



Press Release

MünchenerHyp further strengthens earnings powers in difficult market environment

- Net interest and net commission income rises by 7 percent to € 222.1 million
- Results from ordinary business activities increases by 19.8 percent to € 83.5 million
- Portfolio of mortgage loans grows by 6 percent since beginning of year to € 44.1 billion
- New business declines by 10 percent to € 4.3 billion

Munich, 25 October 2022 – Despite the declining situation in the property market Münchener Hypothekenbank eG (MünchenerHyp) was able to further expand its earnings power and portfolio of mortgage loans as of 30 September 2022.

Net interest income rose by 2.9 percent to € 308.7 million, which represents an increase of more than 60 percent over the last five years. With commission expenses 6.2 percent lower, the property bank's net interest and commission income increased by 7 percent to € 222.1 million.

An additional factor driving the continuous growth in earnings was the good level of new business in recent years, which is also reflected in the further growth of the Bank's mortgage loan portfolio, which increased by 6 percent since the beginning of the year to € 44.1 billion as of 30 September 2022. The Bank's capital market business portfolio with sovereigns and banks amounted to € 3.6 billion and was at the same level as at the end of 2021. Provisions for possible lending risks have taken the deteriorating situation in the economy and the property markets into account and appropriate adjustments have already been made.

Results from ordinary business operations as of 30 September 2022 increased to € 83.5 million (30 September.2021: € 69.7 million). After deductions for tax expenses, the pro rata temporis net income for the year totalled € 45.1 million (30 September 2021 € 33.2 million).



"Our nine month results reflect the soundness of our growth strategy even during times of increasingly difficult conditions. Due to the sustained growth of our mortgage portfolio, we have solid earnings power," said Dr. Louis Hagen, CEO of MünchenerHyp.

The cooling of the property markets was initially reflected in MünchenerHyp's new business results for the third quarter. Following a strong first half of 2022, the summer months saw demand for property financing fall by about half compared to the same year-ago period. Total new business for the first nine months of this year amounted to € 4.3 billion, or 10 percent less than in the same period last year. The volume of new lending commitments made in the private residential property financing segment totalled € 2.8 billion, compared to the same year-ago figure of € 3.2 billion. The greatest portion of this, € 2.1 billion (30 September 2021: € 2.3 billion), was generated by business brokered by cooperative banks within the Cooperative Financial Network. As of 30 September 2022 new business in the commercial property financing segment amounted to over € 1.5 billion, close to the previous year's figure (30 September 2021: € 1.6 billion). International business generated € 424 million for a slight gain of 3 percent.

The Bank continued to obtain refinancing at favourable conditions with its second Jumbo Pfandbrief issue in August. The volume of the ten-year Mortgage Pfandbrief was € 1 billion. Demand was so strong that the order book was closed after just two hours with a recorded volume of € 2.1 billion.

At the end of the third quarter MünchenerHyp's core capital resources had risen by 2 percent to € 1.7 billion, due in particular to the € 24.9 million increase in the Bank's paid-up capital to € 1.3 billion. On 30 September 2022 the Bank's Common Equity Tier 1 ratio was 18.7 percent (31 December 2021: 20.4 percent), which remained significantly higher than the legal and regulatory requirements. The Tier 1 capital ratio was 21.0 percent (31 December 2021: 21.9 percent), while the total capital ratio was 21.4 percent (31 December 2021: 22.5 percent).

Against the background of economic developments and further increases in lending rates, MünchenerHyp expects its new business to develop at a subdued pace in the fourth quarter and earnings to be slightly lower than in the corresponding quarter of last year due to higher provisions for general lending risks.



MünchenerHyp

For additional information please contact:

Dr Phil Zundel
Head of Central Services
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
Head of Communications and Marketing
Central Services
Münchener Hypothekenbank eG
Karl-Scharnagl-Ring 10, 80539 Munich
Telephone +49 89 5387-2020
E-mail: Benno-Eide.Siebs@muenchenerhyp.de