



MünchenerHyp

Presentation 8y green SNP

March 2021

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systemic important bank under direct ECB supervision

- independent from any corporate group and member of the cooperative FinanzGruppe
- 48.8 bn Euro total assets
- broad based ownership; no predominant owner
- Moody's issuer rating: Aa3 senior unsecured (negative outlook), A2 junior senior unsecured

favourable funding by Pfandbrief privilege

- Pfandbrief licence: continuous issuing of benchmark bonds and private placements (as per 08.09.2020)
- Moody's Pfandbrief rating: - Aaa for Mortgage Pfandbriefe
 - Public Sector Pfandbriefe rating withdrawn, no longer within Bank's business strategy

deep roots within the Cooperative Financial Network ("FinanzGruppe")

- partner of Volksbanken and Raiffeisenbanken in the mortgage lending business
- Volksbanken and Raiffeisenbanken as most important business partners and biggest owner group
- excellent access to liquidity via the cooperative institutions
- strong protection scheme with guarantee fund and guarantee network

sustainable business model

- sustainability as integral part of the long-term and risk conservative business model
- focus on co-operative mission, no profit maximisation

The members as largest capital investor

membership

- approx. 64,100 members
- 15.43 million non-terminated co-operative shares
- 70 Euro nominal value, no trading
- 1,080.2 million Euro total amount of non-terminated co-operative shares

impact on strategy and business

- long-term profitability and business sustainability
- conservative risk policy
- no major shareholder
- continuous dividend capability

as per 30/06/2020

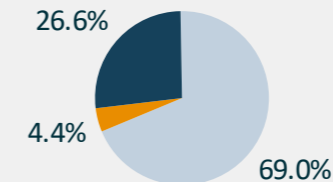
equity components

in EUR million

Common Equity Tier 1		1,421.2
Paid-up capital	1,080.2	
Reserves	332.0	
Special items for general banking risk	35.0	
Deductible items	- 26.0	
Additional Equity Tier 1		117.4
Tier 2 Capital		36.8
Total Equity		1,575.4




ownership structure

30/06/2020
EUR 1,080.2 m

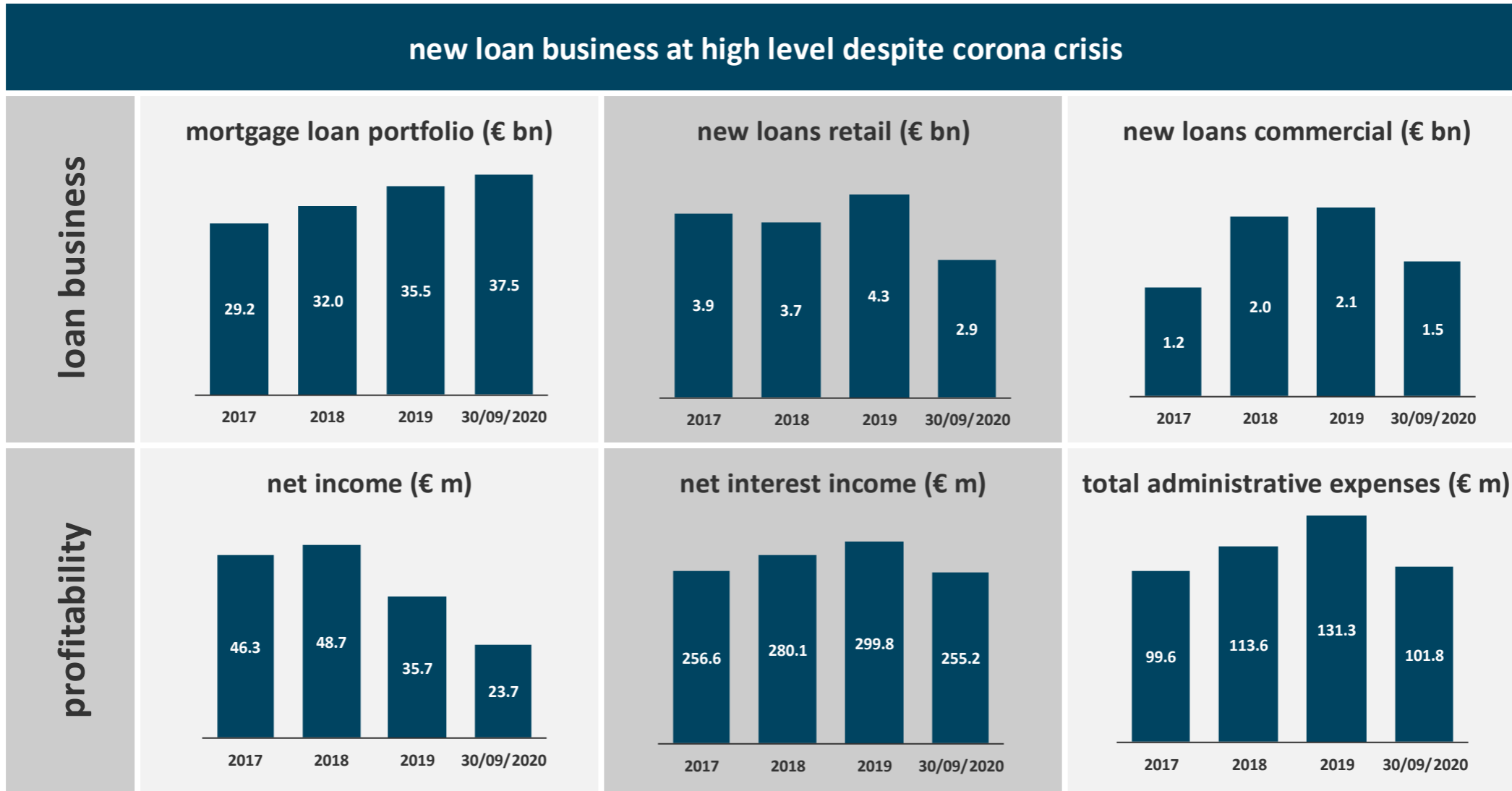


- Co-operative primary banks
- Other FinanzGruppe companies
- Customers and other members

