



Press Release

MünchenerHyp continues to generate strong new business

Munich, 24 October 2019 – New business at Münchener Hypothekenbank eG (MünchenerHyp) continued to develop very dynamically in the third quarter. The total volume of newly committed property loans made as at 30 September 2019 amounted to almost € 5.0 billion, which is around € 1.0 billion or 25 percent more than at the same time last year.

The Bank's new residential property financing business rose by 35 percent to € 3.0 billion. This growth was driven on the one hand by the group business with MünchenerHyp's cooperative partners within the Cooperative Financial Network, which increased by 28 percent to € 2.1 billion. On the other hand, property financing brokered by independent providers of financial services rose by 81 percent to € 614 million. New business generated by our collaboration with Swiss PostFinance also expanded. After entering the Austrian market towards the end of the first half of the year, the Bank made its initial lending commitments in the third quarter.

In the first nine months of this year, MünchenerHyp made around € 2.0 billion in commercial property loans, for a 13 percent increase. This is mainly attributable to our domestic financing business, which at around € 1.5 billion was 47 percent higher than the volume reported at the same time last year.

“We are very satisfied with the dynamic development of our new business this year. It reflects both MünchenerHyp's growing importance as a high-performance property bank and our expertise in financing residential and commercial property,” said Dr. Louis Hagen, CEO of MünchenerHyp.



Net interest income rose by € 11.1 million or 5.3 percent to € 219.5 million as of September 30, 2019. In view of the strong growth in new business, commission expenses increased very significantly, with the result that net interest and commission income of € 155.6 million was at the previous year's level (September 30, 2018: € 155.4 million).

Against the background of the Bank's continued conservative risk policy and the favourable market conditions, the risk situation in the lending business remains stable with very moderate provisions made for risks. The result from ordinary business activities amounted to € 58.3 million as of September 30, 2019 (September 30, 2018: € 53.6 million). The pro rata temporis net income – after deduction of taxes – amounted to € 30.9 million (September 30, 2018: € 32.9 million).

Total assets grew by € 2.9 billion to € 43.3 billion during the first nine months. MünchenerHyp was able to significantly expand its mortgage loan portfolio, which increased by € 2.9 billion to € 34.8 billion.

The Common Equity Tier 1 capital ratio and the Tier 1 capital ratio each stood at 19.9 percent as at September 30, 2019 (December 31, 2018: 21.7 percent each). The total capital ratio was 20.6 percent (December 31, 2018: 22.9 percent). "This means that we continue to have a very good equity base. However, as we want to continue to grow and expand our loan portfolios, we need additional equity to support this course," said Dr. Louis Hagen. The Bank therefore intends to raise additional core capital and plans to issue an Additional Tier 1 bond in Swiss francs in the near future.

MünchenerHyp is also confident for the fourth quarter: "We expect the good demand for our financing solutions to continue and expect to exceed the new business results noted in the previous year," said Dr. Louis Hagen.



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For additional information please contact:

Dr Phil Zundel
Head of Board of Management Staff | Organisation |
Human Resources
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 Munich
Telephone +49 89 5387-2000
E-mail: Phil.Zundel@muenchenerhyp.de

Dr Benno-Eide Siebs
Press spokesman
Board of Management Staff | Organisation |
Human Resources
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 Munich
Telephone +49 89 5387-2020
E-mail: Benno-Eide.Siebs@muenchenerhyp.de

EXCERPT FROM THE BALANCE SHEET

in million € ...	30 Sept 2019	31 Dec 2018
Claims on banks	2,433.6	1,741.0
of which:		
Mortgage loans	4.4	4.9
Public-sector loans	122.3	126.4
Other claims	2,306.9	1,609.7
Claims on customers	37,084.3	34,284.9
of which:		
Mortgage loans	34,784.0	31,874.0
Public-sector loans	2,066.0	2,235.8
Other claims	234.3	175.1
Bonds and other fixed-income securities	3,264.9	3,459.0
Liabilities to banks	5,035.7	5,089.9
of which:		
Registered mortgage Pfandbriefe issued	714.9	789.6
Registered public Pfandbriefe issued	56.9	85.4
Liabilities to clients	16,384.6	15,238.0
of which:		
Registered mortgage Pfandbriefe issued	9,892.8	9,602.2
Registered public Pfandbriefe issued	2,049.9	2,142.1
Certificated liabilities	20,023.7	18,235.1
of which:		
Registered mortgage Pfandbriefe issued	16,183.9	14,745.0
Registered public Pfandbriefe issued	236.2	231.3
Other bonds and notes issued	3,517.0	3,208.8
Other certificated liabilities	86.5	50.0
Subordinated liabilities	79.2	106.2



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Fund for general banking risks	35.0	35.0
Capital and reserves	1,416.2	1,388.1
of which:		
Members' capital contributions	1,065.0	1,032.6
Silent participations	0.0	2.0
Reserves	320.0	320.0
Unappropriated profit	31.2	33.5
Total assets	43,346.1	40,391.2

EXCERPT FROM INCOME STATEMENT

in million € ... for period January 1st to September 30th	2019	2018
Interest income	710.6	731.1
Interest expenses	492.6	524.2
Current income	1.5	1.5
Net interest income	219.5	208.4
Net commission income	-63.8	-53.0
Net interest and commission income	155.6	155.4
Personnel expenses	42.0	37.2
Other administrative expenses	51.1	38.7
Depreciation and write-downs on intangible and tangible assets	4.5	4.5
Administrative expenses	97.6	80.4
Other operational expenses/income	-3.2	-6.3
Write-downs and adjustments of claims and certain securities, as well as additions to provision for possible loan losses	0.0	-15.1
Income from reversals of write-downs to claims and certain securities, as well as from reversals of provisions for possible loan losses	3.5	0.0
Results from ordinary business activities	58.3	53.6
Taxes on revenue and income	-27.4	-20.7
Net income	30.9	32.9

BUSINESS DEVELOPMENT

in million € ... for period January 1st to September 30th	2019	2018
Loan commitments	4,976.6	3,981.6
of which:		
Mortgage commitments	4,976.6	3,981.6
of which:		
Residential property financing	2,996.7	2,204.0
Commercial property financing	2,009.9	1,777.6
States/banks	0.0	0.0
Mortgage loan disbursements	4,729.4	3,515.1
of which:		
Mortgage loans	4,729.4	3,515.1
States/banks	0.0	0.0
Inflow of refinancing resources	5,139.0	2,564.4

EMPLOYEES

... for period January 1st to September 30th	2019	2018
Average number of employees	569	543
not included:		
Apprentices	13	9
Employees participating in parental leave, early retirement, partial retirement (non-working phase), and employees suspended with pay	35	29