of which<br>specialised<br>lending |         |       | Of which<br>transitional | Of which<br>enabling | Of which<br>specialised<br>lending                                |     |     | Of which<br>adaptation | Of which<br>enabling |
| EUR million |                                                                                           |                                                                   |                                    |         |       |                          |                      |                                                                   |     |     |                        |                      |
| 18          | Debt securities, including UoP                                                            | -                                                                 | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 19          | Equity instruments                                                                        | -                                                                 | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 20          | Non-financial corporations (subject to NFRD disclosure obligations)                       | 9,375.5                                                           | 4,790.8                            | 966.4   | 930.0 | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 21          | Loans and advances                                                                        | 9,375.5                                                           | 4,790.8                            | 966.4   | 930.0 | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 22          | Debt securities, including UoP                                                            | -                                                                 | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 23          | Equity instruments                                                                        | -                                                                 | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 24          | Households                                                                                | 31,281.4                                                          | 21,969.6                           | 6,044.3 | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 25          | of which loans collateralised by residential immovable property                           | 31,110.1                                                          | 21,889.9                           | 6,044.3 | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 26          | of which building renovation loans                                                        | 2,195.9                                                           | 2,195.9                            | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 27          | of which motor vehicle loans                                                              | -                                                                 | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 28          | Local governments financing                                                               | 369.1                                                             | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 29          | Housing financing                                                                         | -                                                                 | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 30          | Other local governments financing                                                         | 369.1                                                             | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 31          | Collateral obtained by taking possession: residential and commercial immovable properties | -                                                                 | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |
| 32          | TOTAL GAR ASSETS                                                                          | 42,235.0                                                          | 27,091.7                           | 7,049.7 | 965.1 | 0.2                      | 0.2                  | 0.0                                                               | 0.0 | 0.0 | 0.0                    | 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)                | 3,458.2                                                           | -                                  | -       | -     | -                        | -                    | -                                                                 | -   | -   | -                      | -                    |

Table 63, Part 1 continued on page 150



Table 63, Part 1 continued from page 149

**TABLE 63: 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                    |  |
|-------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------|---|---|--------------------------|----------------------|-------------------------------------------------------------------|---|---|------------------------|----------------------|--|
|             |                                                                                      | 31.12.2024                                                        |                                    |   |   |                          |                      |                                                                   |   |   |                        |                      |  |
|             |                                                                                      | Climate Change Mitigation (CCM)                                   |                                    |   |   |                          |                      | Climate Change Adaptation (CCA)                                   |   |   |                        |                      |  |
|             |                                                                                      | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                    |   |   |                          |                      | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |   |                        |                      |  |
|             |                                                                                      | Of which environmentally sustainable<br>(Taxonomy-aligned)        |                                    |   |   |                          |                      | Of which environmentally sustainable<br>(Taxonomy-aligned)        |   |   |                        |                      |  |
|             |                                                                                      | Total gross<br>carrying<br>amount                                 | Of which<br>specialised<br>lending |   |   | Of which<br>transitional | Of which<br>enabling | Of which<br>specialised<br>lending                                |   |   | Of which<br>adaptation | Of which<br>enabling |  |
| EUR million |                                                                                      |                                                                   |                                    |   |   |                          |                      |                                                                   |   |   |                        |                      |  |
| 34          | Loans and advances                                                                   | 3,458.2                                                           | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 35          | Debt securities                                                                      | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 36          | Equity instruments                                                                   | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 37          | Non-EU non-financial corporations (not subject to<br>NFRD disclosure obligations)    | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 38          | Loans and advances                                                                   | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 39          | Debt securities                                                                      | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 40          | Equity instruments                                                                   | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 41          | Derivatives                                                                          | 481.4                                                             | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 42          | On demand interbank loans                                                            | 537.7                                                             | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 43          | Cash and cash-related assets                                                         | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 44          | Other assets (e.g. goodwill, commodities etc.)                                       | 2,553.5                                                           | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 45          | TOTAL ASSETS IN THE DENOMINATOR (GAR)                                                | 49,265.9                                                          | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
|             | Other assets excluded from both the numerator and<br>denominator for GAR calculation | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 46          | Sovereigns                                                                           | 5,058.0                                                           | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 47          | Central banks exposure                                                               | 191.3                                                             | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 48          | Trading book                                                                         | -                                                                 | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 49          | TOTAL ASSETS EXCLUDED FROM NUMERATOR AND<br>DENOMINATOR                              | 5,249.4                                                           | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |
| 50          | TOTAL ASSETS                                                                         | 54,515.2                                                          | -                                  | - | - | -                        | -                    | -                                                                 | - | - | -                      | -                    |  |