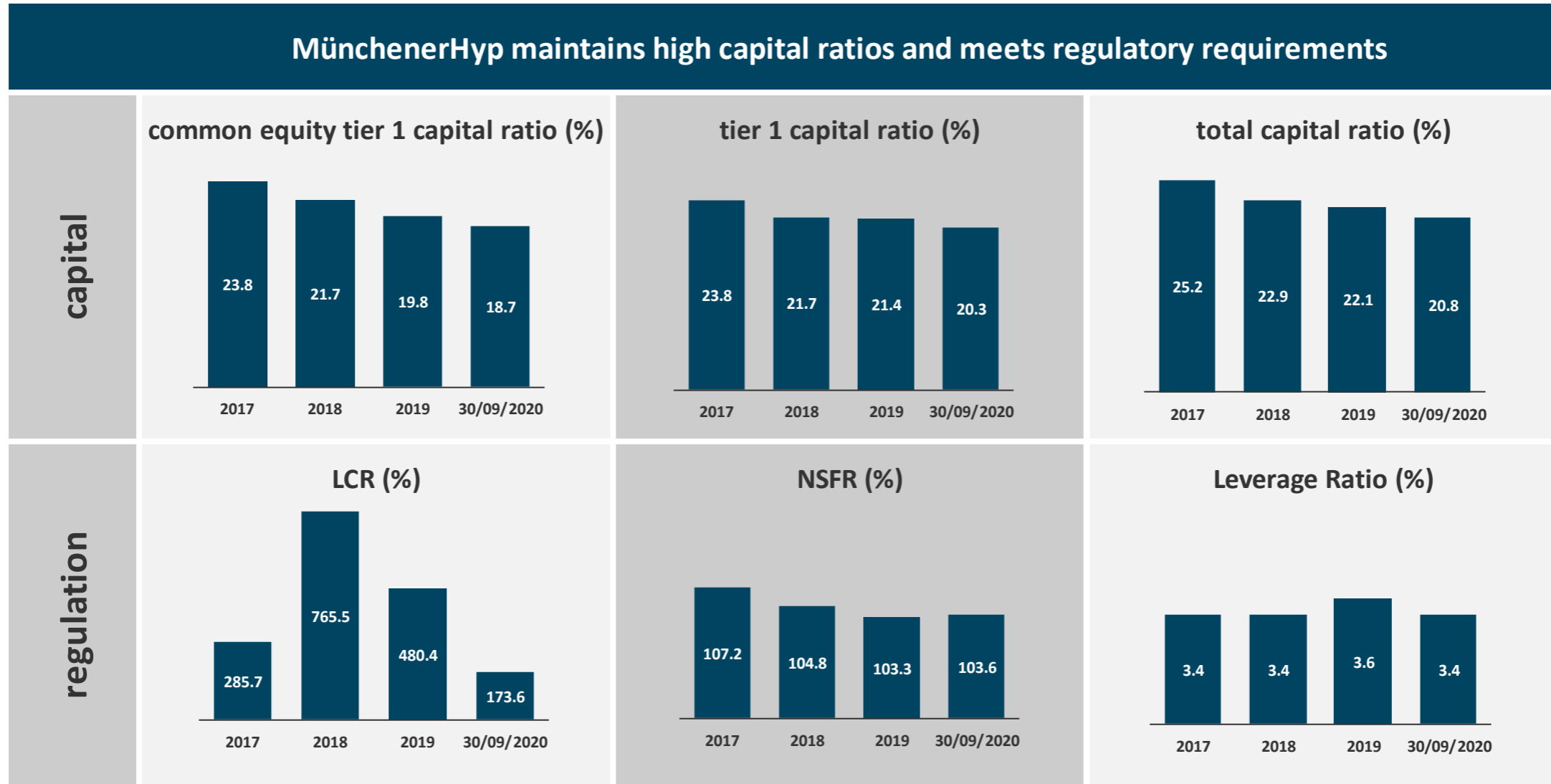
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	Münchener Hypothekenbank eG		
	public-sector Pfandbriefe mortgage Pfandbriefe senior unsecured (preferred senior notes) junior senior unsecured (non-preferred senior notes) short-term liabilities long-term deposits AT1 rating	Moody's Rating withdrawn* Aaa Aa3 A2 Prime-1 Aa3 Ba1 (hyb)	Outlook negative negative
	Münchener Hypothekenbank eG within the Cooperative Financial Network		
	long-term short-term	Fitch Rating AA- F1+	Outlook negative
	Cooperative Financial Network		
	long-term short-term	S&P Rating AA- A-1+	Outlook negative

* issuance of Public Sector Pfandbriefe is no longer within Bank's business strategy



Date of information: 30/09/2020



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The portfolio impresses with its high granularity

loan portfolio

- 37.1 bn Euro
- 210,769 individual loans
- volume by type of underlying property:
 - 80.8% residential
 - 19.2% commercial
- average loan size:
 - about 143,000 Euro residential properties
 - about 6,000,000 Euro commercial properties
- average loan-to-value ratio:
 - 63.2% residential buildings
 - 84.2% commercial buildings
- geographic split:
 - 46.2% Bavaria, Baden-Württemberg, Hesse and North Rhine-Westphalia
 - 27.3% other German States
 - 5.4% Berlin
 - 12.9% Switzerland
 - 8.2% other non-domestic

mortgage loan portfolio as per 30/06/2020

LTV

L.-t.-sust.-value ratio ^{*)}	EUR millions	%	% cumulative
Up to 60%	14,750	39.74%	39.74%
Over 60 to 70%	6,468	17.42%	57.16%
Over 70 to 80%	7,028	18.93%	76.10%
Over 80 to 90%	2,887	7.78%	83.87%
Over 90 to 100%	2,598	7.00%	90.87%
Over 100%	3,386	9.12%	99.99%
Without	2	0.01%	100.00%
Total	37,119	100.00%	

