



MünchenerHyp

MÜNCHENER HYPOTHEKENBANK eG

Disclosure Report as at June 30, 2015
in accordance with EBA guidelines
on disclosure (EBA/GL/2014/14)

Structure of equity capital

	30 June 15 (in € m)	30 June 15 Fully loaded CRR/CRD ⁽¹⁾ (in € m)
Common equity Tier 1 capital: instruments and reserves		
Capital instruments and the related share premium accounts	681,7	681,7
of which, paid up capital	681,7	681,7
Revenue reserves	283,8	283,8
Funds for general banking risk	14,7	14,7
Common equity Tier 1 capital before regulatory adjustments	980,2	980,2
Common equity Tier 1 (CET1) capital: regulatory adjustments		
Intangible assets (net of related tax liability) (negative amount)	-4,5	-11,1
Negative amounts resulting from the calculation of expected loss amounts	-11,3	-28,3
Direct and indirect holdings by an institution in own CET1 instruments (negative amount)	-8,1	-8,1
Total regulatory adjustments to common equity Tier 1 (CET1)	-23,9	-47,5
Common equity Tier 1 (CET1) capital	956,3	932,7
Additional Tier 1 (AT1) capital: instruments		
Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	147,2	0,0
Additional Tier 1 (AT1) capital before regulatory adjustments	147,2	0,0
Additional Tier 1 (AT1) capital: regulatory adjustments		
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 of Regulation (EU) No 575/2013	-15,2	0,0
of which, intangible assets	-6,7	0,0
of which, shortfall of provisions to expected losses	-8,5	0,0
Total regulatory adjustments to additional Tier 1 (AT1) capital	-15,2	0,0
Additional Tier 1 (AT1) capital	132,0	0,0
Tier 1 capital (T1 = CET1 + AT1)	1.088,3	932,7
Tier 2 (T2) capital: instruments and provisions		
Capital instruments and the related share premium accounts	129,2	276,4
Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	154,8	0,0
Credit risk adjustments	4,6	4,6
Tier 2 (T2) capital before regulatory adjustments	288,6	281,0
Tier 2 capital : regulatory adjustments		
Residual amounts deducted from Tier 2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013	-8,5	0,0
of which, shortfall of provisions to expected losses	-8,5	0,0
Total regulatory adjustments to Tier 2 (T2) capital	-8,5	0,0
Tier 2 (T2) capital	280,1	281,0
Total regulatory capital (TC = T1 + T2)	1.368,4	1.213,7

Capital ratios

	30 June 15 (in € m)	30 June 15 Fully loaded CRR/CRD ⁽¹⁾ (in € m)
Total risk exposure amount		
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	7.194,1	7.194,1
Operational risk (Basic indicator approach)	181,8	181,8
CVA-risk (based on standardised method)	392,9	392,9
Total risk-weighted assets	7.768,8	7.768,8
Capital ratios		
CET 1 capital ratio (as a percentage of total risk exposure amount)	12,3	12,0
Tier 1 capital ratio (as a percentage of total risk exposure amount)	14,0	12,0
Total capital ratio (as a percentage of total risk exposure amount)	17,6	15,6
CET 1 available for buffer (as a percentage of total risk exposure amount)	7,8	7,5

⁽¹⁾ Fully loaded CRR/CRD: No consideration of transitional regulations set out in CRR/CRD 4

Risk exposure values for portfolios subject to Internal ratings based Approach (IRBA) as at June 30, 2015

A. According to exposure classes

	Exposure ⁽³⁾ (in € m)	Risk-weighted assets (in € m)	Equity capital requirement (in € m)
Central governments and central banks	0,0	0,0	0,0
Institutions	3.091,6	1.007,7	80,6
Corporates	7.043,9	2.153,2	172,3
Retail business	16.046,6	1.219,0	97,5
Equity	0,0	0,0	0,0
Securitisation positions	0,0	0,0	0,0
Other non credit-obligation assets	99,0	99,0	7,9
Total	26.281,1	4.478,9	358,3

B. Positions in the basic IRBA split into risk classes and exposure classes

	PD ≤ 0,03% AAA-AA	0,03% < PD ≤ 0,1% A	0,1% < PD ≤ 0,5% BBB	0,5% < PD < 100% BB-C	PD = 100% Default	Total
Exposure ⁽³⁾ (in € m)						
Institutions	675,2	711,0	1.154,0	551,4	0,0	3.091,6
Corporates	0,0	3.698,9	2.538,6	718,4	88,0	7.043,9
of which, SME	0,0	2.138,1	1.962,8	710,2	74,7	4.885,8
of which, specialised lending	0,0	179,3	173,3	0,5	11,8	364,9
Average risk weighting ⁽⁴⁾ (in %)						
Institutions	16,0%	26,3%	38,7%	48,2%	0,0%	32,6%
Corporates	0,0%	19,5%	37,2%	67,9%	0,0%	30,6%
of which, SME	0,0%	17,6%	34,4%	67,9%	0,0%	31,4%
of which, specialised lending	0,0%	25,5%	50,4%	263,7%	0,0%	36,8%

