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Pillar III Half Year Disclosure Report 2021

MuniFin

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Section 1

Introduction and basis for preparation

This Pillar III Half Year Disclosure Report 2021 discloses information on the capital adequacy of MuniFin Group, as specified in Part 8 of EU Capital Requirements Regulation (575/2013), later amended by CRR II regulation (2019/876) in compliance with the commission implementing regulations, delegated regulations and guidelines issued by EBA for publishing disclosures. In 2020, EBA published final implementing technical standard on public disclosures based on the mandate included in Article 434a of CRR II to specify uniform disclosure formats and associated instructions. These new disclosure requirements apply from 28 June 2021 onwards and this Report has been prepared in accordance with updated regulation.

All figures in this Pillar III Half Year Disclosure Report 2021 are consolidated figures of MuniFin Group unless otherwise stated. This Pillar III Disclosure Report complies with principles described in Pillar III Disclosure Report 2020. This Report is presented in euros (EUR), which is the Group's functional currency, rounded to the nearest thousands of euros. Due to the rounding, certain figures in the Report may not tally exactly.

MuniFin Group's Half Year Report 2021 published on 5 August 2021 has been subject to review by the External Auditor.

Information of this Pillar III report has not been audited. The appropriateness of the Pillar III disclosed information is approved by MuniFin's Executive Management Team. If there is information considered to be proprietary or confidential, the information is not published, but disclosed in more general manner. Also, information or templates identified as not applicable to MuniFin Group has not been included in the Report. For more information, see Section 13.

Effects of the COVID-19 pandemic on MuniFin Group

The outbreak of the COVID-19 pandemic and the resulting economic uncertainty increased MuniFin Group's business volumes significantly last year. In the first half of 2021, business growth returned to normal levels and the pandemic had only a limited effect on the Group's financial position. The Group's staff followed the national recommendation and mostly worked remotely in the first half of the year.

Individual MuniFin Group customers have run into financial difficulties due to the COVID-19 pandemic. If the pandemic has temporarily impacted customers' repayment ability, MuniFin Group has offered them repayment holidays and made concessions to the payment terms of their loans. However,

the demand for such arrangements has been modest and in January–June 2021 the Group granted only a few concessions. MuniFin Group's total credit risk has remained low, and the amount of expected credit losses calculated according to IFRS 9 standard also remains low. The Group's customer exposures have zero risk weight in MuniFin Group's capital adequacy calculation because they are from Finnish municipalities or involve a municipal guarantee or a state deficiency guarantee supplementing the real estate collateral. Based on the management's assessment, all receivables from customers will be fully recovered and no final credit losses are therefore expected. More information on non-performing exposures is available in Section 7 in this Report and in MuniFin Group's Half Year Report 2021, which is available on MuniFin's website.

In June 2020, EBA published the Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis (EBA/GL/2020/07). These additional reporting and disclosure requirements were introduced on a temporary basis until the end of 2021. The templates 1 and 2, moratoria refers to general moratoria in accordance with paragraph 10 of EBA Guidelines (EBA/GL/2020/02) on legislative and non-legislative moratoria.

Section 1 Introduction and basis for preparation

The concessions MuniFin Group has made in response to the COVID-19 pandemic have been assessed individually for each counterparty, hence the concessions do not meet the criteria of moratoria in accordance with EBA/GL/2020/02. For the purpose of EBA/GL/2020/07 Template 3, MuniFin Group has not received any public guarantees introduced in response to the COVID-19 pandemic. As a result, MuniFin Group has not disclosed these templates.

In order to secure the banking sector's ability to continue financing its customers in exceptional circumstances, the banking authorities have eased some requirements for supervised banks. Most of these concessions were no longer applicable in this reporting period. Regardless of the underlying conditions, MuniFin Group's capital adequacy ratios remain strong. MuniFin Group applies the core approach for additional valuation adjustment (AVA) in prudent valuation. At the end of 2020, the Group applied the Commission's Delegated Regulation that relaxed the aggregation factor that is applied in certain valuations in the AVA calculation. The aggregation factor was returned to its previous level at the start of 2021, and at the end of the reporting period, the Group deducted the prudent valuation adjustment from its CET1 capital in full.

In April 2020, the FIN-FSA adjusted the capital requirements for the largest credit institutions in Finland, aiming to mitigate the negative effect the COVID-19 pandemic could have on the stability of financial markets and on the capacity of credit institutions to finance the economy. The FIN-FSA removed MuniFin Group's abovementioned systemic risk buffer of 1.5%, effective immediately, which reduced the Group's overall capital requirements by 1.0 percentage points. By the end of the reporting period, the FIN-FSA had not imposed a new systemic risk buffer for the MuniFin Group.

MuniFin Group has not applied any other reliefs.

Section 2

Key metrics and overview of risk-weighted exposure amounts

EU KM1

Key metrics

Changes to the regulation of banks' capital adequacy (CRR II and CRD V) were applied at the end of June 2021. The total capital ratio decreased to 114.66% (31 March 2021: 138.46%) over the reporting period. The change was driven by increase in the risk exposure amount due to the changes in the standardised method for measuring counterparty credit risk (SA-CCR) and the credit valuation adjustment of value-at-risk (CVA VaR).

Furthermore to the regulatory minimum capital requirements, as part of the annual supervisor's review (SREP), the European Central Bank (ECB) has imposed an additional capital requirement of 2.25% (Pillar 2 Requirement) on MuniFin Group, effective from 1 March 2019 to cover additional risks not covered in Pillar I. The amount of the additional capital requirement is evaluated by the ECB at least annually. Due to the ongoing COVID-19 pandemic, the ECB did not give the yearly Supervisory Review and Evaluation Process Decision (SREP Decision) during 2020. Instead, the ECB has given MuniFin Group an Operational Letter, in which the capital buffer requirement (P2R) imposed on MuniFin Group last year is confirmed to continue in force unchanged at 2.25%.

Section 2 Key metrics and overview of risk-weighted exposure amounts

(EUR 1,000)	a	b	c	d	e
	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Available own funds (amounts)					
1 Common Equity Tier 1 (CET1) capital	1,346,255	1,244,129	1,276,812	1,193,298	1,171,977
2 Tier 1 capital	1,693,708	1,591,582	1,624,265	1,540,752	1,519,431
3 Total capital	1,693,708	1,591,582	1,624,265	1,540,752	1,519,431
Risk-weighted exposure amounts					
4 Total risk exposure amount	1,477,110	1,196,435	1,223,668	1,245,355	1,335,442
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common Equity Tier 1 ratio (%)	91.14%	103.99%	104.34%	95.82%	87.76%
6 Tier 1 ratio (%)	114.66%	133.03%	132.74%	123.72%	113.78%
7 Total capital ratio (%)	114.66%	133.03%	132.74%	123.72%	113.78%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.27%	-	-	-	-
EU 7b of which: to be made up of CET1 capital (percentage points)	0.42%	-	-	-	-
EU 7c of which: to be made up of Tier 1 capital (percentage points)	0.56%	-	-	-	-
EU 7d Total SREP own funds requirements (%)	10.25%	-	-	-	-
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8 Capital conservation buffer (%)	2.50%	-	-	-	-
EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	-	-	-	-
9 Institution specific countercyclical capital buffer (%)	0.16%	-	-	-	-
EU 9a Systemic risk buffer (%)	0.00%	-	-	-	-
10 Global Systemically Important Institution buffer (%)	0.00%	-	-	-	-
EU 10a Other Systemically Important Institution buffer (%)	0.50%	-	-	-	-



Section 2 Key metrics and overview of risk-weighted exposure amounts



	a	b	c	d	e
(EUR 1,000)	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
11 Combined buffer requirement (%)	3.16%	-	-	-	-
EU 11a Overall capital requirements (%)	13.41%	-	-	-	-
12 CET1 available after meeting the total SREP own funds requirements (%)	1,279,785	-	-	-	-
Leverage ratio					
13 Total exposure measure	13,401,150	44,707,889	42,102,840	41,476,691	39,846,393
14 Leverage ratio (%)	12.64%	3.56%	3.86%	3.71%	3.81%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
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 (%)	-	-	-	-	-
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e Overall leverage ratio requirement (%)	-	-	-	-	-
Liquidity Coverage Ratio					
15 Total high-quality liquid assets (HQLA) (Weighted value -average)	9,889,130	-	-	-	-
EU 16a Cash outflows - Total weighted value	4,267,112	-	-	-	-
EU 16b Cash inflows - Total weighted value	1,354,013	-	-	-	-
16 Total net cash outflows (adjusted value)	2,913,099	-	-	-	-
17 Liquidity coverage ratio (%)	355.45%	-	-	-	-
Net Stable Funding Ratio					
18 Total available stable funding	33,449,232	-	-	-	-
19 Total required stable funding	27,258,091	-	-	-	-
20 NSFR ratio (%)	122.71%	-	-	-	-

EU OV1

Overview of total risk exposure amounts

The regulatory capital requirement for credit risk is calculated using the standardised approach and for counterparty credit risk, MuniFin Group uses SA-CCR method. The total risk exposure amount increased from the year-end 2020 EUR 1,224 million to EUR 1,477 million at the end of the reporting period. The figures are not comparable due to changes in the regulation of banks' capital adequacy (CRR II and CRD V) which has particularly influenced the counterparty credit risk and CVA VaR. The total risk exposure amount for counterparty credit risk increased to EUR 575 million (EUR 272 million), of which CVA VaR increased to EUR 490 million (EUR 242 million). Guarantees granted by the Municipal Guarantee Board for certain derivative counterparties are not taken into account in credit valuation adjustment risk.

In calculating the regulatory capital requirements for market risk, only foreign exchange risk is taken into account as the Group does not have a trading book nor share or commodity positions. As foreign exchange risk is hedged by swapping all currency denominated funding and investments into euros, the Group's foreign exchange position is small and consists of FX trades made for daily collateral management purposes in other currencies than euros. On 30 June 2021, the FX net position was EUR 1.4 million, which is less than 2% of total own funds. There was no capital requirement for market risk since the FX net position did not exceed 2% of the total own funds (CRR 575/2013 Art. 351).

The capital requirement for operational risk is calculated using the basic indicator approach. The risk exposure amount of operational risk was EUR 412 million (EUR 412 million).