^{*)}The terms of the German Pfandbrief Act (PfandBG) define the sustainable value of property as, being generally 10-15% below the open market value of the property.

useful links

Links:
 §28 Pfandbrief Act - further cover pool information
<https://www.muenchenerhyp.de/en/investors/cover-pool/ss-28-pfandbrief-act>
 ECBC Label
<https://www.muenchenerhyp.de/en/investors/cover-pool/ecbc-covered-bond-label>

Date of information: 30/06/2020



Diversified growth in the mortgage portfolio across sectors and regions

Business Areas	Residential Mortgages	Commercial Mortgages																				
Approach	Owner-occupied residential mortgage lending	Financing of predominantly offices and retail properties																				
Competitive Strength	Distribution network of the cooperative banking sector and partnerships (PostFinance, Switzerland)	Attractive funding basis, expertise and a quick decision making process																				
Products	Fixed rate loans with amortisation up to 40 years	Broad product range																				
Geographical Focus	<table border="1"> <tr><th>Region</th><th>Percentage</th></tr> <tr><td>Germany</td><td>81.7%</td></tr> <tr><td>Switzerland</td><td>17.0%</td></tr> <tr><td>Others</td><td>1.3%</td></tr> </table>	Region	Percentage	Germany	81.7%	Switzerland	17.0%	Others	1.3%	<table border="1"> <tr><th>Region</th><th>Percentage</th></tr> <tr><td>Germany</td><td>70.1%</td></tr> <tr><td>Western Europe</td><td>23.2%</td></tr> <tr><td>USA</td><td>6.7%</td></tr> </table>	Region	Percentage	Germany	70.1%	Western Europe	23.2%	USA	6.7%				
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Share of business by type & development of portfolio	<table border="1"> <tr><th>Year</th><th>Volume (bn EUR)</th></tr> <tr><td>2017</td><td>24.9</td></tr> <tr><td>2018</td><td>26.5</td></tr> <tr><td>2019</td><td>28.8</td></tr> <tr><td>30/06/2020</td><td>30.0</td></tr> </table>	Year	Volume (bn EUR)	2017	24.9	2018	26.5	2019	28.8	30/06/2020	30.0	<table border="1"> <tr><th>Year</th><th>Volume (bn EUR)</th></tr> <tr><td>2017</td><td>4.3</td></tr> <tr><td>2018</td><td>5.5</td></tr> <tr><td>2019</td><td>6.7</td></tr> <tr><td>30/06/2020</td><td>7.1</td></tr> </table>	Year	Volume (bn EUR)	2017	4.3	2018	5.5	2019	6.7	30/06/2020	7.1
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Sustainability is represented in all business areas

sustainable property financing

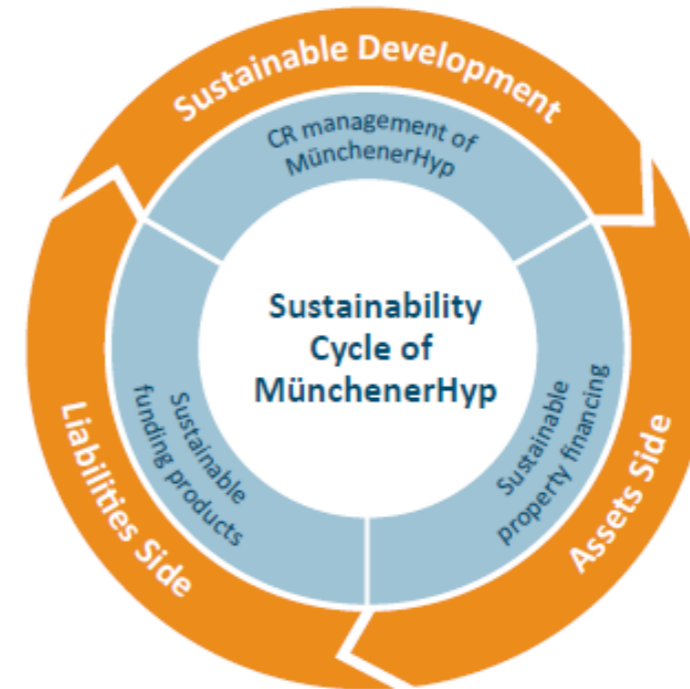
- green mortgage loan for retail customers
 - focus on energy efficiency; improved interest rate
- certified commercial mortgage lending
 - top criteria of the important certification systems
- family loan with social aspect with reduced interest rate
 - support for families with medium available income
- mortgage loans to housing cooperatives
 - high social standards of their statutes

sustainable funding products

- ESG Pfandbrief
- green senior bonds
- green Commercial Paper

standards for sustainable funding

- Green Bond Framework
- Second Party Opinion from ISS-ESG



Links:

Green Bond Framework

https://www.muenchenerhyp.de/sites/default/files/downloads/2020-12/Green_Bond_Framework_en_final.pdf

SPO

https://www.muenchenerhyp.de/sites/default/files/2020-11/30102020_MHB_SPO.pdf





Impact Reporting

https://www.muenchenerhyp.de/sites/default/files/downloads/2020-02/Impact_Reporting_en_04.pdf

