Press Release

MünchenerHyp strengthens its capital resources in preparation for ECB supervision

Munich, July 15, 2014 – Münchener Hypothekenbank eG has significantly improved its own capital resources by raising about € 400 million of common equity Tier one capital during the first six months of this year. The capital was raised within the framework of a broadly based effort to attract additional paid up capital from within the Cooperative Financial Network. As a result, the Bank's common equity Tier one capital ratio rose substantially to 11.1 percent as of June 30, 2014 from 6.3 percent recorded at the end of 2013.

"We are very satisfied with the results of our efforts to attract additional capital. The response among the cooperative banks and companies within the Cooperative Financial Network was tremendous. The solidarity seen within the Cooperative Financial Network and the collegial support we received, especially from the associations, was impressive," said Dr. Louis Hagen, Spokesman for the Münchener Hypothekenbank's Board of Management.

The efforts were primarily aimed at banks within the Cooperative Financial Network; MünchenerHyp enjoys very close ties with these banks as they share the same legal status as cooperative banks as well as membership in the Cooperative Financial Network. In addition, MünchenerHyp was very successful in attracting capital from its private members.

The background of the Bank's successful efforts to increase its capital is that as of November 2014 MünchenerHyp will be placed under the direct supervision of the European Central Bank (ECB). This change will result in new regulatory requirements, especially rules concerning the level and granularity of the Bank's capital resources including a minimum common equity Tier one capital ratio of 8 percent. The ECB only announced its exact requirements at the end of October 2013, which left the Bank with just a very short time to prepare and carry out its efforts to increase its paid up capital.

In view of the ECB's Asset Quality Review in the spring of 2014 and the stress test, the Bank initially aimed to increase its common equity Tier one capital ratio to 9 percent to have a prudent capital buffer that exceeded the ECB's requirements. The results of the Bank's capital-raising efforts, which ended as planned at the end of June, significantly exceeded the target.

Dr. Louis Hagen further noted that "we view the upcoming results of the stress test and the Asset Quality Review with confidence. I am certain that we are now well prepared to fully meet future supervisory requirements." It is anticipated that the ECB will announce these results in the fall of 2014.

For additional information please contact:

Dr. Phil Zundel
Head of Board of Management Staff and
Human Resources
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 Munich
Telephone +49 89 5387-319
Telefax +49 89 5387-77319
E-Mail: Phil.Zundel@muenchenerhyp.de

Dr. Benno-Eide Siebs
Press Officer
Board of Management Staff and
Human Resources
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 Munich
Telephone +49 89 5387-314
Telefax +49 89 5387-77314
E-Mail: Benno-Eide.Siebs@muenchenerhyp.de