

Press Release

Capital market premiere: MünchenerHyp issues the first sustainable Mortgage Pfandbrief

Munich, September 17, 2014 – Münchener Hypothekenbank eG generated a notable excitement in the capital markets today when it issued the world's first ESG Mortgage Pfandbrief (Environment, Social, Governance). Coverage for the issue is based on sustainable ecological, social and political-socio criteria. The € 300 million issue was very successful and was oversubscribed by a factor of 1.6 within a short period of time.

“We are quite pleased by the market's exceptionally favourable response to our premiere issue. At the same time it also reflects the important role that sustainability already plays today for investors in the capital market”, said Dr. Louis Hagen, Spokesman for the Münchener Hypothekenbank's Board of Management.

The sustainable Mortgage Pfandbrief has a term of five years and a coupon of 0.375 percent. Due to heavy demand the issue was priced 10 basis points below the mid-swap rate.

Germany accounted for more than 60 percent of the demand shown for the issue. Orders were received from 7 European countries while on the investors' side, 47 percent, of the volume was acquired by banks. It was notable that about one third of the volume issued was purchased by sustainability-oriented investors. “The new issue enabled us to generate enthusiasm for the Pfandbrief among new investors and introduce them to MünchenerHyp”, said Rafael Scholz, MünchenerHyp's Head of Treasury.

The issue was accompanied by Crédit Agricole, LBBW and WGZ BANK.

The rating agency Moody's has given its highest rating of Aaa to MünchenerHyp's Pfandbriefe. In addition, MünchenerHyp requested oekom research, a sustainability rating agency, to examine the sustainable merits of the issue. In their second party opinion oekom research stated that the Mortgage Pfandbrief did embody favourable sustainability and confirmed the issue's social and ecological aspects.



MünchenerHyp

MünchenerHyp will use the proceeds of the Mortgage Pfandbrief issue to refinance loans to cooperative home building associations in Germany that meet specific sustainability criteria. Cooperative home building associations promote the creation of affordable housing for broad segments of the population. The loans granted by MünchenerHyp will be used to purchase, build, or maintain housing that will be used by socially weaker members of society and will also be employed to renovate buildings to make them more energy-efficient. In total, the proceeds of the Pfandbrief will provide support to about 200 cooperative home building associations.

For additional information please contact:

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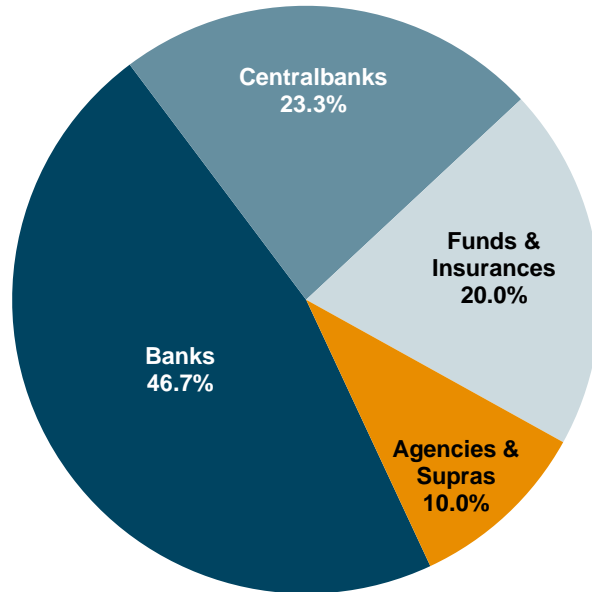


MünchenerHyp

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Investors



Geographic split

