

Press Information, 29 October 2019

Berlin Hyp issues its eighth Green Bond since 2015

With yesterday's issue, Berlin Hyp successfully issued its fourth Green Senior Preferred Bond and thus its eighth Green Bond in total. Just 4 ½ years after the bank's inaugural issuance, the volume of outstanding Green Bonds increases to € 4 billion, distributed across four Green Pfandbriefe and four Green Senior Unsecured Bonds each. Thus, Berlin Hyp remains the most active European bank issuer of Green Bonds.

The ten-year € 500 million Senior Preferred bond has a coupon of 0.50% and is rated Aa2 by Moody's and A+ by Fitch. Its positive sustainability performance is documented in a Second Party Opinion by ISS-oekom.

On Wednesday morning at 9.00 a.m. syndicate banks Crédit Agricole, DZ Bank, HSBC, LBBW and UniCredit opened the order book with an initial price thought (IPT) of mid-swap +65 basis points. Bankhaus Lampe was mandated as a Co-Lead Manager.

Until 11.15 a.m. the syndicate banks collected orders of more than 1 billion euros, allowing to set a spread guidance of mid-swap +50/55 basis points. Until the closing of the order book at 11.45 a.m., a total of 111 investors had placed their orders of more than EUR 1.2 billion and enabled banks to set the final re-offer spread at mid-swap +50 basis points.

The bulk of orders (66%) were allocated to domestic investors. From abroad, investors from France (10%), Switzerland and Austria (6%) and Scandinavia (5%) were particularly interested. Banks ordered around 41% of the bond, while funds participated with 39%. A further 12% went to insurance companies. Savings banks and affiliated companies subscribed to almost 23% of the issue. SRI investors accounted for 55% of the final order book.

"We are proud that we were again able to launch two benchmark Green Bonds in 2019. The fact that we have already issued a total of eight Green Bonds shows how well we have succeeded in expanding our green finance portfolio," said Gero Bergmann, member of the Board of Management of Berlin Hyp responsible for capital market business. "The capital market will play an even more important role in achieving the climate targets in the future. Together with our customers and investors, we want to contribute to achieving these goals."

Berlin Hyp uses the proceeds from the issue to refinance loans for green buildings. The applicable criteria for classification as a green building are predominantly based on the energy efficiency of a commercial property, but also include other sustainability criteria. As with all of its other green bonds, the bank does its best efforts to invest an amount equivalent to the proceeds from the issue in additional new green building financing within the term of the bond.

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Berlin Hyp specialises in large-volume real estate finance for professional investors and housing societies, for whom the Bank develops individual financing solutions. As an enterprise forming a Group together with the German savings banks, it also makes an extensive spectrum of products and services available to these institutions. Berlin Hyp is not only at the forefront as the issuer of the first Green Pfandbrief; the bank also supports the financing of sustainable real estate. Berlin Hyp's clear focus, 150 years of experience and the ability to actively shape the digital transformation in the real estate sector with an eye to the future characterise the Bank as a leading German real estate and Pfandbrief bank.