Table 63, Part 2 continued on page 151



Table 63, Part 2 continued from page 150

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**

PART 2 OF 4

|             |                                                                                                 | l                                                              | m           | n                               | o                                    | p                 |
|-------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------|---------------------------------|--------------------------------------|-------------------|
|             |                                                                                                 | TOTAL (CCM + CCA)                                              |             |                                 |                                      |                   |
|             |                                                                                                 | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |             |                                 |                                      |                   |
|             |                                                                                                 | Of which environmentally sustainable (Taxonomy-aligned)        |             |                                 |                                      |                   |
|             |                                                                                                 |                                                                |             | Of which specialised<br>lending | Of which transitional/<br>adaptation | Of which enabling |
| EUR million |                                                                                                 |                                                                |             |                                 |                                      |                   |
|             | <b>GAR – Covered assets in both numerator and denominator</b>                                   | -                                                              | -           | -                               | -                                    | -                 |
| 1           | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 27,091.7                                                       | 7,049.7     | 965.1                           | 0.2                                  | 0.2               |
| 2           | <b>Financial corporations</b>                                                                   | <b>331.4</b>                                                   | <b>39.0</b> | <b>35.0</b>                     | <b>0.2</b>                           | <b>0.2</b>        |
| 3           | Credit institutions                                                                             | 117.9                                                          | 4.0         | -                               | 0.2                                  | 0.2               |
| 4           | Loans and advances                                                                              | 2.6                                                            | 0.1         | -                               | 0.0                                  | 0.0               |
| 5           | Debt securities, including UoP                                                                  | 115.3                                                          | 3.9         | -                               | 0.1                                  | 0.2               |
| 6           | Equity instruments                                                                              | -                                                              | -           | -                               | -                                    | -                 |
| 7           | Other financial corporations                                                                    | 213.5                                                          | 35.0        | 35.0                            | -                                    | -                 |
| 8           | of which investment firms                                                                       | 213.5                                                          | 35.0        | 35.0                            | -                                    | -                 |
| 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 63, Part 2 continued on page 152



Table 63, Part 2 continued from page 151

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**

PART 2 OF 4

|    |                                                                                           | l                                                              | m              | n                               | o                                    | p                 |
|----|-------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------|---------------------------------|--------------------------------------|-------------------|
|    |                                                                                           | TOTAL (CCM + CCA)                                              |                |                                 |                                      |                   |
|    |                                                                                           | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |                |                                 |                                      |                   |
|    |                                                                                           | Of which environmentally sustainable (Taxonomy-aligned)        |                |                                 |                                      |                   |
|    |                                                                                           |                                                                |                | Of which specialised<br>lending | Of which transitional/<br>adaptation | Of which enabling |
|    | EUR million                                                                               |                                                                |                |                                 |                                      |                   |
| 18 | Debt securities, including UoP                                                            | -                                                              | -              | -                               | -                                    | -                 |
| 19 | Equity instruments                                                                        | -                                                              | -              | -                               | -                                    | -                 |
| 20 | <b>Non-financial corporations (subject to NFRD disclosure obligations)</b>                | <b>4,790.8</b>                                                 | <b>966.4</b>   | <b>930.0</b>                    | -                                    | -                 |
| 21 | Loans and advances                                                                        | 4,790.8                                                        | 966.4          | 930.0                           | -                                    | -                 |
| 22 | Debt securities, including UoP                                                            | -                                                              | -              | -                               | -                                    | -                 |
| 23 | Equity instruments                                                                        | -                                                              | -              | -                               | -                                    | -                 |
| 24 | <b>Households</b>                                                                         | <b>21,969.6</b>                                                | <b>6,044.3</b> | -                               | -                                    | -                 |
| 25 | of which loans collateralised by residential immovable property                           | 21,889.9                                                       | 6,044.3        | -                               | -                                    | -                 |
| 26 | of which building renovation loans                                                        | 2,195.9                                                        | -              | -                               | -                                    | -                 |
| 27 | of which motor vehicle loans                                                              | -                                                              | -              | -                               | -                                    | -                 |
| 28 | <b>Local governments financing</b>                                                        | -                                                              | -              | -                               | -                                    | -                 |
| 29 | Housing financing                                                                         | -                                                              | -              | -                               | -                                    | -                 |
| 30 | Other local governments financing                                                         | -                                                              | -              | -                               | -                                    | -                 |
| 31 | Collateral obtained by taking possession: residential and commercial immovable properties | -                                                              | -              | -                               | -                                    | -                 |
| 32 | <b>TOTAL GAR ASSETS</b>                                                                   | <b>27,091.7</b>                                                | <b>7,049.7</b> | <b>965.1</b>                    | <b>0.2</b>                           | <b>0.2</b>        |
|    | Assets excluded from the numerator for GAR calculation (covered in the denominator)       | -                                                              | -              | -                               | -                                    | -                 |
| 33 | <b>EU non-financial corporations (not subject to NFRD disclosure obligations)</b>         | -                                                              | -              | -                               | -                                    | -                 |