Section 2 Key metrics and overview of risk-weighted exposure amounts

(EUR 1,000)	Total risk exposure amounts (TREA)		Total own funds requirements
	a	b	c
	30 Jun 2021	31 Mar 2021	30 Jun 2021
1 Credit risk (excluding CCR)	489,754	501,969	39,180
2 Of which the standardised approach	489,754	501,969	39,180
3 Of which the Foundation IRB (F-IRB) approach	-	-	-
4 Of which slotting approach	-	-	-
EU 4a Of which equities under the simple riskweighted approach	-	-	-
5 Of which the Advanced IRB (A-IRB) approach	-	-	-
6 Counterparty credit risk - CCR	575,161	282,270	46,013
7 Of which the standardised approach	575,161	-	46,013
8 Of which internal model method (IMM)	-	-	-
EU 8a Of which exposures to a CCP	641	2,725	51
EU 8b Of which credit valuation adjustment - CVA	490,362	242,398	39,229
9 Of which other CCR	-	39,872	-
10 Not applicable			
11 Not applicable			
12 Not applicable			
13 Not applicable			
14 Not applicable			
15 Settlement risk	-	-	-

Section 2 Key metrics and overview of risk-weighted exposure amounts



(EUR 1,000)	Total risk exposure amounts (TREA)		Total own funds requirements
	a	b	c
	30 Jun 2021	31 Mar 2021	30 Jun 2021
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 1250% / 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	412,196	412,196	32,976
EU 23a Of which basic indicator approach	412,196	412,196	32,976
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)	-	-	-
25 Not applicable			
26 Not applicable			
27 Not applicable			
28 Not applicable			
29 Total	1,477,110	1,196,435	118,169

Section 2 Key metrics and overview of risk-weighted exposure amounts

(EUR 1,000)	RWAs		Minimum capital requirements	
	31 Dec 2020	30 Sep 2020	31 Dec 2020	30 Sep 2020
1 Credit risk (excluding CCR)	539,658	591,848	43,173	47,348
2 Of which the standardised approach	539,658	591,848	43,173	47,348
6 CCR	271,814	244,712	21,745	19,577
7 Of which mark to market	40,938	35,630	3,275	2,850
12 Of which CVA	230,876	209,083	18,470	16,727
14 Securitisation exposures in the banking book (after the cap)	-	-	-	-
18 Of which standardised approach	-	-	-	-
19 Market risk	-	-	-	-
20 Of which the standardised approach	-	-	-	-
23 Operational risk	412,196	408,795	32,976	32,704
24 Of which basic indicator approach	412,196	408,795	32,976	32,704
29 Total	1,223,668	1,245,355	97,893	99,628

IFRS 9-FL**Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs**

MuniFin Group is not applying the transitional arrangements specified in Capital Requirements Regulation's Article 473a for IFRS 9 or analogous ECLs. MuniFin Group's own funds, capital and leverage ratios already reflect the full impact of IFRS 9 or analogous ECLs.

As the Group has not applied this transitional arrangement, it does not have anything to report regarding the EBA Guidelines (EBA/GL/2020/12) amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic.

Section 3

Own funds

EU CC1

Composition of regulatory own funds

At the end of the reporting period, the Group's CET1 capital totalled EUR 1,346 million (EUR 1,277 million) and Tier 1 capital EUR 1,694 million (EUR 1,624 million). MuniFin Group had no Tier 2 capital. The Group's own funds totalled EUR 1,694 million (EUR 1,624 million).

CET1 capital includes profit for the period of 1 January–30 June 2021, as the profit has been subject to a review by the external auditor, and therefore can be included in CET1 capital on the basis of permission granted by the ECB in accordance with the Capital Requirements Regulation. Deductions due to prudential filters on CET1 capital are made up of MuniFin Group's debt value adjustment (DVA), prudent valuation adjustment (PVA) and changes in the fair value due to own credit risk standing. In addition, the amount of foreseeable dividend for 2021 has been deducted from CET1 capital as well as planned dividend distribution for financial year 2020.

MuniFin Group has applied the Commission's Delegated Regulation (2020/866) on additional valuation adjustment (AVA) in prudent valuation. At the end of 2020, the Group applied the Commission's Delegated Regulation that relaxed the aggregation factor that is applied in certain valuations in the AVA calculation. The aggregation factor was returned to its previous level at the start of 2021, and at the end of the reporting period, the Group deducted the prudent valuation adjustment from its CET1 capital in full. At the end of December 2020, this temporary relief had a EUR 8 million effect on the Group's own funds.

Additional Tier 1 capital contains MuniFin's AT1 capital instrument EUR 350 million at face value, from which EUR 347.5 million can be included in the own funds. The AT1 capital instrument was issued on 1 October 2015. A more detailed description of AT1 capital instrument is in Pillar III Disclosure Report 2020, available on MuniFin's website.

Section 3 Own funds

30 Jun 2021 (EUR 1,000)	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1 Capital instruments and the related share premium accounts	82,949	(c)
of which: Share capital	42,583	(c)
of which: Reserve for invested non-restricted equity	40,366	(c)
2 Retained earnings	1,225,311	(f)
3 Accumulated other comprehensive income (and other reserves)	14,559	(d)
EU-3a Funds for general banking risk	-	
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	78,702	(g)
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,401,521	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7 Additional value adjustments (negative amount)	-36,440	
8 Intangible assets (net of related tax liability) (negative amount)	-20,045	(a)
9 Not applicable	-	
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	3,616	(e)



Section 3 Own funds



30 Jun 2021 (EUR 1,000)	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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 Not applicable	-	
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)	-	
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 Not applicable	-	
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 Not applicable	-	



Section 3 Own funds



30 Jun 2021 (EUR 1,000)	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
27 Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a Other regulatory adjustments	-2,398	(b)
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	-55,267	
29 Common Equity Tier 1 (CET1) capital	1,346,255	
Additional Tier 1 (AT1) capital: instruments		
30 Capital instruments and the related share premium accounts	347,454	(h)
31 of which: classified as equity under applicable accounting standards	347,454	(h)
32 of which: classified as liabilities under applicable accounting standards	-	
33 Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
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 Additional Tier 1 (AT1) capital before regulatory adjustments	347,454	
Additional Tier 1 (AT1) capital: regulatory adjustments		
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)	-	



Section 3 Own funds



	(a)	(b)
30 Jun 2021 (EUR 1,000)	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
41 Not applicable	-	
42 Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a Other regulatory adjustments to AT1 capital	-	
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44 Additional Tier 1 (AT1) capital	347,454	
45 Tier 1 capital (T1 = CET1 + AT1)	1,693,708	
Tier 2 (T2) capital: instruments		
46 Capital instruments and the related share premium accounts	-	
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	-	
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	-	
51 Tier 2 (T2) capital before regulatory adjustments	-	
Tier 2 (T2) capital: regulatory adjustments		
52 Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
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)	-	
53	-	
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)	-	
54 (negative amount)	-	



Section 3 Own funds



	(a)	(b)
30 Jun 2021 (EUR 1,000)	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
54a Not applicable	-	
Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities		
55 where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56 Not applicable	-	
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 Total regulatory adjustments to Tier 2 (T2) capital	-	
58 Tier 2 (T2) capital	-	
59 Total capital (TC = T1 + T2)	1,693,708	
60 Total Risk exposure amount	1,477,110	
Capital ratios and requirements including buffers		
61 Common Equity Tier 1 capital	91.14%	
62 Tier 1 capital	114.66%	
63 Total capital	114.66%	
64 Institution CET1 overall capital requirements	8.92%	
65 of which: capital conservation buffer requirement	2.50%	
66 of which: countercyclical capital buffer requirement	0.16%	
67 of which: systemic risk buffer requirement	0.00%	
EU-67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.50%	
EU-67b of which: additional own funds requirements to address the risks other than the risk of excessive leverage	-	
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	86.64%	
National minima (if different from Basel III)		



Section 3 Own funds



30 Jun 2021 (EUR 1,000)	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
69 Not applicable	-	
70 Not applicable	-	
71 Not applicable	-	
Amounts below the thresholds for deduction (before risk weighting)		
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)	-	
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)	-	
74 Not applicable		
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)	-	
Applicable caps on the inclusion of provisions in Tier 2		
76 Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80 Current cap on CET1 instruments subject to phase out arrangements	-	
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82 Current cap on AT1 instruments subject to phase out arrangements	-	
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84 Current cap on T2 instruments subject to phase out arrangements	-	
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Section 3 Own funds

31 Dec 2020 (EUR 1,000)	Amount at disclosure date	Regulation (EU) No 575/2013 article reference	Amounts subject to pre- regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) No 575/2013
Common Equity Tier 1 capital: instruments and reserves			
1. Capital instruments and the related share premium accounts	42,583	26 (1), 27, 28, 29, EBA list 26 (3)	
2. Retained earnings	1,102,924	26 (1) c	
3. Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	57,114	26 (1)	
5a. Independently reviewed interim profits net of any foreseeable charge or dividends	125,529	26 (2)	
6. Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,328,150		
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7. Additional value adjustments (negative amount)	-32,029	34, 105	
8. Intangible assets (net of related tax liability) (negative amount)	-17,346	36 (1) (b), 37, 472 (4)	
14. Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-1,963	33 (b)	
28. Total regulatory adjustments to Common Equity Tier 1 (CET1)	-51,338		
29. Common Equity Tier 1 (CET1) capital	1,276,812		
Additional Tier 1 (AT1) capital: instruments			
30. Capital instruments and the related share premium	347,454	51, 52	
31. of which: classified as equity under applicable accounting standards	347,454		
36. Additional Tier 1 (AT1) capital before regulatory adjustments	347,454		
Additional Tier 1 (AT1): regulatory adjustments			
43. Total regulatory adjustments to Additional Tier 1 (AT1) capital	-		
44. Additional Tier 1 (AT1) capital	347,454		
45. Tier 1 capital (T1 = CET1 + AT1)	1,624,265		



Section 3 Own funds



31 Dec 2020 (EUR 1,000)	Amount at disclosure date	Regulation (EU) No 575/2013 article reference	Amounts subject to pre- regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) No 575/2013
59. Total capital (TC = T1 + T2)	1,624,265		
60. Total risk weighted assets	1,223,668		
Capital ratios and buffers			
61. Common Equity Tier 1 (as percentage of risk exposure amount)	104.34%	92 (2) (a), 465	
62. Tier 1 (as percentage of risk exposure amount)	132.74%	92 (2) (b), 465	
63. Total capital (as percentage of risk exposure amount)	132.74%	92 (2) (c)	
64. Institution specific buffer requirement (CET1 requirement in accordance with Article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII), expressed as a percentage of risk exposure amount)	7.71%	CRD 128, 129, 130, 131, 133	
65. of which: capital conservation buffer requirement	2.50%	CRD 129	
66. of which: countercyclical buffer requirement	0.21%	CRD 130	
67. of which: systemic risk buffer requirement	0.00%	CRD 133	
67a. of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.50%	CRD 131	
68. Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	99.84%	CRD 128	

Section 3 Own funds

EU CC2**Reconciliation of regulatory own funds to balance sheet in the audited financial statements****30 Jun 2021
(EUR 1,000)**

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1 Cash and balance with central banks	7,682,899	7,682,899	
2 Loans and advances to credit institution	1,512,763	1,512,763	
3 Loans and advances to the public and public sector entities	28,581,532	28,581,532	
4 Debt securities	5,464,158	5,464,158	
5 Derivative contracts	1,915,792	1,915,792	
6 Intangible assets	20,045	20,045	(a)
7 Tangible assets	8,868	8,868	
8 Other assets	272,130	272,130	
9 Accrued income and prepayments	199,488	199,488	
10 Total assets	45,657,674	45,657,674	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
1 Liabilities to credit institutions	2,592,042	2,592,042	
2 Liabilities to the public and public sector entities	3,614,197	3,614,197	
3 Debt securities issued	34,607,135	34,607,135	
4 Derivative contracts	2,274,128	2,274,128	
5 Of which: Debt value adjustment	-2,998	-2,398	(b)
6 Provisions and other liabilities	331,651	331,651	
7 Accrued expenses and deferred income	145,216	145,216	
8 Deferred tax liabilities	300,793	300,793	
9 Total liabilities	43,865,162	43,865,162	



