



Press release

MünchenerHyp posts strong third-quarter growth in new business

Munich, 25 October 2018 – Münchener Hypothekenbank eG (MünchenerHyp) substantially expanded its new mortgage lending in the third quarter of 2018. It provided € 1.8 billion of property financing over the three-month period, up more than 60 percent on the third quarter of the previous year. The bank's new business as of 30 September 2018 totalled approximately € 4.0 billion, compared to € 3.9 billion in the same period of 2017. "We generated superb new business from July to September. This more than compensated for the rather patchy financing business in the first six months of the year," said Dr Louis Hagen, Chairman of the Board of Management at MünchenerHyp.

MünchenerHyp achieved substantial gains particularly in commercial property finance, where, by the end of September, the volume of commitments was up by around 30 percent year on year at € 1.8 billion. "We are benefiting from very brisk demand, especially in the international business," said Dr Hagen. MünchenerHyp also improved on its first-half results in private real estate financing. The bank made lending commitments of € 824 million in the third quarter, an increase of more than 10 percent on the same period of the previous year. New business in this segment totalled € 2.2 billion as of 30 September 2018 (30 September 2017: € 2.5 billion).

MünchenerHyp also boosted its earnings power amid the growth in new business. Net interest income increased by € 18.1 million or 9.5 percent to € 208.4 million as of 30 September 2018. With a slight fall in commission expenses, net interest and commission income rose by 16 percent to € 155.4 million (30 September 2017: € 134.2 million).

The risk situation in the lending business remained satisfactory with risk provisions still at a low level. The result from ordinary business activities as of 30 September 2018 was € 53.6 million (30 September 2017: € 56.3 million). The pro rata net income for the year – after tax deductions – was € 32.9 million (30 September 2017: € 32.6 million).



Total assets have grown by € 0.8 billion in the year to date to reach € 39.7 billion. MünchenerHyp continued to significantly expand its portfolio of mortgage loans: an increase of more than € 1.8 billion took the total portfolio to approximately € 31.0 billion. The bank further reduced its capital markets portfolio in line with its business strategy.

As of 30 September 2018, the bank's Common Equity Tier 1 capital ratio and Tier 1 capital ratio both stood at 21.7 percent (31 December 2017: both 23.8 percent). The total capital ratio was 22.9 percent (31 December 2017: 25.2 percent).

“We want to carry the momentum of the summer into the final quarter of the year and further expand new business. We are confident that net profit will match the previous year's level,” said Dr Hagen.

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