



Press Release

MünchenerHyp: Earnings and new business rise further

Munich, 25 October 2017 – Münchener Hypothekenbank eG has successfully continued on its course of growth. During the nine months ending 30 September 2017 the Bank's interest income rose by 13 percent over the same year-ago period to € 190.3 million (30 September 2016: € 168.5 million). "Thanks to our unbroken favourable new business results we are once again able to strengthen our earnings power as planned", said Dr. Louis Hagen, the Chairman of the Board of Management of MünchenerHyp commenting on the Bank's performance as at 30 September 2017.

In comparison to the same year-ago period the cooperative property financier's new business grew by 14 percent as at 30 September 2017 and totalled € 3.9 billion (30 September 2016: € 3.4 billion). Loans for private residential housing accounted for € 2.5 billion. This means that new business results for this segment remained at the record level posted in the previous year. In addition, MünchenerHyp posted substantial gains of more than 50 percent in its commercial property finance business as it provided a total of € 1.4 billion (30 September 2016: € 0.9 million) in new financing for commercial property projects during the first nine months. Dr. Louis Hagen noted: "We were able to strengthen our competitive position by expanding our presence in the market, especially outside of Germany, and by further intensifying our customer relationships."

The Bank is satisfied with the risk situation in its credit business as provisions for lending risks remain at a low level. Results from normal business operations rose by € 10.8 million to € 56.3 million. After tax deductions, the pro rata temporis annual net income for the year rose by € 5.5 million to € 32.6 million.

Total assets rose during the first nine months by € 0.5 billion to € 39.0 billion. MünchenerHyp was once again able to substantially increase its portfolio of mortgage loans as it rose by € 1.2 billion to € 29.1 billion. In contrast, the Bank further reduced its capital markets portfolio in line with its strategic policy.



MünchenerHyp

MünchenerHyp caused a stir in the Pfandbrief market during the summer months when it issued a € 750 million benchmark Mortgage Pfandbrief. “The great interest shown by investors demonstrated that there is still a high level of liquidity in the covered bond market”, said Dr. Louis Hagen. The Pfandbrief has a term of 9 years and two months and a coupon of 0.625 percent. It was placed at a price 13 basis points below the mid-swap rate.

The Bank’s equity resources further improved during the current year as the amount of paid-up capital in the form of shares in the cooperative grew by € 43 million since the start of the year to € 999.0 million on 30 September 2017. “Meanwhile we have more than € 1 billion in paid-up capital. This clearly reflects the trust our owners have in our performance capabilities and underlines the significance of the MünchenerHyp within the Cooperative Financial Network”, said Dr. Louis Hagen.

Against the background of the favourable results recorded thus far in the current business year, MünchenerHyp views the final quarter with confidence and anticipates that its net income for the full year will be moderately higher than last year’s figure.

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