

Press Release

## **MünchenerHyp posts further increase in earnings power in first half of 2021**

- Net interest and commission income up 12 percent to € 125.0 million
- New mortgage lending commitments made total € 3.1 billion, just slightly below previous year's level of € 3.2 billion
- Mortgage loan portfolio expanded by 4 percent since start of year to € 40.0 billion

Munich, 24 August 2021 – Münchener Hypothekenbank eG (MünchenerHyp) further consolidated its earnings growth in the first half of 2021 as its net interest income rose by 14 percent over the same year-ago period to € 187.9 million. Despite the increase in commission expenses, the property finance bank was able to significantly expand its net interest and commission income, which increased by 12 percent to € 125.0 million.

Administrative expenses rose by 2.1 percent to € 68.1 million. The property bank was satisfied with the development of provisions made for risk in its credit business. After taking into account the possible future course of the COVID-19 pandemic the Bank made precautionary allocations to possible credit risks to prepare for currently unidentified risks.

As of 30 June 2021 results from ordinary business activities increased to € 39.7 million (30 June 2020: € 26.9 million).

“During the first half of 2021 we were able to further grow our earnings thereby bringing us a good deal closer to our goal of sustainably strengthening MünchenerHyp's earnings power,” said Dr. Louis Hagen, the Chairman of MünchenerHyp's Board of Management.

Thanks to the good demand seen for property and property financing, MünchenerHyp's new business results continued to develop favourably at a high level. The Bank was able to expand the volume of new lending commitments made in the private residential property financing area of business by 7 percent to € 2.1 billion, of which the majority share of just under € 1.5 billion



(30 June 2020: € 1.5 billion ) was generated with German cooperative banks. The Bank's business with independent providers of financial services rose to € 433 million (30 June 2020: € 266 million), as did its business with Swiss PostFinance, which increased to € 173 million (30 June 2020: € 129 million).

During the first half of the year around € 1 billion (June 30, 2020: € 1.25 billion) of the commercial real estate financing transactions currently being processed or initiated realised. The main emphasis was on the financing business in Germany and in the asset classes of office, residential and logistics properties.

Due to its favourable new business performance the Bank further expanded its portfolio of mortgage loans, which grew by 4 percent since the start of 2021 to € 40.0 billion for the first time. The Bank's capital market business portfolio with public sector borrowers and banks remained unchanged at € 3.7 billion, the level posted at the end of 2020.

MünchenerHyp's refinancing activities featured the placement of three particularly successful benchmark mortgage Pfandbriefe – two long-dated Pfandbriefe with terms of just less than 19 years and 15 years, as well as a Pfandbrief denominated in British pounds with a term of 3.5 years, all of which were issued at attractive conditions and received strong investor interest. Among the unsecured financings, a green senior non-preferred bond in the benchmark format of € 500 million stood out. MünchenerHyp thus expanded its spectrum of sustainable securities.

MünchenerHyp's level of equity capital remains very notably over the legal and supervisory requirements. As at 30 June 2021 the Bank's Common Equity Tier 1 ratio was 19.7 percent (31 December 2020: 20.6 percent). The Tier 1 capital ratio was 21.1 percent (31 December 2020: 22.2 percent), while the total capital ratio was 21.6 percent (31 December 2020: 22.8 percent).

MünchenerHyp anticipates that its new business will develop favourably over the remainder of 2021 as it expects the property market to reflect stable to favourable development. Hagen further noted: "The pipeline is well filled and we are optimistic that the good demand for property financing will continue. At the same time, there are still risks facing the economy and the property markets from new waves of the COVID-19 pandemic."

MünchenerHyp is publishing its 2021 half-year financial statements today at [www.muenchenerhyp.com](http://www.muenchenerhyp.com).



MünchenerHyp

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