Section 3 Own funds



30 Jun 2021 (EUR 1,000)	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end	As at period end	
Shareholders' Equity			
1 Share capital	42,583	42,583	(c)
2 Reserve fund	277	277	(d)
3 Fair value reserve of investments	614	614	(d)
4 Own credit revaluation reserve	-3,616	-3,616	(d), (e)
5 Cost-of-Hedging reserve	17,284	17,284	(d)
6 Reserve for invested non-restricted equity	40,366	40,366	(c)
7 Retained earnings	1,347,551	1,347,551	
8 Of which: Retained earnings from previous years	1,245,624	1,225,311	(f)
9 Of which: Independently reviewed interim profits	101,927	78,702	(g)
10 Total equity attributable to parent company equity holders	1,445,059	1,445,059	
11 Other equity instruments issued	347,454	347,454	(h)
12 Total shareholders' equity	1,792,513	1,792,513	
13 Total liabilities and shareholder's equity	45,657,674	45,657,674	

Debt value adjustment under regulatory scope of consolidation is net of tax impact (20%). Retained earnings from previous years differs due to the planned dividend distribution for financial year 2020 which is deducted under regulatory own funds. The difference on row Independently reviewed interim profits is explained by foreseeable dividends for 2021 and AT1 capital instrument's accruals net of tax.

Section 4

Capital buffers

Minimum capital requirements and capital buffers

MINIMUM CAPITAL REQUIREMENTS AND CAPITAL BUFFERS (%) 30 Jun 2021	Capital requirement	Capital conservation buffer ¹⁾	Countercyclical buffer ²⁾	O-SII ³⁾	Systemic risk buffer ⁴⁾	Total capital buffers	Total
Common Equity Tier 1 capital (CET1)	4.50%	2.50%	0.16%	0.50%	0.00%	3.16%	7.66%
Tier 1 Capital (T1)	6.00%	2.50%	0.16%	0.50%	0.00%	3.16%	9.16%
Total own funds	8.00%	2.50%	0.16%	0.50%	0.00%	3.16%	11.16%

MINIMUM CAPITAL REQUIREMENTS AND CAPITAL BUFFERS (EUR 1,000) 30 Jun 2021	Capital requirement	Capital conservation buffer ¹⁾	Countercyclical buffer ²⁾	O-SII ³⁾	Systemic risk buffer ⁴⁾	Total capital buffers	Total
Common Equity Tier 1 capital (CET1)	66,470	36,928	2,304	7,386	0	46,618	113,088
Tier 1 Capital (T1)	88,627	36,928	2,304	7,386	0	46,618	135,244
Total own funds	118,169	36,928	2,304	7,386	0	46,618	164,786

Section 4 Capital buffers



MINIMUM CAPITAL REQUIREMENTS AND CAPITAL BUFFERS (%) 31 Dec 2020	Capital requirement	Capital conservation buffer	Countercyclical buffer	O-SII	Systemic risk buffer	Total capital buffers	Total
Common Equity Tier 1 capital (CET1)	4.50%	2.50%	0.21%	0.50%	0.00%	3.21%	7.71%
Tier 1 Capital (T1)	6.00%	2.50%	0.21%	0.50%	0.00%	3.21%	9.21%
Total own funds	8.00%	2.50%	0.21%	0.50%	0.00%	3.21%	11.21%

MINIMUM CAPITAL REQUIREMENTS AND CAPITAL BUFFERS (EUR 1,000) 31 Dec 2020	Capital requirement	Capital conservation buffer	Countercyclical buffer	O-SII	Systemic risk buffer	Total capital buffers	Total
Common Equity Tier 1 capital (CET1)	55,065	30,592	2,630	6,118	0	39,340	94,405
Tier 1 Capital (T1)	73,420	30,592	2,630	6,118	0	39,340	112,760
Total own funds	97,893	30,592	2,630	6,118	0	39,340	137,234

Section 4 Capital buffers



- 1) Act on Credit Institutions (610/2014), Chapter 10, Section 3, and the EU capital requirements Regulation (575/2013; CRR) and Directive (2013/36/EU; CRD IV). Valid from 1 January 2015.
- 2) Act on Credit Institutions (610/2014) Sect 10:4-6 § and Capital Requirements Regulation and the EU capital requirements Regulation (575/2013; CRR) and Directive (2013/36/EU; CRD IV). On 28 June 2021 (18 December 2020), the Board of Financial Supervisory Authority (FIN-FSA) decided not to set countercyclical capital buffer requirement for credit exposures allocated to Finland. The institution-specific countercyclical capital buffer requirement is determined on the basis of the geographical distribution of the exposures. For MuniFin Group it is 0.16% (0.21%).
- 3) Other Systemically Important Institutions additional capital requirements: Act on Credit Institutions (610/2014) Sect 10:8 § and the EU Capital Requirements Regulation (575/2013; CRR) and Directive (2013/36/EU; CRD IV). Additional capital requirement (O-SII) for MuniFin Group is 0.50% (0.50%). The decision of the Board of FIN-FSA on 29 June 2021, effective immediately.
- 4) Act on Credit Institutions (610/2014) Sect 10:6a § and the EU Capital Requirements Regulation (575/2013; CRR) and Directive (2013/36/EU; CRD IV). On 6 April 2020, the FIN-FSA made a decision to remove the additional capital requirement determined on the basis of the structural characteristics of the financial system (systemic risk buffer) from Finnish credit institutions. The aim of the decision is to mitigate the negative effects of the COVID-19 pandemic on the stability of the financial markets. The decision entered into force immediately. By the end of the reporting period, the FIN-FSA had not imposed a new systemic risk buffer for MuniFin Group. The systemic risk buffer and the O-SII additional capital requirement are parallel buffers, of which the greater is applied.

In addition to the above-mentioned requirements, the ECB has imposed a bank-specific Pillar 2 Requirement (P2R) of 2.25% on MuniFin Group as part of the annual Supervisory Review and Evaluation Process (SREP). In 2020, the ECB did not perform the annual SREP due to the COVID-19 pandemic, but instead gave MuniFin Group an Operational Letter confirming the continuation of the previous P2R requirement of 2.25%. Considering the additional capital requirement the new minimum level for CET1 capital ratio is 9.91% (9.96%) and total capital ratio 13.41% (13.46%).

Section 4 Capital buffers

EU CCyB1**Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer**

Countercyclical capital buffer is calculated only for the relevant credit exposure classes as defined in Article 140(4) of the Capital Requirement Directive. Exposure classes not included in the calculation are exposures to a) central governments or central banks; b) regional governments or local authorities; c) public sector entities; d) multilateral development banks; e) international organisations; f) institutions.

At 30 June 2021, the institution-specific countercyclical buffer rate for MuniFin Group was 0.16% (0.21%).

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk			Own fund requirements							
30 Jun 2021 (EUR 1,000)	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 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 (%)”	Countercyclical buffer rate (%)
010 Breakdown by country:													
BE	33,338	-	-	-	-	33,338	267	-	-	267	3,334	1.41%	0.00%
DK	111,545	-	-	-	-	111,545	892	-	-	892	11,154	4.70%	0.00%
FI	435,065	-	-	-	-	435,065	5,475	-	-	5,475	68,433	28.85%	0.00%
FR	115,927	-	-	-	-	115,927	927	-	-	927	11,593	4.89%	0.00%
GB	491,016	-	-	-	-	491,016	6,288	-	-	6,288	78,595	33.13%	0.00%
NL	20,397	-	-	-	-	20,397	163	-	-	163	2,040	0.86%	0.00%
NO	370,062	-	-	-	-	370,062	2,960	-	-	2,960	37,006	15.60%	1.00%
SE	250,713	-	-	-	-	250,713	2,006	-	-	2,006	25,071	10.57%	0.00%
020 Total	1,828,062	-	-	-	-	1,828,062	18,978	-	-	18,978	237,226	100.00%	

Section 4 Capital buffers

31 Dec 2020 (EUR 1,000)	General credit exposures	Own funds requirements			
BREAKDOWN BY COUNTRY	Exposure value for SA	Of which: General credit exposures	Total	Own funds requirement weights	Countercyclical capital buffer rate
Row	010	070	100	110	120
010 BE	67,706	542	542	3.8%	0.00%
010 DK	112,040	896	896	6.3%	0.00%
010 FI	464,238	5,503	5,503	38.5%	0.00%
010 FR	117,344	939	939	7%	0.00%
010 GB	95,698	766	766	5%	0.00%
010 NL	39,029	312	312	2.2%	0.00%
010 NO	384,295	3,074	3,074	21.5%	1.00%
010 SE	283,814	2,271	2,271	15.9%	0.00%
020 Total	1,564,164	14,302	14,302	100.0%	

Section 4 Capital buffers

EU CCyB2**Amount of institution-specific countercyclical capital buffer****30 Jun 2021
(EUR 1,000)****a**

1	Total risk exposure amount	1,477,110
2	Institution specific countercyclical capital buffer rate	0.16%
3	Institution specific countercyclical capital buffer requirement	2,304

**31 Dec 2020
(EUR 1,000)****010**

010	Total risk exposure amount	1,223,668
020	Institution-specific countercyclical buffer rate	0.21%
030	Institution-specific countercyclical buffer requirement	2,630

Section 5

Leverage ratio

EU L R1

LR Sum: Summary reconciliation of accounting assets and leverage ratio exposures

Due to changes to the regulation of banks' capital adequacy (CRR II and CRD V) applied at the end of June 2021 the figures on 30 June 2021 and 31 December 2020 are not comparable. MuniFin fulfils the CRR II definition of a public development credit institution and may therefore deduct all credit receivables from the central government and municipalities in the calculation of its leverage ratio exposure measure. The total amount exempted is EUR 31,319 million which is included in the 'Other adjustments' amount.

Section 5 Leverage ratio

30 Jun 2021 (EUR 1,000)	a Applicable amount
1 Total assets as per published financial statements	45,657,674
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of 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))	-
(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 Adjustment for derivative financial instruments	-789,378
9 Adjustment for securities financing transactions (SFTs)	-
10 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,208,612
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-36,440
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	-32,639,318
13 Total exposure measure	13,401,150
31 Dec 2020 (EUR 1,000)	Applicable amount
1 Total assets as per published financial statements	44,042,426
4 Adjustments for derivative financial instruments	-3,006,046
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,081,310
7 Other adjustments	-14,850
8 Leverage ratio total exposure measure	42,102,840

EU LR2**LRCOM: Leverage ratio common disclosure**

Changes to the regulation of banks' capital adequacy (CRR II and CRD V) were applied at the end of June 2021. The Group's leverage ratio was 12.64% (3.86%) at the end of June, with the updated EU Capital Requirements Regulation, CRR II, increasing the leverage ratio by 8.78 percentage points.