Green reporting




https://www.muenchenerhyp.de/sites/default/files/downloads/2021-02/green_reporting_31_12_2020.pdf

Good ratings confirm the sustainability of MünchenerHyp

 <p>Corporate ESG Performance RATED BY ISS ESG Prime</p>	<p>Social Rating Environmental Rating Rating</p>	<p>B- C+ C+</p>	<p>MünchenerHyp is rated 4th out of 130 companies in the sector Financials/Mortgage & Public Sector Finance, status: 18/12/2020</p>
	<p>Sustainability Rating Public-sector Pfandbriefe Mortgage Pfandbriefe</p>	<p>positive (BB; 63%) very positive (A; 85%) positive (BBB; 73%)</p>	<p>status: 29/01/20</p>
	<p>17.4%</p>	<p>The lower the risk score, the more robust the company's sustainability management. status: 21/01/21</p>	
 <p>DZ BANK SEAL OF QUALITY FOR SUSTAINABILITY Münchener Hypothekenbank eG 02/2021</p>			

Alignment with the SDGs



Use of Proceeds	Alignment with the UN Sustainable Development Goals (SDGs)		
Green Loans / Certified Environmental Loans	Goals	Targets	
		7.3: Double the global rate of improvement in energy efficiency	Primary alignment
	 	11.6: Reduce the adverse per capita environmental impact of cities 13.2: Integrate climate change measure into national policies, corporate strategies and planning	

green loan for retail customers:

- strict energy standards for sustainable financing
- MünchenerHyp is granting the full loan on a discounted interest rate to incentivise customers
- available for new construction, purchase, modernisation or restructuring
- loans are certified by ISS-oekom

loans represent the top 10% in energy efficiency performance in the German housing market:

- annual primary energy consumption not more than 70 kWh/sqm
- in May 2020 improvement to 55 kWh/sqm energy demand per year

positive climate impact:

- CO2 savings are shown in the impact reporting

sustainable strategy:

- currently every 5th new loan granted is already green
- permanently growing green portfolio



financing commercial assets with sustainability certificates

evaluation on the basis of the four below mentioned, important certification systems

minimum criteria subject to eligibility of the sustainability rating agency ISS-oekom:

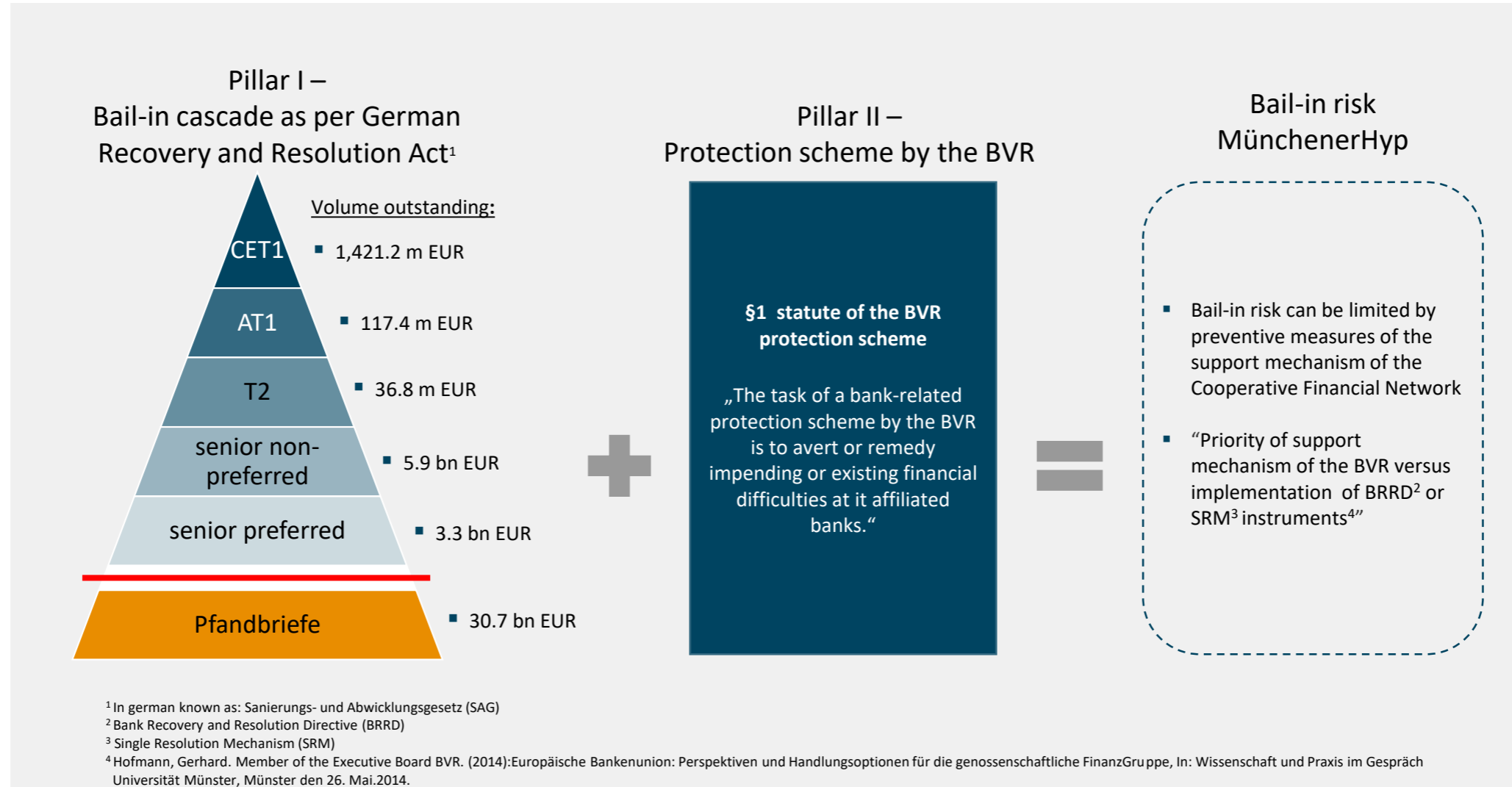
- DGNB (min. Gold or Platinum)
- BREEAM (min. Very good, Excellent or Outstanding)
- LEED (min. Gold or Platinum)
- HQE (min. Excellent or Exceptional)





