



Press Release

## **MünchenerHyp continues its dynamic growth**

Munich, August 26, 2015 – Münchener Hypothekenbank eG continued the strong pace of growth it recorded last year during the first half of 2015. New business in the property finance area increased by 19 percent to € 2.4 billion (previous year: € 2.1 billion). The Bank's earnings also benefited from this rise as its net interest income and net commission income rose by 36 percent to € 72.9 million (previous year: € 53.5 million). "We are very pleased with the way our business developed. Our sustainable growth strategy is working as planned," said Dr. Louis Hagen, Spokesman for the Münchener Hypothekenbank's Board of Management, during the announcement of the Bank's half year results.

MünchenerHyp intensified its residential property financing activities with banks within the Cooperative Financial Network. New business generated within the Cooperative Financial Network rose by 21 percent to € 1.3 billion. The Bank also recorded a notable increase in the area of commercial property financing, including loans made to housing companies. The volume of new lending commitments made during the first half of the year rose by 24 percent to about € 550 million.

MünchenerHyp's strong placement power remained intact in the capital market as it issued three large volume benchmark Mortgage Pfandbriefe by the end of July. Each of the three issues had a volume of € 750 million and all three were quickly oversubscribed within a short period of time due to strong demand. Furthermore, the results of this year's "Best Borrowers Survey" conducted by Euromoney, a financial trade publication, showed that the Bank successfully defended its first place ranking in the category "Covered Bonds and Pfandbriefe".

The risk situation in the property financing business remained stable as provisions made for risk were at a low level. Results from operations after making provisions for risk rose by € 6.8 million to € 23.5 million. After deduction of tax expenses the Bank recorded a pro rata temporis net income figure for the year of € 13.7 million (previous year € 11.1 million).



## MünchenerHyp

Total assets recorded on June 30, 2015 amounted to € 37.6 billion following € 36.3 billion posted at the close of 2014. The value of the Bank's portfolio of mortgages increased by € 1.4 billion to € 25.0 billion. In line with MünchenerHyp's business strategy, the portfolio of securities held due to the Bank's capital markets business declined by € 0.4 billion since the start of the 2015 to € 9.0 billion.

On June 30, 2015 MünchenerHyp's common equity Tier 1 capital ratio was 12.3 percent (12.5 percent as of December 31, 2014), while the Bank's Tier 1 capital ratio stood at 14.0 percent (14.2 percent as of December 31, 2014), and its total capital ratio was 17.6 percent (18.3 percent as of December 31, 2014).

MünchenerHyp is confident that it will be able to further increase its new business performance in the second half of 2015. Dr. Louis Hagen stated: "We are striving to achieve a higher volume of new business in both our residential and commercial property financing areas of business than we did in the previous year. Our confidence is supported by the overall favourable conditions that exist in our core markets." Against this background, the Bank anticipates that it will be able to increase its net income for the year.

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