The balance sheet exposures grew by net EUR 717 million during the first half year. The change was mainly driven by increased lending to the public and public sector entities. Off-balance sheet exposures, loan promises to public and public sector entities, increased by EUR 132 million during the reporting period. Tier 1 capital grew in the period by EUR 69 million, mainly driven by increase in CET1 capital, namely from the continued profit generation.

MuniFin fulfils the CRR II definition of a public development credit institution and may therefore deduct all credit receivables from the central government and municipalities in the calculation of its leverage ratio exposure measure. The total amount exempted is EUR 31,319 million. It consists of loans and loan commitments to regional governments and non-financial corporations of which the latter includes municipal companies and municipality owned or central government subsidised housing companies.

Section 5 Leverage ratio

**CRR LEVERAGE RATIO EXPOSURES
(EUR 1,000)****a****30 Jun 2021**

	30 Jun 2021
On-balance sheet exposures (excluding derivatives and SFTs)	
1 On-balance sheet items (excluding derivatives, SFTs, but including collateral)	43,614,250
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)	-1,342,720
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)	-
6 (Asset amounts deducted in determining Tier 1 capital)	-20,045
7 Total on-balance sheet exposures (excluding derivatives and SFTs)	42,251,485
Derivative exposures	
8 Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	432,305
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	822,894
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	1,255,199
Securities financing transaction (SFT) exposures	
14 Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-



Section 5 Leverage ratio


**CRR LEVERAGE RATIO EXPOSURES
(EUR 1,000)**

a

30 Jun 2021

15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
16	Counterparty credit risk exposure for SFT assets	-
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	-
	Other off-balance sheet exposures	
19	Off-balance sheet exposures at gross notional amount 1)	2,546,565
20	(Adjustments for conversion to credit equivalent amounts)	-1,332,953
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-
22	Off-balance sheet exposures	1,213,612
	Excluded exposures	
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
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)	-31,319,146
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)	-31,319,146



Section 5 Leverage ratio


CRR LEVERAGE RATIO EXPOSURES
(EUR 1,000)

a

30 Jun 2021

Capital and total exposure measure		
23	Tier 1 capital	1,693,708
24	Total exposure measure	13,401,150
Leverage ratio		
25	Leverage ratio (%)	12.64%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	3.79%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	12.64%
26	Regulatory minimum leverage ratio requirement (%)	-
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-
EU-26b	of which: to be made up of CET1 capital	-
27	Leverage ratio buffer requirement (%)	-
EU-27a	Overall leverage ratio requirement (%)	-
Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-

1) Off-balance sheet exposures include trades awaiting settlement by EUR 5 million.

CRR LEVERAGE RATIO EXPOSURE
(EUR 1,000)

31 Dec 2020

	31 Dec 2020
On-balance sheet exposures (excluding derivatives and SFTs)	
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	41,551,321
2 (Asset amounts deducted in determining Tier 1 capital)	-17,346
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	41,533,974
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	424,006
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	682,921
EU-5a Exposure determined under Original Exposure Method	-
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8 (Exempted CCP leg of client-cleared trade exposures)	-
9 Adjusted effective notional amount of written credit derivatives	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-1,619,372
11 Total derivatives exposures (sum of lines 4 to 10)	-512,445
SFT exposures	
12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14 Counterparty credit risk exposure for SFT assets	-
EU-14a Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	-
15 Agent transaction exposures	-
EU-15a (Exempted CCP leg of client-cleared SFT exposure)	-
16 Total securities financing transaction exposures (sum of lines 12 to 15a)	-
Other off-balance sheet exposures	



Section 5 Leverage ratio


**CRR LEVERAGE RATIO EXPOSURE
(EUR 1,000)**
31 Dec 2020

17	Off-balance sheet exposures at gross notional amount	2,353,973
18	(Adjustments for conversion to credit equivalent amounts)	-1,272,663
19	Other off-balance sheet exposures (sum of lines 17 and 18)	1,081,310
	Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	-
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
	Capital and total exposure measure	
20	Tier 1 capital	1,624,265
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	42,102,840
	Leverage ratio	
22	Leverage ratio	3.86%
	Choice on transitional arrangements and amount of derecognised fiduciary items	
EU-23	Choice on transitional arrangements for the definition of the capital measure	-
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	-

EU LR3**LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)**

Due to changes to the regulation of banks' capital adequacy (CRR II and CRD V) applied at the end of June, the figures on 30 June 2021 and 31 December 2020 are not comparable. MuniFin fulfils the CRR II definition of a public development credit institution and may therefore deduct all credit receivables from the central government and municipalities in the calculation of its leverage ratio exposure measure. The total amount exempted is EUR 31,319 million.

Section 5 Leverage ratio

30 Jun 2021
(EUR 1,000)

	a
	CRR leverage ratio exposures
EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	12,160,996
EU-2 Trading book exposures	-
EU-3 Banking book exposures, of which:	12,160,996
EU-4 Covered bonds	1,307,650
EU-5 Exposures treated as sovereigns	8,961,970
EU-6 Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	72,864
EU-7 Institutions	1,411,068
EU-8 Secured by mortgages of immovable properties	0
EU-9 Retail exposures	-
EU-10 Corporates	358,003
EU-11 Exposures in default	0
EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	49,441

31 Dec 2020
(EUR 1,000)

	a
	CRR leverage ratio exposures
EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	39,931,948
EU-3 Banking book exposures, of which:	39,931,948
EU-4 Covered bonds	1,530,373
EU-5 Exposures treated as sovereigns	20,533,442
EU-6 Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	73,627
EU-7 Institutions	1,970,555
EU-8 Secured by mortgages of immovable properties	9,275,460
EU-10 Corporate	6,360,654
EU-11 Exposures in default	136,700
EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	51,137

Section 6

Liquidity requirements

EU LIQ1

Quantitative information of LCR

SCOPE OF CONSOLIDATION: CONSOLIDATED (EUR 1,000)	a	b	c	d	e	f	g	h
	Total unweighted value (average)				Total weighted value (average)			
EU 1a Quarter ending on	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
EU 1b Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets								
1 Total high-quality liquid assets (HQLA)					9,889,130	9,067,658	8,508,303	8,323,631
Cash - outflows								
2 Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3 <i>Stable deposits</i>	-	-	-	-	-	-	-	-
4 <i>Less stable deposits</i>	-	-	-	-	-	-	-	-
5 Unsecured wholesale funding	2,261,932	2,179,079	2,278,038	2,210,006	2,261,932	2,179,079	2,278,038	2,210,006
6 <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-	-	-	-	-
7 <i>Non-operational deposits (all counterparties)</i>	24,785	27,700	23,211	17,728	24,785	27,700	23,211	17,728
8 <i>Unsecured debt</i>	2,237,147	2,151,380	2,254,828	2,192,277	2,237,147	2,151,380	2,254,828	2,192,277
9 Secured wholesale funding					-	-	-	-
10 Additional requirements	3,767,387	3,781,917	3,685,935	3,543,764	1,531,600	1,529,275	1,425,041	1,262,714
11 <i>Outflows related to derivative exposures and other collateral requirements</i>	1,283,879	1,279,606	1,174,368	1,009,708	1,283,249	1,279,044	1,173,884	1,009,309
12 <i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-



Section 6 Leverage ratio



SCOPE OF CONSOLIDATION: CONSOLIDATED (EUR 1,000)	a	b	c	d	e	f	g	h
	Total unweighted value (average)				Total weighted value (average)			
13 <i>Credit and liquidity facilities</i>	2,483,509	2,502,311	2,511,567	2,534,056	248,351	250,231	251,157	253,406
14 Other contractual funding obligations	28,502	28,729	25,331	22,522	26,092	26,536	22,801	20,156
15 Other contingent funding obligations	4,474,885	4,187,590	3,943,295	3,792,069	447,488	418,759	394,329	379,207
16 Total cash outflows					4,267,112	4,153,650	4,120,209	3,872,083
Cash - inflows								
17 Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18 Inflows from fully performing exposures	357,408	476,326	655,930	750,244	265,828	341,197	441,202	477,394
19 Other cash inflows	1,088,185	1,144,825	859,106	673,143	1,088,185	1,144,825	859,106	673,143
(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	1,445,593	1,621,150	1,515,036	1,423,387	1,354,013	1,486,021	1,300,308	1,150,537
EU-20a <i>Fully exempt inflows</i>	-	-	-	-	-	-	-	-
EU-20b <i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
EU-20c <i>Inflows subject to 75% cap</i>	1,445,593	1,621,150	1,515,036	1,423,387	1,354,013	1,486,021	1,300,308	1,150,537
Total adjusted value								
EU-21 Liquidity buffer					9,889,130	9,067,658	8,508,303	8,323,631
22 Total net cash outflows					2,913,099	2,667,629	2,819,901	2,724,046
23 Liquidity Coverage Ratio (%)					355.45%	355.13%	318.16%	321.49%

Section 6 Leverage ratio

**SCOPE OF CONSOLIDATION: CONSOLIDATED
(EUR 1,000)**

EU 1a Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
EU 1b Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets								
1 Total high-quality liquid assets (HQLA)					8,508,303	8,323,631	8,219,628	8,020,003
Cash - outflows								
2 Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3 <i>Stable deposits</i>	-	-	-	-	-	-	-	-
4 <i>Less stable deposits</i>	-	-	-	-	-	-	-	-
5 Unsecured wholesale funding	2,278,038	2,210,006	2,217,534	2,195,685	2,278,038	2,210,006	2,217,534	2,195,685
6 <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-	-	-	-	-
7 <i>Non-operational deposits (all counterparties)</i>	23,211	17,728	21,829	24,828	23,211	17,728	21,829	24,828
8 <i>Unsecured debt</i>	2,254,828	2,192,277	2,195,706	2,170,857	2,254,828	2,192,277	2,195,706	2,170,857
9 Secured wholesale funding					-	-	-	-
10 Additional requirements	3,685,935	3,543,764	3,402,429	3,297,060	1,425,041	1,262,714	1,091,699	984,413
11 <i>Outflows related to derivative exposures and other collateral requirements</i>	1,174,368	1,009,708	835,312	727,719	1,173,884	1,009,309	834,987	727,479
12 <i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-
13 <i>Credit and liquidity facilities</i>	2,511,567	2,534,056	2,567,117	2,569,341	251,157	253,406	256,712	256,934
14 Other contractual funding obligations	25,331	22,522	13,439	3,381	22,801	20,156	11,238	1,375
15 Other contingent funding obligations	3,943,295	3,792,069	3,654,971	3,688,155	394,329	379,207	365,497	369,498
16 Total cash outflows					4,120,209	3,872,083	3,685,969	3,550,971