assets	notional value in EUR m		liabilities
	31/12/2020		
cover pool retail	942.4	500.0	ecological ESG Pfandbrief
cover pool commercial	721.8		
over-collateralisation	1,164.2		
number of green loans: total 6,476; retail 6,438; commercial 38			
retail not in cover pool	452.4	500.4	green senior bonds
commercial not in cover pool	346.4	0	green CP
balance not in cover pool	298.4		
available green portfolio	1,462.6		

Limitation of the bail-in risk of MünchenerHyp as a result of the two pillar approaches



support mechanism

- Guarantee Fund and Guarantee Network
- managed by the Cooperative Financial Network (BVR)
- oldest support mechanism in Germany

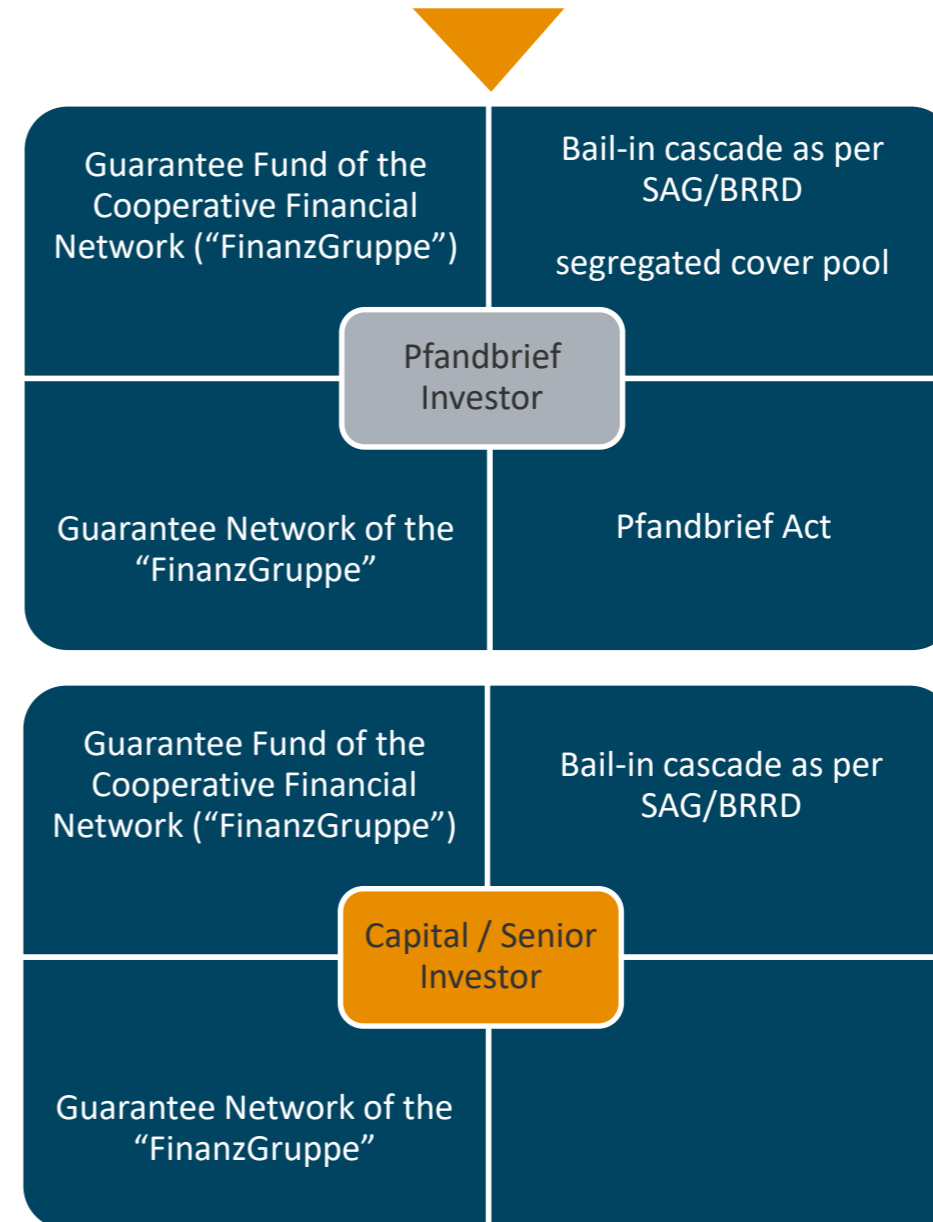
tasks

- preventive actions
