

New business results increase again in 2006

Münchener Hypothekenbank is continuing to expand. The Bank's total new business results in 2006 exceeded the good performance reported in 2005 and rose to 2.42 billion euros, or about 9 percent over the previous year's figure. The increase was fairly balanced and consisted of 1.35 billion euros (+8 percent) in new loans for residential housing, and 1.07 billion euros (+10 percent) for commercial property finance.

Münchener Hypothekenbank had already increased its new business results by about 50 percent in 2005 to 2.22 billion euros. Erich Rödel, Speaker of the Münchener Hypothekenbank's Board of Management, noted that the increase was driven by the following factors: a systematic approach to sales activities focused on meeting customer needs, efficient processes, and favorable cost structures. "Last year we were already able to achieve significant goals set out in our "MHB 2008" business strategy," said Rödel.

Progress was achieved as planned in both the non-personnel and personnel cost categories. Personnel restructuring measures were completed early than planned in socially acceptable manner. This means that significant cost reduction goals originally targeted for 2008 were already achieved in 2006. In addition to financing residential housing, which continues to be the Bank's most important area of business, the Bank further developed its commercial property lending activities in Germany and abroad as well as its Credit Treasury business. These advances further reduced dependence on individual or regional markets. MünchenerHyp currently employs about 360 persons,

who are fully capable of providing the high quality of performance needed to meet current and future challenges within the MünchenerHyp's various areas of business. As a result, the Bank views itself as very well prepared to achieve additional business success in the future.

For additional information please contact

Dr. Phil Zundel
Head of Board of Management Staff
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 München
Telephone +49 (0) 89 53 87 319
Telefax +49 (0) 89 53 87 77 319
E-Mail: phil.zundel@muenchenerhyp.de

Dr. Benno-Eide Siebs
Board of Management Staff
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 München
Telephone +49 (0) 89 53 87 314
Telefax +49 (0) 89 53 87 77 314
E-Mail: benno-eide.siebs@muenchenerhyp.de