Table 63, Part 2 continued on page 153



Table 62, Part 2 continued from page 152

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**  
PART 2 OF 4

|    |                                                                                          | l                                                              | m | n                               | o                                    | p                 |
|----|------------------------------------------------------------------------------------------|----------------------------------------------------------------|---|---------------------------------|--------------------------------------|-------------------|
|    |                                                                                          | TOTAL (CCM + CCA)                                              |   |                                 |                                      |                   |
|    |                                                                                          | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |   |                                 |                                      |                   |
|    |                                                                                          | Of which environmentally sustainable (Taxonomy-aligned)        |   |                                 |                                      |                   |
|    |                                                                                          |                                                                |   | Of which specialised<br>lending | Of which transitional/<br>adaptation | Of which enabling |
|    | EUR million                                                                              |                                                                |   |                                 |                                      |                   |
| 34 | Loans and advances                                                                       | -                                                              | - | -                               | -                                    | -                 |
| 35 | Debt securities                                                                          | -                                                              | - | -                               | -                                    | -                 |
| 36 | Equity instruments                                                                       | -                                                              | - | -                               | -                                    | -                 |
| 37 | <b>Non-EU non-financial corporations (not subject to NFRD disclosure obligations)</b>    | -                                                              | - | -                               | -                                    | -                 |
| 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 | <b>TOTAL ASSETS IN THE DENOMINATOR (GAR)</b>                                             | -                                                              | - | -                               | -                                    | -                 |
|    | <b>Other assets excluded from both the numerator and denominator for GAR calculation</b> | -                                                              | - | -                               | -                                    | -                 |
| 46 | Sovereigns                                                                               | -                                                              | - | -                               | -                                    | -                 |
| 47 | Central banks exposure                                                                   | -                                                              | - | -                               | -                                    | -                 |
| 48 | Trading book                                                                             | -                                                              | - | -                               | -                                    | -                 |
| 49 | <b>TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR</b>                              | -                                                              | - | -                               | -                                    | -                 |
| 50 | <b>TOTAL ASSETS</b>                                                                      | -                                                              | - | -                               | -                                    | -                 |

Table 63, Part 3 continued on page 154



Table 63, Part 3 continued from page 153

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**

PART 3 OF 4

|             |                                                                                                    | 31.12.2024                                                        |         |                                    |                          |                      |     |                                                                   |                        |                      |   |   |
|-------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------|------------------------------------|--------------------------|----------------------|-----|-------------------------------------------------------------------|------------------------|----------------------|---|---|
|             |                                                                                                    | Climate Change Mitigation (CCM)                                   |         |                                    |                          |                      |     | Climate Change Adaptation (CCA)                                   |                        |                      |   |   |
|             |                                                                                                    | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |         |                                    |                          |                      |     | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                        |                      |   |   |
|             |                                                                                                    | Of which environmentally sustainable<br>(Taxonomy-aligned)        |         |                                    |                          |                      |     | Of which environmentally sustainable<br>(Taxonomy-aligned)        |                        |                      |   |   |
|             |                                                                                                    | Total gross<br>carrying<br>amount                                 |         |                                    |                          |                      |     |                                                                   |                        |                      |   |   |
| EUR million |                                                                                                    |                                                                   |         | Of which<br>specialised<br>lending | Of which<br>transitional | Of which<br>enabling |     | Of which<br>specialised<br>lending                                | Of which<br>adaptation | Of which<br>enabling |   |   |
|             | GAR – Covered assets in both numerator<br>and denominator                                          | 3,967.7                                                           | 2,020.7 | 166.7                              | 43.8                     | 0.1                  | 0.1 | –                                                                 | –                      | –                    | – | – |
| 1           | Loans and advances, debt securities and equity<br>instruments not HfT eligible for GAR calculation | 241.8                                                             | 65.7    | 2.6                                | –                        | 0.1                  | 0.1 | –                                                                 | –                      | –                    | – | – |
| 2           | Financial corporations                                                                             | 207.7                                                             | 41.7    | 2.6                                | –                        | 0.1                  | 0.1 | –                                                                 | –                      | –                    | – | – |
| 3           | Credit institutions                                                                                |                                                                   |         |                                    | –                        |                      |     | –                                                                 | –                      | –                    | – | – |
| 4           | Loans and advances                                                                                 | 207.7                                                             | 41.7    | 2.6                                | –                        | 0.1                  | 0.1 | –                                                                 | –                      | –                    | – | – |
| 5           | Debt securities, including UoP                                                                     | –                                                                 | –       | –                                  | –                        | –                    | –   | –                                                                 | –                      | –                    | – | – |
| 6           | Equity instruments                                                                                 | 34.1                                                              | 24.0    | –                                  | –                        | –                    | –   | –                                                                 | –                      | –                    | – | – |
| 7           | Other financial corporations                                                                       | 34.1                                                              | 24.0    | –                                  | –                        | –                    | –   | –                                                                 | –                      | –                    | – | – |
| 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 63, Part 3 continued on page 155