- reorganisation measures

history

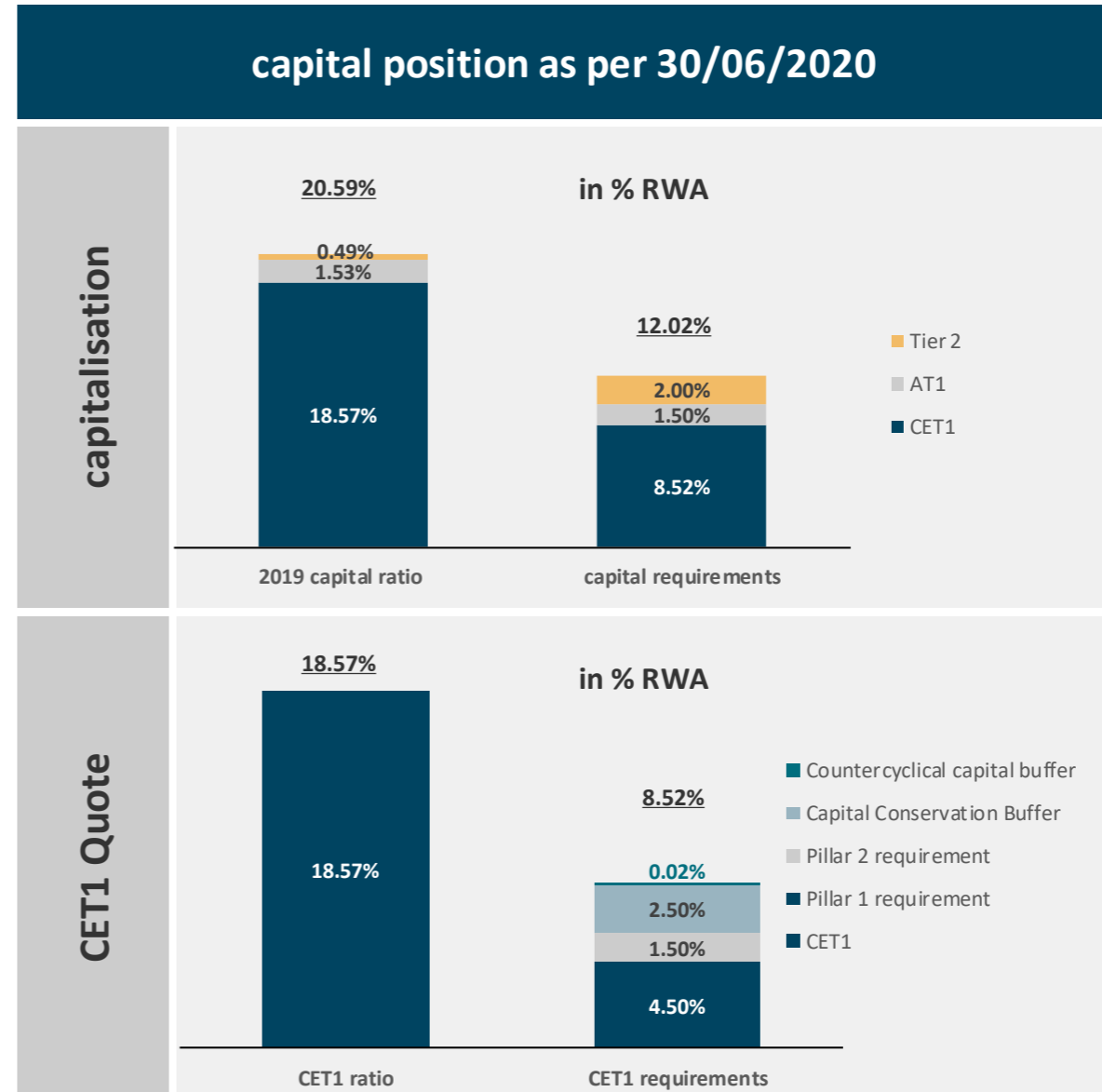
- no bankruptcy
- no loss of the notional amount of the co-operative shares
- no loss of deposits

creditor protection against risks



MünchenerHyp comfortably exceeds the regulatory minimum CET1 requirements

- Münchener Hyp's midyear 2020 CET1 ratio of 18.57% is comfortably above the minimum SREP requirement of 8.52%
- MünchenerHyp has not been identified as an Other Systemically Important Institution (O-SII) and hence is not required to meet an O-SII charge currently
- actually Germany has not activated the countercyclical capital buffer (CcyB)
- ADI amount to EUR 356 m (as per 31/12/2019)
- RWA add up to EUR 7,652.9 m



