



Press Release

MünchenerHyp: New business and earnings continue to rise sharply during nine months ending 30 September 2015

- Net interest income rises by 35 percent to € 161.7 million
- New property financing grows 17 percent to € 3.7 billion
- Outlook: Higher net income anticipated for full year

Munich, October 21, 2015 – Münchener Hypothekbank eG's earnings figures are increasingly reflecting the Bank's unbroken run of new business success. As of 30 September 2015 the Bank's net interest income figure was about 35 percent higher than the same year-ago figure and amounted to € 161.7 million. Commenting on the nine-month results for 2015 Dr. Louis Hagen, Spokesman for the Münchener Hypothekbank's Board of Management, noted: "We have made additional progress towards our strategic objective of sustainably strengthening MünchenerHyp's earning power."

The favourable development of the Bank's new business results also continued as the Bank made a total of € 3.7 billion in new property loans by the end of September, or 17 percent more than in the same year-ago period. Against the background of the unchanging heavy demand for property loans in Germany the Bank posted a 12 percent increase in its new residential property business, which rose to € 2.7 billion. During the third quarter MünchenerHyp was able to notably expand its new commercial property financing business – including loans to housing companies – over results recorded in the first half of 2015. In comparison to the first nine months of 2014 the Bank's results in this segment climbed by almost one-third to about € 1 billion.



On the refinancing side of its business, MünchenerHyp successfully floated two additional benchmark issues in the third quarter. A € 750 million Mortgage Pfandbrief with a term of just over five years was placed at a spread of 17 basis points below the mid-swap rate in July. This issue was followed in September by a € 500 million Mortgage Pfandbrief with a term of over six years, which was placed at a spread of 10 basis points below the mid-swap rate.

The Bank remained satisfied with the stable development of the risk situation in its lending business. Results from normal business operations rose by 46 percent to € 36.5 million. The pro rata temporis net income for the year – after deduction of taxes – increased by € 5.4 million to € 21.8 million.

The value of MünchenerHyp's total assets rose by about € 1 billion from the start of the year to € 37.4 billion. This increase was mainly due to the Bank's successful new business activities. The Bank was able to expand its portfolio of mortgage loans by € 1.5 billion to about € 25 billion. As planned, the size of the Bank's portfolio related to its capital market business activities declined further.

As of 30 September 2015 the Bank's common equity Tier 1 ratio was 13.0 percent (12.5 percent as of 31 December 2014), while its Tier 1 capital ratio was 14.7 percent (14.2 percent as of 31 December 2014), and its total capital ratio stood at 18.4 percent (18.3 percent as of 31 December 2014).

MünchenerHyp is confident that its new business in its residential and commercial property segments will continue to develop favourably in the fourth quarter of the year. Against this background, the Bank anticipates that it will be able to post a higher net income figure for 2015 than it did in the previous year.



MünchenerHyp

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