

## Press Release

### **Münchener Hypothekbank: stable earnings growth – mortgage business grows organically – paid up capital increases**

Munich, October 30, 2008 – Münchener Hypothekbank eG once again posted stable earnings in the third quarter of 2008. Net interest income remained at the previous year's level at € 92.3 million. The figure for net interest income less commissions declined slightly from € 74 million noted in the same year-ago period to € 72.2 million. The lower figure was mainly driven by higher commissions paid as our new mortgage business grew organically. Results from operations after making provisions for risks were € 22.3 million, which was also at the previous year's level. The continuity in the results from operations is supported by the Bank's conservative risk policy – especially in the new business area. "The development of our earnings demonstrates that we have a robust business model, which gives us stability, even against the background of the current crisis in the financial markets," said Erich Rödel, Chairman of the Münchener Hypothekbank's Board of Management.

MünchenerHyp was also able to expand its new mortgage business in the third quarter. The Bank made € 3.9 billion worth of commitments for new mortgage loans until September 30, 2008 in comparison to € 2.9 billion in the same year-ago period. Gains were noted in both the private residential property and commercial property finance sectors. The favourable development of the new business results led to an increase in the Bank's total assets and the value of its portfolio of mortgage loans. Since the end of 2007, total assets have risen by € 1.7 billion to € 34.6 billion, while the Bank's portfolio of mortgage loans and other loans rose by 9 percent to € 15.5 billion.

At the end of August 2008 MünchenerHyp very successfully placed a three-year public Jumbo Pfandbrief. The € 1 billion issue was significantly oversubscribed and over 40 percent of the investors were foreign central banks.

Paid up capital increased by 8 percent to € 137.1 million. Many members bought additional shares after the Bank raised the share limit for private persons in the spring of 2008. "This reflects the trust our members have in the Münchener Hypothekenbank's business policy," noted Erich Rödel.

Property markets will be unable to avoid the consequences of the economic downturn. Nevertheless, MünchenerHyp is confident that in the course of the expected normalisation of the capital markets its business model will continue to enable it to achieve reasonable performance in its new mortgage business.

For additional information please contact

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

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