Table 63, Part 3 continued from page 154

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**

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|             |                                                                                                | 31.12.2024                                                        |                                    |              |             |                          |            |                                                                   |   |                                    |                        |                      |
|-------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------|--------------|-------------|--------------------------|------------|-------------------------------------------------------------------|---|------------------------------------|------------------------|----------------------|
|             |                                                                                                | Climate Change Mitigation (CCM)                                   |                                    |              |             |                          |            | Climate Change Adaptation (CCA)                                   |   |                                    |                        |                      |
|             |                                                                                                | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                    |              |             |                          |            | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |                                    |                        |                      |
|             |                                                                                                | Of which environmentally sustainable<br>(Taxonomy-aligned)        |                                    |              |             |                          |            | Of which environmentally sustainable<br>(Taxonomy-aligned)        |   |                                    |                        |                      |
|             |                                                                                                | Total gross<br>carrying<br>amount                                 | Of which<br>specialised<br>lending |              |             | Of which<br>transitional |            | Of which<br>enabling                                              |   | Of which<br>specialised<br>lending |                        |                      |
| EUR million |                                                                                                |                                                                   |                                    |              |             |                          |            |                                                                   |   |                                    | Of which<br>adaptation | Of which<br>enabling |
| 18          | Debt securities, including UoP                                                                 | -                                                                 | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 19          | Equity instruments                                                                             | -                                                                 | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 20          | <b>Non-financial corporations (subject to NFRD<br/>disclosure obligations)</b>                 | <b>1,255.1</b>                                                    | <b>370.2</b>                       | <b>43.8</b>  | <b>43.8</b> | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 21          | Loans and advances                                                                             | 1,255.1                                                           | 370.2                              | 43.8         | 43.8        | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 22          | Debt securities, including UoP                                                                 | -                                                                 | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 23          | Equity instruments                                                                             | -                                                                 | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 24          | <b>Households</b>                                                                              | <b>2,342.6</b>                                                    | <b>1,584.8</b>                     | <b>120.3</b> | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 25          | of which loans collateralised by residential<br>immovable property                             | 2,309.6                                                           | 1,584.5                            | 120.3        | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 26          | of which building renovation loans                                                             | 241.4                                                             | 241.4                              | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 27          | of which motor vehicle loans                                                                   | -                                                                 | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 28          | <b>Local governments financing</b>                                                             | <b>128.1</b>                                                      | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 29          | Housing financing                                                                              | -                                                                 | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 30          | Other local governments financing                                                              | 128.1                                                             | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 31          | Collateral obtained by taking possession: residential<br>and commercial immovable properties   | -                                                                 | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 32          | <b>TOTAL GAR ASSETS</b>                                                                        | <b>3,967.7</b>                                                    | <b>2,020.7</b>                     | <b>166.7</b> | <b>43.8</b> | <b>0.1</b>               | <b>0.1</b> | <b>0.0</b>                                                        | - | -                                  | -                      | -                    |
|             | <b>Assets excluded from the numerator for GAR calculation<br/>(covered in the denominator)</b> | -                                                                 | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |
| 33          | <b>EU non-financial corporations (not subject to NFRD<br/>disclosure obligations)</b>          | <b>455.3</b>                                                      | -                                  | -            | -           | -                        | -          | -                                                                 | - | -                                  | -                      | -                    |

Table 63, Part 3 continued on page 156



Table 63, Part 3 continued from page 155

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**

PART 3 OF 4

|             |                                                                                      | 31.12.2024                        |                                                                   |                                    |                          |                      |                                                                   |                                    |                        |                      |   |  |
|-------------|--------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------|------------------------------------|--------------------------|----------------------|-------------------------------------------------------------------|------------------------------------|------------------------|----------------------|---|--|
|             |                                                                                      | Total gross<br>carrying<br>amount | Climate Change Mitigation (CCM)                                   |                                    |                          |                      | Climate Change Adaptation (CCA)                                   |                                    |                        |                      |   |  |
|             |                                                                                      |                                   | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                    |                          |                      | Of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                    |                        |                      |   |  |
|             |                                                                                      |                                   | Of which environmentally sustainable<br>(Taxonomy-aligned)        |                                    |                          |                      | Of which environmentally sustainable<br>(Taxonomy-aligned)        |                                    |                        |                      |   |  |
| EUR million |                                                                                      |                                   |                                                                   | Of which<br>specialised<br>lending | Of which<br>transitional | Of which<br>enabling |                                                                   | Of which<br>specialised<br>lending | Of which<br>adaptation | Of which<br>enabling |   |  |
| 34          | Loans and advances                                                                   | 455.3                             | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 35          | Debt securities                                                                      | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 36          | Equity instruments                                                                   | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 37          | Non-EU non-financial corporations (not subject to<br>NFRD disclosure obligations)    | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 38          | Loans and advances                                                                   | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 39          | Debt securities                                                                      | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 40          | Equity instruments                                                                   | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 41          | Derivatives                                                                          | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 42          | On demand interbank loans                                                            | 94.8                              | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 43          | Cash and cash-related assets                                                         | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 44          | Other assets (e.g. goodwill, commodities etc.)                                       | 306.5                             | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 45          | TOTAL ASSETS IN THE DENOMINATOR (GAR)                                                | 4,824.2                           | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
|             | Other assets excluded from both the numerator and<br>denominator for GAR calculation | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 46          | Sovereigns                                                                           | 916.7                             | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 47          | Central banks exposure                                                               | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 48          | Trading book                                                                         | -                                 | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 49          | TOTAL ASSETS EXCLUDED FROM NUMERATOR AND<br>DENOMINATOR                              | 916.7                             | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |
| 50          | TOTAL ASSETS                                                                         | 5,740.9                           | -                                                                 | -                                  | -                        | -                    | -                                                                 | -                                  | -                      | -                    | - |  |

Table 63, Part 4 continued on page 157



Table 63, Part 4 continued from page 156

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**

PART 4 OF 4

|             |                                                                                                 | 31.12.2024                                                     |         |                                 |                                      |                   |     |
|-------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------|---------------------------------|--------------------------------------|-------------------|-----|
|             |                                                                                                 | TOTAL (CCM + CCA)                                              |         |                                 |                                      |                   |     |
|             |                                                                                                 | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |         |                                 |                                      |                   |     |
|             |                                                                                                 | Of which environmentally sustainable (Taxonomy-aligned)        |         |                                 |                                      |                   |     |
| EUR million |                                                                                                 |                                                                |         | Of which specialised<br>lending | Of which transitional/<br>adaptation | Of which enabling |     |
|             | GAR – Covered assets in both numerator and denominator                                          | –                                                              | 2,020.7 | 166.7                           | 43.8                                 | 0.1               | 0.1 |
| 1           | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | –                                                              | 65.7    | 2.6                             | –                                    | 0.1               | 0.1 |
| 2           | Financial corporations                                                                          | –                                                              | 41.7    | 2.6                             | –                                    | 0.1               | 0.1 |
| 3           | Credit institutions                                                                             | –                                                              | –       | –                               | –                                    | –                 | –   |
| 4           | Loans and advances                                                                              | –                                                              | 41.7    | 2.6                             | –                                    | 0.1               | 0.1 |
| 5           | Debt securities, including UoP                                                                  | –                                                              | –       | –                               | –                                    | –                 | –   |
| 6           | Equity instruments                                                                              | –                                                              | 24.0    | –                               | –                                    | –                 | –   |
| 7           | Other financial corporations                                                                    | –                                                              | 24.0    | –                               | –                                    | –                 | –   |
| 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                                                                              | –                                                              | –       | –                               | –                                    | –                 | –   |