Section 6 Leverage ratio


**SCOPE OF CONSOLIDATION: CONSOLIDATED
(EUR 1,000)**

	Total unweighted value (average)				Total weighted value (average)			
Cash - inflows								
17 Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18 Inflows from fully performing exposures	655,930	750,244	882,101	882,080	441,202	477,394	530,622	508,895
19 Other cash inflows	859,106	673,143	444,502	224,965	859,106	673,143	444,502	224,965
EU-19a (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-19b (Excess inflows from a related specialised credit institution)					-	-	-	-
20 Total cash inflows	1,515,036	1,423,387	1,326,603	1,107,045	1,300,308	1,150,537	975,124	733,860
EU-20a Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c Inflows subject to 75% cap	1,515,036	1,423,387	1,326,603	1,107,045	1,300,308	1,150,537	975,124	733,860
Total adjusted value								
21 Liquidity buffer					8,508,303	8,323,631	8,219,628	8,020,003
22 Total net cash outflows					2,819,901	2,724,046	2,713,345	2,819,611
23 Liquidity Coverage Ratio (%)					318.16%	321.49%	324.42%	307.97%

EU LIQB**On qualitative information on LCR, which complements template EU LIQ1**

- (a) 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 items which effect the outflows of MuniFin Group's LCR are funding outflows and the impact of an adverse market scenario on derivatives transactions. On the inflow side larger than normal principal payments of loan contracts and non-ISIN investment bonds may have impact on the LCR ratio.
- (b) Explanations on the changes in the LCR over time
MuniFin Group has had steady figures in LCR for over a year.
- (c) Explanations on the actual concentration of funding sources
MuniFin Group acquires funding from international capital markets, mainly with unsecured public bond issues. While there is a high concentration on the unsecured wholesale funding, MuniFin Group has diversified its funding extensively across markets, currencies, durations and maturities.
- (d) High-level description of the composition of the institution's liquidity buffer.
MuniFin Group holds a diversified liquidity buffer of Level 1 and Level 2A investments. The liquidity buffer is composed of the following Level 1 assets: withdrawable central bank reserves, coins and banknotes, central government assets, regional government / local authority assets, public sector entity assets, multilateral development bank and international organization assets and extremely high quality covered bonds. The liquidity buffer is composed of the following Level 2 assets: regional government / local authorities or public sector entity assets (Member State, risk-weight 20%), central bank or central / regional government or local authorities or public sector entity assets (Third Country, risk-weight 20%), high quality covered bonds (CQS2) and high quality covered bonds (Third Country, CQS1). MuniFin Group holds a liquidity buffer in EUR and USD.
- (e) Derivative exposures and potential collateral calls
MuniFin Group has made CSA agreements including daily margin calls with most of its derivative counterparties. The Group calculates the largest cash collateral movement with the historical look-back approach and considers this as an outflow for the potential collateral calls.
- (f) Currency mismatch in the LCR
MuniFin Group monitors and calculates LCR in all significant currencies on a regular basis. The Group hedges against exchange rate risks by using derivative contracts to translate all foreign currency denominated funding into euros. MuniFin Group does not bear any material foreign exchange risk.
- (g) 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
Outflows from unsecured wholesale funding with call maturity options are treated in the LCR calculation according to the next possible call date.

Section 6 Leverage ratio

EU LIQ2

Net Stable Funding Ratio

30 Jun 2021 (EUR 1,000)	a	b	c	d	e
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items					
1 Capital items and instruments	1,346,255	6,819,738	4,149,209	-	1,346,255
2 <i>Own funds</i>	1,346,255	-	-	-	1,346,255
3 <i>Other capital instruments</i>		-	-	-	-
4 Retail deposits		-	-	-	-
5 <i>Stable deposits</i>		-	-	-	-
6 <i>Less stable deposits</i>		-	-	-	-
7 Wholesale funding:		6,777,094	3,801,755	29,807,967	31,708,844
8 <i>Operational deposits</i>		-	-	-	-
9 <i>Other wholesale funding</i>		6,777,094	3,801,755	29,807,967	31,708,844
10 Interdependent liabilities		-	-	-	-
11 Other liabilities:	-	42,644	-	418,234	394,133
12 <i>NSFR derivative liabilities</i>	-				
13 <i>All other liabilities and capital instruments not included in the above categories</i>		42,644	-	418,234	394,133
14 Total available stable funding (ASF)					33,449,232



Section 6 Leverage ratio



30 Jun 2021 (EUR 1,000)	a	b Unweighted value by residual maturity			e Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Required stable funding (RSF) Items					
15 Total high-quality liquid assets (HQLA)					200,115
EU-15a Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16 Deposits held at other financial institutions for operational purposes		-	-	-	-
17 Performing loans and securities:		2,640,756	1,120,066	26,857,585	26,177,393
18 <i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		-	-	-	-
19 <i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		98,477	-	32,192	42,040
20 <i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		1,040,244	955,366	26,493,944	25,020,254
21 <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		893,182	705,734	16,582,339	15,541,636
22 <i>Performing residential mortgages, of which:</i>		-	-	-	-
23 <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		-	-	-	-
24 <i>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</i>		1,502,036	164,699	331,449	1,115,099
25 Interdependent assets		-	-	-	-
26 Other assets:	-	1,940,992	780	114,764	749,224
27 <i>Physical traded commodities</i>		-	-	-	-
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>				256,000	217,600
29 <i>NSFR derivative assets</i>				298,692	298,692
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>				1,305,224	65,261
31 <i>All other assets not included in the above categories</i>		81,075	780	114,764	167,670
32 Off-balance sheet items		234,718	144,650	2,162,197	131,359
33 Total RSF					27,258,091
34 Net Stable Funding Ratio (%)					122.71%

Section 7

Credit risk quality

EU CR1-A

Maturity of exposures

Table CR1-A shows breakdown by residual maturity for on- and off balance sheet exposures. At the end of June 2021, 68.7% of the exposures were within the "> 5 years" bucket.

	a	b	c	d	e	f
	Net exposure value					
30 Jun 2021 (EUR 1,000)	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1 Loans and advances	1,635,819	778,892	4,594,769	25,541,400	-	32,550,880
2 Debt securities	182,184	2,052,855	2,661,436	578,704	-	5,475,178
3 Total	1,818,003	2,831,747	7,256,205	26,120,104	-	38,026,059

EU CR2

Changes in the stock of non-performing loans and advances

	a
30 Jun 2021 (EUR 1,000)	Gross carrying amount
010 Initial stock of non-performing loans and advances	136,751
020 Inflows to non-performing portfolios	19,522
030 Outflows from non-performing portfolios	-17,664
040 Outflows due to write-offs	-
050 Outflow due to other situations	-
060 Final stock of non-performing loans and advances	138,609

Section 7 Credit risk quality

EU CR1**Performing and non-performing exposures and related provisions**

Total row 220 does not include row 005 Cash balances at central banks and other demand deposits.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received		
	Performing exposures		Non-performing exposures				Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated negative changes in fair value due to credit risk and provisions		Accumulated partial write-off	On performing exposures	On non-performing exposures		
	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3			Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3					
30 Jun 2021 (EUR 1,000)															
005 Cash balances at central banks and other demand deposits	7,820,831	7,820,831	-	-	-	-	0	0	-	-	-	-	-	-	-
010 Loans and advances	29,871,904	29,616,035	174,701	138,609	-	136,162	-1,027	-137	-891	-170	-	-162	-	16,006,782	138,439
020 <i>Central banks</i>	9,604	9,604	-	-	-	-	-	-	-	-	-	-	-	-	-
030 <i>General governments</i>	13,782,765	13,703,462	47,119	-	-	-	-105	-19	-87	-	-	-	-	1,767,545	-
040 <i>Credit institutions</i>	1,374,235	1,374,235	-	-	-	-	-95	-95	-	-	-	-	-	-	-
050 <i>Other financial corporations</i>	256,003	256,003	-	-	-	-	-16	-16	-	-	-	-	-	-	-
060 <i>Non-financial corporations</i>	14,098,168	13,937,263	119,528	138,609	-	136,162	-749	-7	-742	-170	-	-162	-	13,888,172	138,439
070 <i>Of which SMEs</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080 <i>Households</i>	351,127	335,467	8,053	-	-	-	-62	0	-62	-	-	-	-	351,065	-



Section 7 Credit risk quality



	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received		
	Performing exposures		Non-performing exposures				Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Accumulated partial write-off	On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3			Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3					
30 Jun 2021 (EUR 1,000)															
090 Debt securities	5,475,178	1,750,149	14,423	-	-	-	0	0	0	-	-	-	-	263,782	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	2,412,702	1,427,986	7,073	-	-	-	0	0	0	-	-	-	-	37,520	-
120 Credit institutions	2,651,644	227,293	-	-	-	-	-	-	-	-	-	-	-	164,660	-
130 Other financial corporations	324,225	15,613	-	-	-	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	86,607	79,257	7,350	-	-	-	0	0	0	-	-	-	-	61,601	-
150 Off-balance-sheet exposures	2,537,059	2,537,022	37	4,506	-	4,506	4	4	0	0	-	0	-	588,391	-
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 General governments	1,046,206	1,046,206	-	-	-	-	2	2	-	-	-	-	-	-	-
180 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200 Non-financial corporations	1,472,894	1,472,857	37	4,506	-	4,506	2	2	0	0	-	0	-	574,650	-
210 Households	17,958	17,958	-	-	-	-	0	0	-	-	-	-	-	13,742	-
220 Total	37,884,141	33,903,205	189,161	143,115	-	140,668	-1,024	-133	-891	-170	-	-162	-	16,858,955	138,439

Section 7 Credit risk quality

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received			
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures	
	Of which stage 1		Of which stage 2	Of which stage 2		Of which stage 3	Of which stage 1		Of which stage 2	Of which stage 2		Of which stage 3				
31 Dec 2020																
(EUR 1,000)																
1	Loans and advances	35,117,567	34,928,130	144,846	136,751	-	136,751	-915	-79	-835	-224	-	-224	-	15,575,920	136,528
2	Central banks	5,603,911	5,603,911	-	-	-	-	0	0	-	-	-	-	-	-	-
3	General governments	13,526,374	13,512,873	7,188	-	-	-	-40	-23	-17	-	-	-	-	1,765,274	-
4	Credit institutions	1,806,223	1,806,223	-	-	-	-	-43	-43	-	-	-	-	-	-	-
5	Other financial corporations	243,277	243,277	-	-	-	-	-4	-4	-	-	-	-	-	-	-
6	Non-financial corporations	13,589,226	13,430,099	128,891	136,751	-	136,751	-760	-8	-752	-224	-	-224	-	13,466,365	136,528
7	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Households	348,556	331,747	8,767	-	-	-	-67	0	-67	-	-	-	-	344,282	-
9	Debt securities	5,781,486	1,726,740	7,200	-	-	-	0	0	0	-	-	-	-	282,649	-
10	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	General governments	2,295,533	1,252,897	-	-	-	-	0	0	-	-	-	-	-	38,004	-
12	Credit institutions	3,075,888	368,372	-	-	-	-	-	-	-	-	-	-	-	182,669	-





	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received		
	Performing exposures		Non-performing exposures				Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Accumulated partial write-off	On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3			Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3					
31 Dec 2020 (EUR 1,000)															
13 <i>Other financial corporations</i>	313,081	15,687	-	-	-	-	-	-	-	-	-	-	-	-	-
14 <i>Non-financial corporations</i>	96,984	89,784	7,200	-	-	-	0	0	0	-	-	-	-	61,976	-
15 <i>Off-balance sheet exposures</i>	2,352,777	2,348,271	4,506	1,201	-	1,201	4	4	0	0	-	-	-	1,700,008	-
16 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 <i>General governments</i>	783,268	783,268	-	-	-	-	1	1	-	-	-	-	-	130,512	-
18 <i>Credit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 <i>Non-financial corporations</i>	1,546,718	1,542,212	4,506	1,201	-	1,201	3	3	0	0	-	-	-	1,546,705	-
21 <i>Households</i>	22,791	22,791	-	-	-	-	0	0	-	-	-	-	-	22,791	-
22 Total	43,251,830	39,003,141	156,552	137,952	-	137,952	-910	-75	-835	-224	-	-224	-	17,558,577	136,528

Section 7 Credit risk quality

EU CQ1**Credit quality of forborne exposures**

The COVID-19 pandemic affected the financial situation and liquidity of MuniFin Group's customers. The Group has therefore offered concessions to the payment terms of the loans to customers whose finances have been temporarily affected by the pandemic. On 30 June 2021, 60 loans were classified as forborne exposures, of which 40 were offered due to COVID-19 pandemic.

