



Press Release

MünchenerHyp once again records notable gains in new business and earnings power during first half of 2017

Munich, 24 August 2017 – Münchener Hypothekenbank eG remained on its course of growth in the first half of 2017. The cooperative property financier expanded its new business by 19 percent to almost € 2.8 billion (30 June 2016: € 2.3 billion). Unbroken high demand for property financing favourably influenced MünchenerHyp's earnings. During the first six months of the year the Bank's interest income rose to € 124.8 million, a gain of 12 percent over the same year-ago figure (30 June 2016: € 111.9 million).

“We are very pleased with the way our business has developed thus far in 2017 as we were able to significantly increase the volume of new loan commitments made in both the private residential and the commercial property financing sectors”, noted Dr. Louis Hagen, the Chairman of the Board of Management of MünchenerHyp. The Bank was able to improve its new business in the area of private residential property financing by 4 percent from the already high level reached in the previous year to € 1.8 billion as of 30 June 2017. The further intensification of the Bank's brokerage business with the cooperative partner banks was the primary driver behind this increase.

New business results in the commercial property financing area – including financing provided to housing companies – grew by € 0.4 billion to € 1 billion. Germany remained the main focus of these lending transactions, although the greatest gains were posted in western European markets outside of Germany.

Refinancing, especially via the Pfandbrief, again took place at very good conditions. During the first half of the year MünchenerHyp issued a large-volume Mortgage Pfandbrief of € 500 million with a term of 10 years. Demand for the issue was very good and at the time it was placed, it had the highest risk discount for covered bonds to this date in 2017.



Provisions made for risks in our lending business remained moderate and reflected the unchanged stable risk situation. Results from normal business operations, after making provisions for risk, rose by € 10.7 million to € 37.8 million. After tax deductions, the pro rata temporis net income for the year amounted to € 22.1 million (2016: € 14.6 million).

Total assets on 30 June 2017 amounted to € 39.1 billion, following € 38.5 billion at the end of 2016. During the same period of time our portfolio of mortgage loans rose by € 0.8 billion to € 28.6 billion. In accordance with MünchenerHyp's strategy, the Bank's capital markets portfolio was reduced by € 0.7 billion since the start of 2017 and at mid-year amounted to € 6.1 billion.

On 30 June 2017 the Bank's Common Equity Tier 1 capital ratio and Tier 1 capital ratio were both 23.7 percent (31 December 2016: 22.9 percent each). The Bank's total capital ratio was 25.2 percent (31 December 2016: 24.5 percent).

MünchenerHyp is confident that it will be able to continue the favourable development of business through the entire year. "We expect that the strong demand for private and commercial financing will remain intact. We anticipate that we will be able to further expand our new business results", said Dr. Louis Hagen.

For additional information please contact:

Dr. Phil Zundel
Head of Board of Management Staff | Organisation |
Human Resources
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 Munich
Telephone +49 89 5387-319
Telefax +49 89 5387-77319
E-Mail: Phil.Zundel@muenchenerhyp.de

Dr. Benno-Eide Siebs
Press Officer
Board of Management Staff | Organisation |
Human Resources
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 Munich
Telephone +49 89 5387-314
Telefax +49 89 5387-77314
E-Mail: Benno-Eide.Siebs@muenchenerhyp.de