Table 63, Part 4 continued on page 158



Table 63, Part 4 continued from page 157

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**

PART 4 OF 4

|             |                                                                                            | 31.12.2024                                                     |                |                                 |                                      |                   |            |
|-------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------|---------------------------------|--------------------------------------|-------------------|------------|
|             |                                                                                            | TOTAL (CCM + CCA)                                              |                |                                 |                                      |                   |            |
|             |                                                                                            | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |                |                                 |                                      |                   |            |
|             |                                                                                            | Of which environmentally sustainable (Taxonomy-aligned)        |                |                                 |                                      |                   |            |
| EUR million |                                                                                            |                                                                |                | Of which specialised<br>lending | Of which transitional/<br>adaptation | Of which enabling |            |
| 16          | of which insurance undertakings                                                            | -                                                              | -              | -                               | -                                    | -                 | -          |
| 17          | Loans and advances                                                                         | -                                                              | -              | -                               | -                                    | -                 | -          |
| 18          | Debt securities, including UoP                                                             | -                                                              | -              | -                               | -                                    | -                 | -          |
| 19          | Equity instruments                                                                         | -                                                              | -              | -                               | -                                    | -                 | -          |
| 20          | <b>Non-financial corporations (subject to NFRD disclosure obligations)</b>                 | -                                                              | <b>370.2</b>   | <b>43.8</b>                     | <b>43.8</b>                          | -                 | -          |
| 21          | Loans and advances                                                                         | -                                                              | 370.2          | 43.8                            | 43.8                                 | -                 | -          |
| 22          | Debt securities, including UoP                                                             | -                                                              | -              | -                               | -                                    | -                 | -          |
| 23          | Equity instruments                                                                         | -                                                              | -              | -                               | -                                    | -                 | -          |
| 24          | <b>Households</b>                                                                          | -                                                              | <b>1,584.8</b> | <b>120.3</b>                    | -                                    | -                 | -          |
| 25          | of which loans collateralised by residential immovable property                            | -                                                              | 1,584.5        | 120.3                           | -                                    | -                 | -          |
| 26          | of which building renovation loans                                                         | -                                                              | 241.4          | -                               | -                                    | -                 | -          |
| 27          | of which motor vehicle loans                                                               | -                                                              | -              | -                               | -                                    | -                 | -          |
| 28          | <b>Local governments financing</b>                                                         | -                                                              | -              | -                               | -                                    | -                 | -          |
| 29          | Housing financing                                                                          | -                                                              | -              | -                               | -                                    | -                 | -          |
| 30          | Other local governments financing                                                          | -                                                              | -              | -                               | -                                    | -                 | -          |
| 31          | Collateral obtained by taking possession: residential and commercial immovable properties  | -                                                              | -              | -                               | -                                    | -                 | -          |
| 32          | <b>TOTAL GAR ASSETS</b>                                                                    | -                                                              | <b>2,020.7</b> | <b>166.7</b>                    | <b>43.8</b>                          | <b>0.1</b>        | <b>0.1</b> |
|             | <b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b> | -                                                              | -              | -                               | -                                    | -                 | -          |

Table 63, Part 4 continued on page 159



Table 63, Part 4 continued from page 158

**TABLE 63: TEMPLATE 7 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR**  
PART 4 OF 4

|             |                                                                                   | 31.12.2024                                                     |   |                                 |                                      |                   |   |
|-------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------|---|---------------------------------|--------------------------------------|-------------------|---|
|             |                                                                                   | TOTAL (CCM + CCA)                                              |   |                                 |                                      |                   |   |
|             |                                                                                   | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |   |                                 |                                      |                   |   |
|             |                                                                                   | Of which environmentally sustainable (Taxonomy-aligned)        |   |                                 |                                      |                   |   |
| EUR million |                                                                                   |                                                                |   | Of which specialised<br>lending | Of which transitional/<br>adaptation | Of which enabling |   |
| 33          | EU non-financial corporations (not subject to NFRD disclosure obligations)        | -                                                              | - | -                               | -                                    | -                 | - |
| 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 64: TEMPLATE 8 – GAR (%)