	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		
	30 Jun 2021 (EUR 1,000)	Non-performing forborne			Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Performing forborne		Of which defaulted							
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-
010 Loans and advances	64,497	27,532	27,532	27,532	-245	-32	91,752	27,500	
020 <i>Central banks</i>	-	-	-	-	-	-	-	-	
030 <i>General governments</i>	-	-	-	-	-	-	-	-	
040 <i>Credit institutions</i>	-	-	-	-	-	-	-	-	
050 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-	
060 <i>Non-financial corporations</i>	59,224	27,532	27,532	27,532	-191	-32	86,533	27,500	
070 <i>Households</i>	5,273	-	-	-	-54	-	5,219	-	
080 Debt Securities	-	-	-	-	-	-	-	-	
090 Loan commitments given	-	-	-	-	-	-	-	-	
100 Total	64,497	27,532	27,532	27,532	-245	-32	91,752	27,500	

Section 7 Credit risk quality

	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 forbore exposures	
	Non-performing forbore							
31 Dec 2020 (EUR 1,000)	Performing forbore		Of which defaulted	Of which impaired	On performing forbore exposures	On non-performing forbore exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
1 Loans and advances	68,150	19,480	19,480	19,480	-226	-62	87,342	19,418
2 <i>Central banks</i>	-	-	-	-	-	-	-	-
3 <i>General governments</i>	-	-	-	-	-	-	-	-
4 <i>Credit institutions</i>	-	-	-	-	-	-	-	-
5 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-
6 <i>Non-financial corporations</i>	62,877	19,480	19,480	19,480	-170	-62	82,125	19,418
7 <i>Households</i>	5,274	-	-	-	-56	-	5,217	-
8 Debt Securities	-	-	-	-	-	-	-	-
9 Loan commitments given	-	-	-	-	-	-	-	-
10 Total	68,150	19,480	19,480	19,480	-226	-62	87,342	19,418

Section 7 Credit risk quality

EU CQ4**Quality of non-performing exposures by geography**

The Group's non-domestic original exposures are 13% of total exposures on 30 June 2021. 5 largest countries are reported below. Other countries include exposures in following countries: AT, AU, BE, CH, DK, IE, IT, JP, KR, LU, NL, NO, NZ, SE, US.

	a	b	c	d	e	f	g
	Gross carrying/nominal amount						
	Of which non-performing						
30 Jun 2021 (EUR 1,000)			Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010 On-balance-sheet exposures	35,485,691	138,609	138,609	31,693,917	-1,197	-	-
020 FI	30,572,580	138,609	138,609	29,892,076	-1,094	-	-
030 GB	1,106,065	-	-	1,025,794	-57	-	-
040 DE	605,112	-	-	337,235	-37	-	-
050 FR	561,122	-	-	113,735	-4	-	-
060 CA	480,289	-	-	18,233	0	-	-
070 Other countries	2,160,523	-	-	306,844	-5	-	-
080 Off-balance-sheet exposures	2,541,565	4,506	4,506	-	-	4	-
090 FI	2,541,565	4,506	4,506	-	-	4	-
150 Total	38,027,256	143,115	143,115	31,693,917	-1,197	4	-

Section 7 Credit risk quality

EU CQ5**Credit quality of loans and advances to non-financial corporations by industry**

	a	b	c	d	e	f
	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which non-performing		Of which loans and advances subject to impairment			
	Of which defaulted					
30 Jun 2021 (EUR 1,000)						
010 Agriculture, forestry and fishing	-	-	-	-	-	-
020 Mining and quarrying	3,377	-	-	3,377	0	-
030 Manufacturing	7,588	-	-	7,588	0	-
040 Electricity, gas, steam and air conditioning supply	346,329	-	-	346,329	0	-
050 Water supply	569,983	-	-	556,385	-1	-
060 Construction	165,478	-	-	165,478	-2	-
070 Wholesale and retail trade	-	-	-	-	-	-
080 Transport and storage	111,736	-	-	111,736	0	-
090 Accommodation and food service activities	4,370	-	-	4,370	0	-
100 Information and communication	755	-	-	755	0	-
110 Financial and insurance activities	13,614	-	-	13,614	0	-
120 Real estate activities	12,858,011	136,387	136,387	12,830,232	-906	-
130 Professional, scientific and technical activities	25,906	-	-	25,906	-3	-
140 Administrative and support service activities	25,017	-	-	25,017	0	-
150 Public administration and defense, compulsory social security	-	-	-	-	-	-
160 Education	-	-	-	-	-	-
170 Human health services and social work activities	57,240	-	-	57,240	0	-
180 Arts, entertainment and recreation	47,374	2,223	2,223	47,374	-6	-
190 Other services	-	-	-	-	-	-
200 Total	14,236,778	138,609	138,609	14,195,401	-919	-

Section 7 Credit risk quality

EU CQ7**Collateral obtained by taking possession and execution processes**

The Group has not obtained collateral by taking possession and execution processes.

EU CQ3**Credit quality of performing and non-performing exposures by past due days**

The following table shows the counterparty breakdown for the gross carrying amount of performing and non-performing exposures.

The gross NPL ratio is 0,46% (0,39%). The total row 220 does not include row 005 Cash balances at central banks and other demand deposits.

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures				Non-performing exposures							
30 Jun 2021 (EUR 1,000)	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	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005 Cash balances at central banks and other demand deposits	7,820,831	7,820,831	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	29,871,904	29,871,904	-	138,609	120,714	-	-	17,895	-	-	-	138,609
020 <i>Central banks</i>	9,604	9,604	-	-	-	-	-	-	-	-	-	-
030 <i>General governments</i>	13,782,765	13,782,765	-	-	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	1,374,235	1,374,235	-	-	-	-	-	-	-	-	-	-
050 <i>Other financial corporations</i>	256,003	256,003	-	-	-	-	-	-	-	-	-	-



Section 7 Credit risk quality



		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures				Non-performing exposures							
30 Jun 2021 (EUR 1,000)		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	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
060	Non-financial corporations	14,098,168	14,098,168	-	138,609	120,714	-	-	17,895	-	-	-	138,609
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	351,127	351,127	-	-	-	-	-	-	-	-	-	-
090	Debt securities	5,475,178	5,475,178	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	2,412,702	2,412,702	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	2,651,644	2,651,644	-	-	-	-	-	-	-	-	-	-
	Other financial corporations	324,225	324,225	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	86,607	86,607	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	2,537,059			4,506								4,506
160	Central banks	-			-								-
170	General governments	1,046,206			-								-
180	Credit institutions	-			-								-
190	Other financial corporations	-			-								-
200	Non-financial corporations	1,472,894			4,506								4,506
210	Households	17,958			-								-
220	Total	37,884,141	35,347,082	-	143,115	120,714	-	-	17,895	-	-	-	143,115

Section 7 Credit risk quality

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures				Non-performing exposures							
31 Dec 2020 (EUR 1,000)	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	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years		Of which defaulted
1 Loans and advances	35,117,567	35,117,567	-	136,751	116,963	-	19,788	-	-	-	-	136,751
2 <i>Central banks</i>	5,603,911	5,603,911	-	-	-	-	-	-	-	-	-	-
3 <i>General governments</i>	13,526,374	13,526,374	-	-	-	-	-	-	-	-	-	-
4 <i>Credit institutions</i>	1,806,223	1,806,223	-	-	-	-	-	-	-	-	-	-
5 <i>Other financial corporations</i>	243,277	243,277	-	-	-	-	-	-	-	-	-	-
6 <i>Non-financial corporations</i>	13,589,226	13,589,226	-	136,751	116,963	-	19,788	-	-	-	-	136,751
7 <i>Of which SMEs</i>	-	-	-	-	-	-	-	-	-	-	-	-
8 <i>Households</i>	348,556	348,556	-	-	-	-	-	-	-	-	-	-
9 Debt securities	5,781,486	5,781,486	-	-	-	-	-	-	-	-	-	-
10 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
11 <i>General governments</i>	2,295,533	2,295,533	-	-	-	-	-	-	-	-	-	-
12 <i>Credit institutions</i>	3,075,888	3,075,888	-	-	-	-	-	-	-	-	-	-
13 <i>Other financial corporations</i>	313,081	313,081	-	-	-	-	-	-	-	-	-	-
14 <i>Non-financial corporations</i>	96,984	96,984	-	-	-	-	-	-	-	-	-	-

Section 7 Credit risk quality



	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures				Non-performing exposures							
31 Dec 2020 (EUR 1,000)	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	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted		
15 Off-balance sheet exposures	2,352,777		1,201									1,201
16 Central banks	-		-									-
17 General governments	783,268		-									-
18 Credit institutions	-		-									-
19 Other financial corporations	-		-									-
20 Non-financial corporations	1,546,718		1,201									1,201
21 Households	22,791		-									-
22 Total	43,251,830	40,899,053	-	137,952	116,963	-	19,788	-	-	-	-	137,952

Section 8

Use of credit risk mitigation techniques

EU CR3

CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	a	b	c	d	e
	Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
30 Jun 2021					
(EUR 1,000)					
1 Loans and advances	21,684,925	16,145,221	10,187,836	5,957,385	-
2 Debt securities	5,211,397	263,782	-	263,782	-
3 Total	26,896,321	16,409,003	10,187,836	6,221,167	-
4 <i>Of which non-performing exposures</i>	-	138,439	102,492	35,947	-
EU-5 <i>Of which defaulted</i>	-	138,439	-	-	-

Section 9

Credit risk standardised approach

EU CR4

Standardised approach – Credit risk exposure and CRM effects

This table shows on- and off-balance sheet exposures. Items treated within the scope of counterparty credit risk are excluded.