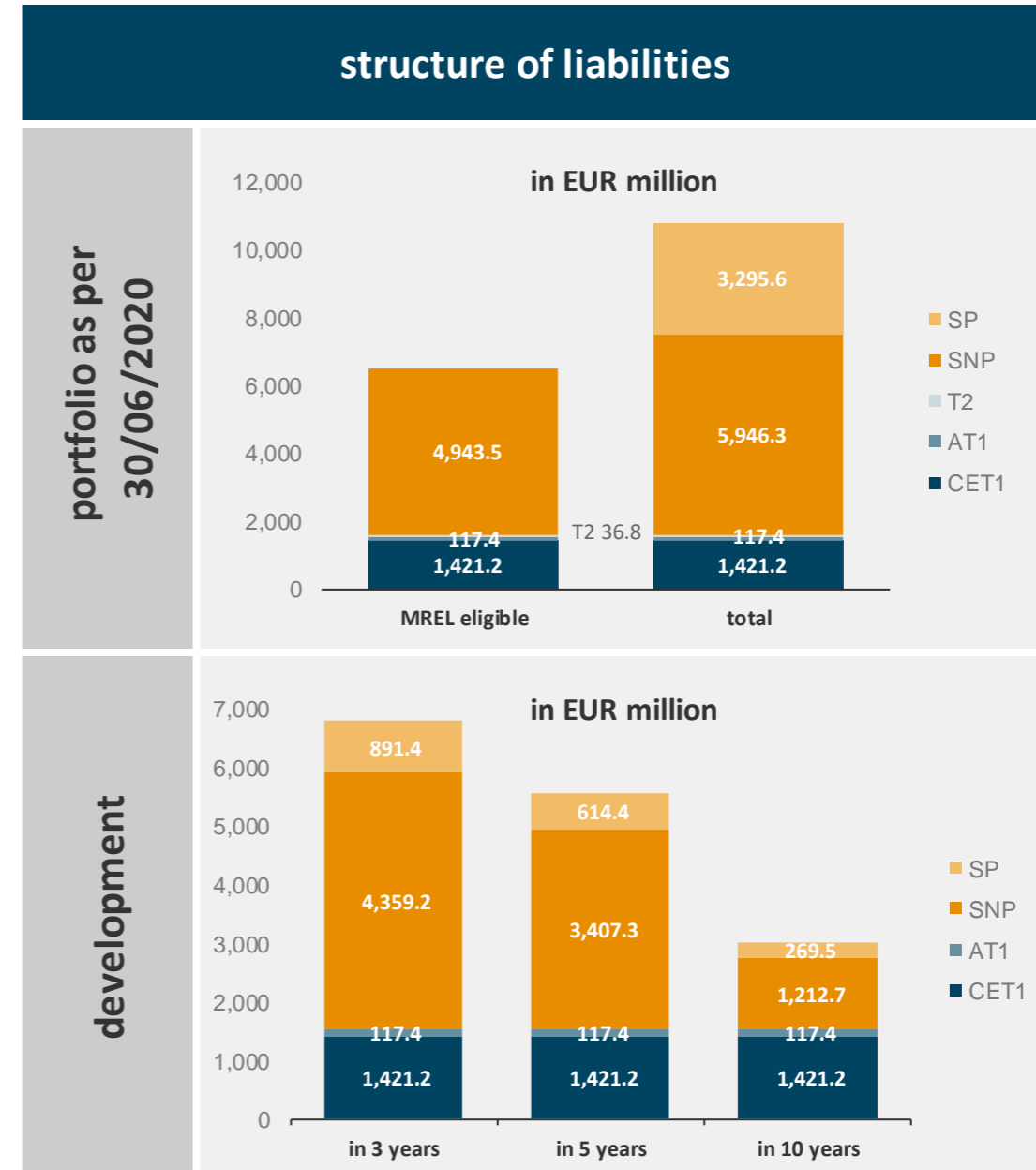
CET1 100% P2R; Date of information: 30/06/2020

MREL and liability structure



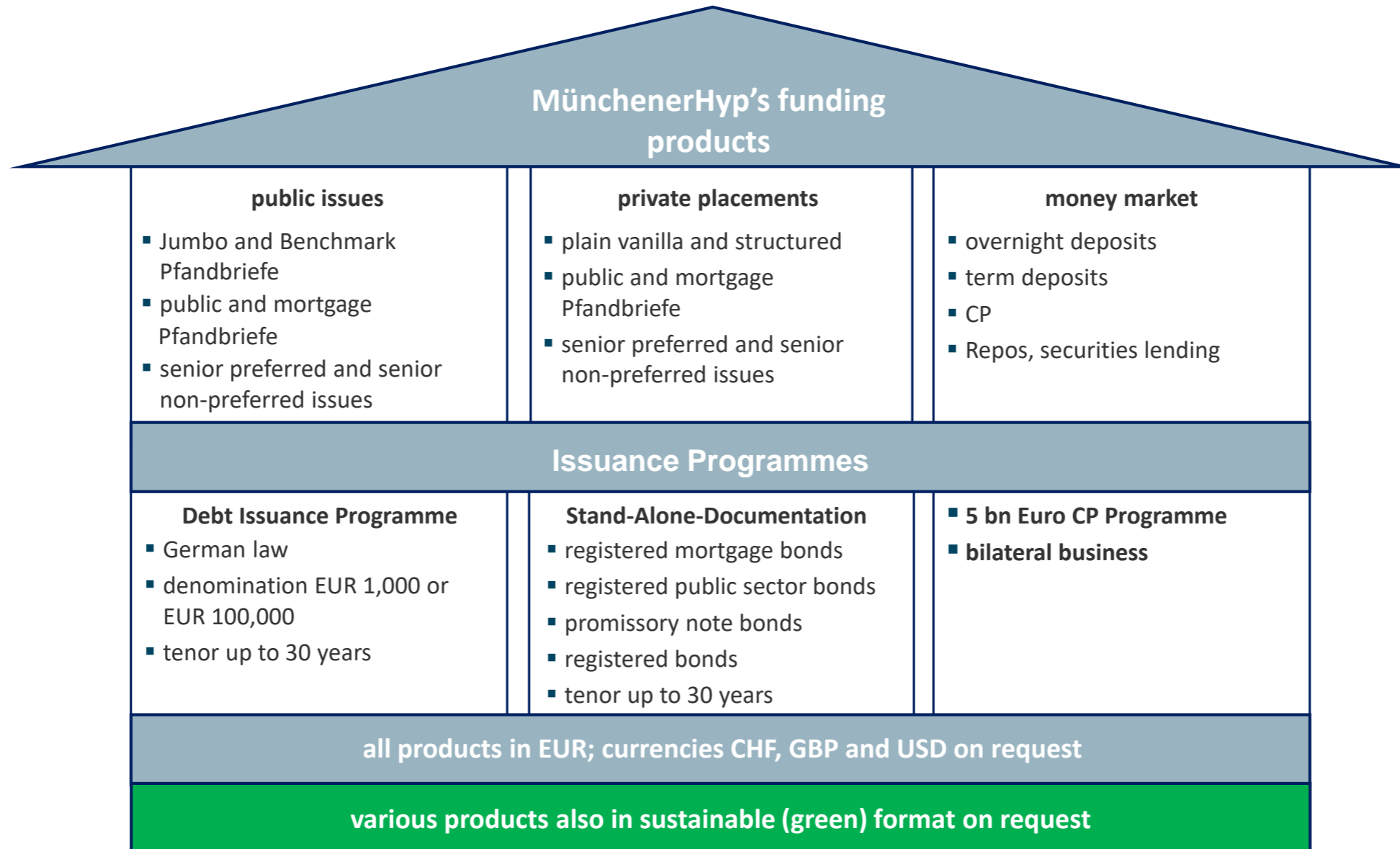
MREL requirements are fulfilled in the long term