PART 1 OF 4

|                                                                                                      | a                                                               | b      | c                                  | d                        | e                    | f                                                               | g | h                                  | i                        | j                    |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------|------------------------------------|--------------------------|----------------------|-----------------------------------------------------------------|---|------------------------------------|--------------------------|----------------------|
|                                                                                                      | 31.12.2024: KPIs on stock                                       |        |                                    |                          |                      |                                                                 |   |                                    |                          |                      |
|                                                                                                      | 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                            |   |                                    |                          |                      |
| %<br>(compared to total covered assets<br>in the denominator)                                        |                                                                 |        | Of which<br>specialised<br>lending | Of which<br>transitional | Of which<br>enabling |                                                                 |   | Of which<br>specialised<br>lending | Of which<br>transitional | Of which<br>enabling |
| 1 GAR                                                                                                | 54.99%                                                          | 14.31% | 1.96%                              | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 2 Loans and advances, debt securities and equity<br>instruments not HfT eligible for GAR calculation | 64.15%                                                          | 16.69% | 2.28%                              | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 3 Financial corporations                                                                             | 27.41%                                                          | 3.23%  | 2.90%                              | 0.01%                    | 0.02%                | –                                                               | – | –                                  | –                        | –                    |
| 4 Credit institutions                                                                                | 21.01%                                                          | 0.71%  | –                                  | 0.03%                    | 0.04%                | –                                                               | – | –                                  | –                        | –                    |
| 5 Other financial corporations                                                                       | 32.94%                                                          | 5.40%  | 5.40%                              | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 6 of which investment firms                                                                          | –                                                               | –      | –                                  | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 7 of which management companies                                                                      | –                                                               | –      | –                                  | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 8 of which insurance undertakings                                                                    | –                                                               | –      | –                                  | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 9 Non-financial corporations subject to NFRD<br>disclosure obligations                               | 51.10%                                                          | 10.31% | 9.92%                              | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 10 Households                                                                                        | 70.23%                                                          | 19.32% | –                                  | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 11 of which loans collateralised by residential<br>immovable property                                | 70.36%                                                          | 19.43% | –                                  | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 12 of which building renovation loans                                                                | 100.00%                                                         | –      | –                                  | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |
| 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<br>and commercial immovable properties      | –                                                               | –      | –                                  | –                        | –                    | –                                                               | – | –                                  | –                        | –                    |



Table 64, Part 2 continued from page 160

**TABLE 64: TEMPLATE 8 – GAR (%)**

PART 2 OF 4

|    |                                                                                                    | k                                                               | l      | m                               | n                                    | o                 | p                                     |
|----|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------|---------------------------------|--------------------------------------|-------------------|---------------------------------------|
|    |                                                                                                    | 31.12.2024: KPIs on stock                                       |        |                                 |                                      |                   |                                       |
|    |                                                                                                    | TOTAL (CCM + CCA)                                               |        |                                 |                                      |                   |                                       |
|    |                                                                                                    | Proportion of eligible assets funding taxonomy relevant sectors |        |                                 |                                      |                   |                                       |
|    |                                                                                                    | Of which environmentally sustainable                            |        |                                 |                                      |                   |                                       |
|    | %<br>(compared to total covered assets<br>in the denominator)                                      |                                                                 |        | Of which specialised<br>lending | Of which transitional/<br>adaptation | Of which enabling | Proportion of total<br>assets covered |
| 1  | GAR                                                                                                | 54.99%                                                          | 14.31% | 1.96%                           | –                                    | –                 | 77.47%                                |
| 2  | Loans and advances, debt securities and equity<br>instruments not HfT eligible for GAR calculation | 64.15%                                                          | 16.69% | 2.28%                           | –                                    | –                 | 77.47%                                |
| 3  | Financial corporations                                                                             | 27.41%                                                          | 3.23%  | 2.90%                           | 0.01%                                | 0.02%             | 2.22%                                 |
| 4  | Credit institutions                                                                                | 21.01%                                                          | 0.71%  |                                 | 0.03%                                | 0.04%             | 1.03%                                 |
| 5  | Other financial corporations                                                                       | 32.94%                                                          | 5.40%  | 5.40%                           | –                                    | –                 | 1.19%                                 |
| 6  | of which investment firms                                                                          | –                                                               | –      | –                               | –                                    | –                 | –                                     |
| 7  | of which management companies                                                                      | –                                                               | –      | –                               | –                                    | –                 | –                                     |
| 8  | of which insurance undertakings                                                                    | –                                                               | –      | –                               | –                                    | –                 | –                                     |
| 9  | Non-financial corporations subject to NFRD<br>disclosure obligations                               | 51.10%                                                          | 10.31% | 9.92%                           | –                                    | –                 | 17.20%                                |
| 10 | Households                                                                                         | 70.23%                                                          | 19.32% | –                               | –                                    | –                 | 57.38%                                |
| 11 | of which loans collateralised by residential<br>immovable property                                 | 70.36%                                                          | 19.43% | –                               | –                                    | –                 | 57.07%                                |
| 12 | of which building renovation loans                                                                 | 100.00%                                                         | –      | –                               | –                                    | –                 | 4.03%                                 |
| 13 | of which motor vehicle loans                                                                       | –                                                               | –      | –                               | –                                    | –                 | –                                     |
| 14 | Local government financing                                                                         | –                                                               | –      | –                               | –                                    | –                 | 0.68%                                 |
| 15 | Housing financing                                                                                  | –                                                               | –      | –                               | –                                    | –                 | –                                     |
| 16 | Other local governments financing                                                                  | –                                                               | –      | –                               | –                                    | –                 | –                                     |
| 17 | Collateral obtained by taking possession: residential<br>and commercial immovable properties       | –                                                               | –      | –                               | –                                    | –                 | –                                     |