Total on- and off-balance sheet exposure amount post CCF and CRM was EUR 43,460 million at the end of June 2021 increasing by EUR 2,464 million from the year-end 2020. The change was mainly driven by increased lending volumes and cash balance at the central bank.

The increase in exposures to corporates is stemming from exposures to credit institutions and clearing houses domiciled in the United Kingdom. After withdrawal of the UK from the EU, these counterparties are no longer reported in the exposure class 'Institutions' based on CRR Art. 107(3).

Section 9 Credit risk standardised approach

30 Jun 2021 (EUR 1,000)	a	b	c	d	e	f
	Exposures before CCF and before 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 (%)
1 Central governments or central banks	7,946,799	-	19,433,836	872,449	-	0%
2 Regional government or local authorities	14,435,987	1,020,705	19,257,118	336,163	5,693	0%
3 Public sector entities	344,650	-	320,830	-	8,880	3%
4 Multilateral development banks	153,559	-	153,559	-	-	0%
5 International organisations	144,684	-	144,684	-	-	0%
6 Institutions	1,411,068	-	1,246,408	-	289,079	26%
7 Corporates	6,644,629	1,516,350	358,003	-	27,472	22%
8 Retail	-	-	-	-	-	-
9 Secured by mortgages on immovable property	9,694,311	0	-	-	-	-
10 Exposures in default	138,751	4,506	-	-	-	-
11 Exposures associated with particularly high risk	-	-	-	-	-	-
12 Covered bonds	1,307,650	-	1,307,650	-	130,765	10%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	29,397	-	29,397	-	27,866	95%
17 Total	42,251,485	2,541,561	42,251,485	1,208,612	489,754	1%

Section 9 Credit risk standardised approach

31 Dec 2020 (EUR 1,000)	a	b	c	d	e	f
	Exposures before CCF and before 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 (%)
1 Central governments or central banks	5,873,259	-	16,932,960	741,242	-	0%
2 Regional governments or local authorities	13,893,677	753,517	18,813,914	340,069	5,721	0%
3 Public sector entities	495,823	-	471,369	-	8,975	2%
4 Multilateral development banks	185,612	-	185,612	-	-	0%
5 International organisations	158,697	-	158,697	-	-	0%
6 Institutions	1,970,555	-	1,787,886	-	346,183	19%
7 Corporates	6,360,654	1,594,447	-	-	-	-
8 Retail	-	-	-	-	-	-
9 Secured by mortgages on immovable property	9,275,460	4,809	-	-	-	-
10 Exposures in default	136,700	1,201	0	-	-	0%
11 Items associated with particularly high risk	-	-	-	-	-	-
12 Covered bonds	1,530,373	-	1,530,373	-	153,037	10%
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investments undertakings	-	-	-	-	-	-
15 Equity exposures	-	-	-	-	-	-
16 Other exposures	33,791	-	33,791	-	25,742	76%
17 Total	39,914,602	2,353,973	39,914,602	1,081,310	539,658	1%

EU CR5**Standardised approach**

This table shows on- and off-balance sheet exposures post conversion factor and post risk mitigation techniques. Items treated within the scope of counterparty credit risk are excluded. To determine the exposure's risk weight, MuniFin Group applies credit ratings by Moody's Investors Service, Fitch Ratings or Standard & Poor's Financial Services.

The largest change took place in the 0% risk weight bucket, which increased from EUR 37,576 million to EUR 40,446 million being driven by increased volumes in regional governments exposures and MuniFin's cash balance in the central bank. Of the total exposure amount 93.1% (91.7%) is risk-weighted by 0%.

The increase in exposures to corporates is stemming from exposures to credit institutions and clearing houses located in the United Kingdom. After withdrawal of the UK from the EU, these counterparties are no longer reported in the exposure class 'Institutions' based on CRR Art. 107(3).

The 10%, 20% and 50% risk weight buckets are affected by changes in the liquidity portfolio.

Section 9 Credit risk standardised approach

30 Jun 2021 (EUR 1,000)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Risk weight															Total	Of which unrated
EXPOSURE CLASSES		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
1	Central governments or central banks	20,306,285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,306,285	-
2	Regional government or local authorities	19,564,818	-	-	-	28,463	-	-	-	-	-	-	-	-	-	-	19,593,281	19,579,056
3	Public sector entities	276,429	-	-	-	44,401	-	-	-	-	-	-	-	-	-	-	320,830	-
4	Multilateral development banks	153,559	-	-	-	-	-	-	-	-	-	-	-	-	-	-	153,559	-
5	International organisations	144,684	-	-	-	-	-	-	-	-	-	-	-	-	-	-	144,684	-
6	Institutions	-	-	-	-	1,113,751	-	132,657	-	-	-	-	-	-	-	-	1,246,408	32,200
7	Corporates	-	255,984	-	-	95,526	-	6,493	-	-	-	-	-	-	-	-	358,003	-
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	1,307,650	-	-	-	-	-	-	-	-	-	-	-	1,307,650	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	2	-	-	-	1,910	-	-	-	-	27,484	-	-	-	-	-	29,397	27,484
17	Total	40,445,778	255,984	-	1,307,650	1,284,052	-	139,150	-	-	27,484	-	-	-	-	-	43,460,097	19,638,740

Section 9 Credit risk standardised approach

31 Dec 2020
(EUR 1,000)

EXPOSURE CLASSES	Risk weight							Total	Of which unrated
	0%	2%	10%	20%	50%	100%	Others		
1 Central governments or central banks	17,674,201	-	-	-	-	-	-	17,674,201	-
2 Regional governments or local authorities	19,125,380	-	-	28,603	-	-	-	19,153,982	19,139,620
3 Public sector entities	426,495	-	-	44,874	-	-	-	471,369	-
4 Multilateral development banks	185,612	-	-	-	-	-	-	185,612	-
5 International organisations	158,697	-	-	-	-	-	-	158,697	-
6 Institutions	-	230,996	-	1,456,272	100,618	-	-	1,787,886	35,000
7 Corporates	-	-	-	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-	-	-	-
9 Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-
10 Exposures in default	-	-	-	-	-	-	-	-	-
11 Items associated with particularly high risk	-	-	-	-	-	-	-	-	-
12 Covered bonds	-	-	1,530,373	-	-	-	-	1,530,373	-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14 Collective investments undertakings	-	-	-	-	-	-	-	-	-
15 Equity exposures	-	-	-	-	-	-	-	-	-
16 Other exposures	5,614	-	-	3,043	-	25,134	-	33,791	25,134
17 Total	37,576,000	230,996	1,530,373	1,532,791	100,618	25,134	-	40,995,912	19,199,754

Section 10

Exposures to counterparty credit risk

EU CCR1

Analysis of CCR exposure by approach

The Group limits the credit risk arising from its derivative contracts with ISDA Credit Support Annexes. MuniFin Group has 40 derivative counterparties with which it has active derivative contracts. The Group has the above-mentioned collateral agreement with all of these counterparties. Additionally, the Municipal Guarantee Board's guarantees are used for reducing

the derivative counterparty risk of certain counterparties. The counterparty credit risk RWA has increased to EUR 85 million (EUR 41 million) due to regulatory change in the calculation methodology (CRR II new standardised approach for counterparty credit risk).

	a	b	c	d	e	f	g	h
30 Jun 2021 (EUR 1,000)	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1 EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2 EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1 SA-CCR (for derivatives)	308,789	575,328		1.4	2,366,036	1,237,764	1,237,764	84,799
2 IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a Of which securities financing transactions netting sets			-	-	-	-	-	-
2b Of which derivatives and long settlement transactions netting sets			-	-	-	-	-	-
2c Of which from contractual cross-product netting sets			-	-	-	-	-	-
3 Financial collateral simple method (for SFTs)					-	-	-	-
4 Financial collateral comprehensive method (for SFTs)					-	-	-	-
5 VaR for SFTs					-	-	-	-
6 Total					2,366,036	1,237,764	1,237,764	84,799

Section 10 Exposures to counterparty credit risk

31 Dec 2020 (EUR 1,000)	b	c	f	g
	Replacement cost / current market value	Potential future credit exposure	EAD post CRM	RWAs
1 Mark to market	415,573	541,973	600,859	40,938
2 Original exposure	-	-	-	-
3 Standardised approach	-	-	-	-
4 IMM (for derivatives and SFTs)			-	-
5 <i>Of which securities financing transactions</i>			-	-
6 <i>Of which derivatives and long settlement transactions</i>			-	-
7 <i>Of which from contractual crossproduct netting</i>			-	-
8 Financial collateral simple method (for SFTs)			-	-
9 Financial collateral comprehensive method (for SFTs)			-	-
10 VaR for SFTs			-	-
11 Total				40,938

EU CCR2**Transactions subject to own funds requirements for CVA risk**

The CVA capital charge has increased significantly due to regulatory changes (CRR II SA-CCR impacted exposure values in the CVA charge calculation). MuniFin Group manages the CVA capital charge with comprehensive use of CSAs and CCP clearing. The number and value of derivatives cleared through the Central Counterparty has increased in the first half of 2021.

**30 Jun 2021
(EUR 1,000)**

	a	b
	Exposure value	RWEA
1 Total transactions subject to the Advanced method	-	-
2 (i) VaR component (including the 3× multiplier)		-
3 (ii) stressed VaR component (including the 3× multiplier)		-
4 Transactions subject to the Standardised method	741,858	490,362
EU-4 Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5 Total transactions subject to own funds requirements for CVA risk	741,858	490,362

**31 Dec 2020
(EUR 1,000)**

	a	b
	Exposure value	RWEA
1 Total portfolios subject to the advanced method	-	-
2 (i) VaR component (including the 3x multiplier)		-
3 (ii) SVaR component (including the 3x multiplier)		-
4 All portfolios subject to the standardised method	431,835	230,876
EU4 Based on the original exposure method	-	-
5 Total subject to the CVA capital charge	431,835	230,876

EU CCR3**Standardised approach – CCR exposures by regulatory exposure class and risk weights**

This table shows classification of counterparty credit risk exposure value in exposure classes and risk weights after credit risk mitigation. After changes to the regulation of banks' capital adequacy (CRR II and CRD V) coming in to force on 28 June 2021, MuniFin Group applies SA-CCR method in calculating the counterparty credit risk. The new calculation method has affected the total exposure value with an increase of EUR 280 million from the year-end 2020.

After credit risk mitigation, 83.8% of the total exposure value is in the 0% risk weight bucket. Credit risk mitigation techniques applied are guarantees granted by the Municipal Guarantee Board and municipalities.

The increase in exposures to corporates is stemming from exposures to credit institutions and clearing houses located in the United Kingdom. After withdrawal of the UK from the EU these counterparties are no longer reported in the exposure class 'Institutions' based on CRR Art. 107(3).

31 December 2020 figures have been revised and are now post credit risk mitigation figures instead of pre credit risk mitigation figures as previously published.

