

## Press release

### **Münchener Hypothekbank continues its positive development**

Munich, 20 August 2024 – Münchener Hypothekbank performed well in the first half of 2024 despite ongoing challenges on the property markets. Net interest and commission income grew by 12 percent to EUR 232.6 million. Administrative expenses fell by 8 percent to EUR 77.1 million. One key reason for this was the reduction in the bank levy, for which no contributions are required to be paid this year. At the same time, there was an increase in expenses for regulatory projects in particular.

Loan loss provisions totalled EUR 51.3 million as at 30 June 2024 and thus remained stable year on year. By recognising these provisions, particularly collective impairment allowances, Münchener Hypothekbank provided for potential risks that could arise due to weak economic development.

The result from ordinary business activities rose by 41 percent to EUR 104.6 million. After deduction of tax expenses in the amount of EUR 43.6 million, pro rata net income for the year was EUR 60.9 million, an increase of 14 percent.

Regulatory own funds amounted to EUR 2.34 billion (31 December 2023: EUR 2.36 billion). As at 30 June 2024, the Common Equity Tier 1 capital ratio stood at 15.6 percent (31 December 2023: 16.5 percent) and the total capital ratio was 20.6 percent (31 December 2023: 22.2 percent).

“In an environment in which demand for new property financing remains weak, we have continued to strengthen our profitability and achieved a good result. Münchener Hypothekbank therefore remains on track,” said Dr Holger Horn, CEO of Münchener Hypothekbank.

In lending business, national and international property markets continued to face uncertainty and falling transaction volumes. In this context, Münchener Hypothekbank’s business developed almost as projected with growth of 14 percent to a total of EUR 1.5 billion, largely due



to substantial follow-on financing in commercial property financing business. The loan portfolio stood at EUR 46.5 billion as at 30 June 2024, the same level as at the end of 2023.

The Bank's funding requirements are lower this year than last year. It therefore issued only one green Mortgage Pfandbrief in benchmark format with a volume of EUR 500 million in the first half of the year, for which demand was exceptionally strong. In July it issued a conventional Mortgage Pfandbrief, also with a volume of EUR 500 million. The issuance volume totalled EUR 3.1 billion as at 30 June 2024.

The rating agency Moody's raised several of its ratings for Münchener Hypothekenbank in the first half of the year, particularly the issuer rating and the ratings for long-term deposits, senior unsecured bonds and long-term counterparty risk. Moody's upgraded these ratings from Aa3 to Aa2, the same issuer rating as for France. In justifying the upgrades, Moody's highlighted Münchener Hypothekenbank's membership of the Cooperative Financial Network and its importance to the network.

Münchener Hypothekenbank expects to meet its targets for earnings and new business in the rest of the year. The Bank expects property markets to recover only gradually in view of restraint among investors.

Münchener Hypothekenbank is publishing its half-year financial statements for 2024 today at [www.mhb.de/en](http://www.mhb.de/en).

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