Table 64, Part 3 continued on page 162



Table 64, Part 3 continued from page 161

**TABLE 64: TEMPLATE 8 – GAR (%)**

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|    |                                                                                                    | q                                                                   | r     | s                                  | t                        | u                    | v                                                                   | w | x                                  | y                        | z                    |
|----|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------|------------------------------------|--------------------------|----------------------|---------------------------------------------------------------------|---|------------------------------------|--------------------------|----------------------|
|    |                                                                                                    | 31.12.2024: KPIs inflows                                            |       |                                    |                          |                      |                                                                     |   |                                    |                          |                      |
|    |                                                                                                    | 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                                |   |                                    |                          |                      |
|    | %<br>(compared to total covered assets<br>in the denominator)                                      |                                                                     |       | Of which<br>specialised<br>lending | Of which<br>transitional | Of which<br>enabling |                                                                     |   | Of which<br>specialised<br>lending | Of which<br>transitional | Of which<br>enabling |
| 1  | GAR                                                                                                | 41.89%                                                              | 3.45% | 0.91%                              | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 2  | Loans and advances, debt securities and equity<br>instruments not HfT eligible for GAR calculation | 50.93%                                                              | 4.20% | 1.10%                              | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 3  | Financial corporations                                                                             | 27.18%                                                              | 1.07% | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 4  | Credit institutions                                                                                | 20.10%                                                              | 1.25% | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 5  | Other financial corporations                                                                       | 70.28%                                                              | -     | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 6  | of which investment firms                                                                          | -                                                                   | -     | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 7  | of which management companies                                                                      | -                                                                   | -     | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 8  | of which insurance undertakings                                                                    | -                                                                   | -     | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 9  | Non-financial corporations subject to NFRD<br>disclosure obligations                               | 29.49%                                                              | 3.49% | 3.49%                              | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 10 | Households                                                                                         | 67.65%                                                              | 5.13% | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 11 | of which loans collateralised by residential<br>immovable property                                 | 68.60%                                                              | 5.21% | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 12 | of which building renovation loans                                                                 | 100.00%                                                             | -     | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |
| 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<br>and commercial immovable properties       | -                                                                   | -     | -                                  | -                        | -                    | -                                                                   | - | -                                  | -                        | -                    |

Table 64, Part 4 continued on page 163



Table 64, Part 4 continued from page 162

**TABLE 64: TEMPLATE 8 – GAR (%)**

PART 4 OF 4

|    |                                                                                                    | aa                                                                  | ab    | ac                              | ad                                   | ae                | af                                        |
|----|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------|---------------------------------|--------------------------------------|-------------------|-------------------------------------------|
|    |                                                                                                    | 31.12.2024: KPIs inflows                                            |       |                                 |                                      |                   |                                           |
|    |                                                                                                    | TOTAL (CCM + CCA)                                                   |       |                                 |                                      |                   |                                           |
|    |                                                                                                    | Proportion of new eligible assets funding taxonomy relevant sectors |       |                                 |                                      |                   |                                           |
|    |                                                                                                    | Of which environmentally sustainable                                |       |                                 |                                      |                   |                                           |
|    | %<br>(compared to total covered assets<br>in the denominator)                                      |                                                                     |       | Of which specialised<br>lending | Of which transitional/<br>adaptation | Of which enabling | Proportion of total new<br>assets covered |
| 1  | GAR                                                                                                | 41.89%                                                              | 3.45% | 0.91%                           | –                                    | –                 | 69.11%                                    |
| 2  | Loans and advances, debt securities and equity<br>instruments not HfT eligible for GAR calculation | 50.93%                                                              | 4.20% | 1.10%                           | –                                    | –                 | 69.11%                                    |
| 3  | Financial corporations                                                                             | 27.18%                                                              | 1.07% | –                               | –                                    | –                 | 4.21%                                     |
| 4  | Credit institutions                                                                                | 20.10%                                                              | 1.25% | –                               | –                                    | –                 | 3.62%                                     |
| 5  | Other financial corporations                                                                       | 70.28%                                                              | –     | –                               | –                                    | –                 | 0.59%                                     |
| 6  | of which investment firms                                                                          | –                                                                   | –     | –                               | –                                    | –                 | –                                         |
| 7  | of which management companies                                                                      | –                                                                   | –     | –                               | –                                    | –                 | –                                         |
| 8  | of which insurance undertakings                                                                    | –                                                                   | –     | –                               | –                                    | –                 | –                                         |
| 9  | Non-financial corporations subject to NFRD<br>disclosure obligations                               | 29.49%                                                              | 3.49% | 3.49%                           | –                                    | –                 | 21.86%                                    |
| 10 | Households                                                                                         | 67.65%                                                              | 5.13% | –                               | –                                    | –                 | 40.81%                                    |
| 11 | of which loans collateralised by residential<br>immovable property                                 | 68.60%                                                              | 5.21% | –                               | –                                    | –                 | 40.23%                                    |
| 12 | of which building renovation loans                                                                 | 100.00%                                                             | –     | –                               | –                                    | –                 | 4.21%                                     |
| 13 | of which motor vehicle loans                                                                       | –                                                                   | –     | –                               | –                                    | –                 | –                                         |
| 14 | Local government financing                                                                         | –                                                                   | –     | –                               | –                                    | –                 | 2.23%                                     |
| 15 | Housing financing                                                                                  | –                                                                   | –     | –                               | –                                    | –                 | –                                         |
| 16 | Other local governments financing                                                                  | –                                                                   | –     | –                               | –                                    | –                 | –                                         |
| 17 | Collateral obtained by taking possession: residential<br>and commercial immovable properties       | –                                                                   | –     | –                               | –                                    | –                 | –                                         |



