

Press release

Münchener Hypothekbank achieves strong annual result for 2024

- Net income increased to EUR 105.6 million
- New mortgage business improved to EUR 3.1 billion
- First fully automated credit assessment system for property financing launched

Munich, 28 April 2025 – Münchener Hypothekbank ended the 2024 financial year with a positive result and achieved its strategic goals. Net income increased to EUR 105.6 million. The improvement in its earning power allows the Bank not only to increase its reserves, but also to distribute a dividend of 4.0 percent.

“In the 2024 financial year, we proved once again that we can increase our earning power and continue our successful journey on a sustainable basis in a still very challenging market,” said Dr Holger Horn, CEO of Münchener Hypothekbank.

Net interest income and new business increased

Net interest income rose to EUR 532.5 million (2023: EUR 518.5 million), while net commission expenses improved to minus EUR 64.3 million (2023: minus EUR 67.5 million), resulting in net interest and commission income of EUR 468.1 million (2023: EUR 450.9 million). Administrative expenses decreased to EUR 152.3 million (2023: EUR 164.6 million), mainly because no bank levy was payable last year. The cost-income ratio was 32.5 percent (2023: 36.5 percent).

New mortgage business reflected the continuing stagnation of property markets in 2024. The markets only gradually began to show the first signs of recovery, with new business rising slightly to EUR 3.1 billion (2023: EUR 2.9 billion). The Bank was able to increase new business in private residential property financing to EUR 1.7 billion (2023: EUR 1.3 billion). Amid sluggish market demand, the volume of commitments in commercial property financing declined to EUR 1.4 billion (2023: EUR 1.6 billion).

Capital and reserves strengthened

Loan loss provisions amounting to a net total of minus EUR 90.1 million (2023: minus EUR 103.7 million) continued to reflect a challenging market situation. Consequently, the operating result after loan loss provisions (income from ordinary business activities) came to EUR 190.9 million (2023: EUR 170.9 million). After tax expenses of EUR 79.3 million (2023: EUR 66.2 million) and an allocation of EUR 6 million to the fund for general banking risks, net income for the financial year was EUR 105.6 million (2023: EUR 102.1 million).

Münchener Hypothekenbank strengthened its own funds with additions to reserves totalling EUR 55 million. Overall, the Bank's own funds increased to EUR 2.48 billion (2023: EUR 2.36 billion). At year-end 2024, the common equity Tier 1 ratio stood at 16.7 percent (2023: 16.5 percent). The total capital ratio was unchanged at 22.2 percent (2023: 22.2 percent).

Strong positioning on Pfandbrief markets

On the Pfandbrief markets, despite a decline in issuance activity and rising prices for new issues, Münchener Hypothekenbank successfully placed one classic and two green Mortgage Pfandbriefe in benchmark format. "Our Pfandbriefe not only met with strong demand, they also strengthened Münchener Hypothekenbank's reputation as a reliable and sustainable issuer," said Dr Holger Horn.

With an issuance volume totalling EUR 3.2 billion, Mortgage Pfandbriefe remained the most important source of funding for Münchener Hypothekenbank.

Outlook

For the current year of 2025, Münchener Hypothekenbank has set itself the target of growing its new mortgage business by eight percent. To achieve this goal in a still difficult market environment, the Bank plans to expand its product range and develop digital processes for more efficient lending.

As part of this process, at the beginning of the second quarter Münchener Hypothekenbank launched MHB RAPID, the first fully automated credit assessment system for property financing. This will allow it to make binding credit decisions within a very short time.

Münchener Hypothekenbank therefore looks forward to 2025 with confidence and continues to expect a stable and solid business result.



The 2024 Annual Report is published at www.mhb.de.

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