- large outstanding volume of MREL-eligible Senior Non-Preferred Bonds (SNP) due to many years of issuing activity
 - approx. EUR 6 bn SNP bonds issued since 2016
- bonds with medium and long-term maturities
- MREL requirements are conveniently fulfilled both now and in the future
- high buffer for Senior Preferred (SP) investors available



the maturities are based on the contractual final maturity

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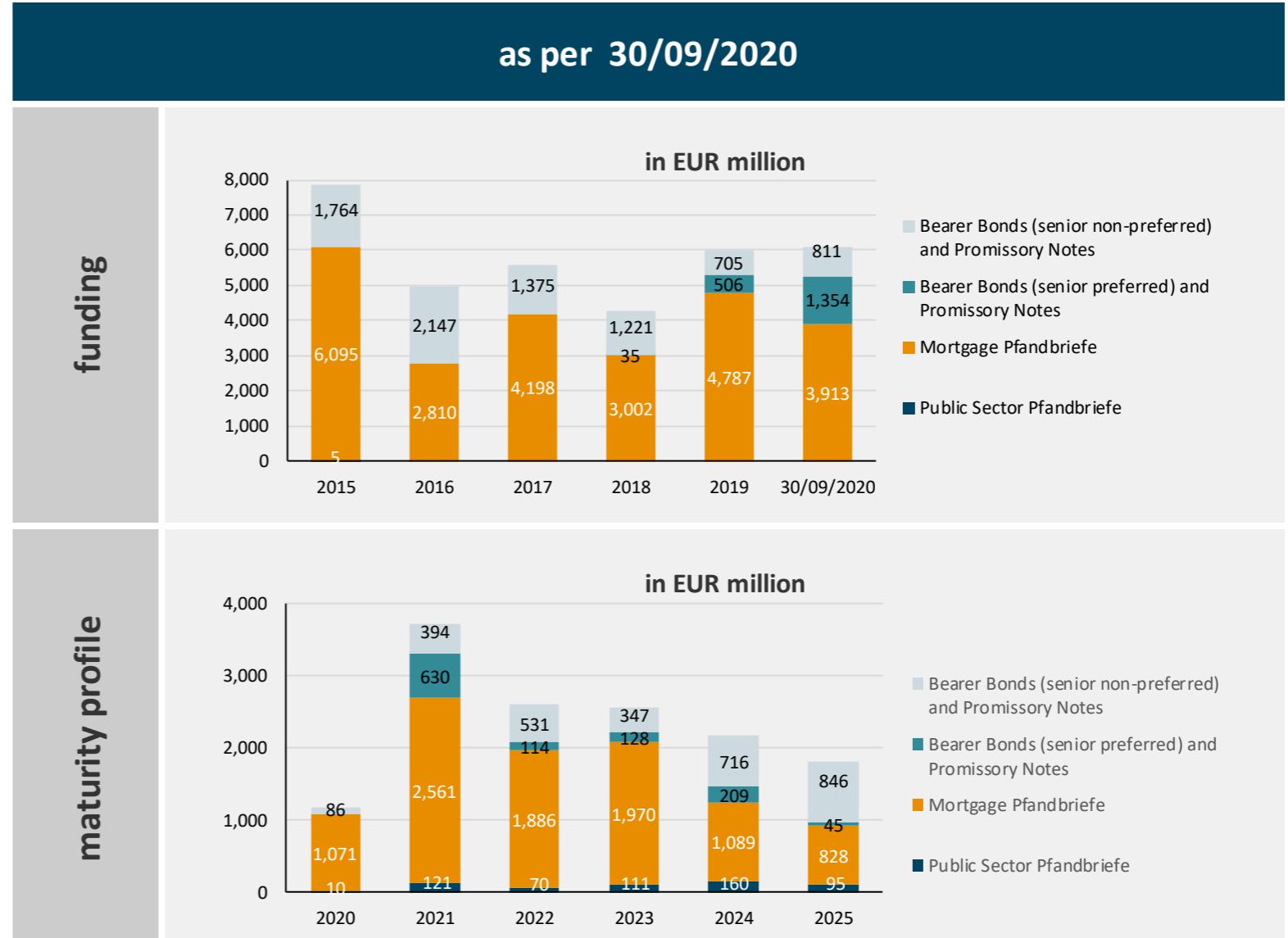


Funding and maturity profile



MünchenerHyp has a comfortable funding and maturity profile across senior and covered debt

- Most of the upcoming maturities of MREL eligible senior non-preferred has already been replaced within the ongoing funding activities
- the funding plan provides for a balanced distribution across all refinancing products
- Cost efficient access to senior funding via the Cooperative Financial Network
- MünchenerHyp regularly issues benchmark Pfandbriefe in various currencies and also in sustainable format
- permanent offer of private placements with tailor-made terms and structures



the maturities are based on the contractual final maturity



Münchener Hypothekenbank eG

Karl-Scharnagl-Ring 10

D-80539 München

Telephone: +49-89-5387-0

Telefax: +49-89-5387-77-5591

Bloomberg: MHYP

Internet: <https://www.muenchenerhyp.de>

Treasury – Debt Investor Relations

Rafael Scholz rafael.scholz@muenchenerhyp.de

Tel. +49-89-5387-88-5500*

Claudia Bärdges-Koch claudia.baerdges-koch@muenchenerhyp.de

Tel. +49-89-5387-88-5520*

* lines will be recorded