TABLE 65: 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 (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                                                                             | 85.8                                |                                                         |                                                       | The classified bonds (e.g. sustainable/“green”) contribute to the climate goals of “climate protection” or “adaptation to climate change” and are issued in accordance with an international standard for “green” bonds. On the capital market, they are classified by MHB as more liquid and more stable in value than non-green/sustainable bonds.                                                                                                                                                                                                                                                                                                               |
| 2                            | Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards) |                                     |                                                         |                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 3                            | Non-financial corporations                                                                         | –                                   | –                                                       | –                                                     | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                              | of which loans collateralised by commercial immovable property                                     | –                                   | –                                                       | –                                                     | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 4                            | Other counterparties                                                                               | –                                   | –                                                       | –                                                     | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 5                            | Financial corporations                                                                             | 874.1                               |                                                         | Y                                                     | 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                                                                         | 4,029.0                             |                                                         | Y                                                     | Y 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 contained in Template 10 are not already compliant with the EU taxonomy, as they are, for example, with counterparties that are not taxonomy-eligible. |
|                              | Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards) |                                     |                                                         |                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 7                            | of which loans collateralised by commercial immovable property                                     | 3,557.6                             |                                                         | Y                                                     | Y 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 contained in Template 10 are not already compliant with the EU taxonomy, as they are, for example, with counterparties that are not taxonomy-eligible. |



Table 65, continued from page 164

**TABLE 65: 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 (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                                                                                            | 1,298.4                             | Y                                                       | 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<br>(e.g. green, sustainable, sustainability-linked under standards other than the EU standards) | 1,280.9                             | Y                                                       | 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 loans collateralised by residential immovable property                                       | 76.9                                | Y                                                       | 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                           | of which building renovation loans<br>Other counterparties                                            | –                                   | –                                                       | –                                                     | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |



# ANNEX – MANAGEMENT BODIES

## Supervisory Board

Dr. Hermann Starnecker  
Spokesman of the Board of Management  
VR Bank Augsburg-Ostallgäu eG

### **Chairman of the Supervisory Board**

Gregor Scheller  
President and Chairman of the Board of  
Genossenschaftsverbands Bayern e.V.

### **Deputy Chairman of the Supervisory Board**

I. K. H. Anna Herzogin in Bayern  
Entrepreneur

Dr. Nadine Becken (as of 19 April 2024)  
Entrepreneur

Ute Heilig (as of 19 April 2024)  
Member of the Board of Management of Frankfurter Volksbank  
Rhein/Main eG (former Member of the Board of Management  
of Raiffeisen-Volksbank Aschaffenburg eG)

Thomas Höbel (as of 19 April 2024)  
Bank director (ret.)

Josef Hodrus  
Spokesman of the Board of Management  
Volksbank Allgäu-Oberschwaben eG

Jürgen Hölscher  
Member of the Board of Management  
Emsländische Volksbank eG

Rainer Jenniches (until 19 April 2024)  
Member of the Board of Management (until 31 March 2024)  
Bank director (ret.) (as of 1 April 2024)

Reimund Käsbauer  
Employee representative

Michael Schäffler  
Employee representative

Claudia Schirsch  
Employee representative

Kai Schubert  
Member of the Board of Management  
Raiffeisenbank Südstormarn Mölln eG

Frank Wolf-Kunz  
Employee representative

## Board of Management

Dr. Holger Horn  
Chairman

Ulrich Scheer  
Member of the Management Board

Markus Wirsén  
Member of the Board of Management

As at the reporting date, there were no loans to members of the Supervisory Board (previous year: loans of EUR 459 thousand). As in the previous year, the portfolio did not include any loans to members of the Board of Management. Pension provisions of EUR 19,968 thousand (previous year: EUR 20,825 thousand) were created for former members of the Board of Management and their survivors. Total compensation paid in the reporting year amounted to the following: to members of the Board of Management, EUR 2,186 thousand (previous year: EUR 1,921 thousand), to members of the Supervisory Board, EUR 546 thousand (previous year: EUR 489 thousand), and to members of the Advisory Committee, EUR 45 thousand (previous year: EUR 41 thousand). Total compensation paid to former members of the Board of Management and their survivors amounted to EUR 1,801 thousand (previous year: EUR 2,101 thousand).



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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<br>(Bundesanstalt für Finanzdienstleistungsaufsicht)                                                                                                                                                                                                               | ECB            | European Central Bank                                                                                                                                               |
| BVR      | Federal Association of German Volksbanken and Raiffeisenbanken<br>(Bundesverband der Deutschen Volksbanken und Raiffeisenbanken)                                                                                                                                                                                  | ECAI           | External Credit Assessment Institutions                                                                                                                             |
| BWGV     | Association of Baden-Wuerttemberg Cooperatives<br>(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<br>26 June 2013 on access to the activity of credit institutions and the prudential<br>supervision of credit institutions and investment firms, amending Directive<br>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<br>26 June 2013 on prudential requirements for credit institutions and investment<br>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<br>of banks; Remuneration Regulation for Institutions<br>(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<br>(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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