



Press Release

**Moody's raises outlook for ratings of MünchenerHyp's uncovered liabilities and fundamental financial strength to stable**

Munich, March 3, 2014 – The rating agency Moody's has raised the outlook for its ratings for uncovered liabilities (A2) and fundamental financial strength (D) of Münchener Hypothekbank eG from negative to stable. In addition, the Prime-1 rating for the Bank's short-term liabilities was confirmed.

Moody's justified this step by noting that MünchenerHyp had strengthened its level of equity capital in 2013. "Last year we were able to increase our common equity Tier 1 capital by about €90 million," said Dr. Louis Hagen, Spokesman for the Münchener Hypothekbank's Board of Management.

The rating agency further noted that the risk content of the Bank's loan portfolio had improved. The Bank had continued to reduce loans originated in countries within the eurozone that had been harder hit by the debt crisis, as well as with banks located in these countries. In addition, the Bank had further reduced its portfolio of loans originated in the USA.

In addition, Moody's pointed out that MünchenerHyp had earned a high reputation in the capital market as an issuer of Pfandbriefe and thus had a correspondingly high level of refinancing strength. Dr. Hagen further noted that: "This is also reflected by the fact that we were elected as the best international Pfandbrief issuer by our investors and other market participants."

The firm ties and support within the Cooperative Financial Network were also favourably acknowledged by the agency.

“We are pleased that our efforts to strengthen MünchenerHyp to meet future challenges have been honoured. The raised outlook is motivation for us to further improve our ratings”, said Dr. Hagen.

Moody’s ratings for MünchenerHyp’s Mortgage and Public Pfandbriefe remained unchanged with the agency’s top rating of Aaa.

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