

NON-RATING ACTION COMMENTARY

Berlin Hyp's Merger into LBBW Neutral to Ratings

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Fitch Ratings-Frankfurt am Main-27 September 2024: The merger of specialised commercial real estate lender Berlin Hyp AG (A+/Stable) into Landesbank Baden-Wuerttemberg (LBBW; A+/Stable), planned for 1H25, is neutral to BerlinHyp's ratings, Fitch Ratings says.

LBBW announced today that it will combine Berlin Hyp's and its own commercial real estate financing activities in a new legally dependent unit under LBBW, maintaining Berlin Hyp's brand and organisational structure. This follows LBBW's acquisition of the specialised CRE lender in 2022. As part of the merger, Berlin Hyp's debt will be transferred to LBBW, which becomes its legal successor. All future debt of the group will be issued by LBBW.

Berlin Hyp's Issuer Default Ratings (IDR) and debt ratings are already aligned with the ratings of LBBW, its sole shareholder. This reflects Berlin Hyp being part of LBBW's resolution perimeter and our view that LBBW's reputation would be greatly damaged if it did not support its subsidiary if needed.

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