

Münchener Hypothekbank

Issuer View • 24 February 2025

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Ratings

Münchener

Hypothekbank eG

	Rating	Outlook
Fitch*	AA-	Stable
Moody's	Aa2	Stable
S&P*	A+	Stable

* Verbundrating

Homepage

www.muenchenerhyp.de

Münchener Hypothekbank eG (MünchenerHyp) is a credit institution specialising in the financing of residential and commercial property. It is also part of the Cooperative Financial Network, which consists of over 730 banks and other affiliated companies. MünchenerHyp is therefore a member of the deposit protection scheme and the voluntary bank-related protection scheme. 70.3% of the Bank's shareholders are Volksbanken and Raiffeisenbanken. The Bank employs 661 people in Germany (30 September 2024) and has around 60,000 members. Its core business areas are the granting of mortgage loans for residential and commercial property and the issue of mortgage Pfandbriefe. 80.5% of the mortgage portfolio was attributable to Germany (September 2024) and 19.5% to other countries, including Switzerland with 11.2% and other countries with 8.3%. Within Germany, the majority was attributable to the federal states of Bavaria, Baden-Württemberg, Hesse and North Rhine-Westphalia. The focus of refinancing is on mortgage Pfandbriefe and unsecured bonds in EUR and CHF. The bank also refinances itself via the money market and customer deposits. It also offers its customers green loans for energy-efficient residential and commercial property. Based on its Green Bond Framework, MünchenerHyp is also a regular issuer of green bonds in various asset classes. On the assets side, the Bank reported green loans with a volume of EUR 9,391m as at 31 December 2023, which were evenly divided between residential properties (EUR 4,759m) and commercial properties (EUR 4,632m).

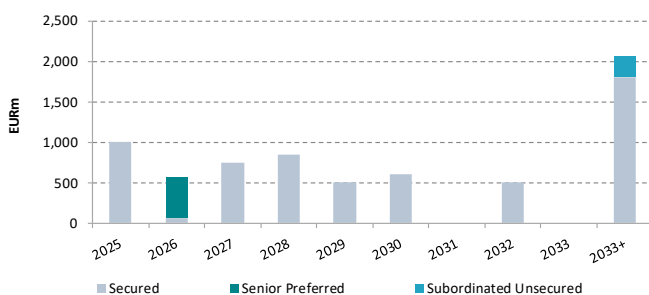
Balance Sheet

(EURm)	2022Y	2023Y	2024/9M
Net Loans to Customers	45,436	47,477	46,957
Total Securities	4,968	4,819	-
Total Deposits	15,646	16,556	16,740
Tier 1 Common Capital	1,690	1,760	1,786
Total Assets	52,406	54,061	54,719
Total Risk-weighted Assets	8,916	10,644	11,237

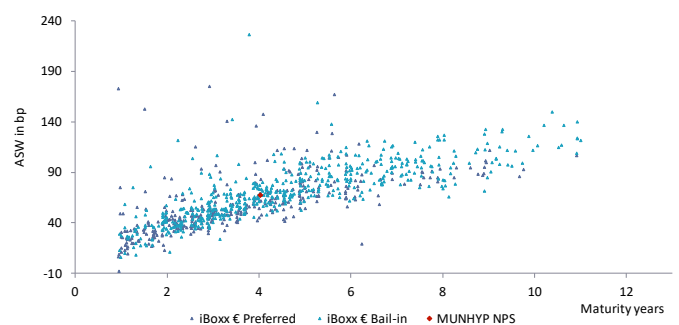
Income Statement

(EURm)	2022Y	2023Y	2024/9M
Net Interest Income	432	518	405
Net Fee & Commission Inc.	-110	-68	-46
Net Trading Income	-	-	-
Operating Expense	151	168	116
Credit Commit. Impairment	45	118	98
Pre-tax Profit	132	168	145

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2022Y	2023Y	2024/9M		2022Y	2023Y	2024/9M
Net Interest Margin	0.83	0.98	-	Liquidity Coverage Ratio	401.60	648.00	-
ROAE	3.89	5.44	6.07	IFRS Tier 1 Leverage Ratio	-	-	-
Cost-to-Income	46.79	36.81	32.47	NPL/ Loans at Amortised Cost	0.49	1.54	-
Core Tier 1 Ratio	18.96	16.53	15.89	Reserves/Loans at Amort. Cost	0.22	0.45	-