C. Exposure values and risk classes for the retail exposure class

	Range EL ≤ 0,05%	Range 0,05% < EL ≤ 0,5%	Range 0,5% < EL ≤ 5%	Range 5% < EL ≤ 25%	Range 25% < EL ≤ 100%	Total
Exposure ⁽³⁾ (in € m)						
IRBA Retail business exposure secured by mortgage liens	13.400,3	2.264,8	305,2	27,9	48,4	16.046,6
Average risk weight ⁽⁴⁾ (in %)						
IRBA Retail business exposure secured by mortgage liens	2,6%	16,9%	82,5%	200,4%	364,4%	7,6%
Average loss given default rate ⁽⁴⁾ (in %)						
IRBA Retail business exposure secured by mortgage liens	10,2%	27,1%	21,2%	35,9%	54,3%	12,9%

Risk exposure values for portfolios subject to Standardised approach (SA) as at June 30, 2015

	Exposure ⁽³⁾ (in € m)	Risk-weighted assets (in € m)	Equity capital requirement (in € m)
Central governments and central banks	1.125,7	14,5	1,2
Regional governments and local authorities	4.931,8	5,8	0,5
Public sector entities	510,6	43,4	3,5
Multilateral development banks	266,7	0,0	0,0
International organisations	0,0	0,0	0,0
Institutions	39,3	13,6	1,1
Corporates	552,8	552,3	44,2
Retail exposures	933,7	693,3	55,4
Secured by mortgages on immovable property	3.204,5	1.120,2	89,6
Exposures in default	136,1	154,4	12,3
Exposures associated with particularly high risk	4,7	7,0	0,6
Covered bonds	0,0	0,0	0,0
Securitisation positions	0,0	0,0	0,0
Institutions and corporates with a short-term credit assessment	0,0	0,0	0,0
Units or shares in collective investment undertakings (CIUs)	0,0	0,0	0,0
Equity exposures (Grandfathering)	110,5	110,5	8,8
Other items	0,0	0,0	0,0
Total	11.816,4	2.715,0	217,2

Further information

Münchener Hypothekbank eG revised the classification of specialised lending for corporate exposures subject to the basic IRBA. Münchener Hypothekbank eG now states a major portion of the corporate risk exposure values classified as specialised lending as at December 31, 2014 in the SME category.

In the first half of 2015, Münchener Hypothekbank eG sold the remaining MBS in its portfolio. As at December 31, 2014 securitisation exposure amounted to €8.9 million.

There are no other significant changes in the portfolios.

⁽³⁾ Exposure: Exposure value after the inclusion of credit conversion factors (CCF) and risk mitigation measures

⁽⁴⁾ Exposure weighted average value

Leverage ratio common disclosure

	30 June 15 (in € m)	30 June 15 Fully loaded CRR/CRD ⁽¹⁾ (in € m)
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	34.633,8	34.633,8
Asset amounts deducted in determining Tier 1 capital	11,1	11,1
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	34.622,7	34.622,7
Derivative exposures		
Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	111,8	111,8
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	422,4	422,4
Total derivative exposures	534,2	534,2
Securities financing transaction exposures		
SFT exposures in accordance with Article 220 CRR	20,8	20,8
SFT exposures in accordance with Article 222 CRR	0,0	0,0
Total securities financing transaction exposures	20,8	20,8
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	3.239,5	3.239,5
Adjustments for conversion to credit equivalent amounts	0,0	0,0
Other off-balance sheet exposures	3.239,5	3.239,5
Total leverage ratio exposures (sum of On-balance sheet exposure, derivative exposure, SFT exposure and other off-balance sheet exposures)	38.417,2	38.417,2
Tier 1 capital	1.088,3	932,7
Leverage ratio (in %)		
Leverage ratio as at June 30, 2015 (as a percentage of total leverage ratio exposures)	2,84%	2,43%
Leverage ratio - arithmetic mean of the monthly leverage ratio over the second quarter 2015 (as a percentage of total leverage ratio exposures)	2,79%	2,39%

⁽¹⁾ Fully loaded CRR/CRD: No consideration of transitional regulations set out in CRR/CRD 4