Section 10 Exposures to counterparty credit risk

30 Jun 2021 (EUR 1,000)	Risk weight											Total exposure value
	a	b	c	d	e	f	g	h	i	j	k	
EXPOSURE CLASSES	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1 Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2 Regional government or local authorities	463,859	-	-	-	-	-	-	-	-	-	-	463,859
3 Public sector entities	573,542	-	-	-	-	-	-	-	-	-	-	573,542
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	-	67,351	-	-	-	-	-	67,351
7 Corporates	-	32,048	-	-	-	100,965	-	-	-	-	-	133,013
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-
11 Total exposure value	1,037,400	32,048	-	-	-	168,316	-	-	-	-	-	1,237,764

Section 10 Exposures to counterparty credit risk

31 Dec 2020
(EUR 1,000)

EXPOSURE CLASSES	Risk weight				Total	Of which unrated
	0%	2%	20%	50%		
1 Central governments or central banks	-	-	-	-	-	-
2 Regional governments or local authorities	397,641	-	-	-	397,641	397,641
3 Public sector entities	356,686	-	-	-	356,686	356,686
4 Multilateral development banks	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-
6 Institutions	-	126,399	-	76,819	203,219	-
7 Corporates	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10 Other exposures	-	-	-	-	-	-
11 Total	754,327	126,399	-	76,819	957,545	754,327

Section 10 Exposures to counterparty credit risk

EU CCR5**Composition of collateral for CCR exposures**

The amount of collateral posted for derivative transactions at the end of June 2021 is EUR 1,599 million (EUR 1,850 million). MuniFin holds a strong credit rating (Aa1/AA+).

The impact of a possible credit downgrade lower than four notches of MuniFin would not have any impact on the collateral posted.

30 Jun 2021 (EUR 1,000)	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
1 Cash – domestic currency	-	747,731	256,000	1,342,720	-	-	-	-
2 Cash – other currencies	-	94,413	-	-	-	-	-	-
3 Domestic sovereign debt	-	-	-	-	-	-	-	-
4 Other sovereign debt	-	-	-	-	-	-	-	-
5 Government agency debt	-	-	-	-	-	-	-	-
6 Corporate bonds	-	-	-	-	-	-	-	-
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-	-	-
9 Total	-	842,145	256,000	1,342,720	-	-	-	-

31 Dec 2020 (EUR 1,000)	a	b	c	d
	Collateral used in derivative transactions			
	Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated
Cash	-	889,300	230,996	1,619,372
Total	-	889,300	230,996	1,619,372

Section 10 Exposures to counterparty credit risk

EU CCR8**Exposures to CCPs**

Exposures for qualified central clearing counterparties decreased to EUR 32 million (EUR 92 million).

The decrease was due to a regulatory change (SA-CCR in CRR II) in the methodology for measuring counterparty credit risk.

30 Jun 2021
(EUR 1,000)

	a	b
	Exposure value	RWEA
1 Exposures to QCCPs (total)		641
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	32,048	641
3 (i) OTC derivatives	32,048	641
4 (ii) Exchange-traded derivatives	-	-
5 (iii) SFTs	-	-
6 (iv) Netting sets where cross-product netting has been approved	-	-
7 Segregated initial margin	256,000	
8 Non-segregated initial margin	-	-
9 Prefunded default fund contributions	-	-
10 Unfunded default fund contributions	-	-
11 Exposures to non-QCCPs (total)		-
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	-	-

Section 10 Exposures to counterparty credit risk

31 Dec 2020 (EUR 1,000)	a	b
	EAD post CRM	RWAs
1 Exposures to QCCPs (total)		2,528
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	92,446	
3 (i) OTC derivatives	126,399	2,528
4 (ii) Exchange-traded derivatives	-	-
5 (iii) SFTs	-	-
6 (iv) Netting sets where cross-product netting has been approved	-	-
7 Segregated initial margin	230,996	
8 Non-segregated initial margin	-	-
9 Prefunded default fund contributions	-	-
10 Alternative calculation of own funds requirements for exposures	-	-
11 Exposures to non-QCCPs (total)		-
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	-	-

Section 11

Market risk

EU MR1

Market risk under the standardised approach

MuniFin Group calculates capital requirements for overall net foreign exchange position. The Group hedges against exchange rate risks by using derivative contracts to translate all foreign currency denominated funding and investments into euros. The Group does not bear any material foreign exchange risk.

The foreign exchange risk position was EUR 1.4 million at the end of June 2021 (EUR 2.1 million). Since the foreign exchange risk position was less than 2% of the own funds, there was no capital requirement for it (CRR 575/2013 Art. 351).

MuniFin Group does not hold trading book exposures.

30 Jun 2021 (EUR 1,000)	a
	RWEAs
Outright products	
1 Interest rate risk (general and specific)	-
2 Equity risk (general and specific)	-
3 Foreign exchange risk	1,377
4 Commodity risk	-
Options	
5 Simplified approach	-
6 Delta-plus approach	-
7 Scenario approach	-
8 Securitisation (specific risk)	-
9 Total	1,377

Section 12

Disclosure of exposures to interest rate risk on positions not held in the trading book

EU IRRBB1

Interest rate risks of non-trading book activities

30 JUN 2021
(EUR 1,000)

SUPERVISORY SHOCK SCENARIOS

	a	b	c	d
	Changes of the economic value of equity		Changes of the net interest income	
	Current period	Last period	Current period	Last period
1 Parallel up	-128,734	-344,616	41,792	1,088
2 Parallel down	427,930	251,097	42,700	45,282
3 Steepener	103,094	-59,430		
4 Flattener	288,677	374,728		
5 Short rates up	-104,934	-23,751		
6 Short rates down	357,875	279,337		

Qualitative description how IRRBB risk is managed can be found in Pillar III Disclosure Report 2020 in EU MRA “Qualitative disclosure requirements related to market risk” in Section 2. The Report is available on MuniFin’s website.

MuniFin Group performs IRRBB calculations based on a number of different interest rate shock scenarios, including non-parallel shifts in the interest-rate curve (steepener or flattener scenarios). Stress testing covers IRRBB related stress test for earnings and economic value following EBA Guideline on IRRBB non-trading book activities (EBA/GL/2018/02) and MuniFin Group’s Risk Appetite Framework calibration related to IRRBB. All negative interest rate shock scenarios are floored according to the EBA GL.

Section 13

Information not disclosed due to non-materiality, proprietary or confidential nature or not applicable to MuniFin Group

REFERENCE	REASON FOR NOT DISCLOSING	INFORMATION PROVIDED IN PILLAR III DISCLOSURE
<p>EBA/GL/2016/11 Table EU OVA (b), CRR Article 435(1)(b): The approved limits of risks to which the institution is exposed.</p>	<p>MuniFin Group's Risk Appetite Framework (RAF) limits and thresholds are defined strictly confidential. Limits and thresholds are of strategic nature and as such defined confidential. Supervisory authorities have full access to MuniFin Group's RAF limits and thresholds.</p>	<p>RAF is described in detail in Pillar III Disclosure Report 2020 in Section 2 Risk management objectives and policies, subsection MuniFin Group's overall risk profile associated with the business strategy and business model.</p>
<p>EBA/GL/2018/10 and EBA/ITS/2020/04 Template 2 – Quality of forbearance, renamed EU CQ2 Template 7 – Collateral valuation – loans and advances, renamed EU CQ6 Template 10 – Collateral obtained by taking possession and execution processes – vintage breakdown, renamed EU CQ8 EU CR2a – Changed in the stock of non-performing loans and advances and related net accumulated recoveries.</p>	<p>EBA/ITS/2020/04 templates EU CQ2, EU CQ6, EU CQ8 and EU CR2a are applicable only to significant credit institutions with a gross NPL ratio of 5% or above. As th NPL ratio does not exceed 5%, MuniFin Group has not disclosed these templates.</p>	<p>MuniFin Group complies the EBA/GL/2018/10 and EBA/ITS/2020/04 disclosure requirements by disclosing the templates applicable to all credit institutions.</p>

Section 13 Information not disclosed due to non-materiality, proprietary or confidential nature or not applicable to MuniFin Group

REFERENCE

EBA/GL/2020/07

Disclosure of exposures subject to measures applied in response to the COVID-19 crisis.

Template 1 - Information on loans and advances subject to legislative and non-legislative moratoria

Template 2 - Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

Template 3 - Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

REASON FOR NOT DISCLOSING

For the purpose of EBA/GL/2020/07 templates 1 and 2, moratoria refers to general moratoria in accordance with paragraph 10 of EBA Guidelines (EBA/GL/2020/02) on legislative and non-legislative moratoria. The concessions MuniFin Group has made in response to the COVID-19 crisis have been assessed individually for each counterparty, hence the concessions do not meet the criteria of moratoria in accordance with EBA/GL/2020/02.

For the purpose of EBA/GL/2020/07 Template 3, MuniFin Group has not received any public guarantees introduced in response to the COVID-19 crisis. As a result, MuniFin Group has not disclosed these templates.

INFORMATION PROVIDED IN PILLAR III DISCLOSURE

EBA/GL/2020/11

Guidelines on supervisory reporting and disclosure requirements in compliance with the CRR 'quick fix' in response to the COVID-19 pandemic

MuniFin Group has not applied the reliefs stated in the Guideline and as such, does not have anything to report regarding this Guideline.

EBA/GL/2020/12

EBA Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic.

MuniFin Group is not applying the transitional arrangements specified in Capital Requirements Regulation's Article 473a for IFRS 9 or analogous ECLs. MuniFin Group's own funds, capital and leverage ratios already reflect the full impact of IFRS 9 or analogous ECLs. Based on this, there is nothing to report regarding EBA/GL/2020/12.

Section 13 Information not disclosed due to non-materiality, proprietary or confidential nature or not applicable to MuniFin Group

REFERENCE

REASON FOR NOT DISCLOSING

INFORMATION PROVIDED IN PILLAR III DISCLOSURE

EBA/ITS/2020/04 Implementing technical standards on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013
Disclosure of the use of credit risk mitigation techniques under IRB approach
Templates EU CR6, EU CR7, EUR CR7-A and EU CR8

MuniFin Group does not apply IRB approach.

EBA/ITS/2020/04 Implementing technical standards on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013
Disclosure of specialised lending and equity exposures under the simple riskweighted approach
Template EU CR10

MuniFin Group does not hold such exposures.

EBA/ITS/2020/04 Implementing technical standards on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013
Disclosure of exposures to counterparty credit risk
Templates EU CCR4, EU CCR6 and EU CCR7

MuniFin Group does not apply IRB approach or internal model method for CCR. MuniFin Group does not hold credit derivatives.

Section 13 Information not disclosed due to non-materiality, proprietary or confidential nature or not applicable to MuniFin Group

REFERENCE

EBA/ITS/2020/04 Implementing technical standards on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013
Disclosure of exposures to securitisation positions
All templates

EBA/ITS/2020/04 Implementing technical standards on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013
Disclosure of use of internal model for market risk
Templates EU MRB, EU MR2-A, EU MR2-B and EU MR3 and EU MR4

REASON FOR NOT DISCLOSING

MuniFin Group does not hold such exposures.

MuniFin Group does not apply internal model for market risk.

INFORMATION PROVIDED IN PILLAR III DISCLOSURE

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