As of 24.02.2025; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Asset quality & Asset liability profile
- Likelihood of support from FinanzGruppe

Risks / Weaknesses

- Concentration risks from ABF business
- Dependency on wholesale funding

Covered Bonds

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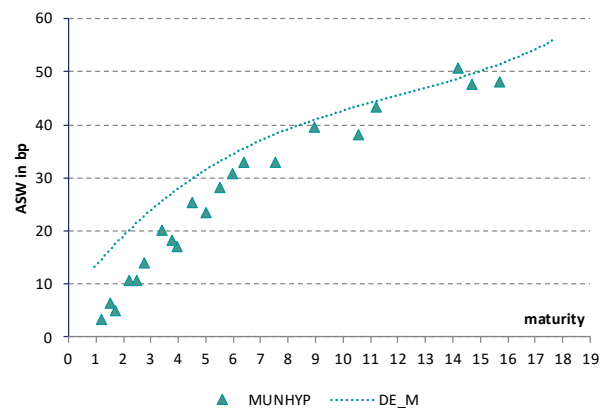
Outstanding mortgage Pfandbriefe with a volume of EUR 35bn

As at the last reporting date of 31 December 2024, MünchenerHyp had an outstanding Mortgage Pfandbrief volume of EUR 35.16bn. This was offset by cover assets of EUR 37.31bn, which resulted in an over-collateralisation ratio of 6.14%. This is well above the statutory minimum requirement. MünchenerHyp is represented in the February composition of the iBoxx EUR Covered benchmark index with a total of 21 issues totalling a volume of EUR 15.18bn. Of the 21 issues, three covered bonds were placed in green format (total volume: EUR 3.75bn). The bank was last active on the market in October 2024 with a Green Pfandbrief with a volume of EUR 500m.

Programme data

31 December 2024	Mortgage
Covered Bonds outstanding	EUR 35.157bn
Cover pool volume	EUR 37.315bn
Current OC (nominal / legal)	6.1% / 2.0%
Type	81.9% Residential
Main country	81.6% Germany
Number of loans / Borrowers	200,913 / 176,900
WAL (Cover Pool / CBs) ²	8.0y / 7.9y
Avg. LTV (mortgage lending value)	52.2%
NPL	0.5%
Fixed interest (Cover Pool / CBs)	95.7% / 94.7%
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -

Spread overview (BMK) – Germany



Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

MünchenerHyp's cover pool with a majority of primary residential property cover

As at 31 December 2024, 96.4% of the mortgage cover pool consisted of primary cover, 81.9% of which was residential and 18.1% commercial. EUR 5.46bn of the primary cover is also allocated to the "multi-family houses" category. Of the commercial cover pool share, 66.2% is made up of assets in the office segment and 29.9% in the retail segment. In geographical terms, 86.4% of property financing is located in the EU (Germany: 81.6%; Netherlands: 2.0%). This is followed by Switzerland with 11.7% and the USA with 1.2%. The granularity of the cover pool is reflected in the low share of the ten largest exposures in the cover assets (1.84%) and the number of mortgage loans (200,913) and borrowers (176,900). The cover pool is dominated by longer-term property financing. At 56.6%, loans with a previous term of at least five years account for the largest share of the pool. The average weighted loan-to-value ratio is 52.2%.

Rating and regulatory treatment

Münchener Hypothekbank's Mortgage Pfandbriefe are rated Aaa by the rating agency Moody's and also benefit from a preferential risk weighting of 10% in accordance with CRR. Moody's also reports a collateral score of 7.1%. In our opinion, the respective EUR benchmarks can be used as Level 1 assets in the context of LCR management. Newly issued Pfandbriefe of the issuer can also be marketed under the label "European Covered Bond (Premium)".

Appendix

Contacts at NORD/LB

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Financials	+49 511 9818-9490
Governments	+49 511 9818-9660
Länder/Regionen	+49 511 9818-9660
Frequent Issuers	+49 511 9818-9640

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Öffentliche Kunden	rm-oek@nordlb.de

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