

Press Release

Münchener Hypothekbank – Business Develops as Planned in First Half of 2009

Munich, August 17, 2009 – Market conditions for the property finance business continued to be impaired by the economic and financial crisis during the first half of the year. Münchener Hypothekbank had already adjusted its business planning last fall to counteract the changed overall conditions. Against this background, and while retaining its proven risk standards, MünchenerHyp made € 0.9 billion in new mortgage loan commitments in the first half of 2009 in comparison to € 1.8 billion in the same year-ago period. “A special sense of proportion and a heightened risk awareness are required in light of the ongoing uncertainty in the financial markets and the difficult market situation,” said Erich Rödel, Chairman of the Münchener Hypothekbank’s Board of Management.

Total assets amounted to € 36.2 billion and were at the level noted at the end of 2008. The bank’s portfolio of mortgages and other property finance loans rose by € 0.4 billion to € 16.4 billion. Earnings continued to develop stably despite the crisis in the financial markets. Although MünchenerHyp, just like all credit institutions, was confronted with higher refinancing surcharges, net interest income for the first six months was € 62.4 Million, and at the previous year’s level. Results from operations after making provisions for risk amounted to € 12.7 million, or € 2.4 million less than the same year-ago figure.

Overall conditions in the property finance markets are not anticipated to improve significantly in the second half of the year. “For this reason we will continually examine the opportunities and risks of our business model and adjust it as necessary to meet individual market requirements,”

said Erich Rödel. Despite unchanged difficult overall conditions, MünchenerHyp is striving to post net income at the end of 2009 at the level recorded in the previous year.

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